

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, dated as of May 10, 2011 (this "Agreement"), is by and between **EDGEWATER BROADCASTING, INC.**, an Idaho not-for-profit corporation ("Seller"), and **MONTEREY LICENSES, LLC**, a California limited liability company. ("Buyer").

### WITNESSETH:

WHEREAS, Seller is the licensee of FM translator station W282AT (Channel 282, 104.3 MHz, FCC Facility ID Number 153405) (the "Station"), pursuant to authorizations (the "FCC Authorizations") issued by the Federal Communications Commission (the "FCC");

WHEREAS, Buyer is seeking to relocate the Station to a transmitter site designated by Buyer to rebroadcast another station owned by Buyer; and

WHEREAS, on the terms and conditions described herein, Seller desires to sell and Buyer desires to acquire the Station's license and certain of the assets owned by Seller and used or useful in connection with the operation of the Station.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1.     **Sale of Assets.**

(a) On the Closing Date (as hereinafter defined), Seller shall sell, assign and transfer to Buyer, and Buyer shall purchase and assume from Seller, the Station, including the equipment (as itemized on Schedule 1 hereto) and the FCC Authorizations used in connection with the station's operations (the "Assets"), free and clear of all liens, liabilities and encumbrances of every kind and nature.

2.     **Consideration.**

(a) Upon the execution of this Agreement, Buyer shall pay Seller the sum of Five Thousand Dollars (\$5000). This sum shall be nonrefundable, unless Seller fails to meet its obligations hereunder. Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale of the Assets, on the Closing Date Buyer shall pay to Seller the additional aggregate sum of Thirty Thousand Dollars (\$30,000) for a total purchase price of Thirty-Five Thousand Dollars (\$35,000) (the "Purchase Price"). Buyer will pay the Purchase Price (less the deposit referenced above) as agreed by the parties after approval of the Assignment Application, whereupon EBN will provide to Buyer an instrument of conveyance suitable for Buyer for the License. Notwithstanding, the parties also agree that upon the signing of this agreement, they will file such application(s) (and any amendments thereto) for the relocation of the Station to a site identified by Buyer (the "Modification Application"). Buyer shall pay all filing fees, engineering and other costs associated with the filing of such Modification Application, and Seller shall use its reasonable efforts to cooperate with Buyer in

preparing, filing and prosecuting such Modification Application. The Purchase Price shall be payable to Seller at Closing by check or wire transfer of funds.

3. **FCC Consent; Assignment Application, Modification Agreement.**

(a) Buyer and Seller shall execute, file and prosecute an application with the FCC (the "Assignment Application") requesting its consent to the assignment, from Seller to Buyer, of all FCC Authorizations pertaining to the Station (the "FCC Consent") at a date not later than five (5) business days after the signing of this agreement. Buyer shall pay any and all Assignment Application fees due in connection with the Assignment Application.

(b) Seller agrees to file an application or series of applications, as set forth in Schedule 3(b) hereto, to relocate the Station to the communications tower set forth on Schedule 3(b) ("Relocation Applications"). Buyer will pay all costs of the Relocation Applications to the extent set forth on Schedule 3(b).

4. **Closing Date; Closing Place.** The closing (the "Closing") of the transactions contemplated by this Agreement shall occur ten (10) days following the date on which the FCC Consent has been granted to the Assignment Application. Buyer may elect to delay closing until the FCC Consents to the Assignment Application has become a Final Order, i.e. no longer subject to administrative or judicial review, reconsideration or appeal. The Closing shall be held by mail, facsimile, or electronic mail, as the Parties may agree.

5. **Representations and Warranties of Seller.** Seller hereby makes the following representations and warranties to Buyer:

(a) Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Idaho. Seller has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The entry into and performance of this Agreement does not violate any contract, agreement, judgment, writ, injunction or other legal obligation of Seller. Seller knows of no reason this transaction cannot be performed and consummated in the manner set out herein.

(b) The FCC Authorizations are in full force and effect, unimpaired by any act or omission of Seller. There is not now pending or threatened any action by or before the FCC to revoke, cancel, rescind, modify or refuse to renew any of the FCC Authorizations. Seller is operating the Station in all material respects in accordance with the FCC Authorizations, and all rules and regulations and policies of the FCC.

6. **Covenants.** Seller covenants with Buyer that, between the date hereof and the Closing Date, Seller shall act in accordance with the following:

(a) Seller shall take all actions necessary to keep the FCC Authorizations valid and in full force and effect.

(b) Seller shall prosecute the Assignment Application and Relocation Applications with commercially reasonable diligence, and shall otherwise cooperate with Seller in achieving the goals of this Agreement.

7. **Conditions Precedent to Obligation to Close.**

(a) The performance of the obligations of the parties hereunder is subject to the satisfaction of each of the following express conditions precedent, unless waived in writing by opposing party:

(i) Buyer and Seller shall have performed and complied in all material respects with all of the agreements, obligations and covenants required by this Agreement to be performed or complied with by Buyer and Seller prior to or as of the Closing Date;

(ii) The FCC Consent to the Assignment Application shall have been granted;

(iii) Buyer shall have delivered to Seller and Seller shall have delivered to Buyer, on the Closing Date, the documents/payments required to be delivered pursuant to this Agreement;

(b) The performance of the obligations of Buyer hereunder is subject to the satisfaction of each of the following express conditions precedent:

(i) The representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(ii) The FCC Authorizations shall be in full force and effect and there shall be no proceedings pending before the FCC to revoke, cancel, rescind, modify or refuse to renew any of such FCC Authorizations; and

(iii) There shall not be any liens on the Assets.

(iv) FCC Consent to the Assignment Application has been granted and, at the option of Buyer, have become Final.

8. **Closing Deliveries.**

(a) At the Closing, Seller will deliver to Buyer the following, each of which shall be in form and substance satisfactory to Buyer and its counsel:

(i) A Bill of Sale; and

(ii) An Assignment and Assumption of the Station's FCC Licenses.

(b) Prior to or at the Closing, Buyer will deliver to Seller the following, each of which shall be in form and substance satisfactory to Seller and its counsel:

(i) The payments to be made pursuant to Section 2(a) hereof; and

(ii) An Assignment and Assumption of the Station's FCC Licenses.

9. **Indemnification.**

(a) The several representations and warranties of Seller and Buyer contained in or made pursuant to this Agreement shall expire on the date that is two (2) years after the Closing Date. Each party agrees to indemnify the other for any post-closing breach of such representations, warranties and covenants of the indemnifying party.

10. **Termination.**

(a) This Agreement may be terminated by either Buyer or Seller, if the party seeking to terminate is not in breach of any of its material obligations under this Agreement, upon written notice to the other of any of the following: (i) if, on or prior to the Closing Date, the other party breaches any of its material obligations contained herein, not cured by the earlier of the Closing Date or thirty (30) days after receipt of the notice of breach from the non-breaching party; or (ii) if the Assignment Application is denied by the FCC and such denial shall have become a Final Order. Buyer and/or seller shall have the right to terminate this Agreement, at any time after the first anniversary of the signing of this Agreement.

11. **Notices.** All notices, elections and other communications permitted or required under this Agreement shall be in writing and addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Seller, to:

Edgewater Broadcasting Inc.  
PO Box 5725  
Twin Falls, Idaho 83303

If to Buyer, to:

Monterey Licenses, LLC  
2511 Garden Road  
Building A, Suite 104  
Monterey, CA 93940

with a copy (which shall not constitute notice) to:

David D. Oxenford, Esq.  
Davis Wright Tremaine LLP  
1919 Pennsylvania Ave, NW Suite 800  
Washington, D.C. 20006

12. **Governing Law; Venue.** This Agreement shall be construed and enforced in accordance with the laws of the State of South Carolina, without giving effect to the choice of law principles thereof.

13. **Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument. This agreement may be signed and delivered by electronic means, and the parties agree that such delivery shall have the same effect as physical delivery of original signatures.

14. **Expenses.** Except as otherwise set forth in this Section, each party hereto 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.

15. **Remedies.** Seller recognizes that the assets to be conveyed hereunder are unique, and there is no adequate remedy at law should Seller breach this agreement. Thus, Seller agrees that specific performance is an appropriate remedy should it breach this agreement, and waives any defense that there is an adequate remedy at law, and any claim that there should be a bond or any other security posted in connection with such remedy.

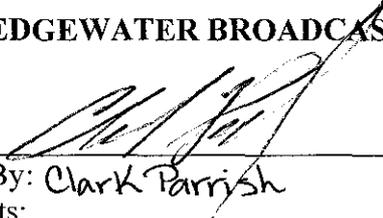
16. **Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may voluntarily or involuntarily assign its interest or delegate its duties under this Agreement without the prior written consent of the other party.

17. **Entire Agreement.** This Agreement, and the exhibits attached hereto, supersede all prior agreements and understandings between the parties with respect to the subject matter hereof and may not be changed or terminated orally, and no attempted change, amendment, or waiver of any of the provisions hereof shall be binding unless in writing and signed by both parties.

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

**Seller:**

**EDGEWATER BROADCASTING, INC.**

  
By: Clark Parrish  
Its:

**Buyer:**

**MONTEREY LICENSES, LLC**

By:  \_\_\_\_\_  
Its:

SCHEDULE 1  
EQUIPMENT TO BE CONVEYED

SCHEDULE 3(b)  
RELOCATION APPLICATIONS

Seller agrees to file such applications as designated by Buyer as necessary to move the Station to the current tower designated by Station, so as to operate at a height of approximately \_\_\_\_ meters above ground and a power of \_\_\_\_ watts. Buyer will pay all costs of such applications.

Should multiple applications be necessary to move the Station to the buyer's designated tower site, Buyer will construct and operate the station under Seller's direction at such intermediate site or sites, and will pay the costs of construction and operation from such intermediate site or sites, until an application to move to the sellers site and/or Closing has been held, or until this Agreement is terminated.

Buyer will be responsible for all costs of construction of the Station at their designated site.