

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “**Agreement**”) is made as of this 26th day of August, 2019, by and between the Penfold Communications, Inc., a California non-profit corporation (“**Seller**”), and Taylor University Broadcasting, Inc., an Indiana non-profit corporation (“**Buyer**”).

W I T N E S S E T H:

WHEREAS, Seller is the Federal Communications Commission (“**FCC**”) licensee of noncommercial educational radio Station WTPG(FM), Facility ID Number 122008, Whitehouse, Ohio (the “**Station**”);

WHEREAS, Seller desires to sell the Station’s licenses and related assets of the Station to Buyer, and Buyer desires to purchase the Station’s licenses and related assets of the Station from Seller, upon the terms and conditions set forth herein.

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

1. **Assets Transferred.** Subject to the approval of the FCC and to the terms and conditions of this Agreement, Seller agrees to sell and Buyer agrees to purchase the following assets (collectively referred to in this Agreement as the “**Assets**”), and all of which are free and clear of all liens, mortgages and encumbrances of any nature whatsoever:

(a) **FCC Authorizations.** The FCC authorizations issued by the FCC to Seller in connection with the business or operations of the Station, as listed in Schedule 1(a) hereto, together with any additional authorizations or licenses issued by the FCC with respect to the operation of the Station between the date hereof and the Closing Date (the “**FCC Authorizations**”);

(b) **Tangible Assets.** All fixed assets and personal property used in the operation of the Station, including but not limited to the assets listed in Schedule 1(b) hereto, together with any replacements thereof made between the date of this Agreement and the Closing Date (the “**Tangible Assets**”);

(c) **Assumed Contracts.** The contracts, leases and other agreements, written or oral, to which Seller is a party or which are binding upon Seller and which relate to or affect the Assets or the business or operations of the Station, and that Buyer agrees in writing to assume upon its purchase of the Station, as listed in Schedule 1(c) hereto, including but not limited to Seller’s lease with SBA for the Station’s transmitter site and tower space lease, and other contracts entered into by Seller between the date of this Agreement and the Closing Date that Buyer agrees in writing to assume;

(d) **Intangible Property.** All of Seller’s rights the Station’s call letters, “WTPG (FM)” and all goodwill associated with the foregoing, including, without limitation, the items listed in Schedule 1.1(e) (collectively, the “**Intangible Property**”); and

(e) Records. All records relating to the operation of the Station including operating and maintenance logs maintained in connection with the Station, whether or not required by the FCC, engineering or consultant reports, data or analyses pertaining to the Station's facilities, and all documents currently in or uploaded to the Station's online public inspection file maintained on the FCC's website between the date hereof and the Closing Date.

(f) Excluded Assets. Without limiting the foregoing, the Assets shall not include the following excluded assets ("**Excluded Assets**"):

(i) All cash, cash equivalents, accounts receivables, or other similar investments of Seller as of the Closing; and

(ii) All Seller's assets and other property used exclusively in the operation of another of Seller's stations or businesses.

Seller shall convey and transfer to Buyer good and marketable title to the Assets free and clear of liens or encumbrances, except for liens for taxes not yet due and payable and liens that will be released at or prior to Closing (collectively, "**Permitted Liens**").

2. Consideration.

(a) Purchase Price. The purchase price for the Assets shall be Five Hundred Thousand Dollars (\$500,000.00) to be paid by Buyer to Seller in cash at Closing by wire transfer of immediately available funds (the "**Purchase Price**").

(b) Escrow Deposit. Within two (2) business days following execution of this Agreement, Buyer shall deposit Twenty-Five Thousand Dollars (\$25,000) (the "**Escrow Deposit**") in the IOLTA Trust Fund of Buyer's counsel, Fletcher Heald & Hildreth, P.L.C., as the escrow agent ("**Escrow Agent**"), to be held in escrow at no charge pursuant to the terms of a mutually agreeable escrow agreement (the "**Escrow Agreement**"), substantially in the form of Exhibit A attached hereto. No interest will be earned on the Escrow Deposit. The entire amount of the Escrow Deposit shall be applied as a credit toward Buyer's payment of the Purchase Price at Closing, unless otherwise directed by the parties. Should this Agreement be terminated prior to the Closing for any reason other than an uncured default of the Buyer, the Deposit shall be returned to Buyer as set forth in Section 19 below.

(c) Prorations and Adjustments. All expenses arising from the operation of the Station, including business and license fees, utility charges and similar prepaid and deferred items shall be prorated between Seller and Buyer, as of 11:59 p.m. on the day prior to the Closing Date, in accordance with GAAP and subject to the general principle that Seller shall be responsible for all costs, expenses and liabilities allocable to the Station for the period prior to the Closing Date, and Buyer shall be responsible for all costs, expenses and liabilities allocable to the Station on and after the Closing Date. Insofar as feasible, prorations under this paragraph shall be determined and paid on the Closing Date. If and to the extent required, a final accounting of prorated items, and the sum due from one party to the other, shall be determined and paid within sixty (60) days after the Closing Date.

3. Liabilities Assumed and Excluded.

(a) Assumed Liabilities. Upon the Closing, Buyer shall assume, pay, and perform the liabilities and obligations of Seller arising on and after the Closing Date under the Assumed Contracts and the FCC Authorizations (the “**Assumed Liabilities**”).

(b) Excluded Liabilities. Except for the Assumed Liabilities, Buyer does not assume nor shall Buyer be obligated for any other liabilities, obligations or responsibilities whatsoever of Seller or arising from or related to Seller’s operation of the Station through the Closing Date (the “**Excluded Liabilities**”). Without limiting the generality of the foregoing, Seller shall retain and perform all obligations and liabilities to any employees providing services to the Station incurred on or prior to the Closing Date, including, without limitation, any obligations that may arise as the result of the consummation of the transactions contemplated by this Agreement.

4. Pre-Closing Covenants.

(a) Seller’s Pre-Closing Covenants.

(i) From the date of this Agreement to the Closing Date, Seller will continue to operate the Station in the ordinary course of business and will not take any action that could reasonably be expected to have a material adverse effect on the Assets or the Station or Buyer’s rights and interests under this Agreement.

(ii) From the date of this Agreement to the Closing Date, Seller will (A) maintain, preserve and keep the Assets and technical facilities of the Station in good repair, working order and condition, reasonable wear and tear excepted; (B) maintain appropriate insurance on the Assets, (C) pay all liabilities and obligations pertaining to the Station, the Assets and technical facilities of the Station that become due and payable in the ordinary course of business, including all taxes, assessments and government charges upon or against the Assets or the technical facilities or operations of the Station; and (D) comply in all material respects with all statutes, rules and regulations applicable to the Assets or the operation of the Station.

(iii) Seller will not, without the prior written consent of Buyer: (A) make any sale, assignment, transfer, or other conveyance of the Station or any of the Assets; (B) subject any of the Assets or any part thereof to any mortgage, pledge, security interest, or lien; or (C) enter into any agreement, license, lease or other arrangements with respect to the Station or the Assets, or amend any existing agreements, licenses or leases with respect thereto.

(iv) Seller shall not cause or permit, by any act or failure to act, any of the FCC Authorizations to expire or to be revoked, suspended, or modified, or take any action that could cause the FCC or any other governmental authority to institute proceedings for the suspension, revocation, or adverse modification of any of the authorizations issued for the operation of the Station. Seller shall not fail to prosecute with reasonable diligence any applications to any governmental authority in connection with the operation of the Station.

(v) Seller shall use its commercially reasonable efforts to (A) not default under, or breach any term of, or suffer or permit to exist any condition that, would constitute a default under, the Assumed Contracts, and (B) not cause the termination,

modification or amendment of the Assumed Contracts. Unless Buyer shall have given its prior written consent, Seller shall not enter into any new contract or incur any obligation that will be binding on Buyer after the Closing.

(vi) Seller shall not take any action that is inconsistent with its obligations under this Agreement, that could reasonably be expected to cause any of its representations or warranties set forth herein to be untrue as of Closing in any material respect, or that could hinder or delay the consummation of the transactions contemplated by this Agreement. Seller shall use its commercially reasonable efforts to cause the transactions contemplated by this Agreement to be consummated in accordance with the terms hereof.

(vii) From the date hereof until the Closing, neither Seller nor its officers, directors, board members or employees shall, directly or indirectly, through any representative or otherwise, (i) solicit or entertain offers from, negotiate with, or in any manner encourage, discuss, accept, or consider any proposal of any other person or entity relating to the acquisition of the Assets in whole or in part, whether directly or indirectly, through purchase, merger, consolidation, or otherwise.

(viii) Notwithstanding any provision of this Agreement to the contrary, pending the Closing Seller shall maintain actual (*de facto*) and legal (*de jure*) control over the Station. Seller shall retain responsibility for the operation of the Station pending the Closing, including responsibility for: ultimate control of the daily operation of the Station; creation and implementation of policy decisions; employment and supervision of Seller's employees; and payment of expenses incurred in the operation of the Station prior to the Closing.

(b) Buyer's Pre-Closing Covenants.

(i) Buyer shall use its commercially reasonable efforts to cause the transactions contemplated by this Agreement to be consummated in accordance with the terms hereof.

(ii) Buyer shall not take any action that is inconsistent with its obligations under this Agreement, that could reasonably be expected to cause any of its representations or warranties set forth herein to be untrue as of Closing in any material respect, or that could hinder or delay the consummation of the transactions contemplated by this Agreement.

5. FCC Approval.

(a) FCC Approval Required. Consummation of the sale (the "**Closing**") is conditioned upon the FCC having given its consent in writing to the assignment from Seller to Buyer of all FCC Authorizations (the "**FCC Approval**") and said consent having become a "Final Order", unless finality has been waived by Buyer in its sole discretion. For purposes of this Agreement, "**Final Order**" means an action by the FCC that has not been reversed, stayed, enjoined, set aside, annulled, or suspended, and with respect to which no requests are pending for administrative or judicial review, reconsideration, appeal, or stay, and the time for filing any such requests and the time for the FCC to set aside the action on its own motion have expired.

(b) Filing of FCC Application. The parties shall cooperate in good faith and jointly prepare and file the application for FCC Approval (FCC Form 314) (the “**FCC Application**”) not later than five (5) business days after execution of this Agreement.

(c) Prosecution of FCC Application. Buyer and Seller shall diligently prosecute the FCC Application and otherwise use their commercially reasonable efforts to obtain the FCC Approval as soon as possible; *provided, however*, neither Buyer nor Seller shall be required to pay consideration to any third party to obtain the FCC Approval. Buyer and Seller each shall oppose any petition to deny or other objections filed with respect to the FCC Application to the extent such petition or objection relates to such party. Each party agrees to comply with any condition imposed on it by the FCC Approval, except that no party shall be required to comply with a condition if compliance with the condition would have a material adverse effect upon it. Buyer and Seller shall oppose any requests for reconsideration or judicial review of the FCC Approval. If the Closing shall not have occurred for any reason within the original effective period of the FCC Approval, and neither party shall have terminated this Agreement, the parties shall jointly request an extension of the effective period of the FCC Approval.

(d) Closing Date and Method. Subject to satisfaction of waiver of the conditions set forth in Sections 11 and 12, the Closing will take place by the exchange of documents by email or facsimile or by such other method as Buyer and Seller may select by mutual agreement on a date (the “**Closing Date**”) not more than ten (10) business days after the FCC Approval has become a Final Order. If finality has been waived by Buyer in its sole discretion, the Closing shall occur on mutually agreeable date not more than fifteen (15) business days after Buyer waives finality and not earlier than the tenth business day after the FCC Approval is granted.

6. Seller’s Representations and Warranties. Seller represents and warrants to Buyer as follows:

(a) Organization and Standing. Seller is a non-profit corporation legally formed and constituted and in good standing under the laws of the State of California. Seller possesses all power and authority necessary to own and operate the Assets and Station and execute, deliver and perform this Agreement.

(b) Authorization and Binding Obligation. Seller has obtained the approval of its Board of Directors and of any other entities required for authorization of this Agreement, including, without limitation, its lenders, and any other approvals required by statute, regulation or as otherwise required by law. The execution, delivery, and performance of this Agreement by Seller have been duly authorized by all necessary actions on the part of Seller. This Agreement has been duly executed and delivered by Seller and constitutes the legal, valid, and binding obligation of Seller, enforceable against Seller in accordance with its terms except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors’ rights generally and by judicial discretion in the enforcement of equitable remedies.

(c) Current and Valid FCC Authorizations. Schedule 1(a) contains an accurate and complete list in all material respects of the FCC Authorizations as of the date hereof. Seller validly holds all authorizations that are required under the rules and regulations of the FCC for the ownership or operation of the Station as currently operated. Other than the FCC Authorizations, Seller is not required to hold any license, permit or other authorization from any governmental authority for the lawful conduct of the operation of the Station. The FCC Authorizations have been issued for the full terms customarily issued for radio stations in the State of Ohio. The FCC Authorizations are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. Seller is not subject to any outstanding judgment or order of the FCC relating to the Station. Except for rulemakings of general applicability, no action or proceeding is pending or, to the knowledge of the Seller, threatened, before the FCC or other governmental or judicial body, relating to the operation of the Station or seeking the cancellation, suspension or material and adverse modification of FCC Authorizations. To Seller's knowledge, there is no reason to believe that the FCC Authorizations will not be renewed for a full term in the ordinary course.

(d) Operation of the Station. Seller (i) is operating the Station in all material respects in compliance with its FCC Authorizations, the FCC Rules and Regulations, and otherwise in compliance with all applicable local, state and Federal laws, (ii) has filed all tax returns, FCC reports and other documents required to be filed by any governmental authority with respect to the Assets or the Station; (iii) has maintained its local public inspection file in material compliance with FCC requirements, and (iv) has not stored, disposed of nor used, nor has any knowledge that any other party has disposed of or used, any hazardous substance in a manner that is likely to result in liability for Buyer under any applicable law or regulation. All material reports and other filings required by the FCC with respect to the FCC Authorizations, Seller, the Assets or the operation of the Station have been timely filed with the FCC, and all such reports and other filings are substantially complete and correct as filed.

(e) Absence of Conflicting Agreements. There are no outstanding agreements or understandings for the sale of the Station. Subject to obtaining FCC Approval, the execution, delivery, and performance by Seller of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (i) will not conflict with the organizational documents of the Seller; (ii) will not materially conflict with, result in a breach of, or constitute a default under, any law, judgment, order, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality applicable to Seller; and (iii) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license, or permit to which Seller is a party or by which Seller may be bound.

(f) Title to and Condition of Assets. Seller has good and marketable title to the Assets. Schedule 1(b) contains an accurate and complete list in all material respects of the Tangible Assets as of the date hereof. The Tangible Assets listed on Schedule 1(b) constitute all of the assets and properties required for the operation of the Station's transmission facilities as currently operated by Seller. The Assets are free of all liens, encumbrances or hypothecations, other than Permitted Liens. On the Closing Date, each item comprising the Assets shall be in the

same operating condition in all material respects as on the date of execution of this Agreement, ordinary wear and tear excepted.

(g) Claims and Litigation. Except as indicated on Schedule 1(a), there is no judgment outstanding or any claim or litigation or proceeding pending or, to Seller's knowledge, threatened regarding the title or interest of Seller to or in any of the Assets or the Station's operations, or which could prevent or adversely affect the ownership, use, or operation of the Station by Buyer. Except as indicated on Schedule 1(a), there is (i) no complaint or other proceeding pending, outstanding, or to Seller's knowledge threatened, before the FCC as a result of which an investigation, notice of apparent liability or order of forfeiture may be issued from the FCC relating to the Station, (ii) no FCC notice of apparent liability or order of forfeiture pending, outstanding, or to Seller's knowledge threatened, against Seller or the Station, and (iii) no investigation pending, outstanding, or to Seller's knowledge threatened, with respect to any violation or alleged violation of the Communications Act or any FCC rule, regulation or policy by Seller.

(h) Assumed Contracts. All Assumed Contracts are valid, binding, and enforceable by Seller in accordance with their terms. Neither Seller nor, to Seller's knowledge, any other party to such Assumed Contracts is in material breach or default on any of the Assumed Contracts, there is no claim of breach or default by Seller, Seller has received no notice of breach or default from any other party thereto, and Seller has no knowledge of any act or omission which has occurred or which has been threatened which could result in any party to such Assumed Contracts being in breach or default thereof.

(i) Disclosure. No representation or warranty made by Seller in this Agreement, or any statement or certificate furnished by, or to be furnished by, Seller to Buyer pursuant hereto, or in connection with the transaction contemplated hereby, contains, or will contain, any untrue statement of a material fact, or omits, or will omit, to state a material fact necessary to make the statements contained therein not misleading.

7. Buyer's Representations and Warranties. Buyer represents and warrants to Seller as follows:

(a) Organization and Standing. Buyer is a nonprofit corporation legally formed and constituted and in the State of Indiana. Buyer possesses all corporate power necessary to execute, deliver and perform this Agreement and to own and operate the Station.

(b) Authorization and Binding Obligation. Buyer has obtained all necessary organizational approvals required for authorization of the Agreement. The execution, delivery, and performance of this Agreement by Buyer have been duly authorized by all necessary actions on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and constitutes the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

(c) Absence of Conflicting Agreements. Subject to obtaining FCC Approval, the execution, delivery, and performance by Buyer of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (i) will not conflict with the Buyer's governing documents; (ii) will not materially conflict with, result in a breach of, or constitute a default under, any law, judgment, order, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality applicable to Buyer; (iii) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license, or permit to which Buyer is a party or by which Buyer may be bound.

(d) Buyer's Qualifications. Buyer is legally, financially and otherwise qualified to be the licensee of and acquire, own and operate the Station under the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC. Buyer knows of no fact that would, under existing law and the existing rules, regulations, policies and procedures of the FCC disqualify Buyer as assignee of the FCC Authorizations or as the owner and operator of the Station.

(e) Disclosure. No representation or warranty made by Buyer in this Agreement, or any statement or certificate furnished to or to be furnished by the Buyer to Seller pursuant hereto, or in connection with the transactions contemplated hereby contains, or will contain, any untrue statement of a material fact or omits, or will omit, to state a material fact necessary to make the statement contained therein not misleading.

8. Risk of Loss. Risk of loss, damage, or destruction to the Assets to be sold and conveyed hereunder shall be upon the Seller until the Closing Date, and after Closing upon the Buyer. In the event that any such loss, damage or destruction occurring prior to Closing, Seller shall repair or replace the facility prior to closing. In the event that any such loss, damage or destruction occurring before Closing is sufficiently substantial as to render any representation or warranty of Seller not true and correct in all material respects at Closing (after giving consideration to any repairs, restoration or replacement to occur prior to Closing), Seller shall promptly notify Buyer in writing of the circumstances. Buyer, at any time within ten (10) days after receipt of such notice, may elect by written notice to Seller either to (i) proceed toward consummation of the transactions contemplated by this Agreement in accordance with the terms hereof, and subject to the occurrence of Closing, complete the restoration and replacement of the Assets after Closing, in which event Seller shall deliver to Buyer all insurance proceeds received in connection with such damage, destruction or other event, or (ii) if the cost of such restoration or replacement is greater than Fifty Thousand Dollars (\$50,000.00), terminate this Agreement with no further obligation and Buyer shall be entitled to a return of the Escrow Deposit.

9. Access to Information. Seller shall provide Buyer and its designated representatives access to the Assets and Station's transmitter site, upon reasonable advance notice during normal business hours prior to Closing and at times that are mutually agreeable to Buyer and Seller and which will not interfere with the operation of the Station. After execution of this Agreement and until Closing, Seller shall affirmatively and promptly disclose to Buyer any material matters affecting the Assets or operation of the Station of which Seller may become aware, including claims made and contract obligations to be entered into by Seller.

10. Brokers and Expenses. Buyer and Seller each represent and warrant to the other that they are not represented by any broker in connection with the transaction contemplated by this Agreement. Buyer and Seller shall bear their respective costs and expenses for attorneys, accountants and advisors retained by or representing them in connection with their respective negotiation and execution of this Agreement and the performance of their respective obligations hereunder. Seller acknowledges that Buyer, at Buyer's sole cost and expense, may obtain lien, tax and judgment searches with respect to Seller and the Assets.

11. Conditions Precedent to Buyer's Obligation to Close. The obligations of Buyer to purchase the Assets and to otherwise consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver by Buyer, on or prior to the Closing Date, of each of the following conditions:

(a) The FCC Approval shall have been granted and become a Final Order, unless finality has been waived by Buyer in its sole discretion, and Seller shall have complied with any conditions imposed on it by the FCC Approval that Seller is obligated to satisfy under the terms of this Agreement.

(b) All representations and warranties of Seller contained in this Agreement shall be true and complete at and as of the Closing Date as if such representations and warranties were made at and as of the Closing Date except for (i) any inaccuracies that in the aggregate could not reasonably be expected to have a material adverse effect on the Assets or the operation of the Station, or (ii) any representation or warranty that is expressly stated only as of a specified earlier date, in which case such representation or warranty shall be true as of such earlier date.

(c) Seller shall have performed and complied with in all material respects all agreements, obligations, and conditions required by this Agreement to be performed or complied with by Seller prior to or at the Closing Date.

(d) Seller shall hold valid, current, and unexpired FCC Authorizations for the Station.

(e) Buyer shall have received from Seller the documents and other items to be delivered by Seller pursuant to *Section 14* of this Agreement.

(f) No injunction, restraining order or decree of any nature of any court or governmental authority of competent jurisdiction shall be in effect that restrains or prohibits Buyer from consummating the transactions contemplated by this Agreement.

12. Conditions Precedent to Seller's Obligation to Close. The obligations of Seller to sell the Assets and to otherwise consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver by Seller, on or prior to the Closing Date, of each of the following conditions:

(a) The FCC Approval shall have been granted and become a Final Order, unless finality has been waived by Buyer in its sole discretion, and Buyer shall have complied with any conditions imposed on it by the FCC Approval that Buyer is obligated to satisfy under the terms of this Agreement.

(b) All representations and warranties of Buyer contained in this Agreement shall be true and complete at and as of the Closing Date as if such representations and warranties were made at and as of the Closing Date except for (i) any inaccuracies that in the aggregate could not reasonably be expected to have a material adverse effect on Buyer's ability to consummate the transaction contemplated by this Agreement, or (ii) any representation or warranty that is expressly stated only as of a specified earlier date, in which case such representation or warranty shall be true as of such earlier date.

(c) Buyer shall have performed and complied with in all material respects all agreements, obligations, and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing Date.

(d) Seller shall have received from Buyer the documents and other items to be delivered by Buyer pursuant to *Section 13* of this Agreement.

(e) No injunction, restraining order or decree of any nature of any court or governmental authority of competent jurisdiction shall be in effect that restrains or prohibits Seller from consummating the transactions contemplated by this Agreement.

13. Buyer's Performance at Closing. At the Closing, Buyer will deliver to Seller:

(a) the Purchase Price less the Escrow Deposit and such instruments as may be reasonably required by the parties in order to consummate the transactions provided for in this Agreement, including without limitation, joint escrow instructions to the Escrow Agent to release the Escrow Deposit to Seller; and

(b) a certificate dated as of the Closing Date, executed on behalf of Buyer by an officer of Buyer, attesting to its fulfillment of the conditions set forth in *Section 12(b) and (c)*.

14. Seller's Performance at Closing. At the Closing, Seller shall deliver to Buyer:

(a) originals, if available, and otherwise, good quality copies, of the FCC Authorizations for the Station listed on Schedule 1(a), together with such assignments of the same as Buyer may reasonably require;

(b) such assignments and further instruments of conveyance as Buyer may reasonably require to effectuate the assignment from Seller to Buyer of the Station and Assets being conveyed and assigned herein, in form and substance acceptable to Buyer, including without limitation, a bill of sale, assignment of records and intangibles, and joint escrow instructions to the Escrow Agent to release the Deposit to Seller;

(c) A consent and estoppel of the tower site landlord to the assignment of the lease to Buyer, in form and substance acceptable to Buyer; and

(d) a certificate dated as of the Closing Date, executed on behalf of Seller by an officer of Seller, attesting to its fulfillment of the conditions set forth in *Section 11(b) and (c)*.

15. Survival of Warranties. All representations and warranties made by the parties in this Agreement shall survive the Closing and remain operative in full force and effect for a period of one (1) year (and shall not be deemed merged into any document or instrument executed or delivered at the Closing) after the Closing. All covenants and obligations of the parties in this Agreement that are not fully performed as of the Closing shall survive the Closing until fully performed.

16. Indemnification.

(a) Indemnification by Seller. Seller shall indemnify and hold harmless Buyer and any of Buyer's officers, trustees, employees, agents, successors and permitted assigns against and in respect of any and all liabilities, obligations, claims, and demands (including reasonable expenses of investigation and attorneys fees) (hereinafter collectively "**Claims**") arising out of or related to (i) Seller's operation of the Station or ownership of the Assets prior to Closing (including, but not limited to, Claims related to compliance with FCC rules and regulations); (ii) any failure by Seller to perform any covenant or obligation of Seller in this Agreement; (iii) any inaccuracy in or breach of any representation, warranty, or covenant made by Seller herein; and (iv) any Excluded Assets set forth in *Section 1(d)* or Excluded Liabilities.

(b) Indemnification by Buyer. Buyer shall indemnify and hold harmless Seller and any of Seller's officers, trustees, employees, agents, successors and permitted assigns against and in respect of any and all Claims arising or related to (i) Buyer's operation of the Station or ownership of the Assets after the Closing (including, but not limited to, Claims related to compliance with FCC rules and regulations), (ii) any failure by Buyer to perform any covenant or obligation of Seller in this Agreement, including the breach or non-performance by Buyer of the Assumed Liabilities, and (iii) any inaccuracy in or breach of any representation, warranty, or covenant made by Buyer herein.

17. No Assignment. This Agreement may not be assigned by either party without the other party's prior written consent.

18. Specific Performance. The parties recognize the uniqueness of the Station and the Assets, authorizations, and attributes that are associated with its operation, and for that reason agree that Buyer shall have the right to specific performance of this Agreement upon default of Seller. Buyer shall therefore be entitled, in addition to any other remedies that may be available, including money damages, to obtain specific performance of the terms of this Agreement. If any action is brought by Buyer to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law.

19. Termination.

(a) Termination by Seller. This Agreement may be terminated by Seller and the purchase and sale of the Assets abandoned, if Seller is not then in material default, upon written notice to Buyer, upon the occurrence of any of the following:

(i) Buyer's Breach. If Buyer is in material breach of its obligations hereunder and Buyer fails to cure such breach within 30 days following notice of such default from Seller.

(ii) Conditions. If, on the date that would otherwise be the Closing Date, any of the conditions precedent to the obligations of Seller set forth in this Agreement have not been satisfied or waived in writing by Seller.

(iii) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order that would prevent or make unlawful the Closing.

(b) Termination by Buyer. This Agreement may be terminated by Buyer and the purchase and sale of the Station abandoned, if Buyer is not then in material default, upon written notice to Seller, upon the occurrence of any of the following:

(i) Seller's Breach. If Seller is in material breach of its obligations hereunder and Seller fails to cure such breach within 30 days following notice of such default from Buyer.

(ii) Conditions. If, on the date that would otherwise be the Closing Date, any of the conditions precedent to the obligations of Buyer set forth in this Agreement have not been satisfied or waived in writing by Buyer.

(iii) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order that would prevent or make unlawful the Closing.

(c) Termination by Either Party. This Agreement may be terminated by either party, if the terminating party is not then in material default, upon written notice, if (i) the Closing shall not have occurred within two hundred seventy (270) days the filing of assignment application, or (ii) the FCC has denied the FCC Application.

(d) Effect of Termination.

(i) Upon termination: (i) if neither party hereto is in material breach of any provision of this Agreement, the parties hereto shall not have any further liability to each other; except that Seller and Buyer shall instruct the Escrow Agent to release the entire amount of the Escrow Deposit to Buyer by wire transfer of immediately available funds no later than five (5) business days following Buyer's written notice requesting such payment; or (ii) if either party shall be in material breach of any provision of this Agreement, the other party shall have all rights and remedies available at law or equity, including for Buyer the right of specific performance provided in *Section 18*. Any and all provisions of this Agreement notwithstanding, neither Seller nor Buyer shall be liable to the other for punitive or consequential damages.

(ii) Buyer recognizes that if the transaction contemplated by this Agreement is not consummated as a result of Buyer's breach or default, Seller would be entitled to compensation, the extent of which is extremely difficult and impractical to ascertain. If this Agreement is terminated due to the breach or default of Buyer, Seller's sole remedy shall be (i) delivery of the Escrow Deposit to Seller within five (5) business days of the date this Agreement is terminated (the "**Liquidated Damages**"). The parties agree that the amount of the Liquidated Damages shall constitute liquidated damages and shall be in lieu of any other remedies to which

Seller might otherwise be entitled due to Buyer's wrongful failure to consummate the transaction contemplated by this Agreement.

(iii) The rights and obligations of the parties described in this *Sections 18 through 27* shall survive any termination for twelve (12) months.

20. Press Releases and Announcements. Both parties agree that they or their appointed agents shall work jointly and cooperatively in preparing all public announcements and press releases regarding the Agreement. Except as required by the FCC or by the laws of the State of Ohio, prior to the Closing, neither Buyer nor Seller shall make any public announcement or issue any press release regarding this Agreement or the transaction contemplated hereby without the prior written consent of the other party. Notwithstanding the foregoing, if the parties have cooperated in good faith and used commercially reasonable efforts to agree upon the timing and content of a joint announcement or release, but cannot reach such agreement, each party may make its own announcement or issue its own release so long as such announcement or release does not conflict with the issuing party's obligations under this Agreement.

21. Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be (i) in writing, may be delivered by personal delivery, sent by commercial delivery service or certified mail, return receipt requested, or sent by email (with, if available under email options, a "delivery receipt" and a "read receipt" being requested), (ii) deemed to have been given on the date of actual receipt, which may be presumptively evidenced by the date set forth in the records of any commercial delivery service or on the return receipt, or on the date of the sender's receipt of a "read receipt" from recipient or sender's confirmation by phone of recipient's receipt, and (iii) addressed to the recipient at the address specified below, or with respect to any party, to any other address that such party may from time to time designate in a writing delivered in accordance with this *Section 21*.

If to Seller:

Penfold Communications, Inc.
P.O. Box 890820
Temecula, CA 99258
Phone: (714) 545-7868
Email: jeffs777@gmail.com
Attn: Jeffrey W. Smith, President

With a copy to:

Putbrese Hunsaker & Trent, P.C.
200 South Church Street
Woodstock, VA 22664
Phone: (540) 459-7646
Email: fccman3@shentel.net
Attn: John C. Trent

If to Buyer:

Taylor University Broadcasting, Inc.
1115 West Rudisill Blvd
Fort Wayne, IN 46807
Phone: 260-745-0576
Email: rsmccamp@wbcl.org
Attn: Ross McCampbell, Executive Director

With a copy to:

Fletcher Heald & Hildreth, PLC
1300 N. 17th Street, Suite 1100
Arlington, VA 22209
Phone: 703-812-0400
Email: mccormick@fhhlaw.com/victory@fhhlaw.com
Attn: Matthew H. McCormick
Kathleen Victory

22. Further Assurances. Each of the parties hereto shall execute and deliver to the other party hereto such other instruments as may be reasonably required in connection with the performance of this Agreement.

23. Construction. This Agreement shall be construed and enforced in accordance with the laws of the State of California. The headings are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

24. Entire Agreement. This Agreement and the schedules hereto supersedes all prior agreements and understandings between the parties with respect to the sale and purchase of the Assets to be sold and purchased hereunder and may not be changed or terminated orally, and no attempted change, termination, amendment, or waiver of any of the provisions hereof shall be binding unless in writing and signed by both parties. All schedules attached to this Agreement shall be deemed part of this Agreement and are incorporated herein, where applicable, as if fully set forth herein. This Agreement cannot be amended, supplemented, or modified except by an agreement in writing that makes specific reference to this Agreement or an agreement delivered pursuant hereto, as the case may be, and which is signed by the party against which enforcement of any such amendment, supplement, or modification is sought.

25. Waiver of Compliance. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement, or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section.


26. Severability. In the event that any one or more of the provisions contained in this Agreement or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument and this Agreement shall be construed in a manner that, as nearly as possible, reflects the original intent of the parties.

27. Counterparts. This Agreement may be executed in several counterparts, all of which when taken together shall constitute one Agreement. Delivery of counterpart signature pages may be effected by email of scanned copies of executed signature pages.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

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

PENFOLD COMMUNICATIONS, INC.

By: 

Jeffrey W. Smith, President

TAYLOR UNIVERSITY BROADCASTING, INC.

By: _____
Ross McCampbell, Executive Director

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

PENFOLD COMMUNICATIONS, INC.

By: _____
Jeffrey W. Smith, President

TAYLOR UNIVERSITY BROADCASTING, INC.

By: 
Ross McCampbell, Executive Director

Schedule 1(a): FCC Authorizations

<u>Call Sign</u>	<u>Community of License</u>	<u>Facility ID</u>	<u>FCC File No.</u>	<u>Expiration Date</u>
WTPG(FM)	Whitehouse, OH	122008	BLED-20160527AAC	October 1, 2020

Schedule 1(b): Tangible Assets

- Power conditioner
- Modulation Monitor
- Satellite receiver
- EAS receiver
- Sage EAS decoder
- Processor
- Sentinel Remote control
- Barix internet unit
- UPS (battery back-up)(dead)
- Stereo generator
- Dehydrator
- Transmitter
- Feed line
- 2 bay directional antenna
- Fiberglass transmitter building located at the SBA Tower Site
- AC window unit
- Satellite dish

Schedule 1(c): Assumed Contracts

Tower site lease (a complete copy of which has been provided to Byer):

That certain Tower Site Sublease Agreement by and between JB Towers, LLC and Penfold Communications dated October 13, 2011, as assigned by JB Towers, LLC to SBA Towers V, LLC and as amended by that certain Amendment to Tower Site Sublease Agreement, dated June 9, 2015, for the sublease of space on the tower located at 18890 Dunbridge Road, Bowling Green, Ohio 43402.

The aforementioned lease commenced on December 1, 2011 for an initial 5 year term ending on November 30, 2016 and which automatically renewed for a renewal term as provided in the Tower Site Land Lease Agreement, dated March 27, 2010 between Landlords David J. and Donna J. Eckel and Tenant Wod County Cell Tower, LLC as assigned to JB Tower, LLC and ultimately assigned to SBA Towers V, LLC by assignment and assumption dated June 24, 2014 (referred to in the Tower Site Sublease as the "Prime Lease").

The current rent under the Tower Site Sublease Agreement is \$1,321.55 and is subject to an annual 3% escalator effective 12/1.