

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is made as of July 6, 2015, between West Central Michigan Media Ministries, a Michigan nonprofit corporation (“Buyer”), and Spring Arbor University, a Michigan nonprofit corporation (“Seller”).

WHEREAS, Seller holds the licenses for Radio Station KTGG(AM), Okemos, Michigan (Facility ID Number 61993), and FM Translator W284AH, Lansing, Michigan (Facility ID Number 77818) (the “Stations”), issued by the Federal Communications Commission (the “FCC”); and

WHEREAS, subject to the terms and conditions set forth herein, Seller desires to assign the Stations’ FCC licenses, permits and other authorizations and sell certain assets used and useful in connection with the Stations and Buyer desires to purchase and accept such licenses, permits, authorizations and certain assets.

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

1. Station Assets. Seller agrees to assign, transfer, convey and deliver to Buyer, and Buyer shall acquire from Seller, the right, title, and interest of Seller in and to certain assets, properties, interests and rights of Seller, tangible and intangible, which are used in the operation of the Stations (the “Assets”), as follows:
 - (a) all licenses, permits and other authorizations or other governmental authority with respect to the Stations held by Seller (the “Licenses”), listed on Schedule 1(a);
 - (b) certain tangible personal property of the Seller used in the operation of the Stations (the “Tangible Personal Property”) listed on Schedule 1(b); and
 - (c) the call signs of the Stations and certain other intellectual property used in the operation of the Stations (the “Intangible Property”) listed on Schedule 1(c).
2. Purchase Price. The purchase price to be paid for the Assets will be Two Hundred Thirty Thousand Dollars (\$230,000), as adjusted pursuant to Section 4 hereof (the “Purchase Price”).
3. Deposit. Upon execution and delivery of this Agreement, Buyer shall deposit with Donald E. Martin, Esq. (“Escrow Agent”), attorney for Buyer, the amount of Twenty-Three Thousand Dollars (\$23,000) (the “Deposit”) to be held in escrow in accordance with an Escrow Agreement to be executed by Buyer, Seller and Escrow Agent. At the Closing, the Deposit shall be delivered by Escrow Agent to Seller as a credit against the Purchase Price.
4. Prorations and Adjustments. All prepaid and deferred expenses arising from the operations of the Stations shall be prorated as of 11:59 p.m. of the Closing Date, as defined below. The prorations and adjustments contemplated by this Section 4 shall be made to the extent practicable at the Closing, and to the extent not made at the Closing shall be made within thirty (30) calendar days after the Closing Date.

5. Closing. Subject to satisfaction or waiver of the conditions set forth herein, consummation of the sale of the Assets under this Agreement (the “Closing”) shall occur on the date (the “Closing Date”) that is the later of either (i) November 30, 2015, or (ii) within five (5) business days after the grant of FCC Consent (as defined below) having become a Final Order (as defined below).

6. FCC Consent. The Closing is subject to and conditioned upon prior FCC consent (the “FCC Consent”) to the assignment of the FCC Licenses to Buyer, and, unless waived by Buyer, the FCC Consent having become a Final Order. “Final Order” means an action by the FCC as to which: (a) no request for stay by the FCC is pending, no such stay is in effect, and any deadline for filing a request for any such stay has passed; (b) no appeal, petition for rehearing or reconsideration, or application for review is pending before the FCC and the deadline for filing any such appeal, petition or application has passed; (c) the FCC has not initiated reconsideration or review on its own motion and the time in which such reconsideration or review is permitted has passed; and (d) no appeal to a court, or request for stay by a court, of the FCC’s action is pending or in effect, and the deadline for filing any such appeal or request has passed.

7. FCC Application. Within ten (10) business days after the date of this Agreement, Seller and Buyer shall file an application with the FCC (the “FCC Application”) requesting the FCC Consent. Seller and Buyer shall diligently prosecute the FCC Application and otherwise use their best efforts to obtain the FCC Consent as soon as practicable.

8. Buyer’s Representations and Warranties. Buyer makes the following representations and warranties to Seller:

(a) Buyer is duly organized, validly existing and in good standing under the laws of the State of Michigan. Buyer has the requisite power and authority to execute and deliver this Agreement and to comply with the terms, conditions and provisions hereof.

(b) The execution, delivery and performance of this Agreement by Buyer have been duly authorized and approved by all necessary corporate action of Buyer. This Agreement is a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except (i) as may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally, and (ii) as such enforceability is subject to general principles of equity.

(c) Other than Jon R. Yinger, whose fee will be paid by Seller, no broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyer.

(d) Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Stations under the Communications Act of 1934, as amended, and the rules, regulations, and policies of the FCC.

(e) There are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations pending against, or, to Buyer’s knowledge,

threatened against, Buyer relating to or affecting this Agreement or the transactions contemplated hereby.

9. Seller's Representations and Warranties. Seller makes the following representations and warranties to Buyer:

(a) Seller is duly organized, validly existing and in good standing under the laws of the State of Michigan. Seller has the requisite power and authority to execute and deliver this Agreement and to comply with the terms, conditions and provisions hereof.

(b) The execution, delivery and performance of this Agreement by Seller have been duly authorized and approved by all necessary corporate action of Seller. This Agreement is a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except (i) as may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally, and (ii) as such enforceability is subject to general principles of equity.

(c) The Licenses are held by Seller, and have been issued for the full terms customarily issued to radio stations in the State of Michigan. The Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. The construction period with respect to the construction permit to modify the facilities of Station KTGG (BP-20080124ACW) (the "KTGG Construction Permit") is tolled as of the date of this Agreement with 456 days remaining on the permit prior to expiration. W284AH is silent pursuant to a Special Temporary Authorization in File No. BLSTA-20150610AAU which expires December 28, 2015. There are no complaints, investigations or proceedings pending or, to the knowledge of Seller, threatened before the FCC relating to the operation of the Stations other than those affecting the broadcasting industry generally. Seller is not subject to any outstanding judgment or order of the FCC relating to the Stations. Seller has operated and is operating in material compliance with all laws, regulations and governmental orders applicable to the operation of the Stations.

(d) Seller has good and valid title to all Tangible Personal Property listed in Schedule 1(b), free and clear of all liens and encumbrances. All of the items of Tangible Personal Property are of types, kinds and/or designs in accordance with standard industry practices and are in good operating condition and repair, unless otherwise indicated on Schedule 1(b).

(e) No insolvency proceedings of any character, including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or any of the Assets, are pending or, to Seller's knowledge, threatened, and Seller has not made any assignment for the benefit of creditors or taken any action which would constitute the basis for the institution of such insolvency proceedings.

(f) Jon Yinger has acted as broker for Seller in connection with the transactions provided for in this Agreement. Seller shall be solely responsible for any fees due to Mr.

Yinger. No other broker, finder or person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller.

(g) There are no suits, arbitration, administrative charges or other legal proceedings, claims or governmental investigations pending, or, to Seller's knowledge, threatened against Seller relating to or affecting this Agreement or the transactions contemplated hereby.

10. Buyer's General Covenants. Buyer covenants and agrees that between the date hereof and the Closing, Buyer shall:

(a) maintain its qualifications to be the licensee of the Stations as set forth in Section 8 above;

(b) take necessary steps as required to be able to pay the Purchase Price and otherwise consummate this transaction; and

(c) notify the Seller promptly of any event, circumstance or occurrence which will interfere with the prompt consummation of this transaction at Closing.

11. Seller's General Covenants.

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

(a) Dispositions. Sell, assign, lease or otherwise transfer or dispose of any Asset, or entertain or solicit offers for the sale, assignment, lease or other transfer or disposition of any Asset, in each case, other than in the ordinary course of business;

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

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

(d) Actions Affecting Licences. Take any action that would be reasonably expected to jeopardize the validity or enforceability of or rights under the FCC Licenses; and

(e) Encumbrances. Mortgage, pledge or subject any of the Assets to any Encumbrance.

11.2 Affirmative Covenants. Pending and until the Closing, Seller shall:

(a) Maintenance of Licenses. Maintain all of the Licenses in full force and effect, including the KTGG Construction Permit, and further including maintain the KTGG Construction Permit in a continuously tolled status, and return W284AH to the air prior to the expiration of the Special Temporary Authorization to remain silent;

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

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

(d) Notification. Notify Buyer of any complaints, investigations, hearing or any material litigation pending or threatened against one or both of the Stations or any material damage to or destruction of any assets included or to be included in the Assets.

12. Joint Covenants. Seller and Buyer hereby covenant and agree that between the date hereof and the Closing they shall cooperate fully with each other in taking any reasonable actions (including to obtain the required consent of any governmental instrumentality or any third party) necessary to accomplish the transactions contemplated by this Agreement, including, but not limited to, the prompt satisfaction of any condition to the Closing set forth herein.

13. Seller's Conditions to Closing. The obligations of Seller hereunder are, at its option, subject to satisfaction at or prior to the Closing of each of the following conditions:

(a) The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and the covenants and agreements to be complied with and performed by Buyer at or prior to the Closing shall have been complied with or performed in all material respects.

(b) The FCC Consent shall have been obtained, shall be in full force and effect and shall have become a Final Order, and no court, administrative or governmental order prohibiting the Closing shall be in effect.

(c) Buyer shall have made each of the deliveries contemplated by Section 15 hereof or otherwise reasonably required by this Agreement.

14. Buyer's Conditions to Closing. The obligations of Buyer hereunder are, at its option, subject to satisfaction at or prior to the Closing of each of the following conditions:

- (a) The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and the covenants and agreements to be complied with and performed by Seller at or prior to the Closing shall have been complied with or performed in all material respects.
- (b) The FCC Consent shall have been obtained, shall be in full force and effect and shall have become a Final Order, and no court or governmental order prohibiting the Closing shall be in effect.
- (c) Seller shall have made each of the deliveries contemplated by Section 15 hereof or otherwise reasonably required by this Agreement.

15. Closing Deliveries. At the Closing, Seller shall deliver or cause to be delivered to Buyer: such bills of sale, documents of title and other instruments of conveyance, assignment and transfer as may reasonably be requested by Buyer to convey, transfer and assign the Assets to Buyer, free and clear of liens. At the Closing, Buyer shall deliver the Purchase Price, less the Deposit, as adjusted pursuant to Section 4 hereof, and shall cause the Escrow Agent to deliver the Deposit to Seller.

16. Survival. The covenants, agreements, representations and warranties in this Agreement shall expire on the first anniversary of the Closing, with the exception of: (i) the indemnification obligations of Seller and Buyer under Section 17 hereof with respect to Claims (as defined below) made by third parties against Buyer or Seller, as applicable, shall survive for two (2) years; (ii) those Claims made under Section 17 that relate to Buyer's Damages or Seller's Damages (as defined below), as applicable, for which timely written notice is given by the indemnified party to the indemnifying party prior to expiration of this survival period, shall survive until resolved.

17. Indemnification. From and after the Closing, Seller shall defend, indemnify and hold harmless Buyer from and against losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Buyer's Damages") incurred by Buyer arising out of or resulting from: (a) any failure by Seller to perform any covenant or agreement contained in this Agreement, or any other breach or default by Seller under this Agreement; and (b) the operation of the Stations before the Closing. From and after the Closing, Buyer shall defend, indemnify and hold harmless Seller from and against losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Seller's Damages") incurred by Seller arising out of or resulting from: (y) any failure by Buyer to perform any covenant or agreement contained in this Agreement, or any other any breach or default by Buyer under this Agreement; and (z) the operation of the Stations after the Closing. The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder on the part of the indemnifying party (a "Claim"), but a failure to give such notice or a delay in giving such notice shall not affect the indemnified party's right to

indemnification and the indemnifying party's obligation to indemnify as set forth in this Agreement, except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced.

18. Termination. This Agreement may be terminated at any time prior to the Closing as follows:

- (a) by mutual written consent of Seller and Buyer;
- (b) by written notice of Seller to Buyer if Buyer breaches in any material respect any of its representations or warranties or other terms of this Agreement, or defaults in any material respect in the performance of any of its covenants or agreements herein contained, and such breach or default is not cured within the Cure Period (as defined below);
- (c) by written notice of Buyer to Seller if Seller breaches in any material respect any of its representations or warranties or other terms of this Agreement, or defaults in any material respect in the performance of any of its covenants or agreements herein contained, and such breach or default is not cured within the Cure Period; or
- (d) by written notice of Seller to Buyer, or Buyer to Seller, if the FCC Consent shall not have been received on or before the date which is 270 days after the FCC Application is filed, if the party giving notice is not then in default hereunder.

The term "Cure Period" as used herein means a period commencing on the date that a party receives from the other party written notice of breach or default hereunder and continuing for twenty (20) days thereafter.

19. Damages upon Termination. 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. Upon termination under Section 18 (a), (c), or (d), this Agreement shall be deemed null and void and the Deposit shall be returned by Escrow Agent to Buyer and neither party will have any further liability or obligation to the other. Upon termination under Section 18 (b), due to default of the Buyer, this Agreement shall be deemed null and void and Seller shall be entitled to receive a distribution from Escrow Agent of the Deposit as liquidated damages, which will be Seller's exclusive remedy. If this Agreement is terminated pursuant to Section 18 (c) due to the default of Seller, Buyer may, as an alternative to return of the Deposit, bring an action for specific performance, Seller hereby acknowledging that the Assets are of a special, unique and extraordinary character, and that monetary damages would not be sufficient to compensate Buyer under such circumstances.

20. Expenses. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement, except that filing fees, if any, with respect to the FCC Application shall be paid equally by Seller and Buyer.

21. Assignment. Neither party may assign any of its rights or obligations under this Agreement, without the express prior written consent of the non-assigning party.

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

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

24. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Michigan applicable to contracts made and to be fully performed therein, without giving effect to the choice of law provisions thereof that may require the application of the laws of any other state.

25. Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, and shall be deemed to have been received on the date of personal delivery, on the third day after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid and return receipt requested, on the day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery (or to such other address as any party may request by written notice):

If to Seller:

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

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

Fletcher, Heald & Hildreth, PLC
1300 North 17th Street, Suite 1100
Arlington, VA 22209
Attention: Matthew H. McCormick, Esq.

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

Marcoux, Allen, Bower, Nichols &
Kendall, P.C.
145 South Jackson Street\
Jackson, MI 49201
Attention: Diane Y. Bower, Esq.

If to Buyer:

West Central Michigan Media Ministries
P.O. Box 567
Cadillac, MI 49601
Attention: David Bolduc, President

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

Donald E. Martin, P.C.
P.O. Box 8433
Falls Church, VA 22041
Attention: Donald E. Martin, Esq.

26. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

27. No Third Party Beneficiaries. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity other than the parties hereto and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

28. Severability. The parties agree that if one or more provisions contained in this Agreement shall be deemed or held to be invalid, illegal or unenforceable in any respect under any applicable law, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted, and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby, unless such construction would alter the fundamental purposes of this Agreement.

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

30. Attorneys' Fees. In the event of a dispute relating to this Agreement involving the interpretation or enforcement of the terms of this Agreement, resulting in litigation brought by either party, the prevailing party in such litigation shall be entitled, in addition to other relief ordered by the Court, to reasonable attorneys' fees and costs.

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

32. Buyer's Acknowledgement and Seller's Consent. Buyer herein expressly acknowledges that (a) the Assets do not include a lease or other right to use (i) the present KTGG transmitter site, (ii) the site specified in the KTGG Construction Permit, or (iii) the present W284AH transmitter site; (b) simultaneously with the Closing, Buyer will need to take KTGG off the air; (c) in order to operate W284AH from its current transmitter site, Buyer will need to make its own arrangements with the site's owner; and (d) in order to operate KTGG after Closing, Buyer will need to (i) enter into a lease or similar arrangement for the use the site specified in the KTGG Construction Permit, construct the facilities specified in the KTGG Construction Permit, and file a FCC license application to cover those facilities, or (ii) file a FCC construction permit application specifying different facilities, construct those facilities after grant of the construction permit and file a FCC license application to cover those facilities. In the event Buyer, during the pendency of the FCC Application, wishes to prepare and file at its sole expense one or more construction permit applications to modify the facilities of either or both Stations, Seller consents to the filing and prosecution of each such application, provided that any grant of such an application is contingent upon the Closing taking place.

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

SELLER:

SPRING ARBOR UNIVERSITY

By: Brad Ellis
Name: Brad Ellis
Title: president

BUYER:

WEST CENTRAL MICHIGAN MEDIA MINISTRIES

By: _____
Name: _____
Title: _____

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

SELLER:

SPRING ARBOR UNIVERSITY

By: _____
Name: _____
Title: _____

BUYER:

WEST CENTRAL MICHIGAN MEDIA MINISTRIES


By: 
Name: David Bobbe
Title: President - W.C.M.M.M.

Table of Schedules

- 1(a) FCC Licenses
- 1(b) List of Tangible Personal Property
- 1(c) Intangible Property

Schedule 1.1(a)

List of Licenses, Permits and Authorizations

Station Call Sign: KTGG
Facility ID No.: 61993
Community of License: Spring Arbor, Michigan
Frequency: 1540 kHz
Most Recent Renewal File No.: BR-20120601ADC
License Expiration: 10/1/2020
Granted Construction Permit File No.: BP-20080124ACW (granted 6/5/2009; permit expiration tolled effective 3/6/2011 per 4/6/2011 tolling notification based on pending administrative review of permit grant)

FM Translator Call Sign: W284AH
Facility ID No.: 77818
Community of License: Lansing, Michigan
Frequency: 104.7 MHz
License Expiration: 10/1/2020
Pending Construction Permit File No.: BPFT-20150618AAL (pending)
Pending Special Temporary Authority File No.: BLSTA-20150610AAU (pending application to remain silent for technical reasons)

Schedule 1(b)

List of Tangible Personal Property

KTGG:

Nautel P400 (Serial Number B115) transmitter
Belair AMM-3 (Serial Number 141912) AM modulation monitor
Gentner Phoenix audio processor
Kintronics LTU-.45B ATU (May not work)

W284AH:

Bext HPT-FMR FM 20W Transposer: s/n 197
Bext Pj250 amplifier
Scala CL-FMRX/VRM/50N receive antenna
Bext 2 bay TFC1K transmit antenna
7 ft. equipment rack with locking doors
Broadcast Tools DC8A remote control
Broadcast Tools UI-4II universal interface

Schedule 1(c)

Intangible Property

Call sign “KTGG”