

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, dated as of January 14, 2004 (this "Agreement"), by and between GEORGETOWN COLLEGE, INC., a Kentucky non-profit corporation ("Seller"), and EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation ("Buyer").

WITNESSETH:

WHEREAS, Seller is the licensee of radio station WRVG-FM, Georgetown, Kentucky (Channel 210C2, 89.9 MHz) (the "Station") pursuant to authorizations (the "FCC Authorizations") issued by the Federal Communications Commission (the "FCC"); and

WHEREAS, on the terms and conditions described herein, Seller desires to sell and Buyer desires to acquire substantially all of the assets owned or leased by Seller 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), Seller shall sell, assign and transfer to Buyer, and Buyer shall purchase and assume from Seller, the assets, properties, interests and rights of Seller of whatsoever kind and nature, which are owned by Seller and used in connection with the operation of the Station (the "Assets") (but excluding the Excluded Assets described in subparagraph (c) below), including without limitation:

(i) Seller's equipment, machinery, furniture, furnishings, 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 and other authorizations, including the FCC Authorizations (collectively, the "Licenses"), issued by the FCC, the Federal Aviation Administration (the "FAA"), and any other federal, state or local governmental authorities to Seller in connection with the conduct of the business and the full on-air operations of the Station, as set forth on Schedule 2 hereto;

(iii) The real property (the "Real Property") identified on Schedule 3 hereto, including:

a) a 99-year indefeasible lease for the ground space where the Station's broadcast tower and transmission site are located (the "Tower Site Lease" and "Tower Site"), which Tower Site Lease shall be in substantially in the form of

Exhibit A hereto.

b) A Bill of Sale or other instrument of conveyance which shall convey ownership of the existing transmission tower ("Tower") located within the Tower Site, including all existing equipment which is owned by Seller and is located on the Tower or within the Tower Site. Buyer grants Seller the right, at Seller's election and at Seller's expense, at any time after Closing, to locate a transmitter antenna for the College's student radio station on the Tower at a height of approximately 100 feet above ground, using an aperture on the Tower of approximately 10 feet, with an appropriate space in the Transmitter Building and on the side of the Tower for the required transmission equipment and coaxial line. Seller shall pay to Buyer a rental payment of One Dollar (\$1.00) per year for such right, and the parties shall enter into a 99 year lease for such Tower space on terms reasonably acceptable to Seller and Buyer, but further provided, such right with respect to Tower space or Building space shall only be available to Seller upon confirmation that such additional weight or windloading on the tower will not cause the Tower to be overloaded or require strengthening, and that adequate space is available in the Transmitter Building.

c) A Bill of Sale or other instrument of conveyance which shall convey ownership of the existing transmitter building(s) (collectively the "Transmitter Building") located within the Tower Site.

d) Fee simple title to a parcel of land approximately 0.46 acres in size ("Studio Property") on which the building containing the studios for the radio station are located ("Studio Building") is located, including title to the Studio Building and all other improvements located on the Studio Property. In connection with such conveyance, Buyer shall covenant (the "Covenants") the following:

(i) Any change in the exterior appearance of the Studio Building or in the use of the Studio Building will be reasonably compatible with the uses and appearances of the structures and facilities in the East Campus area of the College at the time of such change, and will comply with applicable zoning and use laws.

(ii) Seller shall have the right to reacquire the Studio Property and Studio Building at its then fair market value (which may be determined by the highest offer Buyer receives for the Studio Property and Studio Building from a third party, or if no such offer is made, by an appraisal), in the event Buyer desires to sell the Studio Property and Studio Building at any time in the future other than in connection with a simultaneous sale of the Station and the Studio Property to the same purchaser;

(iii) Seller may subject the Studio Property to a recorded access easement (the "Access Easements") in common in favor of Seller and the Buyer (but reasonably acceptable to Buyer), granting Seller the right to use the existing roadway and driveway within the Studio Property for purposes of access and

ingress and egress to and from Seller's other property and facilities in the East Campus area of the College.

e) Easements in recordable form for the existing connections (the "Connection Easements") between the Studio Building and the Tower Site in conformity with the provisions of Section 7(j) below.

f) Easements in recordable form permitting the Tower Guy Wires to continue to be located within the Seller's retained property (the "Guy Wire Easements"), in conformity with the provisions of Section 7(k) below, but provided that Buyer shall have the right to relocate the Tower Guy Wires if the Tower requires structural upgrading, subject to reasonable approval by Seller as to the new easement location based upon safety issues with respect to Seller's then existing use of the surrounding property. The Guy Wire Easements shall terminate in the event the Tower is destroyed or removed and is not rebuilt.

g) Easements in recordable form for the sewer and water connections to the Studio Property (the "Utility Easements"), as further set forth in Section 8(b)(ix) hereof. The Access Easements, the Connection Easements, the Guy Wire Easements and the Utility Easements shall be referred to herein collectively as the Easements.

h) Assignment to Buyer of the third party contracts or leases (the "Tenant Contracts") of Seller's tenants at the Station's Tower Site and on the Tower, as further set forth on Schedule 3 hereto;

(iv) All of Seller's 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) Seller's common-law right to call sign WRVG-FM used in connection with the operation of the Station and the goodwill associated therewith.

(b) The Assets shall be transferred by Seller to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements and other liens, liabilities and encumbrances of every kind and nature ("Liens") except as expressly permitted herein. Buyer is not agreeing to, and shall not, assume any liability, obligation, undertaking, expense or agreement of Seller 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 Seller 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 Seller to Seller's employees under any existing written or oral agreements with Seller, 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 Seller of the employment of any employee of the Stations or any liability for any employee benefit plan or arrangement of Seller for the Station's employees.

(c) The following assets and obligations relating to the business of the Station shall be retained by Seller 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 Seller's operation of the Station prior to Closing;

(ii) All rights of Seller under all contracts and agreements (other than the Tenant Contracts), including contracts of insurance and insurance proceeds of settlement and insurance claims made by Seller relating to property or equipment repaired, replaced, restored by Seller prior to the Closing Date;

(iii) Any and all Real Property of Seller other than the Tower Site Lease and the Studio Property;

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

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

(vi) Seller's corporate records;

(vi) Any assets noted as excluded on Schedule 1.

2. **Purchase Price.**

(a) Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale of the Assets, on the Closing Date Buyer shall pay to Seller the aggregate sum of One Million Seven Hundred Thousand Dollars (\$1,700,000) (the "Purchase Price"), payable by wire transfer of same day Federal funds to an account designated by Seller in writing at least two day before the Closing Date.

(b) Concurrently with the execution of this Agreement, Buyer has delivered to First Liberty National Bank (the "Escrow Agent") the sum of Eighty Five Thousand Dollars (\$85,000) to be held as an earnest money deposit (the "Earnest Money Deposit") pursuant to an Escrow Agreement (the "Escrow Agreement") of even date herewith. The Earnest Money Deposit shall be paid to Seller as partial payment of the cash Purchase Price due at Closing to Seller, or shall otherwise be made available to Seller 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, FCC regulatory fees, real and personal property taxes upon the basis of the most recent tax bills and information available, 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 sixty (60) days after the Closing Date.

(d) On or before the Closing Date, Seller and Buyer shall mutually determine an allocation of Purchase Price among the Assets that complies with Section 1060 of the Internal Revenue Code of 1986, as amended.

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

(a) At a date not later than five (5) business days after the execution of this Agreement, Buyer and Seller shall execute, file and vigorously prosecute an application with the FCC (the "Assignment Application") requesting its consent to the assignment, from Seller to Buyer, of all FCC Authorizations pertaining to the Station (the "FCC Consent"). Buyer and Seller 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.

(b) Seller hereby consents to and agrees to cooperate with Buyer in connection with the filing of a request by Buyer for a waiver of the FCC's "main studio" rules, such waiver to be effective on or after the Closing Date. Such request shall be made and prosecution thereof shall be conducted solely at Buyer's expense, and Seller's 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") which is no more than five (5) business days following the date on which the FCC Consent is granted, provided all conditions to closing are satisfied as of the Closing Date. The Closing shall be held at the offices of Shaw Pittman, LLP, 2300 N Street, NW, Washington, DC, or any other location mutually agreed upon by Buyer and Seller in writing or by mail.

5. **Representations and Warranties of Seller.** Seller hereby makes the following representations and warranties to Buyer:

(a) Seller is a corporation, duly organized, validly existing and in good standing under the laws of the Commonwealth of Kentucky. Seller 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 Seller and no other proceedings on the part of Seller are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Seller and constitutes the legal, valid and binding obligation of Seller 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) Except as disclosed on Schedule 5 hereto, the execution, delivery and performance of this Agreement by Seller will not (i) constitute a violation of or conflict with Seller's 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 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 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 other than the FCC, or any third party except as expressly disclosed to Buyer on Schedule 5 hereto.

(c) Schedule 1 hereto contains a list of the Tangible Personal Property owned or leased by Seller for use in connection with the operation of the Station. Seller owns and has, and will have on the Closing Date, good and marketable title to the owned Tangible Personal Property. The assets listed in Schedule 1 hereto include all material Tangible Personal Property necessary to conduct the business and operations of the Station as now conducted (other than those assets which are Excluded Assets). Subject to satisfaction of the condition set forth at Section 8(a)(viii) hereof, all Tangible Personal Property is being conveyed to Buyer on an "as is, where is" basis.. For purposes of this Section, material Tangible Personal Property shall be such items of property valued at One Thousand Dollars (\$1,000) or more.

(d) 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 held by Seller in connection with the operation of the Station, which to Seller's knowledge are all licenses, permits or other authorizations 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. Seller lawfully holds 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 operations of the Station. Except as set forth in Schedule 2, Seller is 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"), including that the Station is transmitting at no less than 90% of its authorized power. There is not now pending or, to Seller's knowledge, threatened any action by or before the FCC to revoke, cancel, rescind, modify or refuse to renew any of such FCC Authorizations, and Seller has not received any notice of and has 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 Seller. Except as set forth in Schedule 2, all material reports and filings required to be filed with the FCC by Seller with respect to the operation of the Station have been filed, and all such reports and filings are accurate and currently are in material compliance. Seller maintains a public inspection file for the Station and, to Seller's knowledge, such file complies with the Communications Laws.

(e) Schedule 3 contains a complete description of all Real Property owned and leased in connection with the Seller' operation of the Station, including legal description, owner and use. Seller is the fee simple owner of the Tower Site and the Studio Property, free and clear of all Liens except encumbrances to such property in the ordinary course that do not, in the aggregate, interfere with the Station's use thereof as a tower facility or studio facility, respectively, or Liens to be discharged at Closing. The Real Property constitutes the only real properties required to operate the Station in the manner in which it is presently operated.

(f) The instruments to be executed by Seller 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 as expressly permitted herein.

(g) There is no broker or finder or other person who would have any valid claim 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 Seller.

(h) Seller is not 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. Except as set forth in Schedule 4, there is no material litigation pending by or against, or to the best of Seller's knowledge, threatened against Seller which relates to the Station or could affect any of the Assets. Seller, with respect to the Station, has complied in all material respects with all applicable laws, regulations, orders or decrees. Except as otherwise disclosed herein, the present uses by Seller of the Assets do not violate any such laws, regulations, orders or decrees in any material respect, and Seller has no knowledge of any basis for any claim for compensation or damage or other relief from any violation of the foregoing.

(i) All of the Station Assets that are insurable in character are insured against loss, injury or damage pursuant to the existing insurance policies delivered by Seller to Buyer at the time of execution of this Agreement, a list of which insurance policies is attached hereto as Schedule 6. Such insurance coverage shall be maintained in full force and effect by Seller through the Closing Date.

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

(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 Commonwealth of Kentucky, has the requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted.

(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 Seller, (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, lending institution or other third party other than the FCC Consent.

(d) Buyer is legally, financially and technically qualified to acquire and become the licensee of the Station and to operate the Station in the manner contemplated.

(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.** Seller and Buyer each covenant that, between the date hereof and the Closing Date, they shall each act in accordance with their respective duties and responsibilities in the following sections:

(a) Seller shall maintain the Tangible Personal Property included in the Assets in operating conditions and replace any of such property which shall be worn out, lost, stolen or destroyed with like property of substantially equivalent kind and value

(b) Seller 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. Seller shall repaint the Tower in conformity to FCC rules and regulations with respect thereto, at its sole expense. Seller will deliver to Buyer, promptly after filing, 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. Seller will not file any application to modify the Station's facilities without Buyer's prior written consent, and Seller shall take all actions necessary to keep the Licenses valid and in full force and effect.

(c) Seller shall maintain in full force and effect, and shall not default under, terminate or cancel any of the Tenant Contracts, other than following a breach by the other party thereto.

(d) Seller shall promptly file and diligently prosecute an application for permit or other regulatory approval from local zoning authorities necessary to subdivide the Studio Property from other real property held by Seller, and to obtain any Easements as may be reasonably necessary. Seller shall provide to Buyer copies of all material applications filed and notices received with respect to subdivision of the Studio Property.

(e) Seller shall maintain in full force and effect through the Closing Date adequate property damage, liability and other insurance with respect to the Assets consistent with the coverage currently maintained by Seller.

(f) Prior to the Closing Date, Seller shall not, without the prior written consent of Buyer sell, lease, transfer or agree to sell, lease or transfer any of the Assets without replacement thereof with an equivalent asset of equivalent kind, condition and value that satisfies industry standards for such assets, or create any Lien on the Assets. From and after the date hereof, except as otherwise provided in this Agreement, Seller shall not enter into, consent to, suffer or permit to exist at Closing any liens, encumbrances, easements, rights of way, encroachments, obligations, conditions, limitations, covenants, restrictions, and/or other matters affecting title to the Property whatsoever, recorded or unrecorded, without Purchaser's written consent after the date of this Agreement and Seller, at its sole cost and expense, shall be required to remove and discharge from title to the Property any such new or additional matters not contemplated herein that may affect title to the Property.

(g) On or before the Closing Date, Seller shall furnish to Buyer revised Schedules to this Agreement as may be necessary to render such Schedules accurate and complete as of the Closing Date. Seller 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 Seller prior to the date hereof, of any of Seller's representations or warranties contained in this Agreement or in any Schedule. Seller shall promptly disclose to Buyer any significant problems or developments with respect to the Station or the Assets. Seller 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.

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

(i) If any event should occur which would prevent the consummation of the transactions contemplated hereunder, Seller shall use all commercially reasonable efforts to cure

the event as expeditiously as possible, except to the extent otherwise specifically provided herein.

(j) On the Closing Date, Seller shall grant the Connections Easements to Buyer in the locations of the existing above and below ground connections between the Tower Site and the Studio Building for the following: (i) audio and control cables; (ii) the connection from the satellite dish to the Studio Building; and (iii) the grounding cable system for the Tower, the Studio Building, and the equipment for the Station. Seller shall have the right at any time in the future, at Seller's expense, to relocate any of such easement areas and the wires or other facilities located in such easement area, subject to the Buyer's reasonable approval of the relocated easement areas. The Connections Easements shall terminate by their terms when the Tower Site Lease terminates.

(k) On the Closing Date, Seller shall grant the Guy Wire Easements to Buyer in recordable form which shall permit the existing guy wires supporting the Tower ("Tower Guy Wires") to continue to be located within the Seller's existing property adjoining the Tower Site, in their existing locations or in such alternate locations as may be approved by Seller in its reasonable discretion, which Guy Wire Easements shall terminate by their terms when the Tower Site Lease terminates or when the Tower is destroyed or removed and is not rebuilt or replaced.

(l) Buyer may obtain at its expense the Title Commitments and Surveys as further described below. Buyer shall exercise due diligence and commercially reasonable efforts to obtain an initial Title Commitment with respect to the Studio Property, the Tower Site leasehold, the Easements, and surrounding parcel owned by Seller containing the information described below on or before February 1, 2004. Buyer shall rely on a plat provided by Seller for its initial Survey. At least ten (10) days before the Closing Date, (or at least ten (10) days before conveyance of the Studio Property, if not conveyed at the Closing), Buyer may obtain at its expense (both initially and as of the conveyance of the Studio Property, as appropriate):

(i) With respect to the Studio Property, the Tower Site leasehold, and the Easements: (A) a title report issued by a nationally recognized title insurance agency reasonably acceptable to Buyer (the "Title Company"), which report shall contain a commitment (the "Title Commitment") of the Title Company to issue owner's title insurance policies on ALTA Policies (the "Title Policy") insuring the fee simple interest of Buyer in the Studio Property, Buyer's interest in the Tower Site leasehold, and the validity of each of the Easements; and (B) copies of all documents, filings and information disclosed in the Title Commitment, excepting any oil, gas or other minerals, conveyed, retained, assigned or any other activity caused by the sub-surface rights or ownership, including but not limited to the rights of ingress and egress for said sub-surface purposes. The Title Commitment shall not show that the Tower Site or Studio Building are subject to any Liens other than: (i) such covenants, easements or rights of way that do not, individually or in the aggregate, materially impair the value of the Real Property for its purpose as a studio facility, tower facility or easement with respect thereto, (ii) current real estate taxes not yet due and payable, or (iii) Liens that will be released at Closing from the Studio Building. In addition, the Title Policy obtained by Buyer shall contain endorsements of the subdivision of the Studio Property, that following subdivision it is a separate tax parcel, as to its zoning status, and as to zoning status of the Tower Site for its intended use. All standard exceptions which can be deleted by the use of owner's or seller's affidavits are to be deleted from

the Title Commitment and Title Policies, and Seller shall cooperate with Buyer in executing and delivering such instruments to the Title Company in form reasonably acceptable to Seller.

(ii) A survey or surveys of the Studio Property and Tower Site (and including with respect to any Easements granted hereunder or the Recorded License Agreement) acceptable to the Title Company ("Surveys") which shall (A) be prepared by a registered land surveyor or professional engineer, (B) be certified to the Title Company and to Buyer and (iii) show with respect to such Real Property: (1) the legal description of such parcels of Real Property (which shall be the same as the Title Policy pertaining thereto); (2) all buildings, structures and improvements thereon and other matters and all easements or rights of way; (3) no material encroachments upon such parcel or adjoining parcels by buildings, structures or improvements (unless valid easements or leases have been obtained with respect thereto); and (4) access to such parcel from a public street or valid easements or rights of way. Buyer and Seller agree that Seller shall provide to Buyer and Buyer may rely on any plats or other surveys performed by Thoroughbred Engineering, Inc. for Seller and at Seller's expense with respect to subdivision of the Studio Property or other Real Property shown on such plat or survey, and that Buyer may engage the firm for follow-on surveys as required, but any such additional surveys shall be at Buyer's expense.

(iii) Buyer shall promptly disclose to Seller the results of the initial Title Commitment and shall promptly specify in writing to Seller any information contained on any Title Commitment or Survey received hereunder that Buyer objects to as inconsistent with the covenants set forth above or any other representation or condition contained in this Agreement with respect thereto. Closing of the conveyance of the Studio Property shall not occur until all such representations, covenants and conditions have been satisfied, unless Buyer elects to waive any such provision for its benefit. Closing of the transaction contemplated hereby, with or without conveyance of the Studio Property at such Closing, shall occur only if the representations, covenants and conditions contained in this Agreement with respect to the Assets to be conveyed that are affected by the Title Commitment or the Survey have been satisfied as of the Closing Date. Seller shall at its election have a reasonable time to cure a failure of any such representation, covenant or condition that would constitute failure of a closing condition, (provided, however, that Seller shall have no obligation to effect such cure as to the closing conditions set forth at Section 8(b)(xi)), and only upon the failure of such cure shall Buyer be entitled to terminate this Agreement as further provided in Section 11 hereof, and further provided, Buyer may elect to waive any such deficiency and proceed to the Closing, at its election.

(m) At Buyer's expense, and with the reasonable cooperation of Seller, Buyer may obtain a Phase I Report (the "Phase I Report"), concerning the Real Property and the Assets from an environmental engineering firm acceptable to Buyer. Buyer shall exercise diligence and commercially reasonable efforts to obtain such Phase I Report on or before February 1, 2004. The Phase I Report shall confirm, in a manner reasonably satisfactory to Buyer, either the absence of any Hazardous Materials from the Real Property, or the presence of Hazardous Materials in a state of condition which does not violate any Environmental Laws, and that there are no conditions existing at the Station or at the Real Property which could reasonably subject Buyer to material damages, penalties or other remedial action under the Environmental Laws. In the event that the Phase I Report discloses any material violation of any Environmental Laws,

Buyer shall be entitled to elect, upon written notice to Seller within thirty (30) days after receipt of such Phase I Report to terminate this Agreement. As defined herein, the term "*Environmental Laws*" shall mean all applicable laws, statutes, rules, regulations, codes and ordinances of all U.S. federal, state and local government agencies and authorities relating to the discharge of air pollutants, water pollutants or process waste water, Hazardous Materials (as defined herein), or toxic substances, or otherwise relating to the environment, including without limitation the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, regulations of the Environmental Protection Agency, regulations of the Nuclear Regulatory Commission, and regulations of any state department of natural resources or state environmental protection agency now or at any time hereafter in effect. As defined herein, the term "*Hazardous Materials*" means any wastes, substances, or materials (whether solids, liquids or gases) that are deemed hazardous, toxic, pollutants, or contaminants, including substances defined as "hazardous wastes," "hazardous substances," "toxic substances," "radioactive materials," or other similar designations in, or otherwise subject to regulation under, any Environmental Laws. "Hazardous Materials" includes polychlorinated biphenyls (PCBs), asbestos, lead-based paints, infectious wastes, radioactive materials and wastes and petroleum and petroleum products (including crude oil or any fraction thereof).

8. **Conditions Precedent to Obligation to Close.**

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

(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;

(iv) Buyer shall have delivered to Seller, on the Closing Date, the documents required to be delivered pursuant to Section 9(b);

(v) Buyer shall not be subject to any voluntary or involuntary petition under Federal bankruptcy law, or any state receivership or similarly proceeding;

(vi) If any event should occur which would prevent the consummation of the transactions contemplated hereunder, the Buyer, as appropriate, shall use its best efforts to cure the event as expeditiously as possible, except to the extent otherwise specifically provided herein;

(vii) Seller shall have obtained a waiver and release (“Waiver and Release”) from American Capital Access Guaranty Corporation (“ACA”) that allows for a complete transfer of the Station Assets to Buyer, including in such Waiver and Release a waiver of all Liens against the Station Assets and an agreement of ACA to fully release any claim whatsoever it may have to the monetary proceeds that Seller will receive from this transaction. Seller shall pursue ACA’s agreement to such Waiver and Release diligently and using all commercially reasonable efforts. In the event that the Waiver and Release has not been obtained by Seller as of February 1, 2004, until such time thereafter as the Waiver and Release has been obtained by Seller, this Agreement may be terminated by Buyer or Seller upon notice to the other party without any liability of Buyer or Seller to the other party for such termination.

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

(i) Seller 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 Seller prior to or as of the Closing Date;

(ii) The representations and warranties of Seller 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;

(v) The condition set forth at Section 8(a)(vii) shall have been satisfied;

(vi) There shall not be any Liens on the personal property Assets or any financing statements of record other than those to be satisfied by Seller on or before the Closing Date, and Seller shall have delivered to Buyer lien search reports, in form and substance satisfactory to Buyer and dated no earlier than 30 days prior to the Closing, reflecting the results of UCC, tax and judgment lien searches conducted at Secretary of State offices of the Commonwealth of Kentucky and in the County Clerk's Office of each county in which the Assets are located;

(vii) Seller shall have duly, timely and in the required manner filed all federal, state, and local income, franchise, sales, use, property, excise, payroll and other tax returns and forms required to be filed with respect to the Station or the Station Assets, and Seller shall have paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies and losses required to be paid which could impose on Buyer or the Station Assets any liability for any taxes, penalties or interest due or to become due from Seller from any taxing authority;

(viii) Each material item of Tangible Personal Property necessary to transmit the signal of the Station in accordance with the FCC Authorizations, specifically including, without limitation, the antenna, the transmitter, transmission line, and the Tower (the

“Material Transmission Assets”) are in operating condition and are operating in substantial compliance with the FCC Authorizations and rules and regulations of the FCC and FAA. Buyer may conduct a Closing Date inspection of the Material Transmission Assets referred to above. Buyer shall engage a qualified structural engineer to examine the Tower for material defects, structural integrity, as to whether the Tower is presently overloaded beyond its strength and load capacity, and including whether the antenna for the Student Station may be installed on the Tower without causing such overloading of the Tower, and Buyer shall exercise diligence and commercially reasonable efforts to obtain the results of such examination on or before February 1, 2004. Buyer shall be satisfied in its reasonable discretion that the Material Transmission Assets comply with the conditions stated above and that the engineer’s study does not disclose material defects in the Tower, lack of structural integrity, or that its current load is above capacity for the Tower. In addition but not limitation to the above, as of the Closing Date: (i) the Tower shall be obstruction-marked and lighted to the extent required by, and in accordance with, the rules and regulations of the FAA and the FCC, (ii) Seller shall have complied in all material respects with all requirements of the FCC and the FAA with respect to the construction and/or alteration of the Tower, and "no hazard" determinations for the Tower shall have been obtained, where required. If required, the Tower shall be registered with the FCC, (iii) the operations of the Station shall not exceed permissible levels of exposure to RF radiation specified in either the FCC's rules, regulations and policies concerning RF radiation or any other applicable Environmental Laws (as defined below);

(ix) Subdivision of the Studio Property from other property held by Seller shall have been approved by local zoning authorities, including granting any necessary variances or exceptions, and shall be fully implemented by any necessary filings or recordation with local authorities. Subdivision of the Studio Property requires installation of separate sanitary sewer facilities and connection of the Studio Building to the public sewer system, and installation of a separate water line, meter, and connection of the Studio Building to the public water system. Seller shall, at its expense prior to the Closing Date, take all required steps to connect the existing Studio Building to the public sewer system and water system of the County which currently serves other buildings and facilities of Seller in the “East Campus” area of the College, within which the Studio Building is located, preparing all required plans and obtaining all necessary governmental permits for connection of the Studio Building to the public sewer system and public water system. Seller shall grant the Utility Easements for the sanitary sewer and water line connection through Seller’s property in such location as may be approved by Seller in its reasonable discretion. If there is a denial or material delay in such approval or implementation, and Seller is unable to deliver a Warranty Deed for the Studio Property as contemplated herein on the day that would otherwise be the Closing Date, Buyer at its sole election may consummate the Closing by requiring Seller to deliver an interim one year lease of the Studio Property to Buyer for \$1 and to place a portion of the Purchase Price equal to the appraised value of the Studio Property into a post-closing escrow account. Seller shall then continue to prosecute a subdivision with commercially reasonable efforts, and the escrow funds shall not be released to Seller until such Warranty Deed has been delivered to Buyer. If such subdivision is denied or delayed for an additional period of one year from the Closing Date, then the funds held in escrow shall be paid to Buyer as liquidated damages for failure of Seller to deliver the Studio Property to Buyer, the interim lease for \$1 annual rent shall remain in effect until terminated by Buyer, and Seller shall retain the Studio Property. In the event Seller is subsequently successful in subdividing the Studio Property, such portion of the Purchase Price

shall be paid by Buyer to Seller and the Studio Property shall be conveyed to Buyer as provided herein;

(x) In accordance with the provisions of Section 7(m) hereto, the Phase I Report shall have confirmed either the absence of any Hazardous Materials from the Real Property, or the presence of Hazardous Materials in a state of condition which does not violate any Environmental Laws, and that there are no conditions existing at the Station or at the Real Property which could reasonably subject Buyer to material damages, penalties or other remedial action under the Environmental Laws;

(xi) Giving effect to the Easements, at the Closing there will be full legal and practical access to the Tower Site and the Studio Property, and all utilities (other than as set forth in 8(b)(ix) above) necessary for Buyer's use of the Tower Site and Studio Property for their operations as currently conducted will be installed and in good working order and subject to valid easements, where necessary. Giving effect to the Easements, the Tower Site and the Studio Property and the improvements constructed thereon, as well as the present and intended uses thereof as radio broadcasting facilities, will at the Closing conform in all material respects with all restrictive covenants and with all applicable zoning, environmental and building codes, laws, rules and regulations, including "set back" restrictions. The Building, Towers, guys and other fixtures situated on the Tower Site and the Studio Building located on the Studio Property shall be free of structural defects, suitable for their intended use, in operating condition (ordinary wear and tear excepted), and, giving effect to the Easements, are or at the Closing will be contained entirely within the bounds of their respective Real Property, and do not encroach upon any other property except in cases where valid easements (that are included in the Assets) have been obtained. There shall be no pending condemnation or similar proceeding affecting the Tower Site, the Studio Property, or any portion thereof.

(xii) No representation or warranty made by Seller in this Agreement, and no statement made in any certificate, document, exhibit or schedule furnished or to be furnished in connection with the transactions herein contemplated, shall contain any untrue statement of a material fact or shall omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to Buyer; and

(xiii) Seller shall have delivered to Buyer, on the Closing Date, the documents required to be delivered pursuant to Section 9(a).

9. Closing Deliveries.

(a) At the Closing, Seller will deliver to Buyer the following, each of which shall be in form and substance 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 personal property Assets and effectively vest in Buyer good and marketable title to the personal property Assets;

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

(iii) A Warranty Deed, in customary form, conveying the Studio Property to Buyer, together with documentation of the Easements and Covenants referred to in Section 1(a)(iii) in form mutually acceptable to Buyer and Seller;

(iv) The Tower Site Lease, executed by Seller;

(v) Bills of Sale or other instruments of conveyance executed by Seller conveying ownership of the Tower and the Building to Buyer;

(vi) The Easements in recordable form;

(vii) The Covenants referred to in Section 1(a)(iii)(d) hereof, as a writing;

(viii) One or more Assignment and Assumption Agreements for the Tenant Contracts, duly executed by Seller;

(ix) Certified copies of the resolutions of the Board of Trustees of Seller authorizing and approving the execution and delivery of this Agreement and authorizing the consummation of the transactions contemplated hereby and thereby;

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

(xi) As appropriate, an incumbency certificate, certified organizational documents, and a certificate of good standing for Seller from the Secretary of State of the Commonwealth of Kentucky;

(xii) A joint notice to the Escrow Agent;

(xiii) An opinion of Seller's counsel in the form of Exhibit B hereto;

(xiv) Receipt for the Purchase Price; and

(xv) 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 Seller the following, each of which shall be in form and substance satisfactory to Seller 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;

(iii) The Tower Site Lease, executed by Buyer;

- (iv) Counterpart signatures to the Easements and the Covenants;
- (v) One or more Assignment and Assumption Agreements for the Tenant Contracts, executed by Buyer;
- (vi) A joint notice to Escrow Agent;
- (vii) 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;
- (viii) An opinion of Buyer's corporate or general counsel in the form of Exhibit C hereto;
- (ix) 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;
- (x) A certificate of good standing for Buyer from the Secretary of State of California and a certificate of authority to do business as a foreign corporation in Kentucky; and
- (xi) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as Seller shall reasonably request, each in form and substance satisfactory to Seller and its counsel.

10. **Indemnification.**

(a) Following the Closing Seller shall indemnify, defend and hold harmless Buyer with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including, without limitation, interest, penalties, court costs and reasonable attorneys' fees) ("Damages") asserted against, resulting from, imposed upon or incurred by Buyer directly or indirectly relating to or arising out of: (i) the breach by Seller of any of its representations or warranties that survive the Closing, or failure by Seller to perform any of its covenants, conditions or agreements set forth in this Agreement that survive the Closing; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Station prior to the Closing, including the Retained Liabilities and with respect to the Excluded Assets.

(b) Following the Closing Buyer shall indemnify, defend and hold Seller harmless with respect to any and all Damages asserted against, resulting from, imposed upon or incurred by Seller directly or indirectly relating to or arising out of: (i) the breach by Buyer of any of its representations, warranties, or failure by Buyer to perform any of its covenants, conditions or agreements set forth in this Agreement; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the Assumed Liabilities or the ownership and operation of the Station as conducted by Buyer subsequent to the Closing.

(c) If either party hereto (the "Indemnatee") receives notice or otherwise obtains knowledge of any matter with respect to which another party hereto (the "Indemnifying

Party") may be obligated to indemnify the Indemnatee under this Section 10(c), then the Indemnatee shall promptly deliver to the Indemnifying Party written notice describing such matter in reasonable detail and specifying the estimated amount of the Damages or liability that may be incurred by the Indemnatee in connection therewith. The Indemnifying Party shall have the right, at its option, to assume the complete defense of such matter at its own expense and with its own counsel, provided such counsel is reasonably satisfactory to the Indemnatee. If the Indemnifying Party elects to assume the defense of such matter, then (i) notwithstanding anything to the contrary herein contained, the Indemnifying Party shall not be required to pay or otherwise indemnify the Indemnatee against any such matter following the Indemnifying Party's election to assume the defense of such matter, (ii) the Indemnatee shall fully cooperate as reasonably requested by the Indemnifying Party in the defense or settlement of such matter, (iii) the Indemnifying Party shall keep the Indemnatee informed of all material developments and events relating to such matter, and (iv) the Indemnatee shall have the right to participate, at its own expense, in the defense of such matter. In no event shall the Indemnifying Party be liable for any settlement or admission of liability with respect to such matter without its prior written consent.

(d) The several representations and warranties of Seller and Buyer contained in or made pursuant to this Agreement shall expire on the date that is twelve (12) months after the Closing Date.

11. **Termination.**

(a) This Agreement may be terminated by either Buyer or Seller, 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 (c) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing of this Agreement; or (d) in accordance with Section 8(a)(vii) or Section 19 hereof, or (e) if the Closing has not occurred by April 1, 2004, as such date may be extended, in conformity with Section 11(e) in the event the FCC Consent for the Assignment Application has not been received by March 31, 2004.

(b) Upon a termination of this Agreement by Seller due to a breach by Buyer of any of its material obligations under this Agreement, Seller's sole remedy shall be delivery of the Earnest Money Deposit from the Escrow Agent, as liquidated damages. Seller 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 Seller of any of its material obligations under this Agreement, Buyer shall be entitled to the release of the Earnest Money Deposit, and Buyer may seek all rights and remedies that it may have in equity or at law.

(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 as set forth in subsections (b) and (c) above, 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.

(e) The parties acknowledge that a primary objective of Seller is to consummate the transaction contemplated hereby on or before April 1, 2004, when the Station's license renewal application is required to be filed with the FCC, and in order to provide liquidity to Seller consistent with certain commitments to ACA. In the event that the reason that the closing has not occurred is that the FCC has not granted FCC Consent for the Assignment Application on or before March 31, 2004, Seller shall not be permitted to terminate this Agreement due to delay in grant of FCC Consent for the Assignment Application, except as otherwise set forth in subsection (a) above, until December 31, 2004, but if the failure to close the transaction on or before April 1, 2004 is due to any other cause except Seller's breach of its representations, warranties or covenants contained herein, then Seller may terminate this Agreement at any time on or after April 1, 2004, and no party shall have any further obligation to the other party..

12. **Specific Performance.** Seller acknowledges that the Station is a unique asset not readily obtainable on the open market and that, in the event that Seller fails to perform its obligation to consummate the transaction contemplated hereby, money damages alone will not be adequate to compensate Buyer for its injury. Therefore, Seller agrees and acknowledges that in the event of Seller's failure to perform its obligation to consummate the transaction contemplated hereby, Buyer shall be entitled, in addition to any other rights and remedies on account of such failure, to specific performance of the terms of this Agreement and of Seller's obligation to consummate the transaction contemplated hereby. If any action is brought by Buyer to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law, and Buyer shall be entitled to receive from Seller all court costs, attorney's fees and other out-of-pocket expenses incurred by Buyer in enforcing its rights under this provision.

13. **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.

14. **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 nationally recognized courier service which guarantees overnight delivery, and, in the case of courier delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Seller, to:

Georgetown College, Inc.
400 East College Street
Georgetown, Kentucky 40324
Attn: Darryl R. Callahan, Esq.

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

John F. Garziglia, Esq.
Womble Carlyle Sandridge & Rice, PLLC
1401 Eye Street, NW, Suite 700
Washington, DC 20005

If to Buyer, to:

Educational Media Foundation
5700 West Oaks Boulevard
Rocklin, CA 95765
Attn: Richard Jenkins, President

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

Bryan T. McGinnis, Esq.
Shaw Pittman
2300 N Street, NW
Washington, D.C. 20037
Telecopier: 202.663.8007

15. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Kentucky, without giving effect to the choice of law principles thereof.

16. **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.

17. **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 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 a facsimile machine to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine as a defense to the formation of a contract and each such party forever waives any such defense.

18. **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. The FCC filing fees relating to the Assignment Application shall be shared equally between Buyer, on the one hand, and Seller, on the other hand. All federal, state, local and other transfer and sales taxes applicable to, imposed upon or arising out of the transfer to Buyer of the Assets as contemplated hereby shall be paid by Buyer or Seller, in accordance with local law or custom in Kentucky.

19. **Risk of Loss.** The risk of loss to any of the Assets on or prior to the Closing Date shall be upon Seller. Seller 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 Fifty Thousand Dollars (\$50,000) 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 Seller repairs or replaces such Assets, or (ii) elect to close with the Assets in their current condition, in which case Seller 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. Seller shall have no responsibility to repair or replace damaged or destroyed Assets not covered by insurance if the cost of such repair exceeds Fifty Thousand Dollars (\$50,000), provided, however, that should Seller not advise Buyer within five (5) days after being requested

to do so that Seller will repair or replace such Assets, Buyer may terminate this Agreement without penalty upon written notice to Seller. Should the Station (i) not operate for a period in excess of seventy-two (72) consecutive hours, or (ii) not operate with full licensed facilities for a period of thirty (30) consecutive days, or if the Station not be operating at no less than 90% of its full authorized power as of the scheduled Closing Date and it is reasonably expected that the condition set forth in either clause (i) or (ii) of this sentence would be satisfied other than for the originally scheduled Closing Date, Buyer may either elect to terminate this Agreement without penalty upon written notice to Seller or postpone the Closing for a period of up to sixty (60) days while Seller attempt to cure the condition described in the preceding sentence of this Section 19.

20. **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, which consent shall not be unreasonably withheld or delayed.

21. **Attorneys Fees.** In the event of a default by either Seller or Buyer which results in a lawsuit or other proceeding for any remedy available under this Agreement, the prevailing party shall be entitled to reimbursement from the other party of its reasonable legal fees and expenses.

22. **Public Announcements.** Prior to the Closing, neither Buyer nor Seller shall issue any press release or make any public disclosure with respect to the transactions contemplated by this Agreement without the prior written approval of the other party (other than those filings and announcement required by the FCC), except Seller may continue such communications with employees, customers, suppliers, franchises, lenders, lessors and other particular groups as may be legally required or necessary or appropriate and not inconsistent with the best interests of the other party or the prompt consummation of the transactions contemplated herein.

23. **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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

Seller:

GEORGETOWN COLLEGE, INC.

By: _____

William H. Crook, Jr.
President

Buyer:

EDUCATIONAL MEDIA FOUNDATION

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

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

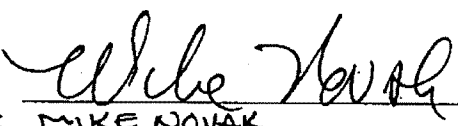
Seller:

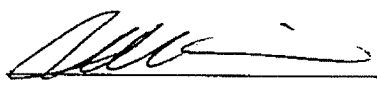
GEORGETOWN COLLEGE, INC.

By: _____

Buyer:

EDUCATIONAL MEDIA FOUNDATION

By: 
Name: MIKE NOVAK
Title: VP

By: 
Name: JOSEPH MILLER
Title: TREASURER

List of Exhibits and Schedules

Exhibit A - Tower Site Lease

Exhibit B – Opinion of Seller’ Counsel

Exhibit C - Opinion of Buyer’s Counsel

Schedule 1 - Tangible Personal Property

Schedule 2 - FCC Licenses

Schedule 3 - Description of Tower Site and Studio Property; Tenant Contracts

Schedule 4 - Litigation

Schedule 5 – Required Consents

Schedule 6 – Seller Insurance Policies

EXHIBIT A: GROUND LEASE ATTACHED

EXHIBIT A

GROUND LEASE

This GROUND LEASE (the "Lease") is made this ____ day of _____, 2004 (the "Commencement Date") by and between GEORGETOWN COLLEGE, INC., a Kentucky non-profit corporation (hereafter referred to as "Landlord"), and EDUCATIONAL MEDIA FOUNDATION (hereafter referred to as "Tenant"), a California non-profit corporation..

W I T N E S S E T H:

WHEREAS, upon consummation of the transactions contemplated in the Asset Purchase Agreement dated as of January ___, 2004 between Landlord, as Seller, and Tenant, as Buyer (the "Purchase Agreement"), with respect to the assets and licenses issued by the Federal Communications Commission (the "FCC") of radio station WRVG-FM, Georgetown, Kentucky (FCC Facility ID# 23901) (the "Station"), Landlord shall retain title to a certain parcel of land located in Georgetown, Kentucky, as more particularly described on Exhibit A hereto (the "Premises"), which Premises are the site on which the broadcast transmission tower site of the Station is located; and

WHEREAS, pursuant to the closing (the "Closing") of the Purchase Agreement transaction simultaneously with the execution of this Lease, Tenant is acquiring all buildings, structures, fixtures and improvements situated on the Premises, specifically including the broadcast tower (the "Tower") and a building housing the Station's transmitter and related equipment (the "Building"); and

WHEREAS, Tenant desires to secure continuing rights to locate the Tower and the Building on and continue to operate and broadcast its Station's signal from the Premises;

NOW THEREFORE, in consideration of the mutual promises contained herein, Landlord and Tenant agree as follows:

ARTICLE ONE

- 1.01 Leased Premises. Landlord, for and in consideration of the rent, covenants and agreements contained in this Lease, hereby leases the entirety of the Premises to Tenant, including absolute and unrestricted right of ingress and egress thereto through Tenant's use of existing driveways, roadways, parking areas or other reasonable and adequate means of access to the Premises provided by Landlord from time to time through the surrounding property of Landlord, and including: (i) the right to locate the Tower on the Premises; (ii) the right to locate the Building on the Premises, and (iii) the right to use existing utilities on the Premises or to install additional utilities as may be reasonably necessary in connection with the operations of the Station, and, if required, a grant by Landlord of easements across Landlord's surrounding property in locations reasonably acceptable to Landlord as may be necessary for connection of the Tower and/or Building to public utilities, (iv) the right to broadcast the Station's broadcast signal from the Premises and to conduct on the Premises all operations reasonably related thereto; and (v) subject to the provisions of Section 4.03 hereof, the right to grant a lease, sublease or license of space on the Tower, in the Building and within the Premises to other parties that will operate communications facilities on the Premises and the Tower.

ARTICLE TWO

- 2.01 Term. The term of this Lease shall commence on the date hereof (the "Commencement Date") and terminate on the date that is ninety nine (99) years from the Commencement Date (the "Term"). It is expressly agreed by Landlord that the granting of this Lease was a material inducement for Tenant to enter into the Purchase Agreement, that this Lease shall be indefeasible during the Term, and that, without limitation, no event or circumstance shall create in Landlord the right to terminate this Lease or otherwise cause Tenant to be evicted from the Premises, except as specifically provided in Section 10.2 (a) and (c) below.

ARTICLE THREE

- 3.01 Rent. Tenant shall pay to Landlord as basic rent ("Rent"), without deduction, set-off, prior notice or demand, the sum of One Dollar (\$1.00) per year, with the first annual payment due on the Commencement Date, such payments continuing in advance on the same day of each successive year during the Term. All rent shall be paid to Landlord at the address to which notices to Landlord are given, or to such other person or such other place as directed from time to time by written notice to Tenant from Landlord.

- 3.02 Additional Rent. Tenant shall pay directly or reimburse Landlord for all real and personal property taxes assessed against or as allocated to the Premises, the Tower, the Building and any other improvements located within the Premises, including, but not limited to, property taxes, school taxes, sewer rents, water rents and special improvement district levies, provided, that Tenant shall not be required to pay any taxes levied specifically against Landlord's personal property, if any, located at the Premises. In the event Tenant fails to pay such taxes as they become due, unless Tenant has disputed such charges in good faith and is diligently prosecuting such dispute, Landlord may pay the overdue taxes and charge such expenses to Tenant as additional rent ("Additional Rent"). Such Additional Rent shall become due and payable on the first day of the month after which the Landlord has paid any such overdue taxes. At Landlord's request, Tenant shall provide Landlord with proof of payment of taxes (or that Tenant is disputing any such taxes in good faith and that enforcement action has been stayed with respect thereto) within thirty (30) days after the last day on which such taxes may be paid without penalty.
- 3.03 Net Rent. The rent payable under this Article 3 shall be absolutely net to Landlord and this Lease shall yield, absolutely net to Landlord, the rent specified and provided in this Article 3. Tenant shall pay all costs, charges and expenses of every kind and nature whatsoever against the Premises which may arise or become due during the Term, except any Landlord corporate, income, franchise or estate taxes.

- 3.04 Delinquent Rent. Any Rent or Additional Rent that is not paid when due, including any advances by Landlord that are to be reimbursed by Tenant pursuant to this Lease, shall bear interest from the date due until paid at an annual rate equal to the then prevailing average “prime rate” as published in the Wall Street Journal, plus four per cent (4%) per annum, adjusted as of the date of any change in the published prime rate, compounded annually.

ARTICLE FOUR

- 4.01 Use of the Premises Tenant and its permitted lessees, sublessees and licensees (“Other Lessees”) are authorized to transmit the Station’s FM broadcast signal or other communications signals, to locate and operate the Tower (or a replacement tower, if authorized hereunder), the Building and related facilities, and to conduct related broadcast or communications systems operations on the Premises, including, subject to the provisions of this Lease, any and all operations, maintenance, repair, alteration or replacement of structures, facilities, improvements or equipment located on the Premises, in each case as related to the Station’s or Other Lessee’s broadcast or communications systems operations. Any and all construction, repair or maintenance conducted by Tenant, Other Lessees, or its agents on the Premises shall be performed in a good and workmanlike manner, and in compliance with all applicable laws. Tenant and all Other Lessees shall conduct all broadcast or communications systems operations in material compliance with the rules and regulations of the FCC, the Station’s FCC authorizations, standards of good engineering practices, and in particular, Tenant, as owner of the Tower, shall be responsible for compliance with such rules and regulations regarding painting and lighting of the towers and maximum permitted RF radiation levels. Landlord reserves the right, during reasonable hours and following reasonable notice, to enter the Premises for the purposes of inspection. In the event that Landlord in its reasonable discretion, determines that Tenant has not maintained the Tower, the Building or associated equipment on the Premises in accordance with good engineering practices or the rules and regulations of the FCC or as otherwise herein required, and that emergency repairs are necessary, Landlord may (a) notify Tenant of such deficiency and require Tenant to correct the same, and in the event Tenant shall fail to do so within the time period specified in Section 10.1, (b) Landlord may, at its sole option but without obligation therefor, enter any portion of the Premises and make such emergency repairs as it deems necessary, and any amount expended by Landlord therefor shall be reimbursed to it by Lessee promptly following presentation of a statement therefor and shall be deemed Additional Rent hereunder. For purposes of only the preceding sentence, emergency repairs shall mean any repairs reasonably necessary to prevent the danger of: (i) imminent death, or serious bodily harm, to persons on or in the vicinity of the Premises; or (ii) imminent material property damage to, on or about the Premises.

- 4.02 Landlord's Student Station. Landlord, at its expense, is specifically granted the right to locate an antenna on the Tower at a height of approximately 100 feet above ground, using an aperture on the Tower of approximately 10 feet, with an appropriate space in the transmitter Building and on the side of the Tower for the required transmission equipment and coaxial line, and to broadcast the signal of the Landlord's student radio station (the "Student Station"), a LPFM station (Facility ID# 134608) licensed to Georgetown, Kentucky by the FCC, on terms and conditions of a license agreement (the "License") to be negotiated in good faith by the parties. The Student Station shall otherwise be deemed an "Other Lessee" hereunder. Seller shall pay to Buyer a license rental payment of One Dollar (\$1.00) per year for such right, and the parties shall enter into a 99 year lease for such Tower space on terms reasonably acceptable to Seller and Buyer, but further provided, such right with respect to Tower space or Building space shall only be available to Seller upon confirmation that such additional weight or windloading on the Tower will not cause the tower to be overloaded or require strengthening (including by an Engineer's Report, as defined below), and that the desired aperture and adequate space in the Building is available. In the event the Student Station shall vacate such aperture on the Tower and move its facilities to another tower, Tenant shall have no obligation to again offer space on the Tower to the Student Station.
- 4.03 Prohibited Uses. Tenant shall not use or permit the Premises or any portion of the Premises to be improved, developed, used or occupied in any manner or for any purpose that is in any way in violation of any valid law, ordinance, or regulation of any federal, state or local government agency, body or entity.
- 4.04 Tenant's Right to Construct Separate Building. At its election, Tenant may construct one or more separate transmitter buildings on the Premises, such construction and all related repair and maintenance thereafter to be performed at Tenant's sole cost and expense. Such buildings shall be constructed, and the materials, plans and specifications therefore shall conform to all building, zoning and fire codes as are applicable thereto, shall be no higher than one story in height, and shall be reasonably compatible in style with the existing buildings and structures on the land owned by Landlord adjacent to or in the vicinity of the Premises.

- 4.05 Ownership of Personal Property; Restoration of Premises. During the term hereof, all equipment, structures, buildings, improvements and fixtures of any nature owned, constructed or installed by Tenant on the Premises, specifically including the Tower, the Building, and any new building constructed by Tenant, shall remain the personal property of Tenant until the date of expiration or termination of this Lease, and upon such date, (i) at Landlord's election, title to the Tower and Building and any other buildings shall be conveyed to Landlord for nominal consideration but without warranty (unless otherwise agreed by the parties) and (ii) all other Tenant property (including the Tower and Building if Landlord has not elected to take title thereto) shall be removed therefrom by Tenant at its sole cost and expense. Tenant shall repair any damage caused by the removal and leave the Premises in clean and graded condition. If Tenant fails to remove its property from the Premises at the conclusion of the Term, Landlord may remove and dispose of such property at Tenant's expense.
- 4.06 Replacement of Tower. The size and configuration of the Tower shall not be changed by Tenant and the Tower shall not be rebuilt (except in accordance with the provisions of Section 9.1 below in the event of damage or destruction of the Tower) without Landlord's prior written consent, which shall not be unreasonably withheld. Landlord may condition its consent to any changes to or replacement of the Tower upon receipt of a report from a qualified engineer acceptable to Landlord certifying the structural integrity of the Tower, the ability of the Tower to support the loads on the Tower, and safety of the Tower with respect to the then existing uses of Landlord's surrounding property after the proposed modification or replacement ("Engineer's Report").
- 4.07 Additional Tenants on the Tower. Tenant agrees that no additional Other Lessee shall be permitted to place equipment on the Tower unless Tenant has provided to Landlord an Engineer's Report certifying that the Tower is adequate in strength to support the additional load.

ARTICLE FIVE

- 5.01 Governmental approvals. Tenant shall be responsible for and shall obtain and maintain in effect all necessary governmental approvals, including, but not limited to, zoning and building permits and certificates of occupancy with respect to the Tower, the Building and any separate transmitter building constructed by Tenant, and the Station or Other Lessee's operations on the Premises or the Tower.

ARTICLE SIX

- 6.01 Insurance.

(a) At all times during the Term of this Lease, Tenant and all Other Lessees shall maintain at their sole expense public liability insurance on the Premises in at least the amount of \$1,000,000 per claim (or such greater amount from time to time as may be commercially reasonable and carried by facilities of like kind), and Tenant shall maintain casualty insurance for the

replacement cost coverage for the Tower and any Buildings. In each case, Landlord shall be named as an additional insured on all such policies. Tenant and Other Lessees shall provide Landlord with certificates of insurance evidencing such coverage, together with proof of premium payment, at least once each year. Tenant shall secure a provision in each policy of insurance requiring that at least thirty (30) days' written notice be given to Landlord by the insurance carrier prior to cancellation of any policy. In the event Tenant or any Other Lessee fails to secure such insurance, Landlord may, after notice to Tenant, obtain the same and charge the premiums to Tenant as Additional Rent, which shall be due and payable on the first day of the month after which Landlord has paid such premiums. In the event Tenant fails to provide Landlord with evidence of the required insurance coverage, Landlord may obtain such coverage, and the cost thereof shall be Additional Rent payable upon notice from Landlord.

(b) Before commencing any installation, maintenance work or removal on or about the Premises, Tenant shall procure and thereafter maintain at Tenant's expense workers' compensation insurance coverage with a responsible insurance company, qualified to do business in the Commonwealth of Kentucky. Said insurance shall provide for the payment of compensation in accordance with the laws of the Commonwealth of Kentucky for all workers hired or employees employed by Tenant or its contractors or subcontractors, and shall further insure against any and all liability for personal injury or death of such workers and employees.

(c) Tenant shall require that any contractor engaged by Tenant or any Other Lessee to perform services on the Premises shall be licensed, bonded, and insured in at least the amounts set out above. Landlord and Tenant shall be named as additional insured parties.

ARTICLE SEVEN

7.01 Mortgages and Liens. Tenant may grant a leasehold mortgage or deed of trust in or collateral assignment of the Lease to a lender. Such lien shall be, at all times, subordinate to the ownership rights of Landlord. Tenant may not grant or suffer any other liens upon the premises (except for taxes not yet due and payable) without the express written consent of Landlord.

7.02 Landlord's Mortgage. In any mortgage or deed of trust which Landlord may now or hereafter place against the Premises, Tenant agrees that its interest shall be subordinate to such mortgage or deed of trust, provided, that the mortgage holder shall enter into a commercially reasonable Subordination, Non-Disturbance and Attornment Agreement in such lender's standard form with Tenant pursuant to which the lender agrees to recognize the Tenant's possessory rights under the Lease following a foreclosure under such mortgage or deed of trust, provided, that the Tenant cures all default under Lease and observes all covenants under the Lease, but in each case according to its terms. Tenant shall execute any documents reasonably required by Landlord or any lender to evidence such subordination.

7.03 Other Liens. At all times during the Term, the Tenant shall keep the Premises and all improvements now or hereafter located on the Premises free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the Premises. Should Tenant fail to pay and discharge or cause the Premises to be released from any such lien or claim within thirty (30) days after notice to Tenant of written request by Landlord to

do so, Landlord may pay, adjust, compromise or discharge any such lien or claim of lien on any terms and in any manner that Landlord may deem appropriate, and any such payment shall be deemed Additional Rent hereunder due and payable by Tenant upon notice from Landlord.

ARTICLE EIGHT

8.01 Eminent Domain.

(a) Landlord and Tenant shall cooperate to oppose vigorously any proceeding seeking eminent domain taking of all or any portion of the Premises by a governmental authority, each at their own expense. If the whole or part of the Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose to the extent that Tenant's operations can not reasonably continue on the remaining portion of the Premises, then, in that event, the term of this Lease shall cease, and the Lease shall terminate from the date on which title vests in the applicable governmental authority.

(b) In connection with any condemnation proceeding relating to the Premises, Tenant shall, at its expense, be permitted to assert a separate claim in such proceeding for any award, separate from any award to Landlord, of the costs of the Station's broadcast tower facilities, related structures and equipment, either within the Premises or to another site, including any increased rental amount payable under a new ground lease at another location for the remainder of the Term, but not including the cost of acquiring substitute property in fee simple.

ARTICLE NINE

9.1 Destruction by Casualty.

(a) In the event that the Tenant's Tower or Buildings shall be substantially destroyed by casualty, Tenant shall have the right to rebuild substantially similar structures at its cost and expense, but shall not be required to rebuild, and in that event Tenant may elect, within thirty (30) days after the date of loss, by written notice to Landlord, to elect not to repair or rebuild and to terminate this Lease. In that event, all proceeds from Tenant's insurance shall belong to Tenant, provided, that Tenant shall be responsible (whether or not such proceeds are wholly adequate with respect thereto) to remove the Tower and Building and restore the Premises to the condition required at the time of termination of the Lease pursuant to Section 4.4 hereof. In the event of a complete loss and termination of the Lease, the rent shall cease to be payable as of the date of loss.

(b) If the Tenant's facilities are only partially destroyed, and Tenant shall not elect to terminate the Lease pursuant to Section 9.1(a) hereof, Tenant shall reconstruct the damaged facilities to their condition immediately prior to the casualty event at Tenant's expense, and including use of any Tenant insurance proceeds. For any reconstruction, Tenant shall obtain all required governmental approvals in connection therewith.

ARTICLE TEN

10.1 Events of Default.

The following shall be events of default on the part of Tenant under the terms of this Lease, if not cured prior to the expiration of any cure period applicable thereto as specified herein (“Events of Default”):

- (a) failure to pay base Rent or Additional Rent when due;
- (b) failure to comply with any law, regulation, policy or order of any lawful governmental authority (unless contested diligently and in good faith by Tenant);
- (c) failure to comply with any other material duty or obligation contained herein;
- (d) vacating or abandoning operations from the premises (including that all Other Lessees shall also have vacated or abandoned operations from the Premises) for a period of one hundred eighty (180) days;
- (e) if there shall have a petition in bankruptcy (voluntary or involuntary) filed with respect to Tenant, or Tenant shall make an assignment for the benefit of its creditors, or admit in writing its inability to pay its debts, or a receiver shall be appointed to manage its affairs, and such proceedings have not been stayed within sixty (60) days;
- (f) failure to satisfy any Judgment within sixty (60) days after such Judgment is entered; provided, however, that in the event an appeal is filed from such Judgment and the execution thereof is stayed pending resolution of the appeal, such Judgment shall not be deemed final until the appeal has been resolved;
- (g) failure to satisfy any Specific Performance Ruling within the cure period applicable under Section 10.1 (h) for non-monetary defaults, following the issuance of the Specific Performance Ruling; provided, however, that in the event an appeal is filed from such Specific Performance Ruling and the compliance with such ruling is stayed, such Specific Performance Ruling shall not be deemed final until the appeal has been resolved;
- (h) if an event of default has occurred, Landlord shall give written notice of default to Tenant, specifying the nature of the default. Tenant shall have a period of thirty (30) days from the receipt of notice to cure a default in payment of Rent or Additional Rent. Tenant shall have a period of sixty (60) days from the receipt of notice to cure all other defaults; provided, that if such default cannot reasonably be cured within such 60 day period, in the event Tenant commences the cure thereof within the sixty (60) day period and diligently pursues the cure thereof until fully cured, Tenant shall be given such further time, not to exceed ninety (90) days, as is reasonably necessary under the circumstances to fully cure the event of default. In the event that (i) within fifteen (15) days after (A) Landlord’s demand for payment of Additional Rent, or (B) any notice by Landlord to Tenant of a non-monetary default under this Lease, Tenant notifies Landlord in writing that Tenant disputes the amount of such Additional Rent, or Tenant’s obligation to pay such Additional Rent, or that Tenant disputes such claim of a non-monetary

default under this Lease, specifying in reasonable detail the amount or obligation that Tenant disputes (“Contested Default”), and (ii) Tenant pays any undisputed amount of Additional Rent within the applicable thirty (30) day period specified herein, and cures within the applicable grace period specified herein any non-monetary defaults that are not disputed by Tenant in good faith; then (iii) Tenant shall not be in default under this Lease with respect to the Contested Default until there has been a final determination by a court of competent jurisdiction, including expiration of any appeal periods or final resolution of any appeal that is filed (“Final Default Ruling”) determining that such Contested Default constitutes an Event of Default under this Lease, and of the amount of any contested Additional Rent due from Tenant, which amount due shall include interest at the rate specified in Section 3.04 hereof on the unpaid amount of such Additional Rent that is determined to be payable by Tenant, from the date of Landlord’s demand for payment of such Additional Rent. Upon receipt of a Final Default Ruling determining that an Event of Default exists under this Lease, Tenant shall thereafter be permitted either (1) the applicable sixty (60) day period for payment of a Judgment within which to pay the amount determined by the Judgment or Final Default Ruling to be due from Tenant, including accrued interest thereon, or (2) the applicable cure period for non-monetary defaults specified herein within which to cure any non-monetary defaults that are determined to exist by such Final Default Ruling.

10.2 Landlord’s Remedies. Landlord’s remedies in an Event of Default shall be strictly limited to:

(a) Obtain an award (“Judgment”) from a court of competent jurisdiction for payment or any Rent or Additional Rent that is not paid when due, including applicable interest thereon in accordance with Section 3.04 hereof, or an award of monetary damages for any breach of any of Tenant’s obligations under this Lease; provided, however, that a Final Default Ruling determining that Additional Rent is payable by Tenant shall constitute a Judgment hereunder.

(b) Obtain a ruling or other injunctive relief from a court of competent jurisdiction (“Specific Performance Ruling”) requiring Tenant to cure a breach of any of Tenant’s obligations under this Lease that would reasonably constitute or cause a condition jeopardizing the structural integrity or stability of the Tower, or the safety of any party occupying the Tower or Building or any person or structure present in the vicinity of the Tower or on Landlord’s surrounding property, or if Tenant fails to maintain in effect insurance as provided in Article VI hereof;

(c) In the event of vacating and abandonment of the Premises by Tenant and all Other Lessees for a period of more than one hundred eighty days, termination of the Lease.

(d) Except as provided in this Section 10.2(d), or in Section 10.2 (c) above, Landlord specifically and irrevocably waives any remedy of termination or cancellation of this Lease, or ejection of Tenant or Other Lessees for any breach of this Lease by Tenant or the acts or omissions of any Other Lessee. Notwithstanding the foregoing, Landlord shall have the right to terminate this Lease if (i) any payment of Additional Rent due has been reduced to a Judgment that has not been appealed or, if appealed, has become a Final Default Ruling and such payment is not made to Landlord within sixty (60) days after entry of the Judgment or Final Default

Ruling (ii) any Specific Performance Ruling is not satisfied within the period specified in Section 10.1(g).

ARTICLE ELEVEN

11.1 Tenant's Remedies. In recognition of the fact that Tenant has provided substantial consideration for this Agreement as of the execution hereof by the parties by consummating a purchase of the Station by Tenant, Landlord agrees to the following Tenant rights and remedies with respect to a breach by Landlord of its obligations hereunder:

(a) Specific Performance of Landlord Obligations. Landlord acknowledges that the Tower is a unique asset not readily available on the open market and that in the event Landlord fails to perform its material obligations hereunder, irreparable harm may occur to Tenant as to which money damages alone will not be adequate to compensate Tenant for its injury. Landlord therefore agrees and acknowledges that in the event of Landlord's failure to perform its material obligations under this Agreement, Tenant shall be entitled to specific performance of the terms of this Agreement, provided, however, that such action for specific performance shall not be deemed to limit or preclude Tenant's right to any other remedy that may be available at law or in equity. If any action is brought by Tenant's right to enforce this Agreement, Landlord shall waive the defense that there is an adequate remedy at law.

(b) Recordation and Title Insurance. Landlord shall execute and Tenant shall be authorized to record at Tenant's expense a Memorandum of Lease in customary form with respect to its leasehold interest hereunder. Tenant shall further be able to obtain at its own expense a policy of title insurance with respect to such leasehold interest.

ARTICLE TWELVE

12.1 Assignment. Tenant may assign, transfer, sublease, license or otherwise hypothecate any or all of its rights or obligations under this Lease without consent of Landlord to any party acquiring the Station, to an affiliate or subsidiary of Tenant, to a senior lender of Tenant, or, in the case of a partial sublease or license, to any communications system operator, provided, that Tenant shall not be relieved of liability in the event of an assignment of all its rights and obligations hereunder to a subsequent acquiror of the Station unless such acquiror demonstrates reasonable financial capability to perform its obligations hereunder. Any other assignment, transfer, sublease or sublease not in compliance with the foregoing provision shall require the prior written consent of Landlord, which consent shall not be unreasonably withheld. Any assignment or sublease hereunder shall be in writing, and Landlord shall be provided with a contemporaneous copy thereof..

ARTICLE THIRTEEN

13.1 Indemnification.

Tenant does hereby covenant and agree with Landlord that it will indemnify and hold Landlord harmless from and against any and all liability, damages, penalties or judgments ("Damages") arising from injury to person or property sustained by anyone in and about the

Premises due to any act or acts of omission or commission of Tenant, Other Tenants, or any of their officers, agents, servants, employees, contractors or assignees, or for any material breach of Tenant's material obligations under the Lease (except with respect to Landlord's activities as licensee and operator of the Student Station). Tenant shall, at its own cost and expense, defend against any and all suits or actions (whether just or unjust) ("Claims") which may be brought against Landlord because of any such above-mentioned matter (except with respect to Landlord's activities as licensee and operator of the Student Station). Landlord shall not be responsible or liable for any Damage with respect to any property, equipment, structure, or other improvements, or for any injury to any person or persons, at any time on the Premises, including any injury to Tenant or to any of Tenant's officers, agents, servants, employees, or contractors, except as may result from Landlord's activities as licensee or operator of the Student Station, or any grossly negligent act or failure to act or willful misconduct of Landlord or Landlord's officers, agents, servants, employees, assignees or contractors.

ARTICLE FOURTEEN

14.1 Utilities and Maintenance. Tenant shall pay directly all fees charged for all utilities in connection with its use and occupancy of the Premises, including, but not limited to, sewer, water, gas, oil, electricity and telephone service, and shall arrange and pay all costs for all reasonable and necessary maintenance on the Premises, e.g. grass mowing, landscaping and fence or road repairs within the Premises.

ARTICLE FIFTEEN

15.1 Inspection. Landlord shall have the right to enter upon the premises at any reasonable hour to inspect for compliance with the terms of this Lease. Landlord shall provide Tenant with notice of the inspection at least forty eight hours prior to making the inspection in the event Landlord desires access onto the Tower or into the Buildings for such inspection..

ARTICLE SIXTEEN

16.1 Environmental Provisions. Tenant shall comply with all environmental laws, orders and regulations of federal, state, county and municipal authorities ("Environmental Laws"), and with any directive issued pursuant to law by any public officer thereof, which shall impose any order or duty upon Tenant pertaining to the use or occupancy of the Premises by Tenant, provided, that Tenant shall have the right, upon giving written notice to Landlord, to contest any obligations imposed upon Tenant pursuant to the provisions of this Section 16, and to defer compliance during the pendency of the contesting proceedings, provided that the failure of Tenant to comply will not subject Landlord to civil fine or criminal penalty. Tenant shall provide Landlord with copies of all documents served upon Tenant or his counsel, and served by Tenant or his counsel, upon the governmental authority.

ARTICLE SEVENTEEN

17.1 Trash. Tenant shall store all trash, debris and all other waste materials in a fire-proof container or as otherwise required by Environmental Laws, and in no event shall any trash,

debris or waste materials be permitted to accumulate on the Premises. Tenant shall be responsible for all costs incurred in removal of trash, debris or waste from the Premises.

ARTICLE EIGHTEEN

17.1 Quiet enjoyment. Landlord covenants and agrees that Tenant may peaceably and quietly enjoy the Premises, subject, however, to Tenant's fulfillment of the covenants contained in this Lease.

ARTICLE NINETEEN

19.1 Notices. Any notice required to be given to Landlord shall be in writing and sent certified mail, return receipt requested, or by overnight express delivery service, to:

Georgetown College
400 E College Street
Georgetown, Kentucky 40324
Attn: General Counsel

With a copy, which shall not constitute notice, to:

John F. Garziglia, Esq.
Womble Carlyle Sandridge & Rice, PLLC
1401 Eye Street, NW, Suite 700
Washington, DC 20005

Any notice required to be given to Tenant shall be in writing and sent certified mail, return receipt requested, or by overnight delivery service to:

Educational Media Foundation
5700 West Oaks Boulevard
Rocklin, CA 95765
Attn: Richard Jenkins, President

With a copy, which shall not constitute notice, to:

David Oxenford, Esq.
Shaw Pittman LLP
300 N Street, N.W.
Washington D.C 20037

ARTICLE TWENTY

20.1 Waiver. Any failure by either party to enforce any right arising hereunder shall not be deemed a waiver of such right.

20.2 Binding Effect. This Lease shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties hereto.

20.3 Attorneys Fees. In any action that either party brings to enforce rights under this Lease, the prevailing party shall be entitled to recover its reasonable attorneys fees, court costs and litigation expenses, to be fixed by the court.

20.4 Integration. This Lease constitutes the entire agreement between the parties with respect to the subject matter hereof, and there are no other prior or contemporaneous representations, understanding or agreements, written or oral, with respect thereto, except that Landlord acknowledges Tenant, in entering into this Ground Lease, relies as of the Closing on certain representations and covenants with respect to the Tower Site contained in the Purchase Agreement.

20.5 Amendments. This Lease may only be modified by a written amendment signed by both parties. An oral modification shall not be binding on either party.

20.6 Choice of Law. The provisions of this Lease shall be governed and construed under the laws of the Commonwealth of Kentucky, without giving effect to its conflicts of law provisions.

20.7 Captions. The captions preceding the paragraphs of this Lease are inserted only as a matter of convenience and for reference purposes, and in no way define, limit or describe the scope of this Lease nor the intent of any provision of this Lease.

20.8 Counterparts. This Lease may be executed in one or more counterparts, and each such counterpart signature shall be deemed an original signature hereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

LANDLORD:

GEORGETOWN COLLEGE. INC.

By: _____
Title:

TENANT:

EDUCATIONAL MEDIA FOUNDATION

By: _____
Title:

By: _____
Title:

EXHIBIT B: OPINION OF SELLER'S COUNSEL

I. Corporate Opinions.

Seller is a corporation, duly organized, validly existing and in good standing under the laws of the Commonwealth of Kentucky.

Seller has the corporate power and authority to execute and deliver the Agreement and to consummate the transactions contemplated thereby.

The execution and delivery of the Agreement and the consummation of the transactions contemplated thereby have been duly and validly authorized by Seller and no other proceedings on the part of Seller are necessary to authorize the Agreement or to consummate the transactions contemplated hereby.

The Agreement and the related agreements, instruments and certificates executed and delivered in connection therewith, have been duly and validly executed and delivered by Seller and constitute the legal, valid and binding obligations of Seller enforceable in accordance with their 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.

II. FCC Opinions.

The Seller holds the FCC Licenses listed on Attachment A hereto (the “**FCC Licenses**”).

The FCC Licenses are in full force and effect.

The FCC Consent is effective.

Except for rulemaking proceedings of general applicability to the radio broadcasting industry, to our knowledge, there are no unsatisfied or adverse FCC orders, decrees or rulings outstanding against the Seller or any pending or threatened actions, suits, investigations, complaints or proceedings against the Seller or before the FCC that, in any such case, relate to the revocation or adverse modification of the FCC Licenses, or that if determined adversely to the Seller, would result in a revocation or adverse modification of the FCC Licenses.

EXHIBIT C

Opinion of Buyer's Corporate or General Counsel

Buyer is a California non-profit corporation, duly organized, validly existing and in good standing under the laws of the State of California.

Buyer has the corporate power and authority to execute and deliver the Agreement and to consummate the transactions contemplated thereby.

The execution and delivery of the Agreement and the consummation of the transactions contemplated thereby have been duly and validly authorized by Buyer and no other proceedings on the part of Buyer are necessary to authorize the Agreement or to consummate the transactions contemplated hereby.

The Agreement and the related agreements, instruments and certificates executed and delivered in connection therewith, have been duly and validly executed and delivered by Buyer and constitute the legal, valid and binding obligations of Buyer enforceable in accordance with their 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.

SCHEDULE 1

Tangible Personal Property

The Tower may be in need of re-painting. Further, the Tower is near, at or exceeds its maximum loading for the antennas and other appurtenances existing on the Tower.

WRVG INVENTORY ITEMS 10/6/03

<u>Number of items</u>	<u>Description</u>	<u>Comments</u>
4	Denon DN-C635 cd players	
3	Panasonic SV-3800 DAT tape players	
1	Panasonic SV-3700 DAT tape player	
1	Sony MDS-JE 330 minidisc player	
1	Sony MDS-JE 520 minidisc player	
1	Sony MDS-JE 440 minidisc player	
1	Sony MDS-JE 510 minidisc player	
8	ElectaVoice RE27 mics	
2	Denon DN 770R cassette players	damaged
3	Audio Arts PS-640 power supply	
1	Telos 1x6 phone interface	
1	Samson amp Servo-170	
1	Telos ONE phone interface	
1	Sony CDP-C X 220 multi disc player	
3	Hafler P1500 power amps	
1	Samsung TV 12 inch mont.	
1	Sharp TV 12 inch mont.	
6	Alesis Studio monitors	
2	Symetrix Distr. Amp 581-E	
1	Lexicon MPX 100 duel channel processor	
2	KRK monitors	
1	TFT 884 modulation and stereo monitor	
1	Sage EAS ENDEC	
1	Aphex 720 Peak limiter	
1	HHB CDR 800 cd recorder	
3	Denon TU 380 RD tuners	
1	Radio Systems digital clock	
2	Audio Products Prima 110 bi-directional codec	
3	Comstream ABR 700 receiver	
5	Denon DN 650F cd players	damaged
2	Denon C630 cd players	
1	IBM PS 2 78 488 EAS Computer	
2	Panasonic KX P1180i Printers	
3	HP Vectra VE w/monitor	

- 1 HP Deskjet 697 C printer
- 1 Gateway w/monitor
- 1 Lexmark Z52 printer
- 1 Panasonic KX-P1150 printer
- 1 Telex CDP-2001 cd burner
- 8 Fixed CD Racks
- 1 Free Standing cd rack
- 2 Large Filing Cabs.
- 11 Office Desks
- 15 Office Chairs
- 1 Three Drawer cd cab.
- 2 Wooden Tables
- 4 Wooden chairs
- 1 Sharp UX-510 Fax machine
- 1 Lexmark 5700 printer
- 1 Curtis Alpha 3D coffee maker
- 1 Tappan microwave oven
- 1 Large bookcase
- 1 Metal table with wood top
- 2 Wingback chairs
- 10 Mic stands
- 1 Desk mic stand
- ? Various Mic Cords
- 4 Guest Studio Chairs
- 3 Audio Arts R60 control boards
- 7 Extension Table Mic Stands
- 4 SM 58
- 4 SM 57
- 4 Symetrix 304 HP Ext.
- 2 Ultra DI Direct boxes
- 4 Matchboxes
- 3 Studio Furniture Arakis
- 1 Comstream ABR 200
- 2 AII DA 208 Dist. Amp
- 8 Symtrix Mic Processors

- 1 Enco Dad System for three studios
- 2 Denon DN-C635 cd player
- Fiber connect to Trans. Building

Transmitter Building

- ERI Antenna
- Trans. Line
- BEXT Exicter
- Silcon Valley 500w power amp

Four Bay Optimod 8000
8128 Orband
Omnia.FM
Continental-816R-2C Transmitter
3.8 Meter Sat. dish & LNB
500 ft. Coax
L band amp
Dialectric 4 board switcher
Series Symtrex Rrcl B and Panels

SCHEDULE 2

FCC Licenses

The Tower may be in need of re-painting. Further, the Tower is near, at or exceeds its maximum loading for the antennas and other appurtenances existing on the Tower.

WRVG-FM, Georgetown, Kentucky License (FCC Facility ID No. 23901)

SCHEDULE 3

Real Property; Tenant Contracts

See disclosure re: Tower on Schedule 1. Legal Descriptions of Real Property Attached.

List of Tenant Contracts (following page)

TRACT 1

A certain tract of land located on the northeast side of Lemons Mill Road approximately 300 feet east of the bridge over the Norfolk and Southern Railroad in Georgetown, Kentucky and more particularly described as follows:

Beginning at a set $\frac{1}{2}$ " diameter iron bar with cap "TEI 2586" at the southwest corner of that property conveyed to Georgetown College as recorded in Deed Book 174, Page 019 in the Scott County Clerk's office, said point also being in the east right of way line of Lemons Mill Road and at the northwest corner of that property conveyed to Church of the Nazarene;

Thence, with the east right of way line of Lemons Mill Road,

North $23^{\circ}00'48''$ East, 61.97 feet to a set $\frac{1}{2}$ " diameter iron bar with cap "TEI 2586";

Thence, leaving said right of way line and severing that property conveyed to Georgetown College for four calls:

South $76^{\circ}29'37''$ East, 50.52 feet to a set $\frac{1}{2}$ " diameter iron bar with cap "TEI 2586",

North $15^{\circ}34'56''$ East, 83.08 feet to a set $\frac{1}{2}$ " diameter iron bar with cap "TEI 586",

South $72^{\circ}49'54''$ East, 118.84 feet to a set $\frac{1}{2}$ " diameter iron bar with cap "TEI 2586",

South $16^{\circ}13'31''$ West, 140.05 feet to a set $\frac{1}{2}$ " diameter iron bar with cap "TEI 2586", in the north property line of that property conveyed to Church of the Nazarene;

Thence, with said north property line,

North $75^{\circ}24'18''$ West, 175.75 feet to the point of beginning and containing 20,205 square feet (0.46 acres) as determined by a survey by Thoroughbred Engineering on November 12, 2003.

LEASE AREA

Beginning at a point that bears North $33^{\circ}26'27''$ West, 145.81 feet from the northwest corner of Tract 1 described above;

Thence, running parallel with and approximately 0.6 feet outside an existing chain link fence for seven calls:

North $82^{\circ}38'02''$ West, 83.88 feet,

North $25^{\circ}21'33''$ East, 19.87 feet,

North $22^{\circ}59'25''$ West, 21.88 feet,

North $26^{\circ}30'43''$ East, 9.64 feet,

South $74^{\circ}00'42''$ East, 35.38 feet,

South $73^{\circ}13'18''$ East, 51.36 feet,

South $07^{\circ}23'53''$ West, 33.18 feet to the point of beginning and containing 3320 square feet (0.08 acres).

Georgetown College
WRVG-FM Tower Rental Income

Name	Address	01/01/2002 thru 12/31/2002	01/01/2003 thru 12/31/2003
1 Clarity Communications, Inc.	P.O. Box 11788 Lexington, KY 40578	\$ 9,999.96	\$ 9,166.64
2 Tritel Communications, Inc.	P.O. Box 23033 Jackson, MS 39225	\$ 14,400.00	\$ 4,800.00
3 AT&T Wireless	P.O. Box 30024 College Station, TX 77842	\$ -	\$ 9,600.00
4 Cingular Wireless	7730 Market Center El Paso, TX 79912	\$ 5,040.00	\$ 5,727.40
5 T-Mobile USA, Inc.	12920 SE 38th Street Bellevue, WA 98006	\$ 14,400.00	\$ 16,560.00
Total		\$ 43,839.96	\$ 45,854.04

SCHEDULE 4

Litigation

None.

SCHEDULE 5

Consents

A Waiver and Release from American Capital Access Guaranty Corporation permitting the transfer of the Station Assets to Buyer must be obtained by Seller, including in such Waiver and Release a waiver of all Liens against the Station Assets and the proceeds thereof in favor of Seller as described in Section 8(a)(vii).

SCHEDULE 6; INSURANCE POLICIES

Descriptions Attached

Client#: 10472

GEORGCOL

ACORD CERTIFICATE OF LIABILITY INSURANCEDATE (MM/DD/YY)
06/30/03

PRODUCER

Peel & Holland of Richmond
202 Madison Hills
Richmond, KY 40475

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION
ONLY. IT DOES NOT CONFERS NO RIGHTS UPON THE CERTIFICATE
HIS CERTIFICATE DOES NOT AMEND, EXTEND OR
COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Georgetown College
400 E College Street
Georgetown, KY 40324

Jps Info

INSURERS AFFORDING COVERAGE

ul Fire & Marine Insurance Co.

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSURANCE TYPE	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	CK01500207	07/01/03	07/01/04	EACH OCCURRENCE \$1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire) \$250,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person) \$5,000
					PERSONAL & ADV INJURY \$1,000,000
					GENERAL AGGREGATE \$2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COMP/OP AGG \$2,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				
A	AUTOMOBILE LIABILITY	CK01500207	07/01/03	07/01/04	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS				
	<input checked="" type="checkbox"/> NON-OWNED AUTOS				
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY: EA ACC \$
					AGG \$
A	EXCESS LIABILITY	CK01500207	07/01/03	07/01/04	EACH OCCURRENCE \$10,000,000
	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE \$10,000,000
	<input type="checkbox"/> DEDUCTIBLE				\$
	<input checked="" type="checkbox"/> RETENTION \$10000				\$
					\$
	WORKERS COMPENSATION AND EMPLOYERS LIABILITY				NO STATUTORY LIMITS OTHER \$
					E.L. EACH ACCIDENT \$
					E.L. DISEASE - EA EMPLOYEE \$
					E.L. DISEASE - POLICY LIMIT \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

CERTIFICATE HOLDER

ADDITIONAL INSURED: INSURER LETTER:

CANCELLATION

Georgetown College
400 East College Street
Georgetown, KY 40324-1696

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

J Thacher



GEORGETOWN

COLLEGE

Coverage:

Directors & Officers' Liability
Educator's Errors or Omissions or
Employment Practices

Insurer:

Federal Insurance Company (Chubb)

A.M. Best's Rating:

"A++" Superior, Financial Class XV

Policy Term:

March 14, 2003 – March 14, 2004

Limits of Liability:

\$3 million each Claim and Annual Aggregate,
including Defense Costs

Deductible:

\$50,000 each Claim, including Defense Costs
(Was \$25,000 previously)

Premium:

\$17,820 plus 1 ½% Kentucky Surcharge
(20% increase over expiring)

Coverage:

To pay on behalf of an **Insured** all Loss the
Insured becomes legally obligated to pay on
account of a **Claim** during the policy period for a
Wrongful Act; Educator's Errors or Omissions;
or **Employment Practices**

Definitions:

Wrongful Act means any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted or allegedly committed by an **Educational Institution** or an **Insured Person** in their capacity as such.

Educator's Errors and Omissions means a **Wrongful Act** constituting wrongful educational instruction, career guidance, student consumerism, course content, grading practices, guidance counseling, admittance procedures, expulsion procedures, integration, desegregation, student enrollment, participation in any extracurricular program, busing or other student transportation practices relating to a program or plan of integration or desegregation, or any advice in connection with any of the above.

Employment Practices means a **Wrongful Act** constituting wrongful dismissal, discharge or termination of employment, breach of any oral ~~or written employment~~ contract, employment related misrepresentation, violation of employment discrimination laws (including harassment), wrongful failure to employ or promote, wrongful discipline,

AON



GEORGETOWN

C O L L E G E

wrongful deprivation of a career opportunity, failure to grant tenure, negligent evaluation or employment related infliction of emotional distress.

Extended Reporting Provision: 180 Days at 100% of the Annual Premium

Exclusions:

New Amend Bodily Injury and Property Damage Exclusion—Eliminates coverage for Emotional Distress that had been provided under Employment Practices
New Breach of Written Employment Contract

- a. Claims already reported
- b. Any action commenced prior to February 28, 1998
- c. Deliberate fraud but only after the act or omission was adjudicated as fraud
- d. Illegal profits
- e. Pollution, unless related to wrongful dismissal in retaliation for a claimant's refusal to violate any law or any disclosure regarding any Pollution incident committed, or alleged to have been committed, by the Educational Institution
- f. Contractual liability, except employment contracts
- g. Professional services other than education of students
- h. Labor agreements
- i. Disbursement of government funds
- j. Workers compensation or similar laws, except claims made alleging retaliation in such cases
- k. Mental or emotional distress, bodily injury or property damage
- l. Assault or battery

AON



WEDNESDAY, SEP 24, 2003

No. LS742442A

CONFIRMATION OF COVERAGE

Per your instructions and based on the information you provided, Aon Risk Services, Inc. of Ohio has effected insurance as follows:

INSURED'S NAME AND ADDRESS:

Georgetown College
Attn: Peggy Glowatz
400 E. College Street
Georgetown, KY, USA, 40324

TERM:

Effective Date : Sep 12, 2003
Expiration Date: Sep 12, 2004

COVERAGE OR NATURE OF INSURANCE:

Broadcasters E&O

COVERAGE INFORMATION:

As of Date: Sep 24, 2003

Coverage / Variation	Value
Line of Business :	Broadcasters E&O
Policy Form Number & Description	LS0019 (6-93) NAB
Deductible or Self Insured Retention	SIR
Other Coverages	
Describe Other Coverage (1)	Broadcaster Liability
Limit (1)	USD1,000,000
SIR/Deductible (1)	USD2,500
Describe Other Coverage (2)	Coverage for libel and slander under Professional Services Covered
Describe Other Coverage (3)	Punitive Damage covered where Permitted by Law under Professional Services covered
Other Terms/Conditions	
Describe other terms or conditions (1)	Defense Cost Applies Unlimited
Describe other terms or conditions (2)	Policy Territory - Worldwide
Describe other terms or conditions (3)	"Occurrence" Policy
Describe other terms or conditions (4)	"Pay of Behalf of " Policy



WEDNESDAY, SEP 24, 2003

No. LS742442A

Coverage / Variation	Value
Describe other terms or conditions (5)	NO Automatic Cov -
Describe other terms or conditions (6)	Mergers & Acquisitions
Describe other terms or conditions (7)	NO Bodily Injury &
Describe other terms or conditions (8)	Property Damage Excl-
Describe other terms or conditions (9)	under Professional
Describe other terms or conditions (10)	Liability
	NO Coverage for Cross
	Suits - under Professional
	Services covered
	NO Coverage for
	Employment Related
	Claims - under
	Professional Services
	covered
	NO Non-Cancellable
	Provision - under
	Professional Services
	covered
	NO Severability of
	Interest Clause - under
	Professional Services
	covered
Policy Endorsements & Exclusions	
Standard	
Manuscript Policy	No
Broad Form Named Insured	No
Coverage provided for Joint Ventures	No
Notice	
Cancellation Notice - Number of Days	60
Non-Renewal Notice - Number of Days	60
Notice of Occurrence Clause Included	No
Knowledge of Occurrence Clause Included	No
Other Insurance Clause	Excess
Unintentional E&O	No

PREMIUM:

USD 2,066.00

CONTRACT OF INSURANCE TO BE ISSUED:

Insurance described herein has been effected, against which a Contract of Insurance will be issued and in the event of any inconsistency, the terms, conditions and provisions of the Contract of Insurance to be issued will prevail. This Confirmation of Coverage will be terminated as of its effective date by the issuance of the Contract of Insurance and the premium and charges shown herein shall be credited thereto.

CANCELLATION:

This Confirmation of Coverage may be canceled by the insured by surrender thereof to Underwriters and/or their representatives, or by mailing to underwriters and/or their representatives, written notice stating when thereafter such cancellation shall be effective. This Confirmation of Coverage may also be



CERTIFICATE OF COVERAGE

No. 14548 - 36776

This is to certify that

GEORGETOWN COLLEGE

Being subject to the provisions of the
Kentucky Workers' Compensation Law,
Has met all requirements and is a member in good standing of

AIK COMP

effective July 01, 2003 through July 01, 2004
and is entitled to such protection and benefits as set forth by the
Kentucky Workers' Compensation Law,
in accordance with the terms and conditions of coverage
set forth in this certificate.

EMPLOYER'S LIABILITY LIMITS:

Each Accident 2,000,000.00
Disease-Policy Limit 2,000,000.00
Disease-Each Employee 2,000,000.00

See reverse side for terms and conditions


Maurice Turner, CEO

July 01, 2003

Date Signed