

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the “**Agreement**”) is entered into this 27th day of June, 2016, by and among PACIFIC LUTHERAN UNIVERSITY, formerly known as Pacific Lutheran University, Inc., a private non-profit educational institution organized under the law of the State of Washington (“**Seller**”), and FRIENDS OF 88.5 FM, a Washington non-profit corporation (“**Buyer**”).

WHEREAS, pursuant to licenses issued by the Federal Communications Commission (the “**FCC**”), Seller owns and operates the following broadcast Stations (the “**Stations**”):

KPLU-FM, Facility ID 51199, Tacoma, Washington;
KPLI, Facility ID 91212, Olympia, Washington;
KPLK, Facility ID 173038, Sedro-Woolley, Washington;
KVIX, Facility ID 91468, Port Angeles, Washington;
K204BI, Facility ID 51195, Bellingham, Washington;
K211AP, Facility ID 51201, Centralia, Washington;
K212AG, Facility ID 51196, Raymond, Washington;
K221FR, Facility ID 51202, West Seattle, Washington;
K265DP, Facility ID 51200, Aberdeen, Washington;
K284BM, Facility ID 38908, Longview, Washington;
K288GG, Facility ID 51198, Mount Vernon, Washington; and
K244EV, Ariel, Washington (construction permit, facility not yet constructed);

WHEREAS, Seller and the University of Washington (“UW”) entered into an Asset Purchase Agreement dated December 29, 2015, wherein UW agreed to purchase from Seller the Assets (as defined in Section 1.1) used exclusively in the operation of the Stations, and to obtain an assignment from Seller of all FCC Licenses and Other Authorizations (as defined in Section 1.1(b)) held in connection with the operation of the Stations, and Seller agreed to sell such Assets to UW and to assign to UW all such FCC Licenses and Other Authorizations, all in accordance with and subject to the terms and conditions therein (which agreement is referred to as the “UW-PLU Asset Purchase Agreement” herein); and

WHEREAS, Seller and UW agreed that, pursuant to Section 31 of the UW-PLU Asset Purchase Agreement, Seller retained the option for the period of time specified in Section 31 to sell the Assets, instead of to UW, to a nonprofit entity (i) qualified under the rules and policies of the FCC to hold the license of a noncommercial educational broadcast station, (ii) formed specifically for the purpose of acquiring the Stations, (iii) headquartered in the Seattle-Tacoma area; (iv) holds no ownership interest in any FCC licensed AM or FM radio station or television station (“Other Broadcast Interest”); (v) in which no parent or affiliated entity has any Other Broadcast Interests; and (vi) which makes a “Matching Offer” as defined in Section 31 hereof (hereinafter, an “Alternative Community Buyer”).

WHEREAS, the Buyer asserts it is an Alternative Community Buyer, meeting the requirements set forth in the UW-PLU Asset Purchase Agreement and has made a Matching Offer as defined in Section 31 of the UW-PLU Asset Purchase Agreement.

WHEREAS, the Seller believes Buyer is an Alternative Community Buyer, meeting the requirements set forth in the UW-PLU Asset Purchase Agreement and has made a Matching Offer as defined in Section 31 of the UW-PLU Asset Purchase Agreement, and, therefore is executing this Agreement in accordance with Section 31 of the UW-PLU Asset Purchase Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements set forth herein, Buyer and Seller (each a “**Party**” and together, the “**Parties**”) agree as follows:

1. **SALE AND PURCHASE OF ASSETS.**

1.1. **Sale and Purchase of Assets.** Subject to the terms and conditions set forth in this Agreement, Seller agrees to sell, convey, transfer, assign, grant and deliver to Buyer, and Buyer, agrees to purchase, acquire and accept from Seller at the Closing (as defined herein) on the Closing Date (as defined herein), all of Seller’s right, title and interest in and to certain of the tangible and intangible assets owned or held by Seller and used or held for use solely in connection with the operation of the Stations and described below (the “**Assets**”). The Excluded Property as defined in Section 1.2 below is not included in the Assets. The Assets shall include:

(a) **Tangible Personal Property.** Certain equipment and other tangible personal property used or held for use by Seller in connection with the broadcast operations of the Stations (the “**Tangible Personal Property**”), including without limitation, Seller’s music library associated with the Stations (including all digital files, cds and vinyl discs, and a complete list of titles therein, with accompanying meta data), the transmitters, satellite dishes, studio to transmitter equipment, transmitting antennas, transmission lines, certain items of studio equipment and certain computers, all as listed with a “Y” in column I of Schedule 1.1(a), and any parts, upgrades or replacements thereof;

(b) **Licenses and Authorizations.** All licenses, permits and other authorizations which have been or will be issued to Seller by the FCC for the operation of the Stations, including any renewals thereof or any pending applications, each as set forth on Schedule 1.1(b) (“**FCC Licenses**”) and, to the extent they are assignable, all other licenses, permits, franchises, authorizations and other similar rights issued by any federal, state or local governmental authority held by Seller for operation of the Stations (collectively, the “**Other Authorizations**”);

(c) **Intangible Property.** Certain intellectual property and intangible property rights and interests issued to or owned by Seller and used or useful in the business and operations of the Stations and their streaming services, including, Seller’s rights as owner or licensee of the trademarks; trade names; service marks (including “Jazz24” and “Pacific Public Media”, but excluding the service mark and call sign “KPLU”); copyrights (including those pertaining to music performances recorded by Seller at its facilities or elsewhere, to the extent assignable); slogans and logos identified on Schedule 1.1(c); assignable software licenses; the Jazz24.org and Jazz24.com domain names the design, administrative rights and other rights necessary to operate, and agreements associated with the Stations’ websites (including audio streaming capability), mobile apps and social network accounts (including, but not limited to, the

Stations' Facebook and Twitter accounts), all as listed on Schedule 1.1(c) hereto (collectively, the "**Intangible Property**");

(d) Leased Transmitter Site. Seller's leasehold interests with respect to each Station's transmitter site (each a "**Leased Transmitter Site**"), arising from the leases set forth in Schedule 1.1(d) (each a "**Transmitter Site Lease**"), and all rights pertaining to or accruing to the benefit of Seller thereunder; and all structures, fixtures, and improvements owned or leased by Seller which are located on the Leased Transmitter Sites, subject to the terms of the Transmitter Site Leases;

(e) Contracts. The agreements and contracts set forth on Schedule 1.1(e), together with such agreements (excluding underwriting agreements) that are entered into in the ordinary course of business of the Stations between the date of this Agreement and the Closing Date that Buyer, in its sole discretion, has agreed in writing to assume (the "**Contracts**"). "Ordinary course of business" means the ordinary course of business consistent with past custom and practice (including with respect to duration, quantity and frequency);

(f) Files and Records. All files and other records of Seller relating solely to the Assets including, without limitation, all books, files, correspondence, studies, reports, projections, engineering data, statistics, FCC public inspection file, and records & reports pertaining to the FCC, FAA, or other federal or state or local governmental agencies or offices;

(g) Donor Records. A list of current or lapsed donors to any or all of the Stations (including records with respect to Donors and underwriters whose pledges are written off by Seller pursuant to Section 1.2 (c) below) who have not opted out of permitting disclosure after the Opt-Out Notice described in Section 7.2(f) below has been given to them, along with any software for managing such lists (owned or licensed, as the case may be);

(h) Claims. Seller's claims and rights against third parties relating to the Stations, including, without limitation, all rights under manufacturers' and vendors' warranties with respect to Assets being transferred and excluding those that pertain to Excluded Property, and all rights to recovery and rights of setoff and recoupment pertaining to matters arising after the Closing; and

(i) Goodwill. All of Seller's goodwill in, and going concern value of, the Stations.

(j) News archives. The Stations' archives of its news broadcasts, regardless of the medium in which those materials are stored.

The Assets to be sold hereunder shall be transferred to Buyer at the Closing free and clear of all liens, claims, security interests, encumbrances and liabilities of any kind or nature defined as a "Security Interests" in Section 3.6.

1.2. **Excluded Property**. The Assets shall not include the following (the "**Excluded Property**");

(a) Cash and Investments. All of Seller's cash on hand or in bank accounts and any other cash equivalents including, without limitation, certificates of deposit, commercial paper, treasury bills, or money market accounts;

(b) Excluded Contracts. Any of Seller's agreements, arrangements, commitments or understandings that are not either: (i) listed in Schedule 1.1(e); or (ii) described in Section 1.1(e) as similar ordinary course of business Contracts that Buyer, in its sole discretion, has agreed in writing to assume; Schedule 1.2(b) lists certain contracts that Buyer has specifically elected not to assume and that Seller may cancel after Closing.

(c) Donor Pledges and Underwriter Contracts. Donor pledges that have not been paid to Seller as of Closing, which pledges will be written off by Seller at Closing and Seller will not seek to collect on them. Any Underwriter Contracts that apply for a period after Closing shall be cancelled by Seller effective as of Closing, and Seller will refund any portion of the amounts paid to Seller by the Underwriter for periods after the Closing Date except to the extent that the Underwriter agrees to continue its contract/commitment with Buyer. Seller and Buyer agree to draft a joint letter to the Underwriters advising the Underwriters that their contract will be terminated at Closing and that they will get a refund of the unused portion of their underwriting commitment but alerting the Underwriter that it can enter into a new underwriting commitment with Buyer if it so chooses.

(d) Benefit Plans and Assets. Any pension plans, 401 plans, profit sharing and savings plans and trusts and any other "employee benefit plan" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and any employee benefit plans and assets thereof;

(e) Accounts Receivable. All accounts receivable of Seller;

(f) CPB Grant Funds. Corporation for Public Broadcasting ("CPB") grant funds, including Community Service Grant funds, received by Seller ;

(g) Certain Tangible Assets. Studio equipment located on Seller's main campus at the Neeb Building, 12180 Park Avenue S., Tacoma, WA 98447, the transmission tower located on the upper campus of Seller at same address, and office equipment located at Stations' studios;

(h) Deposits. Funds on deposit with lessors or third-party vendors;

(i) Other Leases. Leases or other agreements to occupy office space, studio space or storage space (except storage space at the Leased Transmitter Sites and the leased space in the Fourth & Vine Building, 2601 Fourth Ave Seattle);

(j) Call Sign. The call sign "KPLU";

(k) Employment agreements. Unless otherwise agreed in writing by Seller and Buyer, the employment agreements entered into by Seller with any of its employees or any independent contractors, including any union agreement;

(l) Liabilities. All liabilities not expressly assumed by Seller, including, but not limited to, liabilities of any kind relating to operation of the Stations prior to Closing; and

(m) Other Excluded Assets. Assets set forth in Schedule 1.2 and the equipment and other tangible personal property listed with an "N" or "N*" in column I of Schedule 1.1(a).

1.3. **Employees and Employee Benefits.**

(a) Prior to the Closing Date, Seller shall terminate all employees of the Stations and will provide all requisite notices to its employees being terminated as a result of this transaction, and all requisite notice periods under the Worker Adjustment and Retraining Notification Act (WARN) shall have expired. Buyer agrees that Seller's employees shall have an opportunity to apply for employment with Buyer.

(b) Seller will not have 50 or more employment losses during any 30-day period related to this transaction that are as a result of any closure of any facility or operating unit of Seller; therefore, does not believe notices to Seller's employees are required pursuant to WARN. Seller will not have employment losses that make up at least 33% of the Seller's active workforce in any period applicable to this transaction. Each party will be responsible for any WARN notice requirement caused by their post-closing events or occurrences.

(c) Seller shall be solely responsible and Buyer shall have no obligations whatsoever for, any compensation or other amounts payable to any current or former employee, officer, director, independent contractor or consultant of the Station, including, without limitation, hourly pay, commission, bonus, salary, accrued vacation, fringe, pension or profit sharing benefits or severance pay, COBRA, layoff rights or other similar benefits, back pay, front pay, penalties, damages or reimbursements of any kind, for any period relating to the service with Seller and Seller shall pay all such amounts to all entitled persons.

2. **PURCHASE PRICE AND ESCROW DEPOSIT**

2.1. **Purchase Price**. In consideration of the sale and transfer of the Assets, Buyer agrees to pay to Seller and Seller agrees to accept from Buyer the sum of Eight Million Dollars (\$8,000,000.00) plus the amount of the Post Closing Adjustments (the "**Purchase Price**"), which is to be paid by Buyer as follows:

(a) At the Closing, Buyer will deliver by wire transfer of immediately available funds the sum of Seven Million Dollars (\$7,000,000.00), including the Escrow Deposit specified in Section 2.2 (the "**Closing Payment**").

(b) One Million Dollars (\$1,000,000.00) of the Purchase Price will be in the form of underwriting announcements for Seller to be broadcast on Buyer's broadcast stations (to include the Stations) and other marketing messages for Seller to be delivered on other media platforms operated by Buyer, which underwriting announcements and marketing messages (collectively, "Seller Messaging") will (i) have an aggregate value of One Million Dollars (\$1,000,000.00) and (ii) be used at the rate of up to One Hundred Thousand Dollars

(\$100,000.00) per year for ten years from the Closing. Up to Ten Thousand Dollars (\$10,000.00) of Seller Messaging value unused in one year may be carried over to the next year and up to Ten Thousand Dollars (\$10,000.00) of Seller Messaging value unused at the end of ten years may be carried over one more year. Other than Seller Messaging carried over from a prior year, any Seller Messaging in excess of \$100,000 in any year will be subject to Buyer's approval and, in that case, the excess shall be applied against the limit for the next year. On each occasion Seller places an order for Seller Messaging, the value of such Seller Messaging will be determined on the basis of the amount received by Buyer during the prior calendar quarter for comparable underwriting announcements and/or marketing messaging placed on behalf of other non-profit educational organizations. Seller will propose the message, media and timing of the Seller Messaging, subject to availability, compliance with FCC law and Buyer's approval of the message, which approval will not be unreasonably withheld. Other provisions regarding Seller Messaging are contained on Schedule 2.1(b).

(c) The Purchase Price (including the Post Closing Adjustments) shall be adjusted and paid as provided in Section 13 below.

2.2. **Escrow Deposit.** Within three (3) business days after the execution and delivery of this Agreement, Seller, Buyer and U.S. Bank (the "**Escrow Agent**"), shall enter into an Escrow Agreement containing mutually acceptable terms (the "**Escrow Agreement**" set forth in Schedule 2.2) pursuant to which Buyer shall transfer Three Hundred Fifty Thousand Dollars (\$350,000.00) to the Escrow Agent as a deposit on the amount of the Purchase Price (the "**Escrow Deposit**"). Such amounts held in escrow shall be applied as set forth herein and in the Escrow Agreement. At the Closing, the Escrow Deposit shall be applied to the Purchase Price to be paid to Seller, and accrued interest shall be paid to Buyer. As more fully described in Section 6.2: (a) in the event this Agreement is terminated by Seller pursuant to Section 6.1(f), the Escrow Deposit and all accrued interest thereon will be paid to Seller as liquidated damages, and (b) in the event this Agreement is terminated under any circumstances other than pursuant to Section 6.1(f), the Escrow Deposit and all accrued interest thereon will be paid to Buyer. Buyer and Seller will share equally in any fees, costs, expenses and other charges payable to Escrow Agent pursuant to the Escrow Agreement.

3. **REPRESENTATIONS AND WARRANTIES BY SELLER.** Seller represents and warrants to Buyer as set forth below. As used herein, "Knowledge of Seller," "Seller's Knowledge or any other similar knowledge qualification means the actual knowledge of Allan Belton or Donna Gibbs or the knowledge they should have had upon application of reasonable care, inquiry or diligence.

3.1. **Organization and Standing.** Seller is a non-profit, private educational institution duly organized, validly existing and in good standing under the laws of Washington. Seller has the requisite power and authority to own and lease the Assets and operate the Stations as now conducted, and to enter into and perform the terms of this Agreement and any other agreements and instruments called for hereunder ("**Collateral Agreements**") and to consummate the transactions contemplated by this Agreement and any Collateral Agreements.

3.2. **Authorization.** Execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly and

validly authorized by all necessary action on the part of Seller. This Agreement constitutes a valid and binding agreement and obligation of Seller, enforceable in accordance with its respective terms except as the enforceability hereof may be affected by the limitations of the Constitution and laws of the State of Washington, court decisions or by court applied equitable remedies.

3.3. **No Conflict or Breach; Third Party Consents.** Except as set forth on Schedule 3.3, the execution and delivery of this Agreement, the fulfillment of and the compliance with the respective terms and provisions of this Agreement, and the consummation of the transactions described in this Agreement, will not: (i) conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of Seller's certificate or other organizing charter; (ii) conflict with or constitute a violation of (with or without the giving of notice or the lapse of time or both) any law, ordinance, regulation, order, award, judgment, injunction or decree of any legislative body, court, governmental or regulatory authority or arbitrator which is applicable or relates to Seller or the Assets; or (iii) in any material respect, violate or conflict with, constitute a default under, result in a breach, acceleration or termination of any provision of, require the consent of any third party under, or result in the creation of any Security Interest upon any of the Assets pursuant to, any contract, agreement, commitment, indenture, or other instrument or obligation to which Seller is a party or by which Seller is bound or to which any of the Assets may be subject.

3.4. **Governmental Consents.** Except for the consent of the FCC to the assignment of the FCC Licenses (the "**FCC Consent**"), neither the execution and delivery of this Agreement by Seller nor the consummation by Seller of the transactions contemplated hereby, will require any filing with, or the obtaining of any permit, authorization, consent or approval of, any governmental or regulatory authority by Seller.

3.5. **Litigation; Compliance with Law.** Except for proceedings generally applicable to the broadcast industry, and as may be set forth in Schedule 3.5, there is no action, suit, investigation, claim, arbitration, proceeding or litigation pending or, to the knowledge of Seller, threatened against or involving any of the Assets, or the business or operations of the Stations, at law or in equity, or before or by any court, mediator, arbitrator or governmental authority. The Stations are not operating under or subject to any order, judgment, decree or injunction of any court, arbitrator or governmental authority. Except as otherwise disclosed in Schedule 3.5, Seller has complied in all material respects and is in compliance in all material respects with all laws, ordinances and regulations to the Assets and to the business of Seller regarding the Stations. The Stations are and will be on the Closing Date operating in material compliance with the FCC Licenses and other authorizations, the Communications Act, the current rules, regulations and policies of the FCC, and the ordinances, rules, regulations and policies of the local jurisdictions in which the Stations' transmitters sites are located and the State of Washington.

3.6. **Title to Assets.** Except as expressly indicated otherwise, and except for ownership interests in Intangible Property, including rights in Seller's music library, the Assets shall be sold and conveyed to Buyer free and clear of all mortgages, liens, deeds of trust, security interests, pledges, options, restrictions, prior assignments, charges, claims, defects in title and encumbrances of any kind or type whatsoever (collectively referred to hereunder as the "**Security Interests**"). Each Transmitter Site Lease will be assigned to Buyer free and clear of all Security

Interests of any nature whatsoever except for the interests of the landlord. To Seller's Knowledge, each Transmitter Site Lease is valid, enforceable against both the lessor and lessee, and Seller is not in default thereunder as a lessee. With respect to each Leased Transmitter Site, the corresponding Transmitter Site Lease provides Seller the right to locate and operate all the Station equipment currently located at that site. Seller has not received any notice alleging that any of the Leased Transmitter Sites fails to comply with applicable zoning laws or the building, health, fire and environmental protection codes of applicable governmental jurisdictions. With respect to the assignment of copyrights or copyright licenses pertaining to music library, including those pertaining to performances recorded by Seller at its facilities or elsewhere, such assignment will be without warranty.

3.7. **Condition of Assets.** All of the Tangible Personal Property used in connection with the operation of the Stations and included in the Assets are in working order. All improvements located on the Leased Transmitter Sites are in operating condition and repair, and have been and currently are being used for their intended use. To Seller's Knowledge, there are no condemnation or eminent domain proceedings pending or, to Seller's knowledge, threatened with respect to any of the Leased Transmitter Sites.

3.8. **FCC Licenses and Operation of Stations.** Schedule 1.1(b) contains a true and complete list of all FCC Licenses and material Other Authorizations and any pending applications for any FCC Licenses or Other Authorizations. To Seller's Knowledge, the FCC Licenses and Other Authorizations set forth on Schedule 1.1(b) are valid and in full force and effect, and, except as set forth in Schedule 1.1(b), there are no orders, or to Seller's knowledge, no complaints, proceedings or investigations pending or threatened, which could result in the revocation, suspension or limitation of the FCC Licenses or Other Authorizations, nor is there to Seller's knowledge any existing state of facts which could reasonably be expected to serve as the basis therefor under laws and regulations in effect on the Closing Date. To Seller's knowledge, the FCC Licenses and Other Authorizations set forth on Schedule 1.1(b) comprise all of the federal, state, local or municipal governmental authorizations needed for the lawful conduct of the Stations' business as now being conducted. Except as set forth on Schedule 1.1(b), the FCC Licenses and Other Authorizations are not subject to any restrictions or conditions that would limit the operations of the Stations as presently conducted. The FCC Licenses expire on the dates set forth on Schedule 1.1(b), and Seller has no reason to believe that, should Seller continue to hold the FCC Licenses for the Stations, any of them would not be renewed or has any knowledge that any person or entity intends to oppose any such renewal. Seller has operated the Stations in all material respects in accordance with the FCC Licenses and rules and regulations of the FCC.

3.9. **Reports and Records.** All material returns, reports and statements relating to the Stations currently required to be filed by Seller with the FCC, and any material returns, reports and statements relating to the Stations currently required to be filed by Seller with any other governmental instrumentality have been, or prior to the Closing Date shall be, filed are true, correct and complete in all material respects.

3.10. **[Intentionally Omitted].**

3.11. **Matters Arising After Date of the Letter of Intent.** Since November 12, 2015, the date of the Letter of Intent between the UW and Seller:

(a) There has not been any change that would be materially adverse to the Assets or condition of the Stations as a whole, or a material impairment of the ability of Seller to perform under this Agreement (individually or collectively herein a “material adverse change”), uncured default by Seller under any Contract, Transmitter Site Lease or any material physical damage or loss to any of the Assets (except where such damage or loss was covered by insurance and/or repair or replacement of the damaged or lost assets has been completed);

(b) Seller has maintained its books, accounts and records in the usual, customary and ordinary manner;

(c) Seller has used reasonable efforts to keep available the services of its employees and to preserve relationships with its customers, advertisers, suppliers and others with whom it deals;

(d) Seller has not sold, leased, transferred, or assigned any of its assets, tangible or intangible, other than for a fair consideration in the ordinary course of business;

(e) Seller has not entered into any agreement, contract, license or lease outside the ordinary course of business;

(f) Seller has not permitted the imposition of any Security Interests upon any of the Assets; and

(g) Seller has not taken any action outside of the ordinary course of business, except as related to the transactions contemplated hereby.

(h) Except as set forth on Schedule 3.11(h), Seller has not made any agreements or commitments with respect to employees or unions in connection with the Stations.

3.12. **Taxes.** Seller has filed all federal, state and local returns, reports, and other statements required to have been filed with any jurisdiction with respect to Seller’s operation of the Stations and has remitted any taxes due and payable that it is required to pay.

3.13. **Environmental Matters.** To Seller’s knowledge, Seller and the Assets are in all material respects in compliance with all federal, state and local laws and regulations relating to pollution and the discharge of materials into the environment with respect to the Assets and Leased Transmitter Sites (collectively, the “**Environmental Laws**”). No litigation or proceeding relating to Environmental Laws, environmental permits or any release, discharge or disposal of hazardous or toxic substances is pending or, to Seller’s knowledge threatened against the Assets or Stations. Set forth on Schedule 3.13 is a list of any environmental reports, studies or analyses in the possession of Seller relating to the Leased Transmitter Site or the operation of the Stations. To Seller’s Knowledge, the operation of the Stations does not cause or result in exposure of workers or the general public to levels of radio frequency radiation in violation of FCC Rule 1.1310 or FCC OST/OET Bulletin Number 65.

3.14. **Employee Matters.** To Seller's knowledge, Seller is in all material respects in compliance with all federal, state and local laws and regulations, as well as all contracts or agreements relating to its employee and labor relations. Except as set forth in Schedule 3.5, no litigation or proceeding relating to employee or employment related claims is pending or, to Seller's knowledge threatened against the Assets or Stations. No employee claims or employment or union related claims are asserted or, to Seller's knowledge, threatened against the Assets or Stations. Further, Seller represents and warrants that it is not party to any agreement that purports to convey to Buyer a duty, obligation or liability in connection with an employee or union matter following this transaction.

3.15. **Brokers.** There is no broker or finder or other individual or entity of any type who or which would have any valid claim through Seller against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, Seller.

4. **REPRESENTATIONS AND WARRANTIES BY BUYER.** Buyer represents, warrants and covenants to Seller as follows:

4.1. **Organization and Standing.** Buyer is a nonprofit entity (i) qualified under the rules and policies of the FCC to hold the license of a noncommercial educational broadcast station, (ii) formed specifically for the purpose of acquiring the Stations, (iii) headquartered in the Seattle-Tacoma area; (iv) holds no ownership interest in any FCC licensed AM or FM radio station or television station ("Other Broadcast Interest"); and (v) in which no parent or affiliated entity has any Other Broadcast Interests. Buyer has all requisite power and authority to enter into, execute and deliver this Agreement and any Collateral Agreements, and to perform and comply with all of the terms, covenants and conditions to be performed or complied with by Buyer in this Agreement and any Collateral Agreements, and to consummate the transactions contemplated by this Agreement and any Collateral Agreements.

4.2. **Authorization.** Execution, delivery and performance of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly and validly authorized by all necessary action on the part of Buyer. This Agreement constitutes a valid and binding agreement and obligation of Buyer, enforceable in accordance with its respective terms, except as the enforceability hereof may be affected by the limitations of the Constitution and laws of the State of Washington, court decisions or by court applied equitable remedies.

4.3. **No Conflicts or Breach; Consents.** The execution, delivery and performance by Buyer of this Agreement and any Collateral Agreements, the fulfillment and compliance with the respective terms and provisions of this Agreement and any Collateral Agreements, and the consummation of the transactions contemplated in this Agreement and any Collateral Agreements will not: (i) conflict with or constitute a violation of (with or without the giving of notice or the lapse of time or both) any law, ordinance, regulation, order, award, judgment, injunction or decree of legislative body, court, governmental or regulatory authority or arbitrator which is to or relates to Buyer; or (ii) violate or conflict with, constitute a default under, result in a breach, acceleration or termination of any provision of, require the consent of any third party under, any agreement, instrument, license or permit to which Buyer is a party or

by which Buyer may be bound, such that Buyer could not acquire or operate the Assets pursuant to the terms of this Agreement.

4.4. **Governmental Consents.** Except for receipt of the FCC Consent, neither the execution and delivery of this Agreement by Buyer nor the consummation by Buyer of the transactions contemplated hereby, nor compliance by Buyer with any provisions of this Agreement or the Collateral Agreements will require any filing with, or the obtaining of any permit, authorization, consent or approval of, any governmental or regulatory authority.

4.5. **Qualifications.** Buyer is not aware of any facts which would, under present law (including the Communications Act of 1934, as amended) and present rules, regulations, policies and practices of the FCC, form the basis for a determination by the FCC that Buyer is not qualified to become the licensee of the Stations, the assignee of the FCC Licenses, and the owner and/or operator of the Stations or the Assets.

4.6. **Funding.** As of the date of this Agreement, Buyer believes it will, as of Closing, have, and as of Closing Buyer will have, sufficient net liquid assets on hand or available from committed sources of funds (that is, funds from loans and grants, but excluding unpaid donations) to enable it to (a) consummate the transactions contemplated by this Agreement and pay all related fees and expenses for which Buyer will be responsible on the Closing Date, and (b) operate the Station for at least three (3) months following Closing without additional revenue.

4.7. **Litigation.** Except for administrative rule making or other proceedings of general applicability to the broadcast industry, there is no action, investigation, litigation or proceeding pending or, to the knowledge of Buyer, threatened against Buyer that would adversely affect Buyer's ability to carry out its obligations under this Agreement or the collateral agreements.

4.8. **Brokers.** There is no broker or finder or other person who would have any valid claim through Buyer against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of or action taken by Buyer.

5. **APPLICATION FOR FCC CONSENT.** As promptly as practicable after the date hereof, but no later than ten (10) days after the date hereof, Seller and Buyer shall take all steps reasonably necessary to file and shall participate in the filing of an application with the FCC requesting its consent to the assignment of the FCC Licenses for the Stations from Seller to Buyer (the "**FCC Application**"). Seller and Buyer will diligently take and fully cooperate in the taking of, all necessary and proper steps, and provide any additional information reasonably requested in order to obtain promptly the requested consent and approval of the FCC Application. In the event any Petition to Deny or informal objection is filed with respect to the FCC Application the Parties jointly will oppose each such petition or objection filed. Each party will pay for its legal fees and costs involved in seeking such FCC approvals.

6. **TERMINATION; EFFECTS OF TERMINATION.**

6.1. **Termination.** This Agreement may be terminated and the transactions contemplated hereby may be abandoned as follows:

- (a) By mutual written consent of Seller and Buyer;
- (b) By Seller or Buyer if (i) the FCC Application is not granted by November 4, 2016 (270 days after UW filed its FCC Application) or (ii) the grant of the FCC Application has not become a Final Order (defined below) within twelve (12) months after the FCC Application is filed; provided, however, that the right to terminate this Agreement under this Section 6.1(b) shall be suspended as to any Party whose failure to fulfill any material obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the FCC to grant the FCC Application or such grant to have become a Final Order within the prior specified in this Section 6.1 (b).
- (c) By Buyer if the FCC issues a ruling or order in connection with the FCC Application or Buyer's qualifications with conditions which are materially adverse to Buyer or which materially diminish the operating rights with respect to the Stations (except for such conditions that are accepted by Buyer in writing);
- (d) By Seller or Buyer as set forth in Section 15 (Risk of Loss);
- (e) By Seller or Buyer if any state or federal court of competent jurisdiction in the United States or any United States governmental agency shall have issued an order, decree or ruling, taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated hereby;
- (f) By Seller, upon notice to Buyer, upon a material breach of any representation, warranty or covenant of Buyer contained in this Agreement, provided (i) that Seller is not then in default of any of its obligations under this Agreement, and (ii) that such breach is not cured within thirty (30) days after the giving of written notice thereof by Seller to Buyer ("**Buyer's Cure Period**"); provided however, if such breach cannot be reasonably cured within Buyer's Cure Period and Buyer promptly commences diligent efforts to cure, then Buyer's Cure Period shall be extended so long as Buyer continues such diligent efforts, but not beyond the latest date that the Closing Date could occur under Section 12.1 if such breach never occurred;
- (g) By Buyer, upon notice to Seller, upon a material breach of any representation, warranty or covenant of Seller contained in this Agreement, provided (i) that Buyer is not then in default of any of its obligations under this Agreement, and (ii) that such breach is not cured within thirty (30) days after the giving of written notice thereof by Buyer to Seller ("**Seller's Cure Period**"); provided however, if such breach cannot be reasonably cured within Seller's Cure Period and Seller promptly commences diligent efforts to cure, then Seller's Cure Period shall be extended so long as Seller continues such diligent efforts, but not beyond the latest date that the Closing Date could occur under Section 12.1 if such breach never occurred;
- (h) By Buyer if a consent to an assignment of a Material Contract is not obtained by the outside date for closing due to no fault of Buyer.

Any termination of this Agreement pursuant to this Section 6.1 shall be made by written notice of termination following the occurrence of the applicable event.

6.2. Effects of Termination.

(a) If this Agreement is terminated pursuant to Sections 6.1(a) through 6.1(e) and 6.1(h), neither Party shall have any liability to the other and this Agreement in its entirety shall be deemed null, void and of no further force and effect, except for the provisions of Sections 7.3 & 8.1 (Confidentiality provisions), and 18 (each Party's own Expenses), which shall survive such termination, and the Parties shall jointly instruct the Escrow Agent to release the Escrow Deposit plus any accrued interest to Buyer pursuant to the terms of the Escrow Agreement.

(b) If Seller terminates this Agreement pursuant to Section 6.1(f), then Seller will be entitled to be paid the Escrow Deposit plus any accrued interest as liquidated damages, which will be Seller's sole remedy.

(c) If Buyer terminates this Agreement pursuant to Section 6.1(g), in addition to any other remedy to which it may be entitled at law or in equity, Buyer shall be entitled to receive the Escrow Deposit plus all accrued interest thereon pursuant to the terms of the Escrow Agreement. In lieu of termination and the remedy of an action for damages, if this Agreement is terminable by Buyer pursuant to Section 6.1(g), Buyer may elect to bring an action for specific performance of Seller's obligations hereunder, and in that regard, Seller hereby acknowledges that the Stations are a unique asset not readily obtainable on the open market and that money damages would not be adequate to compensate Buyer for its injury.

6.3. Indemnification.

(a) Each Party ("Indemnifying Party ") hereby agrees to defend, indemnify, and hold the other Party ("Indemnified Party"), including its respective directors, officers, employees and agents ("Indemnified Parties") harmless from any and all losses, damages, claims, actions, liabilities, costs and expenses (including reasonable attorneys' fees and costs) arising from any third party claim arising out of Indemnitor's (i) obligations under this Agreement; (ii) breach of this Agreement; and (iii) negligent acts or omissions. The indemnity obligations set forth in this Section shall survive the termination or expiration of this Agreement.

(b) Indemnification Procedure. In the event of third party claims that are subject to indemnification hereunder, the Indemnified Party shall notify the Indemnifying Party in writing as soon as practicable but in no event later than fifteen (15) days after receipt of such claims. The Indemnified Party's failure to do so shall not preclude it from seeking indemnification hereunder unless such failure has materially prejudiced the Indemnifying Party's ability to defend such claim. The Indemnifying Party shall promptly defend such claim by counsel of its own choosing and the Indemnified Party shall cooperate with the Indemnifying Party in the defense of such claim, including the settlement of the matter on the basis stipulated by the Indemnifying Party (with the Indemnifying Party being responsible for all costs and expenses of such settlement). If the Indemnifying Party, within a reasonable time after notice of a claim, fails to defend the Indemnified Party, the Indemnified Party shall be entitled to

undertake the defense, compromise or settlement of such claim at the expense of and for the account and risk of the Indemnifying Party. Upon the assumption of the defense of such claim, the Indemnifying Party may settle, compromise or defend as it sees fit, provided, however, that anything in this Section 6.3 to the contrary notwithstanding:

i. If there is a reasonable probability that a claim may materially and adversely affect the Indemnified Party, the Indemnified Party shall have the right, at its cost and expense, to defend, compromise or settle such claim against it.

ii. If the facts giving rise to indemnification hereunder shall involve a possible claim by the Indemnified Party against a third party, the Indemnified Party shall have the right, at its own cost and expense, to undertake the prosecution, compromise and settlement of such claim.

iii. The Indemnifying Party will not, without the Indemnified Party's written consent, settle or compromise any claim or consent to any entry of judgment which does not include, as an unconditional term thereof, the giving by the claimant or the plaintiff to the Indemnified Party of a release from all liability in respect to such claim.

7. **COVENANTS AND AGREEMENTS OF SELLER.** Seller covenants and agrees with Buyer as follows:

7.1. **Negative Covenants.** Except as otherwise contemplated by this Agreement, pending and prior to the Closing, Seller shall not without the prior written approval of Buyer do, or agree to do, any of the following in connection with Seller's operation of the Stations:

(a) **Dispositions.** Sell, assign, lease or otherwise transfer or dispose of any of the Assets, other than dispositions in the ordinary course of business;

(b) **Other Contracts.** Enter into any other contracts, leases, commitments, understandings, licenses, or other agreements relating exclusively to the Stations or incur any obligation or liability (contingent or absolute) relating exclusively to the Stations; provided, however, that Seller may enter into such other contracts, leases, commitments, understandings, licenses or other agreements in the ordinary course of business at the Stations consistent with Seller's past business practices at the Stations and with customary practices in the radio broadcast industry, so long as such contracts, leases, commitments understandings, licenses or other agreements are terminable by Seller on thirty (30) days' notice without further liability therefor;

(c) **Material Adverse Actions.** Do or omit to do any act (or permit such action or omission) which would be reasonably expected to have a material adverse effect on the Assets;

(d) **Actions Affecting Licenses, Other Authorizations.** Take any action that would be reasonably expected to jeopardize the validity or enforceability of or rights under the FCC Licenses or the Other Authorizations.

7.2. **Affirmative Covenants.** Pending and prior to the Closing Date, Seller shall:

(a) **Ordinary Operations.** Seller shall use its best efforts to carry on operations of the Stations and keep its books and accounts, insurance, records and files in the usual and ordinary manner in which the business of the Stations have been conducted in the past, including, but not limited to, maintenance of property insurance, general and media liability insurance, and directors' and officers' insurance covering the operations and property of Stations, maintenance of the Stations and National Public Radio programming arrangements between the date of this Agreement and the Closing Date, provided, however, fundraising, marketing and promotion of the Station may be limited because of the impending sale;

(b) **Normal Operations.** Continue to maintain the Tangible Personal Property included in the Assets in working condition for equipment of its respective age and usage, reasonable wear and tear excepted, and continue to file on a current basis all material returns, reports and statements relating to the Stations that are currently required to be filed by Seller with the FCC;

(c) **Compliance with FCC Rules and Regulations.** In connection with Seller's operation of the Stations, comply in all material respects with all applicable rules and regulations of the FCC and with all material rules and regulations of any other governmental authority having jurisdiction over the Seller in connection with its operation of the Stations;

(d) **Access to Facilities, Files and Records.** In order to facilitate Buyer's due diligence investigation of the Stations and the Assets, at the reasonable request of Buyer and on reasonable advance notice, Seller shall from time to time promptly give or cause to be given to the officers, employees, accountants, counsel, agents, consultants and representatives of Buyer full access during normal business hours to: (i) all facilities, the Assets, the Stations' transmitter sites, donor records (consistent with the CPB requirements), accounts, books, agreements, contracts, commitments, records and files of every character pertaining to the Assets; and (ii) all such other information concerning the Assets as Buyer may reasonably request;

(e) **Violations.** If Seller receives notice of or becomes aware of any material violation with respect to or affecting the FCC Licenses or the Other Authorizations, Seller shall notify Buyer and use commercially reasonable efforts to correct all such violations prior to the Closing; and

(f) **Donors.** Seller and Buyer have jointly developed a message to be sent by Seller to all current donors. In addition, within 30 days after the FCC's release of its Public Notice announcing the acceptance for filing of the FCC Application, Seller and Buyer will jointly develop a message to be sent to lapsed donors and current and lapsed underwriters of the Stations with respect to the transition of the Stations from Seller to Buyer (collectively, the "Opt-Out Notice"). "Lapsed" donors or underwriters are limited to those who have not donated to KPLU or not been an underwriter with KPLU in the year of Closing but were a donor or underwriter in or after 2013. The Opt-Out Notice, consistent with the Communications Act of 1934, as amended, and CPB requirements, will give such donors the opportunity to direct that

their names and other personally identifiable information not be disclosed to Buyer. Following expiration of the applicable period of time for exercise of that nondisclosure option, Buyer will have the right of access and use of information regarding such donors that do not opt out of disclosure. Buyer may then, with Seller's reasonable cooperation if requested by Buyer, contact such donors who have not opted out of providing their personally identifiable information to Buyer for the purpose of supporting Buyer's operation of the Stations after Closing.

(g) Access to Music Library. After the date of this Agreement, Seller will provide Buyer both remote and direct access to the indexes to the Stations' music library for purposes of preparing to use the music library after Closing, but not before. For the avoidance of doubt, access to the index is limited to facilitating Buyer's use after Closing, but the information remains the property of Seller until Closing and is protected as Seller Confidential Information and controlled by the Confidentiality provisions of Section 8.1, below.

7.3. Confidentiality. Buyer and Seller have entered into a Nondisclosure Agreement dated June 2, 2016, the terms of which are incorporated herein by this reference and will remain in effect during the term of this Agreement.

8. COVENANTS AND AGREEMENTS OF BUYER. Buyer covenants and agrees with Seller as follows:

8.1. Confidentiality. Buyer and Seller have entered into a Nondisclosure Agreement dated June 2, 2016, the terms of which are incorporated herein by this reference and will remain in effect during the term of this Agreement.

8.2. Negative Covenants. Pending and prior to the Closing Date, Buyer will not take, or fail to take, any commercially reasonable action that could be reasonably expected to disqualify Buyer as an assignee of the Licenses, or as owner or operator of the Stations and Assets.

8.3. Litigation. Prior to the Closing, Buyer shall notify Seller of any litigation or administrative proceeding pending or, to Buyer's knowledge, threatened against Buyer that challenges the transactions contemplated hereby.

8.4. Fundraising Agreement. Buyer and Seller entered into an Agreement Regarding "Save KPLU" Fundraising dated May, 2016 (the "Fundraising Agreement"). The terms of the Fundraising Agreement are incorporated herein by this reference and will remain in effect during the term of this Agreement.

8.5. Financial Strength. Within three (3) business days after the execution and delivery of this Agreement, Buyer will provide Seller with access to its banking accounts so that Seller can confirm that, with the Escrow Deposit, Buyer has \$7,000,000 in readily available funds.

9. DISCLAIMER OF WARRANTIES, ETC. Buyer acknowledges that, except for provisions set forth in this Agreement, neither Seller nor any agent, employee, attorney, or representative of Seller has made any other statements, agreements, promises, assurances, representations, or warranties, whether express, implied, or otherwise, regarding Seller or the

condition of the Assets. Except for provisions set forth herein, Seller expressly disclaims all such other warranties, express or implied under applicable law.

10. **CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE.** The obligations of Buyer to purchase the Assets and to proceed with the Closing are subject to the satisfaction at or prior to the Closing of each of the following conditions (unless waived in writing by Buyer):

10.1. **Representations and Covenants.** The representations and warranties of Seller made herein or in any schedule, agreement or instrument called for hereunder shall have been true and correct in all material respects when made, and shall be true and correct in all material respects on the Closing Date as though such representations and warranties were made on and as of such date; and Seller shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Seller prior to the Closing.

10.2. **Documents at Closing.** Seller shall have delivered to Buyer on or before the Closing Date all documents and instruments required to be delivered by Seller to Buyer pursuant to Section 12.2.

10.3. **Liens Released.** All Security Interests pertaining to the Assets shall be released of record and there shall be no Security Interests in respect of the Assets, except for any landlord liens that may exist under the terms of the Transmitter Site Leases.

10.4. **Other Consents.** Seller and Buyer shall have obtained all material consents, specifically including, without limitation, consents of the landlords for assignment of the Transmitter Site Leases to Buyer, all approvals and waivers of governmental agencies as are required for the consummation of the transactions contemplated by this Agreement, without any change in the terms thereof, except those approved by Buyer in writing. Each party agrees to cooperate with the other in obtaining such consents. The parties recognize that some consents might not be obtained by the time of Closing, but the failure to obtain such consents will not be a condition to closing, unless they are "Material Contracts." As used herein, the "Material Contracts" are those listed on Schedule 3.3.

10.5. **No Material Change in Business of the Stations or Assets.** There shall not have been a material adverse change in the Stations (however, it is understood that donations, listenership and other matters may diminish as a reaction to the proposed sale and such events will not be a default or grounds for termination by Buyer), uncured default by Seller under any Contract, or any material physical damage or loss to any of the Assets (except where such damage or loss was covered by insurance and/or repair or replacement of the damaged or lost assets has been completed). Buyer shall maintain the right, before Closing, to inspect the Tangible Personal Property to ensure that all items are in compliance with this Agreement to Buyer's reasonable satisfaction. If Buyer determines that any item of Tangible Personal Property is not in such compliance, Buyer shall notify Seller in writing immediately, and the non-compliant item(s) shall be: (a) completely repaired, replaced or restored to the reasonable satisfaction of Buyer by Seller, at Seller's expense, within 10 days of Buyer's notice of non-compliance; or (b) if Seller is unwilling or

unable to repair, replace or restore the item(s) within the specified period, the estimated cost of such repair, replacement or restoration shall be deducted from the Purchase Price.

10.6. **Environmental Surveys.** In the event that Buyer elects to perform and promptly commissions environmental studies (which studies are expressly limited to a Phase I Environmental Assessment, without any physical testing for hazardous substances), of any or all of the Leased Transmitter Sites within thirty (30) days of the date of execution of this Agreement, Buyer shall have received the results of any environmental studies of the Real Property that Buyer may have elected to perform and such results are satisfactory to Buyer in its sole discretion.

10.7. **Legal Proceedings.** No proceeding by or before any court or governmental authority shall have been instituted (and not subsequently dismissed, settled or otherwise terminated) which would (i) restrain, prohibit or invalidate the transactions contemplated by this Agreement, or (ii) impose material restrictions, limitations or conditions with respect to Buyer's ownership of the Stations or the Assets, other than an action or proceeding that is instituted or threatened by Buyer or is solicited or encouraged by, or instituted as a result of any act or omission of Buyer.

10.8. **FCC Consent.** The FCC shall have granted the FCC Consent without any conditions or modifications that are materially adverse to Buyer's operation of the Stations or which materially diminish the rights of a licensee with respect to the Stations (except for any such conditions that are accepted by Buyer in writing).

10.9. **Union Contract.** Seller will provide notice to SAG-AFTRA of the proposed sale to Buyer and will give it an opportunity to bargain on the effects of this Agreement.

11. **CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO CLOSE.** The obligations of Seller to sell, transfer, convey and deliver the Assets and to proceed with the Closing are subject to the satisfaction at or prior to the Closing of each of the following conditions (unless waived in writing by Seller):

11.1. **Representations and Covenants.** The representations and warranties of Buyer made herein or in any agreement or instrument called for hereunder shall have been true and correct in all material respects when made, and shall be true and correct in all material respects on the Closing Date as though such representations and warranties were made on and as of such date; and Buyer shall have performed and complied in all material respects with all covenants and agreements required to be performed or complied with by Buyer prior to the Closing.

11.2. **Documents at Closing.** Buyer shall have delivered to Seller on or before the Closing Date all documents and instruments (including without limitation, the Purchase Price payment) required to be delivered by Buyer to Seller pursuant to Section 12.3.

11.3. **Legal Proceedings.** No proceeding by or before any court or governmental authority shall have been instituted or threatened in a writing to Buyer or Seller (and not subsequently dismissed, settled or otherwise terminated) which would restrain, prohibit or invalidate the transactions contemplated by this Agreement or threaten to impose damages

because of the proposed sale of the Assets, other than an action or proceeding that is instituted or threatened by Seller or is solicited or encouraged by, or instituted as a result of any act or omission of Seller.

11.4. **FCC Consent.** The FCC shall have granted the FCC Consent without any conditions or modifications which, in Seller's reasonable judgment, are materially adverse to Seller.

11.5. **Termination by UW.** The UW shall have confirmed that Buyer is an Alternative Community Buyer and that the UW-PLU Asset Purchase Agreement has terminated.

12. **THE CLOSING; CLOSING DATE.**

12.1. **Closing.** The closing of the sale and purchase of the Assets as contemplated hereby (the "**Closing**") shall be held on a date (the "**Closing Date**") that is the latter of either (i) ten (10) business days after the FCC Consent has become a Final Order, unless such Final Order requirement is waived by Seller, or (ii) the date upon which all other conditions to Closing have been fulfilled or waived. The Closing shall be effective as of 11:59 p.m. on the Closing Date. A "**Final Order**" shall mean any action by the FCC (i) that has not been vacated, reversed, stayed, 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 for the reconsideration or review by the FCC on its own motion under the Communications Act of 1934, as amended, and the rules and regulations of the FCC, has expired.

12.2. **Delivery by Seller.** At or before the Closing, Seller shall deliver to Buyer:

(a) **Bills of Sale, Assignments, Etc.** Bills of sale, certificates of title, endorsements, assignments and other good and sufficient instruments of sale, conveyance, transfer and assignment, in form and substance reasonably satisfactory to Buyer and consistent with this Agreement, sufficient to sell, convey, transfer and assign to Buyer all right, title and interest of Seller in and to the Assets in accordance with this Agreement. Without limiting the foregoing, the Bill of Sale shall be in the form of Exhibit A hereto, the form of Assignment of Contracts will be in the form of Exhibit B hereto, and the form of Assignment and Assumption of FCC Authorization will be in the form of Exhibit C hereto.

(b) **Consents and Estoppel Certificates.** Such consents as Seller has been able to obtain, specifically including without limitation the landlord consents for assignment of the Transmitter Site Leases to Buyer and, with respect to each Transmitter Site Lease, and an estoppel certificate, all in form and substance reasonably satisfactory to Buyer.

(c) **Facilities Use Agreement.** A Facilities Use Agreement in the form of Schedule 28 hereto executed by Seller.

12.3. **Delivery of Purchase Price.** At Closing, (i) Buyer and Seller jointly will deliver to Escrow Agent instructions to release the Escrow Deposit to Seller as a portion of the

Closing Payment and to release all accrued interest thereon to Buyer and (ii) Buyer will deliver to Seller the balance of the Closing Payment. The Escrow Deposit and the balance of the Closing Payment will be delivered to Seller by wire transfer of immediately available funds pursuant to wire instructions that Seller will deliver to Buyer at least two (2) business days prior to the Closing.

12.4. **Delivery by Buyer.** At or before the Closing, Buyer shall deliver to Seller:

(a) Facilities Use Agreement. A Facilities Use Agreement in the form of Schedule 28 hereto executed by Buyer.

(b) Counter copies of the Bill of Sale and Assignments.

13. **ADJUSTMENTS.**

13.1. Pro-Rations. All expenses arising from the operation of the Stations and affecting the Assets shall be prorated or allocated between Buyer and Seller (the “**Adjustment**”) as of the Effective Time in accordance with the principle that Seller shall be responsible for all expenses for the period prior to the Effective Time, and Buyer shall be responsible for all expenses for the period after the Effective Time. Without limiting the foregoing, to the extent rent is paid prior to Closing on a lease being assigned to Buyer that applies for a period on and after Closing, Buyer shall pay to Seller the amount of such pre-paid rent. The “**Effective Time**” is defined in this Agreement as 11:59:59 p.m. (Pacific Time) at the end of the Closing Date. A statement of all such allocations, and of the net amount due from one Party to the other as a result thereof which are not resolved at the Closing, shall be prepared by Buyer or Seller, at that party’s expense, and delivered to the other party within sixty (60) days following the Closing (the “**Adjustment Closing**”). In the event of any dispute regarding the Adjustment, the amounts not in dispute shall be paid promptly after submission of such statement, and such disputes shall be resolved by an independent certified public accountant mutually acceptable to the Parties, the fees and expenses of whom shall be paid one-half by Seller and one-half by Buyer.

13.2. **Post-Closing Adjustment.**

(a) Within 45 days after the Closing Date, Seller shall prepare and deliver to Buyer a statement setting forth its calculation of the “**Post-Closing Adjustment**” (which statement is referred to herein as the “Adjustment Statement.” That Post-Closing Adjustment will be an amount equal to (A) the cost of the Purchases for Future Station as set forth on Schedule 13.2(a) *plus* (B) The amount by which the Operating Expenses of KPLU after November 18, 2016 exceed the revenues received by or for KPLU during the same time up until Closing. As used herein, “Operating Expenses” means the expenses incurred to operate KPLU in its usual manner, including salaries and fringe benefits, payments under all applicable leases and contracts, and all other direct operating expenses but expressly excluding the value of in-kind services Seller has historically provided to KPLU.

(b) Examination. After receipt of the Adjustment Statement, Sellers shall have 30 days (the “**Review Period**”) to review the Adjustment Statement. During the Review Period, Buyer and its accountants shall have such access to the relevant books and

records of Seller, the personnel of, and work papers prepared by, Seller and/or Seller's accountants to the extent that they relate to the Adjustment Statement and to such historical financial information (to the extent in Seller's possession) relating to the Adjustment Statement as Buyer may reasonably request for the purpose of reviewing the Adjustment Statement and to prepare a Statement of Objections (defined below), *provided, that* such access shall be in a manner that does not interfere with the normal business operations of Seller.

(c) **Objection.** On or prior to the last day of the Review Period, Buyer may object to the Adjustment Statement by delivering to Seller a written statement setting forth Buyer's objections in reasonable detail, indicating each disputed item or amount and the basis for Sellers' disagreement therewith (the "**Statement of Objections**"). If Buyer fails to deliver the Statement of Objections before the expiration of the Review Period, the Adjustment Statement and the Post-Closing Adjustment, as the case may be, reflected in the Adjustment Statement shall be deemed to have been accepted by Buyer and shall be final, except that if the Buyer, prior to the expiration of the Review Period, request a reasonable extension, which shall not exceed more than 30 days, to deliver the Statement of Objections, then the Review Period shall be extended by such time. If Buyer delivers the Statement of Objections before the expiration of the Review Period, Seller and Buyer shall work together in good faith to resolve such objections within 30 days after the delivery of the Statement of Objections (the "**Resolution Period**"), and, if the same are so resolved within the Resolution Period, the Post-Closing Adjustment and the Adjustment Statement with such changes as may have been previously agreed in writing by Buyer and Seller, shall be final and binding.

(d) **Resolution of Disputes.** If Seller and Buyer fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections before expiration of the Resolution Period, then any amounts remaining in dispute ("**Disputed Amounts**") and any amounts not so disputed, the "**Undisputed Amounts**") shall be submitted for resolution to an "Independent Accountant" (and Buyer and Seller shall appoint by mutual agreement the office of an impartial nationally recognized firm of independent certified public accountants other than Seller's accountants or Buyer's accountants (the "**Independent Accountant**")) who, acting as experts and not arbitrators, shall resolve the Disputed Amounts only and make any adjustments to the Post-Closing Adjustment, as the case may be, and the Adjustment Statement. The parties hereto agree that all adjustments shall be made without regard to materiality. The Independent Accountant shall only decide the specific items under dispute by the parties and their decision for each Disputed Amount must be within the range of values assigned to each such item in the Adjustment Statement and the Statement of Objections, respectively. For the avoidance of doubt, the Independent Accountant may not adjust any aspect of the Adjustment Statement which was not objected to in the Statement of Objections.

(e) **Fees of the Independent Accountant.** The fees and expenses of the Independent Accountant shall be paid by Seller, on the one hand, and Buyer, on the other hand, based upon the percentage that the amount actually contested but not awarded to Sellers or Buyer, respectively, bears to the aggregate amount actually contested by Sellers and Buyer.

(f) **Determination by Independent Accountant.** The Independent Accountant shall make a determination as soon as practicable within 30 days (or such other time as the parties hereto shall agree in writing) after their engagement, and their resolution of the

Disputed Amounts and their adjustments to the Adjustment Statement and/or the Post-Closing Adjustment shall be conclusive and binding upon the parties hereto.

(g) **Payments of Post-Closing Adjustment.** Except as otherwise provided herein, any payment of the Post-Closing Adjustment, without interest, shall (A) be due (x) within five Business Days of acceptance of the applicable Adjustment Statement or (y) if there are Disputed Amounts, then within five Business Days of the resolution described in clause (v) above; and (B) be paid by wire transfer of immediately available funds to such account as is directed by Sellers.

14. **POSSESSION AND CONTROL.** Between the date of this Agreement and the Closing, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct, the operation of the Stations, and such operation, including complete control and supervision of all Stations programming, personnel and finances, shall be the sole responsibility of Seller; provided, however, Buyer shall be entitled to inspect the Assets as provided in Section 7.2 with the purpose that an uninterrupted and efficient transfer of ownership may be accomplished. On and after the Closing Date, Seller shall have no control over, or right to intervene or participate in, the operation of the Stations, but Buyer will give Seller reasonable access to the books and records included in the Assets relating to the Stations' operations prior to the Closing.

15. **RISK OF LOSS.**

15.1. **Fire or Other Casualty.** The risk of loss or damage by fire or other casualty or cause to the Assets until the Closing shall be borne by Seller. In the event of a material (as defined in Section 15.2 below) loss or damage prior to the Closing, Seller shall notify Buyer within five (5) business days after the occurrence of such material loss or damage that Seller either (a) elects to promptly restore, replace or repair the damaged Assets to their previous condition at Seller's sole cost and expense (a "**Restoration Election**") or (b) makes an offer to reduce the purchase price to reflect Seller's estimate of the reduction in value caused by such material loss or damage ("**Reduction Offer**"). Within ten (10) business days after receiving Seller's notice (or if Seller fails to provide any notice), Buyer shall have the right to (w) terminate this Agreement if Seller does not make a Restoration Election, (x) accept the Reduction Offer, in which case the Purchase Price shall be so reduced and the Closing shall proceed as set forth in this Agreement, or (y) propose to Seller a different amount for the Reduction Offer, or (z) if Seller makes a Restoration Election, defer the Closing Date until such restorations, replacements or repairs are made (provided that no such deferral shall affect the rights of the Parties to terminate this Agreement pursuant Section 6); provided however, if Buyer defers the Closing Date and (i) if, within thirty (30) days after Buyer gives notice of its election to defer, Seller has not commenced, or made arrangements for, restoration, replacement or repair, or (ii) if, one hundred twenty (120) days after the event of such loss or damage, such restoration, replacement or repair is not completed, Buyer may, at its sole option, terminate this Agreement by written notice to Seller without further liability to either party.

15.2. **Material Loss or Damage.** For purposes of this Section 15 only, loss or damage shall be deemed "material" if the cost to repair, replace, or restore the lost or damaged Assets exceeds Fifty Thousand Dollars (\$50,000) or if it prevents any of the Stations from

operating at its full licensed parameters for longer than 48 hours. In the event of a loss or damage to the Assets prior to the Closing that does not qualify as material hereunder, the Purchase Price shall be reduced by the cost to repair, replace or restore the lost or damaged Assets and Seller shall retain the right to receive any insurance proceeds to which it would be entitled; provided however, that nothing in this Section 15 shall affect Buyer's rights under Section 10.

16. **SURVIVAL.** All representations, warranties, covenants and agreements made by any Party shall survive the Closing for a period of twelve (12) months after the Closing Date, except for the representations and warranties in Section 3.6 (Title to Assets) which shall survive without limitation, and except for the Seller Messaging Rights provided under Section 2.1(b) hereof which will survive for the term set forth in that section. These survival provisions shall be unaffected by (and shall not be deemed waived by) any investigation, audit, appraisal, or inspection at any time made by or on behalf of any Party.

17. **FURTHER ASSURANCES.** Each of the Parties agrees that it will, at any time, prior to, at or after Closing, take or cause to be taken such further actions, and execute, deliver and file or cause to be executed, delivered and filed such further documents and instruments, and obtain such consents, as may reasonably be necessary or reasonably requested in connection with the consummation of the purchase and sale contemplated by this Agreement or in order to fully effectuate the purposes, terms and conditions of this Agreement.

18. **EXPENSES.** Except as otherwise provided in this Agreement, each Party shall pay its own expenses incurred in connection with this Agreement and in the preparation for and consummation of the transactions provided for herein. Each Party shall pay state and local sales or use, stamp or transfer, grant and other similar taxes payable, if any, imposed upon such Party in connection with the consummation of the transactions contemplated by this Agreement.

19. **MEDIA COVERAGE.** From the date of the Agreement to the Closing Date, the Parties will cooperate in responding to inquiries from the news media concerning this Agreement or the transactions contemplated hereby. Nothing contained herein shall prevent either party from promptly making all filings with governmental authorities and publishing notices as may, in its reasonable judgment, be required or advisable in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

20. **SCHEDULES AND EXHIBITS.** Any item set forth on or in any Schedule or Exhibit to this Agreement shall be incorporated by reference into this Agreement. Any information disclosed in any Schedule shall be deemed to have been disclosed pursuant to all other Schedules to this Agreement.

21. **NOTICES.** All notices, demands, requests, or other communications which may be or are required to be given or made by any party to any other party pursuant to this Agreement shall be in writing and shall be (i) delivered by first-class, registered, certified or express mail, return receipt requested, postage prepaid or (ii) hand-delivered (including by a nationally recognized overnight delivery service):

If to Seller:

Allan Belton
Vice President for Finance and Administration
Pacific Lutheran University
121st and Park Avenue
Room No. Hauge 124
Tacoma, Washington 98477

with a copy (which shall not constitute notice) to:

William E. Holt, Esq.
Gordon Thomas Honeywell LLP
1201 Pacific Ave
#2100
Tacoma, Washington 98402

and

Margaret L. Miller, Esq.
Gray Miller Persh LLP
1200 New Hampshire Avenue, NW
Suite 410
Washington DC 20036

If to Buyer:

Joey Cohn
General Manager
12180 Park Ave. So.
Tacoma, Wa 98447
Telephone: 253-535-7758
Facsimile: 253-535-8332
E-mail: jcohn@kplu.org

with a copy (which shall not constitute notice) to:

Mr. Ernest T. Sanchez
The Sanchez Law Firm
1155 F. Street NW, Suite 1050
Washington, DC, 20004

or such other address as the respective addressee may indicate by written notice. Each notice, demand, request or communication which shall be given or made in the manner described above shall be deemed sufficiently given or made for all purposes at such time as it is delivered to the addressee by U.S. Mail, or other established delivery service such as Federal Express or UPS (with the return receipt, the delivery receipt, the affidavit of messenger or at such time as delivery is intentionally refused by the named addressee upon presentation.

22. **WAIVER.** Except as otherwise provided in this Agreement, no delay or failure on the part of any Party in exercising any right, power or privilege under this Agreement or

under any other instrument or document given in connection with or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or any acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of any such right, power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against any Party unless made in writing and signed by the Party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

23. **BENEFIT AND ASSIGNMENT.** Except as hereinafter specifically provided in this Section, no Party shall assign this Agreement, in whole or in part, whether by operation of law or otherwise, without the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld or delayed. In no event shall any assignment by either Party of its respective rights and obligations under this Agreement, whether before or after the Closing, release that Party from its liabilities hereunder. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns as permitted hereunder. No other person or entity, other than the Parties, is or shall be entitled to bring any action to enforce any provision of this Agreement against any of the Parties, and the covenants and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, the Parties or their respective successors and assigns as permitted hereunder.

24. **CONSTRUCTION.** This Agreement shall be construed and enforced in accordance with the laws of the State of Washington, without giving effect to principles of conflicts of laws that may direct the application of the laws of another jurisdiction. Any reference to an article, section or subsection shall be to a provision of this Agreement, unless specifically stated otherwise.

25. **ENTIRE AGREEMENT; AMENDMENT.** This Agreement, including the Schedules and Exhibits hereto and other instruments and documents referred to or delivered, contain the entire agreement among the Parties with respect to the subject matter and supersedes all prior oral or written agreements, commitments or understandings with respect to such matters. No amendment, modification or discharge of this Agreement shall be valid or binding unless in writing and executed by Buyer and Seller.

26. **HEADINGS.** The headings of the sections and subsections contained in this Agreement are inserted for convenience only and do not form a part or affect the meaning, construction or scope of the sections and subsections.

27. **CALL SIGN CHANGES and RESTRICITIONS ON USAGE OF KPLU CALL SIGN.**

27.1. Seller agrees to cooperate with Buyer in the filing of requests with the FCC to change the call sign of KPLU, and, in Buyer's discretion, the call signs of the other Stations to such call signs as Buyer may elect so that such changes will be contingent upon and effective as of Closing.

27.2. Seller agrees not to use the call sign of KPLU with respect to any radio station owned or controlled by Seller for a period of three (3) years after Closing. Buyer agrees not to use the call sign of KPLU with respect to any radio station owned or controlled by Buyer for so long as Pacific Lutheran University continues to operate a university.

27.3. Seller views the call letters of KPLU as being part of a service mark of Seller, PLU. Buyer has an important interest in seeing that no one else uses the call sign of KPLU for three years after Closing. To protect the interests of both parties, the parties have agreed to the following protocol in case a third party attempts to use the call sign KPLU within three years after Closing (the "Restricted Period").

If either Buyer or Seller receives notice or becomes aware that a third party is using or is seeking approval to use the call sign of KPLU during the Restricted Period, , then it shall promptly notify the other Party of that claim (a "**Third Party Claim**"). Then, either party may, at their own expense, take such action as they deem appropriate to protect their legitimate interests in preventing the KPLU call sign from being used. Seller agrees to cooperate with Buyer and to join in any request or action instituted by Buyer to the extent such is necessary to protect Seller and Buyer's rights with respect to the call sign of KPLU. The failure to give such prompt written notice shall not, however, be actionable, except and only to the extent that the party that was not notified forfeits rights or defenses by reason of such failure. Such notice shall describe the Third Party Claim in reasonable detail and shall include copies of all material written evidence thereof.

27.4. This provision this section will survive Closing.

28. **FACILITIES USE AGREEMENT.** At Closing, Seller and Buyer will enter into a Facilities Use Agreement in the form of Schedule 28hereto. There will be no rent due for the use of the facilities subject to the Facilities Use Agreement.

29. **SIGNATURE IN COUNTERPARTS.** This Agreement may be executed in separate counterparts, none of which need contain the signature of all Parties, each of which shall be deemed to be an original, and all of which taken together constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than the number of counterparts containing the respective signatures of, or on behalf of, all of the Parties.

30. **NON-ASSUMPTION OF LIABILITIES.** Except as expressly provided in this Agreement, Buyer is not assuming any liabilities of Seller. Except for those liabilities expressly assumed by Buyer, Seller alone shall be responsible and fully liable for all of Seller's liabilities, including without limitation the defense and settlement of such liabilities, whether the liabilities arise before or after the Closing Date, including without limitation any media liability, errors and omissions liability , management liability , employment liability, or other liability claims, suits, or proceedings, of any kind or nature, known or unknown, contingent or fixed, relating to or arising out of any actual or alleged act or omission occurring before and through the Closing Date. Seller will maintain its media liability insurance with respect to material broadcast,

published or otherwise disseminated by Seller prior to Closing for a period of at least three (3) years after Closing.

[The remainder of this page has been intentionally left blank.]

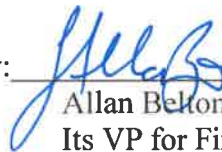
[Signature page to Asset Purchase Agreement]

IN WITNESS WHEREOF, each of the Parties has executed this Agreement, or has caused this Agreement to be duly executed and delivered in its name on its behalf, all as of the day and year first above written.

SELLER:

PACIFIC LUTHERAN UNIVERSITY

By: _____


Allan Belton

Its VP for Finance and Administration

BUYER:

FRIENDS OF 88.5 FM

By: _____

[Signature page to Asset Purchase Agreement]

IN WITNESS WHEREOF, each of the Parties has executed this Agreement, or has caused this Agreement to be duly executed and delivered in its name on its behalf, all as of the day and year first above written.

SELLER:

PACIFIC LUTHERAN UNIVERSITY

By: _____
Allan Belton
Its VP for Finance and Administration

BUYER:

FRIENDS OF 88.5 FM

By:  _____

EXHIBIT A

[Bill of Sale]

BILL OF SALE, GENERAL ASSIGNMENT AND CONVEYANCE

This BILL OF SALE, GENERAL ASSIGNMENT AND CONVEYANCE (this “Bill of Sale”) is made and effective as of _____, from _____, a Washington corporation (“Seller”), to _____, a _____ corporation (“Purchaser”).

This Bill of Sale is executed and delivered in connection with that certain Asset Purchase Agreement, dated as of _____, between Purchaser and Seller (the “Purchase Agreement”), and all terms not defined herein shall have the same meanings as in the Purchase Agreement.

1. Sale and Transfer of Assets. For good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, Seller hereby sells, transfers, assigns, conveys, grants and delivers to Purchaser, effective as of 12:01 a.m. (Pacific time) on _____ (the “Effective Date”), all of Seller’s right, title and interest in and to the Assets. Seller further covenants, warrants and represents that Buyer will receive the Assets free and clear from any pledge, liability, security interest, lien, claim, charge and encumbrance of any nature whatsoever.

2. Terms of the Purchase Agreement. Nothing contained in this Bill of Sale shall be deemed to supersede, enlarge or modify any of the obligations, agreements, covenants or warranties of Seller or Purchaser contained in the Purchase Agreement, all of which survive the execution and delivery of this Bill of Sale as provided in the Purchase Agreement. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms hereof, the terms of the Purchase Agreement shall govern and control.

3. Notices. All notices or other communications or deliveries provided for under this Bill of Sale shall be given as provided in the Purchase Agreement.

4. Binding Effect; Assignment. This Bill of Sale and all of the provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

5. Governing Law. This Bill of Sale shall be interpreted, construed and governed according to the laws of the State of Washington.

6. Counterparts. This Bill of Sale may be executed in two or more counterparts (including by means of telecopied signature pages) each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

[signature page follows]

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed as of the date first written above.

PACIFIC LUTHERAN UNIVERSITY,
a Washington non-profit corporation

By:
Its:

Agreed and Accepted:

FRIENDS OF 88.5 FM,
a Washington non-profit corporation

By:
Its:

EXHIBIT B

[Assignment and Assumption of Contracts]

ASSIGNMENT AND ASSUMPTION OF CONTRACTS

This Assignment and Assumption of Contracts ("Assignment") is entered into as of the _____, between **Pacific Lutheran University**, a Washington non-profit corporation ("Assignor"), whose address is _____, Tacoma, Washington _____, and **Friends of 88.5 FM.**, a Washington non-profit corporation ("Assignee"), whose address is _____, Tacoma, Washington _____.

1. Contracts. "Contracts" means those Contracts identified as such and are to be transferred to Assignee pursuant to the Asset Purchase Agreement between Assignor and Assignee dated June __, 2016 (the "Purchase Agreement"). All other capitalized terms not defined herein shall have the same meanings as in the Purchase Agreement.

2. Assignment. For good and valuable consideration received by Assignor the receipt and sufficiency of which is hereby acknowledged, Assignor hereby grants, transfers and assigns to Assignee the entire right, title and interest of Assignor in and to the Contracts. Assignor represents and warrants to and covenants with Assignee that: (a) the right, title and interest in and to the Contracts assigned to Assignee hereby is free and clear of all liens, charges and encumbrances; and (b) Assignor shall continue to be responsible for and shall perform and satisfy its obligations under the Contracts insofar as such obligations relate to acts or omissions that occurred before the date of this Assignment, whereas Assignee shall be responsible for and agrees to indemnify and hold Assignor harmless from any claims or liabilities in connection with such Contracts insofar as such claims or liabilities relate to acts or obligations that occurred on or after the date of this Assignment.

3. Assumption. Assignee hereby assumes the covenants, agreements and obligations of Assignor under the Contracts which are applicable to the period and required to be performed from and after the date of this Assignment, and agrees to indemnify and hold Assignor harmless from any claims or liabilities in connection with such Contracts insofar as such claims or liabilities relate to acts or obligations that occurred on or after the date of this Assignment. Assignor shall promptly notify Assignee in writing if any claim is made against Assignor with respect to any matter which Assignee has agreed to assume in this Assignment, specifying the nature and details of such claim. Assignor shall cooperate fully with Assignee and its counsel and attorneys in the defense against such claim in accordance with their judgment and discretion, and Assignor shall not pay or settle any such claim without Assignee's prior written consent. No person or entity other than Assignor shall be deemed a beneficiary of the provisions of this Section 3.

4. Power and Authority. Assignor represents and warrants to Assignee that it is fully empowered and authorized to execute and deliver this Assignment, and the individual signing this Assignment on behalf of Assignor represents and warrants to Assignee that he or she is fully empowered and authorized to do so.

5. Attorneys' Fees. If either Assignee or Assignor, or their respective successors or assigns, file suit to enforce the obligations of the other party under this Assignment, the prevailing party shall be entitled to recover the reasonable fees and expenses of its attorneys at trial and on appeal.

6. Notices. All notices or other communications or deliveries provided for under this Assignment shall be given as provided in the Purchase Agreement.

7. Binding Effect; Assignment. This Assignment and all of the provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

8. Governing Law. This Assignment shall be interpreted, construed and governed according to the laws of the State of Washington.

9. Counterparts. This Assignment may be executed in two or more counterparts (including by means of telecopied signature pages) each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

[signature page follows]

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment the day and year above written.

Assignor:

Pacific Lutheran University, a Washington non-profit corporation

By:

Its:

Assignee:

Friends of 88.5 FM., a Washington non-profit corporation

By:

Its

EXHIBIT C

[Assignment and Assumption of FCC License]

ASSIGNMENT AND ASSUMPTION OF FCC AUTHORIZATIONS

THIS ASSIGNMENT AND ASSUMPTION OF FCC AUTHORIZATIONS (the "Assignment"), dated as of _____ 1 __, 2016, is made and delivered by and between **Pacific Lutheran University**, a Washington non-profit corporation ("Seller"), and **Friends of 88.5 FM.**, a Washington non-profit corporation ("Buyer"), pursuant to that certain Asset Purchase Agreement dated as of _____, 2016 (the "Purchase Agreement"), between Buyer and Seller and with respect to the purchase and sale of the licenses, authorizations and certain tangible assets of the Stations identified in the Purchase Agreement (the "Stations"). Capitalized terms not otherwise defined in this Assignment will have the meanings given to such terms in the Purchase Agreement.

WHEREAS, Seller holds certain licenses, construction permits and other authorizations issued by the FCC with respect to the Stations, including applications therefor, together with any renewals, extensions or modifications thereof and additions thereto or applications therefor (the "FCC Authorizations") for the Stations; and

WHEREAS, the FCC has granted its consent to the assignment of the FCC Authorizations with respect to the Stations from Seller to Buyer.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confirmed, and pursuant to the Purchase Agreement, Seller and Buyer agree as follows:

1. Assignment. Seller sells, transfers, assigns, conveys and delivers to Buyer, and Buyer hereby purchases and assumes, all of the right, title and interest of Seller in and to the FCC Authorizations issued to Seller with respect to the Stations.
2. Further Assurances. Seller and Buyer agree, from and after the date hereof, without further consideration, upon the request of either party or its respective successors and assigns, to execute and deliver (or cause to be executed and delivered) such other documents and to take or cause to be taken such other actions as such requesting party or its successors may reasonably require in order to give effect to the assignment and transfer of the FCC Authorizations contemplated by this Assignment and to obtain the full benefit of this Assignment and the parties' rights and obligations hereunder.
3. Terms of the Purchase Agreement. Nothing contained in this Assignment shall be deemed to supersede, enlarge or modify any of the obligations, agreements, covenants or warranties of Seller or Buyer contained in the Purchase Agreement, all of which survive the execution and delivery of this Assignment as provided in the Purchase Agreement. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms hereof, the terms of the Purchase Agreement shall govern and control.

4. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Washington, without giving effect to the principles of conflict of laws thereof or any other principle that could result in the application of the laws of any other jurisdiction.

5. Counterparts. This Assignment may be executed in multiple counterparts, each of which will be deemed an original and all of which taken together will constitute one instrument. This Assignment 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.

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

ASSIGNOR:

By: _____
Name:

Title:

ASSIGNEE:

By: _____
Name:

Title: