

**EXECUTION COPY**

**ASSET PURCHASE AGREEMENT**

**THIS AGREEMENT** ("Agreement"), dated as of the 14<sup>th</sup> day of August, 2003, is by and between KMAP, Inc., a California corporation (hereinafter "Seller"); and IHR Educational Broadcasting, a California non-profit corporation (hereinafter "Buyer").

**WHEREAS**, Seller is the licensee and operator of Standard Broadcast Station KMAP(AM), 1050 kHz, Frazier Park, California, FCC Facility ID # 2268 (the "Station"); and

**WHEREAS**, the Seller desires to sell and the Buyer desires to purchase certain of the assets, authorizations and goodwill of the Station in order to serve the public interest, convenience and necessity; and

**WHEREAS**, the grant by the Federal Communications Commission ("Commission" or "FCC") of an application on FCC Form 314 for Commission consent for assignment of license of the Station (which application will contain this Agreement), is an express condition precedent to the obligation of the parties to consummate this Agreement;

**NOW, THEREFORE**, the parties hereto agree as follows:

1. **Assets to Be Sold.** In consideration for the payments and other good and valuable consideration stated in the paragraphs below, and upon the terms and conditions set forth herein, on the Closing Date, Seller shall sell, assign, transfer, convey and deliver to Buyer, free and clear of all liens, claims, encumbrances, security interests, charges and restrictions (except as specifically stated in paragraphs 3 and 4 below and except for Permitted Liens, as defined below), all of the assets described as follows (hereinafter the "Sale Assets"):

a. All of Seller's right, title and interest in and to the license granted by the Commission for the operation of the Station, subject to its expiration on December 1, 2005, and including all of its related broadcast auxiliary Stations (if any), together with any renewals, pending applications, extensions or modifications thereof, as listed on Schedule A attached hereto and incorporated by reference herein (the "Licenses");

b. All of Seller's right, title and interest in and to the tangible and intangible personal property owned by it and devoted to Station KMAP exclusively as is set forth in Schedule B attached hereto and incorporated by reference herein (the "Personal Property");

c. All of Seller's right, title and interest in the real estate located at 5051 Legray Road, Mettler, Kern County, California, 20 acres more or less, in fee simple absolute, which includes the Station's "Daytime Transmitter Site", FCC ASR Nos. 1012204, 1012205 and 1012206, and all towers, buildings, ground systems and appurtenances thereon, a legal

description of which is appended hereto as Schedule C and incorporated by reference herein (the "Owned Real Property").

d. An agreement for the use of the Station's Nighttime Transmitter Site located at 5200 Standard Street, Bakersfield, Kern County, California, FCC ASR No. 2129317, to be duly executed at or prior to Closing by the landlord thereof, in the form attached hereto as Schedule D and incorporated by reference herein (the "Leased Real Property");

e. All of Seller's rights, duties and obligations pursuant to those certain contracts and leases relative to the operations of the Station specified on a list which is attached hereto as Schedule E and incorporated by reference herein, and all of Seller's rights under and interest in all contracts entered into or acquired by Seller between the date hereof and the Closing Date that Buyer expressly agrees to assume in writing (collectively, the "Assumed Contracts");

f. All of Seller's right, title and interest in and to the call letters "KMAP," and all of Seller's rights in copyrights, trademarks, tradenames, domain names, slogans, logos, service marks, computer software, magnetic media, data processing files, systems, programs, business lists, telephone numbers, post office boxes, e-mail addresses, internet addresses and other intangible property rights used or held for use exclusively in the operation of the Station (the "Intellectual Property");

g. Any and all logs pertaining to the Station's operations, the public inspection file required by 47 C.F.R. §73.3526 to be maintained for the Station, and other records relating to the Station and its operations maintained by the Seller, with the exception of corporate and financial records pertaining to the Seller; and

h. All goodwill associated with the Station acquired on or before the Closing Date.

The Sale Assets shall be transferred to Buyer free and clear of any debts, liens or encumbrances of any kind or nature ("Liens"), except for (i) assumed liabilities as provided for in Section 5, (ii) Liens for taxes not yet due and payable, (iii) Liens, easements, rights of way, restrictive covenants and other encumbrances, encroachments and defects in title that do not in any material way interfere with or impair the present use thereof, (iv) Liens securing indebtedness that will be removed prior to or at the Closing, (v) statutory Liens of landlords with respect to the Leased Real Property; and (vi) Liens granted by Buyer in connection with the Promissory Notes and Section 2 of this Agreement (collectively, "Permitted Liens").

2. **Consideration.** As the total consideration for Seller's sale to Buyer of all of the Sale Assets listed in the preceding paragraph, Buyer shall pay to Seller a purchase price of

SEVEN HUNDRED THOUSAND DOLLARS (\$700,000.00) in lawful money of the United States of America (the "Purchase Price"), in the following manner:

a. Buyer has deposited into escrow with Dennis J. Kelly, a member of the District of Columbia Bar ("Escrow Agent"), the sum of THIRTY-FIVE THOUSAND DOLLARS (\$35,000.00) (the "Escrow Deposit") pursuant to an Escrow Agreement, a true copy of which is appended hereto as Schedule F and incorporated herein by reference. The Escrow Deposit is to be deposited in an interest bearing money market account in a federally insured depository institution such as a bank or savings and loan association and all interest thereon shall accrue for the benefit of Buyer.

b. At the closing of the transactions contemplated by this Agreement (the "Closing"), (1) Escrow Agent shall release the Escrow Deposit to Seller and all interest accrued thereon to Buyer, (2) simultaneously therewith Buyer shall (i) pay to Seller by wire transfer (or transfers to multiple designees, as determined by Seller) of immediately available federal funds, pursuant to wire transfer instructions to be delivered by Seller to Buyer not later than 2 business days prior to the Closing, TWO HUNDRED SIXTY-FIVE THOUSAND DOLLARS (\$265,000.00) and (ii) Buyer shall deliver two promissory notes (collectively the "Promissory Notes," which shall be in the form of the "KMAP Note" appended hereto as Schedule G and incorporated by reference herein and the "Hopple Note" appended hereto as Schedule H and incorporated by reference herein) as follows: (A) the KMAP Note shall be payable to Seller in the amount of TWO HUNDRED TWENTY THOUSAND DOLLARS (\$220,000.00), with interest to accrue at the rate of FOUR PERCENT (4%) PER ANNUM, payable in thirty-four (34) equal monthly installments of SIX THOUSAND SEVEN HUNDRED SIXTY-SIX DOLLARS AND SIXTY-ONE CENTS (\$6,766.61) and a final payment of THREE THOUSAND ONE HUNDRED EIGHTY-FIVE DOLLARS AND EIGHTY-THREE CENTS (\$3,185.83) in the thirty-fifth month of the note as stated in the KMAP Note, with all principal and interest to be paid in full on or before the third anniversary of the Closing Date; and (B) the Hopple Note shall be payable to Edwards R. Hopple in the amount of ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$180,000.00) with interest to accrue at the rate of FOUR PERCENT (4%) PER ANNUM, payable as follows: for the first thirty-four months of the Hopple Note, monthly interest payments only in the amount of SIX HUNDRED DOLLARS (\$600.00); the thirty-fifth monthly payment will be a combination of principal and interest in the amount of FOUR THOUSAND ONE HUNDRED EIGHTY DOLLARS AND SEVENTY-EIGHT CENTS (\$4,180.78); and in months thirty-six through sixty equal monthly installments of principal and interest of SEVEN THOUSAND THREE HUNDRED SIXTY-SIX DOLLARS AND SIXTY-ONE CENTS (\$7,366.61).

c. Both the KMAP Note and the Hopple Note shall be secured by mortgages against the Owned Real Property senior to all other mortgages, liens and claims in the Owned Real Property, such mortgages to be evidenced by appropriate, mutually acceptable documents to be executed by the parties at the Closing, and purchase money security interests senior to all other liens and claims in the Sale Assets of the Station, including but not limited to

the proceeds from any sale thereof, including any sale of the Licenses, such security interests to be evidenced by a "Security Agreement" (in the form of Schedule I appended hereto and incorporated by reference). At or prior to the Closing, Buyer shall execute and deliver to Seller one or more UCC-1 financing statements as may be necessary to perfect the security interests of Seller and Edwards S. Hopple in the collateral. The KMAP Note may not be prepaid. There shall be no prepayment penalty applicable to the Hopple Note, which may be prepaid at any time subsequent to January 1, 2004; provided, however, that in the event the Hopple Note is prepaid, the monthly installment that Buyer would have paid to Edwards R. Hopple on the Hopple Note shall instead be paid to Seller and applied to the principal and accrued interest on the KMAP Note, such that Buyer's total monthly payment on the Promissory Notes shall remain SEVEN THOUSAND THREE HUNDRED SIXTY-SIX DOLLARS AND 61 CENTS (\$7,366.61) until such time that the balance of principal and accrued interest on the KMAP Note is paid in full. Nothing contained in this paragraph or elsewhere in this Agreement, the KMAP Note, Hopple Note or Security Agreement shall be deemed to create a "reversionary interest" in favor of Seller as that term is understood in 47 C.F.R. §73.1150.

d. All taxes and assessments, utility bills and other ongoing costs of usual operation of the Station shall be prorated as of 12:01 a.m. on the date of Closing (the "Effective Time"), and the total purchase price shall be adjusted upward or downward as the case may be. All sales or use taxes, transfer taxes, and similar taxes and fees incurred in connection with this Agreement, together with any costs of recordation, filing fees or the like, and taxes incurred subsequent to the Closing Date, shall be shared equally by Buyer and Seller and paid according to legal requirements and prevailing practice in the State of California, with an adjustment in favor of the paying party. Annual FCC regulatory fees for the Station shall be paid by the party who is the Station licensee on the last day such fees are due to be paid.

3. **Excluded Assets.** It is specifically agreed and understood that any cash on hand at the Station as of the Closing Date shall be retained by the Seller. Further, Seller shall retain any bank accounts, cash equivalents and securities and other investments owned by Seller as of the Closing Date. All accounts receivable of the Station and notes receivable in favor of Seller in existence as of the Closing Date shall be the property of the Seller, subject to the provisions of paragraph 4 below. Further, the Sale Assets shall not include Seller's books and records pertaining to corporate organization, taxation, employee pension, and other benefit plans, accounts receivable, insurance policies, pension, profit sharing or cash or deferred plans, and the Station's studio site located at 2001 19<sup>th</sup> Street, Bakersfield, CA.

4. **Collection of Accounts Receivable.** All accounts receivable of the Stations and notes receivable in favor of Seller in existence as of the Closing Date shall be the property of the Seller. All accounts receivable of the Station derived thereafter (if any) shall be the property of the Buyer. With respect to Seller's accounts receivable, Seller shall be responsible for collecting its own accounts receivable, and may take any lawful collection actions it deems necessary to collect such unpaid accounts receivable for its own account.

5. **No Liabilities Assumed Other Than Those Expressly Disclosed.** The parties hereto agree and understand that this Agreement is for the sale and purchase of the Sale Assets, free and clear of all liens and encumbrances, except for Permitted Liens, subject only to those contracts and leases listed in Schedules D and E. Therefore, except as specifically agreed to and stated herein or listed on Schedules D and E appended hereto and incorporated herein by reference, Buyer does not assume, or agree to pay or discharge any debts or obligations of Seller with respect to the Station. Any and all liabilities pertaining to the Station which are incurred by or on behalf of the Station subsequent to the Closing Date shall be incurred by the Buyer and shall be discharged by the Buyer. Buyer agrees to hold Seller harmless with respect to any liabilities incurred by Buyer subsequent to Closing. Specifically, Buyer shall not assume and Seller shall not assign the lease governing Seller's occupancy of the KMAP studio and office site. Subject to the provisions of this Section 5 and Section 2(c) of this Agreement, at the Closing, Buyer shall assume and undertake to pay, satisfy or discharge the liabilities, obligations and commitments of Seller arising or accruing after the Closing Date under the Real Property Lease and the Assumed Contracts.

6. **FCC Consent.** It is understood and agreed by all parties that the prior written consent of the FCC to an application on FCC Form 314 (the "Application") for consent to the voluntary assignment of the licenses of the Station is required before consummation of this Agreement can occur. The Application shall be filed within five (5) calendar days of the date hereof, provided, however, that in the event such filing is not possible due to the FCC freeze on the filing of assignment applications, then the Application shall be filed as soon as practicable after such freeze is lifted. Each party shall pay its own legal fees and other expenses incurred in the preparation and execution of this Agreement and the Application. Each party hereto shall pay one-half of the required FCC application filing fee (currently \$800.00) if required; Buyer is a non-profit corporation and will make a showing in the FCC Form 314 application that pursuant to 47 CFR §1.1114(c) said application is non-feeable. Buyer and Seller shall prosecute the Application with all reasonable diligence and otherwise use their best efforts to obtain the grant of the Application as expeditiously as practicable. If reconsideration or judicial review is sought with respect to the FCC's consent to the Application, the party affected shall vigorously oppose such efforts for reconsideration or judicial review; provided, however, that nothing herein shall be construed to limit either party's right to terminate this Agreement pursuant to Section 15 hereof.

7. **Closing Date.** For purposes of this Agreement, the Closing Date shall be on a weekday not later than the fifteenth (15th) calendar day subsequent to the date upon which the action of the FCC granting consent to the assignment of license of the Station from Seller to Buyer (the "FCC Consent") shall be final and no longer subject to administrative or judicial action, review, rehearing or appeal. Closing shall take place at the offices of Seller or its attorney, or at such other place as is mutually satisfactory to the parties, not later than 10:00 a.m. Eastern Time on the last day for Closing under this paragraph; provided that Buyer shall have the sole right to close at any time subsequent to receipt of FCC staff approval of this transaction, subject to giving Seller five (5) calendar days' advance notice of the closing date.

8. **Time of the Essence.** Time is of the essence in the completion of this Agreement and the consummation thereof.

9. **Seller's Representations and Warranties.** Seller represents and warrants to Buyer, the truth and accuracy of each of the following being expressly material to Buyer's execution of this Agreement, as follows:

a. *Organization, Standing and Authority.* Seller is a corporation duly organized and validly existing under the laws of the State of California. Seller has all requisite corporate power and authority (i) to own, lease, and use the Sale Assets as now owned, leased, and used, (ii) to conduct the business and operations of the Station as now conducted, and (iii) to execute and deliver this Agreement, the Escrow Agreement and the documents contemplated hereby and thereby, and to perform and comply with all of the terms, covenants, and conditions to be performed and complied with by Seller hereunder and thereunder. Seller is not a participant in any joint venture or partnership with any other person or entity with respect to any part of the operations of the Station or any of the Sale Assets.

b. *Authorization and Binding Obligation.* The execution, delivery, and performance of this Agreement and the Escrow Agreement by Seller have been duly authorized by all necessary actions on the part of Seller and its owners. This Agreement and the Escrow Agreement have been duly executed and delivered by Seller and constitute the legal, valid, and binding obligations of Seller, enforceable against it in accordance with their respective terms except as the enforceability of this Agreement and the Escrow Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally, and by judicial discretion in the enforcement of equitable remedies.

c. *Absence of Conflicting Agreements.* Subject to Permitted Liens and obtaining the Consents required for the assignment and assumption of the Agreements listed in Schedules D and E hereto, and the consent described in Section 6 hereof, the execution, delivery, and performance by Seller of this Agreement and the Escrow Agreement and the documents contemplated hereby and thereby (with or without the giving of notice, the lapse of time, or both): (i) do not require the consent of any third party; (ii) will not conflict with any provision of the organizational documents of Seller; (iii) will not conflict with, result in a breach of, or constitute a default under, any applicable law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; (iv) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license, or permit to which Seller is a party or by which Seller may be bound; and (v) will not create any claim, liability, mortgage, lien, pledge, condition, charge, or encumbrance of any nature whatsoever upon any of the Sale Assets, except for Permitted Liens.

d. *Governmental Licenses.* Schedule A includes a true and complete list of the Licenses. Seller has delivered to Buyer true and complete copies of the Licenses (including any amendments and other modifications thereto). Seller is the authorized legal holder of the Licenses. The Licenses listed on Schedule A comprise all of the licenses, permits, and other authorizations required from any governmental or regulatory authority for the lawful conduct of the business and operations of the Station in the manner and to the full extent they are now conducted, and none of the Licenses is subject to any restriction or condition not disclosed therein that would limit the full operation of the Station as now operated. To Seller's knowledge, the Licenses are in full force and effect, and the conduct of the business and operations of the Station is in accordance therewith in all material respects. Seller has no reason to believe that any of the Licenses would not be renewed by the FCC or other granting authority in the ordinary course. To Seller's knowledge, there are no FCC enforcement proceedings or investigations ongoing pertaining to the Station, and Seller has no knowledge of or reason to believe that any such proceedings or investigations are pending or threatened against the Station. To Seller's knowledge, all of the Station's regulatory fees have been paid.

e. *Owned Real Estate.* Schedule C contains a complete and accurate legal description of the Daytime Transmitter Site. Seller hereby represents that, except as disclosed on Schedule I:

(i) Seller has good and insurable fee simple ownership interest in the Daytime Transmitter Site and such Daytime Transmitter Site includes all real property necessary for or used or usable in the daytime operation of the Station. Seller has provided to Buyer all policies of title insurance currently in Seller's possession in favor of Seller with respect to the Daytime Transmitter Site. Except for current taxes not yet due and the items set forth on Schedule I, there are no liens, restrictions or encumbrances to title to any portion of the Daytime Transmitter Site. The Seller has not subjected the Daytime Transmitter Site to any easements, rights, duties, obligations, covenants, conditions, restrictions, limitations or agreements not of record.

(ii) To the knowledge of Seller there is no pending condemnation or similar proceeding affecting the Daytime Transmitter Site or any portion thereof, and to the knowledge of Seller, no such action is presently contemplated or threatened.

(iii) Seller has received no notices from any insurance company of any defects or inadequacies in the Daytime Transmitter Site or any part thereof which would adversely affect the insurability of the Real Property or the premiums for the insurance thereof. Seller has received no notice from any insurance company which has issued or refused to issue a policy with respect to any portion of the Daytime Transmitter Site or by any board of fire underwriters (or other body exercising similar functions) requesting the performance of any repairs, alterations or other work with which compliance has not been made.

(iv) There are no parties in possession of any portion of the Daytime Transmitter Site other than Seller, whether as lessees, tenants at will, trespassers or otherwise.

(v) To the knowledge of Seller, no zoning, building or other federal, state or municipal law, ordinance, regulation or restriction is violated by the continued maintenance, operation or use of the Daytime Transmitter Site or any tract or portion thereof or interest therein in its present manner except for such violations which would not have an adverse effect on the operation of the Station. The use of the Daytime Transmitter Site and all parts thereof as aforesaid does not violate any restrictive covenants affecting the Daytime Transmitter Site.

(vi) To the knowledge of Seller, there is no law, ordinance, order, regulation or requirement now in existence, which would require any expenditure to modify or improve any portion of the Daytime Transmitter Site in order to bring it into compliance therewith.

(vii) To Seller's knowledge, there are no structural, electrical, mechanical, plumbing, air conditioning, heating or other defects in the buildings located on the Daytime Transmitter Site and the roofs of the building located on the Daytime Transmitter Site are free from leaks and in good condition.

f. *Leased Real Estate.* Schedule D contains a complete and accurate description of the Leased Real Property (including street address, owner and Seller's use); Seller currently leases the Station's Nighttime Transmitter Site pursuant to a verbal lease. At the Closing, Seller shall provide Buyer with a lease for the Nighttime Transmitter Site to be between Buyer and the owner thereof, substantially in the form of that attached hereto as Schedule D, duly executed by the owner of the Nighttime Transmitter Site (the "Real Property Lease"). Upon execution by Buyer at the Closing, the Real Property Lease so delivered shall be in full force and effect and be valid, binding and enforceable, except as such enforceability may be affected by bankruptcy, insolvency or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies. There is not under Seller's current verbal lease for the Nighttime Transmitter Site any material default by Seller thereunder or, to Seller's knowledge, by any other party thereto. The Leased Real Property includes all the real property, easements, rights-of-way, and other real property interests necessary for Buyer to operate the nighttime transmitter of the Station as at present. Seller has full legal and practical access to the Leased Real Property.

g. *Title and Condition of Tangible Personal Property.* Schedule B lists all material items or groups of items of Tangible Personal Property. The Tangible Personal Property listed on Schedule B comprises all material items of tangible personal property necessary to conduct the business and operations of the Station as now conducted. Except as described in Schedule B, Seller owns and has good title to each item of Tangible Personal Property, and, as of the Closing Date, except for Permitted Liens, none of the Tangible Personal Property owned by Seller will be subject to any security interest, mortgage, pledge,



conditional sales agreement, or other lien or encumbrance. Each item of Tangible Personal Property is available for immediate use in the business and operations of the Station. All items of transmitting and studio equipment included in the Tangible Personal Property (i) are in operating condition, normal wear and tear excepted, and have been maintained in a commercially reasonable manner, and (ii) will permit the Station and any auxiliary broadcast facilities related to the Station to operate in accordance with the terms of the FCC Licenses and the rules and regulations of the FCC, and with all other applicable federal, state, and local statutes, ordinances, rules, and regulations.

h. *Assumed Contracts.* Schedule E is a true and complete list of all Assumed Contracts (other than the Real Estate Lease). Seller has delivered to Buyer true and complete copies of all Assumed Contracts, except for Trade Agreements and Time Sales Agreements. To Seller's knowledge, all of the Assumed Contracts are in full force and effect, and are valid, binding, and enforceable in accordance with their terms, except as their enforceability may be affected by bankruptcy, insolvency or similar laws affecting creditors' rights generally, and by judicial discretion in the enforcement of equitable remedies. There is not under any Assumed Contract any default by Seller or, to Seller's knowledge, any other party thereto or, to Seller's knowledge, any event that, after notice or lapse of time or both, could constitute a default under any Assumed Contract. Except for the need to obtain the consents which are required to assign the Assumed Contracts to Buyer (the "Consents"), Seller has full legal power and authority to assign its rights under the Assumed Contracts to Buyer in accordance with this Agreement, and such assignment will not affect the validity, enforceability, or continuation of any of the Assumed Contracts.

i. *Consents.* Except for the UCC-1 financing statements described in Section 2 above, the FCC Consent described in Sections 6 and 7 above, and the Consents to the Assumed Contracts described above, no consent, approval, permit, or authorization of, or declaration to or filing with any governmental or regulatory authority, or any other third party is required (i) to consummate this Agreement and the transactions contemplated hereby, or (ii) to permit Seller to assign or transfer the Assets to Buyer

j. *Intangibles.* All intangible personal property (the "Intangibles") subject to this Agreement, to Seller's knowledge, is valid, in good standing and uncontested. Seller has delivered to Buyer copies of all documents establishing or evidencing the Intangibles. To Seller's knowledge, it is not infringing upon or otherwise acting adversely to any trademarks, trade names, service marks, service names, copyrights, patents, patent applications, know-how, methods, or processes owned by any other Person or Persons, and there is no claim or action pending, or to Seller's knowledge threatened, with respect thereto.

k. *Reports.* All reports, and statements that Seller is currently required to file with the FCC or with any other governmental agency with respect to the Station have been filed, and all reporting requirements of the FCC and other governmental authorities having jurisdiction over Seller with respect to the Station have been complied with in all material respects. All of such reports, and statements are substantially complete and correct as filed.

Seller has timely paid to the FCC all annual regulatory fees payable with respect to the FCC Licenses required to be paid by Seller. Seller (or the owner of the tower on behalf of Seller), if such are required, has obtained "Antenna Structure Registration Numbers" for the towers at the Station's licensed transmitter sites, and will cooperate with Buyer in the assignment of said Numbers.

l. *Personnel.*

(1) Employee and Compensation. On or prior to the Closing Date, Seller shall terminate all of its employees employed exclusively at the Station, and shall be solely responsible for compliance with all obligations imposed by federal and state law as a consequence thereof. Buyer expressly refuses to assume any liability or obligation of Seller under any employee benefit plans or arrangements which may be in existence as of the Closing Date relative to the Station's employees. With respect to any such employee benefit plans which may exist, Seller is not aware of the existence of any governmental audit or examination of any of such plans or arrangements. No action, suit or claim with respect to any of such plans or arrangements (other than routine claims for benefits) is pending or, to Seller's knowledge, threatened.

(2) Labor Relations. Seller is not a party to or subject to any collective bargaining agreements with respect to the Station. Seller has no written or oral contracts of employment with any employee of the Station. Seller has complied in all material respects with all laws, rules, and regulations relating to the employment of labor, including, without limitation, those related to wages, hours, collective bargaining, occupational safety, discrimination, and the payment of social security and other payroll related taxes, and it has not received any notice alleging that it has failed to comply in any material respect with any such laws, rules, or regulations. No controversies, disputes, or proceedings are pending or, to the best of Seller's knowledge, threatened, between Seller and any employee (singly or collectively) of the Station. No labor union or other collective bargaining representative represents or, to Seller's knowledge, claims to represent any of the employees of the Station. To Seller's knowledge, there is no union campaign being conducted to solicit cards from employees to authorize a union to request a National Labor Relations Board certification election with respect to any employees at the Station.

m. *Taxes.* Seller has filed or caused to be filed all federal income tax returns and all other federal, state, county, local, or city tax returns which are required to be filed, and it has paid or caused to be paid all taxes shown on those returns or on any tax assessment received by it to the extent that such taxes have become due, or has set aside on its books adequate reserves (segregated to the extent required by generally accepted accounting principles) with respect thereto. To Seller's knowledge, there are no governmental investigations or other legal, administrative, or tax proceedings pursuant to which Seller is or could be made liable for any taxes, penalties, interest, or other charges, the liability for which could extend to Buyer as transferee of the business of the Station, and no event has occurred

that would impose on Buyer any transferee liability for any taxes, penalties, or interest due or to become due from Seller.

n. *Claims and Legal Actions.* Except for any investigations or rulemaking proceedings generally affecting the broadcasting industry and as set forth on Schedule J, there is no claim, legal action, counterclaim, suit, arbitration, governmental investigation or other legal, administrative, or tax proceeding, nor any order, decree or judgment, in progress or pending, or to Seller's knowledge threatened, against or relating to Seller with respect to its ownership or operation of the Station or otherwise relating to the Assets or the business or operations of the Station. In particular, but without limiting the generality of the foregoing and, except as set forth on Schedule J, there are no applications, complaints or proceedings pending or, to the best of Seller's knowledge, threatened (i) before the FCC relating to the business or operations of the Station other than rule making proceedings which affect the radio industry generally, (ii) before any federal or state agency relating to the business or operations of the Station involving charges of illegal discrimination under any federal or state employment laws or regulations, or (iii) before any federal, state, or local agency relating to the business or operations of the Station involving zoning issues under any federal, state, or local zoning law, rule, or regulation.

o. *Environmental Matters.*

(i) To Seller's knowledge, Seller has complied in all material respects with all laws, rules, and regulations of all federal, state, and local governments (and all agencies thereof) concerning the environment, public health and safety, and employee health and safety, and no charge, complaint, action, suit, proceeding, hearing, investigation, claim, demand, or notice has been filed or commenced against Seller in connection with its ownership or operation of the Station alleging any failure to comply with any such law, rule, or regulation.

(ii) To Seller's knowledge, Seller has no liability relating to its ownership and operation of the Station (and there is no basis related to the past or present operations of the Station by Seller for any present or future charge, complaint, action, suit, proceeding, hearing, investigation, claim, or demand against Seller giving rise to any such liability) under any law, rule, or regulation of any federal, state, or local government (or agency thereof) concerning release or threatened release of hazardous substances, public health and safety, or pollution or protection of the environment.

(iii) To Seller's knowledge, Seller has no liability relating to its ownership and operation of the Station (and Seller has not handled or disposed of any substance, arranged for the disposal of any substance, or owned and operated any property or facility relating to the Station in any manner that could form the basis for any present or future charge, complaint, action, suit, proceeding, hearing, investigation, claim, or demand against Seller) under the common law or pursuant to any statute giving rise to any such liability for damage to any site, location, or body of water (surface or subsurface) or for illness or personal injury.

(iv) Seller agrees that prior to Closing Buyer shall have the option and be permitted to obtain, at Buyer's expense, a Phase I environmental assessment of the Leased Real Property. If Buyer's Phase I environmental report indicates that there is a material environmental problem at the Leased Real Property, Buyer shall have the right to terminate this Agreement unless Seller cures the environmental problem prior to Closing. Buyer shall obtain the Phase I environmental assessment and provide any notice of termination under this subparagraph within 60 days of the date of this Agreement.

p. *Compliance with Laws.* Seller has complied in all material respects with the Licenses and all federal, state, and local laws, rules, regulations, and ordinances applicable or relating to the ownership and operation of the Station. To the best of Seller's knowledge, neither the ownership or use of the properties of the Station nor the conduct of the business or operations of the Station conflicts with the rights of any other person or entity.

q. *Broker.* Neither Seller nor any person acting on Seller's behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement. Buyer is not liable for any finder's or broker's commissions and/or fees with respect to the transactions contemplated by this Asset Purchase Agreement.

r. *Full Disclosure.* No representation or warranty made by Seller in this Agreement, certificate, document, or other instrument furnished or to be furnished by Seller pursuant hereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact required to make any statement made herein or therein not misleading. There are no contingent or undisclosed liabilities; and in the event that there are any contingent or undisclosed liabilities, Seller will be solely liable for any and all of them.

10. **Buyer's Representations and Warranties.** Buyer represents and warrants to Seller, the truth and accuracy of each of the following being expressly material to Seller's execution of this Agreement, as follows:

a. *Organization, Standing and Authority.* Buyer is a non-profit corporation duly organized and validly existing under the laws of the State of California. Buyer has all requisite corporate power and authority (i) to own, lease, and use the Sale Assets as now owned, leased, and used, (ii) to conduct the business and operations of the Station as now conducted, and (iii) to execute and deliver this Agreement, the Escrow Agreement and the documents contemplated hereby and thereby, and to perform and comply with all of the terms, covenants, and conditions to be performed and complied with by Seller hereunder and thereunder.

b. *Authorization and Binding Obligation.* The execution, delivery, and performance of this Agreement and the Escrow Agreement by Buyer have been duly authorized by all necessary actions on the part of Buyer. This Agreement and the Escrow Agreement have

been duly executed and delivered by Buyer and constitute the legal, valid, and binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms except as the enforceability of this Agreement and the Escrow Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

c. *Absence of Conflicting Agreements.* Subject to obtaining the Consents and the consent of the FCC as set forth in Section 6 hereof, the execution, delivery, and performance by Buyer of this Agreement and the Escrow Agreement and the documents contemplated hereby and thereby (with or without the giving of notice, the lapse of time, or both): (i) do not require the consent of any third party; (ii) will not conflict with the Articles of Incorporation or By-laws of Buyer; (iii) will not conflict with, result in a breach of, or constitute a default under, any law, judgment, order, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; or (iv) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license, or permit to which Buyer is a party or by which Buyer may be bound, such that Buyer could not acquire or operate the Sale Assets.

d. *Broker.* Neither Buyer nor any person acting on Buyer's behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement.

e. *Qualification.* Buyer is legally and financially qualified under the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC to acquire the Station and no waiver will be necessary under the rules, regulations and policies of the FCC for Buyer to acquire the Station.

f. *Full Disclosure.* No representation or warranty made by Buyer in this Agreement or in any certificate, document, or other instrument furnished or to be furnished by Buyer pursuant hereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact and required to make any statement made herein or therein not misleading.

11. **Conditions Precedent to Buyer's Obligations**. The obligations of Buyer under this Agreement are, at its election, subject to the fulfillment on or prior to the Closing Date of each of the following conditions precedent:

a. That the Application be granted, and without the imposition on Buyer of any material conditions (i.e., conditions other than standard conditions and instructions pre-printed on FCC Form 732) requiring Buyer's compliance and Seller shall have complied with any conditions imposed on it by the FCC Consent.

b. Seller shall be the holder of all FCC Licenses and there shall not have been any modification of any FCC License that could have a materially adverse effect on the Station or the conduct of its business and operations. No proceeding shall be pending or threatened the effect of which could be to revoke, cancel, fail to renew, suspend, or modify adversely any FCC License.

c. That all representations and warranties of Seller contained in this Agreement shall be true and complete in all respects at and as of the Closing Date as though made at and as of that time except to the extent that breaches of the representations and warranties of Seller do not individually or in the aggregate materially adversely affect the Station taken as a whole;

d. That Seller shall have performed and complied in all material respects with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date

e. All Consents for the Real Estate Lease and Assumed Contracts shall have been obtained and delivered to Buyer without any adverse change in the terms or conditions of any agreement or any governmental license, permit, or other authorization. It is agreed and understood that execution by the Landlord of the Real Estate Lease is material to this Agreement, and that obtaining such signature is an express condition precedent to Buyer's obligation to consummate at Closing the transactions contemplated by this Agreement;

f. Seller shall have made or stand willing to make all the deliveries to Buyer set forth in paragraph 13 below; and

g. Between the date of this Agreement and the Closing Date, there shall have been no material adverse change in the Tangible Personal Property, Daytime Transmitter Site, Nighttime Transmitter Site or Licenses of the Station, including any damage, destruction, or loss affecting any material assets used in the conduct of the business of the Station. A material environmental problem at the Leased Real Property shall constitute a material adverse change hereunder.

12. **Conditions Precedent to Seller's Obligations.** The obligations of Seller under this Agreement are, at its election, subject to the fulfillment on or prior to the Closing Date of each of the following conditions precedent:

a. That the Application be granted without the imposition on Seller of any material conditions (i.e., conditions other than standard conditions and instructions pre-printed on FCC Form 732) requiring Seller's compliance, and Buyer shall have complied with any conditions imposed on it by the FCC Consent.

b. All representations and warranties of Buyer contained in this Agreement shall be true and complete in all material respects at and as of the Closing Date as though made at and as of that time, except for changes contemplated by this Agreement.

c. Buyer shall have performed and complied in all material respects with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

d. Buyer shall have made or stand willing to make all the deliveries set forth in paragraph 14 below.

13. **Closing Deliveries By Seller.** At the time and place prescribed in paragraph 7 above, Seller shall make the following Closing Deliveries to Buyer:

a. *Transfer Documents.* Duly executed bills of sale, assignments (including an assignment of the FCC Licenses), and other transfer documents which shall be sufficient to vest good and marketable title to the Assets in the name of Buyer, free and clear of all claims, liabilities, security interests, mortgages, liens, pledges, conditions, charges or encumbrances, except for Permitted Liens.

b. *Consents.* An executed copy of any instrument evidencing receipt of all Consents required hereunder to effectuate the assignment and assumption of all contracts to be assigned and assumed hereunder which require a consent.

c. *Officer's Certificate.* A certificate, dated as of the Closing Date, executed on behalf of Seller by an officer of Seller, certifying (1) that the representations and warranties of Seller contained in this Agreement are true and complete in all respects as of the Closing Date as though made on and as of that date except to the extent that breaches of the representations and warranties of Seller do not individually or in the aggregate materially adversely affect the Station taken as a whole; and (2) that Seller has in all material respects performed and complied with all of its obligations, covenants, and agreements set forth in this Agreement to be performed and complied with on or prior to the Closing Date.

d. *Licenses, Contracts, Business Records, Etc.* Copies of all Licenses (excluding those that are not transferable), Assumed Contracts, blueprints, engineering records, and all files and records used by Seller in connection with its operations of the Station.

e. The Real Property Lease, duly executed by Illinois Lotus Corp. or its successor or assign.

14. **Closing Deliveries By Buyer.** At the time and place prescribed in paragraph 7 above, Buyer shall make the following Closing Deliveries to Seller:

a. *Purchase Price.* The purchase price as described in paragraph 2 above, plus or minus any closing adjustments, including the Promissory Notes and security documents.

b. *Assumption Agreements.* Appropriate assumption agreements pursuant to which Buyer shall assume and undertake to perform Seller's obligations under the Licenses and Assumed Contracts insofar as they relate to the time on and after the Closing Date and arise out of events relating to Buyer's ownership of the Station on or after the Closing Date.

c. *Buyer's Certificate.* A certificate, dated as of the Closing Date, executed by Buyer, certifying (1) that the representations and warranties of Buyer contained in this Agreement are true and complete in all material respects as of the Closing Date as though made on and as of that date, and (2) that Buyer has in all material respects performed and complied with all of its obligations, covenants, and agreements set forth in this Agreement to be performed and complied with on or prior to the Closing Date.

15. **Termination.**

a. In the event that the Closing has not taken place on or before June 1, 2004, either party shall have the right to unilaterally terminate this agreement by giving written notice to the other party of its intention to do so, provided, however, that the party seeking to so terminate is not itself in material breach hereof. Upon such notice, this Agreement shall have no further force and effect.

b. If the Commission designates the Application for hearing, either party shall have the option of terminating this Agreement by notice to the other party prior to the commencement of the hearing if the terminating party shall not be in default under the provisions of this Agreement; provided that the terminating party shall not be entitled to terminate this Agreement if the hearing results from or was caused by (i) any failure on the part of such party to furnish or make available to the Commission information required to be supplied by such party, or (ii) the willful furnishing by such party of incorrect, inaccurate or incomplete information to the Commission, or (iii) a protest resulting from the solicitation of such protest by the party seeking to terminate this Agreement.

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

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

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

(3) Without limiting Seller's rights under the other provisions of this Agreement, if Buyer has failed to cure any material breach of any of its representations,



warranties or covenants under this Agreement within fifteen (15) days after Buyer received written notice of such breach from Seller.

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

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

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

(3) If any event shall have occurred that permits Buyer to terminate this Agreement under paragraph 18 hereof.

(4) If any event shall have occurred which prevents signal transmission by the Station (i) with any power level whatsoever for a continuous period of seven (7) days from the date hereof through the Closing Date; or (ii) with full power for a continuous period in excess of ten (10) days.

(5) Without limiting Buyer's rights under the other provisions of this paragraph, if Seller has failed to cure any material breach of any of its representations, warranties or covenants under this Agreement within fifteen (15) days after Seller received written notice of such breach from Buyer.

16. **Seller's Default; Specific Performance.** It is agreed and understood that the Sale Assets are unique, as Station KMAP is the only AM broadcast station licensed by the Commission to Frazier Park, California. Therefore, in the event of Seller's breach of this Agreement which is the result of Seller's refusal to sell the Station to Buyer despite Buyer being ready, willing and able to close, Buyer may and shall be entitled to seek the equitable remedy of specific performance to enforce Seller's obligations hereunder to sell the Station to Buyer. Accordingly, Seller waives any defense to such action in equity that Buyer has an adequate remedy at law. In other situations where Buyer has a claim that Seller has breached this Agreement (for example, should certain tangible assets, other than through ordinary wear and tear, not be in condition comparable to that during the period immediately prior to execution of this Agreement), Buyer shall give written notice to Seller, and Seller shall have ten (10) business days in which to cure such breach.

17. **Buyer's Default; Liquidated Damages.** Where Seller has a claim that Buyer has breached this Agreement, Seller shall give written notice to Buyer, and Buyer shall have ten (10) business days in which to cure such breach, provided, however, that no such notice shall be required nor cure opportunity afforded for Buyer's inability or unwillingness to tender the full purchase price on the Closing Date upon the fulfillment of all conditions

precedent. Should said breach remain uncured upon the end of said ten business day period, Buyer shall be in default. At that point, Seller may terminate this Agreement and, at its sole option, elect liquidated damages by sending written notice to Buyer and Escrow Agent, whereupon the Escrow Agent shall pay all of the Escrowed Funds and interest accrued thereon to Seller as a "break-up fee". Upon the payment of the "break-up fee" to Seller in this event, this Agreement shall be null and void and shall be of no further force and effect. In the event that Seller elects liquidated damages, and said liquidated damages are timely paid to Seller, Seller shall have no cause of action at law or in equity against Buyer. In the event that Seller terminates this Agreement in accordance herewith, then Seller shall be free to sell the Sale Assets and assign the license of the Station (subject to prior written Commission approval) to any other party of its choosing.

18. **Risk of Loss; Set-off.** Seller shall bear all risk of loss in connection with the Station prior to the Closing Date. Should the Station, or any of the Sale Assets which are material to the operation of the Station, be substantially damaged or destroyed and not replaced or repaired promptly, Buyer at its sole option may, within a reasonable period of time, agree to either terminate this Agreement or to consummate its purchase of the Station upon a mutual agreement of set-off or credit for such damaged or destroyed Sale Assets having been reached.

19. **Taxes.** Seller shall be solely responsible for any and all taxes applicable to the Station until and including the Closing Date. The sales, use and/or transfer taxes assessed by the State of California upon the sale of the Sale Assets from Seller to Buyer shall be paid according to legal requirements and prevailing practice in the State of California. Thereafter, all such taxes applicable to the Station shall be the sole responsibility of the Buyer.

20. **Allocations.** On or before the Closing Date, the parties hereto will reach allocations as to the purchase price consistent with the federal Internal Revenue Code and the rules and regulations of the Internal Revenue Service, and will jointly prepare IRS Form 8594 at the Closing.

21. **Interference with Operations.** From the date hereof onward until the Closing Date, Buyer shall not attempt to interfere with the operations of Seller and the Station; however, Buyer shall be permitted a reasonable opportunity to review books and records of the Station and to inspect the physical condition of the Sale Assets. Upon the Closing Date, and thereafter, Seller shall make no attempt to control the Station, incur any debts or obligations against the Station, or otherwise interfere in the operations of the Station other than to the limited extent permitted under the Promissory Notes and Security Agreement; provided that nothing contained in this paragraph shall preclude any officer or employee of Seller from serving as a management employee of the Station under the direction and control of Buyer. However, and notwithstanding any provision in this Agreement, prior to the Closing Seller may not, without the prior written consent of the Buyer, such consent not to be unreasonably withheld:

a. Make any substantial change in the business of the Station, except such changes as are unlikely to have any material adverse impact upon the Sale Assets;

b. Sell, lease, transfer or otherwise dispose of any Sale Asset without obtaining a suitable replacement acceptable to Buyer before the Closing Date, provided that any replacement item which improves the inventory of Sale Assets shall result in an upward adjustment of the purchase price by the actual cost of such item;

c. Mortgage, pledge or encumber any Sale Asset;

d. Waive or agree to waive any rights of material value relating to the Sale Assets or allow to lapse or fail to keep in force any license, permit, authorization or other right relating to the Station;

e. Except in the ordinary course of business, make or permit any amendment or termination of any material contract, agreement or license included in the Sale Assets;

f. Enter into any agreement with any employee binding Seller and/or Buyer to utilize said employee's services in connection with the Station other than an employment agreement terminable at will; or

g. Become a party to any cash, trade or barter agreement for the sale of air time requiring announcements to be made over the Station subsequent to the Closing Date.

22. **Public Notices.** Seller shall prepare and give at its expense all public notices as are required pursuant to 47 C.F.R. §73.3580.

23. **Confidentiality.** Except as necessary for the consummation of the transaction contemplated by this Agreement and, except as and to the extent required by law, including, without limitation, disclosure requirements of federal or state securities laws and the rules and regulations of securities markets, each party will keep confidential any information obtained from the other party in connection with the transactions contemplated by this Agreement. If this Agreement is terminated, each party will return to the other party all information obtained by the such party from the other party in connection with the transactions contemplated by this Agreement. Prior to Closing, neither party shall publish any press release, make any other public announcement or otherwise communicate with any news media concerning this Agreement or the transactions contemplated hereby or thereby without the prior written consent of the other party, except the 47 C.F.R. §73.3580 public notice described in the preceding paragraph; *provided, however*, that nothing contained herein shall prevent either party from promptly making all filings with governmental authorities as may, in its judgment be required or advisable in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

24. **Indemnification.**

a. *By Seller.* Seller shall indemnify, defend and save Buyer, its affiliates, successors and assigns, harmless against and from all liabilities, claims, losses, damages, cost

and expenses (including reasonable attorney's fees) resulting from (i) the conduct of business and operations by Seller of the Sale Assets prior to the Closing Date, (ii) any misrepresentation of breach of warranty, representation or covenant contained in this Agreement by Seller, (iii) with the exception of actions brought under the Hopple Note, any claims or actions brought by any shareholder of Seller against Buyer as a result of or in connection with this transaction, (iv) any claim or action of any kind by or on behalf of any employee or former employee of Seller or the unlawful conduct of any such employee, and (v) all actions, suits, proceedings, demands, damages, assessments, judgments, costs, reasonable attorney's fees on any appeal, and expenses incident to any of the foregoing or incident to any enforcement by Buyer of any covenant of agreement on the part of Seller set forth in this Agreement.

b. *By Buyer.* Buyer will indemnify, defend and save Seller, its affiliates, successors and assigns, and Edwards R. Hopple as regards the Hopple Note, harmless against and from all liabilities, claims, losses, damages, costs and expenses (including reasonable attorney's fees) resulting from (i) any misrepresentation or breach of warranty, representation or covenant by Buyer contained in this Agreement, (ii) the conduct of business and operations by Buyer of the Sale Assets following the Closing and (iii) any claims or actions brought by any principal of Buyer against Seller as a result of or in connection with this transaction, and (iv) all actions, suits, proceedings, demands, damages, assessments, judgments, costs, reasonable attorney's fees (including reasonable attorney's fees on any appeal) and expenses incident to any of the foregoing or incident to any enforcement by Seller of any covenant or agreement on the part of Buyer set forth in this Agreement.

c. *Claims Pursuant to Indemnities.* If any claim covered by the foregoing indemnities is asserted against any other indemnified party (the "Indemnitee"), the Indemnitee shall promptly give the other party (the "Indemnitor") notice of such claim. Under no circumstance shall any claim for indemnification hereunder arise until the aggregate amount of all such claims exceeds the sum of \$15,000, except that there shall be no such limitation as regards the indemnification of Edwards R. Hopple by Buyer in connection with the Hopple Note.

25. **Benefit and Binding Effect; Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party hereto may assign this Agreement without the prior written consent of the other party hereto provided, however, that Buyer may assign its rights and obligations under this Agreement, in whole or in part, to one or more wholly-owned subsidiaries or commonly controlled affiliates of Buyer without seeking or obtaining Seller's prior approval. Upon any permitted assignment by Buyer or Seller in accordance with this paragraph, all references to "Buyer" herein shall be deemed to be references to Buyer's assignee and all references to "Seller" herein shall be deemed to be references to Seller's assignee, as the case may be.

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

27. **Governing Law.** This Agreement shall be governed, construed and enforced by and in accordance with the laws of the State of California, without regard to the "Choice of Law" provisions thereof.

28. **Headings.** The headings of the paragraphs of this Agreement are for the convenience of the parties only, and do not in any way modify, interpret or construe the meaning of the provisions hereof.

29. **Gender and Number.** Words used in this Agreement, regardless of the gender and number specifically used, shall be deemed and construed to include any other gender, masculine, feminine, or neuter, and any other number, singular or plural, as the context requires.

30. **Notices.** All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be (a) in writing, (b) delivered by personal delivery, by facsimile, by e-mail, or sent by commercial delivery service or registered or certified mail, return receipt requested, (c) deemed to have been given on the date of personal delivery, the facsimile, the e-mail or the date set forth in the records of the delivery service or on the return receipt, and (d) addressed as follows:

If to Seller:

Michael D. Allen, Vice-President  
KMAP, Inc.  
1328 – 34<sup>th</sup> Street, Suite B  
Bakersfield, CA 93301  
Fax No.: 661-327-0797  
E-mail:

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

Dennis P. Corbett, Esquire  
Leventhal Senter & Lerman, PLLC  
2000 K Street, NW, Suite 600  
Washington, DC 20006-1809  
Fax No.: 202-293-7783  
E-mail: dcorbett@lsl-law.com

If to Buyer:

Mr. Douglas M. Sherman, President  
IHR Educational Broadcasting  
Post Office Box 180  
Tahoma, CA 96142  
Fax No.: 530-584-5705  
E-mail: dougs@ihradio.org

with a copy to (which shall not constitute notice:

Dennis J. Kelly, Esquire  
Law Office of Dennis J. Kelly  
Post Office Box 41177  
Washington, DC 20018  
Fax No.: 410-626-1794  
E-mail: dkellyfcclaw1@comcast.net

31. **Entire Agreement.** This Agreement, the schedules, hereto, and all documents, certificates, and other documents to be delivered by the parties pursuant hereto, collectively represent the entire understanding and agreement between Buyer and Seller with respect to the subject matter hereof. This Agreement supersedes all prior negotiations between the parties and cannot be amended, supplemented, or changed except by an agreement in writing that makes specific reference to this Agreement and which is signed by the party against which enforcement of any such amendment, supplement, or modification is sought.

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

33. **Counterparts.** This Agreement may be signed in one or more counterparts, each of which shall be considered an original counterpart, and shall become a binding Agreement when the parties shall have each executed one counterpart.

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

**SELLER**

**KMAP, INC.**

By 

**Michael D. Allen**  
**Vice-President**

**BUYER**

**IHR EDUCATIONAL BROADCASTING**

By \_\_\_\_\_

**Douglas M. Sherman**  
**President**

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


**SELLER**

**KMAP, INC.**

By \_\_\_\_\_  
**Michael D. Allen**  
**Vice-President**

**BUYER**

**IHR EDUCATIONAL BROADCASTING**

By   
**Douglas M. Sherman**  
**President**