

## STOCK PURCHASE AGREEMENT

This Agreement, made this \_\_\_\_ day of October, 2001, by and between **Johnny Appleseed Broadcasting Company**, an Ohio corporation (“JABC”), **Mid-State Television, Inc.**, an Ohio corporation (“Mid-State”), and **Gunther S. Meisse**, (“Meisse”) (hereinafter collectively referred to as “Purchasers”) and **H. James Hire, Robert Mabee, Charles J. Hire** (individually and as Trustee of the Charles J. Hire Living Revocable Trust), **Phyllis F. Hire** (individually and as Trustee of the Phyllis F. Hire Living Revocable Trust), **Roscoe W. Webster, John S. Hire**, and **Christine Schwein**, (hereinafter collectively referred to as “Sellers”).

**WHEREAS**, Sellers own the shares of JABC and Mid-State listed on Exhibit A, which is attached hereto and made a part hereof (“Shares”); and

**WHEREAS**, Sellers are desirous of selling their Shares of JABC and Mid-State to Purchasers; and

**WHEREAS**, Purchasers are desirous of purchasing all, and not less than all, of Sellers’ Shares of JABC and Mid-State.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, the parties hereto agree, subject to and upon the terms and conditions and on the basis of the representations and warranties and covenants hereinafter set forth, as follows:

**ARTICLE I**  
**SALE AND TRANSFER OF SHARES**

Section 1. Sale and Transfer of Shares.

A. Purchase Price. For and in consideration of the purchase price for said Shares, which purchase price shall be agreed upon by Purchasers and Sellers, in writing, within thirty (30) days of executing this Agreement or said Agreement is null and void ("Purchase Price"), Sellers agree to sell and Purchasers agree to purchase all, and not less than all, of Sellers' Shares of JABC and Mid-State.

B. Payment of Purchase Price. Purchasers shall pay the agreed upon Purchase Price to Sellers in cash, certified check or cashier's check at Closing. Sellers agree that Purchasers shall have the sole and absolute discretion to determine which Purchaser(s) will purchase which stock from each of the Sellers.

C. Delivery of Sellers' Shares. At Closing, Sellers shall convey, transfer and deliver to Purchasers the Shares purchased by each Purchaser and will evidence such conveyance and transfer by delivering to Purchasers or its nominee the Share certificates representing Sellers' ownership of said stock duly endorsed to Purchasers or with stock powers attached duly executed, in proper form for transfer, free and clear of all liens or encumbrances.

D. Delivery of Additional Documents. Sellers hereby agree that, from time to time after Closing, at Purchasers' request and without further consideration, Sellers will execute and deliver such additional instruments of conveyance and transfer and take such other action as Purchasers reasonably may require to more effectively convey to, transfer to and vest in Purchasers the ownership of the Shares of JABC and Mid-State being sold, conveyed, transferred and delivered hereunder.

E. Intended Tax Consequences. The parties to this Agreement intend that no part of the Purchase Price paid to any Seller shall be deemed a redemption or distribution equivalent to a dividend for income tax purposes; therefore, the purchase of Sellers' shares by JABC or Mid-State shall result in the termination of Sellers' entire interest in that Corporation and shall be deemed to have occurred subsequent to the purchase of Sellers' shares, if any, by Meisse.

## **ARTICLE II REPRESENTATIONS AND WARRANTIES OF SELLERS**

Sellers hereby make the following representations and warranties to Purchasers, which representations and warranties are true on the date hereof and shall be true on the Closing Date:

Section 2.1. Corporate Organization. JABC has been organized and is validly existing and in good standing under the laws of the State of

Ohio. JABC does have two subsidiary corporations; namely, Musi-Tronix Services, Inc. and GSM Media Corporation. For purposes of this Agreement, the term “subsidiary corporations” shall be defined as a corporation which JABC owns directly or indirectly more than ten percent (10%) of the outstanding securities entitled to vote for the election of directors. Copies of the Articles of Incorporation and of the Code of Regulations of JABC, Musi-Tronix Services, Inc. and GSM Media Corporation, certified by its respective Secretary or Treasurer, have been delivered to the General Counsel of Purchasers and are, to the knowledge of each Seller, complete and correct and reflect all amendments to such documents through the date hereof.

Section 2.2. Authorization. Sellers have full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby.

Section 2.3. Outstanding Stock. The outstanding common stock of JABC consists of three hundred six (306) shares with Sellers owning 243 of those Shares. All of the above Shares being sold herein were validly issued and are fully paid and non-assessable and are owned by Sellers as shown on Exhibit A on the date of this Agreement and will be owned by Sellers on the Closing Date. There is no other authorized class of capital

stock of JABC and no existing option, warrant, right, call or commitment of any character relating thereto. There are no outstanding securities or other instruments (or any obligations of JABC to issue such) convertible into or exchangeable for, authorized but unissued shares of JABC's capital stock. The Shares of capital stock of JABC and Mid-State to be assigned, transferred and conveyed to Purchasers by Sellers under this Agreement will be at the Closing owned by Sellers, free and clear of all mortgages, claims, charges, liens, encumbrances, restrictions, options, pledges, calls or security interests of any character or any other rights or interests whatsoever. To the knowledge of each Seller and in all material respects, Sellers have acquired all of their shares of JABC and Mid-State common stock in full compliance with all applicable laws, including federal and state securities laws and laws pertaining to the fiduciary duties of officers, directors and controlling shareholders toward minority shareholders.

Section 2.4. Corporate Record Book. JABC's Corporate Record Book, including but not limited to, the shareholder minutes, directors minutes, shareholder ledgers, shall be up to date at Closing and shall contain all the resolutions required for the sale of stock or any security convertible into stock or any options to purchase stock through the Closing Date and shall be delivered to Purchasers at Closing.

Section 2.5. Establishment of Purchase Price. Sellers have not relied directly or indirectly on any oral or written statement of Meisse in establishing the Purchase Price for the Shares of JABC or Mid-State.

Section 2.6 Representation of Sellers. Each of the Sellers acknowledge that John S. Hire, a shareholder of JABC and a party to this Agreement, is representing all Sellers, other than Robert Mabee and Roscoe W. Webster, in the transactions contemplated by this Agreement; and each of the Sellers waive any potential conflict of interest presented by such representation by John S. Hire. Robert Mabee and Roscoe W. Webster have been advised of their right to seek independent counsel and have obtained such counsel to the extent they have determined necessary.

Section 2.7. No Knowledge of Breach of Warranties. Sellers represent and warrant that, as of the execution of this Agreement, they have no knowledge of any material breach in the representations and warranties of Purchasers set forth in this Agreement.

### **ARTICLE III REPRESENTATIONS AND WARRANTIES OF PURCHASERS**

Purchasers hereby represent and warrant to Sellers as follows:

Section 3.1 Purchasers' Knowledge of the Company. Meisse has been the chief operating officer of JABC and Mid-State for several

years and, as such, has more operational and financial knowledge about the two companies than any of the Sellers which is the reason why Purchasers are purchasing JABC and Mid-State in their “AS IS” condition with minimal representations and warranties from Sellers.

Section 3.2 Authorization. Purchasers have full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby.

Section 3.3 No Knowledge of Breach. Purchasers represent and warrant that, as of the date of execution of this Agreement, they have no knowledge of any material breach in the representations and warranties of any of Sellers set forth in this Agreement.

#### **ARTICLE IV COVENANTS OF SELLERS TO PURCHASER**

From and after the execution of this Agreement and through the Closing Date, Sellers make the covenants set forth in this Article IV.

Section 4.1. Restricted Activities. Sellers will not cause JABC, without the prior written consent of the General Counsel of Meisse, to:

- (i) issue, sell or deliver or agree to issue, sell or deliver, any stock, bonds or other corporate securities of which JABC is the issuer, or grant or issue, or agree to grant or issue, any warrants, options, calls, or other rights (including

rights of conversion or exchange), or accept any subscriptions, make any commitments or enter into any agreements, calling for the issue thereof;

- (ii) mortgage, pledge or subject to lien, charge, security interest or to any other encumbrance any of its assets, otherwise than in the ordinary course of business;
- (iii) sell, transfer, lease or otherwise dispose of any of its assets, except for a fair consideration in the ordinary course of business;
- (iv) adopt or make any change in any, profit sharing, bonus, deferred compensation, insurance, pension, retirement or other employee benefit plan, payment or arrangement;
- (v) merge or consolidate with, or sell all or a substantial portion of its assets to, any other person, acquire control or ownership of any other person or enter into or negotiate any agreement providing therefor, except as contemplated herein;
- (vi) make any material alteration in the manner of keeping its books, accounts or records, or in the accounting practices therein reflected, except as required by law or

- applicable accounting principles;
- (vii) enter into any transaction which is likely to have a material adverse effect on JABC's Business;
  - (viii) make any change in the Articles of Incorporation or Code of Regulations of JABC;
  - (ix) make any increase in the compensation, current or deferred, payable to any director or officer of JABC;
  - (x) enter into any employment contract or agreement;
  - (xi) pay any costs or expenses, including legal, advisor and accounting fees, incurred in connection with the negotiation and consummation of this Agreement; or
  - (xii) pay any bonus to any officer or director.

Section 4.2. Dividends and Distributions. From the date hereof, Sellers will not cause JABC to declare or pay any dividend or other distribution, whether in cash, property or stock.

## **ARTICLE V COVENANTS OF PURCHASERS TO SELLERS**

Section 5.1. Availability of Funds. Upon signing this Agreement, Purchaser shall make a good faith effort to acquire the necessary financing to close this Stock Purchase Agreement.

Section 5.2. Consents. Purchasers shall use their best efforts to obtain the consent or approval of each person whose consent or approval is required for the consummation by them of the transactions contemplated hereby.

Section 5.3. FCC Approval. Upon the execution of this Agreement by all parties, Purchasers shall immediately seek the approval of the Federal Communication Commission (the "FCC") for the consummation of the transactions contemplated by this Agreement. Upon receiving the final approval from the FCC, Purchasers shall immediately notify Sellers of such approval.

Section 5.4 Conduct of Business. From the date of this Agreement until the Closing Date, Meisse, as chief operating officer of JABC and Mid-State, will operate JABC and Mid-State in the usual and ordinary manner as heretofore conducted; perform in material respects all obligations relating to such corporations; and not sell or otherwise dispose of any assets or modify, amend, supplement or waive any obligation under any material lease, contract, agreement or commitment without the prior written consent of Sellers.

Section 5.5. Advise Sellers of Adverse Change. From the date of this Agreement until Closing Date, Meisse shall promptly advise Sellers

of the occurrence of any material adverse change in the financial condition or in the results of operations of JABC or Mid-State; the occurrence of any other event or condition that materially and adversely affects the assets or conduct of either corporation; or the imposition of any lien, pledge or encumbrance on any assets of either corporation.

Section 5.6. Review of Sellers' Notes. At least thirty (30) days prior to Closing, Purchasers shall provide to Sellers or their representative all documentation, including interest calculations, relating to notes receivable held by Sellers and children of Sellers from JABC, Mid-State and GSM Media Corporation (the "Sellers' Notes").

## **ARTICLE VI CONDITIONS TO THE SELLERS' OBLIGATIONS**

Each and every obligation of Sellers under this Agreement to be performed on or before the Closing Date shall be subject to the satisfaction, or the waiver in writing by Sellers, on or before the Closing Date, of the following conditions:

Section 6.1. Representations and Warranties True; Performance of Covenants; Officers Certificate. Each of the representations and warranties contained in Article III of this Agreement shall be true and correct as of the Closing Date in all material respects as if made on and as of such date (except for changes contemplated by this Agreement) and

Purchasers shall have performed and complied with all agreements, covenants and conditions required to be performed or complied with by each of them under this Agreement at or prior to the Closing Date.

Section 6.2. No Governmental or Other Proceeding or Litigation. No order of any court of administrative agency shall be in effect which restrains or prohibits Sellers or Purchasers from consummating the transactions contemplated by this Agreement.

Section 6.3. Sellers' Notes to be Paid at Closing. At Closing, Sellers' Notes from JABC, Mid-State or GSM Media Corporation shall be paid in full, plus any earned, but unpaid interest.

Section 6.4. GMC Yukon. At Closing, JABC shall transfer to H. James Hire, or his assignee, the GMC Yukon currently owned by JABC free and clear of any and all liens and encumbrances, except any lien to Richland Bank existing as of the date of this Agreement for the acquisition of such vehicle.

Section 6.5. Obligation to Pay Sellers at Closing. At Closing, Purchasers shall pay in full any obligations owed by Purchasers to Sellers or Sellers' family members, including, but not limited to, any compensation, dividends or fees.

## **ARTICLE VII CONDITIONS TO OBLIGATIONS OF PURCHASERS**

Each and every obligation of Purchasers under this Agreement to be performed on or before the Closing Date shall be subject to the satisfaction, or the waiver in writing by Purchasers, on or before the Closing Date, of the following conditions:

Section 7.1. Representations and Warranties True; Performance of Covenants; Certificate. Each of the representations and warranties contained in Article II of this Agreement shall be true and correct as of the Closing Date in all material respects as if made on and as of such date (except for changes contemplated by this Agreement) and Sellers shall have performed and complied with all agreements, covenants and conditions required to be performed or complied with by them under this Agreement at or prior to the Closing Date.

Section 7.2. Resignations, Separation and Release Agreements. Sellers who are directors of JABC, Mid-State or GSM Media Corporation shall have tendered their resignations in the form satisfactory to Purchasers and Sellers who are officers of JABC, Mid-State or GSM Media Corporation shall have tendered their Separation and Release Agreements in a form acceptable to counsel for Sellers and Purchasers. In addition, Sellers, and spouses of Sellers where necessary, will execute

any additional documents reasonably necessary to void any and all agreements between Purchasers and Sellers other than this Agreement.

Section 7.3. No Governmental or Other Proceeding or Litigation. No order of any court or administrative agency shall be in effect which restrains or prohibits the transactions contemplated hereby or that would limit or affect Meisse's ownership of JABC or Mid-State and no suit, action, investigation, or proceeding by or informal advice from any governmental body or agency or legal or administrative proceeding shall have been instituted or threatened or received which raises significant issues as to the validity or legality of the transactions contemplated hereby or which seeks to limit or affect materially Meisse's ownership of JABC or Mid-State.

No action, suit, proceeding or claim asserted by any party, is pending or threatened against JABC or Mid-State, or any of the assets, business or good will of either company which is likely to have a material adverse effect upon JABC or Mid-State's Business. There is no outstanding judgment, order, writ, injunction or decree, or application, request or motion therefor, of any court, governmental agency or arbitration tribunal of JABC or Mid-State has notice in a proceeding to which either company was or is a party, which has a materially adverse affect on the Business of

either Corporation.

Section 7.4. Consents. The FCC has given its final written approval for the consummation of this transaction and the period for the filing of petitions for reconsideration has expired.

Section 7.5. Capital Stock. The Shares of JABC and Mid-Sate being sold herein shall be evidenced by certificates therefor duly endorsed for transfer by Sellers, or accompanied by stock powers duly executed by Sellers, which certificates shall be physically present at the Closing with due authorization for their delivery at the Closing so as to convey title to the Shares of the Company being sold to Purchasers free and clear of all liens, encumbrances, security interests or any other rights or interests whatsoever.

Section 7.6 Financing. Purchasers have received financing of the Purchase Price prior to Closing on terms and conditions acceptable to Purchasers.

## **ARTICLE VIII CLOSING, CLOSING DATE**

Section 8. Closing. The consummation of the transactions contemplated by this Agreement shall take place at the offices of Calhoun, Kademenos & Heichel Co., L.P.A., Six West Third Street, Suite 200, Mansfield, Ohio 44902, or at such other place, as the parties shall mutually agree ("Closing") within thirty (30) days of all of Purchasers'

conditions precedent as identified in Article VII having been met or waived and all of Seller's conditions precedent as identified in Article VI having been met or waived. Each party shall notify the other party in writing when their conditions precedent to Closing have been met or waived. If the Closing does not occur by January 31, 2002, any party may terminate this Agreement by giving notice to each other party of his, her or its intention to so terminate. The delivery of all documents and the performance of all acts at the Closing shall be deemed to have occurred or to have been taken simultaneously.

## **ARTICLE IX MISCELLANEOUS PROVISIONS**

Section 9.1. Amendment and Modification. To the fullest extent provided by applicable law, this Agreement may be amended, modified and supplemented by mutual written consent of the parties hereto, but not otherwise.

Section 9.2. Expenses. The parties hereto will pay their own expenses incurred in connection with this Agreement or any transaction contemplated by this Agreement.

Section 9.3. Public Announcements. Each party agrees that, unless approved by the other party in advance, such party shall not make any

public announcements, issue any press release or other publicity concerning the transactions contemplated hereby, except as otherwise may be required by law.

Section 9.4. Notices. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when mailed, first class mail, postage prepaid, as follows:

If to Purchasers:

Gunther S.Meisse  
2700 Bell Road  
Mansfield, Ohio 44904

cc: William D. Heichel, Esq.  
Calhoun, Kademenos & Heichel Co., L.P.A.  
Six West Third Street, Suite 200  
Mansfield, Ohio 44902

If to Sellers:

Charles J. Hire  
c/o Red Diamond, Ltd.  
24600 Center Ridge Road, Suite 285  
Westlake, Ohio 44145

cc: John S.Hire, Esq.  
Weldon, Huston & Keyser LLP  
28 Park Avenue West  
Mansfield, Ohio 44902

Robert Mabee, Esq.  
Mabee & Mills  
24 West Third Street  
Mansfield, OH 44902

Roscoe W. Webster  
1950 Lexington Avenue  
Mansfield, OH 44907

Section 9.5. Assignment. This Agreement, and all of the provisions hereof, shall be binding upon and inure solely to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other party or parties.

Section 9.6. Governing Law, Venue. This Agreement and the legal relations between the parties hereto shall be governed by and construed in accordance with the laws of the State of Ohio. The parties hereby irrevocably submit to venue and jurisdiction in the Richland County Common Pleas Court, Mansfield Ohio.

Section 9.7. Definition of Knowledge of Sellers. For purposes of this Agreement, the term “knowledge of each Seller” and all similar phrases relating to facts designated herein as known to Sellers means the actual knowledge of any one or more of Sellers without any obligation to

make any inquiry or investigation.

Section 9.8. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 9.9 Headings: The headings of Articles and Sections of this Agreement are inserted for convenience only and shall not constitute a part hereof.

Section 9.10. Entire Agreement. This Agreement, including the other documents referred to herein which form a part hereof, contain the entire understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings, other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

**IN WITNESS WHEREOF,** the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

**Purchasers:**  
Johnny Appleseed Broadcasting Company:

\_\_\_\_\_  
By: \_\_\_\_\_  
Charles J. Hire, Chairman

\_\_\_\_\_

Mid-State Television, Inc.:

\_\_\_\_\_  
By: \_\_\_\_\_  
Gunther S. Meisse, President

\_\_\_\_\_

\_\_\_\_\_  
Gunther S. Meisse

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**Sellers:**

\_\_\_\_\_  
H. James Hire

\_\_\_\_\_

\_\_\_\_\_  
Robert Mabee

\_\_\_\_\_

\_\_\_\_\_  
Charles J. Hire, individually and as Trustee  
of the Charles J. Hire Trust

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Phyllis F. Hire, individually and as Trustee  
of the Phyllis F. Hire Trust

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Roscoe W. Webster

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John S. Hire

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Christine Schwein

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Exhibit "A"  
List of Selling Shareholders

List of JABC Selling Shareholders:

<u>Shareholders</u>	<u>Shares Sold</u>
H. James Hire	5
Robert Mabee	5
Roscoe W. Webster	10
John S. Hire	24
Christine Schwein	20
Charles J. Hire, Trustee	167
Phyllis F. Hire, Trustee	<u>12</u>
<b>TOTAL:</b>	243

List of Mid-State Selling Shareholders:

<u>Shareholders</u>	<u>Shares Sold</u>
Charles J. Hire	177