

PURCHASE AGREEMENT

This PURCHASE AGREEMENT (this “Agreement”) is dated as of the 14th day of April, 2010, by and between the University of Northern Iowa (“Seller”) and Sound In Spirit Broadcasting, Inc. (“Buyer”).

WITNESSETH:

WHEREAS, Seller is the permittee of noncommercial educational FM radio Station KUNE, Ottumwa, Iowa, Facility ID Number 85844 (the “Station”), pursuant to a construction permit authorization issued by the Federal Communications Commission (the “FCC”) in FCC File No. BPED-19970321MA (the “FCC Authorization”);

WHEREAS, Seller desires to sell, transfer, assign and deliver to Buyer, and Buyer desires to acquire from Seller, the FCC Authorization for the Station.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **Sale of FCC Authorization.** On the Closing Date (as hereinafter defined in Section 4), Seller agrees to sell, transfer, assign and deliver to Buyer, and Buyer agrees to purchase and assume, all of the right, title and interest of Seller in and to the FCC Authorization, as set forth in Schedule 1.

2. **Purchase Price.**

(a) In consideration of the sale, transfer, assignment and delivery of the FCC Authorization to Buyer, Buyer shall pay to Seller at Closing (as hereinafter defined) the aggregate sum of Three Thousand Seven Hundred Fifty Dollars (\$3,750) (the “Purchase Price”) by wire transfer of immediately available funds, or such other payment method mutually satisfactory to the parties.

(b) Concurrent with the mutual execution of this Agreement, Buyer shall pay to Seller a down payment in the sum of Five Hundred Dollars (\$500) (the “Down Payment”) by wire transfer of immediately available funds, or such other payment method mutually satisfactory to the parties. The Down Payment shall be paid to Seller as partial payment of the Purchase Price due at Closing to Seller, or shall otherwise be made available to Seller or released to Buyer in accordance with the provisions of this Agreement.

3. **FCC Consent; Assignment Application.** It is specifically understood and agreed by Seller and Buyer that the assignment of the FCC Authorization is subject to the prior consent of the FCC (“the FCC Consent”). Immediately after execution of this Agreement, Seller

and Buyer shall jointly file with the FCC an application for assignment of the FCC 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, but no later than the Expiration Time, as defined herein.

4. **Closing Date.** The closing (the “Closing”) of the transactions contemplated by this Agreement shall occur on a date (the “Closing Date”) mutually agreed upon by Buyer and Seller immediately upon FCC grant of the Assignment Application.

5. **Permit Conditions.**

(a) Buyer acknowledges that the FCC Authorization for the Station includes Special Operating Condition #3 which states as follows: “Pursuant to 47 CFR Section 73.7005(a) the permittee/licensee shall be subject to a holding period. From the grant of the construction permit and continuing until the facility has achieved four years of on-air operations, the permittee/licensee proposing to assign or transfer the construction permit/license to another party will be required to demonstrate the following two factors: that the proposed buyer would qualify for at least the same number of points as the assignor or transferor originally received; and that consideration received and/or promised does not exceed the assignor’s or transferor’s legitimate and prudent expenses as defined therein.”

(b) Buyer acknowledges that the FCC Authorization for the Station has a construction permit expiration time/date of 3 a.m. Central Daylight Time on June 20, 2010 (the “Expiration Time”), and Buyer and Seller each acknowledge that the proposed assignment must be consummated prior to the Expiration Time and agree to use their best efforts to consummate the proposed assignment prior to the Expiration Time.

6. **Seller’s Representations, Warranties and Other Obligations.** Seller represents and warrants that:

(a) Seller is a public University in the State of Iowa. Seller has the right, power and authority, and has taken all necessary action, to enter into this Agreement and to fully perform all of its obligations under this Agreement.

(b) Seller is the authorized legal holder of the FCC Authorization, the grant of which has become final and nonappealable.

(c) The FCC Authorization is in full force and effect and has not been revoked, canceled or rescinded.

(d) The Purchase Price to be paid to Seller under Section 2 above does not exceed the Seller’s legitimate and prudent expenses for the Station as defined in Section 73.7005(a) of the FCC’s Rules and complies with Special Operating Condition #3 in the FCC Authorization.

7. **Buyer's Representations and Warranties.** Buyer represents and warrants that:

(a) Buyer is a non-profit corporation duly formed under the laws of the State of Iowa, and is validly existing and in good standing. Buyer has the right, power and authority, and has taken all necessary action, to enter into this Agreement and to fully perform all of its obligations under this Agreement.

(b) The execution and performance of this Agreement do not constitute a violation, breach, or default under any law, regulation, agreement or other obligation to which Buyer is or will become subject.

(c) Buyer qualifies for at least the same number of points (as defined by Section 73.7003 of the FCC's Rules) as the Seller originally received in connection with the grant of the FCC Authorization for the Station, and Buyer's qualifications to purchase the FCC Authorization therefore comply with Section 73.7005(a) of the FCC's Rules and Special Operating Condition #3 in the FCC Authorization. Buyer shall demonstrate its compliance with Section 73.7005(a) of the FCC's Rules and Special Operating Condition #3 in the FCC Authorization in an exhibit to the Assignment Application.

8. **Further Assurances.** Each party shall, from time to time at the request of, and without further cost or expense to the other, execute and deliver such other instruments and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

9. **Conditions Precedent to Obligation to Close.**

(a) The performance of the obligations of Seller hereunder are subject to the satisfaction of each of the following express conditions precedent:

(i) Buyer shall have performed and complied in all material respects with all of the agreements, obligations and covenants required by this Agreement to be performed or complied with by Buyer prior to or as of the Closing Date.

(ii) The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date.

(iii) The FCC Consent shall have been issued prior to the Expiration Time without any condition that would have a material adverse effect upon Seller.

(iv) Buyer shall have delivered to Seller on the Closing Date the Purchase Price.

(b) The performance of the obligations of Buyer hereunder are subject to the satisfaction of each of the following express conditions precedent:

(i) Seller shall have performed and complied in all material respects with all the agreements, obligations and covenants required by this Agreement to be performed or complied with by Seller prior to or as of the Closing Date.

(ii) The representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date.

(iii) The FCC Consent shall have been issued prior to the Expiration Time without any condition that would have a material adverse effect upon Buyer.

10. **Closing Deliveries.** At the Closing, the parties shall deliver to each other such documents, instruments and agreements as either party shall request and as shall be reasonably necessary to consummate the transactions contemplated by this Agreement, each in form and substance reasonably satisfactory to counsel for the requesting party.

11. **Assignment.** No party shall assign or attempt to assign any of the rights or obligations under this Agreement without the prior written consent of the other party hereto.

12. **Indemnification by Seller.** To the extent permitted by Iowa law, Seller shall indemnify and hold harmless Buyer against and in respect of:

(a) **Operations Prior to Closing.** Any and all liabilities, obligations, claims, and demands arising prior to the Closing Date out of the right to own or operate the Station (including, but not limited to, claims related to compliance with FCC rules and regulations), any breach by Seller of this Agreement, or any inaccuracy in or breach of any representation, warranty, or covenant made by Seller herein.

(b) **Defense.** Should any claim covered by the foregoing indemnity be asserted against Buyer, Buyer shall notify Seller promptly and give it an opportunity to defend the same and Buyer shall extend reasonable cooperation to Seller in connection with such defense. In the event that Seller fails to defend the same within a reasonable time, Buyer shall be entitled to assume, but need not assume, the defense thereof, and Seller shall be liable to repay Buyer for all damages suffered by Buyer and all of its expenses reasonably incurred in connection with such defense (including, but not limited to, reasonable attorney fees and settlement payments).

13. **Indemnification by Buyer.** Buyer shall indemnify and hold harmless Seller against and in respect of:

(a) **Operations after Closing.** Any and all liabilities, obligations, claims, and demands arising after the Closing Date out of the right to own or operate the Station (including, but not limited to, claims related to compliance with FCC rules and regulations), any breach by Buyer of this Agreement, or any inaccuracy in or breach of any representation, warranty, or covenant made by Buyer herein.

(b) Defense. Should any claim covered by the foregoing indemnity be asserted against Seller, Seller shall notify Buyer promptly and give it an opportunity to defend the same, and Seller shall extend reasonable cooperation to Buyer in connection with such defense. In the event Buyer fails to defend the same within a reasonable time, Seller shall be entitled to assume, but need not assume, the defense thereof, and Buyer shall be liable to repay Seller for all damages suffered by Seller and all its expenses reasonably incurred in connection with such defense (including, but not limited to, reasonable attorney fees and settlement payments).

14. **Termination.**

(a) Termination by Seller. This Agreement may be terminated by Seller and the purchase and sale of the FCC Authorization abandoned, if Seller is not then in material default, upon written notice to Buyer, upon the occurrence of any of the following:

(i) Conditions. If, on the date that would otherwise be the Closing Date, any of the conditions precedent to the obligations of Buyer set forth in this Agreement have not been satisfied or waived in writing by Seller.

(ii) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order, not caused by Seller, that would prevent or make unlawful the Closing.

(iii) Upset Date. If the Closing shall not have occurred by 3 a.m. Central Daylight Time on June 20, 2010.

(b) Termination by Buyer. This Agreement may be terminated by Buyer and the purchase and sale of the FCC Authorization abandoned, if Buyer is not then in material default, upon written notice to Seller, upon the occurrence of any of the following:

(i) Conditions. If, on the date that would otherwise be the Closing Date, any of the conditions precedent to the obligations of Seller set forth in this Agreement have not been satisfied or waived in writing by Buyer.

(ii) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order, not caused by Buyer, that would prevent or make unlawful the Closing.

(iii) Upset Date. If the Closing shall not have occurred by 3 a.m. Central Daylight Time on June 20, 2010.

(c) If this Agreement is terminated pursuant to subsection (a) or (b) above and neither party is in material breach of any provision of this Agreement, the parties hereto shall not have any further liability to each other with respect to the purchase and sale of the FCC Authorization, except that Seller shall refund to Buyer the Down Payment made by Buyer pursuant to Section 2(b) hereof.

(d) If this Agreement is terminated by Seller due to Buyer's material breach of this Agreement and Seller is not in material breach of any provision of this Agreement, then the Down Payment shall be retained by the Seller as liquidated damages. Seller and Buyer agree in advance that actual damages would be difficult to ascertain and that the amount of the Down Payment is a fair and equitable amount to reimburse Seller for damages sustained due to Buyer's material breach of this Agreement.

(e) If this Agreement is terminated by Buyer due to Seller's material breach of any provision of this Agreement, and Buyer is not in material breach of any provision of this Agreement, Buyer shall be entitled to a refund of its Down Payment.

15. **Miscellaneous.**

(a) This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their heirs, successors, executors, legal representatives and permitted assigns.

(b) Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity other than the parties hereto and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

(c) The construction and performance of this Agreement shall be governed by the laws of the State of Iowa, without regard to its conflict of law provisions.

(d) This Agreement embodies the entire agreement and understanding of the parties hereto relating to the matter provided for herein, and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein.

(e) No amendment, waiver of compliance with any provision or condition hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of any waiver, amendment, change, extension or discharge is sought.

(f) The representations, covenants, and warranties herein shall survive the Closing Date for a period of twelve months.

16. **Notices.** All notices and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, including U.S. Postal Service Express Mail, or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Seller to:

Barb Reid
Iowa Public Radio
3rd Floor, Communication Arts Center
Cedar Falls, IA 50614-0359
Phone: 319-273-6325
breid@iowapublicradio.org

with a copy to:

Margaret L. Miller, Esq.
Dow Lohnes pllc
1200 New Hampshire Ave., N.W.
Suite 800
Washington, D.C. 20036
Phone: 202-776-2914
Fax: 202-776-2222
mmiller@dowlohneshomes.com

If to Buyer, to:

Sound In Spirit Broadcasting, Inc.
416 South Market Street
Oskaloosa, IA 52577
Phone: 918-261-5474

with a copy to:

Joseph Chautin
Hardy, Carey, Chautin, & Balkin, LLP
1080 West Causeway Approach
Mandeville, LA 70471
Phone: 985-629-0777
jchautin@hardycarey.com

17. **Counterparts.** This Agreement may be signed in counterpart originals, which collectively shall have the same legal effect as if all signatures had appeared on the same physical document. This Agreement may be signed and exchanged by facsimile or email (PDF) transmission, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

18. **Headings.** The headings in this Agreement are inserted for convenience only and shall not constitute a part hereof.

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

UNIVERSITY OF NORTHERN IOWA

By: _____
Name: Steven M. Carignan
Title: Assistant Vice President

SOUND IN SPIRIT BROADCASTING, INC.

By: Robert Palmeter
Name: Robert Palmeter
Title: President

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

UNIVERSITY OF NORTHERN IOWA

By: Steve Carignan
Name: Steven M. Carignan
Title: Assistant Vice President

SOUND IN SPIRIT BROADCASTING, INC.

By: _____
Name: Robert Palmeter
Title: President

SCHEDULE 1

FCC Authorization

Station <u>Call Sign</u>	Facility ID <u>Number</u>	Community of <u>License</u>	File <u>Number</u>	Expiration <u>Date</u>
KUNE	85844	Ottumwa, IA	BPED-19970321MA	06/20/2010