

ASSET PURCHASE AGREEMENT

by and between

SPRING ARBOR UNIVERSITY

and

LENAWEE BROADCASTING COMPANY

for the purchase and sale of

FM TRANSLATOR W243AD

ASSET PURCHASE AGREEMENT

9/2/2014 [Signature]

This Asset Purchase Agreement is made and entered effective as of July 2, 2014, by and between SPRING ARBOR UNIVERSITY ("Seller"), and LENA WEE BROADCASTING COMPANY ("Buyer").

Recitals

WHEREAS, Seller is licensee of FM Translator W243AD, Adrian, Michigan (FCC Facility ID No. 61995) (the "Station" or the "Translator"), pursuant to authorizations (the "Station's Licenses") issued by the Federal Communications Commission ("FCC" or "Commission");

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

WHEREAS, Seller has agreed to file and prosecute at the FCC at Buyer's cost an application to modify the facilities of the Station to enable operations from a transmitter site of the Buyer's choice (the "Modification Construction Permit").

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

Section 1

Purchase of Assets

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

- (a) all of Seller's rights and interests in and to the Station's Licenses including the Modification Construction Permit;
- (b) the tangible assets associated with the Translator including the transmitter and transmission equipment, transmitting antenna, coaxial cable, and any other equipment or assets now used solely in the operation of the Translator; and
- (c) all FCC records and other documentation in Seller's possession relating specifically to the Translator.

1.2 Liabilities. Buyer expressly does not, and shall not, assume or be deemed to have assumed, under this Agreement or otherwise by reason of the transactions contemplated hereby, any liabilities, obligations or commitments of Seller of any nature whatsoever.

1.3 Escrow Deposit. Simultaneously with the execution of this Agreement, Seller and Buyer shall enter into an escrow agreement with the law offices of Fletcher Heald & Hildreth, PLC (the "Escrow Agreement") as escrow agent ("Escrow Agent"), and Buyer shall deliver to Escrow Agent funds in the amount of Five Thousand Seven Hundred Fifty Dollars (\$5,750.00) (the "Escrow Deposit"). The Escrow Deposit shall be held by Escrow Agent in its IOLTA Trust Account for the benefit of Buyer and Seller as provided in this Agreement. The parties acknowledge that any interest that shall accrue with respect to the Escrow Deposit shall be, as specified by Virginia law, for the benefit of the nonprofit Legal Services Corporation of Virginia and not for the benefit of Seller, Buyer or Escrow Agent. At Closing, the Escrow Deposit shall be delivered to Seller and applied to the Purchase Price. The Escrow Deposit will be paid to Seller as its exclusive remedy in the event that this Agreement is terminated by Seller due to a material default in the observance or performance of any term or covenant hereunder or a material breach of any material term, representation, warranty or covenant hereunder by Buyer. If this Agreement is terminated for any other reason, the Escrow Deposit shall be disbursed to Buyer. The parties shall each take all steps necessary to comply with the disbursement of this Escrow Deposit in accord with this Agreement, and shall not, by any act or omission, delay or prevent any such disbursement. The return or non-return of the Escrow Deposit shall not affect either party's rights to other remedies under Section 11 of this Agreement.

1.4 Purchase Price. The price to be paid by Buyer for the Station's Assets (the "Purchase Price") shall be ONE HUNDRED FIFTEEN THOUSAND DOLLARS (\$115,000.00), which shall be payable to Seller at the Closing by a cashier's check or wire transfer and a delivery of the Escrow Deposit.

Section 2

Date of Closing

2.1 Closing Date. The closing of the transactions contemplated in this Agreement (the "Closing") shall take place on the date that is ten (10) business days (the "Closing Date") after FCC Public Notice in its Daily Digest of the later of: (a) FCC Consent to the assignment by Seller to Buyer of the Station's License by initial order; and (b) the grant of the Modification Construction Permit, provided that no objections were filed with respect to the FCC Consent or grant. If such an objection was filed, Buyer may elect to delay Closing until the grant of FCC Consent and/or the grant of the Modification Construction Permit, as the case may be, shall have become Final Orders.

2.2 Closing Time and Location. The Closing shall take place commencing at 10:00 a.m. local time at the business offices of Buyer, or at such other time, location and/or manner

(including exchange of closing documents by facsimile or electronic transmission) agreeable to the parties.

Section 3 Seller's Representations and Warranties

Seller hereby represents and warrants to Buyer as follows:

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

3.2 Absence of Conflicting Agreements or Required Consents. Seller's execution, delivery and performance of this Agreement (a) does not require the consent of any third party, except for the FCC Consent; (b) will not violate any provision of Seller's formation and operating documents; (c) to the best of Seller's knowledge, will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority; (d) will not, either alone or with the giving of notice or the passage of time or both, conflict with, constitute grounds for termination of, or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any agreement, instrument or permit; (e) will not result in the creation of any lien, charge or encumbrance on any of the Station's Assets; and (f) will not in any way affect or violate the terms or conditions of, or result in the cancellation, modification, revocation or suspension of, any of the Station's Licenses.

3.3 Litigation. There is no litigation or proceeding pending or, to the best of its knowledge, threatened against Seller in any federal, state or local court, or before any administrative agency (including, without limitation, any proceeding which seeks the revocation or forfeiture of or opposes or challenges the renewal of any of the Station's Licenses, or any interference complaints), which would have a material adverse effect upon the ability of the Station to continue operations, the parties hereto to consummate the transactions contemplated in this Agreement or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken pursuant to or in connection with this Agreement.

3.4 Liabilities. There are no liens or encumbrances against the Station's Assets.

3.5 Station's Licenses. Seller is the authorized legal holder of the Station's Licenses. Subject to the Communications Act of 1934 (the "Communications Act"), and the rules and regulations promulgated thereunder (the "FCC Rules and Regulations"), the Station's Licenses are assignable from Seller to Buyer.

3.6 Compliance With Laws. With respect to the Station and the Station's Licenses, Seller has not received any notice asserting any non-compliance in any material respect by it with any applicable statute, rule or regulation, federal, state or local, or any agency thereof, having jurisdiction over it.

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

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

Section 4

Buyer's Representations and Warranties

Buyer represents and warrants to Seller as follows:

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

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

4.3 FCC Qualifications. Buyer has no knowledge of any facts which would, under present law, including the Communications Act and the FCC Rules and Regulations, disqualify

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Buyer as an assignee of the Station's Licenses or as an owner and/or operator of the Station's Assets, and Buyer will not take, or unreasonably fail to take, between now and the Closing Date any action which Buyer knows or has reason to know would cause such disqualification. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Act and the FCC Rules and Regulations.

4.4 Litigation. There is no litigation or proceeding pending or, to the best of its knowledge, threatened against Buyer in any federal, state or local court, or before any administrative agency, which would have a material adverse effect upon the ability of the parties hereto to consummate the transactions contemplated in this Agreement or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken pursuant to or in connection with this Agreement.

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

Section 5

Pre-Closing Covenants

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

(a) **Affirmative Covenants.** Seller shall:

- (i) Notify Buyer of any interference complaint, litigation or administrative proceeding pending or, to its knowledge, threatened against Seller or Station which is likely to affect Station operations, or delay or otherwise interfere with Closing;
- (ii) Cooperate with the Buyer by filing at the FCC the Modification Construction Permit application.

(b) **Negative Covenants.** Seller shall not:

- (i) Create, assume or permit to exist any mortgage, pledge, lien or other charge or encumbrance or rights affecting any of the Station's Assets;
- (ii) Sell, assign, lease or otherwise transfer or dispose of any of the Station's Assets;
- (iii) Waive any material right relating to the Station or the Station's Assets;

- (iv) Take any other action inconsistent with its obligations under this Agreement or which could hinder or delay the consummation of the transactions contemplated by this Agreement;
- (v) Agree to or participate in any minor modification or other filing with the FCC with respect to the Station except as otherwise provided for in this Agreement; or
- (vi) Either itself or through any of its officers, directors, shareholders, employees, agents or any other person or entity acting on Seller's behalf, directly or indirectly, solicit or initiate any offer from, or conduct any negotiations with, any person or entity other than Buyer or its assignee(s) concerning the direct or indirect acquisition of the Station.

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

Section 6 **Conditions to Closing**

6.1 FCC Consent. The assignment of the Station's Licenses from Seller to Buyer as contemplated by this Agreement is subject to the prior consent and approval of the FCC (the "FCC Consent") pursuant to an application by Seller and Buyer (the "Assignment Application"). The Assignment Application shall be filed by Seller and Buyer within ten (10) business days after the grant of the Modification Construction Permit application, and thereafter Buyer and Seller shall each fully prosecute the Assignment Application with all diligence and shall otherwise use their reasonable best efforts to obtain the grant of such Assignment Application as expeditiously as practicable, and to file any required applications for extensions of time to consummate the transaction. The FCC filing fee for the Assignment Application shall be paid one-half by Seller and one-half by Buyer. Buyer and Seller shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filings hereunder.

6.2 Modification Construction Permit. The filing of the Assignment Application and Closing under this Agreement is conditioned upon the grant of the Modification Construction Permit specified in Section 5.1(a)(ii) of this Agreement. Seller makes no representations or warranties that the Modification Construction Permit can or will be granted, and Seller has no obligation whatsoever with respect to any construction of the translator facility subsequent to the grant of the Modification Construction Permit. Buyer shall pay the costs of

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the engineering and technical studies, and preparation of the FCC Form 349, to be performed by a consultant of Buyer's selection required to prepare and file the Modification Construction Permit application. Buyer will complete the Modification Construction Permit application within thirty (30) days after the date of this Agreement.

Section 7

Instruments of Conveyance and Transfer

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

7.1 Assignment of Licenses. An assignment of all right, title and interest in and to the Station's Licenses to be assigned pursuant to Section 1.1(a) of this Agreement, and Seller shall inform the FCC that the FCC FRN to be associated with the Station's Licenses shall be that as specified by the Buyer;

7.2 Bill of Sale. A bill of sale transferring all right, title and interest in and to the tangible assets being sold pursuant to Section 1.1(b) of this Agreement; and

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

Section 8

Payment of Purchase Price

At Closing, Buyer shall take all actions necessary to cause the Escrow Agent to deliver the Escrow Deposit to the Seller, and to pay the Purchase Price, in accordance with Section 1.4 of this Agreement.

Section 9

Parties' Expenses.

Except as provided in Section 6.1 with regard to the FCC filing fee for the Assignment Application and Sections 5.1(a)(ii) and 6.2 with respect to the Modification Construction Permit, each party shall pay all of its own legal, accounting and other expenses which it incurs in connection with the transactions contemplated herein.

Section 10

Termination Rights

Without limiting the right of either party to terminate this Agreement as otherwise provided herein, this Agreement may be terminated prior to the Closing, upon written notice to the other, provided that the terminating party is not then in breach or default of this Agreement, upon the occurrence of any of the following:

10.1 By either Buyer or Seller, as the case may be, for a material default by the other in the observance or performance of any term or covenant hereunder or a material breach by the other of any material term, representation, warranty or covenant hereunder, which is not cured by the earlier of the Closing Date or within twenty (20) days after written notice of the breach.

10.2 By either Buyer or Seller if the FCC denies the Assignment Application or Modification Construction Permit application, such denial is not the fault, directly or indirectly, of the terminating party, and such order becomes a Final Order.

10.3 By Buyer if legal or technical circumstances result in an impossibility of a grant of the Modification Construction Permit application.

10.4 By either Buyer or Seller if the conditions to Closing set forth in Section 6 of this Agreement, and the Closing itself, have not occurred on or prior to the date eighteen (18) months after the date of this Agreement, and such failure to close is not the fault, directly or indirectly, of the terminating party.

The termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination.

Section 11

Specific Performance

In the event of a material default by Seller in the observance or performance of any term or covenant hereunder or a material breach by Seller of any material term, representation, warranty or covenant hereunder, which is not cured by the earlier of the Closing Date or within twenty (20) days after written notice from Buyer, Buyer may as a remedy bring an action to enforce the terms of this Agreement by decree of specific performance (subject to obtaining any necessary FCC consent), it being agreed that the Station's Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Seller agrees to waive the defense in any such action for decree of specific performance that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy.

Section 12

Post-Closing Remedies

12.1 Seller's Indemnities. Seller shall indemnify, defend and hold Buyer harmless from and against any and all losses, costs, liabilities, claims, actions, damages and expenses (including reasonable legal fees and other expenses incident thereto) of every kind, nature or description, arising out of or in connection with (a) the breach of any representation, warranty, covenant or agreement of Seller set forth in this Agreement (including the schedules hereto) or in any other document delivered to Buyer pursuant hereto; (b) any claims arising as the result of the failure of Seller to comply with the provisions of any bulk sales or similar laws applicable to the transfer of the Station's Assets to Buyer; (c) any third-party liability of Seller; or (d) a claim relating to the conduct of the business and operations of the Station and the Station's Assets prior to the Closing Date, including, without limitation, any taxes, assessments or similar charges relating to the operation of the Station accrued or attributable to periods prior to the Closing Date.

12.2 Buyer's Indemnities. Buyer shall indemnify, defend and hold Seller harmless from and against any and all losses, costs, liabilities, claims, actions, damages and expenses (including reasonable legal fees and other expenses incident thereto) of every kind, nature or description arising out of, or in connection with (a) the breach of any representation, warranty, covenant or agreement of Buyer set forth in this Agreement or in any other document delivered to Seller pursuant hereto; (b) any third-party liability of Buyer; or (c) a claim relating to the conduct of the business and the operation of the Station by Buyer on or after the Closing Date.

12.3 Notice of Claim. If any action, suit or proceeding shall be commenced by a third party against Buyer or Seller, as the case may be, in respect of which Buyer or Seller proposes to seek indemnification from the other under this Section 12 (a "Third-Party Claim"), then such party shall promptly notify the party from whom indemnification is sought (hereinafter the "Indemnifying Party") to that effect. The Indemnifying Party shall have the right, at its own

expense, to participate in or assume control of the defense of such Third-Party Claim, and the other party shall cooperate with all reasonable requests of the Indemnifying Party, subject to reimbursement for actual out-of-pocket expenses incurred as the result of a request by the Indemnifying Party. If the Indemnifying Party elects to assume control of the defense of a Third-Party Claim, then the other party shall have the right to participate in the defense of such claim at its own expense. If a Third-Party Claim requires immediate action, then the parties will make every effort to reach a decision with respect thereto as expeditiously as possible. If the Indemnifying Party does not elect to assume control or otherwise participate in the defense of any Third-Party Claim, then it shall be bound by the results obtained by the other party with respect to such Third-Party Claim, but no settlement of a Third-Party Claim may be made by the Indemnifying Party without the written consent of the party being indemnified.

Section 13

Miscellaneous

13.1 Final Order. As used in this Agreement, the term "Final Order" means a written action or order issued by the FCC granting the FCC Consent and (a) which has not been reversed, stayed, enjoined, set aside, annulled or suspended, and (b) with respect to which (i) no requests have been filed for administrative or judicial review, reconsideration or appeal and the periods provided by statute or FCC regulations for filing any such requests and for the FCC to set aside the action on its own motion have expired, or (ii) in the event of review, reconsideration or appeal, the FCC upholds the action and the period provided by statute or FCC regulations for further review, reconsideration or appeal has expired.

13.2 Rescission. If the Closing occurs prior to the FCC Consent becoming a Final Order and, prior to becoming a Final Order, the FCC Consent is reversed or otherwise set aside, and there is a Final Order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the Station's Licenses to Seller, then the purchase and sale of the Station's Assets shall be rescinded. In such event, Buyer shall reconvey to Seller the Station's Assets, and Seller shall repay to Buyer the Purchase Price. Any such rescission shall be consummated on a mutually agreeable date within thirty days of such Final Order (or, if earlier, within the time required by such order). In connection therewith, Buyer and Seller shall each execute such documents (including execution by Buyer of instruments of conveyance of the Station's Assets to Seller), as are reasonably necessary to effectuate such rescission.

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

13.4 Assignment. Neither Seller nor Buyer may assign its rights and obligations hereunder without the written consent of the party not seeking an assignment. The rights and obligations of the parties hereunder shall inure to the benefit of, and shall be binding upon, each of the parties hereto and their respective successors and permitted assigns.

13.5 Construction. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Michigan without regard to choice of laws principles. Any action brought under this Agreement shall be in either the state or federal court having jurisdiction over claims arising in Adrian, Michigan.

13.6 Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be in writing and shall be sent for next business day delivery by USPS Express Mail, Federal Express or similar recognized overnight courier service with all charges prepaid, and shall be deemed to have been duly delivered and received on the next business day after being sent. All such notices, demands, and requests shall be addressed as follows:

If to Seller:

Spring Arbor University
106 E. Main Street
Spring Arbor, MI 49283
Attn: Malachi Crane

with copy (which shall not constitute notice) to:

Matthew H. McCormick, Esq.
Fletcher Heald & Hildreth, PLC
1300 North 17th Street
11th Floor
Arlington, VA 22209

If to Buyer:

Lenawee Broadcasting Company
P.O. Box 687
Adrian, MI 49221
Attn: Julie M. Koehn

with copy (which shall not constitute notice) to:

John F. Garziglia, Esq.
Womble Carlyle Sandridge & Rice, LLP
1200 19th Street, N.W. Suite 500
Washington, DC 20036

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

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

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

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

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

13.11 Further Assurances. From time to time after Closing at another party's request and without further consideration, a party shall execute and deliver such further instruments of

conveyance, assignment and transfer, and take such other actions as the requesting party may reasonably request, in order to more effectively convey and transfer any of the Station's Assets.

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

13.13 Severability. If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

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

SPRING ARBOR UNIVERSITY

By: 

LENAWEE BROADCASTING COMPANY

By: 

Julie M. Koehn
President

ESCROW AGREEMENT