

ASSET EXCHANGE AGREEMENT

THIS ASSET EXCHANGE AGREEMENT is dated as of May 30, 2017 (this "Agreement"), by and between **PRUNEDALE EDUCATIONAL FOUNDATION FOR CENTRAL CALIFORNIA, INC. d/b/a Prunedale Educational Association**, a California corporation ("Exchange Party"), and **EDUCATIONAL MEDIA FOUNDATION**, a California non-profit religious corporation ("EMF").

WITNESSETH:

WHEREAS, Exchange Party is the licensee of (i) radio broadcast station KLVM(FM), Prunedale, CA (FCC Facility Id. 53695)("KLVM") (ii) FM translator station K208CW, Monterey, CA (FCC Facility Id. 88578)("K208CW"), (iii) FM translator station K220BV, San Jose, CA (FCC Facility Id. 53697)("K220BV"), (iv) FM translator station K290CJ, Soledad, CA (FCC Facility Id. 84125)("K290CJ"), (v) FM translator station K238AH, King City, CA (FCC Facility Id. 151413)("K238AH") and (vi) FM translator station K206CC, Lockwood, CA (FCC Facility Id. 53698)("K206CC" and collectively with KLVM, K208CW, K220BV, K290CJ and K238AH, the "Exchange Party Stations" and each an "Exchange Party Station"),

WHEREAS, Exchange Party may own certain assets for use in connection with the operation of the Exchange Party Stations;

WHEREAS, EMF is the licensee of FM radio broadcast station KARW, Salinas, CA (FCC Facility Id. 15197) ("KARW");

WHEREAS, EMF is the owner of certain assets used in the operation of KARW;

WHEREAS, at Closing, EMF and Exchange Party are entering into a Network Affiliation Agreement ("Affiliation Agreement") pursuant to which EMF will permit Exchange Party to carry EMF's Air 1 programming on KARW, and Exchange Party agrees to carry such programming on the terms provided in the Affiliation Agreement;

WHEREAS, on the terms and conditions described herein and subject to the approval of the Federal Communications Commission ("FCC"), EMF desires to acquire and Exchange Party desire to sell certain assets and FCC licenses associated with the Exchange Party Stations, and EMF desires to sell and Exchange Party desire to acquire certain assets and FCC licenses associated with KARW.

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, each party hereto hereby agree as follows:

1. **Sale of Assets.**

(a) **Exchange Party Stations.**

(i) On the Closing Date (as hereinafter defined), Exchange Party shall sell, assign and transfer to EMF, and EMF shall purchase, assume and receive from Exchange Party, those certain assets, properties, interests and rights of Exchange Party which are held by Exchange Party and used or held for use exclusively in connection with the Exchange Party Stations (the "Exchange Party Assets"), which are identified below:

(A) That equipment, and other tangible personal property, used or held for use in the operations of the Exchange Party Stations (the "Exchange Party Tangible Property"), (together with such improvements and additions thereto and replacements thereof between the date hereof and the Closing Date), as identified on Schedule 1(a)(i)(A).

(B) All of the licenses, construction permits and other authorizations issued to Exchange Party in connection with the conduct of the business or operations of the Exchange Party Stations, including those granted between the date hereof and the Closing Date and those identified on Schedule 1(a)(i)(B), by: (1) the FCC (collectively, with the call signs of the Exchange Party Stations, the "Exchange Party Authorizations"); (2) the Federal Aviation Administration (the "FAA"), if any; and (3) any other federal, state or local governmental authorities.

(C) All rights, title and interest of Exchange Party in the tower leases used for the Exchange Party Stations ("Exchange Party Leases"), as further identified described, and subject to the limitations identified on Schedule 1(a)(i)(C) hereto and referred to herein.

(D) all of Exchange Party's logs, books, files, data, software, FCC and other governmental applications, equipment manuals and assignable warranties, and other records relating to the full on-air broadcast operations of the Exchange Party Stations, including without limitation all electronic data processing files and systems related thereto, FCC filings and all records required by the FCC to be kept by the Exchange Party Stations, including, but not limited to any public inspection file.

(ii) The Exchange Party Assets shall be transferred to EMF free and clear of all liens, mortgages, pledges, covenants, easements, restrictions, encroachments, leases, charges, or other claims or encumbrances of any nature whatsoever ("Liens"), except for taxes not yet due and payable ("Permitted Liens"). Except as expressly set forth herein, EMF is not agreeing to, and shall not, assume any liability, obligation, undertaking, expense or agreement of Exchange Party of any kind, absolute or contingent, known or unknown. All liabilities and obligations not assumed by EMF shall be referred to herein as the "Exchange Party Liabilities."

(iii) Other than the assets described in Section 1(a)(i), the Exchange Party Assets shall not include any other properties, assets, privileges, rights, interests and claims, real and personal, tangible and intangible, of every type and description, wherever located, of

Exchange Party or any of its affiliates which are not used solely in the operation of the Exchange Party Stations (the “Exchange Party Excluded Assets”).

(b) **KARW.**

(i) On the Closing Date (as hereinafter defined), EMF shall sell, assign and transfer to Exchange Party, and Exchange Party shall purchase, assume and receive from EMF, those certain assets, properties, interests and rights of EMF which are held by EMF and used or held for use exclusively in connection with KARW (the “KARW Assets”), which are identified below:

(A) That equipment, and other tangible personal property, used or held for use exclusively in the operations of KARW (the “KARW Tangible Property”), (together with such improvements and additions thereto and replacements thereof between the date hereof and the Closing Date), as identified on Schedule 1(b)(i)(A).

(B) All of the licenses, construction permits and other authorizations issued to EMF in connection with the conduct of the business or operations of KARW, including those granted between the date hereof and the Closing Date and those identified on Schedule 1(b)(i)(B), by: (1) the FCC (collectively, with the call sign of KARW, the “KARW Authorizations”); (2) the FAA, if any; and (3) any other federal, state or local governmental authorities.

(C) All rights, title and interest of EMF in the tower lease used for KARW (“KARW Lease”), as further identified described, and subject to the limitations identified on Schedule 1(b)(i)(C) hereto and referred to herein.

(D) all of EMF’s logs, books, files, data, software, FCC and other governmental applications, equipment manuals and assignable warranties, and other records relating to the full on-air broadcast operations of KARW, including without limitation all electronic data processing files and systems related thereto, FCC filings and all records required by the FCC to be kept by KARW, including, but not limited to any public inspection file.

(ii) The KARW Assets shall be conveyed to Exchange Party free and clear of all Liens, except for Permitted Liens. Except as expressly set forth herein, neither Exchange Party is agreeing to, and shall not, assume any liability, obligation, undertaking, expense or agreement of EMF of any kind, absolute or contingent, known or unknown. All of such liabilities and obligations not assumed by Exchange Party shall be referred to herein as the “EMF Retained Liabilities.”

(iii) Other than the assets described in Section 1(b)(i), the KARW Assets shall not include any other properties, assets, privileges, rights, interests and claims, real and personal, tangible and intangible, of any type and description, wherever located, of EMF or any of its affiliates or other stations (the “EMF Excluded Assets”).

2. **Purchase Price.**

(a) Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale of the Exchange Party Assets to EMF and the KARW Assets to Exchange Party other than the exchange of assets and the execution of the Affiliation Agreement for KARW in the form attached as Exhibit A hereto, no additional monetary consideration will be due to or from either party on the Closing Date.

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

(a) Not later than ten (10) business days after the execution of this Agreement, EMF and Exchange Party shall execute, file and vigorously prosecute applications with the FCC (each an "Assignment Application," together the "Assignment Applications") requesting consent (the "FCC Consents") to the assignment (i) from Exchange Party to EMF of the Exchange Party Authorizations and (ii) from EMF to Exchange Party of the KARW Authorizations. EMF and Exchange Party shall take all reasonable steps to cooperate with each other and with the FCC to secure such FCC Consents without delay, and to promptly consummate this Agreement in full.

(b) EMF and Exchange Party shall reasonably cooperate with each other to file one or more applications for a waiver of the FCC's "main studio" rules to be effective on or after the Closing Date, so long as any such application may be filed on a basis that is contingent and effective only upon a prior Closing, and does not adversely affect any operations of Exchange Party or EMF. The grant of any such application shall not be a condition to Closing hereunder. Any such application related to the Exchange Party Stations shall be made and prosecution thereof shall be conducted solely at EMF's expense. Any such application related to KARW shall be made and prosecution thereof shall be conducted solely at Exchange Party's expense.

(c) EMF and Exchange Party shall reasonably cooperate with each other to file an application with the FCC to convert KARW from a non-commercial station to a commercial station with such conversion to be effective on or after the Closing Date. Such conversion application shall be filed on the basis that is contingent and effective only at Closing, and does not adversely affect any operations of KARW. The grant of any such application shall not be a condition to Closing hereunder. Any such application shall be made and prosecution thereof shall be conducted solely at EMF's expense.

4. **Closing Date; Closing Place.** Subject to Section 12 (Termination), the closing (the "Closing") of the transaction described herein shall take place remotely by facsimile and email, or in such other manner and at such other place as Exchange Party and EMF may agree in writing. The Closing date shall be a date mutually agreed upon between the parties, provided that such Closing date shall be no later than ten (10) days following the date on which each of the Exchange Party Stations' FCC Consents and KARW's FCC Consent shall have become a Final Order (as hereinafter defined) and the other conditions to closing set forth in Section 9 have either been waived or satisfied (the "Closing Date"). The Closing shall be effective as of 12:00

am on the Closing Date. For purposes of this Agreement, the term “Final Order” means action by the FCC consenting to an application which is not reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no timely request for stay, petition for rehearing or appeal is pending, and as to which the time for filing any such request, petition or appeal or reconsideration by the FCC on its own motion has expired.

5. **Representations and Warranties of Exchange Party.** Exchange Party hereby makes the following representations and warranties to EMF:

(a) Exchange Party is California corporation, duly incorporated, validly existing and in good standing under the laws of the State of California. Exchange Party. Exchange Party has the requisite organizational 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 Exchange Party and no other proceedings (other than relating to the grant of FCC Consents by Final Order) on the part of Exchange Party are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement and each ancillary document and instrument to be executed and delivered hereunder by Exchange Party have been and will be duly and validly executed and delivered by Exchange Party and constitutes and will constitute the legal, valid and binding agreement of Exchange Party 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 Exchange Party will not (i) conflict with or result in any breach of any provision of the governing documents of Exchange Party, 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 the business of the Exchange Party Stations and to which Exchange Party or any of the Exchange Party 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 Exchange Party, (iii) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever on any of the Exchange Party Assets, or (v) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consents and any consents required to assign the Exchange Party Leases, including those identified on Schedule 1(a)(i)(C).

(c) EMF, upon the approval of the FCC Application(s) for the Exchange Party Authorizations and the consummation of the transactions contemplated thereby, will be the authorized legal holder of the Exchange Party Authorizations, none of which is subject to any restrictions or conditions that would limit in any material respect the broadcast operations of the Exchange Party Stations, except such conditions as are stated on the face thereof. Exchange Party knows of no reason that FCC Applications will not be granted. The Exchange Party Authorizations are validly issued and are in full force and effect. To the extent that any Exchange Party Station is silent, appropriate temporary authority for the station being off the air

shall have been obtained. Other than the proceedings affecting the radio broadcasting industry generally, to Exchange Party's knowledge, (i) there is not now pending or threatened any action by or before the FCC to revoke, cancel, rescind, modify or refuse to renew any of the Exchange Party Authorizations, and (ii) Exchange Party 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 any Exchange Party Station or Exchange Party with respect to the Exchange Party Stations. To the knowledge of Exchange Party, the Exchange Party has complied in all material respects with all applicable laws, regulations, orders or decrees of the FCC and all other government agencies related to the operation of the Exchange Party Stations.

(d) Schedule 1(a)(i)(A) hereto contains a complete and accurate list of the Exchange Party Tangible Property that is necessary to conduct the operation of the Exchange Party Stations in the manner in which they are currently operated (other than those assets which are Exchange Party Excluded Assets) and will be acquired by EMF. Exchange Party owns and has, and will have on the Closing Date, good and marketable title to the Exchange Party Tangible Property. Each item of Exchange Party Tangible Property (i) is in good condition and repair, ordinary wear and tear excepted, (ii) has been maintained in a manner consistent with generally accepted standards of good engineering practice, and (iii) is operating in substantial compliance with all Exchange Party Authorizations and rules and regulations of all relevant federal and state governments, agencies, or departments, including, but not limited to, the FCC and FAA.

(e) Exchange Party is not aware of any discharge of air pollutants, water pollutants or process waste water, Hazardous Materials, or toxic substances, or otherwise relating to the environment located on the real property which is the subject of the Exchange Party Leases (each parcel of real property referred to hereafter as an "Exchange Party Tower Site")., "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 applicable regulations of any federal, state, or local department of natural resources or federal, state, or local environmental protection agency now or at any time hereafter in effect ("Environmental Laws"). Without limiting the generality of the foregoing, Hazardous Materials includes, but is not limited to, 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). There are not now, nor have there been, any Hazardous Materials or underground storage tanks on any Exchange Party Tower Site that, if known to be present in soils or ground water, would require cleanup, removal or some other remedial action under any Environmental Laws. Notwithstanding anything contained herein to the contrary, this Section shall survive indefinitely beyond the expiration or earlier termination of this Agreement. There are not now, nor have there been, any Hazardous Materials stored upon any Exchange Party Tower Site that, if known to be present in soils or ground water, would require cleanup, removal or some other remedial action under any Environmental Laws.

(f) Each tower used in the operation of the Exchange Party Stations or subject

to an Exchange Party Lease is obstruction-marked and lighted to the extent required by, and in accordance with, the rules and regulations of the FAA and the FCC. Exchange Party has complied in all material respects with all requirements of the FCC and the FAA with respect to the construction and/or alteration of Exchange Party's antenna structures (if any), and "no hazard" determinations for each antenna structure have been obtained, where required. The operations of the Exchange Party Stations do not exceed permissible levels of exposure to RF radiation specified in the FCC's rules, regulations, and policies concerning RF radiation or any other applicable Environmental Laws. The tower where each Exchange Party Station operates is properly registered with the FCC at the coordinates specified in the applicable Exchange Party Authorization.

(g) There is full legal and practical access to the Exchange Party Tower Sites and all utilities necessary for Exchange Party's use of each Exchange Party Tower Site as a radio tower facility are installed and are in good working order, and are subject to valid easements, where necessary. The buildings, towers, guys and other fixtures situated on the Exchange Party Tower Sites are free of structural defects and, suitable for their intended uses, and are in good state of maintenance and repair, ordinary wear and tear excepted.

(h) Exchange Party has a valid leasehold interest in the Exchange Party Leases, free and clear of all Liens, and no party is in material breach or default with respect to the same. To Exchange Party's knowledge, the buildings, towers, guys and other fixtures situated on each Exchange Party Tower Site are free of structural defects and, suitable for their intended uses, and are in good state of maintenance and repair, ordinary wear and tear excepted and comply in all material respects with applicable zoning, health and safety laws and codes. The Exchange Party Leases are in effect and is binding upon Exchange Party and, to Exchange Party's knowledge, the other party thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally).

(i) There is no broker or finder or other person who would have any valid claim against Exchange Party 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 Exchange Party.

(j) Exchange Party is not subject to any order, writ, injunction, judgment, arbitration decision or decree having binding effect and affecting the business of the Exchange Party Stations or the Exchange Party Assets or which restrains or enjoins the transactions contemplated hereby, and no such proceeding is pending. There is no litigation, proceeding, or governmental investigation pending by or against, or to the knowledge of Exchange Party, threatened against Exchange Party which could prevent or materially impede the consummation by Exchange Party of the transactions contemplated by this Agreement.

(k) No event has occurred which could impose on EMF any liability for any taxes, penalties or interest due or to become due from Exchange Party from any taxing authority arising prior to the Closing Date.

6. **Representations and Warranties of EMF.** EMF hereby makes the following representations and warranties to Exchange Party:

(a) EMF is a non-profit religious corporation, duly organized, validly existing and in good standing under the laws of the State of California. EMF has the requisite organizational 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 EMF and no other proceedings (other than relating to the grant of FCC Consents by Final Order) on the part of EMF are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement and each ancillary document and instrument to be executed and delivered hereunder by EMF have been and will be duly and validly executed and delivered by EMF and constitutes and will constitute the legal, valid and binding obligation of EMF 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 EMF will not (i) conflict with or result in any breach of any provision of the governing documents of EMF, 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 the business of the KARW and to which EMF or any of the KARW 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 EMF, (iii) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever on any of the KARW Assets, or (v) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent and the consent related to the KARW Lease identified on Schedule 1(b)(i)(C).

(c) EMF is the authorized legal holder of the KARW Authorizations which are not subject to any restrictions or conditions that would limit in any material respect the broadcast operations of KARW, except such conditions as are stated on the face thereof. The KARW Authorizations are validly issued and are in full force and effect. Other than the proceedings affecting the radio broadcasting industry generally, to EMF's knowledge, (i) there is not now pending or threatened any action by or before the FCC to revoke, cancel, rescind, modify or refuse to renew any of the KARW Authorizations, and (ii) EMF 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 KARW or EMF with respect to KARW.

(d) Schedule 1(b)(i)(A) hereto contains a complete and accurate list of the KARW Tangible Property that is necessary to conduct the operation of KARW in the manner in which it is currently operated (other than those assets which are KARW Excluded Assets) and

will be acquired by Exchange Party, EMF owns and has, and will have on the Closing Date, good and marketable title to the KARW Tangible Property. Each item of KARW Tangible Property (i) is in good condition and repair, ordinary wear and tear excepted, (ii) has been maintained in a manner consistent with generally accepted standards of good engineering practice, and (iii) is operating in substantial compliance with all KARW Authorizations and rules and regulations of all relevant federal and state governments, agencies, or departments, including, but not limited to, the FCC and FAA.

KARW

(e) EMF is not is aware of any discharge of air pollutants, water pollutants or process waste water, Hazardous Materials, or toxic substances, or otherwise relating to the environment located on the real property which is the subject of the KARW Lease (such parcel of real property referred to hereafter as an “KARW Tower Site”). There are not now, nor have there been, any Hazardous Materials or underground storage tanks on the KARW Tower Site that, if known to be present in soils or ground water, would require cleanup, removal or some other remedial action under any Environmental Laws. Notwithstanding anything contained herein to the contrary, this Section shall survive indefinitely beyond the expiration or earlier termination of this Agreement. There are not now, nor have there been, any Hazardous Materials stored upon the KARW Tower Site that, if known to be present in soils or ground water, would require cleanup, removal or some other remedial action under any Environmental Laws.

(f) The tower used in the operation of the KARW or subject to the KARW Lease is obstruction-marked and lighted to the extent required by, and in accordance with, the rules and regulations of the FAA and the FCC. EMF has complied in all material respects with all requirements of the FCC and the FAA with respect to the construction and/or alteration of EMF’s antenna structures (if any), and “no hazard” determinations for each antenna structure have been obtained, where required. The operation of KARW does not exceed permissible levels of exposure to RF radiation specified in the FCC’s rules, regulations, and policies concerning RF radiation or any other applicable Environmental Laws. The tower where KARW operates is properly registered with the FCC at the coordinates specified in the KARW Authorizations.

(g) There is full legal and practical access to the KARW Tower Site and all utilities necessary for EMF’s use of the KARW Tower Site as a radio tower facility are installed and are in good working order, and are subject to valid easements, where necessary. The buildings, towers, guys and other fixtures situated on the KARW Tower Site are free of structural defects and, suitable for their intended uses, and are in good state of maintenance and repair, ordinary wear and tear excepted.

(h) EMF has a valid leasehold interest in the KARW Lease, free and clear of all Liens, and no party is in material breach or default with respect to the same. To EMF’s knowledge, the buildings, towers, guys and other fixtures situated on the KARW Tower Site are free of structural defects and, suitable for their intended uses, and are in good state of maintenance and repair, ordinary wear and tear excepted and comply in all material respects with applicable zoning, health and safety laws and codes. The KARW Lease is in effect and is

binding upon EMF and, to EMF's knowledge, the other party thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally).

(i) There is no broker or finder or other person who would have any valid claim against EMF 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 EMF.

(j) EMF is not subject to any order, writ, injunction, judgment, arbitration decision or decree having binding effect and affecting the business of KARW or the KARW Assets or which restrains or enjoins the transactions contemplated hereby, and no such proceeding is pending. There is no litigation, proceeding or governmental investigation pending by or against, or to the knowledge of EMF, threatened against EMF which could prevent or materially impede the consummation by EMF of the transactions contemplated by this Agreement. EMF, with respect to KARW, has complied in all material respects with all applicable laws, regulations, orders or decrees. and

(k) No event has occurred which could impose on Exchange Party any liability for any taxes, penalties or interest due or to become due from EMF from any taxing authority arising prior to the Closing Date.

7. **Exchange Party Covenants.** Exchange Party covenants with EMF that, between the date hereof and the Closing Date, it shall act in accordance with the following:

(a) Exchange Party shall maintain the Exchange Party Tangible Property in accordance with standards of good engineering practice 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) Exchange Party will not, without the prior written consent of EMF, sell, lease, transfer or agree to sell, lease or transfer any of Exchange Party Assets without replacement thereof with an equivalent asset of equivalent kind and value (which permitted replacement shall not include replacement of the Exchange Party Authorizations) or create any Lien on the Exchange Party Assets other than Permitted Liens.

(c) Exchange Party will maintain the Exchange Party Stations in accordance with the terms of the Exchange Party Authorizations and in compliance in all material respects with applicable laws and FCC rules and regulations. Exchange Party will deliver to EMF, 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 Exchange Party Stations which are filed between the date of this Agreement and the Closing Date. Exchange Party shall use commercially reasonable efforts to keep the Exchange Party Authorizations, including all material permits and applications pending before the FCC, valid and in full force and effect. In all other respects, except as disclosed in writing to and approved by EMF, Exchange Party shall operate the Exchange Party Stations solely in the ordinary course of business.

(d) Exchange Party shall maintain insurance on all of the Exchange Party Tangible Property in such amounts as necessary to repair or rebuild the applicable Exchange Party Tangible Property.

(e) Exchange Party shall afford, and shall cause its respective officers, directors, employees and agents to afford, to EMF, its prospective financing sources and its and their respective officers, employees, advisors and agents reasonable access during regular business hours to Exchange Party's officers, employees, independent contractors, agents, properties, records and contracts relating to the Exchange Party Assets, and shall furnish EMF all operating and other data and information with respect to the Exchange Party Assets as EMF, through its respective officers, employees, advisors or agents, may reasonably request.

(f) The Exchange Party Stations shall be in material compliance with all federal, state and local laws, rules and regulations.

(g) Exchange Party shall not amend, terminate or fail to renew any Exchange Party Lease.

(h) Subject to the terms and conditions of this Agreement, Exchange Party will use commercially reasonable best efforts to take all action and to do all things necessary, proper or advisable to satisfy any condition to Exchange Party's obligation hereunder in its power to satisfy and to consummate and make effective as soon as practicable the transactions contemplated by this Agreement.

8. **EMF Covenants.** EMF covenants with Exchange Party that, between the date hereof and the Closing Date, EMF shall act in accordance with the following:

(a) EMF shall maintain the KARW Tangible Property in accordance with standards of good engineering practice 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) EMF will not, without the prior written consent of Exchange Party, sell, lease, transfer or agree to sell, lease or transfer any of KARW Assets without replacement thereof with an equivalent asset of equivalent kind and value (which permitted replacement shall not include replacement of the KARW Authorizations) or create any Lien on the KARW Assets other than Permitted Liens.

(c) EMF will maintain KARW in accordance with the terms of the KARW Authorizations and in compliance in all material respects with applicable laws and FCC rules and regulations. EMF will deliver to Exchange Party, 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 KARW which are filed between the date of this Agreement and the Closing Date. EMF shall use commercially reasonable efforts to keep the KARW Authorizations, including all material permits and applications pending before the FCC, valid and in full force and effect. In all other respects, except as disclosed in writing to and approved by Exchange Party, EMF shall operate the KARW solely in the ordinary course of business.

(d) EMF shall maintain insurance on all of the KARW Tangible Property in such amounts as necessary to repair or rebuild the applicable KARW Tangible Property.

(e) EMF shall afford, and shall cause its respective officers, directors, employees and agents to afford, to Exchange Party, its prospective financing sources and its and their respective officers, employees, advisors and agents reasonable access during regular business hours to EMF's officers, employees, independent contractors, agents, properties, records and contracts relating to the KARW Assets, and shall furnish Exchange Party all operating and other data and information with respect to the KARW Assets as Exchange Party, through its respective officers, employees, advisors or agents, may reasonably request.

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

(g) EMF shall not amend, terminate or fail to renew the KARW Lease.

(h) Subject to the terms and conditions of this Agreement, EMF will use commercially reasonable best efforts to take all action and to do all things necessary, proper or advisable to satisfy any condition to EMF's obligation hereunder in its power to satisfy and to consummate and make effective as soon as practicable the transactions contemplated by this Agreement.

9. **Conditions Precedent to Obligation to Close.**

(a) The performance of the obligations of EMF hereunder is subject to the satisfaction or waiver of each of the following express conditions precedent:

(i) Exchange Party 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 Exchange Party prior to or as of the Closing Date.

(ii) The representations and warranties of Exchange Party 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 Consents shall have been granted by the FCC and become Final Orders.

(iv) 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.

(v) There shall not be any Liens on the Exchange Party Assets, other than Permitted Liens.

(vi) Exchange Party shall have obtained and delivered any lessor consent required under the Exchange Party Leases to assign the Exchange Party Leases to EMF.

(vii) Exchange Party shall have delivered to EMF, on the Closing Date, the documents required to be delivered pursuant to Section 10(a).

(b) The performance of the obligations of Exchange Party hereunder is subject to the satisfaction or waiver of each of the following express conditions precedent:

(i) EMF 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 EMF prior to or as of the Closing Date.

(ii) The representations and warranties of EMF 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 Consents shall have been granted by the FCC and become Final Orders.

(iv) 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.

(v) There shall not be any Liens on the KARW Assets, other than Permitted Liens.

(vi) EMF shall have obtained and delivered any lessor consent required under the KARW Lease to assign the KARW Lease to Exchange Party.

(vii) EMF shall have delivered to Exchange Party, on the Closing Date, the documents required to be delivered pursuant to Section 10(b).

10. **Closing Deliveries.**

(a) At the Closing, Exchange Party will execute and deliver to EMF the following, each of which shall be in form and substance satisfactory to EMF and its counsel:

(i) A Bill of Sale to transfer Exchange Party Tangible Personal Property to EMF, duly executed by Exchange Party.

(ii) An Assignment and Assumption of the Exchange Party Authorizations, duly executed by Exchange Party.

(iii) An Assignment and Assumption of the Exchange Party Leases, duly executed by the appropriate Exchange Party.

(iv) An Assignment and Assumption of the KARW Authorizations, duly executed by Exchange Party.

(v) An Assignment and Assumption of the KARW Lease, duly executed by the appropriate Exchange Party.

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

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

(i) A Bill of Sale to transfer KARW Tangible Personal Property to Exchange Party, duly executed by EMF.

(ii) An Assignment and Assumption of the KARW Authorizations, duly executed by EMF.

(iii) An Assignment and Assumption of the KARW Lease, duly executed by EMF.

(iv) An Assignment and Assumption of the Exchange Party Authorizations, duly executed by EMF.

(v) An Assignment and Assumption of the Exchange Party Leases, duly executed by EMF.

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

11. **Indemnification.**

(a) Following the Closing, Exchange Party shall indemnify, defend and hold harmless EMF 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 EMF directly or indirectly relating to or arising out of: (i) the breach by Exchange Party of any of its representations or warranties contained in this Agreement, or failure by Exchange Party 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 Exchange Party Stations prior to the Closing and KARW subsequent to the Closing.

(b) Following the Closing, EMF shall indemnify, defend and hold Exchange Party harmless with respect to any and all Damages asserted against, resulting from, imposed upon or incurred by Exchange Party directly or indirectly relating to or arising out of: (i) the breach by EMF of any of its representations, warranties contained in this Agreement, or failure by EMF 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 KARW by EMF prior to the Closing and the Exchange Party Stations subsequent to the Closing.

(c) If either party hereto (the "Indemnitee") 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 Indemnitee under this Section, then the Indemnitee 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 Indemnitee 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 Indemnitee. 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 Indemnitee for the cost of defending such matter following the Indemnifying Party's election to assume the defense of such matter, (ii) the Indemnitee 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 Indemnitee informed of all material developments and events relating to such matter, and (iii) the Indemnitee 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, and any such settlement shall not adversely affect the Indemnifying Party.

(d) The several representations and warranties of Exchange Party and EMF contained in or made pursuant to this Agreement shall expire on the date that is eighteen (18) months after the Closing Date.

(e) The parties acknowledge and agree that after the Closing, the indemnification provided in this Section 11 shall be the sole and exclusive remedy available under contract, tort or and other legal or equitable theories to such party in respect of this Agreement or the transactions contemplated hereby.

12. **Termination.**

(a) This Agreement may be terminated by either EMF or Exchange Party, 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 any of the Assignment Applications are denied by Final Order or if the FCC shall have released a hearing designation order requiring a formal hearing on any specific Assignment Application or (iii) if there shall be in effect any judgment, final decree or order issued by a court or agency of competent jurisdiction that would prevent or make unlawful the Closing of this Agreement.

(b) This Agreement may be terminated by either party not then in default of its obligations hereunder if the Closing has not occurred by within twelve (12) months of the date of this Agreement.

(c) This Agreement may also be terminated by EMF if any of the Exchange Party Stations has been off the air for any continuous period exceeding six (6) months.

(d) This Agreement may also be terminated by Exchange Party if KARW has been off the air for any continuous period exceeding six (6) months.

(e) This Agreement may be terminated by mutual written consent of Exchange Party and EMF.

(f) Upon termination of this Agreement by EMF due to a breach by Exchange Party or upon termination of this Agreement by Exchange Party due to a breach by EMF, both as set forth in Section 12(a), EMF or Exchange Party, respectively, may seek all rights and remedies that it may have in equity or at law, including specific performance as set forth in Section 13 below.

(g) 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, thereafter neither party shall have any further obligation to the other under this Agreement.

13. **Specific Performance.** Each party acknowledges that the Exchange Party Stations and KARW are unique assets not readily available on the open market and that in the event that either EMF, with respect to KARW, or Exchange Party, with respect to the Exchange Party Stations, fails to perform its obligation to consummate the transaction contemplated hereby, irreparable harm may occur to the other party as to which money damages alone will not be adequate to compensate such party for its injury. The parties therefore agree and acknowledge that in the event of a failure by either EMF or Exchange Party to perform its obligation to convey their respective assets in connection with the consummation of the transactions contemplated hereby, the opposing party shall be entitled to specific performance of the terms of this Agreement.

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 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 Exchange Party, to:

Prunedale Educational Foundation of Central California, Inc. d/b/a Prunedale
Educational Association
8145 Prunedale North Road
Prunedale, CA 93907
ATTN: Pastor Arlon Moon

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

Nathaniel J. Hardy, Esq.
Marashlian & Donahue, PLLC
1420 Spring Hill Road
Suite 401
McLean, VA 22102

If to EMF, to:

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

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

David D. Oxenford, Esq.
Wilkinson Barker Knauer, LLP
1800 M Street, N.W. Suite 800N
Washington, D.C. 20036

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

17. **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.

18. **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.

19. **Expenses.** Except as otherwise set forth in this Agreement, 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. EMF and Exchange Party shall share equally in any Assignment Application fees.

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

21. **Assignment.** This Agreement shall be binding upon and shall inure to the benefit of each party 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.

22. **Entire Agreement.** This Agreement, the Affiliation Agreement, and the Exhibits and Schedules 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 Exchange Agreement as of the day and year first above written.

**PRUNEDALE EDUCATIONAL
FOUNDATION FOR CENTRAL
CALIFORNIA, INC. d/b/a Prunedale Educational
Association**

By: _____
Name: _____
Title: _____

EDUCATIONAL MEDIA FOUNDATION

By: Mike Novak
Name: Mike Novak
Title: CEO
Date: 5/23/17

**PRUNEDALE EDUCATIONAL FOUNDATION
FOR CENTRAL CALIFORNIA, INC. d/b/a
Prunedale Educational Association**

By: Rev. Arlin L. Mason

Name: Rev. Arlin L. Mason

Title: Program Manager

EDUCATIONAL MEDIA FOUNDATION

By: _____

Mike Novak
CEO

Exhibit A
Network Affiliation Agreement

NETWORK AFFILIATION AGREEMENT

THIS NETWORK AFFILIATION AGREEMENT ("Agreement") is made as of this ___ day of _____, 2017 ¹ by and between **PRUNEDALE EDUCATIONAL FOUNDATION FOR CENTRAL CALIFORNIA, INC. d/b/a Prunedale Educational Association**, a California corporation ("Licensee"), and **EDUCATIONAL MEDIA FOUNDATION**, a California non-profit religious corporation ("EMF").

WITNESSETH:

WHEREAS, Licensee is the licensee of commercial radio broadcast station KARW(FM), Salinas, CA (FCC Facility Id. 15197) (the "Station") pursuant to authorizations (the "FCC Authorizations") issued by the Federal Communications Commission (the "FCC"); and

WHEREAS, EMF operates a programming network which broadcasts a unique blend of contemporary Christian-based, family-oriented programming known as the "AIR-1" radio format; and

WHEREAS, Licensee and EMF have contemporaneously consummated that certain Asset Exchange Agreement dated May 30, 2017 (the "AEA") pursuant to which EMF exchanged the Station with Licensee for certain other broadcast properties; and

WHEREAS, EMF desires to obtain programming time on the Station in order to rebroadcast AIR-1's programming from the facilities of the Station, and Licensee desires to provide this time to EMF; and

WHEREAS, EMF wishes to authorize Licensee to rebroadcast AIR-1 programming from the facilities of the Station, pursuant to Section 325(a) of the Communications Act of 1934, as amended (the "Communications Act"), and applicable FCC rules, regulations and policies (together, with the Communications Act, "Communications Law") in accordance with the terms and conditions hereinafter contained.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration received by each party, the receipt, adequacy and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Programming. Subject to the terms of this Agreement, EMF agrees to provide and authorizes Licensee to broadcast AIR-1's programming over the Station's facilities. Simultaneously upon receipt of AIR-1's programming, Licensee agrees to broadcast the programming of AIR-1 on the facilities of the Station without interruption, deletion, or addition of any kind, except as otherwise expressly permitted herein.

¹ NTD: Insert Closing Date

2. Term. The term of this Agreement shall commence on the date hereof. (the “Effective Date”) and, unless earlier terminated as provided in this Agreement, shall continue for a period of five (5) years (“Initial Term”). This Agreement will automatically renew for up to five (5) renewal terms of two (2) years each (each “Renewal Term” with the Initial Term and any Renewal Term hereafter referred to as the “Term”), unless EMF notifies Licensee in writing not less than 180 days prior to the expiration of the then current Term that EMF does not intend to renew the Agreement or the Agreement is terminated as expressly permitted herein.

3. Hours of Programming. EMF will supply the AIR-1 programming during all hours of the Station’s operations as long as this Agreement remains in force, and Licensee will transmit all programming supplied by EMF, except as otherwise provided in Sections 4 and 5 below and subject to the provisions set forth in Section 14 below with respect to force majeure. EMF will provide all such programming, produced at its own cost and expense. EMF shall obtain any necessary authorizations for and install a satellite-receive dish at a mutually agreed upon location at the Station’s studios or elsewhere to receive the AIR-1 programming. If the satellite-receive dish is not installed at the Station’s studios, EMF will arrange to have the programming delivered from the dish location to the Station’s studios to allow EMF’s programming to be rebroadcast over the Station’s facilities.

4. Reservation of Time. Licensee specifically reserves, at its option, for its own use two hours per week of programming time (the “Reserved Time”) during which it may broadcast programming of its own choice on the Station. Unless otherwise mutually agreed upon by the parties, the Reserved Time shall be on Sunday mornings between the hours of 6 AM to 8 AM.

5. Licensee’s Regulatory Obligations.

(a) Nothing herein shall be construed as limiting in any way Licensee’s rights and obligations as an FCC licensee to make the ultimate programming decisions for the Station and to exercise ultimate control and responsibility with respect to the operations of the Station. Licensee will be responsible for ensuring that the Station’s overall programming is responsive to community needs and in the public interest. Licensee has the authority, in its sole discretion, to:

(i) reject and refuse to transmit any programming produced or proposed by EMF that Licensee in its good faith deems to be unsatisfactory, unsuitable, or contrary to the public interest, as determined by Licensee in its sole discretion;

(ii) originate or rebroadcast from any source any programming which Licensee, in its sole, good faith discretion, deems to be of greater local or national importance than the programming supplied by EMF or which Licensee believes will better serve the needs and interests of any the Station’s service areas; and

(iii) interrupt EMF’s programming in case of an emergency.

(b) In the event that Licensee rejects any of EMF's programming pursuant to subparagraph (a)(i) above, Licensee shall, insofar as practicable, give EMF reasonable prior notice of its objection to EMF's proposed programs, including the basis for such objection, and shall use all reasonable efforts to give EMF a reasonable opportunity to substitute acceptable programming. EMF shall air the Station's hourly station identification announcements in the AIR-1 programming to be broadcast on the Station on behalf of Licensee so that such announcements are aired in accordance with Communications Law.

(c) Licensee, solely for the purpose of ensuring EMF's compliance with Communications Law and Station's policies, shall be entitled to review on a confidential basis any programming material relating to AIR-1 broadcasts as it may reasonably request. EMF shall provide Licensee, at Licensee's request, with copies of all correspondence relating to AIR-1's broadcasts on the Station and all complaints received from the public that pertain to the Station.

(d) EMF shall cooperate with Licensee to assist Licensee in complying with Communications Law regarding political advertising for federal candidates. EMF shall supply such information promptly to Licensee as may be necessary to comply with the equal opportunity and reasonable access requirements of Communications Law.

6. Operation of the Station.

(a) Licensee shall employ at its expense such employees to direct the day-to-day operations of the Station as may be necessary to comply with Communications Law regarding main studio staffing and such additional personnel as shall be necessary to enable Licensee to perform its obligations under this Agreement and as otherwise explicitly set forth in this Agreement. All such employees will report to and be accountable solely to Licensee.

(b) Licensee shall be solely responsible for and shall pay in a timely manner all operating costs of the Station, including costs of maintaining and repairing the studio facilities, the Station's transmitters and antennae, the cost of electricity and other utilities, rental payments, music licensing fees necessary to rebroadcast the AIR-1 programming and broadcast the programming contained in the Reserved Time, taxes and the salaries, taxes, insurance and related costs for all personnel employed by Seller at the Station. In the event that EMF receives any correspondence from music licensing organizations that pertain to Licensee's operation of the Station, EMF shall forward such correspondence to Licensee. EMF personnel shall be allowed reasonable access to the Station to make any necessary repairs to the Station and/or its facilities if Licensee is unable or unwilling to do so and EMF shall be entitled to credit the Monthly Payment to account for such repair costs.

(c) At its own expense, and in compliance with Communications Law, EMF may provide and install any equipment on the premises of the Station or its studio or other facilities it deems necessary or useful to supply its programming to the Station, under the supervision of

Licensee. Upon termination of this Agreement, such property will remain the sole property of EMF and EMF shall promptly remove all such equipment from the premises of the Station. EMF may, at its option, use Licensee's studios and other facilities to exercise its rights and perform its obligations under this Agreement.

7. Noncommercial Nature of EMF Broadcasts. EMF is a non-profit corporation which broadcasts the AIR-1 programming on a noncommercial basis with revenues generated through contributions and donations received from contributors and donors residing within communities receiving AIR-1's broadcast programming. Licensee acknowledges that all donations received from listeners within the Station's service area as a result of the rebroadcasting of AIR-1's program signal ("AIR-1 Donations") shall be the sole property of EMF. Licensee shall promptly forward any donations it receives to EMF at the address specified for notices herein, along with an accounting specifying the name and address of each such donor, and the date on which the donations were received. Notwithstanding the forgoing, Licensee may receive donations towards operation of the Station from the members of the Calvary Community Church and the families, students and alumni of the Prunedale Christian School. Furthermore, Licensee may request donations for itself, the Calvary Community Church and the Prunedale Christian School during the Reserved Time and require that such donations specifically reference one or both institutions (the "Reserved Time Donations"). Such Reserved Time Donations will not be included in the AIR-1 Donations.

8. Consideration. In consideration for the air time made available by Licensee to EMF under this Agreement, during the Term hereof, EMF will pay Licensee Seventeen Thousand Dollars (\$17,000) ("Monthly Payment") per month. Licensee shall bear full responsibility to pay all operating and capital expenses related to the Station, including, but not limited to rent, utilities, main studio expenses, personnel, engineering, taxes, and maintenance costs. The Monthly Payment will be paid to Licensee on or before the fifth (5th) day of each month. The Monthly Payment shall be adjusted at the commencement of each Renewal Term by an amount equal to the change in the Consumer Price Index from the prior Term.

9. Limited Grant. Nothing herein contained shall be construed as an assignment or grant to Licensee of any right, title or interest in or to any titles, names, logos, slogans, jingles, trademarks, copyrights, ideas, formulas, general program content and/or other literary, musical, artistic or creative material broadcast by or associated with AIR-1 or EMF beyond the grant of a limited rebroadcast consent on the terms herein specified. All rights not specifically granted to Licensee hereunder in and to AIR-1's programming and signal and the content thereof are reserved to EMF for its sole and exclusive use, disposition and exploitation. Moreover, the parties hereto understand and agree that third persons may hold copyrights or other legal rights in and to certain programs broadcast on AIR-1 and that the right to rebroadcast AIR-1's signal granted hereunder shall not be deemed in any way to cover, convey or transfer such rights of third persons.

10. Representations, Warranties and Covenants of Licensee. Licensee hereby makes the following representations, warranties and covenants to EMF:

(a) This Agreement constitutes the legal, valid and binding obligation of Licensee, enforceable in accordance with its terms.

(b) The execution and performance of this Agreement will not violate any order, rule, judgment or decree to which Licensee is subject or constitute a breach of or default under any contract, agreement, or other commitment to which Licensee is a party or may be bound.

(c) Licensee shall operate the Station and shall maintain the Station's facilities in material compliance with Communications Law, including but not limited to the FCC's sponsorship identification rules. Notwithstanding the foregoing and as set forth in Section 5(b) above, EMF shall include the Station's hourly station identification announcements in the AIR-1 programming to be rebroadcast on the Station on behalf of Licensee so that such announcements are aired in accordance with Communications Law. Licensee shall maintain the Station's facilities in good working order and shall repair and update Station equipment as reasonably necessary. The Station is and will continue to be authorized to operate as a commercial radio broadcast station by the FCC during the Term.

(d) Licensee shall retain, on a full-time, part-time, or contract basis, a qualified engineer who shall be responsible for maintaining the transmission facilities of the Station. Licensee shall employ a chief operator, as that term is defined by the rules and regulations of the FCC (who may also hold the position of engineer), who shall be responsible for maintaining compliance by the Station with the technical operating and reporting requirements established by the FCC, and Licensee shall be responsible for ensuring that qualified control operators monitor and control the Station's transmissions in material conformity with FCC requirements. Notwithstanding the foregoing, nothing shall require Licensee to employ any more employees than necessary to satisfy the FCC's main studio staffing rules.

(e) Licensee shall maintain a main studio and staff in material conformity with Communications Law at all times during the term hereto, and Licensee shall maintain an appropriate public inspection file, and shall maintain that file as may be required by present or future Communications Law.

(f) Licensee possesses and will maintain all rights necessary to broadcast the programming supplied hereunder, including such rights as may be necessary to permit Licensee to rebroadcast the programming supplied hereunder, provided that the Licensee shall maintain at its expense all necessary BMI, ASCAP, and SESAC licenses with respect to programs provided and broadcast by the Licensee.

11. Representations, Warranties and Covenants of EMF. EMF hereby makes the following representations, warranties and covenants to Licensee:

(a) The execution, delivery and performance of this Agreement has been duly authorized by all necessary corporate action on the part of EMF, and this Agreement constitutes the legal, valid and binding obligation of EMF, enforceable in accordance with its terms.

(b) The execution and performance of this Agreement will not violate any order, rule, judgment or decree to which EMF is subject or constitute a breach or default under its charter, bylaws or any contract, agreement, or other commitment to which EMF is a party or may be bound.

(c) The programming supplied by EMF for broadcast on the Station will comply with all applicable laws, including without limitation, Communications Law.

(d) EMF will immediately send to Licensee copies of any letters or complaints concerning the programming supplied by EMF or the operation of the Station received by EMF for review and placement in the Station's public inspection file.

(e) The provision of programming by EMF pursuant to this Agreement will comply with the provisions of Section 73.3555 of the FCC's Rules (including the notes thereto) concerning multiple ownership.

(f) EMF agrees that it will not accept any consideration, compensation or gift or gratuity of any kind whatsoever, regardless of its value or form, including, but not limited to, a commission, discount, bonus, material, supplies or other merchandise, services or labor (collectively, "Consideration"), unless the payer is identified in the program for which Consideration was provided as having paid or furnished such Consideration, in accordance with Communications Law.

12. Termination. This Agreement may be terminated upon an "*Event of Default*," as defined as follows:

(a) EMF's Events of Default. The occurrence and continuation of any of the following will be deemed an Event of Default by EMF under this Agreement:

(i) EMF fails to make any Monthly Payment;

(ii) EMF fails to observe or perform any other material covenant, condition or agreement contained in this Agreement; or

(iii) EMF breaches or violates any material representation or warranty made by it under this Agreement.

(b) Licensee's Events of Default. The occurrence and continuation of any of the following will be deemed an Event of Default by Licensee under this Agreement:

(i) Licensee fails to observe or perform any material covenant, condition or agreement contained in this Agreement; or

(ii) Licensee breaches or violates any material representation or warranty made by it under this Agreement.

(c) Cure Period. EMF shall have ten (10) days from the date that Licensee has provided EMF with written notice that EMF is in default in its obligation to make the Monthly Payment to cure such Event of Default. In the case of all other Events of Default, the defaulting party shall have thirty (30) days from the date on which EMF has provided Licensee or Licensee has provided EMF, as the case may be, with written notice specifying the Event(s) of Default to cure any such Event(s) of Default. If the Event of Default cannot be cured by the defaulting party within the specified time period but commercially reasonable efforts are being made to effect a cure or otherwise secure or protect the interests of the non-defaulting party (in which case, if successful, the Event of Default shall be deemed cured), then the defaulting party shall have an additional period not to exceed thirty (30) days to effect a cure or a deemed cure. Notice of an Event of Default shall be deemed provided to the defaulting party as set forth in Section 17, below.

(d) Termination for Uncured Event of Default. If an Event of Default by EMF has not been cured or deemed cured within the period set forth in Section 12(c) above, then Licensee may terminate this Agreement immediately upon written notice to EMF, and shall be entitled to pursue any remedies available at law or equity. If an Event of Default by Licensee has not been cured or deemed cured within the periods set forth in Section 12(c) above, then EMF may terminate this Agreement immediately upon written notice to Licensee, and shall be entitled to pursue any remedies available at law or equity.

(e) This Agreement may be terminated by either Licensee or EMF by written notice to the other in the event this Agreement is declared invalid or illegal in whole or substantial part by an order or decree of an administrative agency or court of competent jurisdiction and such order or decree has become final.

(f) In the event of termination, all rights and privileges granted to Licensee hereunder shall forthwith cease and terminate and revert to EMF for EMF's sole and exclusive use and disposition, and Licensee shall cease any further use of AIR-1's programming and signal and the content thereof, including without limitation any titles, names, logos, slogans, jingles, trademarks, copyrights, ideas, formulas, general program content and/or other literary, musical, artistic or creative material broadcast by or associated with AIR-1.

13. Indemnification.

(a) EMF shall indemnify, defend and hold harmless Licensee from and against any and all claims, losses, costs, liabilities, damages and expenses (including reasonable legal fees and other expenses incidental thereto) of every kind, nature, and description (hereinafter referred to as "Loss and Expense"), arising out of: (i) the content of programming furnished by EMF under this Agreement; (ii) any misrepresentation or breach of any warranty or covenant of EMF contained in this Agreement; and (iii) the actions of EMF's employees and agents on the Station premises maintained by Licensee.

(b) Licensee shall indemnify, defend and hold harmless EMF from and against all Loss and Expense arising out of: (i) any misrepresentation or breach of any representation, warranty or covenant of Licensee contained in this Agreement and (ii) the actions of Licensee's employees and agents on the Station premises.

14. Force Majeure. Licensee shall not be liable for any failure of performance hereunder due to causes beyond its commercially reasonable control, including without limitation, acts of God, equipment malfunction or commercial power failure or reduction. In the event of the occurrence of any such event, Licensee agrees to use commercially reasonable efforts to resume performance as promptly as practicable.

15. Assignment. This Agreement shall be binding upon each party's successors and 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.

16. No Joint Venture. Nothing contained herein shall be deemed to create any joint venture, partnership, or principal-agent relationship between EMF and Licensee, and neither shall hold itself out in any manner which indicates any such relationship with the other.

17. Notices. All notices and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, 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 Licensee, to:

Prunedale Educational Foundation for Central California, Inc. d/b/a Prunedale
Educational Association
8145 North Prunedale Road
Salinas, CA 93907
ATTN: Pastor Arlon Moon, President

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

Marashlian & Donahue, PLLC
1420 Spring Hill Road, Suite 401
McLean, Virginia 22102
Attn. Nathaniel J. Hardy

If to EMF, to:

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

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

David D. Oxenford, Esq.
Wilkinson Barker Knauer, LLP
1800 M Street, N.W. Suite 800N
Washington, D.C. 20036

18. Entire Agreement; Modifications. This Agreement contains the entire understanding between the parties with respect to the subject matter hereof. 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. No amendment or modification of this Agreement shall be binding on either party hereto unless first reduced to writing and signed by both parties hereto.

19. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with, the laws of the State of California.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

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

**PRUNEDALE EDUCATIONAL
FOUNDATION FOR CENTRAL
CALIFORNIA, INC. d/b/a Prunedale
Educational Association**

By: _____

Name:

Title:

EDUCATIONAL MEDIA FOUNDATION

By: _____

Name: Mike Novak

Title: CEO

Schedule 1(a)(i)(A)
Exchange Party Tangible Property

K206CC 89.1

1. Inovonics 630 FM tuner
 2. Armstrong FMX-150B transmitter
 3. Bext FM 40 watt transmitter
 4. Cablewave ECL-FM/1
 5. Scala CL-FM receive antenna
-

K208CW 89.5

1. Small receive antenna
 2. Inovonics tuner 631
 3. Aim airs
 4. Crown FM 30
 5. Several cavity filters
 6. Cabinet
-

KLVM TRANSMITTER SITE

1. Arc 16
 2. Wacom products bandpass filter WP-498-2
 3. Tft STL receiver 9107 serial # 1070383
 4. Crown FM 500 transmitter
 5. Andrews air pump 40525B
 6. rack
 7. ERI 1091-ICP-DA transmit antenna
 8. STL antenna (**ERI 1091-ICP-DA**)
 9. Scala CL-FM antenna
-

KLVM STUDIO

1. Sage EAS unit
 2. Main equipment rack with equipment (Already belongs to EMF)
-

KLVM STL BUILDING

1. Optimod FM 5700 audio processor
2. TFT STL 7700B serial 321-8 9445
3. STL antenna paralector

K220BV 91.9

1. 2 scala CL-FM receiver antennas
2. Broadcast tools model box of relays
3. Wegner unity 4600 (Owned by EMF)
4. Aim airsis remote control (Owned by EMF)
5. Panasonic tuner model st-k550
6. Satellite dish (Owned by EMF)
7. Broadcast dc8a dial up remote
8. Filter cavity
9. Inovonics receiver 631
10. Omnia model 6 audio processor
11. Rack
12. Scala CL-FM transmit antenna

K238AH 95.5

1. Crown FM 30
2. Crown FM 1000
3. Nicom BKG-77 antenna
4. Scala CL-FM antenna
5. Aim airsis remote control
6. Rack
7. Telewave filter TPRCY008-2
8. 2 telewave filters
9. Shively labs 2604-3A Bandpass filter
10. Inovonics receiver 631

K290CJ 105.9

1. Crown FM 30 with off air tuner
2. Rec antenna (if on the site)
3. Jampro JLCP1 transmit antenna
4. About 4ft Small cabinet

Schedule 1(a)(i)(B)
Exchange Party Authorizations

FCC Licenses
Main Station KLVM(FM), Prunedale, California
Facility ID Number 53696
Prunedale Educational Association

Type of Authorization	Call Sign	FCC File Number	Grant Date	Expiration Date
Broadcast Renewal	KLVM(FM)	BRED- 20130801ACS	11/22/2013	12/1/2021
Broadcast License	KLVM(FM)	BLED- 20060822AJC	8/25/2006	12/1/2021

Auxiliary Station

Type of Authorization	Call Sign	Grant Date	Expiration Date
Aural Studio Transmitter Link	WLF302	4/7/1987	12/1/2021

FCC Licenses
Station K208CW, Monterey, California
Facility ID Number 88578
Prunedale Educational Association

Type of Authorization	Call Sign	FCC File Number	Grant Date	Expiration Date
Broadcast License	K208CW	BLFT- 20090522AFG	5/27/2009	12/1/2021
Broadcast Renewal	K208CW	BRFT- 20130801ACT	11/22/2013	12/1/2021

Station K220BV, San Jose, Etc., California
 Facility ID Number 53697
Prunedale Educational Association

Type of Authorization	Call Sign	FCC File Number	Grant Date	Expiration Date
Broadcast License	K220BV	BLFT- 20030925ATN	11/24/2003	12/1/2021
Broadcast Renewal	K220BV	BRFT- 20130801ACP	11/22/2013	12/1/2021

Station K206CC, Lockwood, California
 Facility ID Number 53698
Prunedale Educational Association

Type of Authorization	Call Sign	FCC File Number	Grant Date	Expiration Date
Broadcast License	K206CC	BLFT- 20150604AAM	6/15/2015	12/1/2021
Broadcast Renewal	K206CC	BRFT- 20130801ACO	11/22/2013	12/1/2021

Station K238AH, King City, California
 Facility ID Number 151413
Prunedale Educational Association

Type of Authorization	Call Sign	FCC File Number	Grant Date	Expiration Date
Broadcast License	K238AH	BLFT- 20070105ADN	2/8/2007	12/1/2021
Broadcast Renewal	K238AH	BRFT- 20130801ACQ	11/22/2013	12/1/2021

FCC License
Main Station K290CJ, Soledad, California
Facility ID Number 84125
Prunedale Educational Foundation For Central California, Inc.

Type of Authorization	Call Sign	FCC File Number	Grant Date	Expiration Date
Broadcast Renewal	K290CJ	BRFT- 20130801ACV	11/22/2013	12/1/2021
Broadcast License	K290CJ	BLFT- 20170228AAB	3/8/2017	12/1/2021

Schedule 1(a)(i)(C)
Exchange Party Leases

K208CW Transmitter Site

- *License Agreement dated January 19, 1999 between American Tower, L.P and Prunedale Education Foundation, Inc. for site located on Mt. Toro in Monterey, California*
 - * Licensor consent required to assign (Paragraph 21)

K238AH Transmitter Site

- *License Agreement dated September 28, 2008 between American Tower, L.P and Prunedale Education Foundation for site located at 48448 Lonoak Road, King City, CA 93930*
 - * Licensor consent required to assign (Paragraph 19)

KLVM Transmitter Site #

- Seller's interest in the KLVM(FM), Prunedale, CA (FCC Facility Id. 53695) transmitter site lease

K220BV Transmitter Site #

- Seller's interest in the K220BV, San Jose, CA (FCC Facility Id. 53697) transmitter site lease

K206CC Transmitter Site #

- Seller's interest in the K290CJ, Soledad, CA (FCC Facility Id. 8412) transmitter site lease

K290CJ Transmitter Site #

- Seller's interest in the K206CC, Lockwood, CA (FCC Facility Id. 53698) transmitter site lease

*Seller to provide lease details and any required lessor consent prior to Closing.*

Schedule 1(b)(i)(A)
KARW Tangible Property

Transmitter	GatesAir		TE10003429-001	
Audio Proccor	Orban	8600S-HD	8600S0389-HD	1032009
HD Sync	Inovonics	Justin 808	159	1031893
EAS Receiver	Crown	RFBA-1	446	1031348
Endec	Sage	3644	B430181	1022644
Antenna	ERI	MP-2E-DA-HQ		
TX Coax	RFS	7/8 foam (LCF78-50A)		
Computer	Compaq	P9622AR#ABA	CNN33602J3	

Schedule 1(b)(i)(B)
KARW Authorizations
 Station KARW(FM), Salinas, California
 Facility ID Number 15197
Educational Media Foundation

Type of Authorization	Call Sign	FCC File Number	Grant Date	Expiration Date
Broadcast License	KARW(FM)	BMLED-20160726ABP	10/3/2016	12/1/2021
Broadcast Renewal	KARW(FM)	BRH-20130730AHX	11/22/2013	12/1/2021

Auxiliary Station

Type of Authorization	Call Sign	Grant Date	Expiration Date
Aural Studio Transmitter Link	WQHB849	6/22/2007	12/1/2021

Schedule 1(b)(i)(C)
KARW Lease

KARW Transmitter Site

- *Tower and Equipment Space Lease dated September 16, 2016 between HH Tower Group, LLC and Educational Media Foundation for site commonly known as the Hidden Hills Tower Site located in Monterey, California*
 - * Licensor consent required to assign (Paragraph 8)