

**ASSET PURCHASE AGREEMENT**

**THIS ASSET PURCHASE AGREEMENT** (the “Agreement”) is entered into as of this 3rd day of August, 2015 (the “Effective Date”) by and between **THE LIVINGSTON RADIO COMPANY**, a Michigan corporation (“Seller”) and **KROL COMMUNICATIONS INC.**, a Michigan corporation (“Buyer”).

**RECITALS**

**WHEREAS**, Seller is the licensee and operator of radio station WHMI-FM Howell, MI (FCC Facility ID No. 65917) (the “Station”) pursuant to certain authorizations issued by the Federal Communications Commission (the “FCC”);

**WHEREAS**, Seller owns or leases other assets used in connection with the operation of the Station; and

**WHEREAS**, on the terms and conditions described herein, Seller desires to sell and Buyer desires to purchase substantially all of the assets owned or leased by Seller and used in connection with the operation of the Station; and

**NOW, THEREFORE**, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree to the following terms and conditions:

**ARTICLE 1: SALE AND PURCHASE**

1.1 **Station Assets**. Subject to the terms and conditions herein contained, Seller shall grant, convey, sell, assign, transfer and deliver to Buyer on the Closing Date (as defined below) the assets, properties, interests and rights of Seller used or useful in connection with the operation of the Station (collectively, the “Station Assets”), but excluding the Excluded Assets (as defined below). The Station Assets shall include, without limitation, the following:

(a) **Licenses and Authorizations**. All licenses, authorizations, permits, granted construction permits, and all pending applications for FCC licenses, permits, and authorizations applied or issued with respect to the Station by the FCC (the “FCC Authorizations”) and by any other federal, state or local governmental authorities in connection with the conduct of the business and operation of the Station, including without limitation those listed on Schedule 1.1(a) attached hereto;

(b) **Tangible Personal Property**. The machinery and equipment, transmitters, antennas, tangible studio STL tower and related STL equipment, satellite dishes, vehicles, furniture, fixtures, computers, software, inventory, cables, spare parts and other, personal property (including associated manufacturers and vendor warranties) used or held for use in connection with the conduct of the business and operation of the Station, including, but not limited to all tangible property listed and described on Schedule 1.1(b) attached hereto, and any additions

and improvements thereto between the Effective Date and the Closing Date (collectively, the “Tangible Personal Property”);

(c) **Real Property**. All interests in the real property described on **Schedule 1.1(c)**, including any appurtenant easements and improvements located thereon along with any licenses to occupy, (the “*Real Property*”).

(d) **Contracts**. All (i) contracts and agreements listed on **Schedule 1.1(d)**, (ii) contracts and agreements entered into in the ordinary course of business for the sale of advertising time on the Station for cash, and (iii) other reasonable and customary station contracts and agreements approved in writing by Buyer which are entered into between the Effective Date and the Closing Date (collectively, the “Assumed Contracts”);

(e) **Intangible Property**. All of Seller’s rights in the call letters of the Station and in any trademarks, trade names, service marks, patents, patent applications, internet domain names and associated websites, copyrights, programs and programming material (including program rights), jingles, slogans, logos, and other intangible property owned or leased by Seller used or held for use in the operation of the Station, including without limitation those listed on **Schedule 1.1(e)**, and all goodwill associated with the foregoing, except as specified as part of the Excluded Assets (collectively, the “Intangible Property”);

(f) **Files and Records**. The public inspection files for the Station, filings with the FCC relating to the Station, and such other technical information, engineering data, books and records that relate to the Station and the Station Assets being conveyed hereunder; all sales and promotional literature, manuals and data, sales and purchase correspondence, advertiser lists, lists of present and former suppliers, and lists of present and former customers that relate to the Station and the Station Assets;

(g) **Claims**. Any and all claims and rights against third parties if and to the extent that they relate to Station Assets, including, without limitation, all rights under manufacturers’ and vendors’ warranties; and

(h) **Prepaid Items**. All deposits, reserves and prepaid expenses relating to the Station Assets and prepaid taxes relating to the Station Assets, pro-rated as of Closing.

(i) **Benefit Plans**. Any pension, profit-sharing or cash or deferred (Section 401(k)) plans and trusts and assets thereof, or any other employee benefit plan or arrangement, and the assets thereof, which Buyer desires to assume to the extent that it is, or they are, reasonably assumable by Buyer in its sole discretion and provided that the plan or trust is otherwise assignable.

1.2 **Excluded Assets**. The following shall be excluded from the Station Assets and retained by Seller (collectively, the “Excluded Assets”):

(a) **Cash**. All cash, cash equivalents or similar investments such as certificates of deposit, treasury bills and other marketable securities on hand and/or in banks and deposits of Seller;

(b) **Insurance.** Any insurance policies, intercompany accounts, promissory notes, amounts due from employees, bonds, letters of credit, or other similar items, any cash surrender value in regard thereto of Seller, and any proceeds from insurance claims made by Seller relating to property or equipment included in the Station Assets that has been repaired, replaced or restored by Seller prior to the Closing Date;

(c) **Reserved.**

(d) **Tax Refunds.** Any interest in and to any refunds of federal, state or local franchise, income or other taxes of Seller for taxes incurred and actually paid by Seller prior to the Closing;

(e) **Books and Records.** Except as provided in Section 1.1(f), all the financial records, account books and general ledgers, and all corporate records (including organizational documents) of Seller, including tax returns and transfer books; and

(f) **Contracts.** Any contracts or agreements not listed on Schedule 1.1(d) or otherwise agreed to be assumed under Section 1.1(d).

(g) **Accounts Receivable.** All Seller's Accounts Receivable, subject to Section 2.4(a).

(h) **Tower Site.** The Station tower site real estate and antenna tower structure situated thereon in Howell Township and the business enterprise of Seller in leasing tower, shelter, and ground space at the tower site.

(i) The corporate and trade name of "The Livingston Radio Company."

(j) Certain items of personal property of Gregory and Marcia Jablonski, to be identified by Seller to Buyer within 30 days after execution of this Agreement.

1.3 **Liabilities.** At Closing, the Station Assets shall be transferred by Seller to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements, equipment leases, and other liens, liabilities and encumbrances of every kind and nature ("Liens"), other than for taxes not yet due and payable, Liens that will be discharged prior to Closing, real property easements, and Buyer's obligations to perform on and after the Closing Date the obligations arising under the Real Property, Assumed Contracts and other Station Assets ("Permitted Liens"). Buyer shall assume and undertake to pay, discharge and perform all obligations and liabilities relating to the Real Property, Assumed Contracts and other Station Assets arising or occurring on or after the Closing. Buyer shall not assume (i) any obligations or liabilities under the Real Property, Assumed Contracts or other Station Assets relating to the period prior to the Closing; (ii) any obligations or liabilities of Seller which are unrelated to the Station Assets being sold hereunder, (iii) any obligations or liabilities relating to employees of Seller (including any pension obligations or pension withdrawal liabilities), (iv) any obligations or liabilities relating to the Excluded Assets, (v) any federal, state or local franchise, income or other taxes of Seller, or (vi) any other obligations or liabilities of Seller.

1.4 **Purchase Price.** The purchase price to be paid for the Station Assets will be Three Million Five Hundred Thousand Dollars (\$3,500,000) (the “Purchase Price”), subject to the adjustments described below.

1.5 **Payment of Purchase Price.** The Purchase Price shall be paid to Seller as follows:

(a) Buyer shall deliver to Patrick Communications (the “Escrow Agent”) the sum of One Hundred Seventy-Five Thousand Dollars (\$175,000) (the “Escrow Deposit”). The Escrow Deposit shall be held by the Escrow Agent in an interest bearing account in accordance with the Escrow Agreement entered into by Seller, Buyer and the Escrow Agent (the “Escrow Agreement”). The Escrow Deposit shall be distributed as provided in the Escrow Agreement. This Agreement shall not be legally binding on Seller until the Escrow Deposit has been received by the Escrow Agent.

(b) At the Closing, (i) the Escrow Deposit shall be delivered by the Escrow Agent to Seller by wire transfer of immediately available funds and shall be credited toward Buyer’s payment of the Purchase Price, and interest on the Escrow Deposit shall be paid to Buyer, and (ii) Buyer shall pay the sum of Three Million Three Hundred Twenty-Five Thousand Dollars (\$3,325,000), plus or minus any adjustments made at the Closing pursuant to the terms of this Agreement.

1.6 **Prorations.** The parties agree to prorate all expenses arising out of the operation of the Station which are incurred, accrued, or payable, as of 11:59 p.m. local time of the day preceding the Closing. The items to be prorated shall include, but not be limited to, power and utilities charges, FCC regulatory fees (based on the most recent publicly available information about the cost of such regulatory fees for the Station), real and personal property taxes upon the basis of the most recent tax bills and information available, security deposits, and similar prepaid and deferred items. The prorations shall, insofar as feasible, be determined and paid on the Closing Date, with final settlement and payment to be made within forty-five (45) days after the Closing Date.

1.7 **Trade Agreements.** Buyer acknowledges and agrees that Seller has received and will continue to receive up to the Closing Date certain barter contract benefits under the barter and Trade Agreements designated for use by the Seller and Station identified in Schedule 1.7 (“Barter”). At Closing Seller shall assign Buyer all rights, title, and interest in and to such Barter including, but not limited, all the remaining benefits to be received thereunder, and Buyer shall assume and agree to perform and discharge all of Seller’s remaining obligations and liabilities under such Barter, including, without limitation, Seller’s obligation to provide barter advertising thereunder, on and after the closing Date. Such advertising shall be provided by Buyer at rates based on Seller’s rate schedule as of the date hereof; provided, however that to the extent any such Barter does not allow for such rates, Buyer shall provide advertising under such Barter at Seller’s effective rate schedule as in effect immediately prior to the Closing. The Purchase Price shall be prorated by the arrearage, if any, of each Barter account advertising schedule which is not current on the Closing Date and by the value of the unexpired advertising schedule of any Barter contract benefits which do not accrue to Buyer’s use and benefit following Closing. “Trade Agreement” means Seller’s oral or written agreement to sell or trade commercial air time or commercial production services of Station in consideration for any property or service in lieu of cash.

1.8 **Allocation of Purchase Price.** The Purchase Price to the assets acquired hereunder in a manner which complies with Section 1060 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Code”), prior to Closing allocated as set forth on Schedule 1.8, attached hereto, and that neither Buyer nor Seller shall take a position on any income, transfer or gains tax return before the any governmental agencies charged with the collection of any such tax or in any judicial proceeding that is in any manner inconsistent with the terms of any such allocation with the written consent of the other.

## **ARTICLE 2: FCC CONSENT; CLOSING; ETC.**

2.1 **FCC Consent; Assignment Application.** Buyer and Seller shall prepare, execute, file, and vigorously prosecute an application to the FCC (the “Assignment Application”) requesting the FCC’s consent (the “FCC Consent”) to the assignment from Seller to Buyer of all FCC Authorizations pertaining to the Station. The Assignment Application shall be filed not later than five (5) business days after the date of the execution of this Agreement. Buyer and Seller shall take all reasonable steps to cooperate with each other and with the FCC in order to secure such FCC Consent without delay and to timely consummate the transaction contemplated in this Agreement, provided, however, that neither Buyer nor Seller shall be required to participate in a trial-type hearing or to a judicial appeal of denial or dismissal of the Assignment Application. Buyer and Seller shall each pay one-half of the FCC filing fees due in connection with the Assignment Application. Each party shall be responsible for all of its other costs with respect to the preparation, filing and prosecution of the Assignment Application. Buyer and Seller shall promptly notify each other of, and provide copies of, all documents filed with or received from the FCC or any other governmental agency with respect to this Agreement, the Assignment Application or the transaction contemplated hereby. If Buyer or Seller becomes aware of any fact which would prevent or delay the FCC Consent or the Final Order (as defined in Section 2.2), it shall promptly notify the other Party.

2.2 **Closing Date; Closing Place.** The closing (the “Closing”) of the transaction contemplated in this Agreement shall occur on a date selected by Buyer (the “Closing Date”) that is no less than two (2) nor more than ten (10) business days following the date (i) on which the FCC Consent shall have become a Final Order (as defined below) unless such requirement shall have been waived by Buyer in its sole discretion, and (ii) the other conditions to the Closing set forth in Articles 7 and 8 hereof shall have either been waived or satisfied; and Seller and Buyer agree to cooperate to the extent necessary to obtain the FCC’s extension of the effectiveness of the FCC Consent as may be required. For purposes of this Agreement, the term “Final Order” means action by the FCC consenting to the Assignment Application, and such consent shall not have been reversed, stayed, enjoined, set aside, annulled, or suspended, and with respect to which action no timely request for stay, petition for rehearing, petition for reconsideration, application for review, or notice of appeal is pending, and as to which the times for filing any such request, petition, application, notice, or appeal, or for reconsideration or review by the FCC on its own motion, shall have expired. Notwithstanding the foregoing, the Closing Date must be effective on the first day of a calendar month. If the Closing Date would otherwise be effective prior to November 1, 2015, Buyer shall specify a date on or after that date. The Closing shall be held at the offices of Buyer’s or Seller’s legal counsel in Michigan (the location to be agreed upon by Seller and Buyer) Lansing, MI, or by exchange of documents via email, or as Seller and Buyer may agree.

2.3 **Assignment of Assumed Contracts at Closing.** In the event any Assumed Contract or Real Property Lease may not be assigned without the consent of any third party, and such consent has not been obtained as of the Closing, then such Assumed Contract or Real Property Lease will not be deemed assigned to Buyer until such third party consent is obtained. If consent is subsequently obtained or deemed obtained (by virtue of the passage of time) after Closing, such Assumed Contract or Real Property Lease shall be deemed assigned by Seller and assumed by Buyer pursuant to this Agreement as of the date of such consent without further action or writing by the Parties. Prior to obtaining any required consent, to the extent permitted by law, Seller agrees to equitably assign its rights in the Assumed Contract or Real Property Lease to Buyer until such consent is obtained. In doing so, Buyer shall receive all benefits of such Assumed Contract or Real Property Lease and be obligated to pay any monies owed thereunder, and perform and comply with the terms of such Assumed Contract or Real Property Lease on Seller's behalf.

2.4 **Accounts Receivable.**

(a) Within five business days prior to the Closing Date, Seller shall furnish to Buyer a list of the accounts receivable that arose solely out of the operations of the Station as of the date of such notice but which are unpaid or not yet due and payable. For a period of one hundred twenty (120) days after the date of the Closing, Buyer, as Seller's agent, shall collect the Accounts Receivable for Seller. During such 120-day period, Buyer shall pay to Seller, at the place designated for notice in this Agreement, all amounts so collected by Buyer with respect to such Accounts Receivable during the preceding calendar month. Buyer shall pay the 15% commission due to Station sales personnel upon collection, including payroll taxes; shall itself retain a 5% commission; and shall remit the remaining collected amounts (78.85%) to Seller. Subject to the payment of related sales commission due to Station sales personnel, any Accounts Receivable remaining unpaid following the one hundred twenty (120) day collection period shall immediately convey to, and become the sole property of, Buyer without payment of further consideration to Seller.

(b) For the purpose of determining amounts collected by Buyer with respect to the Accounts Receivable, all payments by an account debtor shall first be applied to the oldest Accounts Receivable that are (i) due from the account debtors, (ii) not indicated by the account debtor to be subject to a bona fide and unresolved dispute which has been disclosed to Seller or (iii) not specifically directed by such account debtor (without encouragement by Buyer) to be applied to accounts receivable other than the Accounts Receivable for such account debtor.

(c) Buyer shall not be required to retain a collection agent, bring any suit, or take any other action out of the ordinary course of business to collect any of the Accounts Receivable. Buyer shall not compromise, settle, or adjust the amount of any of the Accounts Receivable without the written consent of Seller.

(d) RESERVED.



(e) Seller and Buyer will cooperate in all matters necessary or appropriate to carry out fully the purpose and intent of Accounts Receivable matters. For the purposes of facilitating Accounts Receivable collection without limiting the generality or effect of the preceding sentence, Seller hereby authorizes (i) Buyer to collect and receive the benefit of all payments in respect of the Accounts Receivable after the closing Date and to receive and open all mail and other communications relating to the Station received by Buyer, and (ii) Buyer, after the Closing Date, to endorse, without recourse the name of Seller, as appropriate, on any check or other evidence of payment received by Buyer on account of any of the Accounts Receivable.

### **ARTICLE 3: REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller makes the following representations and warranties to Buyer:

3.1 **Organization and Authorization**. Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of Michigan, and Seller is qualified to do business in Michigan. Seller has all requisite legal power to own and operate the Station as currently operated. Seller has the legal power and authority to execute and deliver this Agreement and to consummate the transaction contemplated hereby. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby on Seller's part, have been duly and validly authorized by Seller and its owners, and no other actions on the part of Seller (or its owners) are necessary to authorize the execution and delivery of, or the performance of Seller's obligations under, this Agreement, or to consummate the transaction contemplated hereby. This Agreement has been duly and validly executed and delivered by Seller. This Agreement constitutes the legal, valid, and binding obligation of Seller enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

3.2 **No Defaults**. The execution, delivery, and performance of this Agreement by Seller will not (i) constitute a violation of, or conflict with, Seller's organizational documents; (ii) result in a default (or give rise to any right of termination, cancellation, or acceleration) under, or conflict with, any of the terms, conditions, or provisions of any note, bond, mortgage, indenture, agreement, lease, or other instrument or obligation relating to the business of the Station and to which Seller or any of the Station Assets may be subject, except for obligations to be discharged in full on or before the Closing Date; (iii) violate any statute, regulation, order, injunction, or decree of any federal, state, or local governmental authority or agency which is applicable to Seller or any of the Station Assets; (iv) result in the creation or imposition of any Lien of any nature whatsoever upon any of the Station Assets; or (v) require a notice to or the consent or approval of any governmental authority, lending institution, or other third party other than the FCC Consent and except as otherwise noted in Schedule 3.11 hereto.

3.3 **Tangible Personal Property**. Schedule 1.1(b) hereto contains a list of the material Tangible Personal Property owned by Seller that will be conveyed to Buyer. Seller owns and has, and will have on the Closing Date, good and marketable title to the Tangible Personal Property. Each material item of Tangible Personal Property (i) is in good condition and repair, ordinary wear

and tear excepted, (ii) has been maintained in a manner substantially consistent with generally accepted standards of good engineering practice, and (iii) is operating in full compliance, in all material respects, with the FCC Authorizations and rules and regulations of the FCC and the FAA.

3.4 **Real Property.** The Real Property described on Schedule 1.1(c) and the Leased Real Property described on Schedule 7.4 are Seller's sole interests in real estate used in connection with the operation of the Station in the manner in which it is being operated. To the knowledge of Seller, there is no pending condemnation or similar proceeding affecting the Real Property. Seller's present use of the Real Property and Leased Real Property is in compliance with all applicable zoning codes or other laws. All permanent certificates of occupancy and other consents and approvals required to be obtained by Seller's for use of the Real Property and Leased Real Property from any governmental authority, association or board with jurisdiction over the Real Property and Leased Real Property have been issued and are in full force and effect.

3.5 **Title Commitments.** Promptly after the execution of this Agreement, Buyer shall order at its own expense a commitment for owner's title insurance policy on the Real Property. The title commitment shall evidence a commitment to issue an ALTA title insurance policy from a national recognized title insurance company selected by Buyer, insuring good and marketable fee simple title to the Real Property for such amount as Buyer reasonably directs and will contain no exceptions except for Permitted Liens and such other exceptions, if any, as Buyer deems acceptable. Seller shall reasonably cooperate with Buyer in obtaining such title commitment. Upon receipt of the title commitment, if Buyer notifies Seller in writing of any exception other than Permitted Liens affecting title to the Real Property, Seller shall exercise commercially reasonable effort(s) to remove or, with the consent of Buyer, cause the title insurance company to commit to insure over, such exceptions prior to the Closing.

3.6 **FCC Authorizations and Other Licenses.** Schedule 1.1(a) hereto contains a true and complete list of the FCC Authorizations and all other licenses, permits, construction permits, or other authorizations from governmental or regulatory authorities that are required for the lawful conduct of the business and operations of the Station in the manner and to the full extent that the Station is presently operated. Schedule 1.1(a) includes a true and complete list of all FCC authorizations, licenses, granted construction permits, and all pending applications for FCC licenses, permits, and authorizations applied for in connection with the operation of the Station. Except as listed on Schedule 1.1(a), the FCC Authorizations and other licenses are in full force and effect, unimpaired by any act or omission of Seller. Seller lawfully holds each of the FCC Authorizations and the other licenses, permits, and authorizations listed on Schedule 1.1(a), none of which is subject to any restrictions or conditions that would limit in any material respect the operations of the Station, other than (i) as may be set forth on the faces of such FCC Authorizations and other licenses, or (ii) as may be applicable to substantial segments of the radio broadcasting industry. Seller is operating the Station in all material respects in compliance with the FCC Authorizations, the Communications Act of 1934, as amended, and all regulations and published policies of the FCC (the "Communications Laws"). To Seller's knowledge without conducting any independent investigation thereof, (a) the Station is not causing objectionable interference to any other station (except possibly to FM translators), and (b) there is not now pending, or threatened, any action by or before the FCC to revoke, cancel, rescind, modify, or refuse to renew any of such FCC Authorizations. Seller has not received any notice of, and has no knowledge of, any pending, issued, or outstanding order by or before the FCC, or of any investigation, order to



show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against either the Station or Seller. All material reports and filings required to be filed with the FCC by Seller with respect to the operation of the Station have been filed, and all such reports and filings are accurate and complete in all material respects. Seller maintains a public inspection file for the Station and such file complies with the Communications Laws in all material respects. The operations of the Station do not exceed permissible levels of exposure to non-ionizing electromagnetic radiofrequency (“RF”) radiation specified in the FCC’s rules and regulations concerning RF radiation. The Station has not been silent or operated on less than the required minimum schedule for a period of time of more than thirty (30) days during the current license term.

3.7 **Title Documents.** The instruments to be executed by Seller and delivered to Buyer at the Closing, conveying the Station Assets to Buyer, will transfer good and marketable title to the Station Assets, free and clear of all Liens other than Permitted Liens.

3.8 **Employees.** Seller is not a party or subject to any labor union or collective bargaining agreements with respect to the Station. Seller, in the operation of the Station, has complied in all material respects with all applicable laws, rules and regulations relating to the employment of labor, including those related to wages, hours, collective bargaining, occupational safety, discrimination, and the payment of social security and other payroll-related taxes, and it has not received any notice alleging that it has failed to comply in any material respect with any such laws, rules or regulations. No labor union or other collective bargaining representative represents or, to the knowledge of Seller, claims to represent any of the employees of the Station. To the knowledge of Seller, there is no effort being made to organize the employees or any group of employees of the Station for purposes of collective bargaining. Seller acknowledges and agrees that Buyer shall have no obligation to offer employment to any employee of Seller or the Station or any post-closing liability with respect to any such employee or for any such employee’s benefits of any kind or nature, except to the extent that Buyer shall offer employment to any such employee and then only from and after the time at which such offer shall have been extended, and accepted by such employee, and subject to the terms and conditions thereof.

3.9 **Brokers.** Other than Patrick Communications, whose broker fees will be paid by Seller, there is no broker or finder or other person who would have any valid claim for a commission or a brokerage fee in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding, or action on the part of Seller.

3.10 **Litigation; Compliance with Law.** Seller is not subject to any order, writ, injunction, judgment, arbitration, decision, or decree having a binding effect and affecting the business of the Station or the Station Assets or which restrains or enjoins, or purports to restrain or enjoin, or could reasonably be expected to restrain or enjoin, the transaction contemplated hereby, and to Seller’s knowledge no such proceeding is pending. Except for rule making proceedings or similar proceedings applicable to the radio broadcasting industry in general, there is no material litigation or administrative investigation or proceeding pending by or against, or, to Seller’s knowledge, threatened against, Seller which relates to the Station or which could materially and adversely affect any of the Station Assets. Seller, with respect to the Station, has complied in all material respects with all applicable laws, regulations, orders, or decrees. The present uses by Seller of the Station Assets do not violate any such laws, regulations, orders, or decrees in any

material respect, and Seller has no knowledge of any basis for any claim for compensation or damage or other relief from any violation of the foregoing.

3.11 **Approvals and Consents.** Except as described in Schedule 3.11 hereto, the execution, delivery and performance by Seller of this Agreement and the consummation of the transaction contemplated hereby will not require any consent, permit, license or approval of any person, entity or government or regulatory authority other than the FCC Consent. Any consents required for the assignment of Seller's rights and obligations under the Real Property Leases or the Assumed Contracts are set forth on Schedule 3.11.

3.12 **Insurance.** All of the material Station Assets that are insurable are insured against loss, injury, or damage at book value. In the event of any loss or damage to the Station Assets prior to Closing, any shortfall between insurance proceeds and replacement value will not excuse Seller's obligation to replace or repair Station Assets to the extent required to meet its delivery obligations to Buyer.

3.13 **Environmental Matters.** (i) Seller has not, in connection with its business or assets, generated, used, transported, treated, stored, released or disposed of, or to its knowledge, has suffered or knowingly permitted anyone else to generate, use transport, treat, store, release or dispose of any Hazardous Substance (as defined below) in violation of any applicable environmental law; (ii) there has not been any generation, use, transportation, treatment, storage, release or disposal of any Hazardous Substance in connection with the conduct of Seller's business which has created or might reasonably be expected to create any material liability under any applicable environmental law or which would require reporting to or notification of any governmental entity; (iii) to the knowledge of Seller no asbestos or polychlorinated biphenyl or underground storage tank is contained in or located at any facility used in connection with its business; and (iv) any Hazardous Substance handled or dealt with in any way in connection with Seller's business has been and is being handled or dealt with in all material respects in compliance with all applicable environmental laws. To Seller's knowledge, Seller, the Real Property and the Station are in compliance in all material respects with all applicable environmental, health and safety laws. There is no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller or the Station that asserts that Seller or the Station has violated any environmental, health or safety laws. Seller has provided Buyer with copies of any Phase I environmental assessments of Real Property included in the Station Assets at Schedule 3.13, hereto. "Hazardous Substance" means substances that are defined or listed in, or otherwise classified pursuant to, any applicable laws as "hazardous substances," "hazardous materials," "hazardous wastes" or "toxic substances," or any other formulation of any applicable environmental law intended to define, list or classify substances by reason of deleterious properties such as ignitibility, corrosivity, reactivity, radioactivity, carcinogenicity, reproductive toxicity and petroleum and drilling fluids, produced waters and other wastes associated with the exploration, development, or production of crude oil, natural gas or geothermal energy.

Buyer may at its expense within 45 days after execution of this Agreement conduct environment reviews of the Real Property, including, but not limited to, a Phase 1 environmental audit (collectively, the "Audit"); provided, however, that no intrusive sampling shall be performed without Seller's prior written approval (which shall not be unreasonably withheld). Seller will use its commercially reasonable efforts to comply with any reasonable request for information made

by Buyer or its agents in connection with any such environmental reviews and shall afford Buyer and its agents access to all operations of the Station, including without limitation all areas of the Real Property, at reasonable times and in a reasonable manner in connection with any such environmental reviews. Completion of the Audit is not a condition to Closing.

If any Phase 1 or any item set forth on Schedule 1.1(c) or any environmental report provided by Seller to Buyer prior to the date of this Agreement identifies a condition requiring remediation under applicable Environmental Laws, then:

- (a) Except as set forth below, Seller shall use commercially reasonable efforts to remediate such condition in all material respects in the ordinary course of business; and
- (b) If such remediation is not completed prior to Closing, the parties shall proceed to Closing (with Seller's representations and warranties deemed modified to take into account any such condition) and Seller shall remediate such item(s) in all material respects after Closing (and Buyer will provide Seller access and any other reasonable assistance requested by Seller with respect to such obligation).

3.14 **Taxes.** Seller has duly, timely, and in the required manner filed all federal, state, and local income, franchise, sales, use, property, excise, payroll, and other tax returns and forms required to be filed, and has paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies, and losses required to be paid. No event has occurred which could impose upon Buyer any liability for any taxes, penalties, or interest due or to become due from Seller from any taxing authority.

3.15 **Performance of Real Property Leases and Assumed Contracts.** Schedules 1.1(c) and 1.1(d) include contracts, agreements and leases that relate primarily to the operation of the Station or the ownership of the Station Assets (other than contracts for the sale of advertising time), including, without limitation, all programming contracts, syndication contracts, national sales representation contracts, employment contracts, distribution contracts and network affiliation contracts, real property leases, and income-producing leases and agreements. Seller has fully and timely performed all of its obligations pursuant to all Leased Real Property, the Assumed Contracts and the Trade Agreements and is not in material default or breach of any such agreements. Seller has not received notice from any party to any Real Property lease, Assumed Contract, or Trade Agreement that such party contends that it is in default or breach under any Real Property leases, Assumed Contract or Trade Agreement. Each of the Real Property leases, Assumed Contracts and Trade Agreements is in full force and effect; and, to the knowledge of Seller, there has not been, and is not, any material default or breach under any Real Property Lease, Assumed Contract or Trade Agreement by the other party to any Real Property Lease, Assumed Contract or Trade Agreement. Except as set forth in Schedules 1.1(c), 1.1(d) and 1.7 attached hereto, there have been no modifications, extensions, or amendments of any of the Real Property Leases, Assumed Contracts or Trade Agreements, whether oral or written, except as may be contemplated by this Agreement. Seller has not been notified by any other party to any Real Property Lease or Assumed Contract that such party has a present intent to terminate or not to renew any Real Property Lease or Assumed Contract. Except for the new Real Property Lease described in Schedule 7.4, hereto, and to be entered into by Seller and Buyer at Closing, none of

the Real Property Leases and Assumed Contracts included in the Station Assets has as the other party an entity controlled by Seller or any of Seller's owners.

3.16 **Sufficiency of Assets.** The Station Assets are sufficient for the conduct of the business and the operation of the Station as presently operated by Seller.

3.17 **Intellectual Property.** Seller has all right, title and interest in and to all trademarks, service marks, trade names, copyrights and all other intangible property presently used in the operation of the Station, except for music libraries, jingles, and other program content the rights for which are licensed to Seller by their owners. Schedule 1.1(e) contains a description of all material Intangible Property. Seller has not received any notice or claim alleging infringement or violation of any intellectual property rights relating to the Station, except as disclosed in Schedule 1.1(e).

3.18 **Absence of Insolvency.** No insolvency proceedings of any character including without limitation, bankruptcy, receivership, reorganization, composition or arrangements with creditors, voluntary or involuntary, affecting the Seller or any of the Station Assets, are pending or, to the best knowledge of Seller, threatened, and Seller has made no assignment for the benefit of creditors, nor taken any action with a view to, or which would constitute the basis for the institution of, any such insolvency proceedings.

3.19 **Financial Statements.** Any and all financial statements or accounting records provided by Seller to Buyer have been prepared by a Certified Public Accountant in accordance with accounting principles used by that firm, consistently applied, and fairly and accurately present the financial condition of the Station.

3.20 **Accuracy of Representations and Statements.** No representation or warranty made by Seller in this Agreement, and no statement made in any certificate, document, exhibit, or schedule furnished or to be furnished by Seller in connection with the transactions herein contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to Buyer in the circumstance under which such representation, warranty, or statement was made.

#### **ARTICLE 4: REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer makes the following representations and warranties to Seller:

4.1 **Organization and Authorization.** Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of Michigan. Buyer has the legal power and authority to execute and deliver this Agreement, and to consummate the transaction contemplated hereby. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly and validly authorized by Buyer, and no other proceedings on the part of Buyer are necessary to authorize the execution and delivery of, or the performance of Buyer's obligations under this Agreement, or to consummate the transaction contemplated hereby. This Agreement has been duly and validly executed and delivered by Buyer. This Agreement constitutes the legal, valid, and binding agreement of Buyer enforceable

in accordance with its terms, except as may be limited by bankruptcy, insolvency, or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

4.2 **No Defaults.** The execution, delivery, and performance of this Agreement by Buyer will not (i) conflict with or result in any breach of any provision of the certificate of formation, or other similar organizational documents of Buyer, or (ii) result in a default (or give rise to any right of termination, cancellation, or acceleration) under, or conflict with, any of the terms, conditions, or provisions of any note, bond, mortgage, indenture, agreement, lease, or other instrument or obligation relating to Buyer or its business, except for such defaults (or rights of termination, cancellation, or acceleration) or conflicts as to which requisite waivers or consents have been obtained and delivered to Seller, (iii) violate any statute, regulation, order, injunction, or decree of any federal, state, or local governmental authority or agency which is applicable to Buyer, or (iv) require the consent or approval of any governmental authority, or other third party other than the FCC Consent.

4.3 **Buyer's Qualification.** Apart from the requirement to obtain the FCC Consent, Buyer is legally, financially, and technically qualified to acquire, and to become the FCC licensee of, the Station and to perform its obligations under this Agreement.

4.4 **Litigation.** Buyer is not subject to any order, writ, injunction, judgment, arbitration, decision, or decree having a binding effect and affecting the business of Buyer or which restrains or enjoins, or purports to restrain or enjoin, or could reasonably be expected to restrain or enjoin, the transaction contemplated hereby, and no such proceeding is pending. There is no material litigation pending by or against, or, to the knowledge of Buyer, or threatened against Buyer, that would prevent or materially impede the consummation by Buyer of the transaction contemplated by this Agreement.

4.5 **Brokers.** There is no broker or finder or other person who would have any valid claim for a commission or a brokerage fee in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding, or action on the part of Buyer.

4.6 **Absence of Insolvency.** No insolvency proceedings of any character including without limitation, bankruptcy, receivership, reorganization, composition or arrangements with creditors, voluntary or involuntary, affecting the Buyer, are pending or, to the best knowledge of Buyer, threatened, and Buyer has made no assignment for the benefit of creditors, nor taken any action with a view to, or which would constitute the basis for the institution of, any such insolvency proceedings.

4.7 **Accuracy of Representations and Statements.** No representation or warranty made by Buyer in this Agreement, and no statement made in any certificate, document, exhibit, or schedule furnished or to be furnished by Buyer in connection with the transactions herein contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to Seller in the circumstance under which such representation, warranty, or statement was made.

## ARTICLE 5: COVENANTS OF SELLER

The following terms of this Article 5 shall apply from the Effective Date until the completion of the Closing (except as otherwise permitted by this Agreement).

5.1 **Station Documents.** The records, files and other documents kept in connection with the Station shall be maintained by Seller in the usual and ordinary manner consistent with standard broadcast industry practice. Seller shall maintain the FCC Authorizations in accordance with their terms and in compliance in all material respects with all applicable laws, rules and regulations and all applicable FCC regulations and published policies. Seller shall maintain the FCC Authorizations in full force and effect and shall take all actions necessary to so maintain them, including but not limited to the timely filing and prosecution of any necessary modification or renewal applications of the FCC Authorizations or other submissions to the FCC.

5.2 **Maintenance of Station Assets.** Seller shall maintain the Station Assets in good working order consistent with standards of good engineering practice and will replace any of such property that is used or useful which shall be worn out, lost, stolen, or destroyed with like property of substantially equivalent kind and value.

5.3 **FCC Compliance.** Seller shall continue to operate and maintain the Station in accordance with the terms of the FCC Authorizations and in material compliance with all applicable laws and FCC regulations and published policies. Seller will deliver to Buyer, promptly after filing, copies of any material reports, applications, or responses to the FCC, or any material communications from the FCC, or if from any other party directed to the FCC, promptly after receipt by Seller, related to the Station that are filed or received by Seller between the date of this Agreement and the Closing Date. Except in case of need to keep the Station operating in an emergency situation, Seller will not file any application with the FCC requesting authority to modify the facilities of the Station without Buyer's prior written consent and Seller shall take all actions necessary to keep the FCC Authorizations, including all material permits and applications pending before the FCC, valid and in full force and effect.

5.4 **Operation of Station in Ordinary Course.** Except as otherwise provided in this Agreement or disclosed in writing to and approved in writing by Buyer, Seller shall operate the Station solely in the ordinary course of business and in accordance with past practice, and shall pay and perform all of its obligations with respect to the Station (including those required under the Assumed Contracts and Real Property Leases) in the ordinary course as such obligations become due. Seller shall not amend any Real Property Lease, Assumed Contract or Trade Agreement without Buyer's written approval.

5.5 **Insurance.** Seller shall maintain in full force and effect through the Closing Date its existing property damage, liability, and other insurance with respect to the Station Assets.

5.6 **Disposition of Assets.** Prior to the Closing Date, Seller shall not, without the prior written consent of Buyer, sell, lease, or transfer, or agree to sell, lease, or transfer, any of the Station Assets valued in excess of \$100.00 that are used or useful in operating the Station without replacement thereof with an asset of equivalent kind, condition, and value that satisfies industry



standards for such assets, nor create any new Lien on the Station Assets other than Permitted Liens and Liens arising pursuant to, and in accordance with the terms of, this Agreement.

5.7 **Trade Agreements.** Commencing with the date hereof, Seller shall not enter into or modify any Station barter or Trade Agreement without Buyer's prior written consent except consistent with prior practice. Seller will consult with Buyer regarding any new trade agreements that will impose substantial obligations on the Station after the Closing.

5.8 **Compliance with Law.** Seller shall comply in all material respects with all federal, state, and local laws, rules and regulations in connection with the operation of the Station.

5.9 **Access to Facilities, Employees, Files and Records.** At the request of Buyer, Seller shall from time to time give or cause to be given to Buyer full access during normal business hours to the Station Assets, and all employees, engineering consultants, accounts, books, insurance policies, licenses, agreements, contracts and equipment with respect to the Station; provided, however, that all such access shall require the express consent of Seller and shall be scheduled at mutually agreeable dates and times in a manner reasonably acceptable to Seller.

5.10 **Representations and Warranties and Covenants.** Seller shall give detailed written notice to Buyer promptly upon learning of the occurrence of any event that would cause or constitute a breach, or that would have caused a breach had such event occurred or been known to Seller prior to the Effective Date, of any of the representations, warranties or covenants contained in this Agreement. Seller shall use commercially reasonable efforts to cure any such event. Updates provided in order to comply with the covenant in this Section 5.10 will not have any impact on Buyer's conditions to Closing or serve to limit Buyer's right to indemnification hereunder.

5.11 **Consummation of Agreement.** Seller shall use all commercially reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement, and to cause the transaction contemplated by this Agreement to be fully carried out in accordance with its terms.

5.12 **Employees.** Buyer shall have the right, but no obligation, to offer employment to any employee of Seller or the Station. Buyer shall have no liability with respect to any such employee or for any such employee's benefits of any kind or nature, except to the extent that Buyer shall offer employment to any such employee and then only from and after the time at which such offer shall have been extended, and accepted by such employee, and subject to the terms and conditions thereof. Seller has not entered into any employment, labor, or union agreement or plan (or amendments of any such existing agreements or plan) that will be binding upon Buyer after Closing, or increase the compensation payable to any employee of the Station, except for bonuses and other compensation payable by Seller in connection with the consummation of the transactions contemplated by this Agreement, (if any).

5.13 **Real Property.** Seller has delivered to Buyer true and complete copies of all deeds, leases and easements held by Seller pertaining to the Real Property and copies of all title policies and surveys in its possession pertaining to the Real Property.

5.14 **Financial Statements.** Seller shall provide to Buyer, within ten (10) days of preparation, any monthly financial statements prepared by Seller in the ordinary course of business with respect to Seller's operation of the Station from the date of this Agreement through and including the Closing Date.

## **ARTICLE 6: COVENANTS OF BUYER**

Buyer covenants and agrees that from the Effective Date until the completion of the Closing:

6.1 **Representations and Warranties and Covenants.** Buyer shall give detailed written notice to Seller promptly upon learning of the occurrence of any event that would cause or constitute a breach or would have caused a breach had such event occurred or been known to Buyer prior to the Effective Date, of any of the representations, warranties or covenants of Buyer contained in this Agreement. Buyer shall use commercially reasonable efforts to cure any such event. Updates provided in order to comply with the covenant in this Section 6.1 will not have any impact on Seller's conditions to Closing or serve to limit Seller's right to indemnification hereunder.

6.2 **Consummation of Agreement.** Buyer shall use all commercially reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement, and to cause the transaction contemplated by this Agreement to be fully carried out.

6.3 **Control.** Notwithstanding any other provision set forth in this Agreement, Buyer agrees that Seller shall have full authority, power and control over the operation of the Station prior to Closing.

6.4 **Financing.** Buyer's financial ability to consummate this transaction is contingent upon and subject to disbursement of funds pursuant to a loan which has been approved by Independent Bank and the Small Business Administration.

## **ARTICLE 7: CONDITIONS TO THE OBLIGATIONS OF SELLER**

The obligations of Seller under this Agreement are subject to the fulfillment of the following conditions prior to or on the Closing Date.

### **7.1 Representations, Warranties and Covenants.**

(a) Each of the representations and warranties of Buyer contained in this Agreement was true and correct as of the date when made and is deemed to be made again on and as of the Closing Date and is then true and correct.

(b) Buyer shall have performed and complied with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

7.2 **Proceedings.** Neither Seller nor Buyer is subject to any restraining order or injunction (or similar action) and no action is pending which would restrain or prohibit the consummation of the transaction contemplated hereby.

7.3 **FCC Authorizations.** The FCC Consent has been issued by the FCC with no conditions materially adverse to Seller.

7.4 **Transmitter Site Lease.** Buyer and an affiliate of Seller shall execute that certain lease for the transmitter site for the Station (the "Transmitter Site Lease"), attached at Schedule 7.4.

7.5 **Deliveries.** Buyer has complied with each and every one of its obligations set forth in Section 9.2.

## **ARTICLE 8: CONDITIONS TO THE OBLIGATIONS OF BUYER**

The obligations of Buyer under this Agreement are subject to the fulfillment of the following conditions prior to or on the Closing Date.

### **8.1 Representations, Warranties and Covenants.**

(a) Each of the representations and warranties of Seller contained in this Agreement was true and correct as of the date when made and is deemed to be made again on and as of the Closing Date and is then true and correct.

(b) Seller shall have performed and complied with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

8.2 **Proceedings.** Neither Seller nor Buyer is subject to any restraining order or injunction (or similar action) and no action is pending which would restrain or prohibit the consummation of the transaction contemplated hereby.

8.3 **FCC Authorizations.** The FCC Consent has been issued by the FCC and shall have become a Final Order.

8.4 **Station Revenue.** For the period commencing January 1, 2015, and terminating on the Closing Date, Station net revenue from advertising sales shall be greater than Station net revenue from advertising sales for the same calendar period 2014. .

8.5 **Transmitter Site Lease.** Buyer and an affiliate of Seller shall have entered into the Transmitter Site Lease with mutually agreeable terms.

8.6 **Due Diligence Issues.** Any environmental or engineering issues identified in Buyer's due diligence investigation of the Station shall have been remedied to Buyer's satisfaction, in its sole discretion reasonably exercised.

8.7 **Deliveries.** Seller has complied with each and every one of the obligations set forth in Section 9.1.

8.8 **Required Consents.** Contracts noted with an asterisk (\*) on Schedule 3.11, shall be deemed “Required Consents.” Seller shall have obtained and delivered to Buyer all of the Required Consents, if any, described in Schedule 3.11.

8.9 **Liens.** No Liens shall exist or have been filed or recorded against the Station Assets in the public records of the Secretary of State of Seller’s state of formation or in any other jurisdiction in which the Station Assets are located that are not fully discharged on the Closing Date. Duly executed UCC releases, mortgage terminations or other similar documents or instruments required to transfer the Station Assets free and clear of Liens (other than Permitted Liens) shall have been delivered by Seller.

## **ARTICLE 9: ITEMS TO BE DELIVERED AT CLOSING**

9.1 **Deliveries by Seller.** At Closing, Seller shall deliver to Buyer, duly executed by Seller or such other signatory as may be required by the nature of the document:

(a) a certificate for Seller, dated as of the Closing Date, executed by an officer of Seller, certifying on behalf of Seller that the closing conditions specified in Sections 8.1(a) and (b) have been satisfied;

(b) a bill of sale sufficient to sell, convey, transfer and assign the Tangible Personal Property and all other assets included in the Station Assets (other than the FCC Authorizations, Real Property Leases and Assumed Contracts) to Buyer free and clear of any Liens, in a form reasonably acceptable to Buyer and Seller (the “Bill of Sale”);

(c) an assignment and assumption agreement sufficient to sell, convey, transfer and assign the Assumed Contracts to Buyer free and clear of any Liens, in a form reasonably acceptable to Buyer and Seller (the “Assignment and Assumption Agreement”);

(d) an assignment and assumption agreement sufficient to assign the FCC Authorizations (including the Station’ call letters) to Buyer, in a form reasonably acceptable to Buyer and Seller (the “FCC Authorizations Assignment and Assumption Agreement”);

(e) assignment and assumption agreements sufficient to assign each Real Property Lease in a form reasonably acceptable to Buyer and Seller (each a “Lease Assignment and Assumption Agreement”);

(f) assignment and assumption instruments sufficient to assign the Intangible Property from Seller to Buyer (including any trademarks registered with the Patent and Trademark office and domain name transfers assigning the Station’s domain names (if any) included in the Intangible Property) (collectively the “Intangible Property Assignment Documents”);

(g) the Transmitter Site Lease;

(h) the Required Consents described in Schedule 3.11;

(i) estoppel certificates executed by the lessor for each Real Property Lease in a form reasonably satisfactory to Buyer, confirming the terms of such lease and that Seller is not in default under, or in breach of, such lease and such other customary matters reasonably requested by Buyer;

(j) executed releases, in suitable form for filing and otherwise in form and substance reasonably satisfactory to Buyer, of any security interests granted in the Station Assets as security for payment of loans and other obligations and of any other Liens (other than Permitted Liens);

(k) certified copies of appropriate resolutions, duly adopted, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Seller of this Agreement, and the consummation of the transaction contemplated hereby;

(l) endorsed vehicle titles;

(m) Real Property transfer affidavit, special warranty deeds, leases and easements;

(n) Certification of good standing with the Michigan Secretary of state, dated not more than three days prior to Closing;

(o) A current Account Receivables list;

(p) UCC termination statements; and

(q) any other documents and instruments of conveyance, assignment and transfer that may be reasonably requested by Buyer to convey, transfer and assign the Station Assets to Buyer, free and clear of Liens, except for Permitted Liens.

9.2 **Deliveries by Buyer.** At the Closing, Buyer shall deliver to Seller, duly executed by Buyer or such other signatory as may be required by the nature of the document:

(a) a certificate for Buyer, dated as of the Closing Date, executed by an officer or other authorized representative of Buyer, certifying on behalf of Buyer that the closing conditions specified in Sections 7.1(a) and (b) have been satisfied;

(b) the payment of the Purchase Price in accordance with Section 1.4;

(c) the Bill of Sale;

(d) the Assignment and Assumption Agreement for Assumed Contracts and Leases;

(e) the FCC Authorizations Assignment and Assumption Agreement;

(f) the Transmitter Site Lease; and

(g) Certification of good standing with the Michigan Secretary of state, dated not more than three days prior to Closing;

(h) certified copies of resolutions, duly adopted, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Buyer of this Agreement, and the consummation of the transaction contemplated hereby; and

(i) any other documents and instruments of assumption that may be reasonably necessary to effectuate the Closing on the terms provided in this Agreement.

## **ARTICLE 10: SURVIVAL AND INDEMNITY**

The rights and obligations of Buyer and Seller under this Agreement shall be subject to the following terms and conditions:

**10.1 Survival of Representations and Warranties.** Except as stated below, the representations and warranties of Buyer and Seller contained in this Agreement shall survive the Closing for eighteen (18) months from the Closing Date. Except as stated below, neither Seller nor Buyer shall have any liability whatsoever with respect to any representation or warranty unless a claim is made hereunder or an action at law or in equity is commenced prior to expiration of the eighteen (18) months survival period for such representation or warranty.

### **10.2 General Agreement to Indemnify.**

(a) Seller on the one hand, and Buyer on the other hand, shall indemnify, defend and hold harmless each other and any employee, representative, agent, director, officer, owner, affiliate or permitted assign of each other (each, an “Indemnified Party”) from and against any and all claims, actions, suits, proceedings, liabilities, obligations, losses and damages, amounts paid in settlement, diminution of value, interest, costs and expenses (including reasonable attorneys’ fees, court costs and other out-of-pocket expenses incurred in investigating, preparing or defending the foregoing) (collectively, “Losses”) asserted against, incurred or suffered by any Indemnified Party as a result of, arising out of or relating to: (i) the failure of any representation or warranty of the Indemnifying Party (defined below) made in the Agreement to have been true and correct when made or as of the Closing Date as though such representation or warranty were made at and as of the Closing Date; or (ii) the breach by the Indemnifying Party of any covenant or agreement of such party contained in this Agreement or any collateral agreement to the extent not waived by the other Party hereto. The term “Losses” is expressly limited to such Indemnified Party’s actual out-of-pocket costs and expenses and does not and shall not include consequential or punitive damages or damages from lost opportunity unless paid in satisfaction of a Third Party Claim (defined below). Purchase Price Adjustments made pursuant to Section 1.5 of this Agreement shall not be included in any calculation of any Indemnified Party’s total “Losses” for purposes of meeting the Loss threshold provided in Section 10.4

(b) Seller further agrees to indemnify and hold harmless Buyer and any other Indemnified Party of Buyer from and against any Losses asserted against, incurred or suffered by Buyer or any other Indemnified Party of Buyer arising out of, resulting from, or relating to the operation of the Station and/or the ownership of the Station Assets prior to the Closing including, but not limited to, claims made by Mission Abstract Data or its affiliated entities.



(c) Buyer further agrees to indemnify and hold harmless Seller and any other Indemnified Party of Seller from and against any Losses asserted against, incurred or suffered by Seller or any other Indemnified Party of Seller arising out of, resulting from, or relating to the operation of the Station and/or the Station Assets from and after the Closing.

### 10.3 **General Procedures for Indemnification.**

(a) The Indemnified Party seeking indemnification under this Agreement shall promptly notify in writing the party or parties against whom indemnification is sought (the “Indemnifying Party”) of the assertion and basis of any claim, or the commencement and basis of any action, suit or proceeding by any third party in respect of which indemnity may be sought hereunder (a “Third Party Claim”) and will give the Indemnifying Party such information with respect thereto as the Indemnifying Party may reasonably request, but failure to give such notice shall not relieve the Indemnifying Party of any liability hereunder (unless the Indemnifying Party has suffered material prejudice by such failure). The Indemnifying Party shall have the right, but not the obligation, exercisable by written notice to the Indemnified Party within thirty (30) days of receipt of notice from the Indemnified Party of the commencement of a Third Party Claim, to assume the defense and control the settlement of such Third Party Claim that involves (and continues to involve) solely money damages; provided, however, that prior to assuming any claim defense, the Indemnifying Party must show the other Party that they have the financial ability to pay out any potential monetary claim before they are allowed to assume its defense. Failure by the Indemnifying Party to so notify the Indemnified Party shall be deemed a waiver by the Indemnifying Party of its right to assume the defense of such claim.

(b) Whether or not the Indemnifying Party chooses to defend or prosecute any Third Party Claim, the parties hereto shall cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials and appeals, as may be reasonably requested in connection therewith.

(c) The Indemnifying Party or the Indemnified Party, as the case may be, shall have the right to participate in (but not control), at its own expense, the defense of any Third Party Claim that the other is defending, as provided in this Agreement, provided that the Indemnifying Party shall pay the cost of defense of both parties by separate counsel if a conflict of interest precludes common representation.

(d) The Indemnifying Party, if it has assumed the defense of any Third Party Claim as provided in this Agreement, shall not consent to, or enter into, any compromise or settlement of, or consent to the entry of any judgment arising from, any such Third Party Claim (which compromise, settlement, or judgment: (i) commits the Indemnified Party to take, or to forbear to take, any action or pay any money; or (ii) does not provide for a complete release by such Third Party of the Indemnified Party) without the Indemnified Party’s prior written consent. If the conditions set forth herein are met but the Indemnified Party refused to settle any Third Party Claim, the Indemnifying Party may tender the settlement amount and be relieved of further liability.

(e) The Indemnifying Party shall not be entitled to require that any action be brought against any other person before action is brought against it hereunder by the Indemnified

Party, but shall be subrogated to any right of action to the extent that it has paid or successfully defended against any Third Party Claim.

10.4 **Limitations**. Neither Party shall be required to indemnify the other Party under this Article 10 unless (i) written notice of a claim under this Article 10 was received by a Party within twenty one (21) months following the Closing, and (ii) the aggregate claim for Losses exceeds \$ 7,500, after which the claimant shall be entitled to recover only such portion of the Losses that exceed such amount. In calculating the amount of Losses to Buyer or Seller under Section 10.2 above, such Losses shall be reduced by any recovery from any third party (including insurance proceeds) as a result of the facts or circumstances giving rise to the Losses. The limitations set forth in this Section 10.4 shall not apply to Third Party Claims against a Party entitled to indemnification under Sections 10.2(b) or (c), but neither Party shall be precluded from asserting a defense based on expiration of applicable statutes of limitations. The right to indemnification or any other remedy based on representations, warranties, covenants and agreements in this Agreement shall not be affected by any investigation conducted at any time, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or agreement. Waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any such covenant or agreements, will not affect the right to indemnification or any other remedy based on such representations, warranties, covenants and agreements.

10.5 **Exclusive Remedy**. The right to indemnification, defense, hold harmless, payment or reimbursement provided in this Article 10 will be the exclusive remedy of any Party with respect to Losses after the Closing with respect to the transaction contemplated by this Agreement.

## ARTICLE 11: TERMINATION

11.1 **Termination**. This Agreement may be terminated at any time prior to Closing:

- (a) by the mutual written consent of Seller and Buyer;
- (b) by written notice of Seller to Buyer if Buyer: (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by Buyer on or before the Closing Date in any material respect; (ii) breaches in any material respect any of Buyer's representations or warranties; or (iii) defaults in any material respect in the performance of any of Buyer's covenants or agreements under this Agreement; and in any of which events such breach or default is not cured within the Cure Period (as defined below), if applicable;
- (c) by written notice of Buyer to Seller if Seller: (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by Seller on or before the Closing Date in any material respect; (ii) breaches in any material respect any of Seller's representations or warranties; or (iii) defaults in any material respect in the performance of any of Seller's covenants or agreements under this Agreement; and in any of which events such breach or default is not cured within the Cure Period (as defined below), if applicable;
- (d) by Buyer as provided in Section 12.6 (Risk of Loss);

(e) by written notice of Seller to Buyer, or Buyer to Seller: (i) if the Closing has not been consummated within six (6) months of the Effective Date of the filing of the FCC Application; (ii) if, for any reason, the FCC denies or dismisses the Assignment Application and the time for reconsideration or court review under the Communications Act with respect to such denial or dismissal has expired and there is not then pending with respect thereto a timely filed petition for reconsideration or request for review; or (iii) if, for any reason, the Assignment Application is designated for an evidentiary hearing.

11.2 **Cure Period.** The term “Cure Period” as used herein means a period commencing with the date that Buyer or Seller receives from the other Party written notice of breach or default hereunder and continuing until thirty (30) days thereafter; provided, however, that if the breach or default cannot reasonably be cured within such period but can be cured before the Closing Date, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date. Except as set forth below, 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.

11.3 **Liability; Right to Terminate.** A termination of this Agreement shall not relieve any Party hereto of any liability for which it otherwise would be subject. Notwithstanding anything in this Agreement to the contrary, no Party that is in material breach of this Agreement shall be entitled to terminate this Agreement except with the written consent of the other Party.

11.4 **Payment of Escrow Deposit; Specific Performance.**

(a) **Buyer’s Default.** Upon a termination of this Agreement by Seller pursuant to Section 11.1(b), the principal of the Escrow Deposit shall be paid to Seller and any accrued interest thereon shall be paid to Buyer. Buyer acknowledges and agrees that the foregoing payments shall constitute payment of liquidated damages and not a penalty and that such liquidated damages amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused by Buyer’s material breach or default under this Agreement, the difficulty of proof of loss and damages, the inconvenience and nonfeasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder.

(b) **Seller’s Default.** Upon a termination of this Agreement by Buyer pursuant to Section 11.1(c), the Escrow Deposit plus any accrued interest thereon shall be paid to Buyer, including all interest earned thereon. Instead of terminating this Agreement upon a default by Seller, Buyer may seek specific performance as provided in Section 11.4(d) below.

(c) **Other Termination.** Upon a termination of this Agreement for any reason other than as a result of a breach by either Party of its material obligations under this Agreement, Buyer shall be entitled to the release of the Escrow Deposit, including all interest earned thereon, and thereafter neither Party shall have any further obligation to the other under this Agreement.

(d) **Specific Performance.** Seller acknowledges that the Station Assets are unique assets not readily obtainable on the open market and that, in the event that Seller fails to perform its obligation to consummate the transaction contemplated hereby, money damages alone

will not be adequate to compensate Buyer for its injury. Therefore, Seller agrees and acknowledges that in the event of Seller's failure to perform its obligation to consummate the transaction contemplated hereby, Buyer shall be entitled to specific performance of the terms of this Agreement and of Seller's obligation to consummate the transaction contemplated hereby. If any action is brought by Buyer to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law.

## **ARTICLE 12: MISCELLANEOUS**

12.1 **Governing Law.** To the extent not governed by federal law, the construction and interpretation of this Agreement shall at all times and in all respects be governed by the laws of the State of Michigan (exclusive of those relating to conflicts of laws). Any action at law, suit in equity or judicial proceeding arising directly, indirectly, or otherwise in connection with, out of, related to or from this Agreement, or any provision hereof, shall be litigated only in the state or federal courts located in the State of Michigan. The parties hereby consent to the personal and subject matter jurisdiction of such courts and waive any right to transfer or change the venue of any litigation between them.

12.2 **Expenses; Taxes.** Except as provided in Section 2.1 and in this Section 12.2, each party hereto shall bear all of its expenses incurred in connection with the transaction contemplated by this Agreement, including without limitation, accounting, engineering and legal fees incurred in connection herewith. Any state or local sales, use, stamp or transfer taxes and other similar taxes payable in connection with consummation of the transactions contemplated herein shall be borne one-half by Buyer and one-half by Seller.

12.3 **Entire Agreement; Amendment; No Waiver.** This Agreement, including the schedules and exhibits hereto, contain the entire agreement and understanding by and between the Parties, and no other representations, promises, agreements, or understanding, written or oral, not contained herein shall be of any force or effect, the terms of which are superseded and replaced by this Agreement. This Agreement may only be amended in a writing signed by the Parties. No oral agreement shall have any effect. No failure or delay in exercising any right hereunder shall be deemed or construed to be a waiver of such right, either prospectively or in the particular instance. This Agreement has been prepared by all of the Parties hereto, and no inference of ambiguity against the drafter of a document therefore applies against any Party hereto.

12.4 **Confidentiality.** Except for information about the Station and the Station Assets acquired by Buyer at Closing and except where such information is known through other lawful sources or where its disclosure is required in accordance with applicable law, including requirements of the FCC pursuant to the Assignment Application, Buyer and Seller shall keep confidential all information obtained by it with respect to the other Party in connection with this Agreement. If the transaction contemplated hereby is not consummated for any reason, Buyer and Seller shall return to each other or destroy, without retaining a copy thereof in any medium whatsoever, any schedules, documents or other written information, including all financial information, obtained from the other in connection with this Agreement and the transaction contemplated hereby.

## 12.5 **Public Announcements.**

(a) Prior to the Closing Date, no party shall, without the approval of the other party hereto, make any press release or other public announcement concerning the transaction contemplated by this Agreement, except to the extent that such party shall be so obligated by law, in which case such party shall give advance notice to the other party and the parties shall use their best efforts to cause a mutually agreeable release or announcement to be issued.

(b) Notwithstanding the foregoing, the parties acknowledge that the rules and regulations of the FCC require that local public notice of the transaction contemplated by this Agreement be made after the Assignment Application has been filed with the FCC and that a copy of this Agreement be included as a material part of the Assignment Application, which will be made available for public inspection at the Station and in the FCC's records. The form and substance of the required public notice, to the extent not dictated by the rules and regulations of the FCC, shall be mutually agreed upon by Seller and Buyer.

12.6 **Risk of Loss.** The risk of loss to any of the Station Assets on or prior to the Closing Date shall be upon Seller. Seller shall use all commercially reasonable efforts to repair or replace any damaged or lost Station Asset; provided, however, that in the event that the Station or any Station Asset incurs damages which is expected to exceed Twenty-Five Thousand Dollars (\$25,000) to repair or if any Station Asset having a fair market value of Twenty -Five Thousand Dollars (\$25,000), or more, is lost as of the date otherwise scheduled for the Closing, then Buyer may, at its option, upon prior written notice to Seller, either (i) postpone the Closing for a period of up to sixty (60) days while Seller shall repair or replace such Station Asset, (ii) elect to close the transaction contemplated herein with the Station or Station Asset in its damaged or lost condition, in which case Seller shall assign to Buyer all proceeds of insurance on the Station or on such damaged or lost Station Asset, and Buyer shall have the responsibility to repair the Station and/or replace the Station Asset, or (iii) if such damage or loss exceeds Fifty Thousand Dollars (\$50,000), may terminate this Agreement without penalty upon written notice to Seller. Should the Station not operate with at least 80% of its full, FCC-licensed facilities for a period of ten (10) consecutive days, Buyer may elect to terminate this Agreement without penalty upon giving written notice thereof to Seller.

12.7 **Successors and Assigns.** Except as otherwise expressly provided herein, this Agreement shall be binding upon and inure to the benefit of the Parties hereto, and their respective representatives, heirs, successors and assigns. Seller may not assign this Agreement or any part hereof without the prior written consent of Buyer, which shall not be withheld unreasonably. Buyer may not assign this Agreement or any part hereof without the prior written consent of Seller, which shall not be withheld unreasonably. Any attempted assignment without consent of the other Party shall be void.

12.8 **Notices.** All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, addressed as set forth below:

If to **Seller**, then to:

Mr. Gregory P. Jablonski  
The Livingston Radio Company  
8097 Top View Lane  
Pinckney, MI 48169

and to (which shall not constitute notice):

Peter Tannenwald, Esq.  
Fletcher, Heald & Hildreth, P.L.C.  
1300 N. 17<sup>th</sup> St., 11<sup>th</sup> Floor  
Arlington, VA 22209

If to **Buyer**, then to:

Mr. Rod Krol  
KROL Communications Inc.  
103 North Washington  
Owosso, MI 48867

and to (which shall not constitute notice):

John S. Neely, Esq.  
Miller and Neely, PC  
3750 University Blvd., West  
Kensington, MD 20895

Any party may change the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section 12.8 providing for the giving of notice.

12.9 **Further Assurances**. From time to time prior to, on and after the Closing Date, each party hereto will execute all such instruments and take all such actions as any other party shall reasonably request, without payment of further consideration, in connection with carrying out and effectuating the intent and purpose hereof and all transactions contemplated by this Agreement, including without limitation the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered on the Closing Date, and any and all actions which may reasonably be necessary to complete the transaction contemplated hereby. The parties shall cooperate fully with each other and with their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement.

12.10 **Partial Invalidity**. Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any provision contained herein, or its application to any particular circumstance shall, for any reason, be held to be invalid or unenforceable by the FCC or a court of competent jurisdiction, such provision or such



application shall be ineffective to the extent of such invalidity or unenforceability in such jurisdiction, without invalidating the remainder of such provision or any other provisions hereof, or its application in any other circumstance, unless such a construction would be unreasonable or alter the basic benefits and burdens of the Parties, and without invalidating such provision or its application in any other jurisdiction. INCLUDING, BUT NOT LIMITED TO, BUYER'S PROVIDING SELLER WITH INFORMATION RELATING TO THE PERIOD PRIOR TO CLOSING THAT IS AVAILABLE IN THE STATION'S COMPUTER SYSTEMS AND THAT SELLER MAY REQUIRE TO COMPLETE TAX RETURNS, FORMS W-2 AND 1099, AND OTHER YEAR-END DOCUMENTS.

12.11 **Facsimile; Counterparts.** This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and all of which together constitute one and the same agreement. Facsimile and .pdf signatures to this Agreement shall be acceptable and binding.

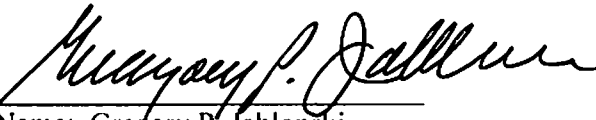
**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT**

**IN WITNESS WHEREOF**, the Parties have duly executed this Agreement as of the date first above written.

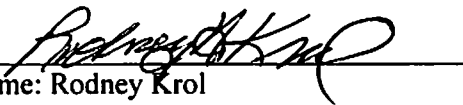
**SELLER:**

**THE LIVINGSTON RADIO COMPANY**

By:   
Name: Gregory P. Jablonski  
Title: President

**BUYER:**

**KROL COMMUNICATIONS INC.**

By:   
Name: Rodney Krol  
Title: President

## **SCHEDULES**

- 1.1(a) FCC & Other Governmental Authorizations
- 1.1(b) Tangible Personal Property
- 1.1(c) Real Property Interests
- 1.1(d) Assumed Contracts
- 1.1(e) Intangible Property
- 1.7 Barter and Trade Agreements
- 1.8 Purchase Price Allocation Schedule
- 3.11 Required Consents
- 3.13 Seller's Phase I environmental study
- 7.4 Transmitter Site Lease

Schedule 1.1(a)  
FCC & Other Governmental Authorizations

FCC Broadcast License File No. BLH-19980911KF

FCC Broadcast License renewal authorization File No. BRH-20120523ABZ

Auxiliary licenses:

WLF499 (studio-transmitter link)

BLP00962 (wireless microphone)

Schedule 1.1(b)  
Tangible Personal Property

**Group: 160 Buildings**

Asset	Property Description	Date in Service
333	Building	11/1/2001
424	20 Foot Addition to 60 Ft St	10/13/2003
429	Box Sign on Grand River	11/25/2003
430	Reinforcement Materials	12/10/2003
432	Flag Pole & Sign Structure	2/24/2004
435	Power Cabling to Sign on	5/25/2004

**Group: 165 FM Facilities-H TWP**

Asset	Property Description	Date in Service
306	Composite Clipper-Mod Sci	7/1/1983
308	Generator System-General	1/29/1996
309	Interface Panels-Burk	5/19/1998
310	Interface Panels-Burk	5/19/1998
311	Mod Monitor-Harris	7/1/1977
312	Mon Amp-BGW	7/1/1992
313	R/Cemote Control-Burk	5/19/1998
314	Rack-Harris	7/1/1998
315	Show Booth-R. Gari Signs	4/19/2000
316	STL Antenna-Scala	9/21/1998
317	STL Antenna (Storage)-Sca	1/1/1996
318	STL RX-Moseley	7/1/1986
319	STL RX-Moseley	5/23/1994
320	Surge Protector-EFI	3/18/1996
321	Temp Sensor System-Burk	5/19/1998
325	FM Antenna (Storage)-ERA	1/24/1991
326	FM Antenna (In Use)-ERI	9/21/1998
329	Transmitter-Harris	6/17/1998
331	VOM-Simpson	7/1/1977
332	Wattmeter-Bird	6/11/1998

**Group: 169 Furnishings**

Asset	Property Description	Date in Service
297	Cabinet-Leemet	11/20/2001
298	Cabinet-Leemet	11/20/2001
299	Office Furniture-Steel Cas	11/16/2001

300	Office Furniture-Knoll	11/7/2001
301	Tech. Furniture-Woodline	10/1/2001
302	Blinds	2/6/2002
303	Refrigerator-Frigidaire	9/12/2001
339	Art Work	2/20/2002
340	Floor Mats	2/26/2002
341	Conference Table	2/21/2002
342	Lindhout Associates-Dec	2/13/2002
345	Blinds	3/5/2002
346	Silk Flowers	3/25/2002
347	Bathroom Accessories	3/25/2002
351	Hal-Mark Ceiling & Partite	4/1/2002
355	Allied Office Interiors	11/16/2001
357	Art Work	2/25/2002
359	Picnic Table	5/28/2002
364	Art Work-Norma Gray	5/29/2002
365	Art Work-Norma Gray	5/29/2002
370	Art Work-Sitting Santa	6/24/2002
371	Cabinet-Leemet	5/13/2002
372	Cabinet-Leemet	5/13/2002
373	Cabinet-Leemet	5/13/2002
374	Cabinet-Leemet	5/13/2002
375	Cabinet-Leemet	2/20/2002
376	Consulting Services-Dec	11/1/2001
396	Art Work-Wooden Bowl	4/15/2002
402	VCR/TV Cabinet	10/18/2002
406	"Bowl of Apples" Painting	10/23/2001
407	"Cougar Original" Painting	9/30/2002
408	"To Everything There is A	10/8/2002
409	"Canyon Walls" Painting	10/8/2002
410	"Angelic Watch"	10/8/2002
411	Homogenas-Painting	9/26/2002
412	Rakuleaf (4) Painted Leav	9/26/2002
422	Art Work	8/26/2003
423	Art Work-Glitter Fintail	9/30/2003
425	CIAO Amicis Oil, Jerry Hosi	10/7/2003
426	Copper Leaves Mixed Medl	10/7/2003
431	Artwork Frame Print-Paul	1/26/2004



**Group: 170 Office Equipment**

Asset	Property Description	Date in Service
296	Phone System-Nortel	11/5/2001
494	Canon Printer CCN07U	10/1/2012
495	Color Printer	12/17/2012

**Group: 171 Technical Equipment**

Asset	Property Description	Date in Service
1	Antenna-Scala	7/26/2001
2	Antenna-Scala	7/26/2001
3	Antenna-Scala	7/26/2001
4	Antenna-Scala	7/26/2001
5	Antenna-Scala	7/26/2001
6	Audio Amplifier-Symetrix	7/1/1990
7	Audio Amplifier-Symetrix	7/1/1990
8	Audio Amplifier-Symetrix	7/1/1990
10	Audio Analyzer-Potomac	2/24/1987
11	Audio Console-Auditronic	7/1/1993
12	Audio Console-Auditronic	1/19/2000
13	Audio Console-Auditronic	10/19/1999
14	Audio Console-Auditronic	7/1/1999
15	Audio Console-Auditronic	12/26/1996
16	Audio Generator-Potomac	2/24/1987
17	Audio Monitor Panel	10/29/2001
18	Audio Processor-Aphex	9/22/1999
19	Audio Processor-Texar	7/1/1998
20	Audio Processor-Texar	7/1/1998
21	Audio Processor	7/1/1980
22	Audio Processor-Orban	7/1/1995
23	Audio Switcher-Broadcast	10/1/2001
24	Audio Switcher-Broadcast	10/1/2001
25	Audio Switcher-Broadcast	10/1/2001
26	Audio Switcher-Broadcast	10/1/2001
27	Audio Switcher-Broadcast	10/1/2001
28	Audio Switcher-Broadcast	10/1/2001
29	Audio Switcher-Broadcast	10/1/2001
30	Audio Switcher-Broadcast	10/1/2001
31	Audio Switcher-Broadcast	10/1/2001
32	Audio Switcher-Broadcast	10/1/2001
33	Audio Switcher-Broadcast	10/1/2001

34	Audio Switcher	10/1/2001
35	Audio Switcher-Broadcast	10/1/2001
36	Audio Switcher-Broadcast	10/1/2001
37	Audio XFMR-Potomac	2/24/1987
38	Audio XFMR-Potomac	2/24/1987
39	Cassette Machine-Tascam	5/20/1992
40	Cassette Machine-Tascam	9/25/1992
41	Cassette Machine-Tascam	10/27/1992
42	CD Player-Denon	3/8/2001
43	CD Player-Harris	3/8/2001
44	CD Player-Harris	7/3/1996
45	CD Player-Harris	7/3/1996
46	CD Player-Audio Metrics	7/12/1994
47	CD Player-Denon	3/8/2001
48	CD Player-Harris	3/8/2001
49	CD Player-Harris	3/8/2001
50	CD Player-Audio Metrics	3/8/2001
51	CD Player-Audio Metrics	4/10/1999
52	CD Player-Harris	3/8/2001
53	CD Player-Harris	3/8/2001
54	CD Recorder-Tascam	5/31/2000
60	Compressor Limiter-DBX	5/21/1996
61	DAT Machine-Sony	5/21/1996
62	DAT Machine-Sony	5/21/1996
63	DAT Machine-Sony	10/1/2001
66	Digital Editor-Roland	4/1/1996
67	Digital Editor-360 Systems	6/1/2000
68	Digital Editor-Pro Tools	9/28/2001
69	Digital Editor-Pro Tools	9/28/2001
70	Display Panel-Sine Systems	10/1/2001
72	Distribution Amplifier-Ra	9/17/1997
73	Distribution Amplifier-At	10/9/2001
74	Distribution Amplifier-At	10/9/2001
75	Distribution Amplifier-At	10/1/2001
76	Distribution Amplifier-At	10/1/2001
77	Distribution Amplifier-At	10/1/2001
78	Distribution Amplifier-At	10/1/2001
79	Distribution Amplifier-At	10/1/2001
80	Distribution Amplifier-At	10/1/2001
81	Distribution Amplifier-At	10/1/2001
82	Distribution Amplifier-At	10/1/2001
83	Distribution Amplifier-At	7/1/2001

84	Distribution Amplifier-At	7/1/2001
87	Equalizer-Urei	7/1/1985
88	Equipment Track, Plug Stri	6/26/2001
89	Equipment Track, Plug Stri	6/26/2001
90	Equipment Track, Plug Stri	6/26/2001
91	Equipment Track, Plug Stri	6/26/2001
92	Equipment Track, Plug Stri	6/26/2001
94	Headphone Amplifier-Sym	10/17/2000
95	Headphones w/Mics	12/4/2000
96	Headphones w/Mics	12/4/2000
98	LNB	8/27/2001
101	Mic Processor-Valley	11/30/2001
102	Mic Processor-Valley	11/30/2001
119	Microphone-Electrovo	7/1/1986
120	Microphone-EV	3/8/2001
121	Microphone-EV	3/8/2001
122	Microphone-EV	9/25/2001
123	Microphone-EV	9/25/2001
124	Microphone-EV	9/25/2001
125	Microphone-EV	9/25/2001
126	Microphone-EV	9/25/2001
127	Microphone-EV	9/25/2001
128	Microphone-EV	9/25/2001
129	Microphone-EV	9/25/2001
130	Microphone-EV	9/25/2001
131	Microphone-Shure	2/5/2001
133	Mini Disc-Sony	1/26/2001
135	Mini Disc-Sony	7/5/2001
136	Mini Disc-Sony	7/5/2001
137	Mini Disc-Sony	7/5/2001
138	Mini Disc-Sony	7/5/2001
145	Monitor Amp-BGW	7/1/1985
146	Monitor Amplifier-Hafler	6/26/2001
147	Monitor Amplifier-Hafler	6/26/2001
148	Monitor Amplifier-Crown	3/8/2001
149	Monitor Amplifier-Hafler	6/26/2001
150	Monitor Arm-300S	11/8/2001
151	Monitor Arm-Ergotron	11/8/2001
152	Monitor Arm w/Ext Arms	11/8/2001
153	Monitor Arm w/Ext Arms-E	11/8/2001
154	NOAA Receiver-TFT	12/6/2001
156	Portable Mini Disc-Sony	8/27/2001

157	Portable Mini Disc-Sony	3/16/2001
158	Reel to Reel-Otari	7/1/1985
159	Reel to Reel-Otari	7/1/1992
160	Remote Control-Burk	5/19/1998
161	RF AM-Harris	7/1/1977
163	Satellite Dish-Comtech	8/27/2001
164	Speaker-Tannoy	6/26/2001
165	Speaker-Tannoy	6/26/2001
166	Speaker-Tannoy	6/26/2001
167	Speaker-Tannoy	6/26/2001
168	Speaker-Tannoy	6/26/2001
169	Speaker-Tannoy	6/26/2001
170	Speaker-Tannoy	6/26/2001
171	Speaker-Tannoy	6/26/2001
175	Studio Transmitter Link	7/1/1986
176	Studio Transmitter Link-M	5/23/1994
177	Telephone Hybrid-Gentne	3/8/2001
178	Telephone Hybrid-Gentne	3/8/2001
180	Telephone Hybrid	3/8/2001
181	Telephone System-Gentne	10/4/2000
182	Tuner-Rolls	1/12/2001
185	UPS System-Best	9/11/2001
187	Weather Alert Receiver-G	9/30/1994
188	Wireless Microphone-Shu	7/30/1997
304	STL-Scala	7/1/1986
305	Tower-ERI	7/1/2001
343	2 Head cassette Deck Bala	3/5/2002
344	Audio Monitor Panel	2/4/2002
348	Master Clock, Serial Time	4/1/2002
352	Microphone	3/8/2002
353	Microphone	3/8/2002
354	Mini Disc-Sony	2/4/2002
362	General Purpose Interface	5/20/2002
366	Custom Components-Mon	6/4/2002
368	4" 100 Minute Updown Time	6/24/2002
369	Sound Deadening Panel-A	6/24/2002
386	Satellite Dish & Receiver	3/20/2002
387	Master Clock	2/7/2002
388	Console Mounted Clock	2/7/2002
389	Console Mounted Clock	2/7/2002
390	Wall Mounted Clock	3/20/2002
391	Wall Mounted Clock	3/20/2002

392	Desk Top Clock	2/7/2002
393	Power Amplifier-Hafler	5/13/2002
394	Microphone Processor-Sy	5/9/2002
397	Digital Slave Remote Display	7/1/2002
398	Line Surge Protector-Ploy	7/15/2002
405	Portable Mini Disc Recorder	9/9/2002
415	Portable Remote Mixer	3/3/2003
416	Portable Remote Mixer	3/3/2003
418	Gentner DH-30 Digital Hyb	4/1/2003
419	Portable Mini Disc Recorder	7/2/2003
420	Omnidirectional Machine	7/2/2003
421	Shotgun Microphone	7/7/2003
428	RDS/RBDS Decoder/Reader	10/17/2003
437	EV Speakers w/ Stand Adaptor	7/28/2004
443	EV Speakers	9/1/2004
444	Honda EX4500SKIA 4500 Watt	10/22/2004
447	Solid State Recorder	3/11/2005
451	Digit FM Exciter	6/20/2005
453	Portable Mini Disc Player	8/23/2005
457	Digital Cellcast w/GSM	2/22/2006
460	Long Shotgun Microphone	11/20/2006
468	CD Recorder	5/20/2008
469	3 Professional Field Recorders	8/12/2009
470	RDS/RBDS Radio Data Encoder	9/28/2010
471	SD/USB Solid State Recorder	12/3/2010
472	9 SD/USB Solid State Recorders	12/15/2010
473	Pro CD Player, Balanced C	12/22/2010
474	EAS Encoder/Decoder	5/17/2011
485	Composite Processor	10/12/2011
486	Optimod	10/25/2011
487	Mic Preamp/Processor	10/28/2011
488	Portable Codec	11/7/2011
489	Rackmount Stereo IP/Pots	11/7/2011
490	5 Channel Stereo Mixer	11/7/2011
491	CD Recorder	12/28/2011
492	FM Off-Air Modulation Mo	3/19/2012
493	Optimod	8/28/2012
496	CD Recorder	11/12/2012
497	CD Recorder	11/16/2012
498	Power Amplifier	11/26/2012
499	Portable Codec w/ USB	12/10/2012
501	MOS-PCL6066SYS	4/3/2013

502	Internet Radio Monitor	5/1/2013
503	FM Off-Air Modulation Mo	2/4/2013
504	Solid State Recorder/Player	1/31/2013
506	Cummins Generator	5/16/2014
507	ENCO System	6/4/2014

**Group: 173 Office Computers**

Asset	Property Description	Date in Service
217	Laserjet Printer-Hewlett	9/19/2001
384	Internet Router	5/28/2002
385	Computer Services-Wym	5/28/2002
465	Computer Equipment	4/25/2007
475	Computers	6/29/2011

**Group: 175 Vehicles**

Asset	Property Description	Date in Service
433	Trailer-Box that Rocks	4/15/2004
442	Improvements to Box That	9/30/2004
467	GMC Yukon	3/17/2005
500	Ford Focus	12/5/2012
508	2010 Dodge Caliber, 4 DR Ha	5/1/2015

Schedule 1.1(c)  
Real Property Interests

A. Leased Real Property

None

B. Owned Real Property

1277 Parkway Dr., Howell, MI 48843  
Parcel number 4711-09-100-021

See also Group 160 listed in Schedule 1(b).

Schedule 1.1(d)  
Assumed Contracts

	Start	End
Pitney Bowes (postage meter and scale)	12/29/2010	12/31/2016
Alan's Asphalt Maintenance Contract	4/24/2015	N/A
AP Radio Member Agreement	9/10/2012	9/9/2016
Arbitron PPM Encoding Agreement	1/23/2008	1/23/2018
Classic Rock Splat Image Package	6/7/2013	None
Clinical Engineering Contract	8/23/2011	N/A
Comcast Business Internet and TV (renewal)	11/25/2014	N/A
Constellation Electric Contract	12/8/2014	12/4/2017
Constellation Gas Contract	10/1/2014	10/1/2016
Copyright Royalty Board	5/1/2014	N/A
Delta Dental Contract	4/1/2015	4/1/2016
Evergreen Outdoor Contract	11/1/2014	4/30/2015
Firstcom Music Agreement	8/1/2012	7/31/2015
Jim Cutler Voiceovers Agreement	3/1/2013	2/28/2015
Latson Lawn Service Contract	3/2/2015	12/31/2015
Marketron Agreement	3/1/2012	2/28/2017
Modern Lawn and Tree Contract	4/28/2015	N/A
MWX Inc. Amendment	3/26/2011	3/25/2012
MWX Inc. Service Agreement	3/19/2007	N/A
Pennington Gas Contract	3/5/1996	Year to Year
Priority Health Group Agreement	4/1/2015	4/1/2016
Radioscope 2015 Agreement	5/1/2015	4/30/2030
RCS Sound Software	9/1/2008	9/1/2011
Republix Services	4/4/2014	4/4/2017
Rocket Enterprise Flag Contract	4/26/2004	None
Snocountry Mountain Reports Agreement	12/2/2013	2/28/2014
Superior Industrial Service Contract-Studio	12/1/2014	12/1/2017
Superior Industrial Service Contract-Transmitter	12/1/2014	12/1/2017
Surfer Network Agreement	7/21/2014	7/21/2015
Trane Service Agreement	4/7/2015	Year to Year
Troy Research	1/1/2015	12/31/2015
United Stations Live in Concert Agreement	4/1/2012	Year to Year
United Stations The Classics Agreement	4/1/2012	Year to Year
United Stations Time Warp Agreement	3/12/2012	Year to Year
United Stations Acoustic Storm Agreement	4/1/2012	Year to Year
Unum Life Insurance Amendment	7/1/2014	N/A



Schedule 1.1(e)  
Intangible Property

1. Uniform Resource Locators (URLs) (through Network Solutions):

whmi.com (expires 2-20-26)  
whmi2.com (expires 4-25-17)  
whmi3.com (expires 4-25-17)  
whmi93-5.com (expires 4-25-17)  
livingstoncountysown.com (2-24-17)  
clickonlivingston.com (expires 7-24-17)  
clicklivingston.com (expires 7-18-17)

2. Post Office Box Number

3.

Post Office Box 935, Howell, MI 48844 (through U.S. Postal Service)

4. Telephone Numbers

a. Through AT&T:

517-546-9935

888-WHMI-935 (888-946-4935)

888-935-TIPS (888-935-8477)

b. Through Verizon:

\*0935 (abbreviated mobile telephone dialing code)

5. Website Design

whmi.com (design through Network Services Group)

6. WHMI Apps

For Apple (through SurferNetwork and Apple)

For Android (through SurferNetwork)

7. Social Media Accounts:

Facebook (morning show)

Facebook (news)

Twitter

8. Logo Design (including variations)



9. Residual marketing value (if any) of hot air balloon with WHMI logo (owned and operated by Renaissance Balloons)



10. Chocolate bar mold with WHMI logo (through Sweet Sensations)
11. Slogans (including variations)

Livingston County's Own  
Classic Hits & Local Information

12. "Doing Business As"

WHMI FM 93.5 (through State of Michigan)

13. Special Michigan license plate numbers:

GMC Yukon: WHMI935  
Dodge Caliber: WHMI3  
Ford Focus: WHMI4

The following disclosure made pursuant to Section 3.17 does not impair Buyer's right to indemnification pursuant to Section 10.2(b): Seller received a letter dated November 21, 2011, from Mission Abstract Data, LLC ("MAD"), asserting that the Station's operation required a license from MAD to use certain patents for methods for programming audio systems for radio where music is stored in a database and recalled for broadcast. Seller responded on December 7, 2011, declining to take a license noting court actions declaring the patents to be invalid. Seller subsequently received a letter dated May 30, 2012, from IPMG, AG, a patent licensing company, again offering a license under MAD patents. Seller did not respond to the latter letter.

Schedule 1.7  
Barter and Trade Agreements

(To be provided prior to Closing.)

Schedule 1.8  
Purchase Price Allocation Schedule  
(To be agreed upon prior to Closing)

Schedule 3.11  
Contracts Requiring Notice or Consent

Except as may be waived by Buyer on a case-by-case basis at Buyer's discretion, consents shall be delivered at Closing for all of the contracts on the following list that require consent for assignment.

Contract
Pitney Bowes (postage meter and scale)
AP Radio Member Agreement
Arbitron PPM Encoding Agreement
Constellation Electric Contract
Constellation Gas Contract
Firstcom Music Agreement
Marketron Agreement
Priority Health Group Agreement
RCS Sound Software
Surfer Network Agreement
Troy Research
United Stations Live in Concert Agreement
United Stations The Classics Agreement
United Stations Time Warp Agreement
United Stations Acoustic Storm Agreement

Schedule 3.13  
Seller's Phase 1 Study

(Site Assessment Transaction Screen has been delivered separately by Seller to Buyer.)

Schedule 7.4  
Transmitter Site Lease

(To be agreed upon prior to Closing)