ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT ("Agreement") is entered into this 12th day of June, 2014 by and between the **UNIVERSITY OF WASHINGTON**, an institution of higher education and an agency of the State of Washington ("Assignor"), and **FRIENDS OF KEXP**, a Washington not-for-profit corporation ("Assignee").

RECITALS:

WHEREAS, Assignor holds licenses issued by the Federal Communications Commission ("FCC" or "Commission") for KEXP-FM on Channel 212 at Seattle, WA (FCC Facility ID No. 68668) ("Station"); and

WHEREAS, subject to FCC consent, Assignor desires to assign ownership of the Station, and any other FCC authorizations and FCC applications relating to the Station, to Assignee, and Assignee desires to receive such assignment from Assignor.

NOW, THEREFORE, in consideration of the foregoing, and the mutual promises, representations, and covenants contained herein, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. <u>Assignment of FCC Authorizations</u>. Subject to the terms and conditions set forth in this Agreement, Assignor agrees to assign to Assignee at the Closing (defined below) ownership in and to the Station, licensed by the FCC (the "FCC License").

2. **<u>Other Assets</u>.** In addition to the FCC License, Assignor will convey to Assignee at the Closing (defined below) any and all contracts, leases, property, equipment, and other assets integral to the operation of the FCC License, as mutually identified by the parties. Without limiting the foregoing, the assets conveyed shall not include the following: any cash, cash equivalents, accounts receivables, or other similar investments of Assignor as of the Closing.

3. **<u>Consideration</u>.** The consideration for the assignment of the Station shall be paid by Assignee to Assignor in the form of promotional consideration consisting of the following:

a. *Top of the Hour On-Air ID.* Assignee will provide one on-air announcement every other hour, for the purpose of recognizing Assignee as an affiliate of Assignor, for a period of ten years commencing on the Closing. The announcement will be in the form of the tag "KEXP Seattle, an affiliate of the University of Washington" or substantially similar phrasing. The specific placement of each tag will be at the discretion of Assignee. The parties agree that the aggregate value of the consideration described in this paragraph shall be equal to $196,560 per year. This annual amount is equivalent to the standard rate of $50 per tag less a 10% discount for a total of 4,368 tags per year.

b. *Underwriting Announcements.* Assignee will provide to Assignor twenty (20) weeks of underwriting announcements per year, at a rate of thirty-five (35) announcements per week, for a period of ten years commencing on the Closing. Each underwriting announcement will be no longer than 20 seconds in duration. The parties agree that the aggregate value for the consideration described in this paragraph shall be equal to $63,000 per year. This annual amount is equivalent to the standard rate of $100 per announcement less a 10% discount for a total of 700 announcements per year. The announcements would run on air and online. Any announcements not used by the Assignor in any week will not roll over into any subsequent weeks. Assignee reserves the right to modify the spot length from 20 seconds to such other spot length as Assignee may adopt from time to time in its policies regarding spot duration.

c. *Online Display Advertising.* Assignee will provide to Assignor not more than 250,000 impressions per quarter from standard inventory or new ad inventory for a period of ten years commencing on the Closing. The parties agree that the aggregate value for the consideration described in this paragraph shall be equal to $22,500 per year. This annual amount is equivalent to the standard rate of $0.025 per impression less a 10% discount for a total of 1,000,000 impressions per year.

d. *KEXP Homepage Recognition.* On Assignee's online home page, Assignee will place a prominent message identifying the Station as "an affiliate of the University of Washington" or substantially similar phrasing, and a link to the Assignor's homepage, for a period of ten years commencing on the Closing. The specific placement and size on the homepage would be subject to mutual agreement between Friends and the University. The parties agree that the aggregate value for the consideration described in this paragraph shall be equal to $55,800 per year. This annual amount is equivalent to the standard rate of $0.0031 per impression less a 10% discount for a total of 20,000,000 impressions per year.

e. *Online Audio Stream ID.* Assignee will provide an ID on all online audio live stream session starts, for the purpose of recognizing Assignee as an affiliate of Assignor, for a period of ten years commencing on the Closing. The announcement will be in the form of the tag "KEXP Seattle, an affiliate of the University of Washington" or substantially similar phrasing. The specific placement of each tag will be at the discretion of Assignee. The parties agree that the aggregate value of the consideration described in this paragraph shall be equal to $47,250 per year. This annual amount is equivalent to the standard rate of $0.007 per ID less a 10% discount for a total of 7,500,000 IDs per year.

f. *Online Audio Pre-Roll.* Assignee will provide 138,888 online audio live stream pre-roll announcements per quarter, for a period of ten years commencing on the Closing. Each pre-roll announcement will be no longer than the standard duration and will have content different from the Online Audio Stream ID. The parties agree that the aggregate value of the consideration described in this paragraph shall be equal to $15,000 per year. This annual amount is equivalent to the standard rate of $0.030 per announcement less a 10% discount for a total of 555,555 announcements per year.

Assignor and Assignee will implement a mutually agreed-upon strategy to utilize the on-air and online inventories in a way that supports both Assignee's business support program for the Station and Assignor's marketing needs. The Assignee will designate an account manager who will be assigned to the promotional relationship.

The parties agree that the aggregate value of the consideration described in this Section shall be equal to $4,001,100, and that Assignee's obligation to provide such consideration shall expire on the tenth anniversary of Closing.

4. **FCC Consent.** On or before June 16, 2014, the parties shall file the application ("FCC Application") to seek the FCC's consent to the assignment of ownership of the Station from Assignor to Assignee ("FCC Consent"). Each party agrees to proceed expeditiously and with due diligence to use its best efforts to cooperate with the other in seeking FCC Consent for the transaction contemplated herein.

5. **Closing.** Within five (5) business days after the FCC Consent becomes a final order, no longer subject to appeal or review, the parties shall consummate the transaction contemplated herein at a closing ("Closing") on a date mutually agreed upon by the parties ("Closing Date"); provided, however, that Assignor and Assignee may mutually agree to waive the final order requirement and consummate the transaction on grant of the FCC Consent prior to finality. At the Closing, Assignor shall deliver to Assignee a bill of sale for the Station assets and Assignor and Assignee shall exchange such other Closing documents that are reasonably requested by either party. The Closing will take place by the exchange of documents by email or facsimile or such other method as Assignor and Assignee may select by mutual agreement.

6. **Condition Precedent to Closing.** The parties acknowledge and agree that compliance with this Agreement and FCC Consent are conditions precedent to the Closing.

7. **Representations and Warranties.**

a. Assignor and Assignee each expressly represents and warrants to the other that it has the full power and authority to enter into and execute this Agreement.

b. Assignor and Assignee each expressly represent and warrant to the other that, subject only to the FCC Consent, there is no constraint upon either party's legal ability to perform its obligations hereunder.

c. Assignee expressly represents and warrants, to Assignor, that Assignee intends to operate the Station as a noncommercial station (as that term is defined by the FCC).

d. Assignee expressly represents and warrants to Assignor that it is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Act of 1934, as amended, and under the rule and policies of the FCC ("Communications Laws"). To Assignee's knowledge, there are no facts that would, under applicable law and the Communications Laws, disqualify Assignee as the owner of the Station.

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

a. by mutual written consent of the parties;

b. by written notice from a party that is not then in material breach of this Agreement, if the other party has failed to cure its material breach of any of its representations, warranties, or covenants under this Agreement within thirty (30) days after receipt of written notice of such breach from the party not in material breach; or

c. by written notice of one party to the other party, if the Closing shall not have occurred by March 31, 2015, provided, however, that if the Closing shall not have occurred because the FCC Consent shall not have been granted, this Agreement may not be terminated by a party who materially contributed to the delay in the issuance of the FCC Consent.

9. Effect of Termination.

a. If this Agreement is terminated by the parties pursuant to Section 8.b or Section 8.c, then neither party shall have any further liability to the other and this Agreement shall be deemed null and void with no further force and effect.

b. If this Agreement is terminated by a party pursuant to Section 8.b, the terminating party shall have all rights to pursue any remedy available to it for the other party's breach.

c. If this Agreement is terminated by a party pursuant to Section 8.c and neither party has contributed materially to the delay in the issuance of the FCC Consent, then neither party shall have any further liability to the other under this Agreement and this Agreement shall be deemed null and void with no further force and effect. However, if this Agreement is terminated by a party pursuant to Section 8.c as a result of the other party's having materially contributed to the delay in the issuance of the FCC Consent, then the terminating party shall have all rights to pursue any remedy available to it for the other party's breach.

10. Miscellaneous.

a. Notices. Any notice, request, demand or other communication required or permitted under this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery, confirmed delivery by a nationally recognized overnight courier service, or sent by email (with, if available under email options, a "delivery receipt" and a "read receipt" being requested), and shall be addressed as follows (or to such other address as any party may request by written notice):

If to Assignee:

Friends of KEXP
Mr. Tom Mara
Executive Director
113 Dexter Avenue N
Seattle, WA 98109
tmara@kexp.org

If to Assignor:

Mr. Randy Hodgins
Vice President for External Affairs
214 Gerberding Hall
The University of Washington
Seattle, WA 98195
rhodgins@uw.edu

b. Survival of Representations, Warranties, and Covenants. The representations, warranties, and covenants contained in this Agreement shall be deemed to be material and relied upon by the party to which they are made and, unless otherwise specified, shall survive the execution, delivery, and performance of this Agreement, and the consummation of the transactions contemplated herein.

c. Assignment and Binding Effect. Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

d. Entire Agreement. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior negotiation, memoranda, and agreements between the parties with respect to the subject matter hereof, and may not be altered, changed, modified, or amended except by a written instrument duly signed by each of the parties hereto.

e. No Waiver. No provision or condition of this Agreement shall be waived by either party hereto except by a written instrument delivered to the other party and duly signed by the party consenting to and to be charged with such waiver.

f. Construction. This Agreement shall be construed in accordance with the internal laws of the State of Washington without giving effect to its conflicts of laws provisions, and the obligations of the parties hereto are subject to all federal, state and local laws and regulations now or hereafter in force and to the FCC's rules.

g. Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. Delivery of counterpart signatures pages may be effected by email of scanned copies of executed signature pages. Provided, however, that the parties shall promptly arrange to exchange executed original signature pages.

h. Expenses. Except as otherwise provided herein, each party shall be solely responsible for all fees and expenses that it incurs in connection with the transactions contemplated by the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ASSIGNEE: FRIENDS OF KEXP

By: ______________________
Tom Mara
Executive Director

ASSIGNOR: THE UNIVERSITY OF WASHINGTON

By: ______________________
Michael K. Young
President