

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT, dated as of ^{April} ~~March~~ ⁴, 2016 (this "**Agreement**"), is entered into by and between Susan J. Smith, an individual residing in the state of Washington ("**Seller**"), and Saga Broadcasting, LLC, a limited liability company organized under the laws of the state of Delaware ("**Buyer**"). *Bush*

RECITALS

A. Seller is the permittee authorized to construct FM translator station K238CA, Twisp, Washington, Facility Identifier 142903 (the "**FCC Authorization**" or "**Translator**") issued by the Federal Communications Commission (the "**FCC**").

B. On the terms and conditions described in this Agreement, Seller desires to sell and Buyer desires to acquire the FCC Authorization.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Buyer and Seller agree as follows:

1. **Sale of FCC Authorization.** On the Closing Date (as hereinafter defined), Seller shall sell, assign and transfer to Buyer, and Buyer shall purchase and assume from Seller, the FCC Authorization as set forth on **Schedule 1(a)** attached to this Agreement;
2. **Consideration.** Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale of the FCC Authorization, Buyer shall pay to Seller the aggregate sum of Twenty-Five Thousand U.S. Dollars (\$25,000.00) (the "**Purchase Price**"), payable as follows:

(a) concurrently with the execution of this Agreement, Buyer shall deliver by wire transfer into an attorney client trust account held by the Escrow Agent (as identified at Section 9 below) a deposit of Five Thousand Dollars (\$5,000) (the "**Escrow Deposit**"), which deposit shall be nonrefundable to Buyer other than upon the termination of this Agreement (i) by Buyer pursuant to Section 8(a), or (ii) pursuant to Sections 8(b) or (c); and

(b) the balance of the Purchase Price on the Closing Date.

(c) Regardless of any change in value in the Escrow Deposit while in the hands of the Escrow Agent, Buyer shall be credited the amount of the Escrow Deposit as wired (\$5,000.00) upon Closing.

(d) All Purchase Price amounts shall be payable in US Dollars by wire transfer of immediately available funds to an account, or accounts, designated in writing by Seller.

3. **FCC Consent to Assignment.** Buyer and Seller shall execute, file and prosecute an application with the FCC (the “**Assignment Application**”) requesting its consent to the assignment, from Seller to Buyer, of all FCC Authorizations pertaining to the Station (the “**FCC Consent**”) on July 29, 2016.

4. **Closing Date; Closing Place.** The closing (the “**Closing**”) of the transactions contemplated by this Agreement shall occur, unless otherwise agreed to by Buyer and Seller, not later than ten (10) days following the date on the issuance of FCC Consent is a Final Order. The Closing shall be held by mail, facsimile, or electronic mail, as the parties may agree. Should Buyer, in its sole discretion, choose to waive the requirement of a Final Order, at the Closing, the parties shall execute and deliver to each other an “Unwind Agreement” under the terms of which the parties will return each other to the *status quo ante* in the event the FCC should rescind or reconsider the FCC Consent.

5. **Representations and Warranties.**

(a) Seller hereby makes the following representations and warranties to Buyer:

(i) Seller has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby;

(ii) Seller lawfully holds each of the FCC Authorizations listed on Schedule 1(a).

(iii) Aside from Beth Griffin, Seller has not engaged any broker with respect to the sale of the Station; Seller is responsible for all fees due to Beth Griffin in connection with this transaction.

(iv) The FCC Authorization is held by Seller, and has been issued for a term expiring December 23, 2018. The FCC Authorization is in full force and effect and has not been revoked, suspended, canceled, rescinded or terminated and has not expired. There are no applications, complaints, investigations or proceedings pending or, to the knowledge of Seller, threatened before the FCC relating to the Translator other than those affecting the broadcasting industry generally. Seller is not subject to any outstanding judgment or order of the FCC relating to the Translator. Seller in material compliance with all laws, regulations and governmental orders applicable to the operation of the Translator.

(v) No insolvency proceedings of any character, including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or the FCC Authorization, 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. 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.

(vi) Seller has good and valid title to the FCC Authorization free and clear of all liens and encumbrances.

(b) Buyer hereby makes the following representations and warranties to Seller:

(i) Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

(ii) Buyer has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby and the execution, delivery and performance of this Agreement by Buyer have been duly authorized and approved by all necessary action of Buyer.

(iii) Buyer is qualified to be the holder of the FCC Authorization; and

(iv) Buyer has not engaged a broker with respect to the purchase of the Station.

(v) No insolvency proceedings of any character, including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Buyer, are pending or, to Buyer's knowledge, threatened, and Buyer 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. There are no suits, arbitration, administrative charges or other legal proceedings, claims or governmental investigations pending, or, to Buyer's knowledge, threatened against Buyer relating to or affecting this Agreement or the transactions contemplated hereby.

(c) The representations and warranties set forth in this Section 5 shall survive for one (1) year following the termination of this Agreement.

6. Conditions Precedent to Obligation to Close.

(a) The performance of the obligations of the parties under this Agreement is subject to the satisfaction of each of the following express conditions precedent, unless waived in writing by the opposing party:

(i) Buyer and Seller shall have performed and complied in all material respects with all of the agreements, obligations and covenants required by this Agreement to be performed or complied with by Buyer and Seller prior to or as of the Closing Date, including those related to the FCC Authorization;

(ii) Buyer shall have delivered to Seller and Seller shall have delivered to Buyer, on the Closing Date, the documents and/or payments required to be delivered pursuant to Section 7.

(b) The performance of the obligations of Buyer under this Agreement is subject to the satisfaction of each of the following express conditions precedent:

(i) the FCC Authorization shall be in full force and effect; and

(ii) there shall be no liens on the FCC Authorization.

(iii) the FCC Consent shall have been obtained, unless an adverse petition has been filed against the Assignment Application, in which case the Buyer shall have the option of closing after the order granting the FCC Consent shall have become a final order.

7. Closing Deliveries.

(a) At the Closing, Seller will deliver to Buyer the following, each of which shall be in form and substance reasonably satisfactory to Buyer and its counsel:

(i) an Assignment of the FCC Authorization;

(ii) certification that the representations and warranties of Seller as set forth in Section 5 hereto are accurate as of the Closing;

(b) Prior to or at the Closing, Buyer will deliver to Seller:

(i) the Purchase Price required by Section 2(b);

(ii) certification that the representations and warranties of Buyer as set forth in Section 5 hereto are accurate as of the Closing;

(c) Buyer and Seller shall also deliver such other documents at Closing as reasonably requested by the other to more fully effect or evidence the transactions contemplated by this Agreement.

8. **Termination.** This Agreement may be terminated by either Buyer or Seller, if the party seeking to terminate is not in breach of any of its material obligations under this Agreement, upon written notice to the other of any of the following: (a) if, on or prior to the Closing Date, the other party breaches any of its material obligations contained herein, and such breach is not cured by the earlier of the Closing Date or thirty (30) days after receipt of the notice of breach from the non-breaching party (provided that Buyer's failure to pay the Purchase Price required by Section 2(a) shall be grounds for Seller to terminate this Agreement by written notice to Buyer, with a cure period of only five (5) days); or (b) if the Assignment Application is denied by the FCC and such denial shall have become a final order. Notwithstanding the foregoing, absent Buyer's material breach or material uncured default pursuant to the Purchase Agreement, Buyer's sole remedy shall be a right of specific performance to enforce Seller's obligation to sell the Authorization pursuant to the terms of the Purchase Agreement. If either Party defaults in the performance of its obligations under this Agreement, the defaulting Party shall be liable to the non-defaulting Party for all costs of enforcement.

9. **Notice.** All notices, demands, requests or other communications that may be or are required to be given, served or sent by either party to the other party pursuant to this Agreement shall be in writing and shall be mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, or transmitted by overnight courier or hand delivery, addressed as set forth below in this Section 9. Each party may designate by notice in writing a new address to which any notice, demand, request or communication may thereafter be so given, served or sent. Each notice, demand, request or communication that is mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent and received for all purposes at such time as it is delivered to the addressee with the return receipt, the delivery receipt, or the affidavit of messenger being deemed conclusive evidence of such delivery or at such time as delivery is refused by the addressee upon presentation.

If to Seller, to:	If to Buyer, to:
Susan J. Smith	Saga Broadcasting, LLC Attn: Mr. Samuel D. Bush, Treasurer 73 Kercheval Avenue Grosse Point Farms, Michigan 48236
with a copy (which shall not constitute notice) to:	with a copy (which shall not constitute notice) to:
LegalWorks Apostolate, PLLC Attn: Stuart W. Nolan, Jr., Esq.	Smithwick & Belendiuk, P.C. Attn: Gary S. Smithwick, Esq.

4 Family Life Lane Front Royal, Virginia 22630	5028 Wisconsin Avenue, Suite 301 Washington, DC 20016
If to Escrow Agent, to:	
LegalWorks Apostolate, PLLC Attn: Stuart W. Nolan, Jr., Esq. 4 Family Life Lane Front Royal, Virginia 22630	

10. **Confidentiality.** Buyer agrees to keep confidential the terms of this Agreement, except with respect to any disclosure required by law or the rules and regulations of the FCC.
11. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Washington, without giving effect to the choice of law principles thereof.
12. **Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.
13. **Expenses.** Except as otherwise set forth in this Section, each party hereto 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. Buyer and Seller shall share equally in the responsibility for any FCC application fees relating to the filing of the Assignment Application, provided Buyer shall bear sole responsibility for any engineering fees rising in connection with the proposed transaction. Seller shall bear entirely the cost of any fees due to its broker, Beth Griffin, in connection with the proposed transaction.
14. **Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may voluntarily or involuntarily assign its interest or delegate its duties under this Agreement without the prior written consent of the other party.
15. **Miscellaneous.** By signature below, each Party hereto represents and warrants that the individual signing this Agreement is an agent of the respective Party who is authorized to enter into binding agreements on that Party's behalf. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof and supersedes any prior agreement with respect thereto whether it is in writing or otherwise. This Agreement may be amended only in writing by an instrument duly executed by both parties. The undersigned represent and warrant that, respectively, they have received authority to sign this Agreement and to legally bind themselves

and their respective business entities to perform all of the terms hereof. 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 of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate or evidence the consummation of the transactions contemplated hereby.

16. **Construction.** By their signatures below, each Party hereby confirms that this Agreement is the product of joint negotiation between the parties. Each party has had the opportunity to consult with independent counsel in connection with the negotiation and preparation of this Agreement. Consequently, each party hereby waives the application of any rule of law to the effect that this Agreement or any provision of this Agreement would otherwise be construed against the party who drafted (or whose counsel drafted) such provision or this Agreement as a whole.
17. **Modification Application/Permission to File.** Buyer desires to acquire the Translator only if it can be relocated to the Bellingham, Washington, radio market, as described in the FCC's order, *Revitalization of the AM Service*, FCC 15-142, released October 23, 2015, and the FCC's related *Public Notice, Media Bureau Initiates AM Revitalization Outreach Efforts; Modification Window Procedures and Requirements Announced*, DA 15-1215, released October 26, 2015 (herein, collectively, *Revitalization Order and PN*"). In light of this order, Seller desires to grant Buyer permission to file in Buyer's name a contingent application ("Modification Application") on FCC Form 349 to modify the facilities of the Translator. **The Modification Application may not be filed prior to July 29, 2016.** During the pendency of the FCC Application and until such time as the Closing Date, Seller hereby agrees to cooperate with Buyer in the submission of the Modification Application and Buyer likewise agrees to cooperate in the submission of any request to "toll" the expiration of the FCC Authorization as may be appropriate and reasonably believed to be permissible pursuant to FCC policies in effect at the time. In furtherance of the foregoing, Buyer agrees to execute simultaneous with the execution of this Agreement the consent at Exhibit A hereto. Seller will use her best efforts to cooperate with Buyer in a reasonable manner to file the Modification Application on **July 29, 2016**, including associating with the Translator's Consolidated Data Base Account ("CDBS") Buyer's FCC Registration Number.

(Signatures to Follow)

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

Seller:

SUSAN J. SMITH


By: _____

Susan J. Smith

Buyer:

SAGA BROADCASTING, LLC

By: _____


Samuel D. Bush, Treasurer

SCHEDULE 1(a)

FCC Authorizations

FCC Construction Permit

Susan J. Smith

Type of Authorization	Call Sign	FCC Identifier	City of License	State
Construction Permit	K238CA	142903	Twisp	Washington

Exhibit A

CONSENT TO FILING OF CONTINGENT APPLICATION

Pursuant to Section 73.3517(a) of the Commission's rules, Susan J. Smith ("Smith"), permittee of FM translator station K238CA, Twisp, Washington (FCC ID 142903) (the "Translator"), hereby grants permission to Saga Broadcasting, LLC ("Saga"), the proposed assignee of the Translator, to file an application for construction permit to modify the facilities of the Translator, contingent upon the approval and consummation of the assignment of the Translator from Smith to Saga.

SUSAN J. SMITH

By: _____
Susan J. Smith

Dated: _____