

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, dated as of January 15, 2009 (this "Agreement"), is by and between THE KALIL HOLDING GROUP, LLC, an Arizona limited liability company ("Seller"), and EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation ("Buyer").

WITNESSETH:

WHEREAS, Clear Channel Broadcasting, Inc., CC Licenses, LLC, Capstar Radio Operating Company and Capstar TX Limited Partnership (collectively, "Clear Channel") and Blueberry Broadcasting, LLC ("Beneficiary") entered into an Asset Purchase Agreement (the "Purchase Agreement"), dated as of April 11, 2008, providing for the purchase and sale of assets used or useful in seventeen (17) radio stations located in or near the Augusta-Waterville and Bangor, Maine Arbitron Metros;

WHEREAS, Federal Communication Commission ("FCC") rules preclude Beneficiary from holding an attributable ownership interest in all of the radio stations in the Bangor, Maine Arbitron Metro which Beneficiary acquired from Clear Channel, and, accordingly, Beneficiary was required to divest its ownership in the following two stations immediately after consummation of the Purchase Agreement: WFZX(FM), Searsport, Maine (Facility ID 59505) and WGUY(FM), Dexter, Maine (Facility ID 28685) (the "Stations");

WHEREAS, Beneficiary and Seller entered into a Trust Agreement dated July 29, 2008 pursuant to which Beneficiary engaged Seller to acquire the Stations upon consummation of the Purchase Agreement and thereafter market the Stations for sale to independent third parties;

WHEREAS, Seller now is the licensee of the Stations pursuant to authorizations (the "FCC Authorizations") issued by the FCC and Beneficiary has rights in and to certain tower site assets ("Beneficiary Tower Site Assets") of the Stations (which shall be transferred concurrently herewith to Buyer pursuant to an "Agreement" between Buyer and Beneficiary of even date herewith ("Tower Assets Agreement"));

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

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises contained 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, all of the assets, properties, interests and rights of Seller of whatsoever kind and nature, which are owned by Seller and used or useful in connection with the operation of the Stations (the "Assets") (but

excluding the Excluded Assets described in subparagraph (c) below), including without limitation:

(i) Certain of Seller's equipment, machinery, furniture, furnishings, fixtures, office materials, and other tangible personal property used or useful in the conduct of the transmission operations of the Stations (the "Tangible Personal Property"), together with such improvements and additions thereto and replacements thereof between the date hereof and the Closing Date, including, without limitation, the property set forth on Schedule 1 hereto;

(ii) All of the licenses, permits, applications and other authorizations, including the FCC Authorizations (collectively, the "Licenses"), issued by 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 Stations, including without limitation, those set forth on Schedule 2 hereto;

(iii) All of Seller's logs, books, files, data, FCC and other governmental applications, equipment manuals and warranties, and other records relating to the full on-air broadcast operations of the Stations, including without limitation all FCC filings and all presently existing records required by the FCC to be kept by the Stations; and

(iv) Seller's right, title and interest in and to the Stations' call letters.

(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"), other than for taxes not yet due and payable ("Permitted Liens"). 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. All of such liabilities and obligations shall be 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 Stations' employees.

(c) The following assets and obligations relating to the business of the Stations 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 operation of the Stations prior to Closing;

(ii) All rights of Seller under all contracts, leases, and agreements, 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) All pension, profit-sharing, retirement, stock purchase or savings plans or trusts and any assets thereof and all other employee benefit plans;

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

(v) Seller's corporate records.

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 Five Hundred Fifty Thousand Dollars (\$550,000) (the "Purchase Price"). The Purchase Price shall be payable to Seller at Closing as follows:

(i) On the Closing Date, Buyer shall pay to Seller, by wire transfer of immediately available funds, the sum of Two Hundred Twenty-Five Thousand Dollars (\$225,000);

(ii) On the Closing Date, Buyer shall execute and deliver to Seller a promissory note substantially in the form attached hereto as Exhibit A (the "Note") in the aggregate principal amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000). The principal of and interest on the Note shall be amortized monthly from the Closing Date through June 30, 2011. The loan evidenced by the Note shall bear interest at the rate of six and one fourth percent (6.25%) per annum. Buyer shall pay monthly, in arrears, installments of principal and interest in the amount required by the above amortization, commencing on the 30th day after the Closing Date, and continuing on the same calendar day of each succeeding month through June 30, 2011. If any payment date shall be a day that is not a regular business day, then payment shall be due on the next regular business day thereafter. Buyer may prepay all or any portion of the principal of the Note from time to time without penalty; and

(iii) To secure Buyer's payment obligations under the Note, Buyer shall execute and deliver to Seller on the Closing Date a Security Agreement substantially in the form of Exhibit B hereto (the "Security Agreement") granting a first priority security interest in the Assets conveyed to Buyer hereunder (excluding the Licenses, but including the proceeds of sale thereof).

(b) Concurrently with the execution of this Agreement, Buyer has delivered to Washington First Bank (the "Escrow Agent") the sum of Fifty-Five Thousand Dollars (\$55,000) 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, 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 Stations which are incurred, accrued or payable, as of 11:59 p.m. local time of the day preceding the Closing. The items to be prorated shall include, but not be limited to, power and utilities charges, security deposits, and similar prepaid and deferred items. On the Closing Date, the prorations shall, insofar as feasible, be determined and paid on the Closing Date, with final settlement and payment to be made within forty-five (45) days after the Closing Date.

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

(a) 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 Stations (the "FCC Consent") at a date not later than five (5) business days after the execution of this Agreement. Buyer and Seller shall take commercially reasonable steps to cooperate with each other and with the FCC to secure such FCC Consent without delay, and to promptly consummate the transactions contemplated by this Agreement. Each party shall bear one half the cost of the Assignment Application fee payable to the FCC, but shall otherwise be responsible for all of its own costs with respect thereto.

(b) Seller hereby consents to and will cooperate with Buyer in connection with the filing of a request by Buyer for a waiver of the FCC's "main studio" rule and a request to convert the Stations to noncommercial status, such waiver and noncommercial change to be effective on or after the Closing Date; provided, that neither the FCC's grant of the Assignment Application nor the Closing shall be conditioned upon the FCC's grant of Buyer's request for waiver of the main studio rule or request to convert the Stations to noncommercial status. 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 a 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 ten (10) days following the date on which the FCC Consent shall have become a Final Order (as hereinafter defined) (the "Closing Date") and the other conditions to closing set forth in Section 8 have either been waived or satisfied. For purposes of this Agreement, the term "Final Order" means action by the FCC consenting to an application that is not reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no timely request for stay, petition for rehearing or appeal is pending, and as to which the time for filing any such request, petition or appeal or reconsideration by the FCC on its own motion has expired. The Closing shall be held by mail, electronic mail, facsimile or as the Parties may otherwise agree.

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

(a) Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Arizona and is authorized to do business as a foreign entity in Maine. 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 a 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) The execution, delivery and performance of this Agreement by Seller will not (i) constitute a violation of or conflict with Seller's operating agreement, Trust Agreement, or other similar organizational documents, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation relating to the business of the Stations 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, lending institution or other third party other than the FCC Consent.

(c) Schedule 1 hereto contains a list of the Tangible Personal Property owned or leased by Seller that shall be transferred to Buyer. Seller owns and has, and on the Closing Date will have, good and marketable title to the Tangible Personal Property. The assets listed in Schedule 1 hereto along with the Beneficiary Tower Site Assets include all of the material tangible personal property necessary to conduct the transmission operations of the Stations as now conducted and are being sold "AS IS" and "WHERE IS" in their present condition and locations and with their present operating capabilities. Schedule 1 hereto contains a list for informational purposes only of any defects or major damage (if any) to the Tangible Personal Property as well as any major repairs (if any) to the Tangible Personal Property. Notwithstanding any other provision in this Agreement to the contrary, Seller makes no representation or warranty of any kind, express or implied, as to the condition of the Tangible Personal Property. For purposes of this Section, material Tangible Personal Property shall be such property valued at One Hundred Dollars (\$100) 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 that are required for the lawful conduct of the business and operations of the Stations in the manner and to the full extent they are presently operated. The Licenses are in full force and effect, unimpaired by any act or omission of Seller. 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 Stations. Except as set forth in Schedule 2, Seller is operating the Stations 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 Stations are transmitting at no less than 90% of their respective authorized effective radiated 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 Stations or Seller. Seller maintains a public inspection file for the Stations.

(e) 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.

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

(g) Other than Kalil & Co., whose broker fees shall be paid by Seller, 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 a binding effect and affecting the business of the Stations or the Assets or which restrains or enjoins the transactions contemplated hereby, and no such proceeding is pending. There is no material litigation pending by or against, or to the best of Seller's knowledge, threatened against Seller which relates to Seller or the Stations or could affect any of the Assets. Seller, with respect to the Stations, has complied in all material respects with all applicable laws, regulations, orders or decrees. 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 Assets that are insurable in character are insured against loss, injury or damage to the full extent of their replacement value.

(j) To Seller's knowledge, no event has occurred which could impose on Buyer any liability for any taxes, penalties or interest due or to become due from Seller from any taxing authority.

(k) 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, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to Buyer.

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 authorized to do business as a foreign corporation in Maine, and has the requisite power and authority to own, lease and operate its properties and to carry on the business of the Stations 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 a legal, valid and binding obligation of Buyer enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

(c) The execution, delivery and performance of this Agreement by 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 an FCC licensee of the Stations.

(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 fee in connection with this Agreement or the transactions contemplated hereby as a result of any agreement, understanding or action by Buyer.

(g) No representation or warranty made by Buyer 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, contains or will contain any untrue

statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to Seller.

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

(a) Seller shall maintain the Tangible Personal Property in good working condition (subject to ordinary wear and tear) consistent with its past practice and will 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 Stations in accordance in all material respects with the terms of the FCC Authorizations and in material compliance with all applicable laws and FCC rules and regulations. 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 if from any other party directed to the FCC, promptly after receipt by Seller, related to the Stations that are filed or received between the date of this Agreement and the Closing Date. Seller will not file any application to modify the Stations' facilities without Buyer's prior written consent, and Seller shall take commercially reasonable efforts to keep the Licenses, including all material permits and applications pending before the FCC, valid and in full force and effect.

(c) In all other respects, except as disclosed in writing to and approved by Buyer, Seller shall operate the Stations solely in the ordinary course of business and in accordance with past practice, and shall pay its obligations with respect to the Stations in the ordinary course as such obligations become due.

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

(e) 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 new Lien on the Assets.

(f) 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 problems or developments which materially affect the Stations 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 Stations.

(g) Seller shall comply in all material respects with all federal, state and local laws, rules and regulations.

(h) If any event should occur which would prevent the consummation of the transactions contemplated hereunder, Seller shall use commercially reasonable efforts to cure the event as expeditiously as possible.

(i) Concurrently with, or within one day of the Closing, Seller will use commercially reasonable efforts to cause Beneficiary to consummate the Tower Assets Agreement.

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 contemplated by this Agreement shall have been granted;

(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 similar proceeding; and

(vi) If any event should occur which would prevent the consummation of the transactions contemplated hereunder, Buyer, as appropriate, shall use commercially reasonable efforts to cure the event as expeditiously as possible.

(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) The FCC Consent contemplated by this Agreement shall have become a Final Order;

(iv) The Licenses shall be in full force and effect and there shall be no proceedings pending before the FCC to revoke, cancel, rescind, modify or refuse to renew any of such Licenses, and 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 Stations or Seller;

(v) The Assets shall not have suffered damage that shall cause a material adverse effect upon the Stations or the Assets taken as a whole on account of fire, explosion or other cause of any nature which shall not have been repaired as of the Closing Date; provided that if such damage shall have occurred, Seller shall be afforded a reasonable opportunity to repair and restore such damaged assets to their prior condition or, at Seller's election, to replace such damaged assets with assets of comparable quality and utility; and provided, further, that if Buyer elects to waive the condition set forth in this Section 8 and consummate the Closing, then Buyer shall be entitled to collect and receive the proceeds of any insurance payable to Seller on account of such damages which have not been applied to the repair thereof;

(vi) Other than those presently existing Liens that are to be satisfied at Closing by Seller out of the cash proceeds of this transaction, there shall not be any Liens on the Assets or any financing statements of record other than those created by Buyer in favor of Seller or Permitted Liens, and Seller shall have delivered to Buyer lien search reports, in form and substance satisfactory to Buyer and dated no earlier than thirty (30) days prior to the Closing, reflecting the results of UCC, tax and judgment lien searches conducted at Secretary of State offices of the State of Maine, and in the County Clerk's Office of each county in which the Assets are located;

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

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

(ix) 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 execute, where necessary, and deliver to Buyer the following, each of which shall be in form and substance reasonably satisfactory to Buyer and its counsel:

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

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

(iii) Certified copies of the resolutions of the sole member of Seller authorizing and approving the execution and delivery of this Agreement and each of the other documents to be delivered in connection herewith and authorizing the consummation of the transactions contemplated hereby and thereby;

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

(v) A certificate of existence or good standing for Seller from the Secretary of State of Arizona;

(vi) A joint notice to the Escrow Agent;

(vii) A Security Agreement;

(viii) Payoff letters and UCC-3 termination statements with respect to any lien of record shown on the reports delivered pursuant to Section 8(b)(vi) hereof;

(ix) A copy of the Stations' public inspection file delivered to Buyer's address via overnight delivery; and

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

(i) The payments to be made pursuant to Section 2(a) hereof and the Note and Security Agreement duly executed by Buyer;

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

(iii) A joint notice to Escrow Agent;

(iv) Certified copies of the resolutions of the Board of Directors of Buyer authorizing and approving the execution and delivery of this Agreement and each of the other documents to be delivered in connection herewith and authorizing the consummation of the transactions contemplated hereby and thereby;

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

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

(vii) 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 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 Stations 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 ownership and operation of the Stations 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 eighteen (18) 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: (i) 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 (ii) if the Assignment Application is denied by the FCC and such denial shall have become a Final Order; or (iii) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing of this Agreement.

(b) Upon a termination of this Agreement by 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, including all interest earned thereon, 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, Buyer shall be entitled to the release of the Earnest Money Deposit, including all interest earned thereon, and thereafter neither party shall have any further obligation to the other under this Agreement.

12. **Specific Performance.** Seller acknowledges that the Stations are unique assets 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 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 commercially reasonable 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 courier service which guarantees overnight delivery, or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Seller, to:

The Kalil Holding Group, LLC
6363 N. Swan Road
Suite 200
Tucson, AZ 85718
Attn: Steven R. Backerman

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

Lewis J. Paper, Esq.
Dickstein Shapiro LLP
1825 Eye Street, NW
Washington, DC 20006

If to Buyer, to:

Educational Media Foundation
5700 West Oaks Boulevard
Rocklin, CA 95765
Attn: Mike Novak, President/CEO

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

David D. Oxenford, Esq.
Davis Wright Tremaine, LLP
1919 Pennsylvania Ave., NW, Suite 200
Washington, D.C. 20006

15. **Governing Law; Venue.** This Agreement shall be construed and enforced in accordance with the laws of the State of Maine, 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 or electronic mail, 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 or electronic mail 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 or electronic mail 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 herein, each party hereto shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. All federal, state, local and other transfer and sales taxes applicable to, imposed upon or arising out of the transfer to Buyer of the Assets as contemplated hereby shall be paid according to local custom.

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 Thirty Thousand Dollars (\$30,000) are damaged or lost on the date otherwise scheduled for Closing, Buyer may, at its option, either (i) postpone the 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 Thirty Thousand Dollars (\$30,000), provided, however, that should Seller advise Buyer within five (5) days after being requested to do so that Seller will not repair or replace such Assets, Buyer may terminate this Agreement without penalty upon written notice to Seller. Should either of the Stations (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 should either of the Stations be operating at less than 90% of its fully authorized effective radiated power as of the scheduled Closing Date and it is reasonably expected that either condition set forth in clause (i) or (ii) of this sentence would be satisfied but for the occurrence of 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 attempts 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.

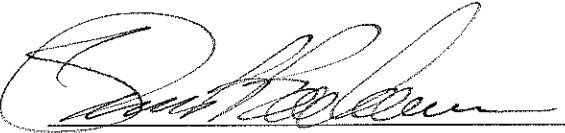
21. **Entire Agreement.** This Agreement, and the exhibits attached hereto, supersede all prior agreements and understandings between the parties with respect to the subject matter hereof and may not be changed or terminated orally, and no attempted change, amendment, or waiver of any of the provisions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

[Signatures to Follow]

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

Seller:

THE KALIL HOLDING GROUP, LLC

By: 

Name: Steven Z. Backerman

Its: Vice - President

Buyer:

EDUCATIONAL MEDIA FOUNDATION

By: _____
Mike Novak, President

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

Seller:

THE KALIL HOLDING GROUP, LLC

By: _____

Name: _____

Its: _____

Buyer:

EDUCATIONAL MEDIA FOUNDATION

By:  _____
Mike Novak, President