

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement"), dated as of the 29th day of June, 2012 is by and between **MMTC Broadcasting LLC**, a District of Columbia not-for-profit limited liability company ("Seller"), and **Ms. Kim Media, LLC**, an Oklahoma limited liability corporation ("Buyer").

WHEREAS, Seller is licensed by the Federal Communications Commission ("FCC") to own and operate standard broadcast station KYHN, Ft. Smith, Arkansas (Facility Id: 87114, 1650 kHz) (the "Station");

WHEREAS, the FCC has granted Seller Remain Silent Authority which will expire on September 25, 2012 and the Station is currently off the air;

WHEREAS, Seller owns the Real Property used by the Station for its transmitter site;

WHEREAS, Seller and Buyer have agreed that Seller will assign the Station's licenses, and authorizations to Buyer and transfer to Buyer the Sale Assets (as defined below);

WHEREAS, Buyer has deposited as earnest money Five Thousand (\$5,000.00) (the "Escrow Deposit") with David Honig, Esq. ("Escrow Agent") pursuant to the escrow agreement among Buyer, Seller and Escrow Agent (the "Escrow Agreement"). A copy of the Escrow Agreement is attached hereto as **Exhibit A**; and

WHEREAS, Seller and Buyer agree that the public interest, convenience and necessity would be well served by Buyer's acquisition of the Sale Assets, as defined below.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. **Assets to Be Sold**. At the Closing Seller will assign, transfer and deliver to Buyer all right, title and interest of Seller in and to the following (all of which are hereinafter called the "Sale Assets").

1.1. Seller's Licenses and any construction permits or other authorizations issued by the FCC as listed in **Schedule 1.1**;

1.2. all right, title and interest in leases, licenses covenants and other agreements relating to the use and operation of the Station as listed in **Schedule 1.2**;

1.3. all of Seller's equipment, machinery, tools furniture, fixtures and other tangible personal property of every kind and description which is owned by Seller and is used or useful in connection with the operations of the Station, including, without limitation, that which is listed on **Schedule 1.3**;

1.4. all intangible assets pertaining to the operation of the Station including all goodwill, advertising lists, operating records, all technical information, the use of the call letters KYHN, all copyrights, trademarks, domain names service marks, trade secrets confidential information, or other similar intangible assets of Seller pertaining to the operation of the Station as set forth on **Schedule 1.4**;

1.5. all Real Property located in Leflore County, State of Oklahoma, owned by Seller (the "Owned Real Property") pertaining to the operation of the Station as set forth on an Oklahoma Quitclaim Deed as set forth on **Schedule 1.5**; and

1.6. all business and regulatory records of the Station relating to its operation including, without limitation, books, records, advertising, customer supplier lists advertising, customer and supplier files, price lists, formulas, technical information, trademark applications and registrations, correspondence and financial information, but not including tax records and original journals and ledgers as set forth on **Schedule 1.6**.

1.7. Excluded Assets: Notwithstanding anything to the contrary contained herein, this transaction specifically excludes all cash and cash equivalents of Seller, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, asset or money market accounts and all such similar accounts or investments, and all other personal assets, whether tangible or intangible, of any type or nature.

2. **Consideration.**

a. *Purchase Price.* The purchase price shall be **FIFTY THOUSAND DOLLARS (\$50,000.00)**, in lawful money of the United States of America, which shall be the total consideration for Seller's sale of the Sale Assets stated in the previous paragraph (the "Purchase Price"). Buyer has deposited with David Honig, Esq. ("Honig") the amount of **FIVE THOUSAND DOLLARS (\$5,000.00)**, (the "Deposit") which is being held in the David Honig Esq. Escrow Account at Industrial Bank, N.A.,

Washington, DC, pursuant to an Escrow Agreement among Seller, Buyer and Honig. At the Closing, the Deposit and all interest thereon shall be delivered to Seller as a credit against the Purchase Price. Should this Agreement be terminated prior to Closing, the Deposit shall be distributed as set forth in paragraph 14 below.

b. *Allocations.* Prior to the Closing, an allocation of the Purchase Price among the Station Assets shall be determined by mutual agreement of the parties. Filings under Section 1060 of the Internal Revenue Code of 1986, as amended, shall be made consistent with such allocation.

c. *Adjustment to Purchase Price for Certain Capital Expenditures.* If during the term of this Agreement Buyer, with the consent, prior approval and under the supervision of Seller, makes any expenditures for the purposes of upgrading, repairing, or replacing any of the Sale Assets, Buyer shall receive a credit against the Purchase Price at Closing (the "Closing Credit"), provided that:

(i) The Closing Credit shall not exceed Twenty-Five Thousand Dollars (\$25,000);

(ii) Buyer furnishes to Seller at least five (5) business days prior to Closing receipts and other financial materials reasonably satisfactory to Seller documenting all expenditures comprising the Closing Credit;

(iii) No expenditure for an item not having a "useful life" (in accordance with generally accepted accounting principles) extending beyond the taxable year in which the expenditure for such item is made, shall be recognized as a component of the Closing Credit.

3. No Liabilities Assumed Other Than Those Expressly Disclosed.

Subject to the terms and conditions of this Agreement, on the Closing Date, Buyer shall assume all obligations arising after the (the "Assumed Obligations"), and all obligations arising from the business or operation of the Station after the Closing. Buyer shall not assume any other liabilities or obligations of Seller or any prior owners or licensees of the Stations. In addition, Buyer shall not be obligated to continue the employment of any current employees of the Station, and shall have no liabilities of any kind in connection therewith. There is no tower lease.

4. FCC Consents. It is understood and agreed by the parties that the prior written consent of the FCC (the "FCC Consent") to the application for consent to the voluntary assignment of the FCC Licenses (the "Assignment Application") is required before consummation of this Agreement can occur. The parties agree to file the Assignment Application within ten (10) business days of entering into this Agreement and Buyer agrees to pay the FCC filing fee. The Parties agree and pledge to each other all reasonable mutual co-operation to achieve approval by the FCC of the Assignment

Application, including but not limited to prosecuting the Assignment Application in good faith and with due diligence so as to achieve grant and finality thereof as expeditiously as practicable, and to take no action to delay or defeat approval.

5. **Closing Date.** The Closing hereunder shall take place within five (5) business days after FCC Consent is given at a location to be mutually agreed upon or by wire transfer, facsimile, or E-mail, the exchange of signed closing documents to be followed by delivery of the originals by overnight courier.

6. **Title to and Condition of Sale Assets.** As of the execution date of this Agreement Donor has title to the Sale Assets. Seller has title to all of the Sale Assets free and clear of all liens and encumbrances. All of the tangible personal property such as items of transmitter equipment and other tangible property used or useful in the operation of the Station will be conveyed to Buyer “as-is/where-is” with no representations or warranties as to operating condition or repair.

7. **Seller’s Representations and Warranties.** Seller represents and warrants to Buyer, the truth and accuracy of each of the following being expressly material to Buyer’s execution of this Agreement, as follows:

a. *Organization, Standing and Authority.* Seller is a limited liability company duly organized and validly existing under the laws of the District of Columbia and possesses the requisite legal and corporate authority (i) to own, lease, and use the Sale Assets as now owned, leased, or used, (ii) to conduct the business and operations of the Station as now conducted, and (iii) to execute and deliver this Agreement and the documents contemplated hereby and thereby, and to perform and comply with all of the terms, covenants, and conditions to be performed and complied with by Seller hereunder and thereunder.

b. *Authorization and Binding Obligation.* The execution, delivery, and performance of this Agreement by Seller have been duly authorized by all necessary actions on the part of Seller. This Agreement has been duly executed and delivered by Seller and constitutes the legal, valid, and binding obligations of Seller.

c. *Governmental Licenses.* **Schedule 1.1** contains a true and complete list of the Station’s FCC Licenses. Seller will be the authorized legal holder of the FCC Licenses on the Closing Date. Except as regards Silent Authority granted by the FCC, to Seller’s knowledge none of the FCC Licenses is subject to any material restriction or condition not disclosed therein.

d. *Consents.* **Schedule 1.2** contains a description of all contracts, leases, and agreements, including those that may require consents in order to complete this transaction, with the exception of the FCC Consent defined in paragraph 4 of this

Agreement.

e. *Transmission Equipment.* **Schedule 1.3** contains a true and complete list of all equipment and other tangible assets which will be conveyed by Seller and that are used or useful in the operation of the Station.

f. *Intangibles.* **Schedule 1.4** contains a true and complete list of all intangible assets used and useful in relation to the Station.

g. *Owned Real Property.* **Schedule 1.5** contains a description of the Owned Real Property that will be conveyed by Seller and which is used or useful in the operation of the Station

f. *Business Records.* **Schedule 1.6** contains a description of all of the Station's business records that are not otherwise deemed confidential.

g. *Brokers.* To Seller's knowledge no broker, finder or other person has been employed by Seller or 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 action or agreement by Seller.

8. Buyer's Representations and Warranties. The truth and accuracy of each of the following being expressly material to Seller's execution of this Agreement, Buyer represents and warrants to Seller, as follows:

a. *Standing and Authority.* Buyer is a limited liability corporation and has all requisite power and authority under the laws of the state of Oklahoma (i) to own, lease, and use the Sale Assets; (ii) to conduct the business and operations of the Sale Assets, and (iii) to execute and deliver this Agreement and the documents contemplated hereby and thereby, and to perform and comply with all of the terms, covenants and conditions to be performed and complied with by Seller hereunder and thereunder. Buyer is or will prior to the Closing Date be authorized, qualified, or licensed to do business in the State of Arkansas, and to own, lease, and use the Sale Assets.

b. *Binding Obligation.* The execution, delivery, and performance of this Agreement by Buyer have been duly authorized by all necessary actions on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and constitutes the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its respective terms.

c. *Absence of Conflicting Agreements.* Subject to obtaining the FCC Consent, the execution, delivery, and performance by Buyer of this Agreement and the documents contemplated hereby and thereby (with or without the giving of notice, the lapse of time, or both): (i) do not require the consent of any third party; (ii) will not

conflict with the organizational documents of Buyer; (iii) will not conflict with, result in a breach of, or constitute a default under, any applicable law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; or (iv) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license, or permit to which Buyer is a Party or by which Buyer may be bound.

d. *Qualification.* Buyer is now and shall continue to be legally and financially qualified under the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC to acquire the Station and the Sale Assets.

e. *Full Disclosure.* No representation or warranty made by Buyer in this Agreement or in any certificate, document, or other instrument furnished or to be furnished by Buyer pursuant hereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact and required to make any statement made herein or therein not misleading.

f. *Claims and Legal Actions.* To Buyer's knowledge, there is no claim, legal action, counterclaim, suit, arbitration, governmental investigation or other legal, administrative or tax proceeding, nor any order, decree or judgment, in progress or pending, against or relating to Buyer that would prevent or materially impede the consummation of the transactions contemplated by this Agreement; nor does Buyer know of any basis, including performance of Buyer's obligations set forth herein, for such Litigation.

9. **Conditions Precedent to Buyer's Obligations.** The obligations of Buyer under this Agreement are, at its election, subject to the fulfillment on the Closing Date of each of the following conditions precedent:

a. The Assignment Application shall have been granted by the FCC, without the imposition on Buyer of any materially adverse conditions requiring Buyer's compliance.

b. Seller shall be the holder of the FCC Licenses and there shall not have been any modification of or any condition or restriction imposed upon the FCC license that could have a materially adverse effect on the Station or the conduct of its business and operations. No proceeding shall be pending or threatened the effect of which could be to revoke, cancel, fail to renew, suspend, or modify adversely any of the FCC Licenses.

c. All representations and warranties of Seller contained in this Agreement shall be true and complete in all respects as though made at and as of the time, except to the extent that breaches of the representations and warranties of Seller do not

individually or in the aggregate materially adversely affect the Station taken as a whole or the ability of Seller to complete this transaction.

d. Seller shall have performed and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it.

e. Seller shall have made or stand ready and willing to make all the deliveries to Buyer set forth in paragraph 11 below.

f. No suit, action, claim or governmental proceeding shall be pending, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against any party hereto which: (i) would render it unlawful to effect the transactions contemplated by this Agreement in accordance with its terms; (ii) questions the validity or legality of any transaction contemplated hereby; or (iii) seeks to enjoin any transaction contemplated hereby.

10. Conditions Precedent to Seller's Obligations. The obligations of Seller under this Agreement are, at its election, subject to the fulfillment on the Closing Date of each of the following conditions precedent:

a. The Assignment Application shall have been granted without the imposition of any materially adverse conditions requiring Seller's compliance, and Buyer shall have complied with any material conditions imposed on it by the FCC.

b. All representations and warranties of Buyer contained in this Agreement shall be true and complete in all material respects as though made at and as of that time, except for changes contemplated by this Agreement.

c. Buyer shall have performed and complied in all material respects with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it.

d. Buyer shall have made or stand ready and willing to make all the deliveries set forth in paragraph 12 below.

e. No suit, action, claim or governmental proceeding shall be pending, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against any Party hereto which: (A) would render it unlawful to effect the transactions contemplated by this Agreement in accordance with its terms; (B) questions the validity or legality of any transaction contemplated hereby; or (C) seeks to enjoin any transaction contemplated hereby.

11. Closing Deliveries By Seller. At the time and in the manner prescribed in

paragraph 6 above, Seller shall make the following Closing Deliveries to Buyer:

a. *Transfer Documents.* such bills of sale, a Quitclaim Deed, lease consents, documents of title and other instruments of conveyance, assignment and transfer as may reasonably be requested by Buyer to convey, transfer and assign the Sale Assets,

b. *Other Documents.* such other documents that Buyer may reasonably request in order to consummate this transaction.

12. **Closing Deliveries By Buyer.** At the time and in the manner prescribed in paragraph 6 above, Buyer shall make the following Closing Deliveries to Seller:

a. the Purchase Price as described in paragraph 2 above, plus or minus any Closing adjustments.

c. such other documents that Buyer may reasonably request in order to consummate this transaction.

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

a. by mutual written consent of Buyer and Seller;

b. by written notice from Seller to Buyer if Buyer demonstrates to Seller that Buyer is unwilling or unable to pay the Purchase Price;

c. by written notice from Seller to Buyer or Buyer to Seller if the party give notice if (i) does not satisfy the material conditions or perform the material obligations to be satisfied or performed by it on the Closing Date; (ii) breaches in any material respect any of its representations or warranties 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 (defined below);

d. by written notice of Buyer to Seller, or Seller to Buyer, if the FCC dismisses or denies the Assignment Application, or imposes any adverse conditions affecting either or both parties;

e. by written notice of Seller to Buyer, or Buyer to Seller, if the FCC designates the Assignment Application for hearing or initiates an inquiry with respect thereto; or

f. by written notice of Buyer to Seller or Seller to Buyer, if the Closing shall not have been consummated on or before a date which is more than one

hundred eighty (180) days after the execution of this Agreement, and if the party giving notice is not then in default hereunder.

The term "Cure Period" as used in this Agreement means a period commencing on the date that a party receives from the other written notice of breach or default hereunder and continuing for thirty (30) days thereafter.

14. Damages/Remedies.

a. The termination of this Agreement shall not relieve a party of any liability for breach or default under this Agreement prior to the date of termination.

b. Upon termination under Section 13.a, d, e, or f., this Agreement shall be deemed null and void, the Escrow Deposit shall be returned to Buyer, and neither party will have any further liability or obligation to the other, except with respect to paragraph 16 pertaining to Expenses.

c. Upon termination under Section 14.b, c or g, due to default of the Buyer, this Agreement shall be deemed null and void and Seller shall be entitled to retain the Deposit and all interest thereon.

15. Interference with Operations/Agreements Pending Closing. From the date hereof onward until the Closing Date, Buyer shall not attempt to interfere with the operations of Seller or the Station.

16. Expenses. Except with respect to the FCC filing fee that will be paid by Buyer without reimbursement, 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.

17. Benefit and Binding Effect; Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither Party hereto may assign this Agreement without the prior written consent of the other Party hereto, which consent shall not be unreasonably withheld, except that Buyer may assign this Agreement to a wholly-owned subsidiary upon notice to Seller. Upon any permitted assignment by Buyer or Seller in accordance with this paragraph, all references to "Buyer" herein shall be deemed to be references to Buyer's assignee and all references to "Seller" herein shall be deemed to be references to Seller's assignee, as the case may be, provided that such assignment shall not release Buyer or Seller from its respective obligations hereunder.

18. Further Assurances. The parties shall take any reasonable actions and execute any other documents that may be necessary or desirable to the implementation

and consummation of this Agreement, including, in the case of Seller, any additional bills of sale, deeds, or other transfer documents that, in the reasonable opinion of Buyer, may be necessary to ensure, complete, and evidence the full and effective transfer of the Sale Assets to Buyer pursuant to this Agreement.

19. **Governing Law.** This Agreement shall be governed, construed and enforced by and in accordance with the laws of the District of Columbia, without regard to the "Choice of Law" provisions thereof.

20. **Headings.** The headings of the paragraphs of this Agreement are for the convenience of the parties only, and do not in any way modify, interpret or construe the meaning of the provisions hereof.

21. **Gender and Number.** Words used in this Agreement, regardless of the gender and number specifically used, shall be deemed and construed to include any other gender, masculine, feminine, or neuter, and any other number, singular or plural, as the context requires.

22. **Notices.** All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be (a) in writing, (b) delivered by personal delivery, received by facsimile or e-mail, or sent by commercial delivery service or registered or certified mail, return receipt requested, (c) deemed to have been given on the date of personal delivery, the facsimile, the e-mail or the date set forth in the records of the delivery service or on the return receipt, and (d) addressed as follows:

If to Seller:

David Honig, Esq.
MMTC Broadcasting LLC
3636 16th Street, N.W. - Suite B-366
Washington, DC 20010
Telephone: 202.332.7005
Facsimile: 202.332.0503

If to Buyer:

Ms. Kim Media, LLC
P.O. Box 428
Sallisaw, OK 74955

Telephone: 918.775.1007
Facsimile: 918.775.0388

23. **Entire Agreement.** This Agreement, the schedules hereto, and other certificates and other documents, including the Escrow Agreement, to be delivered by the

parties pursuant hereto, collectively represent the entire understanding and agreement between Buyer and Seller with respect to the subject matter hereof. This Agreement supersedes all prior negotiations between the parties and cannot be amended, supplemented, or changed except by an agreement in writing that makes specific reference to this Agreement and which is signed by the party against which enforcement of any such amendment, supplement, or modification is sought.

24. **Waiver of Compliance; Consents.** Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement, or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this paragraph.

25. **Counterparts.** 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.

26. **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.

27. **Severability.** The parties agree that if one or more provisions herein 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.

[SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT]

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT AS OF THE DAY AND YEAR FIRST WRITTEN ABOVE.

SELLER:

MMTC BROADCASTING LLC

By: 

Name: David Honig

Title: Executive Director

BUYER:

MS. KIM MEDIA, LLC

By: 

Name:

Title: Owner

EXHIBIT A

THE ESCROW AGREEMENT

Schedule 1.1

FCC LICENSES AND AUTHORIZATIONS

KYHN-AM Facility ID 87114

License Renewal BR-20120130ANB - Expires 6/1/2012

Remain Silent Authority BLSTA-20120322AFG – Expires 9/25/12

Schedule 1.2

CONSENTS/CONTRACTS, ETC.

None

Schedule 1.3

EQUIPMENT

190' Guyed Tower
Folded Unipole Antenna
20 KW Generac Generator
Generac Transfer Switch
In-operable/damaged Harris DX-10 AM transmitter

DISCLAIMER: Any item of equipment shall be accepted by Buyer in its as is, where is condition with no licensee representation, warranty or covenant concerning sufficiency and condition.

Schedule 1.4

INTANGIBLE ASSETS

Call letters KYHN

Schedule 1.5

OWNED REAL PROPERTY

KYHN transmitter site located at K Ranch, 1400 Folsom Blvd., Pocola, Oklahoma (LeFlore County).

Copy of Quitclaim is attached.

Schedule 1.6

BUSINESS RECORDS