ASSET PURCHASE AGREEMENT

by and between

REFUGE MEDIA GROUP, INC.

and

K & M BROADCASTING, INC

for the purchase and sale of

FM TRANSLATOR W280AA

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement is made and entered effective as of December 23, 2015, by and between REFUGE MEDIA GROUP, a Minnesota not-for-profit corporation ("Seller"), and K & M BROADCASTING, INC., a Minnesota for-profit corporation ("Buyer").

Recitals

WHEREAS, Seller is licensee of FM Translator W280AA, Silver Bay, Minnesota (FCC Facility ID No. 63344) (the "Translator" or the "Station"), pursuant to an authorization (the "Station Authorization") issued by the Federal Communications Commission ("FCC" or "Commission");

WHEREAS, Buyer wishes to purchase, and Seller wishes to sell, the Station Authorization and other assets relating to the Station as set forth below, subject to the prior approval of the FCC and the other terms and conditions set forth in this Agreement;

WHEREAS, this Agreement is specifically entered into by Buyer for the purpose of effectuating a relocation of the Translator pursuant to the 250 mile waiver described by the FCC in *Revitalization of the AM Service*, FCC 15-142, released October 23, 2015 ("AM Revitalization"); and

WHEREAS, Seller will file and prosecute an FCC application to be filed pursuant to Section 73.3517(a) of the Commission's rules and AM Revitalization to modify the facilities of the Station to enable operations from a transmitter site of the Buyer's choice (the "Modification Construction Permit Applications").

NOW, THEREFORE, in consideration of the mutual benefits and covenants set forth below, the parties hereby agree as follows:

Section 1
Purchase of Assets

1.1 **Assets to be Sold**. On the Closing Date, Seller shall sell to Buyer, and Buyer shall purchase from Seller, the following assets (the "Station Assets"):

(a) all of Seller's rights and interests in and to the Station's Licenses and Authorizations; and

(b) all FCC records and other documentation in Seller's possession relating to the Translator, including but not limited to all filings and applications.

1.2 **Excluded Assets.** Notwithstanding anything to the contrary in this Agreement, the Station Assets shall not include any tangible assets, or any rights, title, and interest therein, not listed in Section 1.1 of this Agreement.

1.3 **Liabilities**. Buyer expressly does not, and shall not, assume or be deemed to have assumed, under this Agreement or otherwise by reason of the transactions contemplated hereby, any liabilities, obligations or commitments of Seller of any nature whatsoever arising during, or attributable to, any period of time on or prior to Closing.

1.4 **Purchase Price**. The total Purchase Price to be paid by Buyer shall be SIXTY THOUSAND DOLLARS ($60,000.00) (the "Purchase Price").

1.5 **Deposit and Consulting Fee**. Upon execution of this Agreement, Buyer will deposit with Phoenix Media Group, LLC (PMG) the sum of SIX THOUSAND DOLLARS ($6,000.00) to be held by PMG as a good faith earnest money deposit (the "Deposit"), to be paid to PMG as a consulting fee at Closing. In the event a Closing does not occur, the Deposit shall be returned to Buyer.

Section 2
Translator Move or Modifications

2.1 **Assignment Application**. The assignment of the FCC Authorizations is subject to the prior consent of the FCC ("*FCC Consent*"). Within three (3) business days of the mutual execution of this Agreement, Seller and Buyer shall jointly file with the FCC an application for assignment of the Station Authorization (the "Assignment Application") from Seller to Buyer. Seller and Buyer shall thereafter prosecute the Assignment Application with all reasonable diligence and otherwise use their best efforts to obtain the grant of the Assignment Application as expeditiously as practicable.

2.2 **Translator Move or Modifications**. Seller and Buyer each agree to cooperate with each other prior to Closing in the effectuation of a move of the Station under AM Revitalization to the end that the Station carries KDWA(AM), Hastings, Minnesota as its primary station. Seller agrees that prior to Closing and at the request of Buyer, Seller will file such application or applications (and any amendments thereto) to be prepared on Buyer's behalf by PMG or Buyer's counsel for the move or other modification of the Translator (collectively referred as the "Modification Application") to Buyer's intended final destination. In the alternative, at Buyer's request, Seller shall assign Buyer's FRN to the License at the same time as the filing of the Assignment Application and notify Buyer of such FRN assignment so that the Modification Construction Permit Application may be filed by Buyer and this Section 2.2, for the purposes of Section 73.3517(a) of the Commission's rules and specifically grants Buyer's permission for the filing of such an application. Seller shall use its reasonable efforts to cooperate with Buyer in preparing, filing and prosecuting such Modification Application and in otherwise causing such Modification Application to be granted and have such grants become Final Orders. PMG will provide modification engineering services performed by its technical affiliate Skywaves Consulting, LLC at PMG's sole expense.

Section 3
Date of Closing

3.1 **Closing Date**. The closing of the transactions contemplated in this Agreement (the "Closing") shall take place on the date that is five (5) business days after the later to occur of the following events becomes a Final Order: (the "Closing Date")

(a) Publication in the FCC Public Notices that appear in the FCC Daily Digest of FCC Consent to the assignment by Seller to Buyer of the Station Authorization by initial order and such order shall have become a Final Order.

(b) Grant of the Modification Application or Applications becoming a Final Order that authorizes the Translator to move to Hastings, Minnesota and rebroadcast KDWA (AM), Fac. Id. 32986 in conformance with all FCC Rules and Regulations.

3.2 **Closing Time and Location**. The Closing shall take place commencing at 10:00 a.m. local time at the business offices of Buyer, or at such other time, location and/or manner (including exchange of closing documents by facsimile or electronic transmission) agreeable to the parties.

3.3 **Final Order**. For purposes of this Agreement, the term "Final Order" means an action by the FCC has not been reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no timely request for stay, petition for rehearing or appeal is pending, and as to which the time for filing any such request, petition or appeal or reconsideration by the FCC on its own motion has expired.

Section 4
Seller's Representations and Warranties

Seller hereby represents and warrants to Buyer as follows:

4.1 **Organization, Authorization and Binding Obligation**. Seller has full power and authority to enter into and perform this Agreement and the transactions contemplated hereby. The execution, delivery and performance of this Agreement by Seller have been duly and validly authorized by all necessary action on its part. This Agreement constitutes Seller's valid, legal and binding obligation, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally, and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.2 **Absence of Conflicting Agreements or Required Consents**. Seller's execution, delivery and performance of this Agreement (a) does not require the consent of any third party, except for the FCC Consent; (b) will not violate any provision of any agreement to which Seller is a party; (c) to the best of Seller's knowledge, will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority; (d) will not,

either alone or with the giving of notice or the passage of time or both, conflict with, constitute grounds for termination of, or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any agreement, instrument or permit; (e) will not result in the creation of any lien, charge or encumbrance on any of the Station Assets; and (f) will not in any way affect or violate the terms or conditions of, or result in the cancellation, modification, revocation or suspension of, any of the Station Authorization.

4.3 **Material Nature of Agreement**: Seller recognizes that the Modification Application constitutes the essence of the transaction described by this Agreement. To the best of Seller's knowledge, the Modification Application can be granted and the failure of the FCC to grant the Modification Construction Permit Application shall be cause for Buyer to terminate this Agreement without further liability or obligation, whereupon its earned money deposit shall returned to Buyer by Consultant.

4.4 **Litigation**. There are no litigation, proceedings, complaints, notices of forfeiture, claims, and investigations pending or, to the knowledge of Seller, threatened against Seller in any federal, state or local court, or before any administrative agency (including, without limitation, any proceeding which seeks the revocation or forfeiture of or opposes or challenges the renewal of any of the Station Authorization), which would have a material adverse effect upon the ability of the parties hereto to consummate the transactions contemplated in this Agreement 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.

4.5 **Liabilities**. There are no liens or encumbrances against the Station Assets.

4.6 **Station Authorization**. Seller is the authorized legal holder of the Station Authorization. Subject to the Communications Act of 1934 (the "Communications Act"), and the rules and regulations promulgated thereunder (the "FCC Rules and Regulations"), the Station Authorization is assignable from Seller to Buyer.

4.7 **Compliance With Laws**. With respect to the Station and the Station Authorization, Seller has not received any notice asserting any non-compliance in any material respect by it with any applicable statute, rule or regulation, federal, state or local, or any agency thereof, having jurisdiction over it. To the best of Seller's knowledge, the Modification Construction Permit Application can or will be granted.

4.8 **Insolvency**. No insolvency proceedings of any nature, including without limitation, bankruptcy, receivership, reorganization, composition, arrangement with creditors, voluntary or involuntary, affecting Seller are pending, and Seller has made no assignment for the benefit of creditors, nor, to its knowledge, has any person taken any action with a view to the institution of any insolvency proceedings.

4.9 **Brokers**. Seller has not retained any brokers who are entitled to any commission or finder's fee in connection with the transactions contemplated by this Agreement.

Section 5
Buyer's Representations and Warranties

Buyer represents and warrants to Seller as follows:

Organization, Authorization and Binding Obligation. Buyer is duly organized, validly existing and in good standing under the laws of the State of Minnesota with full power and authority to enter into and perform this Agreement and the transactions contemplated hereby. This Agreement constitutes Buyer's valid, legal and binding obligation, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally, and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.1 Absence of Conflicting Agreements or Required Consents. Buyer's execution, delivery and performance of this Agreement (a) does not require the consent of any third party, except for the FCC Consent; (b) will not violate any provision in any of its governing documents; (c) to the best of Buyer's knowledge, will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority; and (d) will not, either alone or with the giving of notice or the passage of time or both, conflict with, constitute grounds for termination of, or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any agreement, instrument or permit.

5.2 FCC Qualifications. As provided in, and subject to AM Revitalization, Buyer has no knowledge of any facts which would, under present law, including the Communications Act and the FCC Rules and Regulations, disqualify Buyer as an assignee of the Station Authorization or as an owner and/or operator of the Station Assets, and Buyer will not take, or unreasonably fail to take, between now and the Closing Date any action which Buyer knows or has reason to know would cause such disqualification. Buyer's qualifications to be a licensee or permittee of the Station is further conditioned upon Seller's satisfactory assignment to Buyer of written consent to continue carriage of the primary Station current specified by the Translator.

5.3 Litigation. There is no litigation or proceeding pending or, to the best of its knowledge, threatened against Buyer in any federal, state or local court, or before any administrative agency, which would have a material adverse effect upon the ability of the parties hereto to consummate the transactions contemplated in this Agreement 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.

5.4 Brokers. Buyer has not retained any brokers who are entitled to any commission or finder's fee in connection with the transactions contemplated by this Agreement.

Section 6
Pre-Closing Covenants

6.1 **Pre-Closing Covenants of Seller**. Between the date hereof and the Closing Date, except as contemplated by this Agreement or with the prior written consent of Buyer:

(a) Affirmative Covenants. Seller shall:

(i) Notify Buyer of any litigation or administrative proceeding pending or, to its knowledge, threatened against Seller which is likely to delay or otherwise interfere with Closing;

(ii) Cooperate with Buyer in the filing of the Modification Construction Permit Applications at the FCC at any time such applications are eligible to be filed pursuant to AM Revitalization;

(iii) Validly assign to Buyer the consent now held by Seller to continue to specify as primary Station the Station now specified by Seller as primary Station for the Translator until such time as Buyer is able to effectuate its moves of the Translator under the Modification Construction Permit Applications and AM Revitalization; and

(iv) Cooperate with Buyer in the filing at the FCC of any other submission such as a request for tolling of an unbuilt construction permit for the purpose of keeping the Authorizations valid and effective.

(b) Negative Covenants. Seller shall not:

(i) Create, assume or permit to exist any mortgage, pledge, lien or other charge or encumbrance or rights affecting any of the Station Assets;

(ii) Sell, assign, lease or otherwise transfer or dispose of any of the Station Assets;

(iii) Seek to carry as a primary station on the Translator any AM station other than an AM station owned by Buyer;

(iv) Waive any material right relating to the Station or the Station Assets;

(v) Take any other action inconsistent with its obligations under this Agreement or which could hinder or delay the consummation of the transactions contemplated by this Agreement;

(vi) Agree to or participate in any minor modification or other filing with the FCC with respect to the Station except as otherwise provided for in this Agreement; or

(vii) Either itself or through any of its officers, directors, shareholders, employees, agents or any other person or entity acting on Seller's behalf, directly or indirectly, solicit or initiate any offer from, or conduct any negotiations with, any person or entity other than Buyer or its assignee(s) concerning the direct or indirect acquisition of the Station.

6.2 **Pre-Closing Covenant of Buyer**. Between the date hereof and the Closing Date, Buyer shall not directly or indirectly control, supervise or direct the operations of the Station. Such operations, including complete control and supervision of all programs, employees, policies and finances, shall be the sole responsibility of Seller.

Section 7
Instruments of Conveyance and Transfer

At Closing, Seller shall deliver to Buyer instruments effecting the sale, transfer, assignment and conveyance of Seller's right, title and interest in and to the Station Assets to Buyer pursuant to the terms of this Agreement, including without limitation the following:

7.1 **Assignment of Authorizations.** An assignment of all right, title and interest in and to the Station Authorization to be assigned pursuant to Section 1.1(a) of this Agreement;

7.2 **Further Instruments.** Further instruments and documents that may be reasonably necessary to effectuate the transactions contemplated under this Agreement.

Section 8
Parties' Expenses.

Each party shall pay all of its own legal, accounting and other expenses which it incurs in connection with the transactions contemplated herein.

Section 9
Pre-Closing Remedies

9.1 **Seller's Breach**. In the event of a material default by Seller in the observance or performance of any term or covenant hereunder or a material breach by Seller of any material term, representation, warranty or covenant hereunder, which is not cured by the earlier of the Closing Date or within twenty (20) days after written notice from Buyer, Buyer may bring an action to enforce the terms of this Agreement by decree of specific performance (subject to obtaining any necessary FCC consent), it being agreed that the Station Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Seller agrees to waive the defense in any

such action for decree of specific performance that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy.

9.2 **Buyer's Breach.** In the event of a material default by Buyer in the observance or performance of any term or covenant hereunder or a material breach by Buyer of any material term, representation, warranty or covenant hereunder, which is not cured by the earlier of the Closing Date or within ten (10) days after written notice from Seller, Seller may terminate this Agreement and keep the Deposit held by Consultant as its sole remedy.

9.3 **Termination.** Without limiting the right of either party to terminate this Agreement as otherwise provided herein, this Agreement may be terminated prior to Closing upon written notice to the other, provided that the terminating party is not then in breach or default of this Agreement, if the Closing shall have not occurred on or prior to the date eighteen (18) months after the date of this Agreement, and such failure to close is not the fault, directly or indirectly, of the terminating party. The termination of this Agreement shall not relieve either party of any liability for breach or default under this Agreement prior to the date of termination. In the event of a termination occurring pursuant to this Section 9.3 and neither party is in breach or default of this Agreement, Seller shall cause the return of the Deposit to the Buyer upon such termination.

Section 10
Miscellaneous

10.1 **Survival of Representations and Warranties**. Other than as specifically provided in this Agreement, the representations and warranties in this Agreement shall survive Closing for a period of six months from the Closing Date. If within such six month time period one party gives the other party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim, then such claim shall survive until the earlier of resolution of such claim or expiration of the applicable statute of limitations. The covenants and agreements in this Agreement shall survive Closing until performed.

10.2 **Assignment**. Neither Seller not Buyer may assign its rights and obligations hereunder without the written consent of the party not seeking an assignment. The rights and obligations of the parties hereunder shall inure to the benefit of, and shall be binding upon, each of the parties hereto and their respective successors and permitted assigns.

10.3 **Construction and Venue for Legal Actions**. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Minnesota without regard to choice of laws principles. Each party submits to the jurisdiction of any court sitting in or for Hastings, Minnesota in any action or proceeding arising out of or relating to this Agreement and agrees that all claims in respect of the action or proceeding may be heard and determined in any such court. Each party waives any defense of inconvenient forum or lack of personal jurisdiction to the maintenance of any action or proceeding so brought and waives any bond, surety, or other security that might be required of the other party with respect thereto.

10.4 **Attorneys' Fees and Costs**. Should any party default in the performance of any of the terms or conditions of this Agreement, which default results in the filing of a lawsuit or any action, the prevailing party in such lawsuit shall be entitled to reasonable attorneys' fees and costs as shall be determined by the court.

10.5 **Notices**. All notices and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered on the next business day after delivery to a nationally-recognized courier service which guarantees next business day delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If the notice is to Buyer:

K & M Broadcasting, Inc.
ATTN: Daniel Massman
514 Vermillion Street
Hastings, MN 55033
Fax: (651) 437-
E-Mail: dan@kdwa.com

With a copy (which shall not constitute notice to Buyer) to:

Gregg P. Skall, Esq.
Womble Carlyle Sandridge & Rice, LLP
1200 19th Street, N.W
Suite 500
Washington, DC 20036
Fax: (202) 261-0041
E-Mail: gskall@wcsr.com

If the notice is to Seller:

Refuge Media Group, Inc.
ATTN: Daniel Hatfield
4604 Airpark Blvd.
Duluth, MN 55811
Fax:
E-Mail: Dan@refugeradio.com

With a copy (which shall not constitute notice to Seller) to:

John Neely
Miller and Neely, PC
3750 University Boulevard, West
Suite 203
Kensington, MD 20895
Fax: (301) 986-4162
E-mail: johnsneely@yahoo.com

If the notice is to Consultant:

Steven T. Moravec, President
Phoenix Media Group, LLC
1407 Sumner Street
Suite 200
Saint Paul, MN 55116-2645
Fax:
E-Mail: steve.moravec@juno.com

or at such other address as either party shall specify by written notice to the other.

10.6 **Multiple Counterparts**. This Agreement may be signed in two counterparts, each of which shall be deemed an original, but together shall constitute one and the same agreement. All of such counterpart signature pages shall be read as though all of the signers had signed a single signature page. This Agreement may be signed and exchanged by facsimile transmission or by scanned PDF, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

10.7 **Entire Agreement**. This Agreement represents the entire understanding of the parties with respect to the subject matter hereof, supersedes all other and prior memoranda and agreements between the parties with respect to such subject matter and may not be modified or amended except by a written instrument signed by all of the parties hereto.

10.8 **Captions**. The section captions and headings in this Agreement are for convenience and reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

10.9 **No Waiver**. Unless otherwise specifically agreed in writing to the contrary: (a) the failure of any party at any time to require performance by another party of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (b) no waiver by any party of any default by another party shall be taken or held to be a waiver by such party of any other preceding or subsequent default; and (c) no extension of time granted by any party for the performance of any obligation or act by another party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

10.10 **Further Assurances**. From time to time after Closing at another party's request and without further consideration, a party shall execute and deliver such further instruments of conveyance, assignment and transfer, and take such other actions as the requesting party may reasonably request, in order to more effectively convey and transfer any of the Station Assets.

10.11 **Investigations**. No inspection or investigation made by or on behalf of Buyer, or Buyer's failure to make any inspection or investigation, shall affect Seller's representations, warranties, and covenants set forth in this Agreement, or be deemed to constitute a waiver of any of those representations, warranties, and covenants.

10.12 **Severability**. If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be

construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

10.13 **Specific Performance**. In the event of a default by Seller under this Agreement, Buyer shall be entitled to seek specific performance without providing or posting any bond to compel Seller to correct or satisfy its default or material breach and to comply with the terms and conditions of this Agreement. In the event Buyer elects specific performance as a remedy, Seller agrees that specific performance is an appropriate remedy due to the unique nature of the FCC Authorizations, and agrees that it will not contest any such action on the ground that an adequate remedy at law exists. In the event that Buyer elects to pursue specific performance, that shall be, in addition to an award of any attorney's fees, Buyer's sole and exclusive remedy.

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

Seller:

REFUGE MEDIA GROUP, INC.

By: Daniel Hatfield, CEO 12/22/15

Buyer:

K & M BROADCASTING, INC.,

By: Daniel W. Massman, President

Consultant:

PHOENIX MEDIA GROUP, LLC

By: Steven T. Moravec, President