

ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT** (the "*Agreement*") is made as of this 2nd day of June, 2013, by and between **LIFETALK RADIO, INC.**, a California non-profit corporation (the "*Seller*"), and **CHICAGO PUBLIC MEDIA, INC.**, an Illinois non-profit corporation (the "*Buyer*").

W I T N E S S E T H:

WHEREAS, the Seller is the licensee of FM Radio Translator Station W219CD (FCC ID 90195, Elgin, Illinois ("the *Translator*")), and owner and holder of the Assets (as defined below); and

WHEREAS, the parties have agreed upon, and now wish to memorialize by execution of this Agreement, the terms and conditions under which Seller will assign and Buyer will acquire the License and Assets for the Translator.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and representations and warranties set forth herein, intending to be legally bound hereby, the parties agree as follows:

1. **Purchase and Sale of Acquired Assets.** At the Closing (as defined below), upon the terms and subject to the conditions set forth in this Agreement, and in reliance on the representations, warranties, covenants and agreements made in this Agreement, Seller shall assign and transfer to Buyer and Buyer shall acquire and assume from Seller the following assets (the "*Assets*"), free and clear of debts, liens, and other encumbrances except as specifically provided:

1.1 **License.** All licenses, permits and other authorizations issued by the Federal Communications Commission ("FCC") in connection with the conduct of the business and operation of the Translator, and any other licenses, permits and other authorizations issued by any governmental authority and used in the conduct of the business and operation of the Translator, and all pending applications therefore (the "*License*").

1.2 **Personal Property.** The fixed and tangible personal property owned by Seller and used primarily in the operation of the Translator set forth in **Exhibit A** hereto (the "*Personal Property*").

2. **Purchase Price.** Buyer will pay Seller the Purchase Price of FIFTY-TWO THOUSAND FIVE HUNDRED DOLLARS (\$52,500), at Closing, in the form of cash, wire transfer or other immediately available funds (the "*Purchase Price*"). In addition to payment of the Purchase Price, Buyer shall pay to Seller at Closing a lump sum in the form of cash, wire transfer or other immediately available funds equal to the amount of the monthly rent for the remainder of the then current term of the Tower Attachment License Agreement (SpectraSite Site Number IL-0152), executed August 26, 2003, between Seller and SpectraSite (the "*Tower Lease*"), not to exceed eight (8) months at a monthly rental of \$1109.06 ("*Tower Payment*").

3. **Closing.**

3.1 **Closing Date.** The closing of the transactions contemplated by this Agreement (the “*Closing*”) shall occur at a time and place mutually agreed upon by the parties on a date that is no earlier than July 1, 2013, and, if after that date, no later than fifteen (15) days following the date that the FCC’s grant of the application to assign the License (the “Assignment Application”) has become a Final Order (as defined below). The term “*Closing Date*” shall mean the date of the Closing.

3.2 **Final Order.** For purposes of this Agreement, a “*Final Order*” shall mean an action by the FCC: (i) which has not been vacated, reversed, stayed, set aside, annulled or suspended, (ii) with respect to which no timely appeal, request for stay or petition for rehearing, reconsideration or review by any party or by the FCC on its own motion, is pending, and (iii) as to which the time for filing any such appeal, request, petition, or similar document, or for the reconsideration or review by the FCC on its own motion under the Communications Act of 1934 and the rules and regulations of the Commission, has expired. The Closing contemplated by this Agreement is expressly conditioned upon the grant of the Assignment Application.

4. **Assumption of Obligations.** Buyer does not, and shall not be deemed to, assume any liabilities, obligations, claims, duties, liens, encumbrances or commitments of Seller except for Seller’s obligations arising under this Agreement after the Closing Date. Buyer will not assume the Tower Lease.

5. **FCC Consent.** The assignment of the License contemplated by this Agreement is subject to the FCC’s having granted the Assignment Application (the “*FCC Consent*”) by Final Order. No later than fifteen (15) days after the execution of this Agreement, Seller shall file an application with the FCC for assignment of the License for the Translator (the “*Assignment Application*”). Seller and Buyer shall prosecute the Assignment Application with all reasonable diligence and otherwise use their reasonable best efforts to obtain the grant by Final Order of the Assignment Application as expeditiously as practicable. If the FCC Consent imposes any condition on any party hereto, such party shall use reasonable efforts to comply with such condition; *provided, however*, that no party shall be required hereunder to comply with any condition that would have a material adverse effect as determined by the party affected in the exercise of its reasonable judgment. If reconsideration or judicial review is sought with respect to the FCC Consent, the party affected shall oppose such efforts for reconsideration or judicial review vigorously; *provided, however*, that nothing herein shall be construed to limit either party’s right to terminate this Agreement pursuant to the terms of this Agreement.

6. **Representations, Warranties, and Covenants of the Seller.** The Seller hereby represents, warrants, and covenants to Buyer that the following are true and correct in all material respects as of the date of this Agreement and shall be true and correct on the Closing Date:

6.1 **Corporate Status.** Seller is a non-profit corporation duly organized, validly existing and in good standing under the laws of the State of California. Seller has all

requisite corporate power and authority to own and assign and transfer the Assets and to carry on its business and the operation of the Translator as they may be conducted.

6.2 **Authorization of Agreement.** Seller has full corporate power and authority to execute, deliver and perform this Agreement and all other agreements and instruments entered into or delivered in connection with the transactions contemplated hereby. The execution, delivery and performance of this Agreement has been, and all other agreements and instruments entered into or delivered in connection with the transactions contemplated hereby have been, or prior to the Closing will have been, duly and validly authorized by all necessary corporate action of Seller.

6.3 **No Conflict.** The execution, delivery and performance of this Agreement do not violate: (a) any provision of the organizational documents of Seller; (b) any provision of, or result in any default under, any mortgage, lien, lease, contract, instrument, order or other judgment, or decision to which Seller is a party or by which the License is bound; or (c) any law applicable to Seller.

6.4 **Binding Agreement.** This Agreement constitutes, and all other agreements and instruments entered into or delivered in connection with the transactions contemplated hereby will constitute, the valid and binding obligations of Seller and are enforceable against Seller (or upon execution and delivery will be enforceable against Seller), in accordance with their respective terms.

6.5 **Governmental Authorizations.** Seller is the authorized holder of the License, which is not subject to any restrictions or conditions which would limit in any respect the full operation of the Translator. Seller has delivered to Buyer a true and complete copy of the License, including any and all amendments and other modifications thereto. The License is a validly existing authorization for the operation of the facilities described therein. There are no applications or proceedings pending (including, without limitation, any action, proceeding, investigation or order to show cause, notice of violation, notice of apparent liability or complaint involving Seller or the Translator by or before the FCC) nor, to the knowledge of Seller are there any such applications, proceedings or complaints threatened which individually or in the aggregate may have an adverse effect on the business or operation of the Translator (other than rulemaking proceedings that apply to the radio broadcasting industry generally). All material reports, forms and statements required to be filed by Seller with the FCC with respect to the License have been filed and are substantially complete and accurate. To the best knowledge of Seller, there are no facts which would disqualify Seller as assignor of the License under the Communications Act of 1934, as amended, or the rules and regulations of the FCC.

6.6 **No Undisclosed Liabilities.** There are no liabilities with respect to the Translator, other than the liabilities retained by Buyer under this Agreement.

6.7 **Legal Proceedings.** There are no suits, actions, condemnation actions, claims, arbitration, or other proceedings or governmental investigations (collectively, “*Litigation*”) pending or threatened against or affecting the Translator, nor is Seller subject to any writ, judgment, award, decree or order of any court or governmental authority that would adversely affect Buyer’s ability to acquire the Translator. There is no *Litigation* pending or, to Seller’s knowledge, threatened against or affecting the Seller that could adversely affect or

prevent the consummation of the transactions contemplated hereby, nor is Seller subject to any order of any court or governmental entity that could adversely affect or prevent consummation of the transactions contemplated hereby.

6.8 **Licenses; Compliance with Laws.** The Seller has complied, and is complying, with all laws applicable to the operation of the Translator. Seller has not received notice of, nor is Seller in default under or in breach or violation of, any statute, law, ordinance, decree, order, rule or regulation, or the provisions of any franchise, license or permit, including the License. The execution, delivery and performance of this Agreement by the Seller, and the consummation of the transactions contemplated hereby, will not result in any such default or violation or in the creation of any lien, charge or encumbrance upon the Translator.

6.9 **Payment of Taxes.** Seller has duly and timely filed all applicable Federal, state, local or foreign income, franchise, sales, use, property, excise, payroll, FICA, withholding and other tax returns and forms required to be filed, and has timely paid in full or discharged or will pay in full or discharge as of the Closing all taxes, assessments, excises, interest, penalties, deficiencies and levies required to be paid and pertaining to the Assets to be transferred hereunder.

6.10 **Personal Property.** Seller has good and marketable title to each item of the assets listed on Exhibit A, free and clear of all mortgages, liens, charges or encumbrances. Seller makes no representation, warranty or covenant concerning the sufficiency and condition of the Assets.

6.11 **Modification Application.** Seller shall exercise commercially reasonable diligence to file an application with the FCC for a construction permit to relocate the Translator's antenna site to a site specified by Buyer at Buyer's expense promptly after the engineering specifications are provided by Buyer to Seller. In the event the FCC dismisses such application prior to Closing, Seller shall file any subsequent minor modification applications as requested by Buyer under the same terms and conditions. Closing is not contingent on FCC grant of any such modification application.

7. **Representations, Warranties and Covenants of the Buyer.** The Buyer hereby represents, warrants and covenants to Seller that the following are true and correct in all material respects as of the date of this Agreement and shall be true and correct on the Closing Date:

7.1 **Corporate Status.** Buyer is a non-profit corporation duly organized, validly existing and in good standing under the laws of the State of Illinois. Buyer has all requisite corporate power and authority to own the Translator and to carry on its business and the operation of the Translator as they may be conducted. Buyer is duly qualified to do business and is in good standing in such other jurisdictions, if any, where the nature of the business and operation of the Translator would require such qualification.

7.2 **Binding Agreement.** This Agreement constitutes, and all other agreements and instruments entered into or delivered in connection with the transactions contemplated hereby will constitute, the valid and binding obligations of the Buyer and are enforceable against the Buyer (or upon execution and delivery will be enforceable against the Buyer) in accordance with their respective terms.

7.3 **Consents.** No consent or approval of any third party or governmental body (other than the FCC) is required for the consummation by the Buyer of the transactions contemplated by this Agreement.

7.4 **Qualification.** There are no facts which, under the Communications Act of 1934 as amended, or the existing rules and regulations of the FCC, would disqualify Buyer as an assignee of the License.

8. **No Control of Station.** Prior to the Closing Date, Buyer shall not, directly or indirectly, control, supervise or direct the operations of the Translator; such control, supervision and direction shall remain and shall be the sole responsibility of Seller.

9. **Conditions of Closing.**

9.1 **Buyer's Obligations.** The obligations of the Buyer under this Agreement are subject to the fulfillment, at the Closing on the Closing Date, of all of the conditions precedent set forth in this Section 9.1:

9.1.1 **FCC Consent.** The FCC shall have granted the Assignment Application, which grant shall have become a Final Order, provided, however, that Buyer may elect close after the initial grant and prior to the FCC Consent becoming a Final Grant upon ten (10) business days' notice to Seller.

9.1.2 **Instruments of Conveyance.** Seller shall have delivered to Buyer the following instruments, all of which shall be in a form customary in the State of Illinois and reasonably satisfactory to Buyer:

- (i) Bill of sale and other instruments of assignment and transfer, covering all the Personal Property;
- (ii) Assignments and other appropriate instruments assigning the License;
- (iii) Such other documents as Buyer shall reasonably request and which are necessary to place Buyer in actual possession and operating control of the Translator and the Assets being transferred hereunder.

9.1.3 **Accuracy of Representations – Compliance with Covenants.** The representations, warranties and covenants of Seller contained in this Agreement shall be true and correct in all material respects as of the Closing Date with the same force and effect as if made on that date, except to the extent otherwise contemplated herein, and Seller shall have complied in all material respects with all its covenants herein.

9.1.4 **Other Acts.** Seller shall, within reason, have done any other acts which are necessary to effectuate the transactions contemplated herein.

9.2 **Seller's Obligations.** The obligations of the Seller under this Agreement are subject to the fulfillment, at the Closing on the Closing Date, of all of the conditions precedent set forth in this Section 9.2:

9.2.1 **FCC Consent.** The FCC shall have granted the Assignment Application.

9.2.2 **Purchase Price.** Buyer shall have delivered to Seller the Purchase Price and the Tower Payment.

9.2.3 **Accuracy of Representations – Compliance with Covenants.** The representations, warranties and covenants of Buyer contained in this Agreement shall be true and correct in all material respects as of the Closing Date with the same force and effect as if made on that date, except to the extent otherwise contemplated herein, and Buyer shall have complied in all material respects with all its covenants herein.

9.2.4 **Other Acts.** Buyer shall, within reason, have done any other acts which are necessary to effectuate the transactions contemplated herein.

10. **Termination.**

10.1 **Termination for FCC Inaction.** If the FCC Consent shall not have become a Final Order within 18 months of the date hereof, either Buyer or Seller may terminate this Agreement upon written notice to the other, provided that the party seeking to terminate is not in default hereunder.

10.2 **Termination for Default:** Either party may terminate this Agreement if the other shall be in material breach hereof and if the said breach (other than a payment default under Section 2 of the Agreement) shall not have been cured within ten (10) days of receipt of written notice thereof by the party seeking to terminate, provided, however, that if any such breach is not reasonably susceptible of being cured within ten days, then the party in breach shall have undertaken to cure the breach with all reasonable diligence and shall have cured the breach as promptly as is reasonably practicable.

11. **Indemnification.**

11.1 **Indemnification of Buyer.** Seller shall indemnify, defend and hold Buyer, its members, officers, affiliates, successors and assigns, harmless from and against any claim, liability, loss, damage, judgment or expense (including reasonable attorney's fees) of any kind or nature arising out of or attributable to: (i) any material inaccuracy in any representation or breach or failure of any warranty, covenant or agreement of Seller contained herein, (ii) any failure by Seller to perform or observe, or to have performed or observed, in any material respect any agreement or condition to be performed or observed by Seller hereunder, or (iii) any event, condition or occurrence which occurs prior to the Closing Date or related to the operation of the Translator prior to Closing.

11.2 **Indemnification of Seller.** Buyer shall indemnify, defend and hold the Seller, its members, officers, affiliates, successors and assigns, harmless from and against any claim, liability, loss, damage, judgment or expense (including reasonable attorney's fees) of any kind or nature arising out of or attributable to (i) any material inaccuracy in any representation or breach or failure of any warranty, covenant or agreement of Buyer contained herein, (ii) any

failure by Buyer to perform or observe, or to have performed or observed, in any material respect any agreement or condition to be performed or observed under this Agreement, or (iii) any event, condition or occurrence which occurs on or after the Closing Date or related to the operation of the Translator after Closing.

12. **Miscellaneous Provisions.**

12.1 **Survival of Representations, Warranties, and Covenants.** The representations, warranties, and covenants of the Buyer and the Seller contained in this Agreement shall survive and be enforceable for one (1) year after the Closing Date.

12.2 **Fees and Expenses.** Except as expressly set forth in this Agreement, each of the parties will bear its own expenses in connection with the negotiation and the consummation of the transactions contemplated by this Agreement.

12.3 **Entire Agreement.** This Agreement and the Exhibits hereto embody the entire agreement and understanding of the parties hereto and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein. 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.

12.4 **Headings.** The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

12.5 **Notices.** Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, addressed to the following addresses, or to such other address as any party may request.

If to Seller:

LifeTalk Radio, Inc.
P. O. Box 500
Simi Valley, CA 93062
Telephone: (805) 955-7777

With a copy to:

Donald E. Martin, P.C.
P.O. Box 8433
Falls Church, Virginia 22041
Telephone: (703) 642-2344

If to Buyer:

Torey Malatia, President & CEO
Chicago Public Media, Inc.
Navy Pier, 848 East Grand Avenue
Chicago, Illinois 60611
Telephone: (312)948-4600

With a copy to:

John Crigler, Esq.
Garvey Schubert Barer
Fifth Floor, Flour Mill Building
1000 Potomac Street, N.W.
Washington, DC 20007
Telephone: (202) 965-7880

Any such notice, demand or request shall be deemed to have been duly delivered and received (a) on the date of personal delivery, or (b) on the date of receipt, if mailed by certified mail, postage prepaid and return receipt requested, or (c) on the date of a signed receipt, if sent by an overnight delivery service, but only if sent in the same manner to all persons entitled to receive notice or a copy.

12.6 **Benefit and Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Neither party may assign its rights, interest or obligations under this Agreement without the prior written consent of the other party.

12.7 **Governing Law.** The construction and performance of this Agreement shall be governed by the laws of the State of Illinois applicable to agreements made and to be performed in the State of Illinois without regard to its principles of conflicts of law.

12.8 **Severability.** In the event that any of the provisions of this Agreement shall be held unenforceable, the remaining provisions shall be construed as if such unenforceable provisions were not contained herein. Any provision of this Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof, and any such unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. To the extent permitted by applicable law, the parties hereto hereby waive any provision of law now or hereafter in effect which renders any provision hereof unenforceable in any respect.


12.9 **Limitation of Liability.** To the maximum extent permitted by law, in no event will either Seller or Buyer be responsible for any incidental damages, consequential damages, exemplary damages of any kind, lost goodwill, lost profits, lost business and/or any indirect economic damages whatsoever regardless of whether such damages arise from claims based upon contract, negligence, tort (including strict liability or other legal theory), a breach of

any warranty or term of this agreement, and regardless of whether Seller or Buyer was advised or had reason to know of the possibility of incurring such damages in advance.

12.9 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. This Agreement may be executed and exchanged by electronic transmission, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document. No party to this Agreement shall raise the use of an electronic transmission to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated electronically as a defense to the formation of a contract and each such party forever waives any such defense.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date herein first above-written.

SELLER: **LifeTalk Radio, Inc.**

By 
Name: WARREN D. JUDD
Title: VICE PRESIDENT

BUYER: **Chicago Public Media, Inc.**

By _____
Name: Torey Malatia
Title: President and CEO

any warranty or term of this agreement, and regardless of whether Seller or Buyer was advised or had reason to know of the possibility of incurring such damages in advance.

12.9 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. This Agreement may be executed and exchanged by electronic transmission, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document. No party to this Agreement shall raise the use of an electronic transmission to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated electronically as a defense to the formation of a contract and each such party forever waives any such defense.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date herein first above-written.

SELLER: **LifeTalk Radio, Inc.**

By _____
Name:
Title:

BUYER: **Chicago Public Media, Inc.**

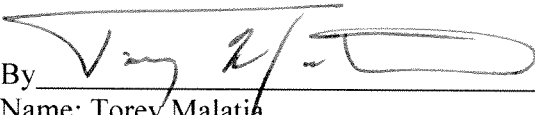
By  _____
Name: Torey Malatia
Title: President and CEO

Exhibit A

Personal Property

Antenna and coaxial feed line

Books and records relating to W219CD, Facility ID 90195, Elgin, IL

Licenses

FCC license W219CD, Facility ID 90195, Elgin, IL