

## **ASSET PURCHASE AGREEMENT**

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is entered into as of the 31 day of January, 2007, by and between **Mountain Community Translators, LLC** ("Seller") and **Cedar Cove Broadcasting, Inc.** ("Buyer").

### **Background**

WHEREAS, Seller holds construction permits (the "Permits") issued by the Federal Communications Commission ("FCC") for FM Translator Stations K269EQ, Loveland, Colorado (Facility ID No. 140256); K270AX, Walden, Colorado (Facility ID No. 156367); and K265EC, Estes Park, Colorado (Facility ID No. 142146) (the "Stations"); and

WHEREAS, subject to FCC consent, Seller wishes to sell the Permits for the Stations to Buyer, and Buyer wishes to purchase same from Seller.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, representations and covenants contained herein, the parties, intending to be bound legally, subject to the terms and conditions set forth herein agree as follows:

#### **1. Assignment and Sale of Permits.**

a. Subject to the terms and conditions set forth in this Agreement, Seller agrees to convey, transfer and assign to Buyer at the Closing (as defined in Section 3) all of Seller's right, title and interest in and to the Permits for the Stations (copies of which are annexed hereto in Schedule 1). There are no other assets relating to the Stations being sold.

b. The consideration to be paid for the Permits shall be One Hundred and Five Thousand Dollars (\$105,000). At the Closing, Buyer shall cause to be executed a promissory note in the form of Exhibit A.

**2. FCC Consent.** Within three (3) business days of the execution of this Agreement, the parties shall file an application (the "Assignment Application") for FCC consent to the assignment of the Permits for the Stations (the "FCC Consent"). Each party shall be responsible for its own costs relating to the preparation and filing of the Assignment Application. Buyer and Seller agree to proceed expeditiously and with due diligence to use their best efforts to cooperate with each other in seeking the FCC's approval of the transaction contemplated herewith.

**3. Closing.** Within ten (10) business days after the FCC Consent in an FCC public notice becomes final, that is no longer subject to appeal or review, the parties shall consummate the transaction contemplated by this Agreement at a closing (the "Closing"); provided, however, Buyer, at its sole discretion, may consummate the transaction on grant of FCC consent prior to finality. At the Closing, Seller shall deliver to Buyer a Bill of Sale and Assignment of Construction Permits and any other documents of conveyance reasonably requested by Buyer and necessary to consummate the transaction contemplated by this Agreement. Buyer and Seller shall each deliver to the other a certificate executed by an officer or managing member of the

respective companies certifying that the representations and warranties of such party contained herein are true and correct as of the Closing Date, as if made on such date.

4. **Pre-Closing Covenants.** Should Buyer wish to modify the facilities of the Stations prior to Closing, Seller will cooperate in the filing of such applications and provide written permission to Buyer for filing with the FCC, as necessary; however, Buyer shall be responsible for the payment of all legal and engineering costs associated with such filings. The parties will cooperate fully with each other in fulfilling their respective obligations under this Agreement, including using their respective reasonable best efforts to obtain the required FCC Consent.

5. **Condition Precedent to Closing.** The parties acknowledge and agree that the FCC Consent to the assignment of the Permits from Seller to Buyer is a condition precedent to the Closing provided that such Consent is final, that is, no longer subject to reconsideration or appeal.

6. **Representations and Warranties.** Each party hereto expressly represents and warrants that it has the full power and authority to enter into and execute this Agreement. Subject only to the FCC Consent, there is no constraint upon either party's legal ability to perform its responsibilities hereunder. Seller represents and warrants to Buyer that no person or entity is entitled to any brokerage commissions or finder's fees in connection with the transaction contemplated by this Agreement as a result of any action taken by Seller. Buyer represents and warrants to Seller that no person or entity is entitled to any brokerage commissions or finder's fees in connection with the transaction contemplated by this Agreement as a result of any action taken by Buyer. Seller represents and warrants to Buyer that the Permits has been validly issued by the FCC, that it is in full force and effect, that it constitutes all of the authorizations issued by the FCC in connection with the Stations and that it is not subject to any restriction or condition that would limit the operation of the Stations. Seller further warrants that the authorizations shall be unencumbered in any way and shall be free and clear of all claims. Seller makes no representations or warranties regarding the feasibility of constructing the Stations in a timely manner or at the transmitter sites specified in the Permits.

7. **Termination.** This Agreement may be terminated at any time prior to the Closing as follows:

(a) by mutual written consent of Buyer and Seller; or

(b) by written notice from a party that is not then in material breach of this Agreement if the other party has failed to cure its material breach of any of its representations, warranties or covenants under this Agreement within thirty (30) days after receipt of written notice of such breach from the party not in material breach; or

(c) by written notice of a party to the other party, if the Closing shall not have occurred by the first anniversary from the filing of the Assignment Application, provided, however, that if the Closing shall not have occurred because the FCC Consent shall not have been granted, this Agreement may not be terminated by a party who materially contributed to the delay in the issuance of the FCC Consent.

**8. Effect of Termination.**

(a) If this Agreement is terminated by the parties pursuant to Section 7(a) or (c), then neither party shall have any further liability to the other, and this Agreement shall be deemed null and void and of no further force and effect.

(b) If this Agreement is terminated by Seller or Buyer pursuant to Section 7(b), subject to Section 9(a) hereof, that party shall have all rights to pursue any remedy available to it for breach.

**9. Miscellaneous.**

a. Specific Performance. The parties recognize that if Seller refuses to perform its obligations under this Agreement, monetary damages alone would not be adequate to compensate Buyer for its injury. Buyer shall therefore be entitled to obtain specific performance of this Agreement. If any action is brought by Buyer to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law and to interpose no opposition to the propriety of specific performance as a remedy. Buyer's right to seek specific performance shall be an alternative to and not additional to the exercise of any other remedies available to Buyer at law.

b. Notices. All notices, demands, requests or other communication required or permitted hereunder shall be in writing and sent by overnight air courier service (charges prepaid), or personal delivery to the appropriate party at the address specified below (or to such other address which a party shall specify to the other party in writing):

**If to Seller:**

Victor A. Michael, Jr.  
Mountain Community Translators, LLC  
1063F Big Thompson Canyon Road  
Loveland, CO 80537

**With copy (which shall not constitute notice) to:**

Timothy R. Obitts, Esq.  
Gammon & Grange, P.C.  
8280 Greensboro Drive, 7<sup>th</sup> Floor  
McLean, VA 22102-3807

**If to Buyer:**

Mitchell A. Beranek  
Cedar Cove Broadcasting, Inc.  
9151 Aspen Point Lane  
Cheyenne, WY 82009

**With copy (which shall not constitute notice) to:**

Timothy R. Obitts, Esq.  
Gammon & Grange, P.C.  
8280 Greensboro Drive, 7<sup>th</sup> Floor  
McLean, VA 22102-3807

Each party may change its address for notice purposes by providing written notice in accordance with this Section.

c. Assignment and Binding Effect. Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party, except that Buyer may assign its rights and obligations under this Agreement without the prior consent of Seller to any business entity which owns and controls Buyer, which Buyer owns and controls or which is owned and controlled by the same entity which owns and controls Buyer. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

d. Governing Law. Except to the extent governed by federal 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.

e. Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

f. Entire Agreement. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior negotiation, memoranda and agreements between the parties with respect to the subject matter hereof, and may not be altered, changed, modified or amended except by a written instrument signed by each of the parties hereto.

g. No Waiver. No provision or condition of this Agreement shall be waived by either party hereto except by a written instrument delivered to the other party and signed by the party consenting to and to be charged with such waiver.

h. Other and Further Documents. The parties hereto agree to execute, acknowledge and deliver, before, at or after the Closing, such other and further instruments and documents as may be reasonably necessary to implement, consummate and effectuate the terms of this Agreement.

i. Good Faith. All parties hereto shall act with reasonable diligence, and in good faith, in performing and discharging their respective duties and obligations hereunder.

j. Headings and Cross References. Headings of the sections have been included for convenience of reference only and shall in no way limit or affect the meaning or interpretation of the specific provisions of this Agreement. All cross references to sections herein shall mean the section of this Agreement unless otherwise stated or clearly required by the context.

k. Litigation Expenses. If a formal legal proceeding is instituted by a party to enforce that party's rights under this Agreement, the prevailing party in the proceeding shall be reimbursed by the other party for all reasonable costs incurred thereby, including but not limited to reasonable attorney's fees.

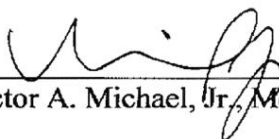
l. Expenses. Except as otherwise provided herein, each party shall be solely responsible for all fees and expenses each party incurs in connection with the transaction contemplated by this Agreement, including, without limitation, legal fees incurred in connection herewith.

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

**SELLER:**

MOUNTAIN COMMUNITY TRANSLATORS, LLC

By:   
Victor A. Michael, Jr., Member

**BUYER:**

CEDAR COVE BROADCASTING, INC.

By: \_\_\_\_\_  
Mitchell A. Beranek, Director

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

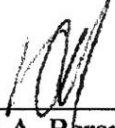
**SELLER:**

MOUNTAIN COMMUNITY TRANSLATORS, LLC

By: \_\_\_\_\_  
Victor A. Michael, Jr., Member

**BUYER:**

CEDAR COVE BROADCASTING, INC.

By:  \_\_\_\_\_  
Mitchell A. Beranek, Director

## **Exhibit A**



## PROMISSORY NOTE

\$105,000.00

\_\_\_\_\_, 2007

FOR VALUE RECEIVED, the undersigned, CEDAR COVE BROADCASTING, INC., a Colorado not-for-profit corporation ("Maker"), unconditionally promises to pay to MOUNTAIN COMMUNITY TRANSLATORS, LLC, or its successors and assigns ("Holder"), or order, at the principal office of Holder located at 1063F Big Thompson Canyon Road, Loveland, Colorado 80537, or at such other address specified by Holder to Maker, in lawful money of the United States of America and in immediately available funds, the principal sum of One Hundred and Five Thousand Dollars (\$105,000.00), together with interest accrued thereon in like money at such office, all as further provided herein.

1. Interest shall accrue on the outstanding principal balance of this Note at the rate of Five Percent (5.0%) per annum.

2. If any payment to be made by Maker hereunder is not made on or within fifteen days after the day it is due, a "late charge" of Two Percent (2%) of the payment that is late may be imposed and shall be payable by Maker to Holder on demand.

3. A lump sum payment in an amount equal to all principal and interest accrued shall be made on the first day of the One Hundred Twentieth month after the date hereof. Payments on this Note shall be applied first to the payment of accrued interest and next to the payment of principal.

4. This Note is issued pursuant to an Asset Purchase Agreement, dated January \_\_\_, 2007, by and between Maker and Holder (the "Asset Purchase Agreement") regarding FM translator stations K269EQ, Loveland, Colorado; K270AX, Walden, Colorado; and K265EC, Estes Park, Colorado (hereinafter the "Stations").

5. The principal hereof (together with accrued interest thereon) may be prepaid from time to time, in whole or in part, without premium or penalty. The obligation of Maker to pay all amounts due hereunder is absolute, and no claim, defense, counterclaim, offset or deduction of any nature, whether arising under this Note, the Asset Purchase Agreement or any other circumstances or occasion whatsoever, shall diminish in any way its obligation to make such payments in full when due.

6. If any of the following events or conditions (each an "Event of Default") shall occur:

(a) Maker fails to pay any installment of principal or interest on this Note within thirty (30) after written notice from Holder that the date such installment is past due and payable (whether at its stated maturity, by acceleration or otherwise); or

(b) Maker makes an assignment for the benefit of creditors, or shall file a voluntary petition in bankruptcy, or shall file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution

or similar relief under any present or future statute, law or regulation, or shall file any answer admitting or not contesting the material allegations of a petition filed against Maker in any such proceeding or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Maker; or

(c) There shall be filed against Maker any petition or application for relief under any bankruptcy or similar law which is not discharged or dismissed within sixty (60) days after the filing of such petition or application; or

(d) Maker shall dissolve or liquidate

then the entire amount of principal and interest remaining unpaid on this Note shall be forthwith due and payable, without presentment, protest or further demand or notice of any kind, all of which are hereby expressly waived by Maker, and Holder shall have all of the rights, powers, and remedies provided in this Note and the laws of the State of Colorado. Failure of Holder or any holder of this Note to exercise any right or remedy available hereunder shall not constitute a waiver of the right to exercise subsequently such right or remedy or any other right or remedy.

7. Furthermore, the entire amount of principal and interest remaining unpaid on this Note shall be due and payable upon consummation of any assignment or transfer of control of any of the Stations if that assignment or transfer requires the grant by the Federal Communications Commission of a "long form" assignment or transfer of control application (*i.e.*, an FCC Form 345 or any successor form).

8. To the extent permitted by law, Maker and each other party otherwise liable hereon in any capacity hereby severally waive presentment, protest and demand, notice of protest, demand, dishonor, and nonpayment, and diligence in collection.

9. If at any time the indebtedness evidenced by this Note is collected through legal proceedings or this Note is placed in the hands of attorneys for collection, Maker agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by the Holder of this Note in collecting or attempting to collect such indebtedness.

10. Maker may not assign any rights, duties or obligations under this Note. Without the consent of Maker, Holder may, in its sole discretion, at any time and from time to time while any portion of the indebtedness evidenced hereby remains unpaid, transfer, sell, assign or pledge this Note (or any portion thereof).

11. Any notice or other required or permitted communication to Holder hereunder shall be deemed effective (a) in the case of notice by personal delivery, on the date delivered to Holder at 1063F Big Thompson Canyon Road, Loveland, Colorado 80537, or such other address as Holder may hereafter designate in writing to Maker, or (b) in the case of notice by registered or certified mail, return receipt requested, postage prepaid, on the fifth day after the date on which mailed,

addressed to Holder at such address. Any notice or other required or permitted communication to Maker hereunder shall be deemed effective (a) in the case of notice by personal delivery, on the date delivered to Maker at 1063F Big Thompson Canyon Road, Loveland, Colorado 80537, or such other address as Maker may hereafter designate in writing to Holder, or (b) in the case of notice by registered or certified mail, return receipt requested, postage prepaid, on the fifth day after the date on which mailed, addressed to Maker at such address.

12. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought. This Note shall be governed by the laws of the State of Colorado. Should any provision of this Note be held unenforceable, such provision shall be ineffective to the extent required but shall not invalidate any other provision hereof, and to the maximum extent possible, this Note shall remain binding and in full force so as to effectuate the parties' original intent.

IN WITNESS WHEREOF, the undersigned has executed this Note as of the date first above written.

WITNESS:

**CEDAR COVE BROADCASTING, INC.**

\_\_\_\_\_

By: \_\_\_\_\_  
Mitchell A. Beranek, Director