

## **ASSET PURCHASE AGREEMENT**

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is entered into as of the 2nd day of April, 2013, by and between Kona Coast Radio, LLC, a Wyoming Limited Liability Company ("Seller") and Proshop Radio Broadcasting, LLC, a Wyoming Limited Liability Company ("Buyer").

### **Background**

WHEREAS, Seller has an AM radio station license (BL-20080919AFM) with the Federal Communications Commission ("FCC") for an AM Broadcast Station KRAE Cheyenne, Wyoming (Facility ID No. 35510) (the "License"); and

WHEREAS, subject to FCC consent, Seller wishes to sell to Buyer the License and certain other assets relating thereto, and Buyer wishes to receive the same from Seller.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, representations and covenants contained herein, the parties, intending to be bound legally, subject to the terms and conditions set forth herein agree as follows:

#### **1. Assignment and Sale of License.**

a. Subject to the terms and conditions set forth in this Agreement, Seller agrees to convey, transfer and assign to Buyer at the Closing (as defined in Section 3) all of Seller's right, title and interest in and to the License (copies of which are annexed hereto in Schedule 1). Other than those assets listed on Schedule 9(k), there are no other assets relating to the License being sold.

b. Buyer shall pay Seller FIFTY THOUSAND DOLLARS (\$50,000.00) (the "Purchase Price") for the License according to the following schedule:

1. At Closing, Buyer shall pay to Seller the total sum of FIFTY THOUSAND DOLLARS (\$50,000.00). This payment will be made in the form of FIVE THOUSAND DOLLARS (\$5,000.00) in cash, buy bank cashier's check or electronic wire transfer, which will also include the escrow deposit, and a promissory note for FORTY FIVE THOUSAND DOLLARS in the form as listed on Schedule 9(j) attached

2. Upon execution of this agreement, Buyer shall deposit the sum of ONE THOUSAND DOLLARS (\$1,000.00) as a deposit payable into escrow with Seller. This deposit will only be returned to Buyer in the event the FCC does not approve the assignment of the License within one year from the date of this Agreement, and that the delay of the assignment is not caused by the fault of the Buyer in any way.

2. **FCC Consent.** Within seven (7) business days of the execution of this Agreement, the parties shall file an application (the "Assignment Application") for FCC consent to the assignment of the License (the "FCC Consent"). Each party shall be responsible for its own costs relating to the preparation of the Assignment Application. Buyer and Seller agree to

proceed expeditiously and with due diligence to use their best efforts to cooperate with each other in seeking the FCC's approval of the transaction contemplated herewith.

3. **Closing.** Within ten (10) business days after the FCC Consent in an FCC public notice has become a final order, the parties shall consummate the transaction contemplated by this Agreement at a closing (the "Closing"). At the Closing, Seller shall deliver to Buyer a Bill of Sale and an Assignment of License and any other documents of conveyance reasonably requested by Buyer and necessary to consummate the transaction contemplated by this Agreement. Buyer may elect to consummate this transaction prior to finality and Seller shall cooperate with Buyer if the Closing is accelerated.

4. **Pre-Closing Covenants.** Should Buyer wish to modify the License prior to Closing, Seller will cooperate in the filing of such applications and provide written permission to Buyer for filing with the FCC, as necessary; however, Buyer shall be responsible for the payment of all legal, filing fees and engineering costs associated with such filings. The parties will cooperate fully with each other in fulfilling their respective obligations under this Agreement, including using their respective reasonable best efforts to obtain the required FCC Consent.

5. **Conditions Precedent to Closing.** The parties acknowledge and agree that the FCC Consent to the assignment of the License from Seller to Buyer is a condition precedent to the Closing.

6. **Representations and Warranties.** Each party hereto expressly represents and warrants that it has the full power and authority to enter into and execute this Agreement. Subject only to the FCC Consent, there is no constraint upon either party's legal ability to perform its responsibilities hereunder. Seller represents and warrants to Buyer that at Closing the License shall have been validly issued by the FCC, that it is in full force and effect, that it constitutes all of the authorizations issued by the FCC in connection with the Station and that it is not subject to any restriction or condition that would limit the operation of the Station, other than such restrictions or conditions to which similar facilities are routinely subject or that are set forth in the License. Seller further warrants that the authorizations shall not be encumbered in any way and shall be free and clear of all claims.

7. **Termination.** This Agreement may be terminated at any time prior to the Closing as follows:

a. by mutual written consent of Buyer and Seller at anytime or by either Buyer or Seller if Closing has not occurred within twelve (12) months; or

b. by written notice from a party that is not then in material breach of this Agreement if the other party has failed to cure its material breach of any of its representations, warranties or covenants under this Agreement within thirty (30) days after receipt of written notice of such breach from the party not in material breach; or

c. by written notice of a party to the other party, if the Closing shall not have occurred by the first anniversary from the filing of the Assignment Application, provided,

however, that if the Closing shall not have occurred because the FCC Consent shall not have been granted, this Agreement may not be terminated by a party who materially contributed to the delay in the issuance of the FCC Consent.

**8. Effect of Termination.**

a. If this Agreement is terminated by the parties pursuant to Section 7(a) or (c), then neither party shall have any further liability to the other, and this Agreement shall be deemed null and void and of no further force and effect.

b. If this Agreement is terminated by Seller pursuant to Section 7(b), Seller shall be entitled to payment of ONE THOUSAND DOLLARS (\$1,000.00) as liquidated damages. In the event this Agreement is terminated by Buyer pursuant to Section 7(b), Buyer's sole remedy shall be specific performance. Seller acknowledges that assessment of damages would be difficult or impossible to determine and that specific performance is an appropriate remedy.

**9. Miscellaneous.**

a. Notices. All notices, demands, requests or other communication required or permitted hereunder shall be in writing and sent by overnight air courier service (charges prepaid), or personal delivery to the appropriate party at the address specified below (or to such other address which a party shall specify to the other party in writing):

**If to Seller:**

Kona Coast Radio, LLC  
87 Jasper Lake Road  
Loveland, CO 80537  
Attn: Victor Michael  
Email: vicmichael@aol.com

**If to Buyer:**

Lorenz E. Proietti  
Proshop Radio Broadcasting, LLC  
911 Colonial Drive  
Cheyenne, WY 82001  
Email: Proshop@bresnan.net

Each party may change its address for notice purposes by providing written notice in accordance with this Section.

- b. Assignment and Binding Effect. Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party, except that Buyer may assign its rights and obligations under this Agreement without the prior consent of Seller to any business entity which owns and controls Buyer, which Buyer owns and controls or which is owned and controlled by the same entity which owns and controls Buyer. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.
- c. Governing Law. Except to the extent governed by federal law, this Agreement shall be governed, construed and enforced in accordance with the laws of the State of Wyoming, without regard to the choice of law provisions thereof.
- d. Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- e. Entire Agreement. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior negotiation, memoranda and agreements between the parties with respect to the subject matter hereof, and may not be altered, changed, modified or amended except by a written instrument signed by each of the parties hereto.
- f. No Waiver. No provision or condition of this Agreement shall be waived by either party hereto except by a written instrument delivered to the other party and signed by the party consenting to and to be charged with such waiver.
- g. Other and Further Documents. The parties hereto agree to execute, acknowledge and deliver, before, at or after the Closing, such other and further instruments and documents as may be reasonably necessary to implement, consummate and effectuate the terms of this Agreement.
- h. Good Faith. All parties hereto shall act with reasonable diligence, and in good faith, in performing and discharging their respective duties and obligations hereunder.
- i. Headings and Cross References. Headings of the sections have been included for convenience of reference only and shall in no way limit or affect the meaning or interpretation of the specific provisions of this Agreement. All cross references to sections herein shall mean the section of this Agreement unless otherwise stated or clearly required by the context.
- j. Expenses. Except as otherwise provided herein, each party shall be solely responsible for all fees and expenses each party incurs in connection with the transaction contemplated by this Agreement, including, without limitation, legal fees incurred in connection herewith.

--SIGNATURE PAGE FOLLOWS--

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day  
and year first written above

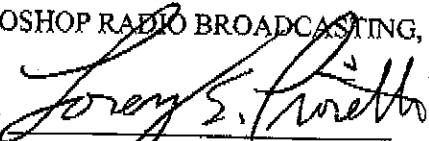
**SELLER:**

KONA COAST RADIO, LLC

By:   
Victor A. Michael, Jr. Sole Member

**BUYER:**

PROSHOP RADIO BROADCASTING, LLC

By:   
Lorenz E. Proietti, Sole Member

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**SCHEDULE 1****FCC LICENSES**

<u>License</u>	<u>File Number</u>	<u>Expiration Date</u>
KRAE Cheyenne, WY (fac. 35510)	BL-20080919AFM	October 1, 2013

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**SCHEDULE 9(k)**

**EQUIPMENT**

**TRANSMITTER SITE:**

Broadcast Electronics AM-1, 1,000 AM transmitter  
Omnia AM processor  
Sine System Remote control  
Antenna tuning unit  
Diplex unit for KFBC

**STUDIOS:**

\$45,000.00

City of Cheyenne  
State of Wyoming  
MAY\_\_\_\_, 2013

**PROMISSORY NOTE**

For value received, I promise to pay to Victor A. Michael, Jr. (hereinafter “you”), or your assigns, at 87 Jasper Lake Road, Loveland, Colorado, 80537, the sum of Forty Five Thousand Dollars (\$45,000.00), with interest at the rate of six and one half of percent (6.5%) per annum, payable on or before the 15<sup>th</sup> day of each month in 119 monthly installments which will be in equal amounts of both principle and interest calculated on an amortized basis. The first payment shall be on or before June 1<sup>st</sup>, 2013 and the final payment shall be due on or before May 1<sup>st</sup>, 2023.

Interest accrues on the principle remaining unpaid from time to time, until paid in full. Each payment I make on this Note will first reduce the amount I owe you for unpaid interest, and the remainder of each payment will then reduce unpaid principal.

I give up my rights to require you to demand payment of amounts due (presentment), obtain official certification of nonpayment (protest), and give notice that amounts due have not been paid (notice of dishonor).

I reserve the right to prepay part of, or the entire balance of this Note without penalty. In the event that I prepay part of this Note, my monthly payments will remain the same until the debt is satisfied in full.

This Note can be paid in full prior to June 1st, 2023, and any interest accrued will be forgiven for early prepayment.

I will be in default if any of one or more of the following occur: (1) I fail to make a payment on time or in the amount due; (2) I die, am declared incompetent, make an



assignment for the benefit of creditors, or become insolvent (either because my liabilities exceed my assets or I am unable to pay my debts as they become due); (3) I do or fail to do something which causes you to believe that you will have difficulty collecting the amount I owe you.

In the event of my default, you may declare the unpaid balance of this Note to be due and payable, and upon such declaration, I will immediately pay that entire unpaid balance to you.

I agree to pay all costs of collection if I am in default. In addition, if you hire an attorney to collect this Note, I agree to pay any fee you incur with such attorney, plus court costs.

I agree that your failure to strictly enforce my obligations under this Note on one or more occasions shall not constitute a waiver of your rights to strictly enforce my obligations on any other occasion.

This Note shall be governed by and construed in accordance with the laws of the State of Wyoming.

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Lorenz E. Proietti