

## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT is dated as of July 31<sup>st</sup> 2015 (the "*Agreement*"), by and between **Mountain Radio Group, Inc.**, a Colorado corporation (the "*Buyer*"), and **Kona Coast Radio, LLC**, a Wyoming limited liability company, and **Mountain Community Translators, LLC**, a Wyoming limited liability company (collectively, the "*Seller*").

### RECITALS

A. Kona Coast Radio, LLC, is the licensee of KKHI (AM) Colorado Springs, Colorado, and Mountain Community Translators, LLC, is the licensee of FM Translator K294CH Divide, Colorado (the "*Stations*"). Each such Seller owns the tangible assets used and utilized in the operation of the Stations.

B. Subject to the terms and conditions set forth in this Agreement, Buyer desires to acquire all of the personal property and all other tangible and intangible assets and rights used, useful or intended to be used in the business and operations of the Stations and to secure an assignment from Seller of the licenses, permits and other authorizations issued by the FCC for the operation of the Stations. Seller desires to sell, assign, transfer and convey the same to Buyer.

### AGREEMENT

In consideration of the above recitals and of the mutual agreements and covenants contained in this Agreement, Buyer and Seller, intending to be bound legally, agree as follows:

#### SECTION 1 - DEFINITIONS

In addition to other terms defined elsewhere in this Agreement, the following terms, as used in this Agreement, shall have the meanings set forth in this Section.

"*Assets*" means the assets to be sold, transferred, or otherwise conveyed to Buyer under this Agreement as specified in Section 2.1.

"*Closing*" means the consummation of the purchase and sale of the Assets pursuant to this Agreement in accordance with the provisions of Section 8.

"*Closing Date*" means the date on which the Closing occurs, as determined pursuant to Section 8.

"*Consents*" means the consents, permits, or approvals of government authorities and other third parties necessary to transfer the Assets to Buyer or otherwise to consummate the transactions contemplated by this Agreement.

"*Contracts*" means all contracts, leases, non-governmental licenses, and other agreements (including leases for personal or real property and employment agreements), written or oral (including any amendments and other modifications thereto) to which Seller is a party or that are binding upon Seller and relate to or affect the Assets or the business or operations of the Stations, and (i) are in effect on the date of this Agreement or (ii) are entered into by Seller between the date of this Agreement and the Closing Date.

"*Earnest Money*" means the deposit to be held by the Escrow Agent in the sum of \$20,000.00.

"*Escrow Agent*" means Peoples Bank, NA.

“FCC” means the Federal Communications Commission.

“FCC Consent” means action by the FCC granting its consent to the assignment of the FCC Licenses to Buyer as contemplated by this Agreement.

“FCC Licenses” means all licenses, permits and other authorizations (including modifications, renewals and extensions thereof) issued by the FCC to Seller in connection with the business or operations of the Stations.

“Final Order” means an action by the FCC that has not been reversed, stayed, enjoined, set aside, annulled, or suspended, and with respect to which no requests are pending for administrative or judicial review, reconsideration, appeal, or stay, and the time for filing any such requests and the time for the FCC to set aside the action on its own motion have expired.

“Governmental Authorities” means any federal, state or local governmental entity or municipality or subdivision thereof or any authority, department, commission, board, agency, court or instrumentality thereof.

“Initial Order” means the FCC Consent as granted by the FCC prior to the issuance of the Final Order.

“Intangibles” means all FCC Call Signs, domain names, URL registrations, copyrights, trademarks, trade names, service marks, service names, licenses, patents, permits, jingles, proprietary information, technical information and data, machinery and equipment warranties, and other similar intangible property rights and interests (and any goodwill associated with any of the foregoing) applied for, issued to, or owned by Seller or under which Seller is licensed or franchised and which are used or useful in the business and operations of the Stations, together with any additions thereto between the date of this Agreement and the Closing Date.

“Licenses” means all FCC Licenses, and all permits, licenses and other authorizations issued by the Federal Aviation Administration, or any other federal, state, or local governmental authorities to Seller in connection with the conduct of the business or operations of the Stations, together with any additions, modifications or changes thereto between the date of this Agreement and the Closing Date.

“Purchase Price” means the purchase price specified in Section 2.3.

“Tangible Personal Property” means all machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, inventory, spare parts, and other tangible personal property listed on Schedule 3.5 together with any additions thereto between the date of this Agreement and the Closing Date, and less any deletions therefrom arising in the ordinary course of business between the date hereof and the Closing Date.

“Tower Lease” means the lease between Buyer and Kona Coast Radio, LLC, for use of the tower located at 847 South Circle Drive, Colorado Springs, CO 80901 (the “Site”) for the AM transmitter, FM transmitter and shared antenna system to allow operation of both Stations from this Site. The Tower Lease shall include mutually acceptable terms and conditions, including but not limited to a ten (10) year term with at least two (2) renewal terms of five (5) years.

## **SECTION 2 - PURCHASE AND SALE OF ASSETS**

2.1 Agreement to Sell and Buy. Subject to the terms and conditions set forth in this Agreement, Seller hereby agrees to sell, transfer, and deliver to Buyer on the Closing Date, and Buyer agrees to purchase all of the Assets, together with any additions thereto between the date of this Agreement and the Closing Date, but excluding the assets described in Section 2.2, and those assets disposed of in the ordinary course of business between the date hereof and the Closing Date; provided, however, that any material assets disposed of must be replaced with assets of comparable value and use, free and clear of any claims, liabilities, security interests, mortgages, liens, pledges, conditions, charges, or encumbrances of any nature whatsoever (except for liens for current taxes not yet due and payable), including the following:

- (a) The Tangible Personal Property;
- (b) The Licenses, the FCC Licenses and any pending applications associated with same;
- (c) The Intangibles, and all intangible assets of Seller relating to the Stations that are not specifically included within the Intangibles, including the goodwill of the Stations, if any;
- (d) All of Seller's proprietary information, technical information and data, machinery and equipment warranties, maps, computer discs and tapes, plans, diagrams, blueprints, and schematics, including filings with the FCC, relating solely to the business or operation of the Stations;
- (e) All books and records relating solely to the business or operations of the Stations and all records required by the FCC to be kept by the Stations, as available, subject to the right of Seller to have such books and records made available to Seller for a reasonable period, not to exceed eighteen (18) months after the Closing Date.

2.2 Excluded Assets. The Assets shall exclude the following assets:

- (a) Seller's cash on hand as of the Closing Date and all other cash in any of Seller's bank or savings accounts; any insurance policies, letters of credit, or other similar items and cash surrender value in regard thereto; and any stocks, bonds, certificates of deposit and similar investments;
- (b) Each Seller's entity name, any books and records that Seller is required by law to retain, all records relating to the excluded assets described in this Section 2.2 and to Seller's accounts and general ledger records, each subject to the right of Buyer to have access to and to copy that portion of such records that relate to the Stations for a period of eighteen (18) months from the Closing Date, and Seller's minute books and other books and records relating to Seller's internal entity matters;
- (c) Any claims, rights and interest in and to any refunds of federal, state or local franchise, income or other taxes or fees of any nature whatsoever for periods prior to the Closing Date;
- (d) All property listed on Schedule 2.2 hereto.

2.3 Purchase Price. The Purchase Price for the Assets shall be Two Hundred Thousand Dollars (\$200,000.00) paid and adjusted as provided below:

- (a) Cash Payment. Buyer shall pay to the Seller at Closing the sum of \$200,000.00 (less a credit for the Earnest Money deposit paid by the Escrow Agent under Section 2.4 below). The Purchase Price, as adjusted as provided in this Section 2.3, shall be paid by Buyer to Seller at Closing by wire transfer of same-day funds pursuant to wire instructions delivered by Seller to Buyer at least two days prior to the Closing Date.

(b) Prorations. The Purchase Price shall be increased or decreased as required to effectuate the proration of expenses. All expenses arising from the operation of the Stations, including business and license fees, utility charges, real and personal property taxes and assessments levied against the Assets, property and equipment rentals, applicable copyright or other fees, sales and service charges, taxes (except for taxes arising from the transfer of the Assets under this Agreement), FCC annual regulatory fees, ASCAP, BMI and SESAC licenses and similar prepaid and deferred items, shall be prorated between Buyer and Seller in accordance with the principle that Seller shall be responsible for all expenses, costs, and liabilities allocable to the period prior to the Closing Date, and Buyer shall be responsible for all expenses, costs, and obligations allocable to the period on and after the Closing Date. Notwithstanding the preceding sentence, there shall be no adjustment for and Seller shall remain solely liable with respect to any Contracts and any other obligation or liability not being assumed by Buyer in accordance with Section 2.6.

(c) Manner of Determining Adjustments. At Closing, all prorations shall occur in accordance with the following:

(i) All income and expenses arising from the operations of the Stations shall be prorated between Buyer on the one hand, and Seller on the other hand, in accordance with generally accepted accounting principles as of 11:59 p.m., local time, on the date immediately preceding the Closing Date. Seller shall be responsible for all liabilities and obligations incurred or accrued in connection with the operation of the Stations through 11:59 p.m., local time, of the date immediately preceding the Closing Date, and Buyer shall be responsible for all such liabilities and obligations incurred or accruing thereafter.

(ii) Ten days prior to the Closing Date, Seller shall prepare and deliver to Buyer a statement of income and expense (the "*Preliminary Closing Proration Statement*") setting forth the adjustment to the Purchase Price determined in accordance with Section 2.3(b) and prorations determined in accordance with this Section 2.3(c). The Preliminary Closing Proration Statement shall be prepared in a form that sets forth the amounts due to or from Buyer or Seller. Upon receipt of the Preliminary Closing Proration Statement, Buyer and its accountants shall have the right to examine, at Buyer's expense, the Preliminary Closing Proration Statement and all work papers, schedules, and other books and records used in the preparation of the Preliminary Closing Proration Statement and to make reasonable inquiry of Seller and its accountants. If Buyer objects to the Preliminary Closing Proration Statement, it shall so advise Seller, and Seller and Buyer shall each use their best efforts to resolve their differences concerning the Preliminary Closing Proration Statement as soon as possible, but in any event prior to the Closing Date. If Seller and Buyer are unable to resolve the matter, they shall jointly appoint an independent certified public accounting firm to resolve the dispute. The fees of such independent accounting firm shall be split evenly between Buyer and Seller. Seller and Buyer shall cooperate fully with such independent accounting firm. Such independent accounting firm's resolution of the dispute shall be final and binding upon the parties. The parties shall use their best efforts to cause the accounting firm to resolve such dispute, if any, concerning the Preliminary Closing Proration Statement as soon as possible, but in any event prior to the Closing Date.

(iii) Within 60 days following the Closing Date, Buyer shall prepare and deliver to Seller the "*Final Closing Proration Statement*" indicating the prorations as set forth above, together with copies of all work papers, schedules, and supporting documentation reasonably sufficient to allow Seller to verify the prorations prepared by Buyer. Within ten days of receipt of the Final Closing Proration Statement, Seller shall either accept the prorations set forth in the Final Closing Proration Statement or give Buyer a Notice of Disagreement. If Seller fails

either to accept the prorations set forth in the Final Closing Proration Statement or to give Buyer a Notice of Disagreement within ten days of receipt of the Final Closing Proration Statement, then Seller shall be deemed to have accepted such prorations. The Notice of Disagreement shall state the amount of money Seller believes is due to or from Seller pursuant to the prorations set forth herein ("*Seller's Amount*"), and Buyer shall have ten days to accept or reject Seller's Amount. If Buyer rejects Seller's Amount, any amount not in dispute shall be immediately paid and the remaining amount in dispute shall be submitted to an independent certified public accounting firm selected jointly by the parties for resolution of the dispute, such resolution to be final and binding upon the parties. Buyer and Seller agree to share equally the cost and expenses of such accounting firm. All amounts owed pursuant to this section shall be paid within ten days of acceptance, failure to object or, if there is a dispute, resolution of the amount due. If such amount is not paid within such 10-day period, interest on such amount shall accrue until paid at 8%.

#### 2.4 Earnest Money.

(a) Simultaneously with the execution of this Agreement, Buyer has deposited the Earnest Money with the Escrow Agent who shall hold the same pursuant to the terms of an Escrow Agreement. The Escrow Agent shall hold the Earnest Money under the terms of the Escrow Agreement in trust for the benefit of the parties hereto. The cost of establishing the escrow account pursuant to this section shall be divided equally between the parties.

(b) If the Closing does not occur, the Earnest Money and all accrued interest shall be paid to the party entitled thereto as provided in the Escrow Agreement.

2.5 Liabilities. As of the Closing Date, Buyer shall assume and undertake to pay, discharge, and perform all obligations and liabilities of Seller under the Licenses and the Contracts insofar as they relate to the time on and after the Closing Date or arise out of events occurring on and after the Closing Date. Buyer shall not assume any other obligations or liabilities of Seller, including (i) any obligations or liabilities under any Contract, (ii) any obligations or liabilities under the Contracts relating to the period prior to the Closing Date, (iii) any claims or pending litigation or proceedings relating to the operation of the Stations prior to the Closing, (iv) any obligations or liabilities of Seller arising under capitalized leases or other financing agreements, (v) any obligations or liabilities of Seller under any employee pension, retirement, health and welfare or other benefit plans or collective bargaining agreements, or (vi) any obligation to any employee of Seller for severance benefits, vacation time, or sick leave accrued prior to the Closing Date, and all such obligations and liabilities shall remain and be the obligations and liabilities solely of Seller.

2.6 Allocations. The allocation of the Purchase Price among the Assets shall be agreed upon by the parties five days prior to Closing (the "*Allocation Agreement*"). The Purchase Price allocation shall be completed pursuant to the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended and the regulations thereunder. Each party to this Agreement agrees to report the transaction for all purposes in a manner consistent with that allocation and in accordance with all applicable laws and taxing authorities. Any adjustment of the Purchase Price shall be applied to the allocation set forth in the Allocation Agreement for the Assets as mutually determined by the parties in good faith.

### **SECTION 3 – SELLER'S REPRESENTATIONS AND WARRANTIES**

Each Seller represents and warrants to Buyer as follows:

3.1 Organization. Kona Coast Radio, LLC, is a limited liability company duly organized under the laws of the state of Wyoming. Mountain Community Translators, LLC, is a limited liability company

duly organized under the laws of the state of Wyoming. Each Seller has all requisite power and authority (i) to own, lease, and use the Assets as now owned, leased, and used, (ii) to conduct the business and operations of the Stations as now conducted, and (iii) to execute and deliver this Agreement, the Escrow 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.

3.2 Authority. The execution, delivery, and performance of this Agreement by each Seller have been duly authorized by all necessary actions on the part of each Seller and its members. This Agreement has been duly executed and delivered by each Seller and constitutes the legal, valid, and binding obligations of each Seller, enforceable against it in accordance with its terms except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

3.3 No Conflicts. Subject to obtaining the FCC Consent and the Consents listed in Section 3.7, the execution, delivery, and performance by Seller of this Agreement and the documents contemplated hereby (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 any provision of the organizational documents of either Seller; (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; and (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 Seller is a party or by which Seller may be bound.

3.4 Licenses. Schedule 3.4 includes a true and complete list of the Licenses. Seller has delivered to Buyer true and complete copies of the Licenses (including any amendments and other modifications thereto). The Licenses have been validly issued, and Seller is the authorized legal holder thereof. The Licenses listed on Schedule 3.4 comprise all of the licenses, permits, and other authorizations required from any governmental or regulatory authority for the lawful conduct of the business and operations of the Stations in the manner and to the full extent they are now conducted, and none of the Licenses is subject to any restriction or condition that would limit the full operation of the Stations as now operated. The Licenses are in full force and effect. Except as set forth in Schedule 3.4, to the best of Seller's knowledge, there are no actions, complaints or proceedings pending or threatened as of the date hereof before the FCC or any other Governmental Authority relating to the business or operations of the Stations other than actions, complaints or proceedings that generally affect the broadcasting industry. Except as disclosed in Schedule 3.4, there are no applications before the FCC filed by Seller relating to the Stations. Except as disclosed in Schedule 3.4, the Licenses are unimpaired by any act or omission of Seller, and the operations of the Stations are in accordance therewith in all material respects. Except as disclosed in Schedule 3.4, there are no facts that under the Communications Act of 1934, as amended, or the existing rules and regulations of the FCC, would disqualify Seller as an assignor of the Licenses. Seller has not taken any action that would be likely to result in the FCC's denying the application to be filed by Buyer and Seller with the FCC for consent to the assignment of the Licenses to Buyer.

3.5 Tangible Personal Property. Schedule 3.5 lists all material items of Tangible Personal Property. The Tangible Personal Property listed on Schedule 3.5 comprises all material items of tangible personal property currently used to conduct the business and operations of the Stations as now conducted. Except as described in Schedule 3.5, Seller owns and has good title to each item of Tangible Personal Property, and none of the Tangible Personal Property owned by Seller is subject to any security interest, mortgage, pledge, conditional sales agreement, or other lien or encumbrance, except for liens for current taxes not yet due and payable or as described on Schedule 3.5. Each item of Tangible Personal Property owned by Seller is in good repair and condition, ordinary wear and tear excepted, and has been maintained in accordance with industry practice.

3.6 Contracts. Schedule 3.6 is a true and complete list of all Contracts. Seller has delivered to Buyer true and complete copies of all Contracts. Seller has complied in all material respects with all Contracts and is not in default beyond any applicable grace periods under any of the Contracts, and, to the best of Seller's knowledge, no other contracting party is in material default under any of the Contracts. Other than the Contracts listed on Schedule 3.6, Seller requires no contract, lease, or other agreement to enable it to carry on its business as now conducted.

3.7 Consents. Except for the FCC Consent provided for in Section 6.1, no consent, approval, permit, or authorization of, or declaration to or filing with any governmental or regulatory authority, or any other third party is required (i) to consummate this Agreement and the transactions contemplated hereby, (ii) to permit Seller to assign or transfer the Assets to Buyer, or (iii) to enable Buyer to return the Stations to the air and conduct the operations of the Stations as intended by the FCC Licenses.

3.8 Intangibles. Schedule 3.8 is a true and complete list of all Intangibles, all of which are valid and in good standing and to Seller's knowledge, uncontested. Seller has delivered to Buyer copies of all documents establishing or evidencing all Intangibles. Seller has or will have as of the Closing Date good and marketable title to all rights and interests in the Intangibles, all of which will be free and clear of any third party interests or claims at the Closing. Seller is not aware that it is infringing upon or otherwise acting adversely to any trademarks, trade names, service marks, service names, copyrights, patents, patent applications, know-how, methods, or processes owned by any other person or persons, and there is no claim or action filed, or to the knowledge of Seller threatened, with respect thereto.

3.9 Compliance with Authorities. All reports and statements that the Stations are currently required to file with the FCC or with any other governmental agency have been filed and all reporting requirements of the FCC and other Governmental Authorities having jurisdiction over Seller and the Stations have been complied with. All of such reports and statements are substantially complete and correct as filed. Seller has paid to the FCC all annual regulatory fees payable with respect to the FCC Licenses required to be paid by Seller, including but not limited to the 2014 FCC regulatory fees. Seller has not received any notice asserting any noncompliance with any applicable statute, rule or regulation, whether federal, state or local. Seller is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency or other Governmental Authority or any other tribunal duly authorized to resolve disputes. To the best of Seller's knowledge, Seller is in compliance in all material respects with all laws, regulations and governmental orders applicable to the Assets and the conduct of the business and operations of the Stations. Except for the consent of the FCC to the assignment of the Licenses to Buyer as contemplated in this Agreement, no action, consent or other approval is required from Governmental Authorities in connection with the transactions contemplated by this Agreement. The "public files" of the Stations are maintained in compliance with FCC rules and policies.

3.10. Brokers. Neither Seller nor any person acting on Seller's behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement for which Buyer could become liable. Seller has engaged Media Services Group, Inc., as a broker for this transaction. Any fees due Media Services Group, Inc., shall be paid exclusively by Seller.

3.11 Litigation. Seller is not subject to any judgment, award, order, writ, injunction, arbitration decision or decree which could affect Seller's ability to perform its obligations hereunder, and there is no litigation, proceeding or investigation pending or threatened against Seller or relating to the Stations or Assets in any federal, state or local court, or before any administrative agency or arbitrator or before any other tribunal duly authorized to resolve disputes, which could have any effect upon the business, property, assets or condition (financial or otherwise) of the Stations or Assets or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken pursuant to or in connection with this

Agreement or which could materially adversely affect Seller's ability to perform its obligations under this Agreement.

3.12 Insurance. Seller maintains policies of insurance in such amounts and against such risks and losses as Seller believes are reasonable and adequate for the business of the Stations and the Assets, and Seller will maintain such policies or arrangements until the Closing.

3.13 Full Disclosure. The Assets being conveyed constitute all of the assets of the Stations. The only liabilities of the Stations are current and recurring account payables, including but not limited to licensing fees, contract services, programming fees, and utility fees, all of which have been disclosed to the Buyer. The representations and warranties of Seller herein or in any document, exhibit, statement, certificate or schedule furnished by or on behalf of Seller to Buyer as required by this Agreement do not contain any untrue statement of a material fact or omit or will omit to state any material fact necessary in order to make the statements herein or therein, in light of the circumstances under which they were made, not misleading in any material respect.

#### **SECTION 4 – BUYER'S REPRESENTATIONS AND WARRANTIES**

Buyer represents and warrants to Seller as follows:

4.1 Organization, Standing and Power. Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the state of Colorado. Buyer has all requisite power and authority to execute and deliver this Agreement and the documents contemplated under this Agreement and to perform and comply with all of the terms, covenants, and conditions to be performed and complied with by Buyer.

4.2 Authority. 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 have been duly executed and delivered by Buyer and constitute the legal, valid, and binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

4.3 No Conflicts. Subject to obtaining the FCC Consent and the Consents, the execution, delivery, and performance by Buyer of this Agreement and the Escrow 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 Articles of Incorporation or regulations of Buyer; (iii) will not conflict with, result in a breach of, or constitute a default under, any law, judgment, order, 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, such that Buyer could not acquire or operate the Assets.

4.4 Litigation. There is no action, suit, investigation or other proceedings pending, or, to Buyer's best knowledge, threatened, that may adversely affect Buyer's ability to perform in accordance with the terms of this Agreement, and Buyer is unaware of any facts which could reasonably result in any such proceeding.

#### **SECTION 5 - SELLER'S COVENANTS**

5.1 Contracts. Seller will not enter into any contract or commitment relating to the Stations or the Assets, or amend or terminate any Contract (or waive any material right thereunder), or incur any obligation (including obligations relating to the borrowing of money or the guaranteeing of indebtedness) that will be binding on Buyer after Closing.

5.2 Preserve Assets. Seller shall not sell, assign, lease, or otherwise transfer or dispose of any of the Assets, except in the ordinary course of Seller's business, where no longer used or useful in the business or operations of the Stations, or in connection with the acquisition of replacement property of equivalent kind and value. Seller shall use its best efforts to maintain all of the Assets in their current condition and use, operate, and maintain all of the Assets in a reasonable manner and in material accordance with the terms of the FCC Licenses, all rules and regulations of the FCC and generally accepted standards of good engineering practice.

5.3 Consents. Seller shall use its best efforts to obtain the Consents without any change in the terms or conditions of any Contract or License that could be less advantageous to the Stations than those pertaining under the Contract or License as in effect on the date of this Agreement. Seller shall promptly advise Buyer of any difficulties experienced in obtaining any of the Consents and of any conditions proposed, considered, or requested for any of the Consents.

## **SECTION 6 - ACTIONS PRIOR TO CLOSING**

6.1 FCC Consent. The assignment of the FCC Licenses in connection with the purchase and sale of the Assets pursuant to this Agreement shall be subject to the prior consent and approval of the FCC by Final Order.

6.2 FCC Application. Seller and Buyer shall promptly prepare an appropriate application for the FCC Consent and shall file the application with the FCC within ten days of the execution of this Agreement. The cost of the FCC filing fee in connection with the application for such assignment shall be divided equally between the parties. Buyer and Seller shall be individually responsible for their respective attorney's fees connected with the application. The parties shall prosecute the application with all reasonable diligence and otherwise use their best efforts to obtain a grant of the application as expeditiously as practicable and shall oppose any objections to the grant of the application for the FCC Consent. Each party agrees to comply with any condition imposed on it by the FCC Consent, except that no party shall be required to comply with a condition if (i) the condition was imposed on it as the result of a circumstance the existence of which does not constitute a breach by the party of any of its representations, warranties, or covenants under this Agreement, and (ii) compliance with the condition would have a material adverse effect upon it. Buyer and Seller shall oppose any requests for reconsideration or judicial review of the FCC Consent. If the Closing shall not have occurred for any reason within the original effective period of the FCC Consent, and neither party shall have terminated this Agreement under Section 9, the parties shall jointly request an extension of the effective period of the FCC Consent. No extension of the FCC Consent shall limit the exercise by either party of its rights under Section 9.

6.3 Control of Stations. Prior to Closing, Buyer shall not, directly or indirectly, control, supervise, direct, or attempt to control, supervise, or direct, the operations of the Stations; such operations, including complete control and supervision of all of the Stations' programs, employees, and policies, shall be the sole responsibility of Seller until the Closing.

6.4 Risk of Loss. The risk of any loss, damage, impairment, confiscation, or condemnation of any of the Assets from any cause whatsoever shall be borne by Seller at all times prior to the Closing. If Seller does not restore or replace any property damaged or destroyed before the Closing Date, Buyer may terminate this Agreement and receive a return of the Escrow Money.

6.5 Confidentiality. Except as necessary for the consummation of the transaction contemplated by this Agreement, including Buyer's obtaining of financing related hereto, and except as and to the extent required by law, including, without limitation, disclosure requirements of federal or state securities laws and the rules and regulations of securities markets, each party will keep confidential any information obtained from the other party in connection with the transactions contemplated by this Agreement. If this Agreement is terminated, each party will return to the other party all information obtained by such party from the other party in connection with the transactions contemplated by this Agreement.

6.6 Cooperation. Buyer and Seller shall cooperate fully with each other in taking any actions, including actions to obtain the required consent of any Governmental Authority or any third party necessary or helpful to accomplish the transactions contemplated by this Agreement, including but not limited to the cancellation of the granted construction permit to relocate the FM Station translator if Seller elects not to move the FM Station.

6.7 Access. From the date of this Agreement until the Closing Date, Seller will afford Buyer, its officers, counsel, accountants, engineers and other representatives, upon two business days prior written notice, full access to the Assets, and all of Seller's real and personal properties, contracts, commitments and other related records, at all reasonable times during business hours, and such representatives will be furnished true and complete copies of the same as such representatives may reasonably request; provided, however, that such review shall be conducted so as to not interfere unreasonably with or disrupt the business operations of Seller.

6.8 UCC Searches. Buyer, at its option, may obtain Uniform Commercial Code financing statement searches from each state and county in which Seller owns or leases any property showing no security interests, pledges, liens, claims or encumbrances in or affecting any part of the Assets, other than: (i) those that Seller causes to be released prior to or concurrently with the Closing Date; (ii) those for which Seller has assumed responsibility; or (iii) encumbrances or liens that Buyer expressly agrees in writing to accept. The cost of said searches shall be paid by Buyer.

## **SECTION 7 - CONDITIONS**

7.1 Conditions Precedent to Buyer's Obligations. All obligations of Buyer at the Closing are subject at Buyer's option to the fulfillment prior to or at the Closing Date of each of the following conditions:

(a) Representations and Warranties. All representations and warranties of Seller contained in this Agreement shall be true and complete in all material respects at and as of the Closing Date as though made at and as of that time, except for changes contemplated by this Agreement.

(b) Covenants and Conditions. 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 prior to or on the Closing Date.

(c) Consents. All Consents on Schedule 3.7 shall have been obtained and delivered to Buyer without any adverse change in the terms or conditions of any agreement or any governmental license, permit, or other authorization.

(d) FCC Consent. The FCC Consent shall have been granted without the imposition on Buyer of any conditions; Seller shall have complied with any conditions imposed on it by the FCC

Consent; and the FCC Consent shall have become a Final Order. In its sole and absolute discretion, Buyer may elect to waive this contingency and close this transaction upon the FCC's Initial Order.

(e) Governmental Authorizations. Seller shall be the holder of all Licenses and there shall not have been any modification of any License that could have a materially adverse effect on the Stations 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 License.

(f) Deliveries. Seller shall have made or stand willing to make all the deliveries to Buyer set forth in Section 8.2, including but not limited to a duly executed and effective Tower Lease.

(g) Adverse Change. Between the date of this Agreement and the Closing Date, there shall have been no material adverse change in the Tangible Personal Property or Licenses of the Stations, including any damage, destruction, or loss affecting any assets used or useful in the conduct of the business of the Stations.

(h) Station Testing. Seller shall have made the Stations operational for testing, and the Stations shall have passed such testing in the reasonable determination of Buyer's engineer.

7.2 Conditions Precedent to Seller's Obligations. All obligations of Seller at the Closing are subject at Seller's option to the fulfillment prior to or at the Closing Date of each of the following conditions:

(a) Representations and Warranties. All representations and warranties of Buyer contained in this Agreement shall be true and complete in all material respects at and as of the Closing Date as though made at and as of that time, except for changes contemplated by this Agreement.

(b) Covenants and Conditions. 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 prior to or on the Closing Date.

(c) Deliveries. Buyer shall have made or stand willing to make all the deliveries set forth in Section 8.3.

(d) FCC Consent. The FCC Consent shall have been granted without the imposition on Seller of any conditions and Buyer shall have complied with any conditions imposed on it by the FCC Consent. Assuming all other conditions precedent to Seller's obligation at Closing have been resolved, Buyer in its sole and absolute discretion may elect to cause Seller to close this transaction upon receipt of the Initial Order of the FCC as provided in Section 7.1(d) rather than wait for the Final Order to issue.

## **SECTION 8 - CLOSING PROCEDURES**

8.1 Closing. The Closing shall take place at on a date and time to be set by Buyer on at least five days' written notice to Seller that is (i) not earlier than the first business day after the FCC Consent is granted (the Initial Order), and (ii) not later than ten business days following the date upon which the FCC Consent has become a Final Order, subject to satisfaction or waiver of all other conditions precedent to the holding of the Closing. If Buyer fails to specify the date for Closing prior to the fifth business day after the date upon which the FCC Consent becomes a Final Order, the Closing shall take place on the tenth business day after the date upon which the FCC Consent becomes a Final Order. The Closing shall be held at any place that is agreed upon by Buyer and Seller.

8.2 Closing Deliveries. Prior to or on the Closing Date, Seller shall deliver to Buyer the following, in form and substance reasonably satisfactory to Buyer and its counsel:

(a) Transfer Documents. Duly executed bills of sale, assignments, and other transfer documents that shall be sufficient to vest good and marketable title to the Assets in the name of Buyer, free and clear of all claims, liabilities, security interests, mortgages, liens, pledges, conditions, charges or encumbrances, except for liens for current taxes not yet due and payable;

(b) Consents. An executed copy of any instrument evidencing receipt of any Consent;

(c) Officer's Certificate. A certificate, dated as of the Closing Date, executed on behalf of Seller by an officer of each Seller, certifying (1) that the representations and warranties of Seller contained in this Agreement are true and complete in all material respects as of the Closing Date as though made on and as of that date; and (2) that Seller has in all material respects performed and complied with all of its obligations, covenants, and agreements set forth in this Agreement to be performed and complied with on or prior to the Closing Date;

(d) Tower Lease. Duly executed Tower Lease with mutually acceptable terms;

(e) Licenses, Contracts, Business Records, Etc. Copies of all Licenses, Contracts, engineering records, and all files and records used by Seller in connection with its operations of the Stations; and

8.3. Buyer's Deliveries. Prior to or on the Closing Date, Buyer shall deliver to Seller the following, in form and substance reasonably satisfactory to Seller and its counsel:

(a) Purchase Price. The Purchase Price as provided in Section 2.3;

(b) Assumption Agreements. Appropriate assumption agreements pursuant to which Buyer shall assume and undertake to perform Seller's obligations under the Licenses insofar as they relate to the time on and after the Closing Date or arise out of events occurring on or after the Closing Date.

(c) Officer's Certificate. A certificate, dated as of the Closing Date, executed on behalf of Buyer by an officer of Buyer, certifying (1) that the representations and warranties of Buyer contained in this Agreement are true and complete in all material respects as of the Closing Date as though made on and as of that date, and (2) that Buyer has in all material respects performed and complied with all of its obligations, covenants, and agreements set forth in this Agreement to be performed and complied with on or prior to the Closing Date;

8.4 Escrow Agent Deliveries. At the Closing, the Escrow Agent shall deliver the Earnest Money to the obligation of Buyer.

## **SECTION 9 - TERMINATION**

9.1 Termination by Seller. This Agreement may be terminated by Seller and the purchase and sale of the Stations abandoned, if Seller is not then in material default, upon written notice to Buyer, upon the occurrence of any of the following:

(a) Conditions. If on the date that would otherwise be the Closing Date any of the conditions precedent to the obligations of Seller set forth in this Agreement have not been satisfied or waived in writing by Seller.

(b) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order that would prevent the Closing or make the Closing unlawful.

(c) Outside Date. If the Closing shall not have occurred by February 28, 2016.

(d) Breach. Without limiting Seller's rights under the other provisions of this Section 9.1, if Buyer has failed to cure or commenced to cure any material breach of any of its representations, warranties or covenants under this Agreement within 15 days after Buyer received written notice of such breach from Seller.

9.2 Termination by Buyer. This Agreement may be terminated by Buyer and the purchase and sale of the Stations abandoned, if Buyer is not then in material default, upon written notice to Seller, upon the occurrence of any of the following:

(a) Conditions. If on the date that would otherwise be the Closing Date any of the conditions precedent to the obligations of Buyer set forth in this Agreement have not been satisfied or waived in writing by Buyer.

(b) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any litigation, lis pendens, judgment, decree, or order that would prevent or make unlawful the Closing.

(c) Outside Date. If the Closing shall not have occurred by February 28, 2016.

(d) Breach. Without limiting Buyer's rights under the other provisions of this Section 9.2, if Seller has failed to cure or commenced to cure any material breach of any of its representations, warranties or covenants under this Agreement within 15 days after Seller received written notice of such breach from Buyer.

9.3 Result of Termination; Payment of Earnest Money. Buyer has, simultaneous with the execution of this Agreement, deposited the Earnest Money with Escrow Agent. Such funds shall be held and disbursed in accordance with the following provisions:

(a) At the Closing, the Earnest Money shall be paid to Seller, and Seller shall apply the Earnest Money to the Purchase Price paid by Buyer as a credit.

(b) If this Agreement is terminated by Seller pursuant to Section 9.1 due to Buyer's material breach of this Agreement, and Seller is not in material breach of any provision of this Agreement, Seller shall be entitled to receipt of the Earnest Money and all interest thereon from the Escrow Agent.

(c) If this Agreement is terminated pursuant to its terms without default on the part of Buyer, or if Seller shall wrongfully refuse to close in accordance with the provisions of the Agreement, Buyer shall be entitled to return of the Earnest Money and all interest thereon.

9.4 Damages; Specific Performance. If this Agreement is terminated pursuant to Section 9.1 or 9.2 and neither party is in material breach of any provision of this Agreement, the parties hereto shall not have any further liability to each other with respect to the purchase and sale of the Assets and the Earnest Money shall be returned to Buyer. If this Agreement is terminated by Seller due to Buyer's material breach of this Agreement and Seller is not in material breach of any provision of this Agreement, then the payment of the Earnest Money to Seller pursuant to Section 9.3(b) shall be liquidated damages and shall constitute

full payment and the exclusive remedy for any damages suffered by Seller by reason of Buyer's material breach of this Agreement. Seller and Buyer agree in advance that actual damages would be difficult to ascertain and that the amount of the Earnest Money paid in accordance with Section 9.3, together with any interest or other proceeds from the investment of that amount, is a fair and equitable amount to reimburse Seller for damages sustained due to Buyer's material breach of this Agreement. If this Agreement is terminated by Buyer due to Seller's material breach of this Agreement, and Buyer is not in material breach of any provision of this Agreement, Buyer shall have all rights and remedies available at law or equity, including the right to seek specific performance of this Agreement.

## **SECTION 10 - SURVIVAL AND INDEMNIFICATION**

10.1 Survival. The representations, warranties, indemnities and covenants made in this Agreement and in any agreement or instrument executed and delivered in connection with this Agreement shall survive the Closing Date for a period of eighteen (18) months.

10.2 Indemnification of Buyer. Following the Closing Seller shall indemnify, defend and hold Buyer harmless with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including, without limitation, interest, penalties, court costs and reasonable attorneys' fees) ("*Damages*") asserted against, resulting from, imposed upon or incurred by Buyer directly or indirectly relating to or arising out of: (i) the breach by Seller of any of its representations or warranties that survive the Closing, or failure by Seller to perform any of its covenants, conditions or agreements set forth in this Agreement that survive the Closing; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Station prior to the Closing, including the Contracts and with respect to the Excluded Assets.

10.3 Indemnification of Seller. Following the Closing Buyer shall indemnify, defend and hold Seller harmless with respect to any and all Damages asserted against, resulting from, imposed upon or incurred by Seller directly or indirectly relating to or arising out of any breach by Buyer of any of its representations, warranties, or failure by Buyer to perform any of its covenants, conditions or agreements set forth in this Agreement.

## **SECTION 11 – MISCELLANEOUS**

11.1 Taxes; Fees; Expenses. Any federal, state, or local sales or transfer tax arising in connection with the conveyance of the Assets by Seller to Buyer pursuant to this Agreement shall be paid by Seller. Buyer and Seller shall each pay one-half of all filing fees required by the FCC in connection with the FCC Consent. Except as otherwise provided in this Agreement, each party shall pay its own expenses incurred in connection with the authorization, preparation, execution, and performance of this Agreement, including all fees and expenses of counsel, accountants, agents, and representatives.

11.2 Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be in writing and validly given or made to another party if served either personally or if deposited in the United States mail, certified and postage prepaid, or if transmitted by telecopy or other electronic written transmission device or if sent by overnight courier service, and if addressed to the applicable party as set forth below. If such notice, demand or other communication is served personally, service shall be conclusively deemed given at the time of such personal service. If such notice, demand or other communication is given by mail, service shall be conclusively deemed given 72 hours after the deposit thereof in the United States mail. If such notice, demand or other communication is given by overnight courier, or electronic transmission, service shall be conclusively deemed given at the time of confirmation of delivery. The addresses for the parties are as follows:

If to Seller:

Kona Coast Radio, LLC  
Mountain Community Translators, LLC  
Attention: Victor Michael, Sole Member  
87 Jasper Lake Road  
Loveland, CO 80537  
E-mail address vicmichael@aol.com

If to Buyer, to:

Mountain Radio Group Inc.  
Richard Gillenwaters, CFO  
7215 Ashley Drive  
Colorado Springs, CO 80922  
E-mail address: waters@mountainradiogroup.com

With a copy to:  
David P. Steigerwald  
Sparks Willson Borges Brandt & Johnson, P.C.  
24 S. Weber Street, Suite 400  
Colorado Springs, CO 80903  
E-mail address: dps@sparkswillson.com

or to any other or additional persons and addresses as the parties may from time to time designate in a writing delivered in accordance with this Section 11.2.

11.3 Assignment. Neither party hereto may assign this Agreement without the prior written consent of the other party hereto; provided, however, that Buyer may assign its rights and obligations under this Agreement, in whole or in part, to one or more subsidiaries or commonly controlled affiliates of Buyer without seeking or obtaining Seller's prior approval. Notwithstanding any such assignment, Buyer shall not be relieved of any liability hereunder unless and until it shall have obtained the prior written consent of Seller. Upon any permitted assignment by Buyer or Seller in accordance with this Section 11.3, all references to "Buyer" shall be deemed to be references to Buyer's assignee and all references to "Seller" shall be deemed to be references to Seller's assignee, as the case may be. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

11.4 Future Cooperation. 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.

11.5 Governing Law. This agreement shall be governed, construed, and enforced in accordance with the laws of the state of Colorado without regard to the choice of law provisions thereof.

11.6 Headings. The headings in this Agreement are included for ease of reference only and shall not control or affect the meaning or construction of the provisions of this Agreement.

11.7 Use of Pronouns; Gender. 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.

11.8 Entire Agreement. This Agreement, the schedules, and all documents, certificates, and other documents 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.

11.9 Waiver. 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 Section 11.9.

11.10 Press Release. Neither party shall publish any press release, make any other public announcement or otherwise communicate with any news media concerning this Agreement or the transactions contemplated hereby or thereby without the prior written consent of the other party; provided, however, that nothing contained herein shall prevent either party from promptly making all filings with governmental authorities as may, in its judgment be required or advisable in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

11.11 Counterparts. This Agreement may be signed in counterparts with the same effect as if the signature on each counterpart were upon the same instrument. Copies of this Agreement that are signed and transmitted via facsimile or e-mail shall be binding as originals.

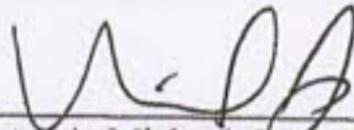
11.12 Schedule Updates. From time to time after the execution of this Agreement and prior to the Closing, Seller will promptly supplement or amend the Schedules delivered in connection herewith with respect to any matter that exists or occurs after the date of this Agreement and, if existing or occurring at or prior to the date of this Agreement, would have been required to be set forth or described in the Schedules or is necessary to correct any information therein; provided, however, that the provisions of this Section are informational only and Buyer shall not be bound to the terms of any changed Schedules unless they are incorporated into this Agreement by a written amendment signed by Buyer. Buyer shall reasonably cooperate with respect to any changed Schedules.

*[Signature Page Follows]*

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

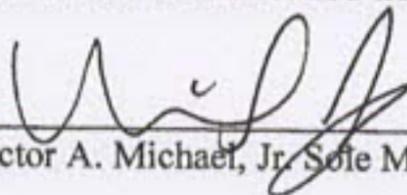
**SELLER:**

**KONA COAST RADIO, LLC**



\_\_\_\_\_  
Victor A. Michael, Jr. Sole Member

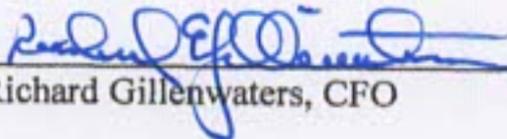
**MOUNTAIN COMMUNITY TRANSLATORS, LLC**



\_\_\_\_\_  
Victor A. Michael, Jr. Sole Member

**BUYER:**

**MOUNTAIN RADIO GROUP INC.**



\_\_\_\_\_  
Richard Gillenwaters, CFO

**Schedule 2.2**

**Inventory**

KKHI Transmitter site inventory

Quantity	Item	Discription
1	ATU Plant	1 -Combiner 1 - Antenna match 1530 Khz 1 - Antenna match 1040 Khz
200'	Hardline RF Line	1 1/4" from building to ATUs Kintornics Mid MASDH 4220478
1	Antenna Switch	4220478
1	5K Dummy Load	Electro Impulse Mod DACT-14
1	Night/Standby Tx	Nautel ND -5
1	Remote Control	Burk Mod. ARC 16
1	Modulation Monitor	Day Sequerra Mod. M-2
1	Ominia 5EX HD&AM	Audio Processors AM and IBOC Signal
1	NE IBOC Exciters	Generators Timing and Reference
1	Nautel NE IBOC AUX	Generators
1	UPS Unit XL-30 30Kw	
1	Transmitters Main Spare parts kits for XL-30	Daytime Transmitter

## **K294CH FOUNTAIN, CO, INVENTORY LIST**

Nicom NT 150 FM exciter

FM Panel transmit antenna, circular polarization

60 feet Andrew LDF4-50A transmission line.

## **Schedule 3.4**

### **Licenses and Construction Permits**



**United States of America**  
**FEDERAL COMMUNICATIONS COMMISSION**  
**AM BROADCAST STATION LICENSE**

Authorizing Official:

Official Mailing Address:

KONA COAST RADIO, LLC  
 87 JASPER LAKE ROAD  
 LOVELAND CO 80537

Brian J. Butler  
 Supervisory Engineer  
 Audio Division  
 Media Bureau

Facility Id: 33731

Call Sign: KKHI

License File Number: BL-19990728DD

Grant Date: August 23, 2000

This license expires 3:00 a.m.  
 local time, April 01, 2005.

This License Covers Permit No.: BP-19990315AD  
 As Last Modified by Permit No.: BMP-19990713AI

Subject to the provisions of the Communications Act of 1934, subsequent acts and treaties, and all regulations heretofore or hereafter made by this Commission, and further subject to the conditions set forth in this license, the licensee is hereby authorized to use and operate the radio transmitting apparatus herein described.

This license is issued on the licensee's representation that the statements contained in licensee's application are true and that the undertakings therein contained so far as they are consistent herewith, will be carried out in good faith. The licensee shall, during the term of this license, render such broadcasting service as will serve the public interest, convenience, or necessity to the full extent of the privileges herein conferred.

This license shall not vest in the licensee any right to operate the station nor any right in the use of the frequency designated in the license beyond the term hereof, nor in any other manner than authorized herein. Neither the license nor the right granted hereunder shall be assigned or otherwise transferred in violation of the Communications Act of 1934. This license is subject to the right of use or control by the Government of the United States conferred by Section 606 of the Communications Act of 1934.

Hours of Operation: Daytime with Secondary nighttime

Average hours of sunrise and sunset:  
 Local Standard Time (Non-Advanced)

Jan.	7:15 AM	5:00 PM	Jul.	4:45 AM	7:30 PM
Feb.	6:45 AM	5:30 PM	Aug.	5:15 AM	7:00 PM
Mar.	6:15 AM	6:00 PM	Sep.	5:45 AM	6:15 PM
Apr.	5:30 AM	6:30 PM	Oct.	6:15 AM	5:15 PM
May	4:45 AM	7:00 PM	Nov.	6:45 AM	4:45 PM
Jun.	4:30 AM	7:30 PM	Dec.	7:15 AM	4:45 PM

Callsign: KKHI

License No.: BL-19990728DD

Name of Licensee: KONA COAST RADIO, LLC

Station Location: COLORADO SPRINGS, CO

Frequency (kHz): 1530

Station Class: D

Antenna Coordinates:

Day

Latitude: N 38 Deg 49 Min 08 Sec

Longitude: W 104 Deg 46 Min 32 Sec

Night

Latitude: N 38 Deg 49 Min 08 Sec

Longitude: W 104 Deg 46 Min 32 Sec

Critical

Latitude: N 38 Deg 49 Min 08 Sec

Longitude: W 104 Deg 46 Min 32 Sec

Transmitter(s): Type Accepted. See Sections 73.1660, 73.1665 and 73.1670 of the Commission's Rules.

Nominal Power (kW):	Day: 15.0	Night: 0.015	Critical: 1.0
Antenna Input Power (kW):	Day: 15.0	Night: 0.015	Critical: 1.0
Antenna Mode:	Day: ND	Night: ND	Critical: ND

(DA=Directional Antenna, ND=Non-directional Antenna; CH=Critical Hours)

Current (amperes):	Day: 12.44	Night: 0.393	Critical: 3.2
Resistance (ohms):	Day: 97	Night: 97	Critical: 97

Non-Directional Antenna: Day

Radiator Height: 96 meters; 176.4 deg

Theoretical Efficiency: 376 mV/m/kw at 1km

Non-Directional Antenna: Night

Radiator Height: 96 meters; 176.4 deg

Theoretical Efficiency: 376 mV/m/kw at 1km

Non-Directional Antenna: Critical

Radiator Height: 96 meters; 176.4 deg

Theoretical Efficiency: 376 mV/m/kw at 1km

Antenna Registration Number(s):

Callsign: KKHI

License No.: BL-19990728DD

Day:

Tower No.	ASRN	Overall Height (m)
1	1025253	

Night:

Tower No.	ASRN	Overall Height (m)
1	1025253	

Critical:

Tower No.	ASRN	Overall Height (m)
1	1025253	

Special operating conditions or restrictions:

- 1 The permittee/licensee in coordination with other users of the site must reduce power or cease operation as necessary to protect persons having access to the site, tower or antenna from radiofrequency electromagnetic fields in excess of FCC guidelines.

\*\*\* END OF AUTHORIZATION \*\*\*



United States of America  
**FEDERAL COMMUNICATIONS COMMISSION**  
**FM BROADCAST TRANSLATOR/BOOSTER STATION**  
**CONSTRUCTION PERMIT**

Authorizing Official:

Official Mailing Address:

\_\_\_\_\_  
MOUNTAIN COMMUNITY TRANSLATORS, LLC  
87 JASPER LAKE ROAD  
LOVELAND CO 80537  
\_\_\_\_\_

\_\_\_\_\_  
James D. Bradshaw  
Deputy Chief  
Audio Division  
Media Bureau  
\_\_\_\_\_

Facility Id: 138696

Call Sign: K297BQ

Permit File Number: BPFT-20141205CLT

Grant Date: January 14, 2015

This permit expires 3:00 a.m.  
local time, 36 months after the  
grant date specified above.

Commission rules which became effective on February 16, 1999, have a bearing on this construction permit. See Report & Order, Streamlining of Mass Media Applications, MM Docket No. 98-43, 13 FCC RCD 23056, Para. 77-90 (November 25, 1998); 63 Fed. Reg. 70039 (December 18, 1998). Pursuant to these rules, this construction permit will be subject to automatic forfeiture unless construction is complete and an application for license to cover is filed prior to expiration. See Section 73.3598.

Name of Permittee: MOUNTAIN COMMUNITY TRANSLATORS, LLC

Principal community to be served: CO-FOUNTAIN

Primary Station: KKHI (AM) , Frequency 1530 kHz, COLORADO SPRINGS, CO

Via: Other

Frequency (MHz): 107.3

Channel: 297

Hours of Operation: Unlimited

Antenna Coordinates: North Latitude: 38 deg 46 min 15 sec  
West Longitude: 104 deg 51 min 20 sec

Transmitter: Type Accepted. See Sections 73.1660, 74.1250 of the Commission's Rules

Antenna type: (directional or non-directional): Directional

Major lobe directions 180 270  
(degrees true):

	Horizontally Polarized Antenna:	Vertically Polarized Antenna:
Effective radiated power in the Horizontal Plane (kw):	0.25	0.25
Height of radiation center above ground (Meters):	11	11
Height of radiation center above mean sea level (Meters):	2138	2138

Antenna structure registration number: Not Required

Overall height of antenna structure above ground: 20 Meters

Obstruction marking and lighting specifications for antenna structure:

It is to be expressly understood that the issuance of these specifications is in no way to be considered as precluding additional or modified marking or lighting as may hereafter be required under the provisions of Section 303(q) of the Communications Act of 1934, as amended.

None Required

Special operating conditions or restrictions:

- 1 The permittee/licensee in coordination with other users of the site must reduce power or cease operation as necessary to protect persons having access to the site, tower or antenna from radiofrequency electromagnetic fields in excess of FCC guidelines.
- 2 Prior to commencing program test operations, FM Translator or FM Booster permittee must have on file at the Commission, FCC Form 350, Application for an FM Translator or FM Booster Station License, pursuant to 47 C.F.R. Section 74.14.

\*\*\* END OF AUTHORIZATION \*\*\*



Callsign: K294CH

License No.: BLFT-20141009ADS

Name of Licensee: MOUNTAIN COMMUNITY TRANSLATORS, LLC

Principal community to be served: CO-DIVIDE

Primary Station: KKHI (AM) , Frequency 1530 kHz, COLORADO SPRINGS, CO

Via: Other

Frequency (MHz): 106.7

Channel: 294

Hours of Operation: Unlimited

Antenna Coordinates: North Latitude: 38 deg 46 min 22 sec  
West Longitude: 104 deg 59 min 32 sec

Transmitter: Type Accepted. See Sections 73.1660, 74.1250 of the Commission's Rules.

Transmitter output power: 0.011 kW

Antenna type: (directional or non-directional): Directional  
Description: SCA HDCA-10, H&V

Major lobe directions 90  
(degrees true):

	Horizontally Polarized Antenna:	Vertically Polarized Antenna:
Effective radiated power in the Horizontal Plane (kw):	0.06	0.06
Height of radiation center above ground (Meters):	18	18
Height of radiation center above mean sea level (Meters):	3781	3781

Antenna structure registration number: Not Required

Overall height of antenna structure above ground: 19 Meters

Obstruction marking and lighting specifications for antenna structure:

It is to be expressly understood that the issuance of these specifications is in no way to be considered as precluding additional or modified marking or lighting as may hereafter be required under the provisions of Section 303(q) of the Communications Act of 1934, as amended.

None Required

Callsign: K294CH

License No.: BLFT-20141009ADS

Special operating conditions or restrictions:

- 1 The permittee/licensee in coordination with other users of the site must reduce power or cease operation as necessary to protect persons having access to the site, tower or antenna from radiofrequency electromagnetic fields in excess of FCC guidelines.

\*\*\* END OF AUTHORIZATION \*\*\*

**Schedule 3.5**

**Tangible Assets**

**none**

## **Schedule 3.6**

### **Contracts**

Tower lease between Mauna Towers, LLC and Mountain Radio Group, LLC for the use by KKHI(AM) Colorado Springs, CO, 1530 khz. Shared operation with KCBR Monuments, CO on 1040 khz.

Tower Lease between the Cheyenne Mountain Zoo and Mountain Radio Group, LLC for use by K294CH Fountain, Colorado. New lease yet to be fully negotiated.

ASCAP, BMI, and/or SESAC music licenses (if any).

**Schedule 3.7**

**Consents required**

**None**

**Schedule 3.8**

**Intangibles**

**None**