

ASSET PURCHASE AGREEMENT

THIS AGREEMENT (hereinafter "Agreement" or "APA"), is made and entered into this 21st day of September 2023, by and among Delmarva Educational Association, a Virginia non-profit corporation ("Seller") and Educational Radio Foundation of East Texas, Inc., a Texas non-profit corporation ("Buyer").

WITNESSETH

WHEREAS, Seller, under authority of licenses issued by the Federal Communication Commission (the "FCC"), is the owner of commercial FM radio station KKTH, Bosque Farms, New Mexico (Fac. Id. 65704) (the "Station"); and

WHEREAS, Seller desires to sell and Buyer desires to purchase the assets and rights belonging to or used or held for use in the business and operation of the Station pursuant to the terms and conditions stated herein; and

WHEREAS, assignment of the Station's FCC Licenses as part of the sale is subject to and conditioned upon the consent of the FCC to the terms and conditions stated herein and the assignment of the FCC Licenses; and

WHEREAS, simultaneously with the execution and delivery of this Agreement, Seller and Buyer have entered into a Local Programming and Marketing Agreement ("LMA") pursuant to which Buyer will provide programming for, and be entitled to receive revenues from the sale of advertising time on, or donations from listeners to, the Station, consistent with the provisions of the Communications Act of 1934, as amended, and the rules, regulations and published policies of the FCC promulgated thereunder (collectively, the "Communications Laws").

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements stated herein, the parties hereto agree as follows:

1. **Assets Sold and Purchased.** On the date of the consummation of the sale and purchase contemplated hereunder (the "Closing") of this Agreement, as provided for in Section 5 below (the "Closing Date"), Seller will cause to be sold, transferred, assigned and conveyed to Buyer, by appropriate instruments, and Buyer will purchase and assume, subject to the terms and conditions set forth herein, all of Seller's right, title and interest in all the assets, real, personal, tangible and intangible, good will, contract rights, leases and licenses of Seller (except Excluded Assets) used and/or held for use in the operation of the Station, free and clear of all liens, claims, security interests, instruments or encumbrances, except for Permitted Liens, (collectively the "Assets") as follows:

1.1 **License and Authorizations.** The Station FCC licenses and all other FCC authorizations issued to Seller, and all applications or proceedings filed by Seller that are pending at the FCC, related to the operation of the Station, all as set forth in Exhibit 1.1 hereto (the "FCC Licenses"), and all other licenses, rights, permits and authorizations issued to Seller by any other governmental or regulatory agency which are used or useful in connection with the operation of the Station.

1.2 **Tangible Personal Property.** All of the fixed and tangible personal property assets owned by Seller, along with any unexpired warranties, including, but not limited to, the physical assets and equipment, spare and replacement parts, leasehold improvements, furniture, fixtures, computers and related equipment, communications equipment, broadcast equipment, transmitting towers, antennae, receivers, programming, transmitters, switches and related equipment solely used or held for use in the operation of the Station as listed and described in Exhibit 1.2, together with replacements thereof and improvements and additions made between the date hereof and the Closing Date (the “*Tangible Personal Property*”).

1.3 **Contracts.** Certain contracts or contractual rights of Licensee used in or necessary to the operation of the Station as listed and described in Exhibit 1.3 hereto (the “*Station Contracts*”). To the extent that the assignment of any Station Contract may require the consent of a third party, Seller will use all commercially reasonable efforts to secure such consent. In the event Seller is unable to secure such consent, Buyer will not be required to assume performance pursuant to such contract or agreement.

1.4 **Real Property Leasehold Interests.** All of Seller’s right, title and interest in the leased or licensed real property related to the operation of the Station’s main transmitter site, all as further described in Exhibit 1.4 hereto (the “*Real Property Lease*”).

1.5 **Records.** All records relating to the technical and engineering operation of the Station, including, but not limited to (i) all program, operating and maintenance logs maintained in connection with the Station, whether or not required by the FCC; (ii) engineering or consultant reports, data or analyses pertaining to the Station’s facilities; (iii) the Station Public Inspection File, and (iv) lists of Station advertiser and donor information, to include contact information and the status of any pledges, but excluding records relating to the Excluded Assets (defined below). Seller shall be entitled to retain the original or copies of all bookkeeping accounts, including ledgers, account cards and all written information on accounts receivable and accounts payable.

1.6 **Intellectual Property.** All of Licensee’s rights in and to the KKTH call letters and the trademarks, trade names, service marks, internet websites, domain names, copyrights, computer software, programs and programming materials, jingles, slogans, logos, Facebook, X (formerly Twitter) and other social media accounts and other intellectual property used with the Station, together with the goodwill of the business associated with the foregoing and the right to bring claims for past, present, or future infringement or misappropriation of any of the foregoing (the “*Intellectual Property*”).

2. **Excluded Assets.** Notwithstanding any provision of this Agreement to the contrary, Seller shall not transfer, convey or assign to Buyer, but shall retain all of its right, title and interest in and to, the following assets owned or held by it on the Closing Date (the “*Excluded Assets*”)

- a. Cash, cash equivalents, accounts receivable,

- b. Any and all claims of Seller with respect to transactions prior to the Closing including, without limitation, claims for tax refunds and refunds of fees paid to the FCC;
- c. All contracts of insurance and claims against insurers;
- d. All prepaid expenses (except to the extent Seller receives a credit therefor under Section 15.1, in which event the prepaid expense shall be included as part of the Assets).
- e. All employee benefit plans and the assets thereof and all employment contracts;
- f. All contracts that are terminated in accordance with the terms and provisions of this Agreement or have expired prior to the Closing Date in the ordinary course of business; and all loans and loan agreements.
- g. All tangible personal property disposed of or consumed between the date hereof and the Closing Date in accordance with the terms and provisions of this Agreement and in the ordinary course of business;
- h. The assets, both tangible and intangible, real, personal, or mixed of Seller or its affiliates relating to the other radio stations of Seller or its affiliates;
- i. and all other property of Seller not defined as an Asset herein or included on an exhibit to Section 1.

3. **Purchase Price.** The total purchase price for all of the Assets sold and purchased hereunder shall be FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00) (the "Purchase Price"), subject to agreed-upon pro-rations or other adjustments set forth in this Agreement, which shall be paid by Buyer to Seller via electronic funds transfer in immediately payable U.S. funds on the Closing Date.

3.1 **Assumed Liabilities.** At the Closing, Buyer shall assume only those liabilities accruing after the Closing Date under the Station Contracts and Real Property Lease.

3.2 **Excluded Liabilities.** Buyer does not assume and shall not be obligated to pay, perform, or discharge any of Seller's obligations, liabilities, agreements, or commitments not specifically assumed by Buyer (the "Excluded Liabilities"), and the indemnification obligations set forth in Section 8 hereof shall apply in the event of any loss, liability, damage or expense (including reasonable attorney's fees) incurred by Buyer arising out of Seller's failure to pay, perform or discharge any of the Excluded Liabilities. Without limiting the generality of the foregoing, the Excluded Liabilities shall include, and Buyer shall not assume or be liable for (i) any liability, claim or obligation, contingent or otherwise, of or against Buyer arising out of the business or operation of the Station or the Assets prior to the Closing Date; (ii) any liability or obligation under any contracts not specifically assumed by Buyer under the terms of this Agreement or relating to a breach prior to the Closing Date under any such contracts; (iii) any liability, claim or obligation under the Station Contracts and Real Property Lease assumed by Buyer hereunder accruing before the Closing Date; (iv) any liability or obligation for any federal, state, or local income or other taxes or fees attributable to any period of time before the Closing Date; (v) any liability or obligation with respect to the Excluded Assets; (vi) any liability or obligation to any employee or former employee of Seller or Station attributable to any period of time on or through the Closing Date (including accrued vacation and holiday pay and allowances);

(vii) any severance or other liability arising out of the termination of any employee of Seller; (viii) any duty, obligation or liability related to any employee benefit, pension, 401(k) or other similar plan, agreement or arrangement provided to employees of Seller, and none of such plans shall be assumed by Buyer; (ix) any liability or obligation of Seller arising out of any litigation, proceeding or claim by any person or entity relating to the business or operation of the Station prior to the Closing Date, whether or not such litigation, proceeding, or claim is pending, threatened or asserted before, on, or after the Closing Date; and (x) frequency discounts, rebates or allowances to advertisers (or their agencies) which are based on broadcasts prior to the Closing Date.

3.3 **Payment of Liabilities by Seller.** Seller shall pay, perform, discharge and settle (i) all of the material liabilities at Closing which at such time, or with the passage of time, would result in an encumbrance on any of the Assets; and (ii) all other liabilities in the ordinary course of business and on a timely basis (except for liabilities being disputed by Seller in good faith and by appropriate proceedings), and Seller shall deliver the Assets to Buyer at Closing free and clear of liabilities, liens, or encumbrances whatsoever, except for Permitted Liens. For purposes hereof, a "Permitted Lien" shall mean (i) easements, restrictions, and other similar matters which will not materially adversely affect the use of the Real Property Lease premises in the ordinary course of business; (ii) liens for taxes not due and payable, or that are being contested in good faith by appropriate proceedings; (iii) mechanics, materialmen's carriers', warehousemen's landlords' or other similar liens in the ordinary course of business for sums not yet due or which are being contested in good faith by appropriate proceedings; (iv) liens or mortgages that will be released at Closing; (v) zoning ordinances and regulations which will not materially adversely affect the use of the Real Property Lease premises in the ordinary course of business, provided that any of the foregoing alone or in the aggregate do not materially impair the value or materially interfere with the use of any asset or property of the Seller material to the operation of its business as it has been and is now conducted; and/or (vi) a lien securing only an Assumed Liability. Seller shall pay the final salaries of each of the employees of the Seller for monies due them to and including the Closing Date.

3.4 **Purchase Price Allocation.** On or before the Closing Date, Seller and Buyer shall mutually agree upon an allocation of Purchase Price among the Assets that complies with Section 1060 of the Internal Revenue Code of 1986, as amended.

4. **Escrow Deposit.** Within two (2) business days of the execution and delivery of this Agreement, Buyer shall deposit the amount of TWENTY THOUSAND DOLLARS (\$20,000.00) (the "Escrow Deposit") with Mark Jorgenson of Jorgenson Broadcast Brokerage, Inc. ("Escrow Agent") pursuant to the terms of a written escrow agreement in the form attached hereto as Exhibit 4 (the "Escrow Agreement"). The Escrow Agreement shall be signed by Seller, Buyer, and Escrow Agent simultaneously with the execution of this Agreement. At Closing, Seller and Buyer shall join in causing the Escrow Deposit to be applied to the Purchase Price and remitted to Seller. Any interest accrued on the Escrow Deposit shall be disbursed to Buyer. If this Agreement is not consummated because of Buyer's default, the Escrow Deposit and any interest accrued thereon shall be disbursed in accordance with this agreement. If this Agreement is terminated for any other reason, the Escrow Deposit and any interest accrued thereon shall be disbursed to Buyer. The parties shall each instruct the Escrow Agent to disburse the Escrow Deposit and all interest

thereon to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement. Any failure by Buyer to make the Escrow Deposit constitutes a material default as to which no cure period applies, entitling Seller to immediately terminate this Agreement as its sole and exclusive remedy.

5. **Closing of the Agreement.**

5.1 **Closing Date**

(a) Subject to satisfaction or waiver of all other conditions to Closing set forth herein, the Closing shall take place by the exchange of signed documents via facsimile, electronic mail or overnight courier, within ten (10) business days after the FCC approval of the assignment of the FCC Licenses to Buyer in accordance with Section 13 has become Final (as defined in Section 5.1(c)) (the "Closing Date"), unless Buyer, in its sole discretion, elects to close at an earlier time and date, upon reasonable prior notice to Seller.

(b) If Closing occurs prior to such FCC approval becoming Final (defined below), and prior to becoming Final such FCC approval is reversed or otherwise set aside, and there is a Final order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Licenses to Seller, then the purchase and sale of the Assets shall be rescinded. In such event, Buyer shall re-convey to Seller the Assets, and Seller shall repay to Buyer the Purchase Price and reassume the contracts and leases assigned and assumed at Closing. Any such rescission shall be consummated on a mutually agreeable date within thirty days of such Final order (or, if earlier, within the time required by such order). In connection therewith, Buyer and Seller shall each execute such documents (including execution by Buyer of instruments of conveyance of the Assets to Seller and execution by Seller of instruments of assumption of the contracts and leases assigned and assumed at Closing) and make such payments (including repayment by Seller to Buyer of the Purchase Price) as are necessary to give effect to such rescission.

(c) For purposes of this Agreement, the word "Final" shall mean action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended, with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending, and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated.

6. **Seller's Representations, Warranties and Covenants.** Seller makes the following representations, warranties, and covenants, each of which shall be deemed to be a separate representation, warranty, and covenant, all of which have been made for the purpose of inducing Buyer to join in and execute this Agreement, and in reliance on which Buyer has entered into this Agreement:

6.1 **Organization.** Seller is now and will be on the Closing Date, a non-profit corporation in good standing under the laws of the State of Virginia. The execution, delivery and

consummation of this Agreement and the transactions contemplated herein have been duly authorized by the board of directors of Seller, and no further authorization, approval or consent is required except for the Real Property Lease and any Station Contract assignment consents, and the FCC Consent. The execution, delivery and consummation of this Agreement will not conflict with any provision of the by-laws or articles of incorporation of Seller. This Agreement is a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

6.2 **Licenses and Authorizations.** Seller holds the Station FCC Licenses, and all other FCC licenses, authorizations or approvals necessary for or used in connection with the operation of the Station. The Station FCC Licenses are valid and existing and in full force and effect in every material respect for the purpose of operating the Station, and expire on, and are renewed without conditions through, the dates shown on Exhibit 1.1. Except for proceedings of general applicability or specific applicability to this market (i) no application, action or proceeding is pending for the modification of any Station FCC License and (ii) no application, action or proceeding is pending or threatened that may result in the revocation, modification, non-renewal or suspension of the Station FCC Licenses or other authorizations. Except where omissions or delays are *de minimis* or immaterial, Seller has timely filed all reports or other materials with the FCC as required by the FCC's rules, regulations and policies. Seller has not received from the FCC any notice of inquiry, violation, apparent liability, or investigation related to the Station.

6.3 **Personal Property.** Seller holds and will convey at Closing good and marketable title to the Tangible Personal Property, free and clear of all liens, pledges and encumbrances whatsoever, except for Permitted Liens. The assets listed on Exhibit 1.2, together with all improvements, replacements and additions thereto from the date hereof to the Closing Date, (i) constitute all the tangible personal property owned by Seller solely used or held for use in the operation of the Station and necessary to operate the Station in accordance with the Station FCC Licenses, (ii) are in good operating condition, normal wear and tear excepted, and (iii) have been maintained in accordance with industry-accepted engineering standards. The Tangible Personal Property is transferrable by Seller by its sole act and deed and no consent on the part of any other person is necessary to validate the transfer thereof to Buyer, except as otherwise expressly contemplated by this Agreement. The Station's transmitting equipment included in the Tangible Personal Property is operating in accordance with the terms and conditions of the Station FCC Licenses, all underlying construction permits, and the rules and regulations of the FCC.

6.4 **Real Property Lease.** The Real Property Lease provides valid leasehold or licensed interests in the premises defined therein (the "Leased Premises"), and no right of access, easements, or other legal, leased or licensed rights on neighboring property is necessary for the operation of the Station. There are no pending or, to the best of Seller's knowledge, contemplated condemnation or eminent domain proceedings that may affect the Leased Premises. To Seller's knowledge, Seller's use and occupancy of the Station's main transmission tower comply in all material respects with all regulations, codes, ordinances, and statutes of all applicable

governmental authorities. Seller has complied in all material respects with the Real Property Lease, and no material default in respect of any duties or obligations required to be performed thereunder has occurred.

6.5 **Contracts.** True and complete copies of all Station Contracts listed on Exhibit 1.3 and the Real Property Lease listed on Exhibit 1.4 have been furnished to Buyer. All provisions of the Station Contracts have been complied with in all material respects by Seller and no material default in respect of any duties or obligations required to be performed thereunder has occurred. For any contracts or agreements of Seller not listed on Exhibit 1.3 or Exhibit 1.4 but related to the operation of the Station, Seller shall be responsible for taking all actions, before or after Closing, to terminate such contracts or agreements, including without limitation any costs and payments associated therewith.

6.6 **Litigation.** No judgment is presently pending against Seller with respect to the Station or the Assets and, except for proceedings of general applicability or specific applicability to this market, or as identified in Exhibit 6.6 attached hereto, there is no litigation, proceeding or investigation by or before the FCC or by or before any other person, firm or governmental agency pending, or, to the knowledge of Seller, threatened with respect to the Station or the Assets which might result in any material adverse change in the operation of the Station or would have a material adverse effect on the right, title or interest of Seller in the Assets or the ownership, use or possession of the Station or the Assets by Buyer, or which may question the validity of any action taken or to be taken pursuant to or in connection with any of the provisions of this Agreement.

6.7 **Insurance.** Seller maintains in force fire, casualty and liability insurance in respect to the Assets and the business and operations of the Station and will maintain or cause to be maintained such presently existing insurance in force until the Closing.

6.8 **Disposal of Assets.** Between the date hereof and the Closing Date, Seller will not sell or agree to sell or otherwise dispose of the Assets other than in the ordinary course of business and only as such Assets are replaced, prior to the Closing Date, by other assets of substantially equal or greater value and utility. Any such disposition of the Assets shall only be after consultation with and approval of Buyer, which shall not be unreasonably withheld.

6.9 **No Infringement.** To Seller's knowledge, the operations of the Station does not infringe, and no one has asserted that such operations infringe, upon any copyright, patent, trademark, trade name, service mark, intellectual property, publicity or other similar right of any other party.

6.10 **Employees.** Seller has, in the conduct of the affairs of the Station, complied in all material respects with all applicable laws, rules and regulations relating to the employment of labor, including those related to wages, hours, equal employment opportunity, collective bargaining, pension, welfare benefit plans, and the payment of social security and similar taxes. Upon Buyer's request, Seller shall permit Buyer to interview some or all of the Station's employees prior to or after the Closing Date for purposes of employment with Buyer after the Closing.

Notwithstanding Seller's consent granted herein, Buyer shall have no obligation to hire any of the Station's employees in connection with the proposed transaction. No employee of the Station is represented by a union or other collective bargaining unit, no application for recognition as a collective bargaining unit has been filed with the Nation Labor Relations Board, and, to Seller's knowledge, there has been no concerted effort to unionize any of the Station's employees. To Seller's knowledge, there are no material controversies pending or threatened between Seller and any of the Station's employees, and Seller is not aware of any facts that could reasonably result in any such controversy. Seller has never maintained or contributed to any pension plan (including, but not limited to, any single or multi-employer pension plan within the meaning of ERISA, as amended) with respect to any of the Station's current or former employees.

6.11 **No Breach.** The execution and performance of this Agreement will not violate any order, rule, judgment, or decree to which Seller is subject or breach any contract, agreement, or other commitment to which Seller is a party or by which Seller is bound, except for the need to obtain the FCC Consent and any third-party consents to assign the Real Property Lease or the Station Contracts.

6.12 **Administrative Violations or Notices.** Between the date hereof and the Closing Date, if Seller receives an administrative notice or other order relating to any violation of the Communications Laws, or of any other federal, state or local regulatory or administrative body, including rules regarding the employment of labor and equal employment opportunity, it will promptly notify Buyer of such order and use reasonable efforts to remove or correct such violations in the ordinary course of business and will be responsible for the cost of removing same, including the payment of any fines or back pay that may be assessed for any such violation, and Seller will indemnify and hold Buyer harmless with respect to any and all such violations occurring prior to the Closing Date.

6.13 **Taxes, Regulatory and Other Fees.** Seller has, in respect of the Station's business, paid and discharged all taxes, assessments, excises and other levies relative to the Assets being sold, including FCC regulatory fees which have become payable. Seller is not delinquent on any debt owed to the FCC, and its status in the FCC's Red Light Display System is "Green."

6.14 **Operations Pending Closing.** Between the date hereof and the Closing Date, Seller shall ensure that the Station is operated in the normal and usual manner in accordance in all material respects with the Communications Laws. No employment contract shall be entered into by Seller or on behalf of the Station which would legally bind the Buyer following the Closing, unless the same is terminable at will. No other contract, lease or agreement with a term extending beyond the Closing Date shall be entered into by Seller or on behalf of the Station, without the prior written consent of Buyer. Seller shall promptly provide a copy to Buyer of any filing by Seller with the FCC, or the receipt of any correspondence or notice from the FCC, with respect to the Station.

6.15 **Adverse Developments.** Prior to the Closing Date, Seller shall promptly notify Buyer, in writing, of any materially adverse developments with respect to the business or operations of the Station.

6.16 **Access.** Between the date hereof and the Closing Date, upon reasonable notice, Seller will give Buyer or representatives of Buyer reasonable access during normal business hours to the Assets and furnish Buyer with all documents and copies of documents and information concerning the Assets and the business and affairs of the Station as Buyer may reasonably request; *provided, however*, that no investigation made by or on behalf of Buyer shall affect Seller's representations, warranties and covenants hereunder.

6.17 **Environmental.** To Seller's knowledge: (i) except as consistent with applicable Environmental Laws, no Hazardous Substances are present on or below the surface of the Leased Premises and such property has not previously been used for the manufacture, refining, treatment, storage, or disposal of any Hazardous Substances; (ii) none of the soil, ground water, or surface water of the Leased Premises is contaminated by any Hazardous Substance and there is no reasonable potential for such contamination from neighboring real estate; and (iii) no Hazardous Substances have been omitted, discharged or released by Seller from the Leased Premises, directly or indirectly, into the atmosphere or any body of ground water. To Seller's knowledge, neither Seller nor any present or former owner or user of the Leased Premises is liable for clean up or response costs with respect to the admission, discharge or release of any Hazardous Substance or for any other matter arising under the Environmental Laws due to its use of the Leased Premises. To Seller's knowledge, no "underground storage tanks" as that term is defined in regulations promulgated by the EPA are used in the operation of the Station or are located, to Seller's knowledge, on the Leased Premises. As used herein, the term "Environmental Laws" means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601 et seq.) the Hazardous Materials Transportation Act (42 U.S.C. §1802 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), the Toxic Substances Control Act (15 U.S.C. §260-1 et seq.), the Clean Air Act (42 U.S.C. §7901 et seq.), the National Environmental Policy Act (42 U.S.C. §4231, et seq.), the Refuse Act (33 U.S.C. §407, et seq.), the Safe Drinking Water Act (42 U.S.C. §300(f) et seq.), the Occupational Safety and Health Act (29 U.S.C. §651 et seq.), and all rules, regulations, codes, ordinances and guidance documents promulgated or published thereunder, and the provisions of any licenses, permits, orders and decrees issued pursuant to any of the foregoing. The term "Hazardous Substance" as used herein means any pollutant, contaminant, or hazardous or toxic substance, waste or material as those or similar terms are defined in the Environmental Laws or listed as such by the EPA.

7. **Buyer's Representations and Warranties.** Buyer hereby makes the following representations, warranties and covenants each of which shall be deemed to be a separate representation, warranty and covenant, all of which have been made for the purpose of inducing Seller to join in and execute this Agreement, and in reliance on which Seller has entered into this Agreement:

7.1 **Corporate Existence.** Buyer is a non-profit corporation duly organized, existing, and in good standing under the laws of the State of Texas and is registered and/or qualified to do business in the State of New Mexico.

7.2 **Corporate Authorization.** The execution, delivery and consummation of this Agreement and the transactions contemplated herein has been duly and fully authorized by Buyer's board of directors and no further authorization, approval or consent of Buyer's board of directors is required. This Agreement is a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

7.3 **No Breach.** The execution, delivery and consummation of this Agreement will not conflict with any provision of the articles of incorporation or bylaws of Buyer, or with any contract to which Buyer is a party or is bound.

7.4 **Buyer Qualified.** Buyer is legally, financially and otherwise qualified to acquire and operate the Assets. This qualification is consistent in all respects with the Communications Laws. To Buyer's knowledge, no circumstances exist which reasonably could support a conclusion by the FCC that Buyer lacks the requisite qualifications to acquire and operate the Station.

7.5 **No Conflict.** Neither the execution or delivery of this Agreement nor compliance with the terms of this Agreement will (i) conflict with any order, judgment, injunction, award or decree of any governmental body, administrative agency or court, or any agreement, lease or commitment, to which Buyer is a party or by which Buyer is bound, or (ii) constitute a violation by Buyer of any law or regulation applicable to it, except for the need to obtain the FCC Consent.

7.6 **Litigation.** There is no claim, litigation, proceeding or governmental investigation pending or threatened, or any judgment, order, injunction or decree outstanding, against Buyer and Buyer does not know of any valid basis for future claims, litigations, proceedings or investigations against Buyer that might materially and adversely affect its ability to consummate the transactions contemplated by this Agreement.

7.7 **Insolvency Proceedings.** No insolvency proceedings of any kind including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement of creditors, voluntary or involuntary, affecting the Buyer or any of its assets or properties are pending or, to Buyer's knowledge, threatened, and Buyer has made no assignment for the benefit of creditors, or taken any action with a view to, or which would constitute the basis for, the institution of any such insolvency proceedings.

8. **Indemnification.**

8.1 **Buyer's Right to Indemnification.** Seller undertakes and agrees to indemnify and hold Buyer harmless against any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorney's fees, incurred or assumed by Buyer arising from the breach, misrepresentation, or other violation by Seller of any of the covenants, warranties or

representations contained in this Agreement, and for and against (i) all liabilities of Seller not assumed by Buyer pursuant to this Agreement, (ii) all liens, charges, or encumbrances on the Assets transferred hereunder not specifically excepted herein, and (iii) all liabilities of Seller accruing prior to Closing under the Real Property Lease or Station Contracts assigned to Buyer hereunder. The foregoing indemnity is intended by the Seller to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs, and expenses with respect to any and all of the specific matters in this indemnity which exceed in the aggregate Ten Thousand Dollars (\$10,000.00). Notwithstanding the above, Seller's liability to Buyer for indemnification shall not include any indirect, consequential, punitive or exemplary damages to Buyer, specifically including any "lost profits" or business interruption damages incurred by Buyer.

8.2 **Seller's Right to Indemnification**. Buyer undertakes and agrees to indemnify and hold Seller harmless against any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorney's fees, incurred or assumed by Seller arising from breach, misrepresentation, or other violation by Buyer of any of the covenants, warranties or representations contained in this Agreement, and for and against (i) all liabilities of Buyer, (ii) any and all liabilities or obligations accruing after the Closing Date under the Real Property Lease and Station Contracts assumed by Buyer hereunder and (iii) any actions by Buyer after Closing. The foregoing indemnity is intended by the Buyer to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs, and expenses with respect to any and all of the specific matters in this indemnity set forth which exceed in the aggregate Ten Thousand Dollars (\$10,000.00). Notwithstanding the above, Buyer's liability to Seller for indemnification shall not include any indirect, consequential, punitive or exemplary damages to Seller, specifically including any "lost profits" or business interruption damages incurred by Seller.

8.3 **Procedure**.

(a) If any claim or proceeding covered by the foregoing agreements to indemnify and hold harmless shall arise, the party who seeks indemnification shall give written notice thereof to the other party promptly describing in reasonable detail the nature and basis of the claim and the party from whom indemnification is sought shall have the right to employ counsel to defend against any such claim or proceeding or to compromise, settle or otherwise dispose of the same, if the indemnifying party deems it advisable to do so, all at the expense of the indemnifying party. The parties will fully cooperate in any such action, making available to each other books or records for the defense of any such claim or proceeding. If a party from whom indemnification is sought does not furnish a written acknowledgment of its undertaking to defend or settle such claim or proceeding in a timely manner, the party seeking indemnification shall be free to dispose of the matter, at the expense of the indemnifying party, in any reasonable way which it deems in its best interest (subject to the right of the indemnifying party to assume the defense of or opposition to such claim at any time prior to settlement, compromise or final determination thereof).

(b) Anything herein to the contrary notwithstanding:

(i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the claim;

(ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such claim; and

(iii) in the event that the indemnifying party undertakes defense of or opposition to any claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel concerning such claim and the indemnifying party and the indemnified party and their respective counsel shall cooperate in good faith with respect to such claim.

9. **Survival of Representations and Warranties.** The several representations and warranties of the parties contained herein shall survive the Closing for a period of twelve (12) months, at which point they shall be of no further force and effect; provided, however, that all warranties as to corporate authority shall survive for such maximum period as permitted by law.

10. **Actions Pending Closing.** Pending the Closing of this Agreement, Seller will:

10.1 **Access:** Give Buyer and its representatives access in accordance with Section 6.16 of this Agreement. Buyer agrees to take no action which would interfere with the normal business or operation of the Station, and to comply with the requirements of any landlord or licensor applicable to the Leased Premises being accessed.

10.2 **Compliance with Laws.** Comply in all material respects with all applicable federal, state and local laws, ordinances and regulations including, but not limited to, the Communications Laws.

10.3 **Contract Assignments.** Use commercially reasonable efforts to obtain any required consents necessary for the assignment of the Real Property Lease and Station Contracts requiring such approval.

10.4 **Conversion Application.** Cooperate as necessary with Buyer in the filing by Buyer of the NCE Conversion Application.

11. **Conditions Precedent to Buyer's Obligations to Close.** The obligation of Buyer to consummate the Closing under this Agreement is subject to the satisfaction, or to Buyer's written waiver, on or before the Closing, of each of the following conditions:

11.1 **Representations and Warranties True and Correct.** The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, except for changes permitted or contemplated by the terms of this Agreement, and all of the agreements of Seller to be performed on or prior to the Closing

pursuant to the terms of this Agreement shall have been duly performed in all material respects. Such facts shall be evidenced by a certificate to that effect, delivered at Closing, and signed by an authorized officer of Seller.

11.2 **FCC Consent.** The FCC shall have consented to the assignment of the Station FCC Licenses from Seller to Buyer without any conditions materially adverse to Buyer (the "**FCC Consent**"), and such consent shall have become Final.

11.3 **No Injunction.** There shall not be in effect an injunction or restraining order issued by a court of competent jurisdiction in any action or proceeding against the consummation of the sale of the Assets contemplated by this Agreement.

11.4 **Closing Documents.** Seller shall deliver to Buyer at the Closing all the closing documents specified in Section 14.1, which documents shall be duly executed.

11.5 **Third-Party Consents.** Seller shall have obtained written consent to the assignment of the Real Property Lease and Station Contracts, as required.

11.6 **NCE Conversion Application.** The grant of an application to convert the Station FCC License to noncommercial status (the "**NCE Conversion Application**"), the application for which will be the sole responsibility and expense of Buyer, and shall be made within five (5) business days of the Assignment Application filing. Buyer's written consent to such filing is granted herein pursuant to Section 73.3517(a) of the FCC's rules, and the grant thereof shall be contingent upon the grant of the Assignment Application and consummation of the transaction contemplated hereunder.

12. **Conditions Precedent to Seller's Obligations to Close.** The obligation of Seller to consummate the Closing under this Agreement is subject to the satisfaction, or to Seller's written waiver, on or before the Closing, of each of the following conditions:

12.1 **Payments.** All payments which are due and payable by Buyer under this Agreement on or before the Closing Date shall have been paid in accordance with the terms of this Agreement.

12.2 **Representations and Warranties True and Correct.** The representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, except for changes permitted or contemplated by the terms of this Agreement, and all of the agreements of Buyer to be performed on or prior to the Closing pursuant to the terms of this Agreement shall have been duly performed in all material respects. Such facts shall be evidenced by a certificate to that effect, delivered at Closing, and signed by an authorized officer of Buyer.

12.3 **FCC Consent.** The FCC shall have consented to the assignment of the Station FCC Licenses from Seller to Buyer.

12.4 **No Injunction.** There shall not be in effect an injunction or restraining order issued by a court of competent jurisdiction in any action or proceeding against the consummation of the sale of the Assets contemplated by this Agreement.

12.5 **Closing Documents.** Buyer shall deliver to Seller at the Closing all the closing documents specified in Section 14.2, which documents shall be duly executed.

13. **FCC Application**

13.1 **Condition of FCC Consent.** Consummation of the Closing is subject to and conditioned upon receipt from the FCC of its consent in writing to the assignment to Buyer of the Station FCC Licenses to be transferred to Buyer hereunder (the "**FCC Consent**").

13.2 **Application for Consent.** The parties to this Agreement agree to proceed as expeditiously as practicable to file or cause to be filed one or more applications requesting FCC consent to the assignment of the Station FCC Licenses, as contemplated by this Agreement (the "**Assignment Application**"). The parties agree that the Assignment Application shall be duly filed with the FCC not later than five (5) business days after the date of this Agreement, and that such application shall be prosecuted in good faith and with due diligence. The failure of either party to timely file or diligently prosecute its portion of the Assignment Application shall be deemed a material breach of this Agreement. Seller and Buyer shall each pay one-half of the filing fee for the Assignment Application. Buyer and Seller shall notify each other of all documents filed with or received from the FCC with respect to the Assignment Application. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of the Assignment Application.

13.3 **Absence of Commission Consent.** If the FCC Consent is not secured within nine (9) months after acceptance for filing by the FCC of the Assignment Application, then this Agreement may be terminated at the option of either party upon written notice to the other; provided, however, that neither party may terminate this Agreement if (a) such party is in default hereunder, (b) if a delay in any decision or determination by the Commission respecting the Assignment Application has been caused or materially contributed to by any failure of such party to furnish, file or make available information within its control or caused by the willful furnishing by such party of incorrect, inaccurate or incomplete information to the Commission, or caused by any action taken by such party for the purposes of delaying any decision or determination respecting the Assignment Application. Upon termination pursuant to this Paragraph, the parties shall be released and discharged of all obligations hereunder and the Escrow Deposit, together with accrued interest, shall be returned to the Buyer.

13.4 **Designation for Hearing.** The time for FCC Consent provided in Section 13.3 notwithstanding, either party may terminate this Agreement upon written notice to the other, if, for any reason, the Assignment Application is designated for hearing by the FCC, provided, however, that such termination shall not negate the provisions of this Agreement permitting legal recourse by one party against the other related to the reason cited by the FCC for hearing designation.

13.5 **Control of Station Pending Closing.** This Agreement shall not be consummated until after the FCC has given its written consent thereto, and between the date of this Agreement and the Closing Date, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct the operation of the Station. Such operation shall be the sole responsibility of Seller.

14. **Closing Documents.** On the Closing Date:

14.1 Seller shall deliver to Buyer:

(a) An assignment transferring all of the interests of Seller in and to the Station FCC Licenses, Station call letters, pending applications and all other licenses, permits, and authorizations issued by any other regulatory bodies which are used or held for use in the operation of the Station;

(b) A bill of sale conveying to Buyer all of the Tangible Personal Property and Intellectual Property;

(c) One or more assignments, together with all obtained consents, assigning the Real Property Lease and Station Contracts to Buyer;

(d) The certificate, dated as of the Closing Date, described in Section 11.1;

(e) A Certificate, dated as of the Closing Date, of a duly authorized officer certifying that all necessary corporate or other action by Seller has been taken to approve this Agreement and to authorize the consummation of the transactions described herein;

(f) The records and files referred to in Section 1.4 hereof;

(g) A settlement statement setting forth the amounts due after adjustments and pro-rations, and wire instructions for disbursement of funds to Seller; and

(h) Joint written instructions to be provided to Escrow Agent for the release of the Escrow Deposit.

14.2 Buyer shall deliver to Seller:

(a) The Purchase Price, in the form provided for in Section 3 hereof;

(b) The certificate, dated as of the Closing date, described in Section 12.2;

(c) A certificate, dated as of the Closing date, of a duly authorized officer of Buyer certifying that all necessary corporate or other action by Buyer has been taken to approve this Agreement and to authorize the consummation of the transactions described herein

(d) A certificate of good standing with respect to Buyer issued by the Secretary of State of Texas, and documentation confirming Buyer's authorization to conduct business in New Mexico;

(e) Joint written instructions to be provided to Escrow Agent for the release of the Escrow Deposit;

(f) A countersigned settlement statement; and

(g) As necessary, countersigned assignment and assumption documents for the assignment of the Real Property Lease and Station Contracts to Buyer.

15. **Pro-rations.**

15.1 **Apportionment of Income and Expense.** Subject to the terms of the LMA and Buyer's rights to Station revenue and reimbursement obligation for certain Station operating expenses thereunder, Seller shall be entitled to all income received, payable or arising from Station pre-Closing operations, and shall be responsible for all expenses arising out of, the operation of the Station through the close of business on the Closing Date. All prepaid and deferred income and expenses relating to the Assets and arising from the operation of the Station shall be prorated between Buyer and Seller in accordance with generally accepted principles as of 12:00 midnight on the Closing Date. Such prorations (the "Prorations") shall include without limitation:

(a) Advance payments received from advertisers or programmers of the Station prior to or on the Closing Date for services to be rendered in whole or in part on or after the Closing Date (to the extent such advertising and programming content is suitable for broadcast under the FCC's rules and policies related to noncommercial educational broadcast stations);

(b) Prepaid expenses and deposits arising from payments made for goods or services prior to the Closing Date where all or part of the goods or services have not been received or used at the Closing Date (for example, rents or utilities paid in advance for a rental period extending beyond the Closing Date);

(c) Liabilities, customarily accrued, arising from expenses incurred but unpaid as of the Closing Date;

(d) Personal and real property taxes and utility charges related to the Station or in respect of any of the Assets; and

(e) Deposits and unearned prepayments received by Seller in connection with any Real Property Lease or Station Contracts assumed by Buyer.

15.2 **Determination and Payment.** Except as provided in the LMA, Prorations shall be made and paid, insofar as feasible, on the Closing Date and shall be paid by way of adjustment to the purchase price. As to Prorations that cannot be made on the Closing Date, within sixty (60) days after the Closing Date, the parties shall determine and agree upon all such Prorations and promptly thereafter Buyer shall pay to Seller or Seller shall pay to Buyer, as the case may be, the net amount due.

16. **Default and Remedies.**

16.1 **Material Breaches.** A party shall be deemed to be in default under this Agreement only if such party has materially breached or failed to perform its obligations hereunder, and no non-material breaches or failures shall be grounds for declaring a party to be in default, postponing the Closing, or terminating this Agreement.

16.2 **Opportunity to Cure.** If either party believes the other to be in default hereunder, the former party shall promptly provide the other with written notice specifying in reasonable detail the nature of such default. If the default has not been cured by the earlier of (i) five (5) business days after the scheduled Closing Date, or (ii) within twenty (20) days after delivery of that notice (or such additional reasonable time as the circumstances may warrant provided the party in default undertakes diligent, good faith efforts to cure the default within such twenty (20) day period and continue such efforts thereafter), then the party giving such notice may exercise the remedies available to such party pursuant to this Section 16, subject to the right of the other party to contest such action through appropriate proceedings.

16.3 **Seller's Remedies.** Buyer recognizes that if the transaction contemplated by this Agreement is not consummated as a result of Buyer's breach of this Agreement, Seller would be entitled to compensation, the extent of which is extremely difficult and impractical to ascertain. To avoid this problem, the parties agree that if this Agreement is not consummated due to Buyer's breach, as its sole remedy Seller shall be entitled to the Escrow Deposit as liquidated damages in lieu of any other remedies to which Seller might otherwise be entitled due to Buyer's wrongful failure to consummate the Agreement.

16.4 **Buyer's Remedies.** Seller agrees that the Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall have the right, if Buyer is not in material default in its obligations hereunder, as its sole remedy to specifically to enforce Seller's performance under this Agreement, and Seller agrees to waive the defense in any suit for specific performance that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy. Buyer's reasonable costs of enforcing Seller's performance hereunder shall be offset by a reduction to the Purchase Price in the amount of such costs.

17. **Damage.** The risk of loss or damage to the Assets shall be upon Seller at all times prior to Closing and Buyer shall bear the risk of loss or damage thereafter. In the event of such

loss or damage, Seller shall promptly notify Buyer thereof and repair, replace or restore any such damaged property to its former condition as soon as possible after its loss and prior to the Closing Date. If damage has occurred and such relief or restoration of any such damage has not been completed prior to the Closing Date, Buyer may, at its option:

(a) elect to consummate the Closing in which event Seller shall pay to Buyer the costs of such repairs, replacements or restoration as is required to restore the property to its former condition and against such obligation shall assign to Buyer all of Seller's rights under any applicable insurance policies. Buyer shall in such event submit to Seller an itemized list of the costs of such repairs, replacements or restoration. If the parties are unable to agree upon the costs of such repairs, the matter shall be referred to a qualified consulting communications engineer mutually acceptable to Seller and Buyer who is a member of the Association of Federal Communications Consulting Engineers, whose decision as to the costs shall be final, and whose fees and expenses shall be shared equally by Seller and Buyer; or

(b) elect to postpone the Closing Date for a period of up to ninety (90) days, with prior consent of the FCC if necessary, to permit Seller to make such repairs, replacements, or restoration as is required to restore the property to its former condition. If after the expiration of the extension period granted by Buyer the property has not been adequately repaired, replaced or restored, Buyer may terminate this Agreement, and the Escrow Deposit and all accrued interest shall be returned to Buyer. If the parties disagree as to whether the property has been adequately repaired, replaced or restored, the matter shall be referred to a mutually-acceptable qualified consulting communications engineer, who is a member of the Association of Federal Communications Consulting Engineers, whose decision shall be final, and whose fees and expenses shall be shared equally by Seller and Buyer.

18. **Failure of Broadcast Transmission.** If prior to the Closing regular broadcast transmissions by the Station in the normal and usual manner is interrupted or discontinued for more than twenty-four (24) hours in a single occurrence, or if the Station is operated for more than twenty-four (24) hours at less than eighty percent (80%) of its licensed operating or effective radiated power, as the case may be, Seller shall give prompt written notice thereof to Buyer. If prior to Closing, the Station is off the air or operating at power outside the tolerance permitted by the FCC's rules (a "*Broadcast Interruption*"), then Seller shall notify Buyer and use commercially reasonable efforts to return the Station to the air (or to tolerance) as promptly as practicable in the ordinary course of business. Notwithstanding anything herein to the contrary, if on the day otherwise scheduled for Closing, there is a Broadcast Interruption of the Station that has a material adverse effect on the Station, then Closing shall be postponed until the date five (5) business days after the Station returns to the air or to tolerance in all material respects.

19. **Brokerage.** Seller represents to Buyer that it has engaged Mark Jorgenson as broker in connection with this transaction, and agrees to indemnify and hold harmless Buyer against any claim from any broker based upon any agreement, arrangement, or understanding alleged to have been made with Seller. Buyer represents to Seller that it has engaged Gregory Guy as broker in connection with this transaction, and agrees to indemnify and hold Seller harmless

against any claim from any broker based upon any agreement, arrangement, or understanding alleged to have been made with Buyer.

20. **Notices.** Any notice required hereunder shall be in writing and any payment, notice or other communication shall be deemed given on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, or on the third day after mailing by U.S. certified mail, postage prepaid, with return receipt requested, and addressed as follows (or to any other address as any party may request by written notice):

If to Buyer: Educational Radio Foundation of East Texas, Inc.
c/o Troy Kriechbaum
PO Box 8525
Tyler, TX 75711

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

Joseph C. Chautin, III, Esq.
Hardy, Carey, Chautin & Balkin, LLP
1080 West Causeway Approach
Mandeville, LA 70471

If to Seller: Delmarva Educational Association
c/o Stuart W. Epperson, Jr.
3780 Will Scarlett Road
Winston-Salem, NC 27104

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

Davina Sashkin, Esq.
Wilkinson, Barker Knauer, LLP
1800 M Street, NW Suite 800N
Washington DC 20036

21. **Entire Agreement.** This Agreement constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof, and supersedes any prior agreements between the parties and contains all of the terms agreed upon with respect to the subject matter hereof. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement. This Agreement may not be altered or amended except by an instrument in writing signed by the party against whom enforcement of any such change is sought.

22. **Counterparts.** This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument.

23. **Headings.** The headings of the paragraphs of this Agreement are for convenience only and in no way modify, interpret or construe the meaning of specific provisions of the Agreement.

24. **Exhibits.** The Exhibits to this Agreement are a material part hereof.

25. **Severability.** In case any one or more of the provisions contained in this Agreement should be found to be invalid, illegal or unenforceable in any material respect by a court or governmental authority, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

26. **Choice of Laws and Venue.** This Agreement is to be construed and governed by the laws of the State of Texas.

27. **Bulk Sales.** Buyer hereby waives compliance by Seller with the provisions of the Bulk Sales Act and similar laws of any state or jurisdiction, if applicable. Seller will indemnify and hold Buyer harmless against any cost or expense as a result of Seller's failure to comply with the provisions of any bulk sales or fraudulent conveyance statutes.

28. **Benefit; Assignment.** This Agreement shall enure to the benefit and be binding upon the parties hereto and their respective successors and assigns. Neither party may assign its rights and obligations hereunder without the other party's written consent. Nothing in this Agreement, expressed or implied, is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns.

29. **Fees and Expenses.** Except as specifically otherwise provided herein, Buyer and Seller shall each pay their own costs and expenses relating to the execution and delivery of this Agreement and the consummation of all transactions contemplated hereby.

30. **Public Announcements.** Prior to Closing, no party hereto shall make or shall authorize any other person to make any public announcement relating to any aspect of the transactions described herein without having first consulted with the other party concerning the requirement for, and timing and content of, such public announcement and having received their prior written consent thereto. Notwithstanding the foregoing, actions relative to obtaining approvals and like matters shall be permissible and Buyer may make all disclosures in its judgment necessary to obtain financing for purposes of carrying out the transactions described in this Agreement.

31. **Confidentiality.** Each party and its counsel, accountants, engineers and other representatives shall hold in confidence all data and information obtained regarding the other party and the Station's business and properties, except for public record information, and if the transactions provided for in this Agreement are not consummated as contemplated, shall continue to hold such non-public information in confidence and return all information and documents without retaining any copies thereof, and further Buyer (and its representatives) shall not directly or indirectly disclose to anyone or use in competition with the Station any data and information

obtained in connection with this proposed purchase, or induce or attempt to persuade any of Seller's employees not to be employed by, or to terminate their employment with Seller at any time.

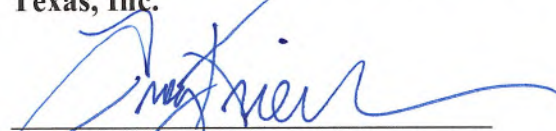
32. **Assurances.** After Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

Buyer:

**Educational Radio Foundation of East
Texas, Inc.**



By: Troy Kriechbaum
Title: President

Seller:

Delmarva Educational Association

By: Nancy Epperson
Title: President

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

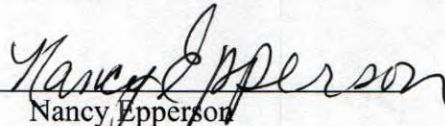
Buyer:

Educational Radio Foundation of East Texas, Inc.

By: Troy Kriechbaum
Title: President

Seller:

Delmarva Educational Association



By: Nancy Epperson
Title: President

Exhibits

- 1.1 FCC Licenses
- 1.2 Tangible Personal Property
- 1.3 Station Contracts
- 1.4 Real Property Lease
- 4 Escrow Agreement
- 6.6 Litigation

Exhibit 1.1
FCC Licenses

<i>Call Letters</i>	<i>FCC File Number</i>	<i>Expiration Date</i>
KKTH	BLH-19981015KC	10/1/2029
KKTH	BXLH-20030220ABE	10/1/2029

Exhibit 4
Escrow Agreement

ESCROW AGREEMENT

THIS **ESCROW AGREEMENT** (this “Agreement”) is made and entered into as of September 21, 2023, by and among **EDUCATIONAL RADIO FOUNDATION OF EAST TEXAS, INC.**, a Texas non-profit corporation (“Buyer”); **DELMARVA EDUCATIONAL ASSOCIATION**, a Virginia not-for-profit corporation (“Seller”); and **JORGENSEN BROADCAST BROKERAGE, INC.**, a Florida corporation (“Escrow Agent”).

RECITALS

WHEREAS, Buyer and Seller are Parties to an Asset Purchase Agreement of even date herewith (the “Purchase Agreement”), pursuant to which Buyer is to deposit funds with Escrow Agent in connection with the purchase and sale of assets used and useful in the operation of radio station FM radio station KKTH, Bosque Farms, New Mexico (Fac. Id. 65704);

WHEREAS, unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to them in the Purchase Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the premises and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. Appointment. On the terms and conditions set forth herein, Escrow Agent shall act as escrow agent and, as such, receive, administer, and dispose of the sum of TWENTY THOUSAND DOLLARS (\$20,000.00) deposited by Buyer with Escrow Agent (the “Escrow Deposit”). The Escrow Agent shall invest the Escrow Deposit in an interest-bearing checking account, savings account, money market fund, or treasury securities, as directed by Buyer from time to time.

2. Rights, Duties, and Immunities of Escrow Agent.

(a) Acceptance by Escrow Agent of its duties under this Agreement is subject to the following terms and conditions, which all parties to this Agreement hereby agree shall govern and control the rights, duties, and immunities of Escrow Agent:

(i) Escrow Agent undertakes to perform such duties and only such duties as are expressly set forth herein, and no implied agreements or obligations shall be read into this Agreement against Escrow Agent;

(ii) Escrow Agent shall not be responsible in any manner whatsoever for any failure or inability of Buyer, or of anyone else, to deliver moneys to Escrow Agent or otherwise to honor any of the provisions of this Agreement, the Purchase Agreement or any other agreement;

(iii) Seller and Buyer jointly shall, within ten (10) days following demand, reimburse and indemnify Escrow Agent for, and hold it harmless from and against, any loss, liability or expense, including but not limited to reasonable counsel fees, arising out of or in connection with its acceptance of, or the performance of its duties and obligations under, this Agreement, except for losses, liabilities and expenses caused by the bad faith, willful misconduct or gross negligence of Escrow Agent. Escrow Agent shall in no event be liable in connection with its investment or reinvestment of any amount held by it hereunder in good faith in accordance with the terms hereof, including, without limitation, any liability for any delays not resulting from its gross negligence or willful misconduct or any loss of interest incident to any such delays;

(iv) Escrow Agent shall be fully protected in acting on and relying upon any written notice, direction, request, waiver, consent, receipt or other paper or document which Escrow Agent in good faith believes to have been signed or presented by the proper party or parties;

(v) Escrow Agent shall not be liable for any error of judgment, or for any act done or step taken or omitted by it in good faith or for any mistake of fact or law, or for anything that it may do or refrain from doing in connection herewith, except its own bad faith, willful misconduct or gross negligence;

(vi) Escrow Agent shall receive for its services as escrow agent hereunder, the sum of Zero (\$0) Dollars.

(vii) Escrow Agent makes no representation as to the validity, value, genuineness, or collectability of any security, document or instrument held by or delivered to it; and

(viii) no provisions of this Agreement shall require Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(b) Subject to the provisions of Section 3 hereof, if a controversy arises between one or more of the parties hereto as to whether or not or to whom Escrow Agent shall deliver the Escrow Deposit or as to any other matter arising out of or relating to the Escrow Deposit or this Agreement, Escrow Agent shall not be required to determine the same and shall not make any delivery of the Escrow Deposit but shall retain it until the rights of the parties to the dispute shall have finally been determined by written agreement among the parties in dispute or by final order of a court of competent jurisdiction; provided, however, that the time for appeal of any such final order has expired without an appeal having been made. Escrow Agent shall deliver the Escrow Deposit within two (2) business days after Escrow Agent has received written notice of any such agreement or final order (accompanied by an affidavit that the time for appeal has expired without an appeal having been made). Escrow Agent shall be entitled to assume that no such controversy has arisen unless it has received a written notice that such a controversy has arisen which refers specifically to this Agreement and identifies by name and address the adverse claimants in the

controversy; provided, however, that Escrow Agent shall not be bound by any such notice unless it is received before Escrow Agent delivers the Escrow Deposit or takes any action that, but for the notice referred to in this sentence, is permitted hereunder. If a controversy of the type referred to in this paragraph arises, Escrow Agent may, in its sole discretion (but shall not be obligated to), commence interpleader or similar actions or proceedings for determination of the controversy.

3. Release of Escrow Deposit. Escrow Agent shall hold the Escrow Deposit until it delivers such Escrow Deposit as follows:

(a) If Escrow Agent receives a written notice executed by Seller and Buyer stating that the Closing contemplated by the Purchase Agreement has occurred on a specified date, Escrow Agent shall deliver the Escrow Deposit to Seller and deliver all interest and earnings thereon to Buyer on such date, provided that Escrow Agent shall have received at least two (2) business days prior written notice.

(b) If Escrow Agent receives a written notice from Buyer stating that Buyer is entitled to the Escrow Deposit, Escrow Agent shall deliver or mail a copy thereof to Seller and, unless Escrow Agent has received a written notice of objection from Seller within ten (10) business days after the effective date of such delivery or mailing, Escrow Agent shall deliver the Escrow Deposit together with any earnings thereon to Buyer. If Escrow Agent so receives a written notice of objection from Seller, a controversy shall be deemed to have occurred for purposes of Section 2(b) hereof.

(c) If Escrow Agent receives a written notice from Seller stating that Seller is entitled to the Escrow Deposit, Escrow Agent shall deliver or mail a copy thereof to Buyer and, unless Escrow Agent has received a written notice of objection from Buyer within ten (10) business days after the effective date of such delivery or mailing, Escrow Agent shall deliver the Escrow Deposit, together with any earnings thereon, to Seller. If Escrow Agent so receives a written notice of objection from Buyer, a controversy shall be deemed to have occurred for purposes of Section 2(b) hereof.

(d) Escrow Agent shall, in addition, disburse the Escrow Deposit and earnings thereon in accordance with any joint written instructions received by Escrow Agent executed by Buyer and Seller, which joint instructions shall be deemed to supersede the above provisions of this Section 3.

4. Successor Escrow Agent.

(a) Escrow Agent (and any successor escrow agent) may at any time resign by delivering five (5) business days advance written notice to Seller and Buyer. Escrow Agent shall deliver the Escrow Deposit to any successor escrow agent jointly designated in writing by Buyer and Seller, whereupon Escrow Agent shall be discharged of and from any and all further obligations arising in connection with this Agreement. The resignation of Escrow Agent shall take effect on the earlier of the appointment of a successor escrow agent or the date which is five (5) business days after the date of delivery of Escrow Agent's written notice of resignation to the other parties hereto. In the event that a successor Escrow Agent has not been appointed at the expiration

of such five (5) business day period, Escrow Agent's sole responsibility hereunder shall be the safekeeping of the Escrow Deposit and to deliver such Escrow Deposit as may be specified in a written agreement signed by all the other parties to this Agreement or as any court of competent jurisdiction may order.

(b) If Escrow Agent receives a written notice from Seller and Buyer stating that they have selected another escrow agent, Escrow Agent shall deliver the Escrow Deposit to the successor escrow agent named in the aforesaid notice within five (5) days.

5. Miscellaneous.

(a) This Agreement may be executed in counterpart originals, which collectively shall have the same legal effect as if all signatures had appeared on the same physical document. This Agreement may be executed and exchanged by facsimile or electronic transmission with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

(b) This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. No persons other than the parties hereto shall have any rights under or by reason of this Agreement.

(c) All notices, elections and other communications permitted or required under this Agreement shall be in writing and shall be sent for next business day delivery by USPS Express Mail, Federal Express or similar nationally-recognized overnight courier service with all charges prepaid, and shall be deemed to have been duly delivered and received on the first business day of attempted delivery, addressed as follows (or at such other address for a party as shall be specified by like notice). Notices given by e-mail or facsimile will not be effective unless and until sent for hard copy overnight delivery:

If to **Seller**, to:

Delmarva Educational Association
3780 Will Scarlet Road
Winston-Salem, NC 27104
Attn: Stuart W. Epperson, Jr.

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

Wilkinson Barker Knauer LLP
1800 M Street, NW, Suite 800N
Washington, DC 20036
Attn: Davina Sashkin, Esq.

If to **Buyer**, to:

Educational Radio Foundation of East Texas, Inc.
PO Box 8525
Tyler, TX 75711
Attn: Troy Kriechbaum

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

Hardy, Carey, Chautin & Balkin, LLP
1080 West Causeway Approach
Mandeville, LA 70471
Attn: Joseph C. Chautin, III, Esq.

If to **Escrow Agent**, to:

Mark Jorgenson
Jorgenson Broadcast Brokerage, Inc.
275 Long Lane Farm Road
Tryon, NC 28782

Notwithstanding the foregoing, the parties agree that at the closing of the transaction, Buyer and Seller may send the Escrow Agent a PDF copy of joint escrow release instructions signed by both parties and such notification shall be deemed properly given if Escrow Agent replies confirming receipt of same.

(d) The headings contained in this Agreement are inserted for reference purposes only and shall not affect the meaning of interpretation of this Agreement.

(e) Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provisions in any other jurisdiction.

(f) No amendment or waiver of any provision of this Agreement shall be effective unless in writing and signed by each of the parties hereto, and any waiver shall be effective only in the instance and for the purpose for which given.

(g) This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

(h) This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings, other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

SIGNATURE PAGE TO ESCROW AGREEMENT

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

Seller: DELMARVA EDUCATIONAL ASSOCIATION

By: Nancy Epperson
Nancy Epperson, President

**Buyer: EDUCATIONAL RADIO FOUNDATION OF
EAST TEXAS, INC.**

By: _____
Troy Kriechbaum, President

Escrow Agent:

JORGENSEN BROADCAST BROKERAGE, INC.

By: _____
Name: Mark Jorgenson
Title: _____

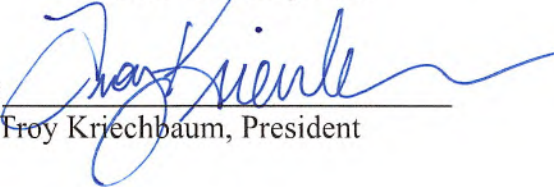
SIGNATURE PAGE TO ESCROW AGREEMENT

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

Seller: DELMARVA EDUCATIONAL ASSOCIATION

By: _____
Nancy Epperson, President

**Buyer: EDUCATIONAL RADIO FOUNDATION OF
EAST TEXAS, INC.**

By:  _____
Troy Kriechbaum, President

Escrow Agent:

JORGENSEN BROADCAST BROKERAGE, INC.

By: _____
Name: Mark Jorgenson
Title: _____

SIGNATURE PAGE TO ESCROW AGREEMENT

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

Seller: DELMARVA EDUCATIONAL ASSOCIATION

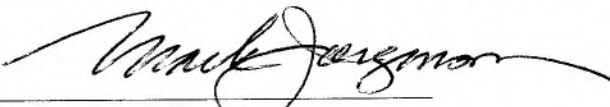
By: _____
Nancy Epperson, President

**Buyer: EDUCATIONAL RADIO FOUNDATION OF
EAST TEXAS, INC.**

By: _____
Troy Kriechbaum, President

Escrow Agent:

JORGENSEN BROADCAST BROKERAGE, INC.

By: 
Name: Mark Jorgenson
Title: PRESIDENT