

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of June / , 2011, between Woodrow Michael Warren, an individual ("Buyer") and Crystal Clear Broadcasting Company, Inc., an Oregon corporation ("Seller").

WHEREAS, Seller holds the authorizations for Station KQIK(FM), Lakeview, Oregon (Facility ID Number 48649) (the "Station"), issued by the Federal Communications Commission (the "FCC"); and

WHEREAS, subject to the terms and conditions set forth herein, Seller desires to assign the Station's FCC authorizations and sell substantially all of the assets used and useful in connection with the Station and Buyer desires to purchase and accept such authorizations and assets.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

1. Station Assets. Seller shall assign, transfer, convey and deliver to Buyer, and Buyer shall acquire from Seller, all of the right, title, and interest of Seller in and to certain assets, properties, interests, and rights of Seller, tangible and intangible, which are used in the operation of the Station (the "Station Assets"), including the following:

(a) all licenses, permits and other authorizations of any governmental authority (including the FCC) with respect to the Station held by Seller (the "Authorizations") listed on Schedule 1; and

(b) the transmitter, antenna, transmission line, and other tangible personal property of the Seller used in the operation of the Station (the "Tangible Personal Property") listed on Schedule 2.

2. Purchase Price. The purchase price to be paid for the Station Assets will be Thirty-Seven Thousand, Five Hundred Dollars (\$37,500.00), which shall be paid by Buyer to Seller as follows:

(a) Commencing 30 days after the Closing, Buyer shall make payments on the first day of each month for twenty five (25) consecutive months in the amount of \$1,500.00 to Seller and one final

payment representing interest accrued on the debt of \$1,646.75, as described more fully in the Promissory Note to be executed by Buyer and attached hereto as Exhibit A.

(b) After Buyer tenders its 25<sup>th</sup> monthly payment to Seller, Buyer's total obligation to pay under this Agreement will have been met and the Promissory Note shall be cancelled.

3. Assumption of Obligations. On the Closing Date, Buyer shall assume the obligations of Seller identified in Schedule 3 to this Agreement arising from the business or operation of the Station after the Closing Date.

4. Prorations and Adjustments. All prepaid and deferred expenses arising from the conduct of the business and operations of the Station shall be prorated as of 11:59 p.m. on the Closing Date. The prorations and adjustments contemplated by this Section 4 shall be made to the extent practicable at the Closing, and to the extent not made at the Closing they shall be made within thirty (30) days after the Closing Date.

5. Closing. Subject to satisfaction or waiver of the conditions set forth herein, consummation of the sale of the Station Assets under this Agreement (the "Closing") shall occur on a date (the "Closing Date") mutually agreed upon by the parties that is within ten (10) business days after the grant of FCC Consent (as defined below) having become a Final Order (as defined below), unless the requirement of a Final Order is waived by Buyer, in which case the Closing shall occur after the grant of FCC Consent on a mutually agreed upon date that is within ten (10) business days after notice by Buyer to Seller of Buyer's waiver of the Final Order Consent.

6. FCC Consent. The Closing is subject to and conditioned upon prior FCC consent (the "FCC Consent") to the assignment to buyer of the FCC Authorizations for the Station, and, unless waived by Buyer, the FCC Consent having become a Final Order. "Final Order" means an action by the FCC as to which: (a) no request for stay by the FCC is pending before the FCC and the deadline for filing any such appeal, petition or application for review is pending before the FCC and the deadline for

filing a request for any such stay has passed; (b) no appeal, petition for rehearing or reconsideration, or application for review is pending before the FCC and the deadline for filing any such appeal, petition or application has passed; (c) the FCC has not initiated reconsideration or review on its own motion and the time in which such reconsideration or review is permitted has passed; and (d) no appeal to a court, or request for stay by a court, of the FCC's action is pending or in effect, and the deadline for filing any such appeal or request has passed.

7. FCC Application. Within three (3) business days of the date of this Agreement, Seller and Buyer shall file an assignment application with the FCC (the "FCC Application") requesting the FCC Consent. Seller and Buyer shall diligently prosecute the FCC Application and otherwise use their best efforts to obtain the FCC Consent as soon as practicable.

8. Buyer's Representations and Warranties. Buyer makes the following representations and warranties to Seller:

(a) Buyer has the requisite power and authority to execute and deliver this Agreement and to comply with the terms, conditions and provisions hereof.

(b) The execution, delivery and performance of this Agreement by Buyer has been duly authorized and approved by Buyer. This Agreement is a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except (i) as may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally, and (ii) as such enforceability is subject to general principles of equity.

(c) No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyer.

(d) Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Act of 1934, as amended, and the rules, regulations, and policies of the FCC.

(e) There are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations pending, or, to Buyer's knowledge, threatened against Buyer relating to or affecting this Agreement or the transactions contemplated hereby.

9. Seller's Representations and Warranties. Seller makes the following representations and warranties to Buyer:

(a) Seller is a registered corporation in the State of Oregon. Seller has the requisite legal competence to execute and deliver this Agreement and to comply with the terms, conditions and provisions hereof.

(b) This Agreement is a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except (i) as may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally, and (ii) as such enforceability is subject to general principles of equity.

(c) The FCC Authorizations for the Station are held by Seller, and have been issued for the full term customarily issued to radio stations in the State of Oregon. The FCC Authorizations are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There are no applications, complaints, investigations or proceedings pending or, to the knowledge of Seller, threatened before the FCC relating to the operation of the Station other than those affecting the broadcasting industry generally. Seller is not subject to any outstanding judgment or order of the FCC relating to the Station. Seller has operated and is operating in material compliance with all laws, regulations and governmental orders applicable to the operation of the Station.

(d) Seller has good and valid title to all Tangible Personal Property as identified on the schedule attached to this Agreement, free and clear of all liens and encumbrances. All of the items of Tangible Personal Property are of types, kinds and/or designs in accordance with standard industry practices and are in good operating condition and repair.

(e) No insolvency proceedings of any character, including without limitation, bankruptcy or similar arrangement with creditors, voluntary or involuntary, affecting Seller or any of the Station Assets, are pending or, to Seller's knowledge, threatened, and Seller has not made any assignment for the benefit of creditors or taken any action which would constitute the basis for the institution of such insolvency proceedings.

(f) No brokers or other agents or intermediaries are entitled to a commission, percentage or brokerage fee in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller.

(g) There are no suits, arbitration, administrative charges or other legal proceedings, claims or governmental investigations pending, or, to Seller's knowledge, threatened against Seller relating to or affecting this Agreement or the transactions contemplated hereby.

10. Buyer's General Covenants. Buyer covenants and agrees that between the date hereof and the Closing, Buyer shall:

(a) maintain its qualifications to be the licensee of the Station as set forth in Section 8 above;

(b) take necessary steps as required to be able to consummate this transaction and pay the Purchase Price per the agreed upon monthly payment schedule; and

(c) notify the Seller promptly of any event, circumstance or occurrence which will interfere with the prompt consummation of this transaction at Closing.

11. Seller's General Covenants. Seller covenants and agrees that between the date hereof and the Closing, Seller shall:

(a) continue to operate the Station in compliance with the terms of the FCC Authorizations for the Station;

(b) not directly or indirectly, sell, lease or dispose of any of the Station Assets unless those assets are replaced with assets of equal or greater value; and

(c) furnish Buyer with access to the Tangible Personal Property for purposes of inspection and inventory only.

12. Joint Covenants. Seller and Buyer hereby covenant and agree that between the date hereof and the Closing they shall:

(a) cooperate fully with each other in taking any commercially reasonable actions (including to obtain the required FCC Consent and the consent of any other governmental agency or third party) necessary to accomplish the transactions contemplated by this Agreement, including, but not limited to, the prompt satisfaction of any condition to the Closing set forth herein;

(b) Buyer shall not, directly or indirectly, control, supervise or direct the operations of the Station prior to the Closing and Seller shall remain solely responsible for such operations, including complete control and supervision of all programs, employees, finances, and policies of the Station; and

(c) All press releases and other announcements, whether written or oral, to be made by either party with respect to the transactions contemplated by this Agreement, shall be subject to the agreement of the parties prior to the dissemination thereof; provided, however, that either party may make any announcement required by applicable law.

13. Seller's Conditions to Closing. The obligations of Seller hereunder are, at his option, subject to satisfaction at or prior to the Closing of each of the following conditions:

(a) The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by

the terms of this Agreement, and the covenants and agreements to be complied with and performed by Buyer at or prior to the Closing shall have been complied with or performed in all material respects.

(b) The FCC Consent shall have been obtained and shall be in full force and effect, and no court, administrative or governmental order prohibiting the Closing shall be in effect.

(c) Buyer shall have made each of the deliveries contemplated by Section 15 hereof or otherwise reasonably required by this Agreement.

14. Buyer's Conditions to Closing. The obligations of Buyer hereunder are, at its option, subject to satisfaction at or prior to the Closing of each of the following conditions:

(a) The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and the covenants and agreements to be complied with and performed by Seller at or prior to the Closing shall have been complied with or performed in all material respects.

(b) The FCC Consent shall have been obtained, shall be in full force and effect and no court or governmental order prohibiting the Closing shall be in effect.

(c) Seller shall have made each of the deliveries contemplated by Section 16 hereof or otherwise reasonably required by this Agreement.

15. Closing Deliveries. At the Closing, Seller shall deliver or cause to be delivered to Buyer such bills of sale, documents of title and other instruments of conveyance, assignment and transfer as may reasonably be requested by Buyer to convey, transfer and assign the Station Assets to Buyer, free and clear of liens. At the Closing, Buyer shall deliver or cause to be delivered to Seller such documents and instruments of assumption as may reasonably be requested by Seller, and Buyer shall execute a Promissory Note as evidence of his indebtedness to the Seller with respect to payment of the Purchase Price in the manner set forth in Section 2 hereof.

16. Survival. The covenants, agreements, representations and warranties in this Agreement shall expire at Closing and be of no further force or effect, with the exception of: (i) the indemnification obligations of Seller and Buyer under Section 17 hereof with respect to Claims (as defined below) made by third parties against Buyer or Seller, as applicable, shall survive for two (2) years; (ii) those Claims made under Section 17 that relate to Buyer's Damages or Seller's Damages (as defined below), as applicable, for which timely written notice is given by the indemnified party to the indemnifying party prior to expiration of this survival period, shall survive until resolved.

17. Indemnification. From and after the Closing, Seller shall defend, indemnify and hold harmless Buyer from and against losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Buyer's Damages") incurred by Buyer arising out of or resulting from: (a) any failure by Seller to perform any covenant or agreement contained in this Agreement, or any other breach or default by Seller under this Agreement; and (b) the operation of the Station before the Closing. From and after the Closing, Buyer shall defend, indemnify and hold harmless Seller from and against losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Seller's Damages") incurred by Seller arising out of or resulting from: (c) any failure by Buyer to perform any covenant or agreement contained in this Agreement, or any other any breach or default by Buyer under this Agreement; and (d) the operation of the Station after the Closing. The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder on the part of the indemnifying party (a "Claim"), but a failure to give such notice or a delay in giving such notice shall not affect the indemnified party's right to indemnification and the indemnifying party's obligation to indemnify as set forth in this Agreement, except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced.



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

(a) by mutual written consent of Seller and Buyer;

(b) by written notice of Seller to Buyer if Buyer breaches in any material respect any of its representations or warranties or other terms of this Agreement, or defaults in any material respect in the performance of any of its covenants or agreements herein contained, and such breach or default is not cured within the Cure Period (as defined below);

(c) by written notice of Buyer to Seller if Seller breaches in any material respect any of its representations or warranties or other terms of this Agreement, or defaults in any material respect in the performance of any of its covenants or agreements herein contained, and such breach or default is not cured within the Cure Period; or

(d) by written notice of Seller to Buyer, or Buyer to Seller, if the Closing shall not have been consummated on or before the date which is twelve (12) months after the execution of this Agreement, and if the party giving notice is not then in default hereunder; provided, however, that if a petition to deny or informal objection is filed against the FCC Application, then the time period for consummation shall be automatically extended to fifteen (15) months after the execution of this Agreement.

The term "Cure Period" as used herein means a period commencing on the date that a party receives from the other party written notice of breach or default hereunder and continuing for twenty (20) days thereafter.

19. Damages upon Termination. The termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Upon termination under Section 18(a), (c), or (d), this Agreement shall be deemed null and void, and neither party will have any further liability or obligation to the other.

20. Expenses. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement, except that filing fee with respect to the FCC Application shall be paid by Seller and Buyer shall reimburse Seller for one-half of such fee within three (3) business days after the FCC Application is filed.

21. Assignment. Neither party may assign any of its rights or obligations under this Agreement, without the express prior written consent of the non-assigning party, except that Seller or its heirs and assigns, may direct Buyer to send his monthly payments to a different address.

22. Amendments. No amendment to, or waiver of compliance with, any provision or condition hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of any waiver or amendment is sought.

23. Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

24. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Oregon applicable to contracts made and to be fully performed within such State, without giving effect to the choice of law provisions thereof that may require the application of the laws of any other state.

25. Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, addressed to the address(es) specified below (or to such other address as any party may hereafter request by written notice), and shall be deemed to have been received on the date of personal delivery, on the third day after deposit in the U.S. Mail if mailed by registered or certified mail, postage prepaid and return receipt requested, on the next business day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service:

If to Buyer:

Mr. Woodrow Michael Warren  
613 South G  
Lakeview, Oregon 97630

If to Seller:

Crystal Clear Broadcasting Company, Inc.  
629 Center Street  
Lakeview, Oregon 97630  
Attention: Mr. Tommie S. Dodd

With a copy, which shall not constitute notice, to:

Law Offices of Scott C. Cinnamon, P.L.L.C.  
1250 Connecticut Avenue, NW  
Suite 200, #144  
Washington, DC, 20036  
Attention: Scott C. Cinnamon, Esq.  
Facsimile: 202-379-9754

26. Counterparts/Electronic Delivery . This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. To the maximum extent permitted by law or by any applicable governmental authority, this Agreement may be signed and transmitted by facsimile or other electronic means with the same validity as if it were an ink-signed original document delivered in person.

27. No Third Party Beneficiaries. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity other than the parties hereto and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

28. Severability. The parties agree that if one or more provisions contained in this Agreement shall be deemed or held to be invalid, illegal or unenforceable in any respect under any applicable law, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted, and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby, unless such construction would alter the fundamental purposes of this Agreement.

29. Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties hereto and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein.

30. Attorneys' Fees. In the event of a dispute relating to this Agreement involving the interpretation or enforcement of the terms of this Agreement, resulting in litigation brought by either party, the prevailing party in such litigation shall be entitled, in addition to other relief ordered by the Court, to reasonable attorneys' fees and costs.

31. Further Assurances. After the Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date herein first above-written.

CRYSTAL CLEAR BROADCASTING COMPANY, INC.

(Seller)

By:

*Debra Dade, President*

*Marcie Lea Wade exp. May 31, 2012*

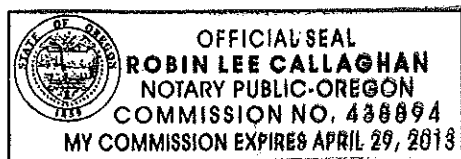
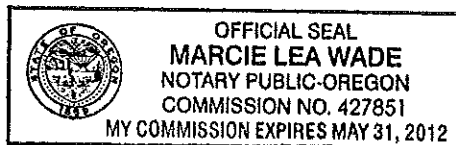
*Today's date*  
*June 14, 2011*

WOODROW MICHAEL WARREN

(Buyer)

By:

*Woodrow Michael Warren*



*Robin Lee Callaghan*  
*April 29, 2013*

## Schedule 1

### FCC Authorizations

KQIK-FM

OR LAKEVIEW

USA

Licensee: CRYSTAL CLEAR BROADCASTING COMPANY, INC.  
Service Designation: **FM** 'Full Service' FM station or application  
Channel/Class: 228C3 Frequency: 93.5 MHz Licensed  
File No.: BLH-20040715ADS Facility ID number: 48649  
CDBS Application ID No.: 1002764

42° 12' 18.00" N Latitude  
120° 19' 39.00" W Longitude (NAD 27)

Polarization: Horizontal Vertical

Effective Radiated Power (ERP):	1.	1.	kW ERP
Antenna Height Above Average Terrain:	290.	290.	meters HAAT -- <u>Calculate HAAT</u>
Antenna Height Above Mean Sea Level:	1957.	1957.	meters AMSL
Antenna Height Above Ground Level:	11.	11.	meters AGL

Non-Directional      Antenna ID No.: -      Pattern Rotation: 0.00  
Antenna Make: SHI      Antenna Model: 6812  
No. of antenna sections: 2

## Parent / Child

Parent FAC ID: 48649 (KQIK-FM)		
Callsign (File Number)	Radio Service	Licensee Name
<u>WMW676</u>	AS	CRYSTAL CLEAR BROADCASTING COMPANY, INC.

## **Schedule 2**

### **List of Tangible Personal Property**

#### **FM Studio**

Sine Systems Time Temp Id System TTI-2  
Sage EAS Endec Alerting System  
EAS Relay Unit  
Jones Satellite Receiver SN 284656 KQIK AM  
Jones Satellite Receiver SN 362916 KQIK FM  
Dial Global Receiver/Digital Systems  
Star Guide III (ABC) Receiver  
Mid America Ag Network Receiver/Learfield  
OSU Decoder 25 Hz / 35 Hz LED  
ATI (U.D.) Line Selector for Satellite  
Orban 2200 Optimod FM Digital Audio Processor  
Marti Studio to Transmitter Link (STL) Transmitter  
STL Paraflector Transmit Antenna  
Coaxial Line for STL System  
Audio Component Rack  
Broadcast Console Cabinet  
Office Desk & Furniture/Equipment (Miscellaneous)  
Sales, Marketing and Promotional Materials  
Urei Stereo Broadcast 8-Pot Console  
Microphone Boom  
ADCS CD1 Unit  
ADCS CD2 Unit  
Sony CD Player  
Teac CD Player  
NEC Flat Screen Monitor (SAM-Network)  
Burk LX1 Source Selector AM Feed  
Burk LX1 Source Selector FM Feed  
Broadcast Tools AM Audio Processor/Switcher  
Fisher On-The-Air Recorder

#### **Black Cap Transmitter Site**

Elanos ETC 1000 FM Broadcast Transmitter  
Shiveley 2-Bay FM Antenna  
Coaxial Line for FM Broadcast  
Antenna Heater Relay and System  
Marti Studio to Transmitter Link (STL) Receiver  
STL Paraflector Receive Antenna  
Coaxial Line for STL System  
Sine Systems Relay Panel Remote Control  
GE Wall Phone (Remote Control)

**Schedule 3**

Obligations to be Assumed by Buyer unless written notice is given to Dial Global as called for in the e-mail from Matt Caldaronella, VP Affiliate Management/Dial Global. The e-mail dated March 28, 2011, allows the option to cancel the current Dial Global format agreements on either station with written notice, without penalty.

1. Agreement dated August 16, 2010, between Triton Radio Networks d/b/a Dial Global and Seller concerning SAM radio programming.
2. Agreement dated August 16, 2010, between Triton Radio Networks d/b/a Dial Global and Seller concerning Mainstream Country radio programming

Pursuant to Section VI(C) of both Dial Global agreements, the parties will notify Dial Global of the filing of the FCC Application with the FCC and if Dial Global consents to the assignment to Buyer of the two agreements between Dial Global and Seller, then Buyer shall assume the two Dial Global agreements and indemnify Seller from any liability under those agreements from and after the Closing Date as defined in the APA.



**Exhibit A**

**Promissory Note**