

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of August 27, 2004 between St. Olaf College, a non-profit Minnesota corporation ("Seller") and Minnesota Public Radio, a non-profit Minnesota corporation ("Buyer").

Recitals

A. Seller owns and operates the following noncommercial educational radio broadcast stations (collectively, the "Stations") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC"):

WCAL(FM), Northfield, MN
KMSE(FM), Rochester, MN

B. Pursuant to the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Station Assets (defined below).

Agreement

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

ARTICLE 1: SALE AND PURCHASE

1.1 Station Assets. On the terms and subject to the conditions hereof, on the Closing Date (defined below), Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller in and to all assets, properties, interests and rights of Seller, real and personal, tangible and intangible, that are used or held for use in the operation of the Stations, except the Excluded Assets (defined below) (the "Station Assets"), including without limitation the following:

(a) all licenses, permits and other authorizations issued to Seller by the FCC with respect to the Stations (the "FCC Licenses"), including those described on *Schedule 1.1(a)*, including any renewals or modifications thereof between the date hereof and Closing (defined below);

(b) Seller's equipment, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, spare parts and other tangible personal property used or held for use in the operation of the Stations, as listed on *Schedule 1.1(b)* (the "Tangible Personal Property");

(c) all of Seller's real property used or held for use in the operation of the Stations (including any appurtenant easements and improvements located thereon), including without limitation those listed on *Schedule 1.1(c)* (the "Real Property");

(d) all underwriting and similar agreements that are accompanied by Station on-air announcements entered into in the ordinary course of business that are cancelable without penalty that exist at Closing, and those operating contracts, agreements and leases that are used in the operation of the Stations and listed on *Schedule 1.1(d)* attached hereto (the "Station Contracts");

(e) the Stations' call letters and all of Seller's rights in and to the trademarks, trade names, service marks, domain names, copyrights, computer software, programs and programming material including without limitation the Stations' commercial music library, jingles, slogans, logos, and other intangible property that is used or held for use in the operation of the Stations, including without limitation those listed on *Schedule 1.1(e)* attached hereto (the "Intangible Property");

(f) Seller's rights in and to all the files, documents, records, and books of account (or copies thereof) relating to the operation of the Stations, including the Stations' local public files, programming information and studies, blueprints, technical information and engineering data, underwriting studies, marketing and demographic data, sales correspondence, lists of underwriters, credit and sales reports, and logs; and

(g) all claims (including warranty claims), deposits, prepaid expenses, and Seller's goodwill in, and the going concern value of, the Stations.

The Station Assets shall be transferred to Buyer free and clear of liens, claims and encumbrances ("Liens") except for the obligations of Seller arising after Closing under the Station Contracts and the obligations described in Sections 1.9, 1.10 and 5.5 (collectively, the "Assumed Obligations"), and statutory liens for taxes not yet due and payable (collectively, "Permitted Encumbrances").

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the following (the "Excluded Assets"):

(i) Seller's cash, cash equivalents, receivables from underwriting for announcements aired before the Adjustment Time (defined below) (the "A/R"), insurance policies, and employee benefit plans;

(ii) "Sing for Joy" and all intangible property, music and programming material associated therewith;

(iii) any duplicate CDs in the Stations' commercial music library;

(iv) all recordings of a St. Olaf choral or instrumental group (whether recorded on or off-campus) and all recordings of groups or speakers that occurred on the campus of St. Olaf College;

(v) Seller's Minneapolis studio lease at Central Lutheran Church and Northfield studio lease at the St. Olaf campus (but the equipment and other tangible personal property located at such sites shall be Station Assets and not Excluded Assets, as provided in *Schedule 1.1(b)*); and

(vi) any contract not listed on *Schedule 1.1(d)*.

1.3 Retained Liabilities. Except for the Assumed Obligations, Buyer does not assume and will not be deemed by execution and delivery of this Agreement or any agreement, instrument or document delivered pursuant to or in connection with this Agreement or otherwise by reason of the consummation of the transactions contemplated hereby, to have assumed, any liabilities, obligations or commitments of Seller of any kind, whether or not disclosed to Buyer, including, without limitation, any liability or obligation of Seller under any contracts not included in the Station Contracts (the "Retained Liabilities"). Without limiting the foregoing, the remaining payments under the marketing agreement with Minnesota History Center and all tuition benefits granted by Seller to families of WCAL employees shall be Retained Liabilities.

1.4 Purchase Price. The purchase price to be paid for the Station Assets shall be the sum of Ten Million Five Hundred Thousand Dollars (\$10,500,000), subject to adjustment pursuant to Section 1.6 (the "Purchase Price"). The Purchase Price shall be paid at Closing by wire transfer of immediately available funds pursuant to wire instruction, which Seller shall deliver to Buyer at least three (3) business days prior to Closing.

1.5 Deposit. Within three (3) business days of the date of this Agreement, Buyer shall deposit the sum of Five Hundred Thousand Dollars (\$500,000) (the "Deposit") with Bank of America (the "Escrow Agent") pursuant to an Escrow Agreement of even date herewith among Buyer, Seller and the Escrow Agent. At Closing, the Deposit shall be disbursed to Seller and applied to the Purchase Price (and any interest accrued thereon shall be disbursed to Buyer). If this Agreement is terminated by Seller pursuant to Section 10.1(c), then the Deposit and any interest accrued thereon plus any amounts provided for in Section 10.3 hereof, shall be disbursed to Seller as liquidated damages and the sole and exclusive remedy of Seller. If this Agreement is terminated for any other reason, the Deposit and any interest accrued thereon shall be disbursed to Buyer. The parties shall each instruct the Escrow Agent to disburse the Deposit and all interest accrued thereon to the party or parties entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement.

1.6 Prorations. The operation of the Stations until 11:59 p.m. on the date preceding the day of Closing (the "Adjustment Time") shall be for the account of Seller and thereafter for the account of Buyer, and underwriting revenue and Station expenses (including commissions) shall be prorated between Seller and Buyer as of the Adjustment Time in accordance with generally accepted accounting principles, and the Purchase Price shall be adjusted accordingly. Such prorations shall include all property taxes (except transfer taxes as provided by Section 11.1), music and other license fees, utility expenses, rent and other amounts under Station Contracts and similar prepaid and

deferred items. Prorations and adjustments shall be made at Closing to the extent practicable. As to those prorations and adjustments not capable of being ascertained at Closing, an adjustment and proration shall be made within ninety (90) calendar days after Closing.

1.7 Closing. The consummation of the sale and purchase of the Station Assets pursuant to this Agreement (the "Closing") shall take place on the date no later than ten (10) business days after the date that the FCC Consent (defined below) is initially granted, subject to the satisfaction or waiver of the last of the conditions required to be satisfied or waived pursuant to Articles 6 or 7 below (other than those requiring a delivery of a certificate or other document, or the taking of other action, at the Closing). The date on which the Closing is to occur is referred to herein as the "Closing Date."

1.8 FCC Consent.

(a) FCC Application. If not previously filed, then as soon as possible (but in no event later than five (5) business days after the date of this Agreement) Buyer and Seller shall file, and thereafter diligently prosecute, an application requesting FCC consent to the assignment of the FCC Licenses from Seller to Buyer (the "FCC Application"). Each party shall promptly provide the other with a copy of any pleading, order or other document served on it relating to the FCC Application, and shall furnish all information required by the FCC. The FCC's written consent to the assignment of the FCC Licenses from Seller to Buyer without conditions (other than standard conditions imposed upon all FCC License assignments) is referred to herein as the "FCC Consent."

(b) License Renewal. The current FCC License term expires April 1, 2005. Seller shall cooperate with and provide all information requested by Buyer with respect to the Stations' license renewal applications, whether before or after Closing. Without limiting the foregoing, if Closing has not occurred on or before December 1, 2004, Seller shall file FCC renewal applications with respect to the Stations not later than December 1, 2004 and thereafter diligently prosecute such applications. The parties acknowledge that under current FCC policy, either the FCC will not grant an assignment application while a renewal application is pending, or the FCC will grant an assignment application with a renewal condition. Closing is subject to renewal of the FCC Licenses for a full license term without adverse condition. If the FCC Application is granted subject to a renewal condition, then the term "FCC Consent" shall mean FCC consent to the FCC Application and satisfaction of such renewal condition.

1.9 Membership.

(a) Seller shall deliver to Buyer a list of the Stations' contributing members, or, if delivery of such list is not permitted by the Privacy Act and Seller's membership policies, promptly mail its membership regarding Buyer's intention to assume the memberships. If requested by Buyer and at Buyer's expense, Seller shall send three additional such mailings to its membership. At Closing, Seller shall assign and Buyer, if requested by the individual member, shall assume each such membership, together with those that are established after the date hereof and before Closing in the

ordinary course of the Stations' operations and identified in writing by Buyer to Seller before Closing.

(b) Membership contributions collected in the ordinary course of the Stations' operations by Seller before Closing may be retained by Seller, and by Buyer after Closing may be retained by Buyer, and are not subject to proration under Section 1.6.

1.10 CPB and PTFP. A list of grants and interim and final reports made to the Stations by, and related obligations owed by the Stations to, the Corporation for Public Broadcasting (CPB) and the Public Telecommunications Facilities Program of the U.S. Department of Commerce (PTFP) are set forth in *Schedule 1.10* attached hereto. At Closing, Seller shall assign and Buyer shall assume each such grant and such related obligations. Seller agrees to provide all reasonable assistance to Buyer so that Buyer may satisfy all grant terms, including all financial reports to CPB and/or PTFP. This obligation to assist Buyer shall survive the closing and shall continue until final close-out of such grants.

1.11 Tower Space Lease. At Closing, Buyer and Seller shall enter a tower space lease in the form of *Exhibit A* hereto, pursuant to which Seller shall lease space on the Rosemount tower for Seller's microwave equipment located thereon and used to connect to downtown Minneapolis to support telephone and backup Internet connections.

ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Buyer as follows:

2.1 Organization. Seller is duly organized, validly existing and in good standing under the laws of the State of Minnesota, and is qualified to do business in each jurisdiction in which the Station Assets are located. Seller has the requisite power and authority to own and operate the Stations, to carry on the Stations' business as now conducted by it, and to execute, deliver and perform this Agreement and the documents to be made pursuant hereto.

2.2 Authorization. The execution, delivery and performance of this Agreement and the documents to be made pursuant hereto have been duly authorized and approved by all necessary action of Seller (the "Seller Authorization") and do not require any further authorization or consent of Seller. This Agreement and the documents to be made pursuant hereto are legal, valid and binding agreements of Seller enforceable in accordance with their respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3 No Conflicts. The execution, delivery and performance by Seller of this Agreement and the documents to be made pursuant hereto does not conflict with any

organizational documents of Seller or any law, judgment, order, or decree to which Seller is subject, and does not require the consent, approval or authorization, or filing with, any third party or any court or governmental authority, except the FCC Consent, and except for counter-party consent to assign those Station Contracts designated on *Schedule 1.1(d)*.

2.4 FCC Licenses.

(a) Seller holds the FCC Licenses listed and described on *Schedule 1.1(a)*. Such FCC Licenses constitute all of the authorizations required under the Communications Act of 1934, as amended (the "Communications Act"), or the rules, regulations and policies of the FCC for the present operation of the Stations. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending or threatened any action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the FCC Licenses (other than proceedings relating to FCC rules of general applicability), and there is no order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint pending of threatened against Seller or the Stations by or before the FCC. Except as disclosed on *Schedule 1.1(a)* hereof, Seller and the Stations are in compliance with the FCC Licenses, the Communications Act, and the rules, regulations and policies of the FCC.

(b) All reports and filings required to be filed with, and all regulatory fees required to be paid to, the FCC by Seller with respect to the Stations (including without limitation all required equal employment opportunity reports) have been timely filed and paid. All such reports and filings are accurate and complete. Seller maintains public files for the Stations as required by FCC rules.

(c) The operation of the Stations do not expose workers or others to levels of radio frequency radiation in excess of the "Radio Frequency Protection Guides" recommended in "American National Standard Safety Levels with Respect to Human Exposure to Radio Frequency Electromagnetic Fields 3 kHz to 300 GHz" (ANSI/IEEE C95.1-1992), issued by the American National Standards Institute, and renewal of the FCC Licenses would not constitute a "major action" within the meaning of Section 1.1301, *et seq.*, of the FCC's rules.

2.5 Personal Property. *Schedule 1.1(b)* contains a list of all material items of Tangible Personal Property included in the Station Assets. Each item of Tangible Personal Property is in good operating condition and repair, is free from material defect or damage, is functioning in the manner and purposes for which it was intended, and has been maintained in accordance with industry standards.

2.6 Real Property. *Schedule 1.1(c)* contains a description of all real property used or held for use in the business or operation of the Stations. Seller owns fee simple title to the owned Real Property ("Owned Real Property") free and clear of Liens other than Permitted Encumbrances. *Schedule 1.1(c)* includes a description of any lease or similar agreement under which Seller is lessee or licensee of, or holds, uses or operates, any real property in the business or operation of the Stations (the "Real Property

Leases”). The Owned Real Property includes, and the Real Property Leases provide, sufficient access to the Stations’ facilities without need to obtain any other access rights. No part of any Real Property is subject to any pending or threatened suit for condemnation or other taking by any public authority. All buildings and other improvements included in the Real Property are in good operating condition and repair, and free from material defect or damage, and comply with applicable zoning, health and safety laws and codes. Seller has delivered to Buyer copies of all title insurance policies in its possession that are applicable to the Real Property.

2.7 Contracts. Each of the Station Contracts (including without limitation each Real Property Lease) is in effect and is binding upon Seller and, to Seller’s knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors’ rights generally). Seller has performed its obligations under each of the Station Contracts in all material respects, and is not in material default thereunder, and to Seller’s knowledge, no other party to any of the Station Contracts is in default thereunder in any material respect. Complete and correct copies of each Station Contract (including each Real Property Lease), together with all amendments thereto, have been delivered to Buyer by Seller.

2.8 Environmental. No hazardous or toxic substance or waste (including without limitation petroleum products) or other material regulated under any applicable environmental, health or safety law (each a “Contaminant”) has been generated, stored, transported or released (each a “Release”) on, in, from or to the assets or properties of the Stations except de minimus amounts used in the ordinary course of business in compliance with applicable law. Neither the Stations nor any of the assets or properties of the Stations are subject to any order from or agreement with any governmental authority or private party regarding any Contaminant or Release. Neither the Stations nor any of the assets or properties of the Stations include any underground storage tanks or surface impoundments, any asbestos containing material, or any polychlorinated biphenyls. Seller has not received in respect of the Stations or any assets or properties of the Stations any notice or claim to the effect that it is or may be liable as a result of the Release of a Contaminant. To Seller’s knowledge, neither the Stations nor any of their assets or properties is the subject of any investigation by any governmental authority with respect to a Release of a Contaminant.

2.9 Intangible Property. Seller has all right, title and interest in and to all trademarks, service marks, trade names, copyrights and all other intangible property necessary to the conduct of the Stations as presently operated. *Schedule 1.1(e)* contains a description of all material Intangible Property. Seller has received no notice of any claim that any Intangible Property or the use thereof conflicts with, or infringes upon, any rights of any third party (and there is no basis for any such claim of conflict). The Stations have the exclusive right to use the Intangible Property. To Seller’s knowledge, no Station programming or other material used or broadcast by the Stations infringes upon any copyright, patent or trademark of any other party.

2.10 Employees. Seller has provided Buyer a list of employees of the Stations showing the position, compensation, severance rights (if any), and accrued vacation and

sick leave (if any) of each (the "Employment Schedule"). Seller has complied with all labor and employment laws, rules and regulations applicable to the Stations' business, including without limitation those which relate to prices, wages, hours, discrimination in employment and collective bargaining, and is not liable for any arrears of wages or any taxes or penalties for failure to comply with any of the foregoing. There is no unfair labor practice charge or complaint against Seller in respect of the Stations' business pending or threatened before any court or governmental authority, and there is no strike, dispute, request for representation, slowdown or stoppage pending or threatened in respect of the Stations' business.

2.11 Station Assets. Except for the Excluded Assets, the Station Assets constitute all the assets used or held for use in the business or operation of the Stations. Seller has good and marketable title to the Station Assets, free and clear of Liens, except for Permitted Encumbrances. At Closing, Seller will transfer to Buyer good and marketable title to the Station Assets, free and clear of Liens, except for Permitted Encumbrances. Seller maintains sufficient insurance policies with respect to the Stations and the Station Assets and will maintain such policies in full force and effect until Closing. There are no liabilities associated with the Stations other than those to be paid and performed by Seller prior to Closing and the Assumed Obligations.

2.12 Compliance with Law. Seller has complied with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any court or of any foreign, federal, state, municipal or other governmental authority which are applicable to the Stations or the Station Assets. There is no action, suit or proceeding pending or threatened against Seller in respect of the Stations or the Station Assets. To Seller's knowledge, there are no claims or investigations pending or threatened against Seller in respect of the Stations or the Station Assets. Without limiting the foregoing, Seller has paid all governmental fees and changes applicable the operation of the Stations.

2.13 No Finder. Except for Patrick Communications, whose fee shall 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 Seller or any party acting on Seller's behalf.

2.14 Disclosure. With respect to Seller, the Stations and the Station Assets, this Agreement and the documents to be made pursuant hereto do not and will not contain any untrue statement of material fact or omit to state a material fact required to made in order to make the statements herein and therein not misleading in light of the circumstances in which they are made.

ARTICLE 3: BUYER REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to Seller as follows:

3.1 Organization. Buyer is duly organized, validly existing and in good standing under the laws of the State of Minnesota, and is qualified to do business in each

jurisdiction in which the Station Assets are located. Buyer has the requisite power and authority to execute, deliver and perform this Agreement and the documents to be made pursuant hereto.

3.2 Authority. The execution, delivery and performance of this Agreement and the documents to be made pursuant hereto have been duly authorized and approved by all necessary action of Buyer (the "Buyer Authorization") and do not require any further authorization or consent of Buyer. This Agreement and the documents to be made pursuant hereto are legal, valid and binding agreements of Buyer enforceable in accordance with their respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 No Conflicts The execution, delivery and performance by Buyer of this Agreement and the documents to be made pursuant hereto does not conflict with any organizational documents of Buyer or any law, judgment, order or decree to which Buyer is subject, and does not require the consent, approval or authorization, or filing with, any third party or any court or governmental authority, except the FCC Consent.

3.4 Qualification. Buyer is qualified to hold the FCC Licenses under the Communications Act and the rules, regulations and policies of the FCC as they exist on the date of this Agreement.

3.5 No Finder. 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 or any party acting on Buyer's behalf.

ARTICLE 4: SELLER COVENANTS

4.1 Covenants. From the date hereof until Closing, Seller shall:

(a) carry on the operation of the Stations and keep their books and accounts, records and files in the usual and ordinary manner in which the business has been conducted in the past;

(b) operate the Stations in accordance with the terms of the FCC Licenses and in compliance with the Communications Act, FCC rules, regulations and policies, and all other applicable laws, rules and regulations, and maintain the FCC Licenses in full force and effect and timely file and prosecute any necessary applications for renewal of the FCC Licenses;

(c) keep all Tangible Personal Property and Real Property in good operating condition (ordinary wear and tear excepted) and repair and maintain adequate and usual supplies, spare parts and other materials as have been customarily maintained in the past;

(d) preserve intact the Station Assets and maintain in effect its current insurance policies with respect to the Stations and the Station Assets;

(e) at the request of Buyer, from time to time give Buyer access during normal business hours to all of the Stations' facilities, properties, accounts, books, deeds, title papers, insurance policies, licenses, agreements, contracts, commitments, records and files, equipment, machinery, fixtures, furniture and vehicles, and all other Station Assets, and all other information concerning the Stations as Buyer may reasonably request. Any investigation or examination by Buyer shall not in any way diminish or obviate any representations or warranties of Seller made in this Agreement or in connection herewith; and

(f) not, without the prior written consent of Buyer:

(i) sell, lease, transfer, or agree to sell, lease or transfer, any Station Assets except for non-material sales or leases in the ordinary course of business of items which are replaced by assets of comparable or superior kind, condition and value;

(ii) except as may be described in the Employment Schedule, grant any raises to employees of the Stations, or enter into any contract of employment with any employee or employees of the Stations;

(iii) amend or terminate any of the Station Contracts or enter into any contract, lease or agreement with respect to the Stations except for ordinary course underwriting agreements and any other agreements entered into in the ordinary course of business that will be paid and performed in full before Closing; or

(iv) permit any representation or warranty set forth in Article 2 to become untrue or inaccurate in any material respect.

4.2 Deliveries. At Closing, Seller shall deliver to Buyer:

(a) customary written estoppel certificates (the "Estoppel Certificates") duly executed by the lessors under the Real Property Leases, in form and substance reasonably satisfactory to Buyer;

(b) commitments from a title company reasonably acceptable to Buyer to issue to Buyer at standard rates ALTA extended coverage title insurance policies with respect to the Owned Real Property (if any) and Real Property ground leases (if any) with no exceptions other than Permitted Encumbrances (the "Title Commitments");

(c) all lien search reports (showing searches in the name of Seller and the call letters of the Stations) necessary to confirm that no Liens are filed or recorded against the Station Assets in the public records of any applicable jurisdiction (the "Lien Search Reports"); and

(d) a customary Phase 1 environmental report for the owned Real Property (if any) and Real Property ground leases (if any) prepared by a company reasonably satisfactory to Buyer showing no material adverse environmental condition (the "Phase 1 Report").

ARTICLE 5: JOINT COVENANTS

5.1 Confidentiality. Subject to the requirements of applicable law, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement shall be confidential and shall not be disclosed to any other person or entity, except on a confidential basis to the parties' attorneys, accountants, investment bankers, investors and lenders, and their respective attorneys for the purpose of consummating the transaction contemplated by this Agreement.

5.2 Announcements. Prior to Closing, no party shall, without the prior written consent of the other, issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, except to the extent that such party is so obligated by law, in which case such party shall give advance notice to the other, and the parties shall cooperate to make a mutually agreeable announcement.

5.3 Control. Consistent with FCC rules, control, supervision and direction of the operation of the Stations prior to Closing shall remain the responsibility of Seller as the holder of the FCC Licenses. The risk of loss of or damage to any of the Station Assets, and the risk of any interruption in the Stations' normal broadcast transmission, shall remain with Seller at all times until 12:01 a.m. local time on the day of Closing, and prior to Closing Seller shall repair and replace any lost or damaged Station Assets and restore any interrupted transmission.

5.4 Consents. Prior to Closing Seller shall obtain the Required Consents (defined below) and shall use commercially reasonable efforts to obtain the other consents noted on *Schedule 1.1(d)* hereto. To the extent that any Station Contract may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant hereto shall not constitute an assignment thereof, but to the extent permitted by law shall constitute an equitable assignment by Seller and assumption by Buyer of Seller's rights and obligations under the applicable Station Contract, with Seller making available to Buyer the benefits thereof and Buyer performing the obligations thereunder on Seller's behalf; provided, however, that *Schedule 1.1(d)* identifies those consents the receipt of which is a condition precedent to Buyer's obligation to close under this Agreement (the "Required Consents").

5.5 Employees.

(a) With respect to each employee listed on the Employment Schedule, Buyer shall either (at Buyer's option): (i) offer any such employee post-Closing employment at the Stations in a comparable position and at the compensation shown on such schedule; or (ii) decline to offer any such employee post-closing

employment and pay to Seller an amount equal to Seller's severance obligation for such employee (if any) shown on such schedule. Buyer shall notify Seller of which employees it intends to offer employment and which it intends to decline to offer such employment on or before September 30, 2004. Buyer shall permit any such employee whom it hires to participate after Closing in its "employee welfare benefit plans" (as defined in ERISA) in which similarly situated employees are generally eligible to participate, subject to the provisions of such plans. If an employee to which Buyer offered employment declines such employment, such employee shall be treated the same as an employee who is not offered employment by Buyer.

(b) With respect to employees of the Stations hired by Buyer, Seller shall be responsible for all compensation and benefits arising prior to Closing (in accordance with Seller's employment plans), and Buyer shall be responsible for all compensation and benefits arising after Closing (in accordance with Buyer's employment plans). Buyer shall grant credit to each such employee for all unused vacation and sick leave accrued as of Closing as an employee of Seller, and shall consider the length of employment by Seller as length of employment for all purposes by Buyer.

(c) The terms of this Agreement are solely for the benefit of (and may be enforced only by) the parties hereto and their respective successors and permitted assigns. Without limiting the foregoing, nothing in this Agreement gives any rights to any employee, and no employee may enforce any provision of this Agreement against any of the parties hereto.

5.6 Receivables. During the ninety (90) day period following Closing (the "Collection Period"), Buyer shall use reasonable efforts, consistent with its usual collection practices (but without obligation to institute proceedings or use any other extraordinary means of collection) to collect the A/R. Buyer shall remit such collections to Seller on a monthly basis. Seller shall not attempt to collect any of the A/R during the Collection Period. If Seller receives a payment from an account debtor of the Stations, Seller shall promptly notify Buyer thereof. At the end of the Collection Period, Buyer shall turn back to Seller any uncollected A/R, and Buyer shall have no further obligation with respect to the A/R.

5.7 Final Order.

(a) If after Closing and prior to a Final FCC Consent, the FCC Consent is reversed or otherwise set aside, and there is a Final order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Licenses to Seller, then the purchase and sale of the Station Assets shall be rescinded. In such event, Buyer shall reconvey to Seller the Station Assets, and Seller shall repay to Buyer the Purchase Price and reassume the contracts and leases assigned and assumed at Closing.

(b) Any such rescission shall be consummated on a mutually agreeable date within thirty days of such Final order (or, if earlier, within the time required by such order). In connection therewith, Buyer and Seller shall each execute such documents (including execution by Buyer of instruments of conveyance of the Station Assets to

Seller and execution by Seller of instruments of assumption of the contracts and leases assigned and assumed at Closing) and make such payments (including repayment by Seller to Buyer of the Purchase Price) as are necessary to give effect to such rescission.

(c) For purposes of this Agreement, the term "Final" shall mean that action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated.

ARTICLE 6: SELLER CLOSING CONDITIONS

The obligation of Seller to consummate the Closing is subject to satisfaction of the following conditions at or prior to Closing:

6.1 Representations and Covenants.

(a) The representations and warranties of Buyer made in this Agreement, shall be true and correct in all material respects as of Closing except for changes permitted by the terms of this Agreement.

(b) The obligations to be performed by Buyer at or prior to Closing shall have been performed in all material respects.

(c) Seller shall have received a certificate dated as of Closing from Buyer executed by an authorized officer of Buyer, to the effect that the conditions set forth in this section have been satisfied (the "Buyer Bringdown Certificate").

6.2 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

6.3 FCC Consent. The FCC Consent shall have been granted.

6.4 Deliveries. Buyer shall have made the deliveries to be made by it at Closing under this Agreement.

ARTICLE 7: BUYER CLOSING CONDITIONS

The obligation of Buyer to consummate the Closing is subject to satisfaction of the following conditions at or prior to the Closing:

7.1 Representations and Covenants.

(a) The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of Closing except for changes permitted by the terms of this Agreement.

(b) The obligations to be performed by Seller at or prior to Closing shall have been performed in all material respects.

(c) Buyer shall have received a certificate dated as of Closing from Seller, executed by an authorized officer of Seller to the effect that the conditions set forth in this section have been satisfied (the "Seller Bringdown Certificate").

7.2 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

7.3 FCC Consent. The FCC Consent shall have been granted.

7.4 Deliveries. Seller shall have made the deliveries to be made by it at Closing under this Agreement.

ARTICLE 8: CLOSING DELIVERIES

8.1 Seller Deliveries. At Closing, Seller shall deliver or cause to be delivered to Buyer:

- (a) the Seller Bringdown Certificate;
- (b) the Seller Authorization;
- (c) an Assignment of FCC Licenses assigning the FCC Licenses to Buyer;
- (d) an Assignment and Assumption of Contracts assigning the Station Contracts to Buyer;
- (e) an Assignment and Assumption of Leases assigning the Real Property Leases (if any) to Buyer;
- (f) General Warranty Deeds conveying the Owned Real Property (if any) to Buyer;
- (g) an Assignment of Marks assigning the Stations' registered marks (if any) to Buyer;
- (h) domain name transfer forms assigning the Stations' domain names listed on *Schedule 1.1(e)* (if any) to Buyer;
- (i) endorsed vehicle titles conveying the vehicles included in the Tangible Personal Property (if any) to Buyer;

- (j) a bill of sale conveying all Station Assets to Buyer;
- (k) any other documents and instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Station Assets to Buyer, free and clear of Liens, except for Permitted Liens;
- (l) the Required Consents, Estoppel Certificates, Title Commitments Lien Search Reports, and Phase 1 Report; and
- (m) the lease referred to in Section 1.11 hereof.

8.2 Buyer Deliveries. At the Closing, Buyer shall deliver to Seller:

- (a) the Buyer Bringdown Certificate;
- (b) the Buyer Authorization;
- (c) an Assignment and Assumption of Contracts assuming the obligations arising after Closing under the Station Contracts;
- (d) an Assignment and Assumption of Leases assuming the obligations arising after Closing under the Real Property Leases (if any);
- (e) domain name transfer forms assuming the Stations' domain names included in the Intangible Property (if any);
- (f) any other documents and instruments of assumption that may be reasonably necessary to assume the Assumed Obligations; and
- (g) the lease referred to in Section 1.11 hereof.

ARTICLE 9: SURVIVAL AND INDEMNIFICATION

9.1 Survival. All representations, warranties, covenants and agreements contained in this Agreement, or in any certificate, agreement, or other document or instrument, delivered pursuant hereto, shall survive (and not be affected in any respect by) the Closing, any investigation conducted by any party hereto and any information which any party may receive.

9.2 Indemnification.

(a) From and after Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or resulting from:

- (i) any breach or default by Seller under this Agreement;
- (ii) the Retained Liabilities; or

(iii) without limiting the foregoing, the business or operation of the Stations prior to Closing (including any third party claim arising from such operations).

(b) From and after Closing, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or resulting from:

(i) any breach or default by Buyer under this Agreement;

(ii) the Assumed Obligations; or

(iii) without limiting the foregoing, the business or operation of the Stations after Closing (including any third party claim arising from such operations).

9.3 Procedures.

(a) The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by a third party that is subject to indemnification hereunder (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's rights or the indemnifying party's obligations, except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced.

(b) The indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel reasonably selected by it. In the event that the indemnifying party does not undertake such defense or opposition in a timely manner, the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party's cost.

(c) Notwithstanding anything herein to the contrary:

(i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of any Claim, and shall have the right to consult with the indemnifying party and its counsel concerning any Claim, and the indemnifying party and the indemnified party shall cooperate in good faith with respect to any Claim; and

(ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include a release of the indemnified party from all liability in respect of such Claim.

ARTICLE 10: TERMINATION AND REMEDIES

10.1 Termination. This Agreement may be terminated prior to Closing as follows:

(a) by mutual written consent of Buyer and Seller;

(b) by written notice of Buyer to Seller if Seller:

(i) does not perform the obligations to be performed by it under this Agreement on the Closing Date; or

(ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements contained in this Agreement and such breach or default is not cured within the Cure Period (defined below);

(c) by written notice of Seller to Buyer if Buyer:

(i) does not perform the obligations to be performed by it under this Agreement on the Closing Date; or

(ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements contained in this Agreement and such breach or default is not cured within the Cure Period (defined below);

(d) by written notice of Buyer to Seller, or by Seller to Buyer, if the FCC denies the FCC Application; or

(e) by written notice of Buyer to Seller, or by Seller to Buyer, if the Closing does not occur by the date one year after the date of this Agreement;

The term "Cure Period" as used herein means a period commencing the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) fifteen (15) calendar days thereafter or (ii) the Closing Date. 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. Notwithstanding anything contained herein to the contrary, Sections 1.5 (Deposit), 5.1 (Confidentiality), 5.2 (Announcements), 10.3 (Liquidated Damages) and 11.1 (Expenses) shall survive any termination of this Agreement.

10.2 Specific Performance. In the event of a breach or threatened breach by Seller of any representation, warranty, covenant or agreement under this Agreement, at Buyer's election, in addition to any other remedy available to it, Buyer shall be entitled to an injunction restraining any such breach or threatened breach and to enforcement of this Agreement by a decree of specific performance requiring Seller to fulfill its obligations under this Agreement, in each case without the necessity of showing economic loss or other actual damage and without any bond or other security being required.

10.3 Liquidated Damages. If this Agreement is terminated by Seller pursuant to Section 10.3(c) hereof, Seller shall be entitled to liquidated damages in the amount of Seven Hundred Fifty Thousand Dollars (\$750,000), which shall be paid (i) by the Escrow

45 East Seventh Street
Saint Paul, MN 55101
Attention: William H. Kling
Facsimile: 651-290-1243

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

Wiley Rein & Fielding LLP
1776 K Street, N.W.
Washington, D.C. 20006
Attention: Doc Bodensteiner
Facsimile: (202) 719-7049

11.5 Amendments and Waivers. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless in a writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought.

11.6 Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

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

11.8 No Beneficiaries. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their respective successors and permitted assigns.

11.9 Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Minnesota without giving effect to the choice of law provisions thereof.

11.10 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.

[SIGNATURE PAGE FOLLOWS]

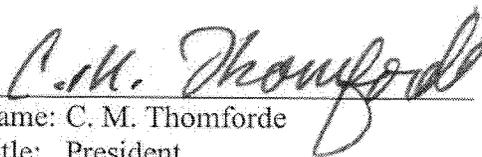
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SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

SELLER:

ST. OLAF COLLEGE

By: 
Name: C. M. Thomforde
Title: President

BUYER:

MINNESOTA PUBLIC RADIO

By: _____
Name:
Title:

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

SELLER:

ST. OLAF COLLEGE

By: _____
Name:
Title:

BUYER:

MINNESOTA PUBLIC RADIO

By: Thomas J Klein
Name: THOMAS J KLEIN
Title: EUP