

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is entered into this 23rd day of July, 2019, by and between SPIRIT COMMUNICATIONS, INC., an Ohio nonprofit corporation (“Seller”), CHEHALIS VALLEY EDUCATIONAL FOUNDATION, a Washington nonprofit corporation (“Buyer”).

WHEREAS, Seller is the licensee of FM translator station K293AY, licensed to Enumclaw, Washington (Facility ID 155196) (the “Station”), which it operates pursuant to authorizations issued by the Federal Communications Commission (the “FCC” or the “Commission”); and

WHEREAS, Buyer desires to purchase from Seller the assets (as defined in Section 1.1) (the “Assets”) used in the broadcast operations of the Station, and to obtain an assignment from Seller of all FCC Licenses (each, as defined in Section 1.1) held in connection with the operation of the Station; Seller desires to sell such Assets to Buyer and to assign to Buyer all such FCC Licenses, all in accordance with and subject to the terms and conditions contained herein; and

WHEREAS, authorizations issued by the FCC may not be assigned or transferred without the Commission’s prior consent;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements set forth herein, Seller and Buyer (each a “Party” and together, the “Parties”) agree as follows:

1. SALE AND PURCHASE OF ASSETS.

1.1. **Sale and Purchase of Assets.** Subject to the terms and conditions set forth in this Agreement, Seller agrees to sell, convey, transfer, assign, grant and deliver to Buyer, and Buyer, in reliance on the representations, warranties and covenants of Seller, agrees to purchase, acquire and accept from Seller at the Closing (as defined in Section 11.1) to be held on the Closing Date (as defined in Section 11.1), all of Seller’s right, title and interest in and to all of the tangible and intangible assets owned by Seller and used or held for use in connection with the broadcast operations of the Station and that are described below (the “Assets”); provided that the Assets shall not include the Excluded Assets (as defined in Section 1.2):

(a) all licenses, permits and other authorizations that have been or will be issued to Seller by the FCC for the operation of the Station, including any renewals thereof or any pending applications therefor, including those set forth on Schedule 1.1(a) (“FCC Licenses”) and, to the extent they are assignable, all other licenses, permits, franchises, authorizations and other similar rights issued by any federal, state or local governmental authority held by Seller for the Station’s broadcast facilities;

(b) the equipment held by Seller and used or useful in the operation of the Station (the “Tangible Personal Property”), and all of Seller’s interest (to the extent assignable) in and to all manufacturer’s, distributor’s or other warranties relating to any of the foregoing, as set forth on Schedule 1.1(b);

(c) all engineering and other books, papers, files, correspondence and records pertaining to the broadcast operations of the Station;

Except as otherwise provided in this Agreement, the Station Assets shall include all such assets existing on the date of this Agreement and all such assets acquired in the ordinary course of business of the Station between the date of this Agreement and the Closing Date, other than those assets consumed in the ordinary course of business. The Station Assets shall be transferred to Buyer at the Closing free and clear of all liens, claims, security interests, encumbrances and liabilities ("Encumbrances") other than the Permitted Encumbrances (as defined in Section 3.6).

1.2. **Excluded Assets.** The Assets shall not include any of Seller's broadcast equipment, licenses, tangible or intangible personal property or any other assets not identified in Section 1.1.

2. **PURCHASE PRICE; METHOD OF PAYMENT; ASSUMPTION OF LIABILITIES**

2.1. **Purchase Price.** In consideration of the sale and transfer of the Assets, Buyer agrees to pay to Seller the sum of Fourteen Thousand Dollars (\$14,000.00) (the "Purchase Price"), to be paid by Buyer at the Closing in the manner prescribed in this Section 2. The Purchase Price shall be adjusted by the net amount of the adjustments, if any, provided for in Section 12.

2.2. **Escrow Deposit.** Concurrently with the execution and delivery of this Agreement, Buyer, Seller and Donald E. Martin, as Escrow Agent (the "Escrow Agent"), shall enter into an Escrow Agreement (the "Escrow Agreement") in the form attached as Exhibit 2.2, pursuant to which Buyer shall transfer Nine Thousand Dollars (\$9,000.00) (the "Escrow Deposit") to the Escrow Agent within one (1) business day after the Effective Date. Such amount held in escrow shall be applied as set forth herein and in the Escrow Agreement. At the Closing, the Escrow Deposit shall be applied to the Purchase Price to be paid to Seller, and any accrued interest shall be paid to Buyer pursuant to the terms of the Escrow Agreement. As more fully described in Section 6.2 and the Escrow Agreement, (a) if this Agreement is terminated pursuant to Section 6.1(d), then Seller shall be entitled to the Escrow Deposit plus any accrued interest; and (b) if this Agreement is terminated pursuant to any provision other than Section 6.1(d), then Buyer shall be entitled to receive the Escrow Deposit plus any accrued interest, in each case pursuant and subject to the terms of the Escrow Agreement.

2.3. **Promissory Note.** At the Closing, Buyer shall execute and deliver to Seller a promissory note (the "Note") for Five Thousand Dollars (\$5,000.00) payable to Seller in Twelve (12) monthly interest-free installments of Four Hundred Sixteen Dollars and Sixty-seven Cents (\$416.67) each. The Note shall be in the form attached hereto as Exhibit 2.3.

2.4. **Assumed Liabilities.** Buyer will not assume any of Seller's liabilities as an element of the consideration for this transaction or otherwise.

3. **REPRESENTATIONS AND WARRANTIES BY SELLER.** Seller represents and warrants to Buyer as follows:

3.1. **Organization and Standing.** Seller is a nonprofit corporation duly organized, validly existing and in good standing under the laws of Ohio. Seller has the requisite power and authority to own, lease and operate the Assets, to carry on its business with regard to the Station as now conducted, and to enter into and perform the terms of this Agreement and the agreements and instruments called for hereunder (the “Collateral Agreements”) and to consummate the transactions contemplated by this Agreement and the Collateral Agreements.

3.2. **Authorization.** The execution and delivery by Seller of this Agreement and of the Collateral Agreements, and the consummation of the transactions contemplated by this Agreement and the Collateral Agreements, have been duly and validly authorized by all necessary action on the part of Seller.

3.3. **No Conflict or Breach; Third Party Consents.** The execution and delivery by Seller of this Agreement and the Collateral Agreements, the fulfillment of and the compliance with the respective terms and provisions of this Agreement and the Collateral Agreements, and the consummation of the transactions contemplated by this Agreement and the Collateral Agreements, will not: (i) conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of Seller’s governing documents; or (ii) conflict with or constitute a violation of (with or without the giving of notice or the lapse of time or both) any law, ordinance, regulation, order, award, judgment, injunction or decree of any legislative body, court, governmental or regulatory authority or arbitrator that is applicable or relates to Seller or the Assets.

3.4. **Governmental Consents.** Except for the consent of the FCC to the assignment of the FCC Licenses (the “FCC Consent”), neither the execution and delivery of this Agreement by Seller nor the consummation by Seller of the transactions contemplated hereby, nor compliance by Seller with any provisions of this Agreement or the Collateral Agreements will require any filing with, or the obtaining of any permit, authorization, consent or approval of, any governmental or regulatory authority by Seller.

3.5. **Litigation; Compliance with Law.** Except for proceedings related to the FCC Application (as defined in Section 5) and generally applicable to the broadcast industry, there is no action, suit, investigation, claim, arbitration, proceeding or litigation pending or, to the knowledge of Seller, threatened against or involving the Assets or the operations of the Station. To the knowledge of Seller, Seller has complied in all material respects and is in compliance in all material respects with all laws, ordinances and regulations applicable to the Assets and to the business of Seller regarding the Station.

3.6. **Title to Assets.** Seller has good and valid title to all of the Assets free and clear of all Encumbrances.

3.7. **Condition of Tangible Assets.** The Tangible Personal Property listed on Schedule 1.1(b) is in good operating condition and repair, ordinary wear and tear excepted,

taking into account age and normal usage. Buyer acknowledges that the Tangible Personal Property is used, and will accept it “as-is where-is” with no post-Closing warranty.

3.8. **FCC Licenses and Operation of the Station.** Schedule 1.1(a) contains a true and complete list of all FCC Licenses and any pending applications for any FCC Licenses. The FCC Licenses set forth on Schedule 1.1(a) are valid and in full force and effect and there are no orders, or to Seller’s knowledge no complaints, proceedings or investigations pending or threatened, that could result in the revocation, suspension or limitation of the FCC Licenses, nor is there to Seller’s knowledge, any existing state of facts that could reasonably be expected to serve as the basis therefor under laws and regulations in effect on the Closing Date, EXCEPT that the Station is currently silent pursuant to a Special Temporary Authority and has been continuously silent since August 1, 2018. Seller acknowledges that the Station’s License is subject to expiration pursuant to Section 312(g) of the Communications Act if the Station does not resume broadcasting on or before August 1, 2019. To Seller’s knowledge, there are not any unsatisfied or otherwise outstanding citations issued by the FCC with respect to the Station or its operation.

3.9. **Reports and Records.** All material returns, reports and statements relating to the Station currently required to be filed by Seller with the FCC, and any material returns, reports and statements relating to the Station currently required to be filed by Seller with any other governmental instrumentality have been, or prior to the Closing Date shall be, filed and complied with in all material respects and are true, correct and complete in all material respects, and true, correct and complete copies thereof have been made available for inspection by Buyer.

3.10. **Taxes.** Seller has paid and discharged all taxes, assessments, excises and other levies relative to the Assets, which if due and not paid, would interfere with Buyer’s full use of the Assets conveyed hereunder, excepting such taxes, assessments and other levies that will not be due until the Closing Date or that will be prorated between Seller and Buyer.

4. **REPRESENTATIONS AND WARRANTIES BY BUYER.** Buyer represents, warrants and covenants to Seller as follows:

4.1. **Organization and Standing.** Buyer is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State of Washington. Buyer has all requisite power and corporate authority to enter into, execute and deliver this Agreement and the Collateral Agreements, and to perform and comply with all of the terms, covenants and conditions to be performed or complied with by Buyer in this Agreement and the Collateral Agreements, and to consummate the transactions contemplated by this Agreement and the Collateral Agreements.

4.2. **Authorization.** The execution and delivery by Buyer of this Agreement and of the Collateral Agreements, and the consummation of the transactions contemplated by this Agreement and the Collateral Agreements, have been duly and validly authorized by all necessary action on the part of Buyer.

4.3. **No Conflicts or Breach; Consents.** The execution and delivery by Buyer of this Agreement and the Collateral Agreements, the fulfillment of and compliance with the

respective terms and provisions of this Agreement and the Collateral Agreements, and the consummation of the transactions contemplated by this Agreement and the Collateral Agreements will not: (i) conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of Buyer's charter and by-laws; (ii) conflict with or constitute a violation of (with or without the giving of notice or the lapse of time or both), any law, ordinance, regulation, order, award, judgment, injunction or decree of any legislative body, court, governmental or regulatory authority or arbitrator that is applicable to or relates to Buyer or any of Buyer's operations or assets; or (iii) violate or conflict with, constitute a default under, result in a breach, acceleration or termination of any provision of, or require the consent of any third party under, any agreement, instrument, license or permit to which Buyer is a party or by which Buyer may be bound, such that Buyer could not acquire the Assets pursuant to the terms of this Agreement or operate the Station after Closing.

4.4. **Governmental Consents.** Except for the FCC Consent, neither the execution and delivery of this Agreement by Buyer nor the consummation by Buyer of the transactions contemplated hereby, nor compliance by Buyer with any provisions of this Agreement or the Collateral Agreements will require any filing with, or the obtaining of any permit, authorization, consent or approval of, any governmental or regulatory authority by Buyer.

4.5. **Qualifications.** Buyer is not aware of any facts that would, under present law (including the Communications Act of 1934, as amended) and present rules, regulations, policies and practices of the FCC, form the basis for a determination by the FCC that Buyer is not qualified to become the licensee of the Station and, the assignee of the FCC Licenses, and the owner and/or operator of the Station or the Assets, and Buyer will not take, or unreasonably fail to take, any action that would cause such non-qualification.

5. **APPLICATION FOR FCC CONSENT.** As promptly as practicable after the date hereof, but no later than five (5) business days after the date hereof, Seller and Buyer shall take all steps reasonably necessary to file an application with the FCC requesting its consent to the assignment of the FCC Licenses for the Station from Seller to Buyer (the "FCC Application"). Seller and Buyer will diligently take and fully cooperate in the taking of, all necessary and proper steps, and provide any additional information reasonably requested in order to obtain promptly the requested consent and approval of the FCC Application; provided that neither Party shall have any obligation to take any steps that could have a material adverse effect on such Party or the operation of the Station to satisfy complainants, if any, or to participate in any evidentiary hearing.

6. **TERMINATION; EFFECTS OF TERMINATION.**

6.1. **Termination.** This Agreement may be terminated and the transactions contemplated hereby may be abandoned as follows:

- (a) By mutual written consent of Seller and Buyer;
- (b) By either Party not then in default of this Agreement if the Closing shall not have occurred within six (6) months of the date on which the FCC Application is filed

with the Commission (unless extended by the Parties' mutual agreement); provided, however, that the right to terminate this Agreement under this Section 6.1(b) shall be suspended as to any Party whose failure to fulfill any material obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur prior to such date;

(c) By either Party not then in default of this Agreement if any court of competent jurisdiction in the United States or other United States governmental body shall have issued an order, decree or ruling, taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated hereby; provided, however, that the right to terminate this Agreement under this Section 6.1(c) shall be suspended as to any Party whose failure to fulfill any material obligation under this Agreement or whose actions otherwise shall have been the cause of, or shall have resulted in, the issuance of such order, decree, ruling or other governmental action;

(d) By Seller, upon notice to Buyer, upon a material breach of any representation, warranty or covenant of Buyer contained in this Agreement, provided (i) that Seller is not then in default of any of its obligations under this Agreement, and (ii) that such breach is not cured within thirty (30) days after the giving of written notice thereof by Seller to Buyer ("Buyer's Cure Period"); provided however, if such breach cannot be reasonably cured within Buyer's Cure Period and Buyer promptly commences diligent efforts to cure, then Buyer's Cure Period shall be extended so long as Buyer continues such diligent efforts, but not beyond the latest date that the Closing Date could occur under Section 11.1 if such breach had never occurred; and

(e) By Buyer, upon notice to Seller, upon a material breach of any representation, warranty or covenant of Seller contained in this Agreement, provided (i) that Buyer is not then in default of any of its obligations under this Agreement, and (ii) that such breach is not cured within thirty (30) days after the giving of written notice thereof by Buyer to Seller ("Seller's Cure Period"); provided however, if such breach cannot be reasonably cured within Seller's Cure Period and Seller promptly commences diligent efforts to cure, then Seller's Cure Period shall be extended so long as Seller continues such diligent efforts, but not beyond the latest date that the Closing Date could occur under Section 11.1 if such breach had never occurred.

Any termination of this Agreement pursuant to this Section 6.1 shall be made by written notice of termination following the occurrence of the applicable event.

6.2. **Effects of Termination.**

(a) If this Agreement is terminated pursuant to Sections 6.1(a) through 6.1(c), neither Party shall have any liability to the other; this Agreement in its entirety shall be deemed null, void and of no further force and effect.

(b) If Seller terminates this Agreement pursuant to Section 6.1(d), then Seller shall be entitled to receive the Escrow Deposit as liquidated damages and as its sole and exclusive remedy.

(c) If Buyer terminates this Agreement pursuant to Section 6.1(e), Buyer shall be entitled to a remedy pursuant to Section 15 hereof.

7. **COVENANTS AND AGREEMENTS OF SELLER.** Seller covenants and agrees with Buyer as follows:

7.1. **Negative Covenants.** Except as otherwise contemplated by this Agreement, pending and prior to the Closing, Seller shall not without the prior written approval of Buyer do or agree to do any of the following in connection with Seller's operation of the Station:

(a) **Dispositions.** Sell, assign, lease or otherwise transfer or dispose of any Asset, other than dispositions in the ordinary course of business;

(b) **Contracts.** Enter into any contracts, leases, commitments, understandings, licenses, or other agreements relating exclusively to the Station or incur any obligation or liability (contingent or absolute) relating exclusively to the Station;

(c) **Material Adverse Actions.** Do or omit to do any act (or permit such action or omission) that would be reasonably expected to have a material adverse effect on the Assets;

(d) **Actions Affecting Licenses.** Take any action that would be reasonably expected to jeopardize the validity or enforceability of or rights under the FCC Licenses; and

(e) **Encumbrances.** Mortgage, pledge or subject any of the Assets to any Encumbrance other than a Permitted Encumbrance.

7.2. **Affirmative Covenants.** Pending and prior to the Closing, Seller shall:

(a) **Preserve Existence.** Preserve its existence intact as of the Closing;

(b) **Compliance with FCC Rules and Regulations.** In connection with Seller's operation of the Station, comply in all material respects with all applicable rules and regulations of the FCC and with all material rules and regulations of any other governmental authority having jurisdiction over Seller in connection with its operation of the Station;

(c) **Access.** Upon reasonable notice, give Buyer and Buyer's authorized representatives reasonable access to the Assets;

(d) **Violations.** If Seller receives notice of or becomes aware of any material violation with respect to or affecting the FCC Licenses, notify Buyer and use commercially reasonable efforts to correct all such violations prior to the Closing;

(e) **Notification.** Notify Buyer of any complaints, investigations, hearing or any material litigation pending or threatened against the Station or any material damage to or destruction of any assets included or to be included in the Assets.

(f) Maintain the License. Take all commercially reasonable measures necessary to maintain the Station's license in full force and effect, including resuming the Station's on-air operations on or before August 1, 2019, to avoid expiration of the license pursuant to Section 312(g) of the Communications Act.

8. **COVENANTS AND AGREEMENTS OF BUYER.** Buyer covenants and agrees with Seller as follows:

8.1. **Corporate Action.** Prior to the Closing, Buyer shall (i) take all necessary corporate action under federal law and under the law of any state having jurisdiction over Buyer to effectuate the transactions contemplated by this Agreement and (ii) notify Seller of any litigation or administrative proceeding pending or, to Buyer's knowledge, threatened against Buyer that challenges the transactions contemplated hereby.

8.2. **Qualifications.** In the event Buyer becomes aware of any facts or circumstances that might cause it to become unqualified to hold the FCC License for the Station, it will promptly notify Seller in writing thereof and use its reasonable best efforts to prevent and/or cure any such non-qualification or disqualification.

8.3. **Station Resumption.** At Seller's request and subject to Seller's supervision and control, Buyer may provide, at Buyer's expense, certain assistance in effectuating the resumption of broadcasting by the Station on or before August 1, 2019. Such assistance may include the lending and installation of broadcast equipment and rendering consent for the Station to rebroadcast the signal of Buyer's primary station, KACS. In any event, Seller shall maintain complete control of the Station until the Closing, and shall be directly responsible for operational costs such as utilities and rent. Upon Seller's request with supporting documentation, Buyer shall reimburse Seller on a monthly basis, within five (5) days of presentment, for the cost of rent and electricity at the Station's transmitter site from the date the Station resumes broadcasting until the earlier of the Closing Date or termination of this Agreement pursuant to Section 6.1(b) hereinabove, PROVIDED THAT the Station remains on the air and rebroadcasts Buyer's primary station KACS during such interval. Buyer will make its best good faith effort to assist Seller in the resumption of broadcasting by the Station. However, Buyer shall have no liability in the event that the Station's license expires or is cancelled, unless such expiration or cancellation is directly caused by Buyer's gross negligence or malfeasance.

9. **CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE.** The obligations of Buyer to purchase the Assets and to proceed with the Closing are subject to the satisfaction at or prior to the Closing of each of the following conditions (unless waived in writing by Buyer):

9.1. **Representations and Covenants.** The representations and warranties of Seller made herein or in any schedule, agreement or instrument called for hereunder shall have been true and correct in all material respects when made, and shall be true and correct in all material respects on the Closing Date as though such representations and warranties were made on and as of such date; Seller shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Seller prior to the Closing.

9.2. **Legal Proceedings.** No proceeding by or before any governmental authority shall have been instituted (and not subsequently dismissed, settled or otherwise terminated) that would (a) restrain, prohibit or invalidate the transactions contemplated by this Agreement, or (b) impose material restrictions, limitations or conditions with respect to Buyer's ownership of the Station or the Assets, other than an action or proceeding that is instituted or threatened by Buyer or is solicited or encouraged by, or instituted as a result of any act or omission of Buyer.

9.3. **FCC Consent.** The FCC shall have granted the FCC Consent, and at Buyer's option, shall have become a Final Order (defined below), without any conditions or modifications that are materially adverse to Buyer's operation of the Station or that materially diminish the rights of a licensee with respect to the Station (except for any such conditions that are accepted by Buyer in writing), including any order, ruling or finding by the FCC that Buyer's FM station KACS cannot be designated as the parent for the Station, the over-the-air signal of which the Station is intended to rebroadcast from the Station's presently authorized site and facilities.

9.4. **Station License.** The Station's license shall be in full force and effect, and shall not have expired or been cancelled, nor be in imminent danger of expiration or cancellation.

10. **CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO CLOSE.** The obligations of Seller to sell, transfer, convey and deliver the Assets and to proceed with the Closing are subject to the satisfaction at or prior to the Closing of each of the following conditions (unless waived in writing by Seller):

10.1. **Representations and Covenants.** The representations and warranties of Buyer made herein or in any agreement or instrument called for hereunder shall have been true and correct in all material respects when made, and shall be true and correct in all material respects on the Closing Date as though such representations and warranties were made on and as of such date; and Buyer shall have performed and complied in all material respects with all covenants and agreements required to be performed or complied with by Buyer prior to the Closing.

10.2. **Legal Proceedings.** No proceeding by or before any governmental authority shall have been instituted or threatened in a writing to Buyer or Seller (and not subsequently dismissed, settled or otherwise terminated) that would restrain, prohibit or invalidate the transactions contemplated by this Agreement, other than an action or proceeding that is instituted or threatened by Seller or is solicited or encouraged by, or instituted as a result of any act or omission of Seller.

10.3. **FCC Consent.** The FCC shall have granted the FCC Consent without any conditions or modifications that are materially adverse to Seller.

11. **THE CLOSING; CLOSING DATE.**

11.1. **Closing.** The closing of the sale and purchase of the Assets as contemplated hereby (the "Closing") shall be held on a date to be agreed upon by Buyer and Seller (the "Closing Date"), but in no event more than five (5) business days following the date

upon which all conditions to Closing shall have been fulfilled or waived; provided, however, in the event that a petition to deny, informal objection or other adverse filing is made against the FCC Application, the Closing Date shall be five (5) business days after FCC Consent has become a Final Order. "Final Order" means an action by the FCC as to which: (a) no request for stay by the FCC is pending, no such stay is in effect, and any deadline for filing a request for any such stay has passed; (b) no appeal, petition for rehearing or reconsideration, or application for review is pending before the FCC, and the deadline for filing any such appeal, petition, or application has passed; (c) the FCC has not initiated reconsideration or review on its own motion, and the time in which such reconsideration or review is permitted has passed; and (d) no appeal to a court, or request for stay by a court, of the FCC's action is pending or in effect, and the deadline for filing any such appeal or request has passed. The effective time of the Closing shall be 12:01 a.m. Station's local time on the Closing Date (the "Effective Time"). The Closing shall be held at such time and place as the Parties may agree upon.

11.2. **Delivery by Seller.** At or before the Closing, Seller shall deliver to Buyer, duly executed by an authorized representative of Seller as the context may require:

- (a) An Assignment and Assumption of the FCC Licenses identified in Schedule 1.1(a) in form and substance reasonably satisfactory to Buyer.
- (b) A Bill of Sale transferring to Buyer all of Seller's ownership interest in the Tangible Personal Property as identified in Schedule 1.1(b), in form and substance reasonably satisfactory to Buyer.
- (c) Joint escrow instructions.
- (d) Such other instruments or documents as Buyer may reasonably request in order to effectuate the intended objectives of this Agreement.

11.3. **Delivery by Buyer.** At or before the Closing, Buyer shall deliver to Seller, duly executed by an authorized representative of Buyer as the context may require:

- (a) An Assignment and Assumption of the FCC Licenses identified in Schedule 1.1(a).
- (b) The Note, the form of which is attached hereto in Exhibit 2.4.1.
- (c) Joint escrow instructions.
- (d) Such other instruments or documents as Seller may reasonably request in order to effectuate the intended objectives of this Agreement.

12. **ADJUSTMENTS.** All income and expenses arising from the operation of the Station and affecting the Assets shall be prorated or allocated in cash between Buyer and Seller (the "Adjustment") as of the Effective Time.

13. **POSSESSION AND CONTROL.** Between the date of this Agreement and the Closing, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct, the operation of the Station, and such operation, including complete control and supervision of all Station programming, personnel and finances, shall be the sole responsibility of Seller.

14. **INDEMNIFICATION.**

14.1. **Indemnification by Seller.** Subject to the conditions and provisions of this Section 14.1, commencing at the Closing, Seller agrees to indemnify, defend and hold harmless Buyer from and against all claims, actions, causes of action, suits, losses, damages, liabilities, costs and expenses, including reasonable attorneys' fees and disbursements (collectively "Losses") asserted against, imposed upon or incurred by Buyer, directly or indirectly, by reason of or resulting from: (a) any liability or obligation of or claim against Seller not expressly assumed by Buyer hereunder or under any Collateral Agreement; or (b) any Claims involving events or circumstances occurring prior to the Closing Date, arising out of, relating to or resulting from the Assets or Seller's business or its operation of the Station; or (c) any misrepresentation or breach of the representations and warranties of Seller contained in or made pursuant to this Agreement. Seller's liability hereunder shall be offset by an equal reduction in the then currently outstanding unpaid principal balance on the Note.

14.2. **Indemnification by Buyer.** Subject to the conditions and provisions of this Section 14.2, commencing at the Closing, Buyer hereby agrees to indemnify, defend and hold harmless Seller from and against all Losses asserted against, imposed upon or incurred by Seller, directly or indirectly, by reason of or resulting from: (a) any Claims involving events or circumstances occurring on or after the Closing Date arising out of, relating to or resulting from the Assets or Buyer's business or its operation of the Station; or (b) any misrepresentation or breach of the representations and warranties of Buyer contained in or made pursuant to this Agreement.

15. **SPECIFIC PERFORMANCE.** Seller acknowledges that the Assets to be sold and delivered to Buyer pursuant to this Agreement are unique and that Buyer has no adequate remedy at law if Seller shall fail to perform its obligations to proceed to the Closing hereunder. Buyer shall therefore be entitled to elect as its sole and exclusive remedy ONE of the following: (a) to obtain specific performance of the terms of this Agreement prior to Closing, in which event, Seller shall waive the defense that there is an adequate remedy at law; or (b) the return to Buyer of the Escrow Deposit.

16. **FURTHER ASSURANCES.** Each of the Parties agrees that it will, at any time, prior to, at or after Closing, take or cause to be taken such further actions, and execute, deliver and file or cause to be executed, delivered and filed such further documents and instruments, and obtain such consents, as may reasonably be necessary or reasonably requested in connection with the consummation of the purchase and sale contemplated by this Agreement or in order to fully effectuate the purposes, terms and conditions of this Agreement.

17. **BROKERS.** Each of Seller and Buyer represents to the other that it has not retained any broker or similar person in connection with the transactions contemplated by this

Agreement, and that no commission, finder's fee or similar payment is or will be owed to any third party as a result of this Agreement, EXCEPT for MCH Enterprises, Inc., whose fee shall be Seller's responsibility.

18. **SCHEDULES AND EXHIBITS.** Any item set forth on or in any Schedule to this Agreement shall be incorporated by reference into this Agreement. Any information disclosed in any Schedule shall be deemed to have been disclosed pursuant to all other Schedules to this Agreement.

19. **NOTICES.** All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally or if by email, (b) on the first business day following the date of dispatch if delivered utilizing a next-day service by a recognized overnight courier or (c) on the earlier of confirmed receipt or the fifth (5th) business day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered to the addresses set forth below, or pursuant to such other instructions as may be designated in writing by the Party to receive such notice:

If to Seller:

Michael Buckingham, General Manager
Spirit Communications, Inc.
116 County Line Road, West
Westerville, Ohio 43082
Email: Michael@radiou.com

If to Buyer:

Cameron Beierle, General Manager
Chehalis Valley Educational Foundation
2451 N.E. Kresky, Unite A
Chehalis, Washington 98532
Email: manager@kacs.org

With copy to (which shall not be considered notice):

Donald Martin, Esquire
P.O. Box 8433
Falls Church, Virginia 22041
Email: dempc@prodigy.net

20. **WAIVER.** Except as otherwise provided in this Agreement, no delay or failure on the part of any Party in exercising any right, power or privilege under this Agreement or under any other instrument or document given in connection with or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or any acquiescence therein.

21. **ASSIGNMENT AND BENEFIT.** No Party shall assign this Agreement, in whole or in part, without the prior written consent of the non-assigning party. The covenants and agreements set forth in this Agreement shall be for the benefit of, and shall be enforceable only by the Parties or their respective successors and assigns as permitted hereunder.

22. **CONSTRUCTION.** This Agreement shall be construed and enforced in accordance with the laws of the State of Washington, excluding the conflicts of law principles thereof.

23. **ENTIRE AGREEMENT; AMENDMENT.** This Agreement, including the Schedules and Exhibits hereto and other instruments and documents referred to or delivered, contain the entire agreement among the Parties with respect to the subject matter and supersede all prior oral or written agreements, commitments or understandings with respect to such matters. No amendment, modification or discharge of this Agreement shall be valid or binding unless in writing and executed by Buyer and Seller.

24. **HEADINGS.** The headings of the sections and subsections contained in this Agreement are inserted for convenience only and do not form a part or affect the meaning, construction or scope of the sections and subsections.

25. **SIGNATURES.** This Agreement and the Collateral Agreements may be executed by facsimile or electronically delivered signature, which shall constitute an original signature for all purposes. This Agreement may be executed in separate counterparts, none of which need contain the signature of all Parties, each of which shall be deemed to be an original, and all of which taken together constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than the number of counterparts containing the respective signatures of, or on behalf of, all of the Parties.

26. **EXPENSES.** Except as otherwise set forth in this Section, each party hereto shall be solely responsible for each of its own costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. The FCC filing fees, if any, relating to the Assignment Application shall be shared equally between Buyer and Seller. All federal, state, local and other transfer and sales taxes applicable to, imposed upon or arising out of the transfer to Buyer of the Assets as contemplated hereby shall be paid by the party responsible for such amounts under applicable law.

[Signatures follow on next page.]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed and delivered in its name on its behalf, all as of the day and year first above written.

SELLER:

SPIRIT COMMUNICATIONS, INC.

By: _____
Name: Michael Buckingham
Title: President

BUYER:

**CHEHALIS VALLEY
EDUCATIONAL FOUNDATION**



By: _____
Name: Kerry O'Connor
Title: President

By: _____
Name: Cameron Beierle
Title: Secretary-Treasurer

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed and delivered in its name on its behalf, all as of the day and year first above written.

SELLER:

SPIRIT COMMUNICATIONS, INC.

By: 
Name: Michael Buckingham
Title: ~~President~~
GENERAL MANAGER


BUYER:

**CHEHALIS VALLEY
EDUCATIONAL FOUNDATION**

By: _____
Name: Kerry O'Connor
Title: President

By: _____
Name: Cameron Beierle
Title: Secretary-Treasurer

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed and delivered in its name on its behalf, all as of the day and year first above written.


SELLER:

SPIRIT COMMUNICATIONS, INC.

By: _____
Name: Michael Buckingham
Title: President

BUYER:

**CHEHALIS VALLEY
EDUCATIONAL FOUNDATION**

By:  _____
Name: Kerry O'Connor
Title: President

By:  _____
Name: Cameron Beierle
Title: Secretary-Treasurer

SCHEDULE 1.1(a)

FCC LICENSES

Authorizations for FM translator station K293AY, Enumclaw, Washington, FCC ID #155196:

1. License as authorized in File No. BMLFT-20161103AAV.
2. Special Temporary Authority to be silent as authorized in File No. BLESTA-20190208AAW.

SCHEDULE 1.1(b)

TANGIBLE PERSONAL PROPERTY

Nicom BKG-77 single-bay transmit antenna (still attached to tower)

80 feet of Cablewave 1/2" Cellflex coax with connectors (still attached to tower)

EXHIBIT 2.2

ESCROW AGREEMENT

ESCROW AGREEMENT

This ESCROW AGREEMENT, made and entered into as of this 23rd day of July, 2019 (this “Agreement”), by and between CHEHALIS VALLEY EDUCATIONAL FOUNDATION, a Washington nonprofit corporation (hereinafter referred to as “Buyer”), SPIRIT COMMUNICATIONS, INC., an Ohio nonprofit corporation (“Seller”), and DONALD E. MARTIN (“Escrow Agent”).

WITNESSETH:

WHEREAS, pursuant to an Asset Purchase Agreement of even date herewith between Buyer and Seller (the “APA”), Buyer has agreed to purchase from Seller certain of the assets and FCC authorizations used in connection with the operation of FM translator station K293AY, Enumclaw, Washington (FCC Facility ID #155196) (the “Station”).

WHEREAS, pursuant to the APA, Buyer has agreed to deposit the sum of Nine Thousand Dollars (\$9,000) into escrow (the “Escrow Deposit”) to be held by Escrow Agent pursuant to the terms and conditions of this Agreement; and

WHEREAS, upon the consummation of the purchase of the Station, the parties intend the Escrow Deposit to be paid to Seller as a part of the purchase price.

NOW, THEREFORE, in consideration of the promises and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Appointment. On the terms and conditions set forth herein, Escrow Agent shall act as escrow agent and, as such, receive, administer and dispose of the Escrow Deposit for the benefit of Buyer and Seller as provided for herein and/or in the APA. The Escrow Agent shall hold the Escrow Deposit in an appropriate account with a federally insured financial institution.

2. Rights, Duties and Immunities of Escrow Agent.

(a) Acceptance by Escrow Agent of his duties under this Agreement is subject to the following terms and conditions, which all parties to this Agreement hereby agree shall govern and control the rights, duties and immunities of Escrow Agent:

(i) Escrow Agent undertakes to perform such duties and only such duties as are expressly set forth herein, and no implied agreements or obligations shall be read into this Agreement against Escrow Agent;

(ii) Escrow Agent shall not be responsible in any manner whatsoever for any failure or inability of Buyer, or of anyone else, to deliver moneys to Escrow Agent or otherwise to honor any of the provisions of this Agreement, the APA, or any other agreement;

(iii) Seller and Buyer jointly shall, within ten (10) days following demand, reimburse and indemnify Escrow Agent for, and hold him harmless from and against, any loss, liability or expense, including but not limited to reasonable counsel fees, arising out of or in connection with his acceptance of, or the performance of his duties and obligations under, this Agreement, except for losses, liabilities and expenses caused by the bad faith, willful misconduct or gross negligence of Escrow Agent. Escrow Agent shall in no event be liable in connection with the investment or reinvestment of any amount held hereunder in good faith in accordance with the terms hereof, including, without limitation, any liability for any delays not resulting from his gross negligence or willful misconduct or any loss of interest incident to any such delays;

(iv) Escrow Agent shall be fully protected in acting on and relying upon any written notice, direction, request, waiver, consent, receipt or other paper or document which Escrow Agent in good faith believes to have been signed or presented by the proper party or parties;

(v) Escrow Agent shall not be liable for any error of judgment, or for any act done or step taken or omitted by Escrow Agent in good faith or for any mistake of fact or law, or for anything that Escrow Agent may do or refrain from doing in connection herewith, except Escrow Agent's own bad faith, willful misconduct or gross negligence;

(vi) Escrow Agent makes no representation as to the validity, value, genuineness, or collectability of any security, document or instrument held by or delivered to him; and

(vii) no provisions of this Agreement shall require Escrow Agent to expend or risk his own funds or otherwise incur any financial liability in the performance of his duties hereunder, or in the exercise of any of his rights or powers, if Escrow Agent shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to him.

(b) Subject to the provisions of Section 3(d) hereof, if a controversy arises between one or more of the parties hereto as to whether or not or to whom Escrow Agent shall deliver the Escrow Deposit or as to any other matter arising out of or relating to the Escrow Deposit or this Agreement, Escrow Agent shall not be required to determine the same and shall not make any delivery of the Escrow Deposit but shall retain it until the rights of the parties to the dispute shall have finally been determined by written agreement among the parties in dispute or by final order of a court of competent jurisdiction; provided, however, that the time for appeal of any such final order has expired without an appeal having been made. Escrow Agent shall deliver the Escrow Deposit within two (2) business days after Escrow Agent has received written notice of any such agreement or final order (accompanied by an affidavit that the time for appeal has expired without an appeal having been made). Escrow Agent shall be entitled to assume that no such controversy has arisen unless Escrow Agent has received a written notice that such a controversy has arisen which refers specifically to this Agreement and identifies by name and

address the adverse claimants in the controversy; provided, however, that Escrow Agent shall not be bound by any such notice unless it is received before Escrow Agent delivers the Escrow Deposit or takes any action that, but for the notice referred to in this sentence, is permitted hereunder. If a controversy of the type referred to in this paragraph arises, Escrow Agent may, in Escrow Agent's sole discretion (but shall not be obligated to), commence interpleader or similar actions or proceedings for determination of the controversy.

3. Release of Escrow Deposit. Escrow Agent shall hold the Escrow Deposit until the Escrow Deposit is delivered as follows:

(a) If Escrow Agent receives a written notice executed by Seller and Buyer stating that the Closing contemplated by the APA has occurred on a specified date, Escrow Agent shall deliver the Escrow Deposit to Seller and deliver all interest and earnings thereon to Buyer immediately, provided that Escrow Agent shall have received at least two (2) business days prior written notice.

(b) If Escrow Agent receives a written notice from Buyer stating that Buyer is entitled to the Escrow Deposit, Escrow Agent shall deliver or mail a copy thereof to Seller and, unless Escrow Agent has received a written notice of objection from Seller within ten (10) business days after the effective date of such delivery or mailing, Escrow Agent shall deliver the Escrow Deposit together with any earnings thereon to Buyer. If Escrow Agent so receives a written notice of objection from Seller, a controversy shall be deemed to have occurred for purposes of Section 2(b) hereof.

(c) If Escrow Agent receives a written notice from Seller stating that Seller is entitled to the Escrow Deposit, Escrow Agent shall deliver or mail a copy thereof to Buyer and, unless Escrow Agent has received a written notice of objection from Buyer within ten (10) business days after the effective date of such delivery or mailing, Escrow Agent shall deliver the Escrow Deposit, together with any earnings thereon, to Seller. If Escrow Agent so receives a written notice of objection from Buyer, a controversy shall be deemed to have occurred for purposes of Section 2(b) hereof.

(d) Escrow Agent shall, in addition, disburse the Escrow Deposit and earnings thereon in accordance with any joint written instructions received by Escrow Agent executed by Buyer and Seller, which joint instructions shall be deemed to supersede the above provisions of this Section 3.

4. Successor Escrow Agent.

(a) Escrow Agent (and any successor escrow agent) may at any time resign by delivering written notice to Seller and Buyer. Escrow Agent shall deliver the Escrow Deposit to any successor escrow agent jointly designated in writing by Buyer and Seller, whereupon Escrow Agent shall be discharged of and from any and all further obligations arising in connection with this Agreement. The resignation of Escrow Agent shall take effect on the earlier of the appointment of a successor escrow agent or the date which is thirty (30) days after the date of

delivery of Escrow Agent's written notice of resignation to the other parties hereto. In the event that a successor Escrow Agent has not been appointed at the expiration of such thirty (30) day period, Escrow Agent's sole responsibility hereunder shall be the safekeeping of the Escrow Deposit and to deliver such Escrow Deposit as may be specified in a written agreement signed by all the other parties to this Agreement or as any court of competent jurisdiction may order.

(b) If Escrow Agent receives a written notice from Seller and Buyer stating that they have selected another escrow agent, Escrow Agent shall deliver the Escrow Deposit to the successor escrow agent named in the aforesaid notice within ten (10) days.

5. Conflict of Interest.

The parties acknowledge that Escrow Agent has acted and is acting as legal counsel for Buyer in connection with the negotiations, document drafting, implementation and consummation for and of the transactions contemplated in the APA. As such, Escrow Agent has certain obligations to Buyer that may conflict with Escrow Agent's duties hereunder. In the event that such a conflict impairs Escrow Agent's ability to perform his duties hereunder, Escrow Agent shall resign.

6. Miscellaneous.

(a) This Agreement may be executed in counterpart originals, which collectively shall have the same legal effect as if all signatures had appeared on the same physical document. This Agreement may be executed and exchanged by facsimile transmission with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

(b) This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. No persons other than the parties hereto or their respective successors-in-interest shall have any rights under or by reason of this Agreement.

(c) All notices, elections and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery or twenty-four (24) hours after delivery to a courier or postal service which guarantees overnight delivery or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Seller, to:

Spirit Communications, Inc.
116 County Line Road West
Westerville, Ohio 43082
Attn: Michael Buckingham

If to Buyer, to:

Chehalis Valley Educational Foundation
2451 N.E. Kresky, Unit A
Chehalis, Washington 98532
Attn: Cameron Beierle

If to Escrow Agent:

Donald E. Martin, Esquire
Donald E. Martin, P.C.
P.O. Box 8433
Falls Church, VA 2204

(d) The headings contained in this Agreement are inserted for reference purposes only and shall not affect the meaning of interpretation of this Agreement.

(e) Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provisions in any other jurisdiction.

(f) No amendment or waiver or any provision of this Agreement shall be effective unless in writing and signed by each of the parties hereto, and any waiver shall be effective only in the instance and for the purpose for which given.

(g) This Agreement shall be governed by and construed in accordance with the laws of the State of Virginia, without regard to that state's rules concerning conflicts of law.

(h) This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings, other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

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

**CHEHALIS VALLEY EDUCATIONAL
FOUNDATION**

By: _____
Kerry O'Connor
President

By: _____
Cameron Beierle
Secretary-Treasurer

SPIRIT COMMUNICATIONS, INC.

By: _____
Michael Buckingham
President

DONALD E. MARTIN

By: _____
Donald E. Martin

EXHIBIT 2.3

PROMISSORY NOTE

PROMISSORY NOTE

\$5,000.00

Date:

Chehalis, Washington

Maturity Date:

For value received, CHEHALIS VALLEY EDUCATIONAL FOUNDATION ("Maker"), a Washington nonprofit corporation whose address is 2451 N.E. Kresky, Unit A, Chehalis, Washington 98532, hereby promises to pay to the order of SPIRT COMMUNICATIONS, INC. ("Payee"), the sum of FIVE THOUSAND DOLLARS (\$5,000.00) under the terms set forth herein.

Said indebtedness shall be paid in twelve (12) regular monthly installments of FOUR HUNDRED SIXTEEN DOLLARS AND SIXTY-SEVEN CENTS (\$416.67) each. Payments shall be due as follows: If the date hereof is on or before the fifteenth day of the month, the first installment shall be due on the first business day of the next month. If the date hereof is after the fifteenth day of the month, the first installment shall be due on the first business day of the second whole month following the date hereof. Said monthly installments shall be due and payable on or before the first business day of each succeeding month thereafter until the entire principal is paid in full. No interest shall accrue on the unpaid principal balance.

Payments shall be made for the benefit of the payee to Spirit Communications, Inc., 116 County Line Road West, Westerville, Ohio 43082, or as the Payee may otherwise direct from time to time by written notice to Maker.

Any payment under this Note that is more than Ten (10) days past due shall incur a late fee of five percent (5%) of the unpaid late payment.

Maker agrees to indemnify the holder of this Note for all reasonable Attorney's fees which are incurred for services actually rendered in the collection of this Note, provided that such fees shall not exceed fifteen percent (15%) of the amount of principal due and owing.

This Note is given and received as evidence of the indebtedness recited herein and not in satisfaction thereof.

This instrument shall be binding upon the parties hereto, their heirs and assigns.

In witness whereof, the authorized representative of Maker has executed this Note below:

For CHEHALIS VALLEY EDUCATIONAL FOUNDATION:

Name:

Title: