

## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is dated as of July 31, 2008, by and between COMMUNITY PUBLIC RADIO, INC, a Georgia nonprofit corporation ("Seller") and OLYMPIC BROADCASTING, INC., a Washington corporation ("Buyer").

### RECITALS

A. Seller is the licensee of an FM Translator station at Brinnon, WA, (Facility ID No. 154893) (the "Station"), pursuant to a license issued by the Federal Communications Commission (the "FCC"), a copy of which is attached as Exhibit A hereto (the "FCC License").

B. Seller owns or holds certain equipment used or useful in the operation of the Station, as listed on Exhibit B hereto (the "Equipment").

C. Seller desires to assign and Buyer wishes to acquire the FCC License and the Equipment (collectively, the "Assets") for the price and on the terms set forth in this Agreement.

### AGREEMENTS

In consideration of the above recitals and of the mutual agreements and covenants contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Buyer and Seller, intending to be bound legally, agree as follows:

#### **SECTION 1. DEFINITIONS**

The following terms shall have the meanings set forth in this Section:

"Closing" means the consummation of the purchase and sale of the Assets pursuant to this Agreement in accordance with the provisions of Section 5.

"Closing Date" means the date on which the Closing occurs, as determined pursuant to Section 5.

"Communications Laws" means the Communications Act of 1934, as amended, and the FCC's rules, regulations and written policies.

"FCC Consent" means action by the FCC granting its consent to (i) the assignment of the FCC License to Buyer as contemplated by this Agreement, and (ii) the move of the Station to an appropriate location at which it may be used as a translator for radio station KMAS(AM), Shelton, Washington ("KMAS"), conditioned on the consummation of this Agreement.

"Final Order" means an FCC Consent that is no longer subject to reconsideration, review or appeal by the FCC or any court of competent jurisdiction.

"Lease Agreement" means the tower site lease agreement between Seller and the landlord at the location near Brinnon, Washington, where the Station's transmitter is currently located.

“Lien” means any lien (including any tax lien), claim, charge, security interest, pledge, adverse claim of ownership, defect in title or other encumbrance of any nature.

## **SECTION 2. PURCHASE AND SALE OF ASSETS**

Subject to the terms and conditions set forth in this Agreement, Seller shall sell, transfer, assign, convey and deliver the Assets to Buyer on the Closing Date, and Buyer shall purchase and acquire from Seller all right, title and interest of Seller in the Assets on the Closing Date, free and clear of any Lien. The purchase price for the Assets shall be Seventeen Thousand Dollars (\$17,000.00) (the “Purchase Price”), which Buyer shall pay at Closing in cash by certified check payable to Seller or wire transfer of immediately available funds to an account designated by Seller prior to the Closing Date. Effective upon Closing, Buyer shall assume and perform all obligations of Seller under the FCC License and shall pay, discharge and perform such other obligations as Buyer specifically assumes pursuant to this Agreement, but only insofar as such obligations relate to or arise in connection with the business or operations of the Station during the period on and after the Closing Date (the “Assumed Liabilities”). Buyer expressly does not, and shall not, assume or be deemed to have assumed under this Agreement or by reason of any transactions contemplated hereunder any other obligations or liabilities of Seller of any nature whatsoever, including any obligation or liability relating to the Lease (collectively, the “Non-Assumed Liabilities”).

## **SECTION 3. REPRESENTATIONS AND WARRANTIES**

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

(a) Authority and Organization. Seller is a non-profit corporation duly organized, validly existing, and in good standing under the laws of the State of Georgia and qualified to transact business in the State of Washington, and has full power and authority to enter into and perform this Agreement. The execution, delivery and performance of this Agreement has been duly authorized by Seller, and constitutes its valid and binding agreement, enforceable in accordance with its terms.

(b) Assets. The FCC License, which is described in Exhibit A hereto, has been validly issued, is in full force and effect, and Seller is the authorized legal holder thereof. Seller has good title to the Equipment, free and clear of any Liens, and the Equipment, which is described in Exhibit B hereto, is in working condition and repair (ordinary wear and tear excepted) adequate for the Station to operate in accordance with the FCC License.

(c) Consents. Except for the FCC Consent, no consent, approval, permits, or authorization of, or declaration to or filing with, any governmental authority or any other third party, is required to permit Seller to assign or transfer the Assets to Buyer.

3.2 Buyer’s Representations. Buyer represents and warrants to Seller that Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of Washington and has full power and authority to enter into and perform this Agreement. The execution, delivery and performance of this Agreement has been duly authorized by Buyer, and constitutes its valid and binding agreement, enforceable in accordance with its terms.

## **SECTION 4. COVENANTS**

4.1 Seller's Covenants. Seller shall maintain the Equipment in its current operating condition as of the date hereof, ordinary wear and tear excepted, and not sell, lease or otherwise dispose of any of the Assets or cause or permit any of the Assets to be subject to any Lien. Seller shall use its commercially reasonable efforts to comply in all material respects with the FCC License and all laws, judgments, orders, ordinances, rules, regulations or other legal requirements applicable or relating to the ownership and operation of the Station and the Assets. Seller shall prosecute with due diligence any application to any governmental authority in connection with the FCC License or the Station. Seller shall not take any action that is inconsistent with its obligations hereunder or that could hinder or delay the consummation of the transactions contemplated by this Agreement.

4.2 Buyer's Covenants. Buyer shall not take any action that is inconsistent with its obligations hereunder or that could hinder or delay the consummation of the transactions contemplated by this Agreement. From and after the Closing, Buyer shall, at its expense, arrange for the Equipment to be promptly dismantled and removed from the Brinnon tower site.

### **4.3 FCC Consent.**

(a) Seller and Buyer shall prepare and file with the FCC an appropriate application to request consent to Seller's assignment of the FCC License to Buyer. Buyer shall prepare and file with the FCC an appropriate application that requests consent to move the Station from its current location to a location inside the appropriate contour for KMAS, as designated by the FCC upon and subject to its adoption of a new policy currently under consideration regarding the use of FM translators by AM stations to retransmit their signals, with such technical move being contingent on grant of the application to assign the FCC License and on the closing of the assignment. Seller shall provide a statement to be filed with such contingent modification application setting forth its consent to the filing. The parties shall prosecute the applications with reasonable diligence and otherwise use reasonable commercial efforts to obtain a grant of the applications as expeditiously as practicable.

(b) Each party agrees to comply with any condition imposed on it by the FCC Consent, 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. If the Closing shall not have occurred for any reason within the original effective period of the FCC Consent, the parties shall jointly request an extension of the effective period of the FCC Consent.

4.4 Amendment to Assignment. Buyer and Seller are parties to an Assignment of FCC Authorization dated as of August 12, 2008 (the "Assignment"), which was executed prematurely by the parties. The parties hereby amend the Assignment so that it is effective only upon the receipt of all required FCC Consents and the occurrence of the Closing hereunder.

## **SECTION 5. CLOSING; CLOSING CONDITIONS**

5.1 Closing. Subject to the satisfaction or applicable waiver of the conditions set forth in Section 5.2, the Closing shall take place at 10:00 a.m. on a date to be set by Buyer on at least five days' written notice to Seller, that is (i) not earlier than the first business day after the

FCC Consent is granted, and (ii) not later than the tenth (10) business day after the FCC Consent has become a Final Order.

5.2 Conditions to Obligations of Buyer. All obligations of Buyer at the Closing are subject at Buyer's option to the fulfillment by Seller or waiver by Buyer prior to or at the Closing Date of each of the following conditions:

(a) Representations, Warranties and Covenants. All representations and warranties of Seller contained in this Agreement shall be true and complete at and as of the Closing Date as though made at and as of that time, and Seller shall have performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by Seller prior to or on the Closing Date.

(b) FCC Consent. The FCC Consent shall have been granted, Seller shall have complied with any conditions imposed on it by the FCC Consent, the FCC Consent shall have become a Final Order, and no proceeding shall be pending which could revoke, cancel, fail to renew, suspend, or modify adversely the FCC License or the FCC Consent.

(c) Deliveries. Seller shall stand ready to deliver to Buyer on the Closing Date (i) a duly executed bill of sale and assignment agreement, in form and substance reasonably satisfactory to Buyer, assigning and conveying the Assets from Seller to Buyer, free and clear of all Liens, and (ii) such other certificates and documents that Buyer may reasonably request to evidence the consummation of the transactions contemplated hereby.

(d) No Proceedings. There shall be no suit, action, claim, investigation, inquiry or proceeding instituted or threatened or any order, decree or judgment of any governmental authority rendered which (i) questions the validity or legality of the transaction contemplated hereby, or (ii) seeks to enjoin or unwind the transaction contemplated hereby.

5.3 Conditions to Obligations of Seller. All obligations of Seller at the Closing are subject at Seller's option to the fulfillment by Buyer or waiver by Seller prior to or at the Closing Date of each of the following conditions:

(a) Representations, Warranties and Covenants. All representations and warranties of Buyer contained in this Agreement shall be true and complete at and as of the Closing Date as though made at and as of that time, and Buyer shall have performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by Buyer Seller prior to or on the Closing Date.

(b) Deliveries. Buyer shall deliver to Seller on the Closing Date (i) the Purchase Price, (ii) a duly executed bill of sale and assignment and assumption agreement, in form and substance reasonably satisfactory to Seller, providing for Buyer's acceptance of the Assets from Seller, and (iii) such other certificates and documents that Seller may reasonably request to evidence the consummation of the transactions contemplated hereby.

(c) FCC Consent. The FCC Consent shall have been granted, and Buyer shall have complied with any conditions imposed on it by the FCC Consent.

(d) No Proceedings. There shall be no suit, action, claim, investigation, inquiry or proceeding instituted or threatened or any order, decree or judgment of any governmental authority rendered which (i) questions the validity or legality of the transaction contemplated hereby, or (ii) seeks to enjoin or unwind the transaction contemplated hereby.

## SECTION 6. MISCELLANEOUS

6.1 Fees and Expenses. Any sales or transfer taxes arising in connection with the conveyance of the Assets by Seller to Buyer pursuant to this Agreement shall be paid by Seller. Each party shall bear its own costs in connection with the preparation, filing and prosecution of the assignment application. Except that Buyer shall reimburse Seller for \$ 250.<sup>00</sup> in fees payable to Sterling Communications for its preparation of the initial FCC assignment application, each party shall pay its own expenses incurred in connection with the preparation, execution and performance of this Agreement, and each party shall be responsible for any fees or commissions payable to any finder, broker, or similar person retained by or on behalf of such party.

6.2 Further Assurances. The parties shall take any actions and execute any other documents that may be necessary or desirable for the implementation and consummation of this Agreement, including, in the case of Seller, any additional bills of sale or other transfer documents that, in the reasonable opinion of Buyer, may be necessary to ensure, complete, and evidence the full and effective transfer of the Assets to Buyer pursuant to this Agreement.

6.3 Termination. This Agreement and the transaction contemplated hereby may be terminated and abandoned by either party by written notice to the other party if such terminating party is not in material breach of its obligations hereunder and the Closing has not occurred before August 1, 2009. Such termination does not limit any of the rights of either party if the other party is in default or breach of its obligations hereunder prior to or upon such termination.

6.4 Counterparts. This Agreement may be executed in two counterparts, each of which shall be an original, and both of which counterparts together shall constitute a single instrument. For all intents and purposes delivery of counterpart signature pages may be effected via email or scanned, or facsimile transmission of, executed signature pages.

IN WITNESS WHEREOF, the parties hereto have duly executed this Asset Purchase Agreement as of the date first above written.

SELLER:

COMMUNITY PUBLIC RADIO, INC.

By: 

Penny Jackson, President

BUYER:

OLYMPIC BROADCASTING, INC.

By: 

Dale Hubbard, President/General Manager

## **Exhibit A**

### **FCC License**

- License issued by FCC for FM Translator station at Brinnon, WA (Facility ID No. 154893).

## **Exhibit B**

### **Equipment**

The Equipment includes the following tangible personal property located at the current tower site in Brinnon, Washington:

1. Kathrien-Scala FM Antenna
2. Transmission line
3. FM transmitter
4. FM Receiving Antenna
5. FM Receiver
6. Power protection unit