

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is made as of this 11th day of October, 2016, by and between Aircraft Storage Solutions, LLC, a limited liability company formed in the State of Arizona ("Seller"), and Desert Broadcasters LLC, a California limited liability company ("Buyer").

Recitals

- A. Seller is the holder of a Federal Communications Commission ("FCC") construction permit for a new FM translator station to serve the community of Peach Springs, Arizona, K284CB (Facility ID No. 150768, FCC File No. BNPFT-201 30821ABE)(the "Permit").
- B. Seller has agreed to sell the Permit to Buyer, and Buyer has agreed to purchase the Permit from Seller, on the terms and conditions set forth herein.
- C. Buyer is entering into a purchase agreement to acquire station KPSI

Agreements

In consideration of the foregoing, and the mutual covenants and agreements set forth below, Seller and Buyer hereby agree as follows:

1. **Assignment Application.** The parties shall employ all reasonable efforts in the prompt preparation and filing of an application with the FCC for consent to the assignment of the Permit from Seller to Buyer (the "Assignment Application"). Such application is to be filed as soon as is practicable, but in no event later than October 14, 2016. The parties shall cooperate in the diligent submission of any additional information requested or required by the FCC with respect to such application, and shall take all steps reasonably required for the expeditious prosecution of the Assignment Application to a favorable conclusion, and shall diligently oppose any objections to, appeals from, or petitions to reconsider such approval of the FCC, to the end that the FCC order granting consent to the assignment of the Permit may be obtained as soon as practicable. Provided, however, that in the event the application for assignment of the Permit has been designated for hearing, then the party which is not the subject of the hearing (or which is not the party whose alleged actions or omissions resulted in the designation for hearing) may elect to terminate this Agreement upon written notice to the other party.
2. **Assets to be Conveyed.** On the Closing Date, as defined in Section 6 hereof, Seller will sell, assign, transfer, convey, and deliver to Buyer:
 - a. the Permit; and
 - b. any files, records, and intangible property or property rights of Seller related to the Permit.

The foregoing assets (the "Purchased Assets") are to be conveyed by Seller to Buyer through an assignment and any other document of transfer (the "Closing Documents") customary for such purpose and satisfactory in form and substance to Buyer, Seller, and their respective counsel. The Purchased Assets are to be conveyed to Buyer free and clear of any claims, liabilities, mortgages, deeds of trust, assignments, liens, pledges, conditions, exceptions, restrictions, limitations, charges, security interests, or other encumbrances of any nature whatsoever (collectively, "Liens").

3. **No Liabilities Assumed.** Buyer shall not assume or in any manner be liable for any of Seller's debts, liens, obligations or liabilities, whether express or implied, known or unknown, contingent or absolute.

4. **Purchase Price.** The Purchase Price ("Purchase Price") to be paid ~~on the signing~~ by Buyer for the Purchased Assets shall be, the value of the program carriage agreement in section 13, plus Twenty Thousand Dollars (\$20,000.00) in cash, to be paid to Seller in the following manner:

a. within two (2) business days of the execution of this Agreement, Buyer shall deliver to Seller \$10,000 by wire transfer, (the "deposit"); and ~~\$10,000 placed in Escrow~~ *G.W.*

b. within two (2) business days of the execution of this Agreement, Buyer shall deliver \$10,000 to safefunds.com to be held pending the Closing. Buyer and Seller shall cause such amount to be released to Seller at the Closing. In the event that the Closing does not occur or this Agreement is terminated for any reason, Buyer and Seller shall cause the \$10,000 held by safefunds.com to be immediately returned to Buyer. ~~In such event, no additional consideration shall be owed or payable to Seller, and the value assigned to the program carriage agreement as part of the Purchase Price shall be \$0.~~ *G.W.*

5. **Allocation of the Purchase Price.** Buyer and Seller shall agree to an allocation of the Purchase Price as reasonably established by Buyer. Buyer and Seller shall use such allocation for all reporting purposes in connection with federal, state and local income and, to the extent permitted under applicable law, franchise taxes. Buyer and Seller agree to report such allocation to the Internal Revenue Service in the form required by Treasury Regulation § 1.1060-1T.

6. **Closing.** The Closing, or the Closing Date, as used throughout this Agreement, shall take place within five (5) business days after the FCC shall have consented to assignment of the Permit to Buyer and such consent shall have become a Final Order, subject to satisfaction of or waiver of the other conditions precedent set forth in Section 12. The term "Final Order" means such consent shall no longer be subject to review, reconsideration, appeal, or remand under applicable laws and the rules of the FCC.

7. **Representations and Warranties of Seller.** Seller hereby represents and warrants to Buyer, and agrees that:

- a. Seller is a limited liability company formed in the State of Arizona. Seller has the requisite power and authority to enter into and fulfill its obligations under this Agreement.
- b. This Agreement constitutes the legal, valid, and binding obligation of Seller, enforceable in accordance with its terms.
- c. Subject to obtaining the approval of the FCC, the execution, delivery and performance of this Agreement (i) does not require the consent of any third party, and (ii) will not conflict with, result in a breach of, or constitute a default under any agreement or instrument to which Seller is a party or by which Seller is bound, or under any law, judgment, order, decree, rule, or regulation of any court or governmental body which is applicable to Seller or the Permit.
- d. Seller knows of no reason related to its qualifications which would disqualify it from holding the Permit or assigning the Permit to Buyer. The Permit is valid and in full force and effect and constitutes all of the authorizations issued by the FCC in connection with the construction and/or operation of the new FM translator as provided in the Permit. Other than as set forth in the publicly available FCC records, the Permit is not subject to any restriction or condition that would limit in any respect the construction and/or operation of the FM translator as now intended. There is not pending or threatened any action by or before the FCC to revoke, suspend, cancel, rescind, or modify the Permit (other than proceedings relating to FCC rules of general applicability), and there is no order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint by or before the FCC, pending or threatened, against Seller regarding the Permit.
- e. Seller has complied in all material respects with all requirements to file reports, applications, and other documents with the FCC with respect to the Permit, and all such reports, applications, and documents are complete and correct in all material respects.
- f. Seller has, and on the Closing Date will have, good and marketable title to all the Purchased Assets, free and clear, of all claims and Liens.
- g. There are no leases or contracts pertaining to the Purchased Assets, and between now and the date of Closing, Seller shall not, without the consent of Buyer, enter into any leases or contracts pertaining to the Purchased Assets or dispose of or agree to sell any of the Purchased Assets.
- h. There is and will be no claim, action, litigation, government inquiry, government proceeding or other similar matter, pending or threatened, pertaining to the Purchased Assets. There is no basis for any such claim, action, litigation, government inquiry, government proceeding or other similar matter, which would individually or in the aggregate materially adversely affect the Purchased Assets.

i. No insolvency proceedings of any character including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting the Seller or the Purchased Assets, are pending or threatened, and Seller has made no arrangement for the benefit of creditors, nor taken any action with a view to, or which would constitute the basis for the institution of, any such insolvency proceedings.

j. No agent, broker, investment banker, or other person or firm acting on behalf of or under the authority of Seller or any affiliate of Seller is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, from Buyer in connection with transactions contemplated by this Agreement.

k. None of the representations or warranties made by Seller, nor any statement made in any document or certificate furnished by Seller pursuant to this Agreement contains or will contain at the Closing, any untrue statement of a material fact, or omits or will omit at the Closing, to state any material fact necessary in order to make the statements contained herein or therein, in the light of the circumstances under which they were made, not misleading.

8. **Representations and Warranties of Buyer.** Buyer hereby represents and warrants to Seller that:

a. Buyer is, and as of the Closing Date will be, a limited liability company duly organized, validly existing and in good standing in the State of California. Buyer has the requisite power and authority to enter into and fulfill its obligations under this Agreement

b. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have or will be duly authorized and approved by all necessary action on the part of Buyer prior to Closing. No other or further corporate act on the part of Buyer is necessary to authorize this Agreement or the consummation of the transaction contemplated hereby. This Agreement constitutes the legal, valid, and binding obligation of Buyer, enforceable in accordance with its terms.

c. Buyer knows of no reason related to its qualifications that would disqualify it from acquiring the Permit from Seller.

d. Buyer has the financial resources necessary to consummate the transaction contemplated by this Agreement.

e. No agent, broker, investment banker, or other person or firm acting on behalf of or under the authority of Buyer or any affiliate of Buyer is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, from Seller in connection with transactions contemplated by this Agreement.

f. None of the representations or warranties made by Buyer, nor any statement made in any document or certificate furnished by Buyer pursuant to this Agreement contains or will contain at the Closing, any untrue statement of a material fact, or omits or will omit at the Closing, to state any material fact necessary in order to make the statements contained herein or therein, in the light of the circumstances under which they were made, not misleading.

9. **Expenses.** Except as are otherwise specified in Section 10 herein, all expenses involved in the preparation and consummation of this Agreement shall be borne by the party incurring such expense, provided, however, that the filing fee for the FCC assignment application shall be paid by Buyer.

10. **Modification of the Permit.** Seller hereby grants its consent for Buyer to file in Buyer's name, pursuant to Section 73.3517(a) of the FCC's rules, an application on FCC Form 349 to modify the facilities authorized under the Permit (the "Minor Mod Application"). Such application shall be prepared and filed in accordance with the procedure specified by the FCC pursuant to MB Docket 13-249 to request modifications to the Permit and/or a change in the transmitter site for the Permit to a location designated by Buyer which, if approved by the FCC, will permit the Translator to be used as a fill-in for an AM radio station. Such Minor Mod Application shall include a request that the Permit expiration date be tolled for a period to include reasonable construction time following the grant of (a) the Assignment Application and (b) the Minor Mod Application. Notwithstanding anything to the contrary contained herein, Buyer will assume all the expenses, duties of prosecution (including, without limitation, reasonable technical modifications, and good-faith negotiations to settle mutually exclusive FM modification applications filed by third-parties), and risk attendant to the Minor Mod Application, the post-closing construction, and use of the Permit. Upon execution of this Agreement, Seller shall promptly associate Buyer's FCC Registration Number with the permit.

11. **Seller's Closing Conditions.** All obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions which, except for the initial consent of the FCC to the assignment, may be waived in whole or in part by Seller:

a. the FCC shall have consented to the assignment of the Permit to Buyer without any condition materially adverse to Seller; and

b. Buyer shall have delivered the balance of the Purchase Price in the manner specified in Section 4 hereof.

12. **Buyer's Closing Conditions.** All obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions which, except for the initial consent of the FCC to the assignment, may be waived in whole or in part by Buyer:

- a. the FCC shall have consented to the assignment of the Permit to Buyer without any condition materially adverse to Buyer, and such consent shall have become a Final Order;
- b. Seller shall have executed and delivered to Buyer the Closing Documents and conveyed the Purchased Assets to Buyer in accordance with this Agreement;
- c. All representations and warranties of Seller made herein shall be true and correct in all material respects as of the Closing Date;
- d. as of the Closing Date, Seller shall have complied in all material respects with all covenants and conditions of this Agreement; and
- e. the FCC shall have granted the Minor Mod Application in a form acceptable to Buyer.

13. **Program Carriage Agreement.** As part of consideration for Seller's sale of the purchased assets, Buyer agrees to broadcast on its radio station KPSI (AM) the two hour "Think! America" radio program (the "Program"). The broadcast of the Program shall commence on a date mutually agreed upon by Seller and Buyer and continue for one year, and shall be broadcast once per week on Saturday or Sunday, at a time determined by buyer. However, the Program will air between the hours of 7am and 5pm (PACIFIC time). The Program broadcast shall be subject to buyer standard terms and conditions for programs airing on KPSI (AM). Buyer shall have no responsibility or expense for distribution of the Program to any station other than KPSI (AM). Seller is responsible for delivering the Program to Buyer as directed by Buyer. Seller acknowledges that Buyer is not the current licensee of KPSI (AM) If Buyer does not close its acquisition of KPSI (AM), Buyer shall have no obligation to air the Program.

h.w. ADDITIONAL CONSIDERATION SHALL BE OWED OR PAYABLE TO SELLER, AND THE VALUE ASSIGNED TO THE PROGRAM CARRIAGE AGREEMENT AS PART OF THE PURCHASE PRICE SHALL BE \$0.

- 14. **Termination.** This Agreement may be terminated by the parties as follows:
 - a. If either Buyer or Seller shall be in material breach of this Agreement, and such breach is not cured after twenty (20) days' written notice from the other party or, if the breach is not of a type that can be cured within such time period, then after a reasonable time to cure such breach so long as the breaching party has commenced good faith diligent efforts to cure such breach within said time period and thereafter diligently pursues such cure to completion. Then the non-breaching party, if not then in material breach itself, may terminate this Agreement. In the event of termination of this Agreement by the Buyer as a result of an uncured breach of this agreement by Seller, the deposit shall be refunded to Buyer. However in the event of a material breach of this Agreement by Seller, instead of termination of this Agreement and seeking damages from Seller, Buyer shall alternatively have the right to seek and obtain specific performance of the terms of this Agreement, it being agreed by Seller that the Purchased Assets are unique assets. In the event of termination of this Agreement by Seller as a result of an uncured breach of this Agreement by Buyer, Seller's sole and exclusive remedy shall be retention by Seller of the Deposit as liquidated damages. THE DELIVERY OF THE LIQUIDATED DAMAGES AMOUNT TO SELLER SHALL BE CONSIDERED LIQUIDATED DAMAGES AND

NOT A PENALTY, AND SHALL BE THE RECIPIENT'S SOLE REMEDY AT LAW OR IN EQUITY FOR A BREACH HEREUNDER IF CLOSING DOES NOT OCCUR. BUYER AND SELLER EACH ACKNOWLEDGE AND AGREE THAT THIS LIQUIDATED DAMAGE AMOUNT IS REASONABLE IN LIGHT OF THE ANTICIPATED HARM WHICH WILL BE CAUSED BY A BREACH OF THIS AGREEMENT, THE DIFFICULTY OF PROOF OF LOSS, THE INCONVENIENCE AND NON-FEASIBILITY OF OTHERWISE OBTAINING AN ADEQUATE REMEDY, AND THE VALUE OF THE TRANSACTION TO BE CONSUMMATED HEREUNDER.

b. If the FCC or a court shall have issued an order or taken any other action, in any case having the effect of permanently restraining, enjoining or otherwise prohibiting or making the transaction not feasible, and such order or other action is finally determined, then either party may terminate this Agreement provided, however, that the right to terminate this Agreement under this Section 14(b) shall not be available to a party whose failure to fulfill any obligation under this Agreement shall have been the principal cause of, or shall have resulted in, such order or action. In the event of a termination of this Agreement under this Section 14(b), the Deposit shall be refunded to Buyer; in the event of a termination of this Agreement under this Section 14(b) by Seller, the Deposit shall be retained by Seller.

c. If the Closing has not occurred within nine (9) months after the date of this Agreement, then either party may terminate this Agreement, provided, however, that the right to terminate this Agreement under this Section 14(c) shall not be available to any party whose failure to fulfill any obligation under this Agreement shall have been the principal cause of, or shall have resulted in unreasonable delay in the Closing. In the event of a termination of this Agreement under this Section 14(c), the Deposit shall be refunded to Buyer.

15. **Survival.** The representations and warranties of Buyer and Seller set forth above shall survive the Closing Date for a period of twelve (12) months (the "Survival Period"), except that for any representation or warranty of Buyer or Seller as to such party's qualifications and authority to consummate the transactions contemplated hereby, title of the parties to the Purchased Assets, any tax obligations of Seller, or the Purchased Assets being free and clear of any liens the Survival Period shall be indefinite. Seller indemnifies and holds Buyer harmless from any loss, liability, damage or expense (including legal and other expenses incident thereto) arising from or pertaining to (a) ownership of the Purchased Assets prior to the date of Closing or (b) breach of any covenants, representations or warranties of this Agreement, by Seller. Buyer indemnifies and holds Seller harmless from any loss, liability, damage or expense (including legal and other expenses incident thereto) arising from or pertaining to (a) ownership or operation of the Purchased Assets subsequent to the date of Closing or (b) breach of any covenants, representations or warranties in this Agreement, by Buyer. No claims may be brought under this Agreement unless written notice describing in reasonable detail the nature and basis of such claim is given on or prior to the last day of the Survival Period. In the event such notice is given, the right to indemnification with respect thereto under this provision shall survive the applicable Survival Period until such claim is finally resolved and any obligations with respect thereto are fully satisfied, and the indemnifying party shall be entitled at its own expense to compromise or defend against the claim with counsel reasonably satisfactory to the indemnified party; provided, that once the defense thereof is assumed by the indemnifying party, the indemnifying party shall keep the

indemnified party advised of all developments in the defense thereof and any related litigation, and the indemnified party shall be entitled at all times to participate in the defense thereof at its own expense.

16. **Control of Permit.** Between the date of this Agreement and the Closing Date, Buyer shall not control the Permit, which shall remain solely the responsibility and under the control of Seller, subject to Seller's compliance with this Agreement.

17. **Entire Agreement.** This Agreement, together with all exhibits and schedules hereto, constitute the entire agreement between the parties and supersede any prior negotiations, agreements, understandings or arrangements between the parties with respect to the subject matter hereof.

18. **Amendments and Waivers.** No term or provision of this Agreement may be amended, waived, discharged or terminated orally but only by an instrument in writing signed by the party against whom the enforcement of such amendment, waiver, discharge or termination is sought. Any waiver shall be effective only in accordance with its express terms and conditions.

19. **Construction and Enforcement.** This Agreement shall be construed and enforced in accordance with the internal laws of the State of Arizona. Any disputes arising out of this Agreement shall be resolved in state or federal court in Arizona.

20. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding on the permitted successors and assigns of the parties hereto. This Agreement and any rights hereunder shall not be assignable by either party hereto without the prior written consent of the other party. Notwithstanding the foregoing, Buyer may in its sole and absolute discretion, assign all of its right, title, interest and obligation under this Agreement to any entity controlled by, or under common control with Buyer.

21. **Cooperation.** Both before and after the Closing, Seller and Buyer shall each cooperate, take such actions and execute and deliver such documents as may be reasonably requested by the other party in order to carry out the provisions of this Agreement.

22. **Notices.** All notices hereunder shall be delivered in writing and shall be deemed to have been duly given if delivered and received by certified or registered mail, return receipt requested, or by expedited courier service, to the following addresses or such other addresses as any party may provide by written notice:

To Seller: Aircraft Storage Solutions
2068 McCulloch Boulevard
N. Lake Havasu City, Arizona 86403

To Buyer: Desert Broadcasters, LLC
1800 Joe Crosson Road Unit 55
El Cajon, CA 92020
Attention: Garry Wing ,
Manager

23. **Attorneys' Fees.** If any action at law or equity is brought, whether in a judicial proceeding or arbitration, to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and expenses from the other party, which fees and expenses shall be in addition to any other relief, which may be awarded.

24. **Counterparts.** This Agreement may be signed in counterparts with the same effect as if the signature on each counterpart were upon the same instrument. Executed copies of this Agreement transmitted by facsimile or other electronic means shall be valid and binding.

[The remainder of this page has been intentionally left blank.

Signatures appear on the next page.]

[Signature page to Asset Purchase Agreement.]

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

SELLER:

Aircraft Storage Solutions, LLC



A handwritten signature in black ink, appearing to be 'G. Wing', is written over a horizontal line.

BUYER:

Desert Broadcasters LLC *F.W.*

By: _____

Garry Wing
Manager

10-12-16