

## **ASSET PURCHASE AGREEMENT**

THIS AGREEMENT, entered into as of this 21st day of March, 2007, by and between BROADCAST TOWERS, INC. ("Seller") and COYOTE COMMUNICATIONS, INC. ("Buyer");

### **WITNESSETH:**

WHEREAS, Seller is the holder of Federal Communications Commission ("FCC") Construction Permit BNPFT-20030828AVT for unbuilt FM Translator Station K224CZ at Coyote, California; and

WHEREAS, said Construction Permit expires May 25, 2007 (the "Expiration Date"); and

WHEREAS, Buyer desires to acquire the K224CZ Construction Permit (the "CP"), but only if the CP is modified to change transmitter location to Buyer's preferred site located on the Thomas Ranch in Morgan Hill, California (the "New Site") prior to the Expiration Date; and

WHEREAS, Seller desires to sell, assign, transfer and convey the CP to Buyer pursuant to the terms and conditions set forth below:

NOW, THEREFORE, in consideration of the mutual covenants herein contained, receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **DEFINITIONS:** Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

(a) Closing Date or Closing means a date that is mutually agreeable to Seller and Buyer which shall be within five (5) business days from the date the FCC grants a modification of the CP to change transmitter site to the New Site (the "Modification"), but not later than May 25, 2007, provided that the FCC has approved and granted the assignment of the K224CZ Construction Permit without regard to such FCC action becoming a Final Order, as defined below.

(b) Final Order means an Order of the FCC granting its consent and approval to the assignment of the CP from Seller to Buyer, which is no longer subject to rehearing, reconsideration or review by the FCC, or to a request for stay, an appeal or review by any court under the Communications Act of 1934, or the Rules and Regulations of the FCC.

2. **SALE AND TRANSFER OF ASSETS:** On the Closing Date, Seller agrees to sell and shall sell, transfer, assign, convey and deliver to the Buyer the CP. Seller

assigns the CP to Buyer "as is" without any representation or warranty as to its suitability, usability or non-interference with other broadcasters, or any other warranty as to the future performance or reliability of K224CZ. Furthermore, Seller makes no representation or warranty as to the suitability or availability of the New Site.

3. **PURCHASE PRICE:** The total consideration to be paid by Buyer to Seller pursuant to this Agreement is Twenty Thousand Dollars (\$ 20,000.00) in the form of cash, check or wire transfer at Closing. The parties understand and agree that this transaction shall not be considered consummated, and the Seller shall not file the FCC "Notice of Consummation" until the payment consideration is received from the Buyer.

4. **ASSUMED CONTRACTS AND OBLIGATIONS.** No expense, debt or liability of Seller, of any nature whatsoever, shall be assumed by Buyer unless said assumption is set forth in this Agreement, or in any separate written agreements executed by both Buyer and Seller.

5. **TERMINATION AND EXPIRATION:**

(a) This Agreement may be terminated at the option of either party upon written notice to the other party if the FCC's consent to the assignment of the CP has not been obtained within six (6) months hereof, provided however, that neither party may terminate this Agreement if that party is in default hereunder, or if a delay in any decision or determination by the FCC respecting either application has been caused or materially contributed to (i) by any failure of the terminating party to furnish, file or make available to the FCC information within its control; (ii) by the willful furnishing by the terminating party of incorrect, inaccurate, or incomplete information to the FCC, or (iii) by any other action taken by the terminating party for the purpose of delaying the FCC's decision or determination respecting the application.

(b) This Agreement shall expire if the FCC does not grant the Modification prior to the Expiration Date, and thereafter neither Seller nor Buyer shall any longer have any obligation, responsibility, liability, right or privilege under this Agreement.

6. **TRANSFER OF ASSETS:** Seller, on the Closing Date at the Closing Place, will sell, transfer, convey, assign and deliver to Buyer the CP.

7. **CONSENT OF THE FCC:**

(a) It is specifically understood and agreed that the consummation of this Agreement shall be subject to the prior consent of the FCC without conditions materially adverse to the Buyer. Upon the execution of this Agreement, Seller and Buyer will, at their mutual expense, proceed to expeditiously prepare and file with the FCC the requisite

Assignment Application to secure such consent, together with such other necessary instruments and documents as may be required. The parties further agree to tender the said Application to the FCC within ten (10) calendar days of the date of execution of this Agreement, and thereafter to prosecute said Application with diligence, and to cooperate with each other and to use their best efforts to obtain the requisite consent and approval promptly, and to carry out the provisions of this Agreement. Buyer shall be responsible for paying of any FCC filing fees associated with this transaction.

(b) **Modification Application.** Seller agrees to cooperate with Buyer in the filing of the FCC application for the Modification. Buyer shall bear the costs and expenses it incurs with regard to the preparation, filing and prosecution of the Modification, but shall not be responsible for any costs or expenses that Seller incurs in connection with the Modification.

8. **LEGAL NOTICE:** Upon the filing of the assignment application, Seller shall be responsible for, and shall take the necessary steps, to provide such Legal Notice concerning the filing as may be required by the FCC Rules. If requested by Buyer, Seller shall provide Buyer with evidence of Seller's compliance with the Legal Notice requirements.

9. **SECTION 73.1150 STATEMENT:** Both the Seller and Buyer agree that the Seller has retained no rights of reversion of the K224CZ Construction Permit, no right to the reassignment of the permit in the future, and has not reserved the right to use the facilities of K224CZ in the future for any reason whatsoever.

10. **COMPLIANCE WITH LAWS:** Seller has not received any notice asserting noncompliance by it in connection with the CP with respect to any applicable local, state or federal (including FCC) statute, rule or regulation. 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 in any respect material to the transactions contemplated hereby. There are no applications, complaints or proceedings pending or, to the best of Seller's knowledge, threatened before the FCC relating to the CP which would have a material adverse effect on the future operation of K224CZ

11. **COVENANTS, REPRESENTATIONS, WARRANTIES AND INSURANCE:**

(a). Seller has full power and authority to enter into this Agreement and is the holder of the CP.

(b). Buyer has full power and authority to enter into this Agreement and has correctly represented its financial standing to consummate this Agreement.

**12. EXPIRATION OF REPRESENTATIONS AND WARRANTIES:** The representations and warranties of Seller and Buyer contained herein shall expire one (1) year after the Closing.

**13. FCC QUALIFICATIONS:**

(a) Seller is qualified under the Communications Act of 1934, as amended, to assign the CP to Buyer.

(b) Seller does not know of any facts relating to Seller which would cause the FCC to deny its consent to the assignment of the CP to Buyer, and should any such facts come to Seller's attention, Seller shall promptly notify Buyer thereof and use his reasonable best efforts and take such steps as may be reasonably necessary to remove any such impediment to the Assignment.

**14. SELLER'S PERFORMANCE AT CLOSING:** On the Closing Date at the Closing Place, Seller shall execute and deliver or cause to be delivered to Buyer the following:

(a) An Assignment to Buyer of the CP, together with any and all other related authorizations.

(b) An Assignment to Buyer of all rights, title and interest in and to the Call Letters K224CZ.

(c) Such other assignments, bills of sale or other instruments as may be required to effectuate this Agreement and the assignment of the CP and related assets from Seller to Buyer.

**15. BUYER'S PERFORMANCE AT CLOSING:** On the Closing Date at the Closing Place, Buyer shall deliver to Seller a check, cash or wire transfer in the amount of Twenty Thousand Dollars (\$20,000.00), and shall also take all steps necessary to assume such contracts and agreements that have been heretofore identified in Exhibit A.

**16. BENEFIT:** The parties hereto understand and agree that this Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

**17. OTHER DOCUMENTS:** The parties shall execute such other documents as may be necessary and desirable to the implementation and consummation of this

Agreement.

18. **BROKER**: At Closing, the Seller shall be responsible for paying the brokerage commission owed to Bob Austin of Satterfield & Perry.

19. **ATTACHMENTS**: All Attachments to this Agreement shall be deemed part of this Agreement and incorporated herein, where applicable, as if fully set forth herein. If any provision in any Attachment conflicts with or is not consistent with the provisions of this Agreement, the terms of this Agreement shall govern.

20. **NO INCONSISTENT ACTIONS**. Neither the Seller nor the Buyer shall take any action which is materially inconsistent with its obligations under this Agreement.

21. **ENTIRE AGREEMENT**: This Agreement is the only Agreement between the parties hereto and contains all of the terms and conditions agreed upon with respect to the subject matter hereof. No alteration, modification or change of this Agreement shall be valid unless by like instrument.

22. **NOTICES**: All necessary notices required under this Agreement shall be sent first-class mail, postage pre-paid, to the following:

If to Seller:	Broadcast Towers, Inc. Attn: William R. Lacy 6910 N.W. 2nd Terrace Boca Raton, FL 33487
With a copy to:	Cary S. Tepper Booth, Freret, Imlay & Tepper, PC 7900 Wisconsin Avenue Suite 304 Bethesda, MD 20814-3628
If to Buyer:	Peter Mieuli Coyote Communications, Inc. 1629 Alum Rock Avenue; Suite C San Jose, CA
With a copy to:	John Wells King Garvey Schubert Barer 1000 Potomac Street NW, Fifth Floor Washington, DC 20007

**23. GOVERNING LAW:** This Agreement shall be construed and enforced in accordance with the laws of the State of California.

**24. COUNTERPARTS:** This Agreement may be executed in counterparts.

**25. HEADINGS:** The headings of the Paragraphs of this Agreement are inserted as a matter of convenience and for reference purposes only, and in no way define, limit or describe the scope of this Agreement nor the intent of any Paragraph hereof.

(The next page is the signature page.)

IN WITNESS HEREOF, the parties hereto have hereunto set their hands and seals.

BUYER:

SELLER:

COYOTE COMMUNICATIONS, INC.

BROADCAST TOWERS, INC.

By: 

Peter Mieuli  
Vice-President

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

William R. Lacy  
President

Date: 3/21/07

Date: \_\_\_\_\_

IN WITNESS HEREOF, the parties hereto have hereunto set their hands and seals.

BUYER:

SELLER:

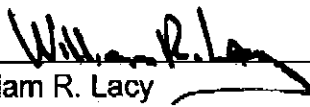
COYOTE COMMUNICATIONS, INC.

BROADCAST TOWERS, INC.

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

Peter Mieuli  
Vice-President

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

  
William R. Lacy  
President

Date: \_\_\_\_\_

Date: \_\_\_\_\_

March 21, 2007



**EXHIBIT A**

None.