

STOCK TRANSFER AGREEMENT

This Stock Transfer Agreement ("Agreement") made and entered into this 5th day of ~~November~~ ^{December} 2001 (the "Effective Date"), by and among (a) Robert Howe ("Mr. Howe"), of Bennington, Vermont, (b) Bennington Broadcasting Ltd., a Vermont corporation ("Owner") and Southern Vermont College, ("College"), a Vermont non-profit corporation (Mr. Howe, Owner and College being jointly referred to herein as the "Parties" or individually as a "Party").

Recitals.

- A. Mr. Howe is the sole owner of the capital stock in Bennington Broadcasting Ltd., the licensee and operator of AM Station WBTN, 1370 kHz, Bennington, Vermont (the "Station").
- B. Mr. Howe wishes to transfer all of his capital stock in Owner to College as a tax-deductible, charitable donation, and thereby transfer to College all the assets of the Station;
- C. The College intends to operate and maintain WBTN AM as a full-time community radio station with a commercial FCC License;
- D. The Parties wish to secure FCC approval for the transfer of control over the FCC License; and
- E. The parties hope to secure the FCC approval necessary to allow closing to take place on or before March 1, 2001.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the Parties, intending to be legally bound, agree as follows:

1. **DEFINITIONS.** Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

1.1 "Transfer of Control" refers to the application which Owner and College shall join in and file with the FCC, requesting FCC consent to the transfer of control over the FCC License from Owner to College.

1.2 "Final Order" means action by the FCC granting the Transfer of Control, which, by lapse of time or otherwise, is no longer subject to administrative or judicial reconsideration, review, appeal or stay. The Parties hereby agree and stipulate that, in the absence of a pending petition, application, or notice seeking stay, appeal or review of the grant and absent an order wherein the FCC seeks review of the grant on its own motion, finality occurs forty (40) days after the date on which the FCC issues a public notice of its grant of the Transfer of Control, if the fortieth (40th) day is a federal work day, or the first federal workday after the fortieth (40th) day if the fortieth (40th) day is not a federal work day.

1.3 "Closing Date" means 10:00A.M. on the fifth (5th) business day following the date that the FCC's consent to the grant of the Transfer of Control has become a Final Order, or such other time as to which the Parties mutually may agree in writing.

1.4 "Closing Place" means the offices of Witten, Woolmington, Bongartz, Campbell & Boepple, P.C., 4900 Main Street, Manchester Center, Vermont, or such other place as to which the Parties may mutually agree in writing.

1.5 "Expiration Date" means six months from the date on which the Transfer of Control is filed.

2. **ASSETS TO BE CONVEYED**

2.1 Assets to be Conveyed. Subject to the terms and upon satisfaction of the conditions contained in this Agreement, on the Closing Date at the Closing Place, Mr.

Howe will transfer and deliver to College all of his right, title and interest in the capital stock of Owner as a gift.

3. **REPRESENTATIONS AND WARRANTIES OF MR. HOWE AND OWNER.** Mr. Howe and Owner represent and warrant to College:

3.1 Organization and Standing. Owner is now and on the Closing Date will be a corporation duly organized, validly existing and in good standing under the laws of the State of Vermont.

3.2 Authority. Mr. Howe and Owner have full authority to enter into this Agreement and now have, or will on the Closing Date have, full authority to perform this Agreement and the transactions contemplated hereby. This Agreement constitutes a valid and binding agreement of Mr. Howe and Owner enforceable in accordance with its terms.

3.3 Stock Holders. Mr. Howe is now, and will on the Closing Date, be the sole stockholder in Bennington Broadcasting Ltd.

3.4. FCC Licenses. Owner is the holder of the FCC License for the Station.

3.5. Personal and Real Property.

3.5.1 Personal Property. The Personal Tangible Assets currently owned by Owner are listed on Schedule 1 hereto. Owner now has, or on the Closing Date will have, good, valid and merchantable title to the Personal Tangible Assets free and clear of all mortgages, liens, charges, claims, pledges, security interests and encumbrances whatsoever. Owner will not sell or dispose of the Personal Tangible Assets before the closing date except in the ordinary course of business.

3.5.2. Real Property. The real property currently owned by Owner is listed on Schedule 2 hereto. Owner now has, or on the Closing Date will have fee simple title to the Real Property free and clear of all mortgages, liens or security interests.

3.5.3 Litigation. To Mr. Howe's knowledge, no judgment is issued or outstanding against Station or Owner. To Mr. Howe's knowledge, no litigation, action,

suit, judgment, proceeding or investigation is now pending or outstanding before any forum, court, or governmental body, department or agency of any kind, or to the knowledge of Mr. Howe threatened, to which Owner is a party.

3.6 Taxes and Reports. Owner has, as of the date hereof, filed all federal, state and local tax returns and State franchise returns which are required to be filed in connection with the Station's operations. As of the date hereof, Owner has paid all taxes which have become due pursuant to such returns and has paid all installments of estimated taxes due; and all taxes, levies and other assessments which Owner is required by law to withhold or to collect have been duly withheld and collected, and have been paid over to the proper government authorities or, if such payment is not yet due, are being held by the Owner for such payment and Owner will make such payment when it becomes due.

4. **OPERATION OF STATION BEFORE CLOSING.** From the date hereof up to the Closing Date or termination of this Agreement, College shall program the Station pursuant to the Local Marketing Agreement between Owner and College of even date. College shall, between January 1, 2002 and the Closing Date, or the termination of this Agreement, reimburse Owner a monthly amount equal to the salaries and associated expenses of the two staff members employed by Owner pursuant to the Local Marketing Agreement of even date. All other expenses of operation and programming shall be paid, after January 1, 2002, by College.

5. **COVENANTS OF OWNER.** Between the date hereof and the Closing Date, except as specified by this Agreement, Owner will not, without the prior written consent of College:

5.1 Create, assume or permit to exist any mortgage or pledge, or subject to lien or encumbrance any of the Personal Tangible Assets or the real property described on Schedule 1 (the "Real Property");

5.2 Sell, assign, lease or otherwise transfer or dispose of the Real Property or any of the Personal Tangible Assets, except in the ordinary and usual course of business;

5.3 Change Station's call letters, modify Station's facilities, apply for any construction permits with the FCC or, except as may be reasonably required by Owner to operate the Station in accordance with the usual and ordinary course of business consistent with past practices, make any material changes in Station's improvements and fixtures on the Real Property;

5.4 Take any action which would result in a material breach or default under this Agreement.

6. NO REPRESENTATIONS OR WARRANTIES BY MR. HOWE.

College acknowledges and agrees that, except as set forth in Section 3 herein, Mr. Howe has not made, does not make and specifically disclaims any representations, warranties, promises, covenants, agreements or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to: (a) the nature, quality, or condition of the Owner's assets; (b) the income to be derived from operation of the Station; (c) the suitability of the assets for any and all activities and uses such College may conduct thereon; (d) the habitability, merchantability, or fitness for a particular purpose of the assets; (e) any other matter with respect to the assets.

7. DISCLAIMER. Without limiting the foregoing Section 6 hereto, Mr. Howe does not and has not made any representation or warranty regarding the presence or absence of any hazardous substances (as hereinafter defined) on, under or about the Real Property or the compliance or noncompliance of the assets being conveyed hereunder with the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendment and Reauthorization Act, the Resource Conservation Recovery Act, the Federal Water Pollution Control Act, the Federal Environmental Pesticides Act, the Clean Water Act, the Clean Air Act, any so called federal, state or local "Superfund" or "Superlien" statute, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability (including

strict liability) or standards of conduct concerning any hazardous substances (collectively, the "Hazardous Substance Laws"). For purposes of this Agreement, the term "Hazardous Substance" shall mean and include those elements or compounds which are contained on the list of hazardous substances adopted by the United States Environmental Protection Agency and the list of toxic pollutants designated by Congress or the Environmental Protection Agency or under any state hazardous substance laws. College further acknowledges and agrees that College is relying upon its own determination as to the value of the Owner's assets and uses to which the assets may be put, and not on any information concerning the value of the assets and uses to which the assets may be put provided or to be provided by Mr. Howe. College further acknowledges and agrees that any information provided or to be provided with respect to the assets was or will be obtained from a variety of sources and that Mr. Howe has not made and will not be obligated to make any independent investigation or verification of such information and Mr. Howe makes no representations as to the accuracy or completeness of such information. The closing shall constitute an acknowledgment by College that, other than as set forth in Section 3, above, the capital stock in Owner and Owner's assets were accepted without representation or warranty, express or implied, and otherwise in an "AS IS," "WHERE IS," and "WITH ALL FAULTS" condition, based solely on College's own inspection. The acknowledgments and agreements of College set forth in Paragraph 6 and 7 shall survive the Closing.

8. **REPRESENTATIONS AND WARRANTIES OF COLLEGE.** College represents and warrants to Mr. Howe that:

8.1 Organization and Standing. College is now and on the Closing Date will be (a) a non-profit corporation duly organized, validly existing and in good standing under the laws of the State of Vermont, (b) determined to be an organization exempt from federal income taxation pursuant to Internal Revenue Code Section 501(c)(3), and (c) qualified to do business in the State of Vermont.

8.2 Authorization. All necessary corporate action duly to approve the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby has been taken by College, and this Agreement constitutes a valid and binding agreement of College enforceable in accordance with its terms.

8.3. Use of Station by College. Intends to operate and maintain WBTN AM as a full-time community radio station as well as an educational resource, and the College, with Board support, has made a commitment to allocate the staff and funds necessary to meet reasonably foreseeable operating expenses, and to assure that WBTN-AM continues full-time broadcasting for at least three years after closing. Source and format of programming will be in the discretion of the College which may be student produced, purchased from satellite or other providers, produced by community and other organizations, or otherwise obtained so long as, overall, the content is what would generally be of broadcast quality for a commercial college station that serves a local community. In the unlikely event that the College elects to discontinue operation of the radio station, the station may be sold.

9. **CONTROL OF STATION.** This Agreement shall not be consummated until after the FCC has given its written consent and approval to the Transfer of Control. Between the date of this Agreement and the Closing Date, College, its employees or agents, shall not directly or indirectly assume unauthorized control, supervision or direction or attempt to assume unauthorized control, supervision or direction of the operation of Station, and such operation shall be the ultimate responsibility of Owner.

10. **APPLICATION FOR FCC CONSENT AND APPROVAL.** Owner and College shall join in and file the Transfer of Control with the FCC within two weeks of the date hereof, or such later date as to which the Parties agree in writing. The Parties shall take all steps as may be necessary or proper expeditiously and diligently to prosecute the Transfer of Control to a favorable conclusion. Owner and College shall each bear their own expenses in connection with the preparation of the applicable sections of the Transfer of Control. Mr. Howe shall retain counsel to file and prosecute the Transfer of Control, and shall pay counsel's fee. Such counsel shall represent only Owner and/or Mr. Howe.

11. **RISK OF LOSS.** The risk of loss or damage to any of the assets of the Station from fire or other casualty or cause shall be upon Owner at all times up to the closing on the Closing Date except as provided below. In the event of any such loss or damage, Owner shall notify College of same in writing immediately, specifying with particularity the loss or damage incurred, the cause thereof, if known or reasonably ascertainable, and the insurance coverage. The proceeds of any claim for any loss payable under any insurance policy with respect thereto shall be used to repair, replace or restore any such property to its condition immediately prior to such loss or damage. Should the assets of the Station be damaged by fire or other casualty prior to the Closing Date, provided the assets have been repaired and the Station's broadcast operations fully restored by the Closing Date, the insurance proceeds will be used by Owner to repair the assets and College agrees that it will proceed to closing. Should the damage not be reparable by the Closing Date and the cost of repairs equals or exceeds \$25,000, College, at its option, (1) may accept the assignment of insurance proceeds and proceed to closing, assuming the full financial and other responsibility of effectuating the repairs, or (2) may terminate this Agreement, in which case the insurance proceeds shall not be assigned to College. Should the damage not be reparable by the Closing Date and the cost of repairs is less than \$25,000, the insurance proceeds shall be assigned to College, which assumes full financial

and other responsibility for the repairs and College may not terminate this Agreement and the Parties are obligated to consummate the transaction as otherwise provided in this Agreement.

12. **CONDITIONS PRECEDENT TO COLLEGE'S OBLIGATIONS.** The obligation of the College to consummate the transactions contemplated hereby is subject to the fulfillment at the Closing Date of each of the following conditions, each of which may be waived (but only by an express written waiver) at the sole discretion of College, although the requirement that the FCC give its consent to the transaction cannot be waived:

12.1 FCC Approval. The FCC shall have given its consent to the Transfer of Control without any adverse condition that would materially adversely affect the operation of the Station, and such consent shall have become a Final Order.

12.2 Representation and Warranties. The representations and warranties of the Mr. Howe and/or Owner contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of such time except for any changes permitted by the terms hereof or consented to in writing by the College.

12.3 Performance. Mr. Howe and/or Owner shall have in all material respects performed and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to and at the Closing Date.

13. **CONDITIONS PRECEDENT TO MR. HOWE OBLIGATIONS.** The obligation of the Mr. Howe to consummate the transaction contemplated hereby is subject to the fulfillment prior to and at the Closing Date of each of the following conditions, each of which may be waived (but only by an express written waiver) at the sole discretion of Mr. Howe, although the requirement that the FCC give its consent to the transaction cannot be waived.

13.1 FCC Approval. The FCC shall have given its consent to the Transfer of Control without any adverse condition that would materially adversely affect the operation of the Station and such consent shall have become a Final Order.

13.2 Representations and Warranties of College. The representations and warranties of College contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of such time except for any changes permitted by the terms hereof or consented to in writing by Mr. Howe.

13.3 Performance. College shall have in all material respects performed and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to and at the Closing Date.

14. **MR. HOWE'S PERFORMANCE AT CLOSING.** On the Closing Date at the Closing Place upon satisfaction of all conditions precedent set forth in Section 13, Mr. Howe shall execute and deliver or cause to be delivered to College:

14.1 All certificates of stock in Owner indorsed to College;

14.2 A Vermont Property Transfer Tax return. Any liabilities in connection therewith shall be contributed to College by Mr. Howe.

14.3 Such other assignments and other documents as reasonably may be requested by College to consummate this Agreement and the transaction contemplated hereby.

15. **COLLEGE'S PERFORMANCE AT CLOSING.** On the Closing Date at the Closing Place, College shall:

15.1 Deliver an opinion of College's counsel, dated as of the Closing Date, in form and substance reasonably satisfactory to Mr. Howe's counsel, that College is duly organized and in good standing under the laws of the State of Vermont as a non-profit corporation, and has been determined by the Internal Revenue Service to be an exempt organization

pursuant to Internal Revenue Code Section 501(c)(3) that is not a private foundation within the meaning of Section 509(a) of the Code.

15.2 Execute and deliver to Mr. Howe such other instruments, documents and certificates of officers as reasonably may be requested by Mr. Howe to consummate this Agreement and the transactions contemplated hereby.

16. EXPENSES AND REVENUES OF STATION OPERATION

BEFORE CLOSING. From the execution by Owner and College of the LMA through the Closing Date, College shall promptly reimburse all Station-related operating expenses including, but not limited to, such items as power and utilities charges, ad valorem property taxes and the ordinary expenses associated with operation. Notwithstanding the foregoing, Owner shall pay (a) accrued salary and benefits and other expenses associated with current professional staff up to and including December 31, 2001 but no later, and (b) any and all operating or extraordinary expenses that accrued before the date hereof. After such date, Owner shall be reimbursed for all such expenses. Owner shall assign revenues accrued and received by the Station after November 15, 2001 to College.

17. TELECOMMUNICATIONS LEASES. Owner reserves the right to negotiate with cell companies or other telecommunication providers to use the tower on the Real Estate, and to enter into a lease or leases before the Closing Date, provided that (a) such lease or leases are on reasonable commercial terms, (b) a copy of such lease or leases is furnished to College at least 10 days before execution, and (c) such Lessee's use will not have a material impact on the operation of the Station.

18. INDEMNIFICATION.

18.1 The College, in connection with any representations and warranties made herewith, agrees to indemnify, defend and hold harmless Mr. Howe, his successors and assigns from and against any and all damages occasioned by, arising out of or resulting from the operation of the Station or use or ownership of the Tangible Personal Property and/or Real Estate subsequent to closing on the Closing Date.

18.2 Mr. Howe, in connection with any representations and warranties made herewith, agrees to indemnify, defend and hold harmless the College, its successors and assigns from and against any and all damages occasioned by, arising out of or resulting from the operation of the Station prior to the date hereof.

18.3 Indemnities with respect to claims arising between the date hereof and the Closing Date shall be governed solely by the provisions of the LMA.

19. **TERMINATION.**

19.1 This Agreement shall terminate on the Expiration Date if any of the conditions precedent to Mr. Howe's or College's obligations has not been fulfilled or waived by the appropriate Party by the Expiration Date, and the non-fulfillment of such condition is not the result of a breach by the Mr. Howe or College, as the case may be. In addition, this Agreement may be terminated at any time prior to the Closing Date: (a) by mutual consent of the Parties; or (b) by either Mr. Howe or College for material breach by the other Party of its representations, warranties or covenants hereunder so long as such terminating Party shall not then itself be in breach and shall, with respect to any such breaches which are susceptible to cure, have afforded the other Party written notice and a 30 day period within which to cure such breach and the breaching Party shall have failed to timely cure such breach.

19.2 Upon any termination of this Agreement pursuant to the terms of Paragraph 19.1, above, neither Party shall have any further obligation or liability to the other hereunder, excepting only claims for recovery of actual cash expenses incurred in connection with this Agreement or the LMA in the event that the Agreement is terminated due to an uncured material breach by either party.

20. **SURVIVAL OF CONTRACT TERMS AND CONDITIONS.** The following contractual terms shall survive closing: Paragraphs 3,5,6,7,8,16 and 18.

21. **DISCLOSURES.** Mr. Howe and Owner agree to provide reasonable access to the books and records of the Owner as necessary for College between the date

hereof and Closing College agrees to review such books and records in strict confidence, and to provide access to such books and records before the closing only to the President, chief financial officer, Board of Trustees and the College's financial and legal advisors.

MISCELLANEOUS TERMS

SEVERABILITY. In case any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal or unenforceable in any respect for any reason, such invalidity, illegality or unenforceability, shall not affect any other provision hereof.

FURTHER ASSURANCES. Until the anniversary of the Effective Date of this Agreement, College and Mr. Howe agree to cooperate with each other to execute and deliver such other documents, instruments of transfer or assignment, files, books and records and do all such further acts and things as may be reasonably required to carry out the transactions contemplated hereby.

SUCCESSORS BOUND. This Agreement shall be binding upon and inure to the benefit of the Parties hereto, and their respective successors and assigns. This Agreement shall not be assigned to an unaffiliated third party without the prior written consent of the Parties hereto, which consent shall not be unreasonably delayed or denied.

CONSTRUCTION. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of Vermont.

DUPLICATE ORIGINALS. This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were upon the same instrument.

HEADINGS. The headings of the paragraphs of this Agreement are inserted as a matter of convenience and for reference purposes only and in no respect define, limit or describe the scope of this Agreement or the intent of any paragraph hereof.

ENTIRE AGREEMENT. This Agreement, all appendices, schedules and exhibits hereto and all agreements to be delivered by the Parties pursuant hereto, represent the entire understanding and agreement between the Parties hereto with respect to the subject matter hereof, supersede all prior negotiations between such Parties, and can be amended, supplemented, or changed only by an agreement in writing which makes specific reference to this Agreement and which is signed by the Party against whom enforcement of any such amendment, supplement or modification is sought.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the day and year first above written.

Perish L. K. Lauch
Witness

Perish L. K. Lauch
Witness

Perish L. K. Lauch
Witness

Bennington Broadcasting Ltd.

By: Robert Howe
Robert Howe, President

Robert Howe
Robert Howe, individually

Southern Vermont College

By: [Signature]
Its duly authorized agent