

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, dated as of April 20, 2010 (this "Agreement"), is by and among NextMedia Operating, Inc. Debtor in Possession, a Delaware corporation ("Operating"), NM Licensing LLC Debtor in Possession, a Delaware limited liability company ("Licensing" and together with Operating, the "Sellers"), and EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation ("Buyer").

WITNESSETH:

WHEREAS, Licensing is the licensee of radio station WSSM(FM), Havelock, North Carolina (Channel 286, 105.1 MHz), FIN #47106 ("WSSM" or the "Station") pursuant to authorizations (the "FCC Authorizations") issued by the Federal Communications Commission (the "FCC");

WHEREAS, Licensing holds the Station's FCC authorizations and is a wholly owned subsidiary of Operating.

WHEREAS Operating holds the assets of the Station other than its FCC authorizations; and

WHEREAS, on the terms and conditions described herein, Sellers desires to sell and Buyer desires to acquire certain assets owned or leased by Sellers and used or useful in connection with the operation of the Station.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Sale of Assets.**

(a) On the Closing Date (as hereinafter defined), Sellers shall sell, assign and transfer to Buyer, and Buyer shall purchase and assume from Sellers, on an "as is, where is" basis, the following assets, properties, interests and rights of Sellers, which are owned by Sellers and used exclusively in the operation of the Station (the "Assets") (but excluding the Excluded Assets described in subparagraph (c) below):

(i) Sellers' broadcast equipment, machinery, fixtures, office materials, and other tangible personal property used in the conduct of the business or operations of the Station (the "Tangible Personal Property"), together with such improvements and additions thereto and replacements thereof between the date hereof and the Closing Date, as set forth on Schedule 1 hereto;

(ii) All of the licenses, permits, applications, and other authorizations, including the FCC Authorizations (collectively, the "Licenses"), issued by, or granted by, or filed with the FCC, and any other federal, state or local governmental authorities, to Sellers in connection with the conduct of the business and the full on-air operations of the Station,

including without limitation those set forth on Schedule 2 hereto;

(iii) The Sellers' leases for the Station's tower site including buildings, fixtures and other improvements, and any related easements, licenses, rights of access, rights of way and improvements which are held by Sellers for use in the operation of the Station' tower site facility (the "Leased Real Property"), including without limitation as set forth on Schedule 3 hereto;

(iv) All of Sellers' logs, books, files, data, software, FCC and other governmental applications, equipment manuals and warranties, and other records relating to the full on-air broadcast operations of the Station, including without limitation all electronic data processing files and systems, FCC filings and all records required by the FCC to be kept by the Station; and

(v) All of Sellers' right, title and interest in and to all copyrights, licenses, patents, trademarks, service marks, logos and trade names (including the call letters) used in connection with the operation of the Station and all goodwill associated therewith, including registrations and applications for registration of any of the foregoing, and other similar intangible rights and interests, if any, as set forth in Schedule 4.

(b) The Assets shall be transferred by Sellers to Buyer pursuant to Section 363(f) of Title 11 of the United States Code (the "Bankruptcy Code"), free and clear of all liens, debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements and

other liens, liabilities and encumbrances of every kind and nature ("Liens"), other than (i) Liens for taxes not yet due and payable, (ii) landlord Liens on property arising from the provisions of leases, (iii) zoning ordinances and (iv) non-monetary Liens which individually and in the aggregate do not materially affect the use, value or operation of the Station or the Assets (collectively, "Permitted Liens"). Buyer is not agreeing to, and shall not, assume any liability, obligation, undertaking, expense or agreement of Sellers of any kind, absolute or contingent, known or unknown, and the execution and performance of this Agreement shall not render Buyer liable for any such liability, obligation, undertaking, expense or agreement unless otherwise specifically agreed to herein. All of such liabilities and obligations which are to be assumed by Buyer, shall be referred to herein as the "Assumed Liabilities." All such liabilities not specifically assumed by Buyer shall be retained by Sellers and are referred to herein as the "Retained Liabilities". Without limiting the generality of the foregoing, it is understood and agreed that Buyer is not agreeing to, and shall not, assume (i) any liability or obligation of Sellers to Sellers' employees under any existing written or oral agreements with Sellers, including any such liability or obligation in respect of wages, salaries, bonuses, accrued vacation or sick pay or any other matter, or (ii) any liability arising out of any termination by Sellers of the employment of any employee of the Station or any liability for any employee benefit plan or arrangement of Sellers for the Station's employees.

(c) The following assets and obligations relating to the business of the Station shall be retained by Sellers and shall not be sold, assigned or transferred to or assumed by Buyer (the "Excluded Assets"):

(i) Cash on hand and in banks (or their equivalents), and accounts receivable arising out of the Sellers' operation of the Station prior to Closing;

(ii) All rights of Sellers under all contracts, leases (except Leased Real Property set forth in Schedule 3 hereto) and agreements, including leases with cellular telephone providers, contracts of insurance and insurance proceeds of settlement and insurance claims made by Sellers relating to property or equipment repaired, replaced, restored by Sellers prior to the Closing Date;

(iii) All pension, profit-sharing, retirement, stock purchase or savings plans or trusts and any assets thereof and all other employee benefit plans;

(iv) All deposits and all prepaid expenses and taxes; and

(v) Sellers' corporate and limited liability company records;

(vi) The Station's studio space and

(vii) All assets, real and personal, tangible or intangible, used in the operation of Sellers' other radio broadcast stations (including without limitation Sellers' commonly-owned Station WANG-AM, Havelock, North Carolina), except for those assets identified on Schedules 1, 2 and 3 hereto.

2. **Purchase Price.**

(a) Upon the terms and subject to the conditions contained in this Agreement, including but not limited to Bankruptcy Court approval (as defined herein), and in consideration of the sale of the Assets, on the Closing Date, Buyer shall pay to Sellers, Two Hundred Thirty Thousand Dollars (\$230,000.00), the Purchase Price (the "Purchase Price"), which shall be payable to Sellers at Closing by wire transfer of immediately available funds.

(b) Concurrently with the execution of this Agreement, Buyer has delivered to WashingtonFirst Bank ("Escrow Agent") the sum of Eleven Thousand Five Hundred Dollars (\$11,500.00) to be held as an earnest money deposit (the "Earnest Money Deposit") pursuant to an Escrow Agreement (the "Escrow Agreement") of even date herewith. On the Closing Date the Earnest Money Deposit shall be paid to Sellers as partial payment of the cash Purchase Price due at Closing to Sellers, or shall otherwise be made available to Sellers or released to Buyer in accordance with the provisions of this Agreement.

(c) The parties agree to prorate all expenses arising out of the operation of the Station which are incurred, accrued or payable, as of 11:59 p.m. local time of the day preceding the Closing. The items to be prorated shall include, but not be limited to, power and utilities charges, security deposits, and similar prepaid and deferred items. On the Closing Date, the prorations shall, insofar as feasible, be determined and paid on the Closing Date, with final settlement and payment to be made within forty-five (45) days after the Closing Date.

3. **FCC Consent; Assignment Application.**

At a date not later than five (5) business days after the execution of this Agreement, Buyer and Sellers shall execute, file and vigorously prosecute an application with the FCC (the "Assignment Application") requesting its consent to the assignment, from Licensing to Buyer, of all Licensing's FCC Authorizations pertaining to the Station (the "FCC Consent"). Buyer and Sellers shall take all reasonable steps to cooperate with each other and with the FCC to secure such FCC Consent without delay, and to promptly consummate this Agreement in full. Each party shall be responsible for all of its own costs with respect thereto. The Assignment Application filing fee will be shared equally between Buyer and Sellers.

Sellers hereby consent and agree to cooperate with EMF in connection with the filing of a request by EMF for a waiver of the FCC's "main studio" rules for the Station, and a request to convert the Station to noncommercial status such waiver and noncommercial change to be effective on or after the Closing Date, conditioned upon said requests not delaying the grant of the FCC Assignment Application and not being a condition precedent for closing. Such request shall be made and prosecution thereof shall be conducted, solely at EMF's expense, and Sellers' covenant of cooperation shall be satisfied by prompt delivery of the signed statement required under Section 73.3517 of the FCC rules or any similar successor rule or provision.

4. **Closing Date; Closing Place.** The closing (the "Closing") of the transactions contemplated by this Agreement shall occur on a date (the "Closing Date") fixed by Buyer which shall be no later than ten (10) days following the date on which the FCC Consent shall have

become a Final Order (as hereinafter defined) and the other conditions to closing set forth in Section 8 have either been waived or satisfied. However, if no objection or petition to deny is timely filed, then Final Order shall not be required as a condition precedent to close. For purposes of this Agreement, the term "Final Order" means action by the FCC consenting to an application which is not reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no timely request for stay, petition for rehearing or appeal is pending, and as to which the time for filing any such request, petition or appeal or reconsideration by the FCC on its own motion has expired. The Closing shall be held by electronic mail, or as otherwise agreed upon by Buyer and Sellers.

5. **Representations and Warranties of Sellers.** Sellers hereby make the following representations and warranties to Buyer:

(a) Operating is a corporation organized, validly existing and in good standing under the laws of the State of Delaware. Subject to the approval of the Bankruptcy Court, (i) Operating has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby, (ii) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by Operating, (iii) no other proceedings on the part of Operating will be necessary to authorize this Agreement or to consummate the transactions contemplated hereby, (iv) this Agreement has been duly and validly executed and delivered by Operating and, subject to bankruptcy court approval, constitutes the legal, valid and binding obligation of Operating enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws

affecting generally the enforcement of creditors' rights or the application of principles of equity.

(b) Licensing is a limited liability company organized, validly existing and in good standing under the laws of the State of Delaware. Subject to the approval of the Bankruptcy Court, (i) Licensing has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby, (ii) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by Licensing, (iii) no other proceedings on the part of Licensing will be necessary to authorize this Agreement or to consummate the transactions contemplated hereby, (iv) this Agreement has been duly and validly executed and delivered by Licensing and constitutes the legal, valid and binding obligation of Licensing enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

(c) The execution, delivery and performance of this Agreement by each Seller will not (i) to the extent applicable to the Seller, constitute a violation of or conflict with Seller's articles of incorporation, by-laws, certificate of formation, operating agreement or other similar organizational documents, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation relating to the business of the Station and to which a Seller or any of the Assets may be subject, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained and delivered to Buyer, (iii) violate any law, statute,

rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency and which is applicable to each Seller or any of the Assets, (iv) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever on any of the Assets, or (v) require the consent or approval of any governmental authority, lending institution or other third party other than (x) the FCC, (y) the bankruptcy court, and (z) the owner of the Leased Real Property.

(d) Schedule 1 hereto contains a list of the Tangible Personal Property owned or leased by Sellers for use in connection with the operation of the Station. Operating owns and has, or will have on the Closing Date, good and marketable title to the Tangible Personal Property. The Assets on an "AS IS, WHERE IS" basis, and that neither Seller, nor any of its affiliates, successors or assigns, is providing any representation or warranty of condition, fitness, merchantability, habitability, usefulness, adequacy, or sufficiency with respect to any of the Assets.

(e) Schedule 2 hereto contains a true and complete list of the FCC Authorizations and all other licenses, permits or other authorizations from governmental or regulatory authorities that are required for the lawful conduct of the business and operations of the Station in the manner and to the full extent it is presently operated. The Licenses are in full force and effect, unimpaired by any act or omission of Sellers. Sellers lawfully hold each of the FCC Authorizations and other licenses, permits and authorizations listed on Schedule 2, none of which is subject to any restrictions or conditions that would limit in any material respect the operation of the Station. Except as set forth in Schedule 2, and to Sellers' knowledge, Sellers are

operating the Station in all material respects in accordance with the FCC Authorizations, and all rules, regulations and policies of the FCC (the "Communications Laws"). To Sellers' knowledge, the Station are not transmitting or receiving any objectionable interference to or from any other station. There is not now pending or, to Sellers' knowledge, threatened any action by or before the FCC to revoke, cancel, rescind, modify or refuse to renew any of such FCC Authorizations, and Sellers have not received any notice of and have no knowledge of any pending, issued or outstanding order by or before the FCC, or of any investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against either the Station or a Seller. Except as set forth in Schedule 2, all material reports and filings required to be filed with the FCC by Sellers with respect to the operation of the Station have been timely filed, and all such reports and filings are accurate and currently are in material compliance. Sellers maintain a public inspection file for the Station and, to Sellers' knowledge, such file complies with the Communications Laws.

(f) Schedule 3 contains a complete description of all real property leased in connection with the Sellers' operation of the tower facilities of the Station, including legal description, owner and use (the "Leased Real Property"). The Leased Real Property constitutes the only real property, leased or otherwise, required to operate the transmission facilities of the Station in the manner in which it they are presently operated, other than the Station's studio space. To Sellers' knowledge, there is no pending condemnation or similar proceeding affecting the Leased Real Property or any portion thereof, and no such action is presently contemplated or threatened.

(g) The instruments to be executed by Sellers and delivered to Buyer at the Closing, conveying the Assets to Buyer, will transfer good and marketable title to the Assets free and clear of all Liens, except Permitted Liens.

(h) Buyer shall have no obligation to offer employment to any employee of Sellers' or the Station, and shall have no liability with respect to any such employee or for benefits of any kind or nature.

(i) Other than Media Venture Partners, whose broker fee shall be paid by Sellers, there is no broker or finder or other person who would have any valid claim against Sellers for a commission or brokerage in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding or action by Sellers.

(j) No Seller is subject to any order, writ, injunction, judgment, arbitration decision or decree having binding effect and affecting the business of the Station or the Assets or which restrains or enjoins the transactions contemplated hereby, and no such proceeding is pending. There is no material litigation pending by or against, or to the best of Sellers' knowledge, threatened against any Seller which relates to a Seller or the Station or could affect any of the Assets. Sellers, with respect to the Station, have complied in all material respects with all applicable laws, regulations, orders or decrees. To Sellers' knowledge, the present uses by Sellers of the Assets do not violate any such laws, regulations, orders or decrees in any material respect, and Sellers have no knowledge of any basis for any claim for compensation or damage or other relief from any violation of the foregoing.

(k) All of the Assets that are insurable in character are insured against loss, injury or damage in a commercially reasonable manner.

6. **Representations and Warranties of Buyer.** Buyer hereby makes the following representations and warranties to Sellers:

(a) Buyer is a non-profit corporation duly organized, validly existing and in good standing under the laws of the State of California, is qualified or on the closing date will be qualified to do business as a foreign corporation in the State of North Carolina.

(b) Buyer has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by Buyer and no other proceedings on the part of Buyer are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Buyer and constitutes the legal, valid and binding agreements of Buyer enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

(c) The execution, delivery and performance of this Agreement by Buyer will not (i) conflict with or result in any breach of any provision of the articles of incorporation or by-

laws of Buyer, or (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation, relating to its own business, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained and delivered to Sellers, (iii) violate any law, statute, rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency and which is applicable to Buyer, or (iv) require the consent or approval of any governmental authority other than the FCC Consent.

(d) Buyer has the financial ability to consummate the transactions contemplated herein and possesses the FCC qualifications to become the broadcast licensee of the Station.

(e) There is no litigation, proceeding or governmental investigation pending or to the knowledge of Buyer, threatened, in any court, arbitration board, administrative agency, or tribunal against or relating to Buyer including without limitation, any voluntary or involuntary petition under Federal bankruptcy law or any state receivership or similar proceedings, that would prevent or materially impede the consummation by Buyer of the transactions contemplated by this Agreement, nor does Buyer know of, or have any reasonable ground to know of, in view of its present situation or action it now contemplates taking, any basis for such litigation, proceeding or investigation.

(f) There is no broker or finder or other person who would have any valid

claim against Buyer for a commission or brokerage in connection with this Agreement or the transactions contemplated hereby as a result of any agreement, understanding or action by Buyer.

7. **Covenants.** Sellers covenant with Buyer that, between the date hereof and the Closing Date, Sellers shall act in accordance with the following:

(a) Sellers shall maintain the Tangible Personal Property included in the Assets in accordance with Sellers' past practice, and shall replace any such property which shall be worn out, lost, stolen or destroyed with like property of substantially equivalent kind and value. The Tangible Personal Property are used exclusively in the operation of the Station.

(b) Sellers shall continue to operate and maintain the Station in accordance with the terms of the FCC Authorizations and in material compliance with all applicable laws and FCC rules and regulations. Sellers will deliver to Buyer, promptly after filing or receipt, copies of any reports, applications or responses to the FCC or any communications from the FCC or any other party directed to the FCC related to the Station which are filed between the date of this Agreement and the Closing Date. Sellers will not file any application to modify the Station's facilities without Buyer's prior written consent, and Sellers shall take all actions necessary to keep the FCC Authorizations, including all material permits and applications pending before the FCC, valid and in full force and effect. In all other respects, except as disclosed in writing to and approved by Buyer, Sellers shall operate the Station solely in the ordinary course of business and in accordance with past practice.

(c) Sellers' shall maintain in full force and effect through the Closing Date adequate property damage, liability and other insurance with respect to the Assets.

(d) Prior to the Closing Date, Sellers shall not, without the prior written consent of Buyer sell, lease, transfer or agree to sell, lease or transfer any of the Assets with a value in excess of \$250 without replacement thereof with an asset of equivalent kind, condition and value, or create any Lien on the Assets, other than Permitted Liens.

(e) Sellers shall give detailed written notice to Buyer promptly upon the occurrence of or becoming aware of the impending or threatened occurrence of, any event which would cause or constitute a breach or would have caused a breach, had such event occurred or been known to Sellers prior to the date hereof, of any of Sellers' representations or warranties contained in this Agreement or in any Schedule. Sellers shall promptly disclose to Buyer any significant problems or developments with respect to the Station or the material Assets. Sellers shall give prompt written notice to Buyer if the Assets shall have suffered damage on account of fire, explosion or other cause of any nature that is sufficient to prevent operation of the Station.

(f) Sellers shall be in material compliance with all federal, state and local laws, rules and regulations.

(g) Sellers shall obtain consent and an estoppel certificate from the landlord of the Leased Real Property, identifying the lease arrangement, the term of the lease and the amount of monthly payments due thereunder, and containing the landlord's certification that such lease is

in full force and effect and that there are no uncured defaults with respect to the lease. Sellers shall use commercially reasonable efforts, which shall not include making any payments to the landlord, to negotiate an amendment to the Leased Real Property, specifically lease #2 as set forth in Schedule 3, to provide for Buyer's right to install and maintain a satellite dish on the leased premises, instead of a repeater antenna.

(h) Subsequent to the filing of the Assignment Application, Seller shall allow Buyer access to its facilities to install satellite equipment, at Buyer's expense and at Buyer's risk, including the cost of removing such equipment, in the event that this Agreement is terminated pursuant to Section 10.

8. Conditions Precedent to Obligation to Close.

(a) The performance of the obligations of Sellers hereunder is subject to the satisfaction of each of the following express conditions precedent, unless waived in writing by Sellers:

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

(ii) The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(iii) The FCC Consent shall be effective and shall have been granted;

(iv) The bankruptcy court shall have entered the sale order which, among other things, shall approve, pursuant to applicable bankruptcy law, (a) the execution delivery and performance by Seller of this Agreement, (b) the sale of the Assets free and clear of all liens, claims and encumbrances, (c) the performance by Sellers of their obligations under this Agreement ("Sale Order"). The Sale Order shall be in full force and effect as of the Closing, shall be final and non-appealable and not subject to stay.

(v) Buyer shall have delivered to Sellers, on the Closing Date, the documents and consideration required to be delivered pursuant to Section 9(b);

(vi) No suit, action, claim or governmental proceeding shall be pending, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against any party hereto which: (A) would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; (B) questions the validity or legality of any transaction contemplated hereby; or (C) seeks to enjoin any transaction contemplated hereby;

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

(i) Sellers shall have performed and complied in all material respects with all the agreements, obligations and covenants required by this Agreement to be performed or complied with by Sellers prior to or as of the Closing Date;

(ii) The representations and warranties of Sellers set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(iii) None of the events or conditions referenced in Section 19 below shall have occurred and not been remedied as set forth in Section 19;

(iv) The FCC Consent shall be effective and shall have become a Final Order. However, if no objection or petition to deny is timely filed, then Final Order shall not be required as a condition precedent to close;

(v) There shall not be any Liens on the Assets or any financing statements of record, other than Permitted Liens and Liens for which Sellers have received executed releases from the secured party, in a form that is satisfactory to Buyer. .

(vi) The bankruptcy court shall have entered the Sale Order. The Sale Order shall be in full force and effect as of the Closing, shall be final and non-appealable and not subject to stay.

(vii) The Licenses shall be in full force and effect and there shall be no proceedings pending before the FCC to revoke, cancel, rescind, modify or refuse to renew any of such Licenses, and Sellers have not received any notice of and has no knowledge of any pending, issued or outstanding order by or before the FCC, or of any material investigation, order to show cause, notice of material violation, notice of apparent liability, notice of forfeiture, or material complaint against either the Station or Sellers;

(viii) No suit, action, claim or governmental proceeding shall be pending, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against any party hereto which: (A) would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; (B) questions the validity or legality of any transaction contemplated hereby; or (C) seeks to enjoin any transaction contemplated hereby;

(ix) Sellers shall have delivered to Buyer, on the Closing Date, the documents required to be delivered pursuant to Section 9(a);

(x) The Tangible Personal Property shall be operational on the Closing Date sufficient for the Station to broadcast at no less than 90% of its authorized effective radiated power, pursuant to the parameters of its FCC license,.

9. **Closing Deliveries.**

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

(i) A Bill of Sale, and other instruments of transfer and conveyance, dated the Closing Date, in form and substance so as to effectively and legally transfer and assign to Buyer the Tangible Personal Property and effectively vest in Buyer good and marketable title to the Tangible Personal Property;

(ii) An Assignment and Assumption of the Station' FCC Licenses;

(iii) An Assignment and Assumption for each lease for the Leased Real Property, duly executed by Sellers;

(iv) Estoppel Certificate and landlord consent referenced in 7(g)

(vi) Certified copies of the resolutions of the Board of Directors, manager or members (as appropriate) of each Seller authorizing and approving the execution and delivery of this Agreement and authorizing the consummation of the transactions contemplated hereby and thereby;

(vii) A certificate, dated the Closing Date, executed by an officer of each Seller, certifying the fulfillment of the conditions set forth in Section 8(b)(i) and (ii) hereof;

(viii) An incumbency certificate for each Seller, and

(ix) A certificate of good standing for each Seller from the Secretary of State of the State of Delaware;

(x) Executed copy of the Sale Order entered by the Bankruptcy Court;

(xi) A joint notice to Escrow Agent;

(xii) A copy of the Station's public inspection files delivered to Buyer's address via email or overnight delivery; and

(xiii) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as Buyer shall reasonably request, each in form and substance satisfactory to Buyer and its counsel.

(b) Prior to or at the Closing, Buyer will deliver to Sellers the following, each of which shall be in form and substance satisfactory to Sellers and its counsel:

(i) The payments to be made pursuant to Section 2(a) hereof;

(ii) An Assignment and Assumption of the Station's FCC Licenses, duly executed by Buyer;

(iii) An Assignment and Assumption for each lease for the Leased Real Property, duly executed by Buyer;

(iv) Certified copies of the resolutions of the Board of Directors of Buyer authorizing and approving the execution and delivery of this Agreement and authorizing the consummation of the transactions contemplated hereby and thereby;

(v) A certificate, dated the Closing Date, executed by the President of Buyer, certifying the fulfillment of the conditions set forth in Section 8(a)(i) and (ii) hereof;

(vi) A certificate of good standing for Buyer from the Secretary of State of California;

(vii) A joint notice to Escrow Agent; and

(viii) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as Sellers shall reasonably request, each in form and substance satisfactory to Sellers and their counsel.

10. **Termination.**

(a) This Agreement may be terminated by either Buyer or Sellers, if the party seeking to terminate is not in default or breach of any of its material obligations under this

Agreement, upon written notice to the other upon the occurrence of any of the following: (a) if, on or prior to the Closing Date, the other party breaches any of its material obligations contained herein, and such breach is not cured by the earlier of the Closing Date or thirty (30) days after receipt of the notice of breach from the non-breaching party; or (b) if the Assignment Application is denied by Final Order or designated for hearing; or (c) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing of this Agreement.

(b) Upon a termination of this Agreement by Sellers due to a breach by Buyer of any of its material obligations under this Agreement, Sellers' sole remedy shall be the delivery of the Earnest Money Deposit from the Escrow Agent. Sellers and Buyer each acknowledge and agree that these liquidated damages are reasonable in light of the anticipated harm which would be caused by Buyer's breach of any of its material obligations under this Agreement and the difficulty of ascertaining damages and proof of loss and that these damages are not a penalty.

(c) Upon a termination of this Agreement due to a breach by Sellers of any of their material obligations under this Agreement, Buyer shall be entitled to the release of the Earnest Money Deposit, and Buyer shall be entitled to the remedy of specific performance as provided in Section 12 below.

(d) Upon a termination of this Agreement for any reason other than as a result of a breach by either party of any of its material obligations under this Agreement, Buyer shall be entitled to the release of the Earnest Money Deposit, and thereafter neither party shall have any

further obligation to the other under this Agreement.

11. **Specific Performance.** Sellers acknowledge that the Station is a unique asset not readily obtainable on the open market and that, in the event that Sellers fail to perform their obligation to consummate the transaction contemplated hereby, money damages alone will not be adequate to compensate Buyer for its injury. Therefore, Sellers agree and acknowledge that in the event of Sellers' failure to perform their obligations to consummate the transaction contemplated hereby, Buyer shall be entitled to specific performance of the terms of this Agreement and of Sellers' obligation to consummate the transaction contemplated hereby. This remedy of specific performance shall be Buyer's sole and exclusive remedy for Sellers' material breach of this Agreement. If any action is brought by Buyer to enforce this Agreement, Sellers shall waive the defense that there is an adequate remedy at law, and Buyer shall be entitled to receive from Sellers all court costs, attorney's fees and other out-of-pocket expenses incurred by Buyer in enforcing its rights under this provision.

12. **Confidentiality.**

(a) Each party shall hold, and shall cause its officers, employees, agents and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain such information to hold, in confidence, and not use for any purpose other than evaluating the transactions contemplated by this Agreement, any confidential information of another party obtained through the investigations permitted hereunder, which for the purposes hereof shall not include any information which (i) is or becomes generally available to the public

other than as a result of disclosure by the party which alleges the information is confidential or its affiliates, (ii) becomes available to a party on a nonconfidential basis from a source, other than the party which alleges the information is confidential or its affiliates, which has represented that such source is entitled to disclose it, or (iii) was known to a party on a nonconfidential basis prior to its disclosure to such party hereunder. If this Agreement is terminated, each party shall deliver, and cause its officers, employees, agents, and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain confidential information of another party pursuant to investigations permitted hereunder to deliver to such other party all such confidential information that is written (including copies or extracts thereof), whether such confidential information was obtained before or after the execution.

(b) If a party or a person to whom a party transmits confidential information of another party is requested or becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoena, criminal or civil investigative demand or similar process) to disclose any of such confidential information, such party or person will provide the other applicable party with prompt written notice so that such party may seek a protective order or other appropriate remedy or waive compliance with Section 13(a). If such protective order or other remedy is not obtained, or if the applicable party waives compliance with Section 13(a), the party subject to the request will furnish only that portion of such confidential information which is legally required and will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded such confidential information.

13. **Notices.** 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 refusal thereof), or twenty-four (24) hours after delivery to a courier 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 Sellers, to:

NextMedia Operating, Inc.
6312 S. Fiddlers Green Circle
Suite 205E
Greenwood Village, CO 80111
Attn: Eric Neumann, Vice President
and Chief Financial Officer

With a copy (which shall not
constitute notice) to:

Matthew L. Leibowitz, Esq.
Leibowitz & Associates
4400 Biscayne Blvd., Ste. 880
Miami, FL 33137

If to Buyer, to:

Educational Media Foundation

5700 West Oaks Boulevard

Rocklin, CA 95765

Attn: Mike Novak, President/CEO

With a copy (which shall not
constitute notice) to:

David D. Oxenford, Esq.

Davis, Wright Tremaine LLP

1919 Pennsylvania Ave. NW, Ste. 200

Washington, DC 20006

Fax: 202-973-4499

14. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Delaware, without giving effect to the choice of law principles thereof, and, to the extent applicable, the Bankruptcy Code.

15. **Partial Invalidity.** Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any provision contained herein shall, for any reason, be held to be invalid or unenforceable, such provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remainder of such provision or any other provisions hereof, unless such a construction would be unreasonable.

16. **Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument. This Agreement may be executed and exchanged by electronic mail or facsimile transmission, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of electronic mail or facsimile machine to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of electronic mail or a facsimile machine as a defense to the formation of a contract and each such party forever waives any such defense.

17. **Expenses.** Except as otherwise set forth in this Section, each party hereto shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. All federal, state, local and other transfer and sales taxes, if any, applicable to, imposed upon or arising out of the transfer to Buyer of the Assets as contemplated hereby shall be paid according to local custom.

18. **Risk of Loss.** The risk of loss to any of the Assets on or prior to the Closing Date shall be upon Sellers. Sellers shall use all commercially reasonable efforts to repair or replace any damaged or lost Assets, provided, however, that in the event that the Assets with a value of

greater than Thirty Thousand Dollars (\$30,000) are damaged or lost on the date otherwise scheduled for Closing, Buyer may, at its option, either (i) postpone Closing for a period of up to sixty (60) days while Sellers repairs or replaces such Assets, or (ii) elect to close with the Assets in their current condition, in which case Sellers shall assign all proceeds from insurance on such lost or damaged Assets to Buyer, and Buyer shall have the responsibility to repair or replace the Assets. Sellers shall have no responsibility to repair or replace damaged or destroyed Assets not covered by insurance if the cost of such repair exceeds Thirty Thousand Dollars (\$30,000), provided, however, that should Sellers not advise Buyer within five (5) days after being requested to do so that Sellers will repair or replace such Assets, Buyer may terminate this Agreement without penalty upon written notice to Sellers. If the Station (i) does not operate for a period in excess of seventy-two (72) consecutive hours, or (ii) does not operate with full licensed facilities for a period of thirty (30) consecutive days, or if the Station is operating at less than 90% of its full authorized power as of the scheduled Closing Date, Buyer may either elect to terminate this Agreement without penalty upon written notice to Sellers or postpone the Closing for a period of up to sixty (60) days while Sellers attempt to cure the described condition.

19. **Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may voluntarily or involuntarily assign its interest or delegate its duties under this Agreement without the prior written consent of the other party; provided however that if the Sellers emerge from bankruptcy protection prior to Closing, this Agreement shall be assigned to and assumed by reorganized NextMedia Operating, Inc. and reorganized NM Licensing LLC.

20. **No Strict Construction.** The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise from favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

21. **Entire Agreement.** This Agreement, and the exhibits attached hereto, supersede all prior agreements and understandings between the parties with respect to the subject matter hereof and may not be changed or terminated orally, and no attempted change, amendment, or waiver of any of the provisions hereof shall be binding unless in writing and signed by both parties.

22. **Bankruptcy Court Approval.** The parties recognize that Sellers are debtors and debtors in possession in Case No. 09-14463 (jointly administered) pending in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). This Agreement, and the obligations of Sellers hereunder, are subject to prior approval by the Bankruptcy Court ("Bankruptcy Court Approval"). If Bankruptcy Court Approval is not obtained, this Agreement shall be null and void and none of the parties hereto shall have any obligations to the other party.

[SIGNATURES TO FOLLOW]

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

Sellers:

NEXTMEDIA OPERATING INC.
DEBTOR IN POSSESSION

By: _____

Name:

Title:

NEXTMEDIA LICENSING LLC
DEBTOR IN POSSESSION

By: _____

Name:

Title:

Buyer:

EDUCATIONAL MEDIA FOUNDATION

By: _____

Name:

Mike Novak

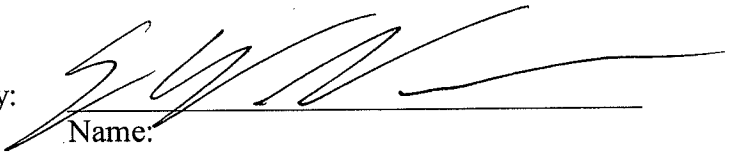
Title:

President

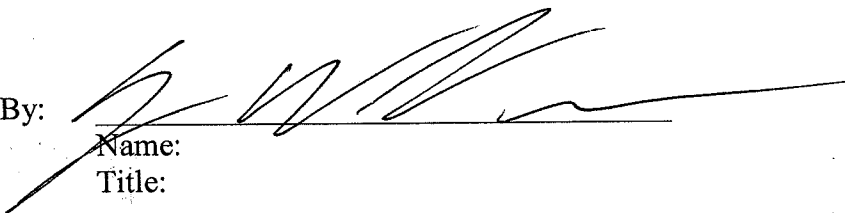
IN WITNESS WHEREOF, the parties hereto have executed this Asset Purchase Agreement as of the day and year first above written.

Sellers:

NEXTMEDIA OPERATING INC.
DEBTOR IN POSSESSION

By: 
Name: _____
Title: _____

NEXTMEDIA LICENSING LLC
DEBTOR IN POSSESSION

By: 
Name: _____
Title: _____

Buyer:

EDUCATIONAL MEDIA FOUNDATION

By: _____
Name: _____
Title: _____

**SCHEDULE 1:
TANGIBLE PERSONAL PROPERTY**

	Device	Manufacturer	Model
	FM Transmitter (with Exciter		
1.	Model 802)	Continental	816R
2.	FM Antenna	ERI	SHP-2
	STL Pair		
3.	(Transmitter)	Mosley	6010
	Two STL		
	Antennas	Scala	
4.	Air Console	Mackie	802
5.	Remote Control	Sine Systems	RFC 1
6.	On Air Processor	Optimod	8100
	Approx. 390ft -		
7.	3" Helix coax	Andrews	
	140 ft - 7/8" coax		
	(STL send)		
	360ft - 7/8" coax		
8.	(STL receive)		

**SCHEDULE 2:
LICENSES**

	File No.	Location	Renewal Due	Expires
<i>Renewal:</i>				
1. WSSM	BRH-20030801ANT	Havelock, NC	Aug. 1, 2011	--
<i>FM License:</i>				
1. WSSM	BLH-19980922KG	Havelock, NC	Aug. 1, 2011	Dec. 1, 2011
<i>Studio Transmitter Link:</i>				
2. WPOM243	0000063357	Havelock, NC	Aug. 1, 2011	Dec. 1, 2011

**SCHEDULE 3:
LEASED REAL PROPERTY**

AGREEMENT WITH	BRIEF DESCRIPTION	END DATE
1. AGF Leasing, Inc	Antenna Site Lease	6/30/2011
2. AGF Leasing, Inc	Repeater Antenna Site Lease	10/31/2012

**SCHEDULE 4:
INTELLECTUAL PROPERTY**

None.