

# ***Serendipity Ventures II, LLC***

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***Communications Equipment Installation   -   Site Surveys   -   Broadcast Support Services***

## ***Asset Purchase Agreement***

This Asset Purchase And Sale Agreement (the "Agreement") is executed effective as of March 24, 2003 by and between KDJR Radio, Inc., a Delaware Corporation (the "Seller"), and Serendipity Ventures II, LLC, a Missouri Limited Liability Company, (the "Buyer").

WITNESSETH:

WHEREAS, the Seller will hold licenses issued by the Federal Communications Commission (the "FCC") for the operation of Radio Stations KDJR (FM) operating on the frequency 100.1 MHz licensed to DeSoto, Missouri (the "Station"); and is the owner of certain assets used and useful in the operation of the Radio Station; and

WHEREAS, upon the terms and subject to the conditions contained herein, the Seller desires to sell to the Buyer and the Buyer desires to purchase all of the assets used in connection with or otherwise associated with the Radio Station including the real property associated with the tower site and the radio License upon its' grant to the Seller, of the Station;

NOW THEREFORE, for value received, the receipt and adequacy of which are hereby acknowledged, and in exchange for the mutual promises, covenants and other agreements contained herein, the parties hereto, intending to be legally bound, agree as follows:

### **1. Contingencies.**

a. The License Assignment from Seller to Buyer is contingent on the successful and consummated Assignment of License of Radio Station KDJR (FM), DeSoto, Missouri, FCC Facility ID 5279 from Grizzly Broadcasting Trust to the Seller filed with the FCC under file number BALH 20030304AAI.

b. A contingency for the Buyer to obtain satisfactory financing.

c. All documentation, licenses, land titles or any paperwork associated with this agreement have been approved by the Buyer's Counsel.

**2. Purchase Price.** The total Purchase Price for the Assets and Radio License is Three Hundred-Fifty Thousand Dollars (\$350,000.00).

### 3. Actions upon Acceptance of this Agreement.

a. Upon acceptance of the Asset Purchase Agreement by the Seller, an initial payment of One Hundred-Fifty Thousand Dollars (\$150,000.00) shall be placed with Hillsboro Title Company, of Hillsboro, Missouri (the "Title Company") by the Seller as purchase price of the real estate and assets as described in Appendix A and Appendix B. Seller shall provide the Title Company with the necessary documentation for the transfer of the real estate and assets to Buyer within ten (10) days of acceptance of this Agreement (the "Transfer Date"). The Title Company shall execute a UCC-9 security check relating to the Assets. Possession of the Assets shall be delivered to Buyer upon the Transfer Date. The Seller and Buyer agree that this transaction may have taken place upon the acceptance of the Letter of Intent.

b. Upon acceptance of this Agreement by the Seller, the Buyer shall place with the Title Company the remaining balance of Two Hundred Thousand Dollars (\$200,000.00) into a non-interest bearing escrow account. The proceeds will be paid directly to the Buyer, or applied to any closing costs of the Buyer. This remaining balance be delivered to Seller, in a form and method acceptable to Seller, upon notification to the Title Company in writing by the Parties, that the Assignment of License has been made to the Buyer by the FCC.

c. In the event that the Assignment of License from Grizzly Broadcasting Trust should not be completed within ninety (90) days of the acceptance of this Agreement, the Seller shall return to the Buyer the initial payment of One Hundred-Fifty Thousand Dollars (\$150,000.00) and the Buyer shall cause the Assets to be returned to the Seller within 15 days, unless further extended in writing by both parties hereto. Any improvements to the real estate shall become the property of the Seller. Upon these actions, Buyer and Seller shall have no further liability to each other.

4. Inspections. A Due Diligence inspection of the Assets may be made by the Buyer at no cost to the Seller. Seller agrees to provide reasonable access to the property for any such inspections.

### 5. Seller's Warranties and Representations.

a. Seller warrants that there is no action pending or threatened against the assets being sold and that the Assets being transferred to Buyer will be free and clear of all liens, claims, encumbrances, security interests and adverse rights or interests whatsoever at and as of the Transfer Date.

b. Seller warrants that there is no FCC action pending or threatened to the best of the Seller's knowledge at Closing.

c. Seller warrants that it is in sole possession of the Assets and that the Assets are free and clear of all liens, claims, encumbrances, security interests and adverse rights or

interests whatsoever.

d. Seller warrants that as of the date of the transfer of assets, all taxes, to include real estate, personal property, any state taxes, local taxes or payroll taxes, Federal, State and local are paid and not in arrears.

e. Seller shall provide a list of creditors and amounts for any transaction concerning the Assets. If there are none, the Seller shall provide a statement that there are none.

6. FCC Section 73.1150 Statement. Both the Seller and the Buyer agree that the Seller will retain no rights of revision of the Radio Station.

7. Environmental. Seller states and warrants that Seller has no knowledge there are any environmental issues with respect to the real estate of the tower and transmitter site.

8. Assignment of the Radio License. This Agreement assumes approval by the FCC of the assignment of License within three (3) months from the date of filing from Licensee to Seller. The Seller and Buyer acknowledge that all transactions are subject to the rules and regulations of the FCC and that FCC approval is required to transfer the Radio License. Both parties agree to cooperate and use their best efforts to secure all approvals necessary and to file the required application for transfer of the Radio License within ten (10) days of the assignment from Grizzly to the Seller.

9. Closing. The Closing shall occur within Ten (10) days of the assignment by the FCC of the License from the Seller to the Buyer when such assignment appears in the FCC's Daily Digest (Public Notice). The Title Company shall then transfer the balance of the Escrow Account to the Seller as outlined in Item 3b. The proceeds from this escrow account will be paid to Buyer as outlined in paragraph 3b.

10. Expenses. Except as otherwise specifically provided herein, the Seller on the one hand, and the Buyer on the other, shall each pay all of its respective expenses relating to this transaction. The Buyer shall pay the Closing Costs to the Title Company. Taxes and special assessments due on or before the Closing shall be paid by the Seller. The Buyer shall pay the Assignment of License Transfer fee directly to the FCC upon notice from the Seller that such Assignment has been electronically filed.

11. Indemnification by Seller. Seller shall indemnify and hold Buyer harmless from, against and with respect to any and all losses, liabilities, claims, obligations, costs, damages, attorney's fees and expenses incurred by or asserted against Buyer or the Assets which (i) relate to or arise out of any breach by Seller of any covenant, warranty or representation contained in this Agreement, or in any other document or agreement delivered by Seller to Buyer pursuant to the terms of this Agreement; or (ii) which relate to the ownership or use of the Assets or the operation of the Radio Station prior to Closing or otherwise arise out of events occurring prior to the Closing which are the

responsibility of the Seller.

12. Warranties and Representations. Both Seller and Buyer represent that they have the authority to enter into this Agreement and that this Agreement shall be under jurisdiction of Missouri law with venue in Jefferson County, Missouri. Buyer further states that it is legally and financially qualified to hold a Radio License.

13. Arbitration. In the event a dispute arises concerning this Agreement that cannot be resolved informally by the parties, either the Buyer or the Seller may require that the issue be submitted to an arbitrator for binding decision. The parties shall select an arbitrator who is knowledgeable in the radio broadcasting industry, if possible, and who is mutually acceptable to the Buyer and the Seller. If the parties are unable to agree on an arbitrator, the closest office of the American Arbitration Association shall designate the arbitrator. The Buyer and the Seller shall each pay one-half of the costs associated with arbitration, and shall each pay their own attorney's fees. The decision of the arbitrator shall be final, conclusive and binding on the parties.

14. Survival. The warranties and representations of the Seller under the terms of this Agreement shall survive the Closing.

15. Expiration. This agreement will expire if not completed on or before August 1, 2003 and the provisions of Paragraph 3c shall apply.

16. Modification. No provision contained herein may be modified, amended or waived except by written agreement or consent signed by the party to be bound thereby.

17. Assignment. The rights, obligations and duties of the parties hereto shall not be assignable or otherwise transferable without the prior written consent of the other party.

18. Binding Effect and Benefit. This Agreement shall inure to the benefit of and shall be binding upon, the parties hereto, their heirs, successors and permitted assigns.

19. Entire Agreement. This document constitutes the entire agreement of the parties and supersedes any and all other prior agreements, oral or written with respect to the subject matter contained herein.

*Signature Page Follows*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the March 24th, 2003.

On Behalf of Serendipity Ventures II, LLC (Buyer):

\_\_\_\_\_/s/\_\_\_\_\_  
Harold S. Vogt - Owner

\_\_\_\_\_/s/\_\_\_\_\_  
Sharon L. Vogt - Owner

Accepted on Behalf of KDJR, Inc. (Seller):

\_\_\_\_\_/s/\_\_\_\_\_  
Sabatino Cupelli, President

## Appendix A - Equipment List

The following items are located at the transmitter site at 4620 Upper Blackwell Road, DeSoto, Missouri 63020.

1. GATES/HARRIS FM5H3 5kw FM transmitter  
Not working - needs a driver tube (4CX250A)
2. COLLINS 831D2 2kw FM transmitter  
Condition unknown - rodent infestation
3. MARTI R-10 STL receiver serial number 3963 Frequency 946.875
4. MARTI R-10 STL receiver serial number 3966 Frequency 947.125
5. INOVONICS DAVID Model 715 serial number 075
6. ORBAN Optomod model 8100A Audio processor  
serial number 967267-022KG
7. BE FX30 FM Exciter serial number 1031
8. SINE SYSTEM RP8, DA2 and modem alarm system unknown serial number
9. ZEPHRYUS 700 Series SCPC Satellite receiver serial number 70450
10. SWR model FM3/3-DA 3 bay directional transmit antenna  
Not currently connected to feedline
11. ERI 3 bay FM transmit antenna  
Currently connected to feedline
12. Approximately 340' 1 5/8" antenna coax w/connectors  
Condition unknown - no nitrogen on line
13. Nitrogen bottle and regulators  
Empty
14. Fort Worth Type 40-600G 300' tower with 20' long 8" top mounted pole
15. STL receive antenna make unknown at 290' (+/-) level
16. Approximately 325' - 1/2" antenna feedline (coax) for STL antenna
17. 6' Equipment rack
18. 6' (+/-) Satellite dish w/LNB  
unknown condition of LNB

19. Wall mounted air conditioner  
condition unknown
20. 5' wooden stepladder
21. All manuals and documentation for site  
Found in building
22. Approximately 8x12' metal building

## **Appendix B - Real Estate**

"A tract of land being part of the Northwest quarter of the Southwest quarter of Section Eleven (11), Township Thirty-Eight (38), Range Four (4) East, being more particularly described as follows: Beginning at the Northeast corner of a tract conveyed from Atchi to Atchi on March 13, 1989, and recorded at Deed Book 421 at page 1982 of records of the Recorder of Deeds of Jefferson County, Missouri, thence South along the eastern boundary line of said tract and further a distance of 364 feet to a point; thence East a distance of 364 feet to a point; thence North a distance of 364 feet to the centerline of Blackwell County Road; thence in a westerly direction with the center line of Blackwell County Road a distance of 364 feet to the point of beginning."

(NOTE: This works out to approximately 3.04 acres +/- )



## **Seller's Statement Concerning Creditors**

Seller states and affirms that there are no creditors in connection with the Assets of KDJR (fm) of DeSoto, Missouri. Furthermore, none of the assets are attached or being used for collateral for any other transactions.