

ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT** (the “Agreement”) is entered into as of this 20th day of March 2024 (the “Effective Date”), by and between **SALEM COMMUNICATIONS HOLDING CORPORATION**, an Ohio corporation (“SCHC”), **SALEM MEDIA OF HAWAII, INC.**, a Delaware corporation (“SMH”), **REACH SATELLITE NETWORK, INC.**, a Tennessee corporation (“Reach”), and **SALEM RADIO PROPERTIES, INC.**, a Delaware corporation (“SRP”) (SCHC, SMH, Reach, and SRP, collectively, “Seller”) and **EDUCATIONAL MEDIA FOUNDATION**, a California non-profit religious corporation (“Buyer”) (Seller and Buyer are each a “Party” and, collectively, the “Parties”).

RECITALS

WHEREAS, Reach is the licensee of the following FM radio broadcast station pursuant to certain authorizations issued by the Federal Communications Commission (the “FCC”):

WBOZ (FM), Woodbury, Tennessee (FCC Facility Id. 15531)(“WBOZ”);

WHEREAS, SCHC is the licensee of the following FM radio broadcast stations pursuant to certain authorizations issued by the FCC:

WFFH (FM), Smyrna, Tennessee (FCC Facility Id. 68347) (“WFFH”); and
WFFI (FM), Kingston Springs, Tennessee (FCC Facility Id. 73241)(“WFFI”);

WHEREAS, SMH is the licensee of the following FM radio broadcast station pursuant to certain authorizations issued by the FCC:

KAIM-FM, Honolulu, Hawaii (FCC Facility Id. 10950) (“KAIM”); (WBOZ, WFFH, WFFI, and KAIM, collectively, the “Stations”)

WHEREAS, Seller owns or leases other assets used in connection with the transmission facilities used in the operation of the Stations;

WHEREAS, SRP owns the land used for the WBOZ and WFFI transmitter sites;

WHEREAS, Buyer, SCHC, SMH and Reach are also entering into a Network Affiliation Agreement for the Stations contemporaneously herewith (the “Affiliation Agreement”); and

WHEREAS, on the terms and conditions described herein, Seller desires to sell, and Buyer desires to purchase, the Assets (defined below) used or held for use in connection with the operation of the Stations, except for the Excluded Assets (defined below);

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

ARTICLE 1: SALE AND PURCHASE

1.1 Assets. On the terms and subject to the conditions hereof, at Closing (defined below), except for the Excluded Assets (defined below), Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase, acquire and assume from Seller, all right, title and interest of Seller in and to the following real, personal, tangible, intangible assets and properties of Seller that are used or held for use in the operation of the Stations (the “Assets”):

(a) **Licenses and Authorizations.** All licenses, authorizations, permits, applications and approvals issued to or pending with respect to the Stations by (i) the FCC (the “FCC Authorizations”), including Seller’s rights in the call letters of the Stations; and (ii) the Federal Aviation Administration (“FAA”); and (iii) any other permits, registrations, licenses, variances, exemptions, orders and approvals of all federal, state or local governmental authorities held by Sellers in connection with the operation of the transmitter sites for the Stations (the “Transmitter Sites”) (collectively, the “Licenses”), including those described on Schedule 1.1(a) and any renewals or modifications thereof between the date hereof and Closing.

(b) **Tangible Personal Property.** The following tangible personal property (collectively, the “Tangible Personal Property”):

(i) The tower located on the WBOZ Transmitter Site listed on Schedule 1.1(b)(i) (“WBOZ Tower”) and used for broadcast and/or wireless communications for the facility, together with all tower foundations, equipment shelters, detuning equipment, generators, tower grounding systems, waveguides, light monitoring systems, security systems or alarms, power protection, utilities, fences, landscaping and other related improvements in which Seller has an ownership interest and which is located on or appurtenant to the WBOZ Tower and WBOZ Transmitter Site (collectively the “WBOZ Tower Facilities”); provided, however, that the WBOZ Tower Facilities shall not include any equipment cabinets, shelters, generators, and broadcast related equipment, used, held for use or occupied by any third party; and

(ii) The tower located on the WFFI Transmitter Site listed on Schedule 1.1(b)(ii) (“WFFI Tower”) and used for broadcast and/or wireless communications for the facility, together with all tower foundations, equipment shelters, detuning equipment, generators, tower grounding systems, waveguides, light monitoring systems, security systems or alarms, power protection, utilities, fences, landscaping and other related improvements in which Seller has an ownership interest and which is located on or appurtenant to the WFFI Tower and WFFI Transmitter Site (collectively the “WFFI Tower Facilities”); provided, however, that the WFFI Tower Facilities shall not include any equipment cabinets, shelters, generators, and broadcast related equipment, used, held for use or occupied by any third party

(ii) all equipment, transmitters, antennas, cables, furniture, fixtures, spare parts and other tangible personal property of every kind and description that are located at or relating to the Transmitter Sites that are used or held for use in the operation of the Stations, which are described on Schedule 1.1(b)(iii), and any additions and improvements thereto prior to the Closing Date, except for any retirements or dispositions thereof made between the date hereof and the Closing Date in the ordinary course of business and consistent with the terms of this Agreement.

(c) **Leases.** All of Seller's interest in the lease, license, sublease or other agreement which permits Seller to utilize the real property and tower required for operation of the current main Transmitter Site for WFFH (the "WFFH Main Transmitter Site"), as identified on Schedule 1.1(c) and any modification permitted in Schedule 1.1(c)(the "Real Property Lease").

(d) **Real Property.** All of Seller's fee simple interest in the parcels of real property (including any appurtenant easements and improvements located thereon) used in operating the Transmitter Site for (i) WBOZ located in Cannon County, Tennessee (the "WBOZ Real Property") and (ii) WFFI located in Davidson County, Tennessee (the "WFFI Real Property"), each as described on Schedule 1.1(d).

(e) **Files and Records.** The Stations' public inspection files, filings with the FCC relating to the Stations, and such other environmental reports, title insurance policies, surveys, deeds, zoning reports, technical information, engineering data (including construction drawings and structural engineering reports), and books and records that primarily relate to the other Assets being conveyed hereunder.

(f) **Claims.** Any and all claims and rights against third parties if and to the extent that they relate to the Assets, including, without limitation, all rights under manufacturer and vendor warranties.

(g) **Prepaid Items.** All deposits, reserves, prepaid expenses, and other prepaid taxes relating to the Assets pro-rated as of Closing for which Seller receives a credit under Section 1.4(d).

1.2 Excluded Assets. The following shall be excluded from the Assets and retained by Seller (collectively, the "Excluded Assets"):

(a) **Cash.** All cash, cash equivalents or similar investments such as certificates of deposit, treasury bills and other marketable securities on hand and/or in banks and deposits of Seller.

(b) **Accounts Receivable.** All accounts receivable of Seller arising from the operation of the Stations prior to Closing which are outstanding and uncollected as of such Closing (collectively, the "Accounts Receivable").

(c) **Insurance.** Any insurance policies, intercompany accounts, promissory notes, amounts due from employees, bonds, letters of credit, or other similar items; any cash surrender value in regard thereto of Seller; and any proceeds from insurance claims made by Seller relating to property or equipment included in Assets that have been repaired, replaced or restored by Seller prior to Closing Date.

(d) **Benefit Plans.** Any pension, profit-sharing or cash or deferred (Section 401(k)) plans and trusts and assets thereof, or any other employee benefit plan or arrangement, and the assets thereof.

(e) **Tax Refunds.** Any interest in and to any refunds of federal, state or local franchise, income or other taxes of Seller for taxes incurred and actually paid by Seller prior to Closing.

(f) **Books and Records.** All the financial records, account books and general ledgers, and all corporate records (including organizational documents) of Seller, including tax returns and transfer books.

(g) **Corporate and Studio Assets.** All corporate assets of Seller as well as all equipment and other assets used or held for use to operate Seller's broadcast studios for the Stations.

(h) **Contracts.** Any contracts or agreements not listed on Schedule 1.1(c), including all ASCAP, BMI, SESAC and GMR licenses.

(i) **Intellectual Property.** Any and all intellectual property included in Seller's programming on the Stations, including, without limitation, all right, title, and interest in and to the copyrights, servicemarks, trademarks, trade names, slogans, logos, brands, domain names of and all other proprietary rights, whether registered or not, and used with respect to, such programming, and all derivatives thereof, along with all goodwill associated therewith.

(j) **Rights and Claims.** All rights and claims related to the Retained Obligations.

(k) **Excluded Real Property Interests.** Except for rights which will be granted to Buyer pursuant to the New KAIM Sublicense and the New WFFH Auxiliary Site Lease, all of Seller's fee simple or leasehold, subleasehold, licensehold or sublicensehold interest in the real property and tower required for operation of the KAIM Transmitter Site and WFFH Auxiliary Transmitter Site.

(l) **Other Assets.** Any other tangible or intangible asset not specifically described in Section 1.1.

1.3 Liabilities. The Assets shall be transferred by Seller to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, and other liens, liabilities and encumbrances of every kind and nature ("Liens"), other than for (i) taxes not yet due and payable, (ii) Liens that will be discharged prior to or at Closing, (iii) Buyer's obligations to perform on and after the Closing Date the obligations arising under the Real Property Lease and with respect to other Assets, and (iv) with respect to the WBOZ Real Property and WFFI Real Property, such easements, rights of way, building and use restrictions and other exceptions now of record that do not materially impair the use, in the ordinary course of business, of the WBOZ and WFFI Transmitter Sites (collectively, "Permitted Liens"). Buyer shall assume and undertake to pay, discharge and perform all obligations and liabilities under the Real Property Lease which arise or relate to the period of time occurring from and after Closing ("Assumed Liabilities"). Buyer shall not assume (i) any obligations or liabilities under the Real Property Lease or other Assets relating to the period prior to Closing; (ii) any obligations or liabilities of Seller which are unrelated to the Assets; (iii) any obligations or liabilities relating to employees of Seller; (iv) any obligations or liabilities relating to the Excluded Assets; (v) any federal, state or local franchise, income or other

taxes of Seller; or (vi) any other obligations or liabilities of Seller, including obligations or liabilities arising from Seller's failure to obtain any required license, permit, or other authorization to conduct the operation of the Stations prior to Closing (collectively, the "Retained Obligations").

1.4 Purchase Price; Escrow; Payment.

(a) **Stations' Purchase Price.** The purchase price to be paid for the Assets and subject to adjustments and prorations agreed to by the Parties in the Agreement will be an amount equal to Seven Million Dollars and 00/100 Cents (\$7,000,000.00) (the "Stations' Purchase Price"). The Stations' Purchase Price shall be subject to the adjustments described in Section 1.4(d) below.

(b) **Escrow Deposit.** On or before the third (3rd) business day following the Effective Date, Buyer will deposit Three Hundred and Fifty Thousand Dollars and 00/100 Cents (\$350,000.00) (the "Escrow Deposit") into an escrow account maintained by Jorgenson Broadcast Brokerage, Inc., as escrow agent (the "Escrow Agent"), pursuant to the terms of an Escrow Agreement in a form acceptable to the Parties (the "Escrow Agreement"). The Escrow Deposit will be held in an interest-bearing account and will be disbursed by the Escrow Agent in accordance with the Escrow Agreement. Seller and Buyer shall equally share all fees, costs, and expenses charged by the Escrow Agent pursuant to the Escrow Agreement.

(c) **Payment at Closing.** At Closing, (i) the Parties shall cause the Escrow Deposit to be paid to Seller, and all interest accrued on the Escrow Deposit to be paid to Buyer, pursuant to the terms of the Escrow Agreement and (ii) Buyer shall pay the remainder of the Stations' Purchase Price, subject to any adjustments agreed to by the Parties under Section 1.4(d) hereto. All payments to Seller or to Buyer shall be made by wire transfer of immediately available funds to an account designated by the Party receiving payment, or at such Party's option, by certified check of immediately available funds.

(d) **Adjustment.** Subject to any reimbursement obligations which may be provided in the Affiliation Agreement or as a result of Seller obtaining an Acceptable Amended Lease, all rent, charges and other payments owed or due under the Real Property Lease assumed by Buyer, real property and tangible personal property taxes assessed on the ownership of the Assets (which shall be based on the most recent tax bill available), utility bills and other ongoing costs of usual operation of the Transmitter Sites shall be prorated in accordance with generally accepted accounting principles (GAAP) as of 11:59 p.m. CT on the date prior to the Closing Date ("Effective Time"), and an adjustment to the Stations' Purchase Price shall be made as set forth in this subsection to reflect the principle that all expenses attributable to the ownership of the Assets and the operation of the Transmitter Sites before the Effective Time (including the rent owed by Seller under the Real Property Lease) shall be for the account of Seller, and all expenses attributable to the ownership of the Assets or the operation of the Transmitter Sites (but excluding the Excluded Assets) on or after the Closing Date (including the rent owed by Seller under the Real Property Lease) shall be for the account of Buyer. For purposes of making the adjustments pursuant to this Section, at least five (5) days prior to Closing, Seller shall prepare and deliver a list to Buyer with the anticipated prorations required for Closing ("Adjustment List"). The Adjustment List shall set forth each prorated expense item and include the net adjustment ("Adjustment") to be made to the Stations' Purchase Price as a result thereof. Within sixty (60) days following the Closing Date, Buyer shall prepare and deliver a revised Adjustment List

(“Revised Adjustment List”) revising any items on the original Adjustment List to determine if additional Adjustments are required. If a further Adjustment is required and such amount is for the benefit of Seller, then Buyer shall promptly pay the further Adjustment amount to Seller. If the further Adjustment is required and such amount is for the benefit of Buyer, then Seller shall promptly pay the further Adjustment amount to Buyer. In the event that the Parties disagree with the Adjustment List or Revised Adjustment List or with any other matter arising out of this subsection (“Contested Matter”), and Buyer and Seller cannot resolve the dispute themselves within sixty (60) days, Buyer and Seller will refer the matters under dispute to an independent certified public accounting firm mutually agreeable to Buyer and Seller, whose decision shall be final and whose fees and expenses with respect to each such matter shall be allocated to each Party based upon the percentage which the portion of the Contested Matter not awarded to each Party bears to the amount actually contested by such Party. If, on the Closing Date, the current real property and/or personal property tax bills with respect to the Assets are not available, the amount of real property and personal property taxes will be apportioned based on the current year’s millage and the current year’s assessment. If the current year’s millage is not fixed and the current year’s assessment is available, taxes will be apportioned based on such assessment and the prior year’s millage.

(e) **Allocation.** Buyer and Seller shall allocate the Stations’ Purchase Price among the Assets in accordance with an allocation schedule prepared in compliance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (and any similar provisions of state, local, or foreign law, as appropriate), as reasonably established by Buyer. Buyer and Seller shall each use this allocation in preparing and filing their own IRS Form 8594 to submit with their income tax returns.

ARTICLE 2: FCC APPLICATIONS; CLOSING

2.1 FCC Applications Consent; Assignment Application; Non-Commercial Application.

(a) **FCC Application.** Seller and Buyer shall execute, file, and diligently prosecute the appropriate application(s) to the FCC (the “Assignment Application”) requesting the FCC’s consent (“FCC Consent”) to the assignment from Seller to Buyer of the FCC Authorizations pertaining to the Stations. The Assignment Application shall be filed not later than ten (10) business days after the date of the execution of this Agreement. Buyer shall reimburse Seller for one-half of the FCC filing fees paid in connection with the Assignment Application. Buyer and Seller shall be responsible for all of its other costs with respect to the preparation, filing and prosecution of the Assignment Application; *provided, however*, that neither Buyer nor Seller shall be required to pay consideration to any third party to obtain FCC Consent. Buyer and Seller shall cooperate in good faith to diligently prosecute the Assignment Application and otherwise use their commercially reasonable best efforts to obtain the FCC Consent as soon as possible; *provided, however*, that neither Party shall be required to appear at any trial-type hearing or to participate in a judicial appeal. Buyer and Seller shall oppose any petitions to deny or other objection filed with respect to an Assignment Application to the extent such petition or objection relates to such Party. Neither Buyer nor Seller shall take any intentional action that would, or intentionally fail to take such action the failure of which to take would, reasonably be expected to have the effect of preventing or materially delaying the receipt of FCC Consent.

Buyer and Seller shall (i) keep each other informed in all material respects and on a reasonably timely basis of any material communication received by such Party from, or given by such Party to, the FCC with respect to this Agreement, the Stations, the Assignment Application, or the transaction contemplated hereby; (ii) notify each other of all documents filed with or received from the FCC with respect to this Agreement, the Stations, the Assignment Application, or the transaction contemplated hereby, and provide each other with copies of all such documents; (iii) furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of the Assignment Application; and (iv) cooperate in all respects with each other in connection with this Agreement, the Stations, the Assignment Application, or the transaction contemplated hereby and in connection with any investigation or other inquiry by or before the FCC related to the foregoing. Buyer and Seller shall have the right to review in advance, and to the extent practicable each will consult with the other on, all information relating to the other Party that appears in any filing made with, or written materials submitted to, the FCC with respect to this Agreement, the Stations, the Assignment Application, or the transaction contemplated hereby. Seller and Buyer agree to cooperate to the extent necessary to obtain the FCC's extension of the effectiveness of the FCC Consent as may be required.

(b) **Non-Commercial Applications.** Seller agrees to reasonably cooperate with Buyer in connection with the filing of applications by Buyer to modify the FCC Authorizations for the Stations as a non-commercial facility ("Non-Commercial Applications") to be effective on or after the Closing Date, so long as any such Non-Commercial Applications are filed on a basis that they are contingent and effective only upon a prior Closing and do not adversely affect any operations of Seller. The grant of the Non-Commercial Applications shall not be a condition to Closing hereunder. The Non-Commercial Applications shall be made and prosecution thereof shall be conducted solely at Buyer's expense. Seller will provide a written statement to Buyer authorizing the filing of the Non-Commercial Applications as required by FCC rules.

2.2 Closing. The consummation of the transaction contemplated in this Agreement (referred to herein as the "Closing") shall occur on a date fixed by the Parties (the "Closing Date"), which such date shall be no later than fifteen (15) days following the date on which the FCC Consent shall have been granted and the other conditions to closing set forth in Articles 8 and 9 have either been waived or satisfied, provided, however, that if any petition to deny or other objection is filed with the FCC against the Assignment Application, then Buyer or Seller may elect to delay the Closing until no later than ten (10) days following the date on which the FCC Consent shall have become a Final Order and the other conditions to closing set forth in Articles 8 and 9 have either been waived or satisfied. For purposes of this Agreement, "Final Order" means an order or approval by the FCC (i) that has not been reversed, stayed, enjoined, set aside, annulled, or suspended, (ii) that has received no timely requests for stay, petition for rehearing, petition for reconsideration, application for review, or notice of appeal is pending by the FCC or any court, and (iii) as to which the times for filing any such request, petition, application, notice, or appeal, or for reconsideration or review (by the FCC on its own motion or any other party), shall have expired. The Closing shall be held at the offices of Buyer's counsel or by exchange of documents via email, or as Seller and Buyer may agree.

2.3 Closing Before Final Order. In the event Closing occurs before the FCC Consent shall have become a Final Order and the FCC or a court subsequently rescinds the FCC Consent,

and such rescission becomes a Final Order, Seller and Buyer shall cooperate fully and in good faith to make such arrangements as shall be reasonable under then-prevailing circumstances to fully comply with all FCC requirements and restore each Party, to the greatest extent practicable, to the status quo ante prior to the Closing, including having Buyer return the Assets to Seller and having Seller return the Stations' Purchase Price to Buyer in readily available federal funds and the Parties shall cancel without penalty, the New KAIM Sublicense and the New WFFH Auxiliary Site Lease.

ARTICLE 3: REPRESENTATIONS AND WARRANTIES OF SELLER

As a material inducement for Buyer to enter into this Agreement, Seller represents and warrants as of the Effective Date as follows:

3.1 Organization and Authorization. SCHC is a corporation duly incorporated, validly existing, and in good standing under the laws of Ohio and is qualified to do business in the state of Tennessee. Reach is a corporation duly incorporated, validly existing, and in good standing under the laws of Ohio and is qualified to do business in the state of Tennessee. SMH is a corporation duly incorporated, validly existing, and in good standing under the laws of Delaware and is qualified to do business in the state of Hawaii. SRP is a corporation duly incorporated, validly existing, and in good standing under the laws of Delaware and is qualified to do business in the state of Tennessee. Seller has the power and authority to execute and deliver this Agreement and to consummate the transaction contemplated hereby (with respect to such consummation, subject to the satisfaction of the conditions set forth herein). Seller has the power to carry on its business as it is now conducted and as proposed to be conducted. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby on Seller's part have been duly and validly authorized by the shareholders and/or board of directors of Seller (to the extent required), and no other proceedings on the part of Seller are necessary to authorize the execution and delivery of, or the performance of Seller's obligations under this Agreement, or to consummate the transactions contemplated hereby (with respect to such consummation, subject to the satisfaction of the conditions set forth herein). This Agreement has been duly and validly executed and delivered by Seller. This Agreement constitutes the legal, valid, and binding obligation of Seller enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

3.2 No Defaults. The execution, delivery, and performance of this Agreement by Seller will not (a) constitute a violation of, or conflict with, Seller's organizational documents; (b) 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 the Real Property Lease subject to obtaining any required lessor consent; (c) violate any statute, regulation, order, injunction, or decree of any federal, state, or local governmental authority or agency which is applicable to Seller or any of the Assets; (d) result in the creation or imposition of any Lien, charge, or encumbrance of any nature whatsoever upon any of the Assets, other than Permitted Liens or the Liens arising in favor of Buyer from this Agreement; or (e) require the consent or approval of any governmental authority, lending institution, or other third party other than the FCC Consent, except as otherwise noted in Schedule 3.2 hereto. Seller has not entered into any agreement with any third party related

to the Stations' FCC Authorizations, including agreements for the sale, transfer, or assignment of the FCC Authorizations or any interest therein.

3.3 Tangible Personal Property. Schedule 1.1(b)(i) contains a description of the WBOZ Tower and WBOZ Tower Facilities. Schedule 1.1(b)(ii) contains a description of the WFFI Tower and WFFI Tower Facilities. Schedule 1.1(b)(iii) contains a description of all material items of tangible personal property owned or leased by Seller and located at the Transmitter Sites that are used or held for use in the operation of the Stations. Seller owns and has, and will have on the Closing Date, good and marketable title or a valid leasehold interest to the Tangible Personal Property. Except as set forth in Schedule 1.1(b)(i), Schedule 1.1(b)(ii), and Schedule 1.1(b)(iii), each material item of Tangible Personal Property is in good operating condition, reasonable wear and tear excepted and consistent in all material respects with the condition of such Tangible Personal Property when inspected by Buyer's representatives. The Tangible Personal Property in service is operating in compliance, in all material respects, with the FCC Authorizations and rules and regulations of the FCC and FAA.

3.4 Real Property. Schedule 1.1(d) contains a description of the WBOZ Real Property and the WFFI Real Property. Schedule 1.1(c) contains a description of all real property which is leased, licensed, subleased or sublicensed by Seller and used or held for use in the operation of the WFFH Main Transmitter Site. Schedule 3.4 contains a description of all real property which is leased, licensed, subleased or sublicensed by Seller and used or held for use in the operation of the Transmitter Sites other than the WBOZ Real Property, the WFFI Real Property, and the WFFH Main Transmitter Site. The Transmitter Sites (i) provide sufficient vehicular access to the Transmitter Sites without need to obtain any additional access rights and (ii) are served by all utilities which are required for adequate operation of the Stations' transmitter facilities located at the Transmitter Sites and in the case of WBOZ, the WBOZ Tower and WBOZ Tower Facilities, and in the case of WFFI, the WFFI Tower and WFFI Tower Facilities. There is no pending or to Seller's knowledge threatened suit for condemnation or other taking by any public authority of the WBOZ Real Property or the WFFI Real Property or any part thereof or to Seller's knowledge, any real property which is the subject of the Real Property Lease or will become subject to the New KAIM Sublicense or the New WFFH Auxiliary Site Lease. All buildings and other improvements included in the WBOZ Real Property and WFFI Real Property and subject to the Real Property Lease and the New KAIM Sublicense and the New WFFH Auxiliary Site Lease are in good operating condition and are not in need of material repair (ordinary wear and tear excepted). The WBOZ Tower, WBOZ Tower Facilities, WFFI Tower and WFFI Tower Facilities are not located on and do not encroach upon any adjacent premises. None of the Transmitter Sites are subject to any zoning, restrictive covenant or other agreement or order that prohibits use of the real property for such Transmitter Site from being used as a tower site. Seller's installation, use and occupancy of the WBOZ Tower, WBOZ Tower Facilities, WFFI Tower, and WFFI Tower Facilities in the manner in which they are now held and operated (including the installation of Seller's Tangible Personal Property thereon) (a) materially complies with all zoning, building, use, safety or other similar statutes, ordinances or regulations of any governmental authority and (b) is not dependent on a "permitted non-conforming use" or "permitted non-conforming structure" or similar variance, exemption or approval from any governmental authority which has not already been granted. Subject to obtaining applicable lessor consent (along with the consent of any ground lessor if also required), Seller has the full legal power and authority to assign its rights under the Real Property Lease to Buyer and to enter into the New KAIM Sublicense and the New WFFH Auxiliary Site

Lease. All permanent certificates of occupancy and other consents and approvals required to be obtained from any governmental authority, association or board with jurisdiction for Seller to utilize the WBOZ Real Property, the WFFI Real Property, and the real property subject to the Real Property Lease, the New KAIM Sublicense, and the New WFFH Auxiliary Site Lease have been issued and are in full force and effect. Seller is operating the Stations in all material respects in compliance with permissible levels of RF radiation specified in either the Communications Laws (defined below) or any other applicable law.

3.5 FCC Authorizations and Other Licenses. Schedule 1.1(a) hereto contains a true and complete list of the FCC Authorizations and the Licenses. The FCC Authorizations and the Licenses are in full force and effect and have not been revoked, suspended, cancelled, rescinded or materially and adversely modified. Seller lawfully holds, and is the sole holder of, each of the FCC Authorizations none of which is subject to any restrictions or conditions that would limit in any material respect the operations of the Stations, other than (a) as may be set forth on the faces of such FCC Authorizations and other licenses or (b) as may be applicable to substantial segments of the radio broadcasting industry. Seller is qualified to be an FCC licensee, and is operating the Stations in compliance in all material respects with the FCC Authorizations, the Communications Act of 1934, as amended, and all regulations and published policies of the FCC (the “Communications Laws”), including that each Station is transmitting at no less than ninety percent (90%) of its authorized power. There is not now pending, or, to Seller’s knowledge, threatened, any action by or before the FCC to revoke, cancel, rescind, modify, or refuse to renew any of the FCC Authorizations, and Seller has not received any notice of, and has no knowledge of, any pending, issued, or outstanding order by or before the FCC, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against either the Stations or Seller, except as set forth in Schedule 1.1(a). Seller has not received any written notice or complaint that a Station is causing interference to any other licensed facility within the past two years. All material reports and filings required to be filed with the FCC by Seller with respect to the operation of the Stations have been filed, and all such reports and filings are substantially accurate and complete in all material respects. Seller maintains a public inspection file for the Stations and, as of the date of filing of the Assignment Application, such filed substantially comply with the Communications Laws in all material respects.

3.6 WBOZ and WFFI Towers. The WBOZ Tower and the WFFI Tower each is (a) obstruction marked; (b) lighted; and (c) properly registered with the FCC and FAA to the extent required by, and in accordance with, the Communications Laws or other applicable law.

3.7 Title; Title Documents. Seller owns and holds, and the conveyance instruments to be executed by Seller and delivered to Buyer at Closing will transfer, good and marketable title to the Assets, free and clear of all Liens other than Permitted Liens.

3.8 Employees. Seller is not a party to any collective bargaining, union or similar agreement with respect to the employees of Seller at the Stations, and no union represents or claims to represent or is attempting to organize such employees.

3.9 Brokers. Except for Jorgenson Broadcast Brokerage, Inc., who represents Seller and whose broker fees with respect to the Stations will be paid by Seller, there is no broker or finder or other person who, as a result of any agreement, understanding, or action, would have any

valid claim for a commission or a brokerage fee in connection with the sale of the Stations pursuant to this Agreement.

3.10 Insurance. All of the material Assets that are insurable are insured against loss, injury, or damage consistent with Seller's practices for other stations.

3.11 Litigation; Compliance with Law. Seller is not subject to any order, writ, injunction, judgment, arbitration, decision, or decree having a binding effect and affecting the Assets or which restrains or enjoins, or purports to restrain or enjoin, or could reasonably be expected to restrain or enjoin, the transaction contemplated hereby, and to Seller's knowledge no such proceeding is pending. To Seller's knowledge, there is no material litigation pending by or against, or threatened against, Seller which could materially and adversely affect any of the Assets.

3.12 Environmental Matters. To Seller's knowledge: (a) Seller has not in generated, used, transported, treated, stored, released or disposed of, or suffered or knowingly permitted anyone else to generate, use transport, treat, store, release or dispose of any Hazardous Substance (as defined below) in violation of any applicable environmental law at the Transmitter Sites; (b) there has not been any generation, use, transportation, treatment, storage, release or disposal of any Hazardous Substance at the Transmitter Sites which has created or might reasonably be expected to create any material liability under any applicable environmental law or which would require reporting to or notification of any governmental entity; and (c) no asbestos or polychlorinated biphenyl or underground storage tank is contained in or located at any Transmitter Site. To Seller's knowledge, (a) Seller is in compliance in all material respects with all environmental, health and safety laws applicable to the real property at the Transmitter Sites and Assets and (b) there is no action, suit or proceeding pending or threatened against Seller in respect of the Stations that asserts that Seller has violated any environmental, health or safety laws applicable to the real property at the Transmitter Sites or Assets. "Hazardous Substance" means substances that are defined or listed in, or otherwise classified pursuant to, any applicable laws as "hazardous substances," "hazardous materials," "hazardous wastes" or "toxic substances," or any other formulation of any applicable environmental law intended to define, list or classify substances by reason of deleterious properties such as ignitibility, corrosiveness, reactivity, radioactivity, carcinogenicity, reproductive toxicity and petroleum and drilling fluids, produced waters and other wastes associated with the exploration, development, or production of crude oil, natural gas or geothermal energy. Seller has delivered to Buyer true and complete copies of all environmental reports and assessments in Seller's possession that are applicable to the real property at the Transmitter Sites or the Stations.

3.13 Taxes. With respect to the Stations, Seller has filed all required tax returns and paid all taxes which have become due pursuant to such returns or pursuant to any real property and/or personal property assessments which have become payable.

3.14 Performance of Real Property Lease. The Real Property Lease is in effect and is binding upon Seller and, to Seller's knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Seller has performed in all material respects all of its obligations pursuant to the Real Property Lease and is not in material default or breach of any such agreements. Seller has not received written notice from any party to the Real Property Lease that such party

contends that Seller is in material default or breach under such Real Property Lease. To Seller's knowledge, there has not been, and is not, any material default or breach under the Real Property Lease by the other party to such agreement. Seller has delivered to Buyer true and complete copies of the Real Property Lease and, together with all amendments thereto. Except as set forth or otherwise contemplated in Schedule 1.1(c) attached hereto, there have been no modifications, extensions, or amendments of the Real Property Lease, whether oral or written, except as may be contemplated by this Agreement. Seller has not been notified by any other party to the Real Property Lease that such party has a present intent to terminate or not to renew the Real Property Lease.

3.15 Absence of Insolvency. No insolvency proceedings of any character including without limitation, bankruptcy, receivership, reorganization, composition or arrangements with creditors, voluntary or involuntary, affecting Seller or any of the Assets, are pending or, to the knowledge of Seller, threatened.

ARTICLE 4: REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer makes the following representations and warranties to Seller, but solely with respect to the transaction contemplated by this Agreement:

4.1 Organization and Standing. Buyer is a non-profit, religious corporation duly organized, validly existing and in good standing under the laws of the State of California and is qualified to do business in the states of Tennessee and Hawaii, and has the requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted.

4.2 Authorization. Buyer has the power and authority to execute and deliver this Agreement, and to consummate the transaction contemplated hereby. Buyer's performance under this Agreement does not contravene its organizational documents or breach any contractual obligation. Buyer has the power to carry on its business as is now conducted and as proposed to be conducted. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly and validly authorized by Buyer, and no other proceedings on the part of Buyer are necessary to authorize the execution and delivery of, or the performance of Buyer's obligations under this Agreement, or to consummate the transaction contemplated hereby (with respect to such consummation, subject to the satisfaction of the conditions set forth herein). This Agreement has been duly and validly executed and delivered by Buyer. This Agreement constitutes the legal, valid, and binding agreement of Buyer enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

4.3 No Defaults. The execution, delivery, and performance of this Agreement by Buyer will not (a) conflict with or result in any breach of any provision of the articles of organization, operating agreement, or other similar organizational documents of Buyer; (b) 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 Buyer or its business, except for such defaults (or rights of termination, cancellation, or acceleration) or conflicts as to which

requisite waivers or consents have been obtained and delivered to Seller; (c) violate any statute, regulation, order, injunction, or decree of any federal, state, or local governmental authority or agency which is applicable to Buyer; or (d) require the consent or approval of any governmental authority, lending institution, or other third party other than the FCC Consent or consents required for the assignment of the Real Property Lease.

4.4 Buyer's Qualification. Buyer is legally, financially, and technically qualified to acquire and to become the FCC licensee of the Stations and to perform its obligations under this Agreement. There are no facts known to Buyer which, under Communications Laws, would reasonably be expected to (a) disqualify Buyer from becoming the holder of the FCC Authorizations, or (b) disqualify Buyer from consummating the transactions contemplated hereby. Buyer has sufficient funds available to pay the Stations' Purchase Price.

4.5 Litigation. Buyer is not subject to any order, writ, injunction, judgment, arbitration, decision, or decree having a binding effect and affecting the business of Buyer or which restrains or enjoins, or purports to restrain or enjoin, or could reasonably be expected to restrain or enjoin, the transaction contemplated hereby, and no such proceeding is pending. There is no material litigation pending by or against, or, to the knowledge of Buyer, threatened against Buyer that would prevent or materially impede the consummation by Buyer of the transaction contemplated by this Agreement.

4.6 Brokers. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyer or any party acting on Buyer's behalf. Payment of any broker engaged by Buyer shall be Buyer's sole cost and expense.

4.7 Approvals and Consents. Buyer shall cooperate with Seller in obtaining all consents set forth in Schedule 3.2 hereto, including providing any financial or credit information which may be requested by a party to the Real Property Lease in order to consent to the assignment and transfer of the Real Property Lease.

ARTICLE 5: COVENANTS OF SELLER

Except as otherwise provided in the Affiliation Agreement, Seller covenants and agrees with Buyer that, between the Effective Date and the Closing Date, Seller shall act in accordance with the following:

5.1 Station Documents. The records, files and other documents kept in connection with the Stations shall be maintained by Seller in the usual and ordinary manner consistent with past practices.

5.2 Maintenance of Property. Seller shall maintain the Tangible Personal Property included in the Assets (including the WBOZ Tower, WBOZ Tower Facilities, WFFI Tower, and WFFI Tower Facilities) in good operating condition and consistent with past practices and will replace any material item of Tangible Personal Property that becomes worn out, lost, stolen, or destroyed with like property of substantially equivalent kind and value. Seller shall preserve and maintain the WBOZ Real Property and the WFFI Real Property in the ordinary course of business consistent with past practice.

5.3 FCC Compliance; License Renewals. Seller shall continue to operate and maintain the Stations in accordance with all material respects with the terms of the FCC Authorizations and in material compliance with all applicable laws, including Communications Laws. Seller shall maintain the FCC Authorizations in full force and effect, and shall timely file and prosecute any renewal applications or other submissions to the FCC. Seller promptly will deliver to Buyer (a) after filing, copies of any material reports, applications, or responses to the FCC in connection with the Stations filed after the Effective Date and (b) copies of any material communications from the FCC, or directed to the FCC by a third party, in connection with the Stations that are received by Seller or of which Seller becomes aware after the Effective Date. Seller will not file any application with the FCC requesting authority to modify any Station's facilities without Buyer's prior written consent, and Seller shall take all actions necessary to keep the FCC Authorizations, including all material permits and applications pending before the FCC, valid and in full force and effect.

5.4 Insurance. Seller shall maintain in full force and effect through the Closing Date property damage, liability, and other insurance with respect to the Assets consistent with insurance maintained for other stations owned by Seller.

5.5 Solicitation. From the Effective Date until the earlier of (i) the date this Agreement terminates in accordance with its terms, (ii) the Closing, and (iii) six months from the date the FCC public notice related to the Assignment Application is issued, neither Seller, nor any of its respective principals, directors, officers, agents, or representatives, shall hold any communications, discussions or negotiations with, and shall not, directly or indirectly, solicit, initiate, encourage, induce, or entertain any inquiries or proposals from, discuss or negotiate with, provide any nonpublic information to, any person (other than Buyer) relating to any business combination transaction, purchase or acquisition involving the Assets.

5.6 Disposition of Assets. Seller shall not, without the prior written consent of Buyer, sell, lease, or transfer, or agree to sell, lease, or transfer, any of the material Assets without replacement thereof with an asset of equivalent kind, condition, and value that satisfies industry standards for such assets, nor create any new Lien on the Assets other than Permitted Liens and Liens arising pursuant to, and in accordance with, the terms of this Agreement.

5.7 Consummation of Agreement. Seller shall use all commercially reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement, and to cause the transaction contemplated by this Agreement to be fully carried out.

5.8 Access to Transmitter Sites. At the request of Buyer, Seller shall from time to time give to, or cause to be given to, Buyer reasonable access during normal business hours to the Transmitter Sites; *provided, however*, that all such access shall be scheduled in a manner reasonably acceptable to that Seller and not interfere with the operation of the Transmitter Sites and where required, comply with any access requirements or restrictions in the Real Property Lease and any other leases to which Seller is a party with respect to the Transmitter Sites..

ARTICLE 6: COVENANTS OF BUYER

Buyer covenants and agrees with Seller that:

6.1 Consummation of Agreement. Buyer shall use all commercially reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement, and to cause the transaction contemplated by this Agreement to be fully carried out.

ARTICLE 7: JOINT COVENANTS

Seller and Buyer covenant and agree with one another that:

7.1 Employees. Buyer is not obligated to and does not intend to offer post-Closing employment with any current Station employees.

7.2 Receivables. Buyer shall have no obligation to collect Seller's receivables.

7.3 Real Property. Within sixty (60) days after the Effective Date, Buyer may, at its expense, obtain customary title commitments, title insurance policies, environmental assessments (including Phase I site assessments), zoning reports and surveys with respect to the WBOZ Real Property and the WFFI Real Property. Seller shall cooperate with any reasonable requests by the title company, surveyor or environmental consultant and shall provide access for such surveys or site assessments upon reasonable prior notice. Seller shall provide Buyer and its consultants with the most recent surveys, title commitments, title policies or abstracts of title in its possession for the WBOZ Real Property and the WFFI Real Property, including, but not limited to, all deeds and other conveyance documents evidencing transfer of title into Seller, Lien instruments, leases, plats, reservations, restrictions and easements, and all curative documentation executed subsequent to the commitment, policy or abstract and all environmental reports and NEPA reports, zoning permits, variances, building and other permits, which have been gained or for which Seller has applied to the FCC, FAA or any governmental or tribal authority, and the FCC and FAA applications, responses, approvals and registration numbers submitted or received for the WBOZ Tower and WFFI Tower. As used herein, (a) "Encroachment" means any (i) Lien disclosed in any such survey that is not a Permitted Lien or (ii) encroachment disclosed in any such survey or title document that is not consistent with the representations set forth in this Agreement or otherwise showing that either (A) any facilities or improvements of others materially encroach upon the WBOZ Real Property and the WFFI Real Property or (B) any facilities or improvements of Seller on the WBOZ Real Property and the WFFI Real Property encroach upon adjacent real property, in either case in any material respect and (b) "Environmental Condition" means any (i) "recognized environmental condition" disclosed in any such environmental assessment or (ii) other condition that is not in compliance with applicable environmental law or regulation that is disclosed in any such environmental assessment. Buyer shall notify Seller of any Environmental Condition or Encroachment promptly after Buyer becomes aware of such fact. If any Environmental Condition or Encroachment on or from the WBOZ Real Property and the WFFI Real Property is disclosed, Seller may, at Seller's sole option, elect to remedy the same prior to Closing (which may be delayed as provided below to the extent reasonably necessary to complete such remediation); provided, however, that if Seller is unwilling to make such remediation, then either Party shall

have the right to terminate this Agreement by providing written notice to the other Party before Closing.

7.4 Consents to Real Property Lease or for New KAIM Sublicense and New WFFH Auxiliary Site Lease. Seller and Buyer will join together in seeking any Required Consents (defined below) to the assignment and assumption of the Real Property Lease and an estoppel certificate (the form of such estoppel certificate to be subject to the mutual agreement of the Parties hereto) from the lessor under the Real Property Lease. Seller will also seek any Required Consents (defined below) in order to be able to enter into the New KAIM Sublicense, and the New WFFH Auxiliary Site Lease on the terms proposed therein with Buyer.

ARTICLE 8: CONDITIONS TO THE OBLIGATIONS OF SELLER

With respect to the transaction contemplated under this Agreement, the obligations of Seller to consummate hereunder are subject to the fulfillment of the following conditions prior to or on the Closing Date, unless waived in writing by Seller.

8.1 Representations, Warranties and Covenants.

(a) Each of the representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects as of the Closing Date.

(b) Buyer shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

8.2 Proceedings. Neither Seller nor Buyer is subject to any restraining order or injunction (or similar action) that restrains or prohibits the consummation of the transaction contemplated hereby.

8.3 FCC Authorizations. The FCC Consent with respect to the Assignment Application has been issued by the FCC and become effective, and if required by Section 2.2, such FCC Consent shall have become a Final Order.

8.4 Deliveries. Buyer has complied with each and every one of its obligations set forth in Section 10.2.

ARTICLE 9: CONDITIONS TO THE OBLIGATIONS OF BUYER

With respect to the transaction contemplated under this Agreement, the obligations of Buyer to consummate hereunder are subject to the fulfillment of the following conditions prior to or on the Closing Date, unless waived in writing by Buyer.

9.1 Representations, Warranties and Covenants.

(a) Each of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the Closing Date.

(b) Seller shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

9.2 Proceedings. Neither Seller nor Buyer is subject to any restraining order or injunction (or similar action) that restrains or prohibits the consummation of the transaction contemplated hereby.

9.3 FCC Authorizations. The FCC Consent with respect to the Assignment Application has been issued by the FCC and shall have become effective and if required by Section 2.2, such FCC Consent shall have become a Final Order.

9.4 WBOZ Tower and WFFI Tower Structural Inspections. If prior to Closing, Buyer has received reports of the structural inspections of the WBOZ Tower and WFFI Tower (the “Tower Reports”) which are satisfactory to Buyer in its reasonable judgment, or, if the Tower Reports specify any structural or other material defects (including deferred maintenance such as overgrown vegetation which may impact the tower guys wires) with the WBOZ Tower and/or the WFFI Tower, Seller shall either remedy such defects prior to Closing at Seller’s sole expense or, if such defects cannot be commercially reasonably remedied prior to Closing, Seller shall remedy such defects as soon as reasonably practicable following the Closing, at Seller’s sole expense, and so long as Buyer and Seller have agreed on a plan and scope for the required remediation prior to Closing, the Closing shall not be delayed pending completion of the remedy of such defects. If Buyer does not receive the Tower Reports prior to Closing, Seller hereby covenants and agrees to remedy any structural or other material defects in the WBOZ Tower and/or the WFFI Tower specified in such Tower Reports as soon as reasonably practicable following the receipt of such Tower Reports by Buyer and Seller, and the Closing shall not be delayed pending receipt of the Tower Reports.

9.5 Title Policy. Buyer shall have not been denied a standard form ALTA owner’s title policy for the WBOZ Real Property and the WFFI Real Property in the form in use in the state where the parcel of WBOZ Real Property and the WFFI Real Property is located from a reputable national title company insuring fee simple title in the WBOZ Real Property and the WFFI Real Property free and clear of Liens other than Permitted Liens.

9.6 Absence of Any Material Adverse Change. There shall have been no material adverse change in the Assets or FCC Authorizations.

9.7 Deliveries. Seller has complied with each and every one of the obligations set forth in Section 10.1.

9.8 Required Consents. Seller and Buyer shall have obtained all consents listed in Schedule 3.2 (“Required Consents”).

9.9 Liens. No Liens (other than Permitted Liens) shall exist or have been filed or recorded against the Assets in the public records of the Secretary of State of Seller’s state of formation or in any other jurisdiction in which the Assets are located. Duly executed UCC

releases, mortgage terminations or other similar documents or instruments required to transfer the Assets free and clear of Liens (other than Permitted Liens) shall have been delivered by Seller.

9.10 New KAIM Sublicense. SMH and Buyer shall have entered into a new sublicense agreement for Buyer to utilize the KAIM Transmitter Site and Antenna and Combiner (“New KAIM Sublicense”) for KAIM which New KAIM Sublicense shall be on terms which are acceptable to Buyer in its sole, but reasonable discretion, including those terms set forth in Schedule 9.10 hereto.

9.11 New WFFH Auxiliary Site Lease. If Buyer elects to rent the WFFH Auxiliary Site, then SCHC and Buyer shall have entered into a new lease for Buyer to utilize the WFFH Auxiliary Site (“New WFFH Auxiliary Site Lease”) for WFFH, which New WFFH Auxiliary Site Lease shall be on terms which are acceptable to Buyer in its sole, but reasonable discretion, including those terms set forth in Schedule 9.11 hereto.

ARTICLE 10: ITEMS TO BE DELIVERED AT CLOSING

10.1 Deliveries by Seller. At Closing, Seller shall deliver to Buyer, duly executed by Seller or such other signatory as may be required by the nature of the document, the following:

(a) a certificate for Seller, dated as of the Closing Date, executed by an officer of Seller, certifying on behalf of Seller that the closing conditions specified in Section 9.1 have been satisfied;

(b) a good standing certificate issued by Seller’s jurisdiction of formation;

(c) a bill of sale sufficient to sell, convey, transfer and assign the Assets (other than the FCC Authorizations, WBOZ Real Property, WFFI Real Property, and Real Property Lease) to Buyer free and clear of any Liens (other than Permitted Liens), in a form reasonably acceptable to Buyer (the “Bill of Sale”);

(d) an Assignment and Assumption of Real Property Lease sufficient to sell, convey, transfer and assign the Real Property Lease to Buyer free and clear of any Liens (other than Permitted Liens), in a form reasonably acceptable to Buyer (the “Assignment and Assumption of Real Property Lease”);

(e) an Assignment and Assumption of Licenses sufficient to assign the Licenses, including the FCC Authorizations and Stations’ call letters, which are included in the Assets to Buyer, in a form reasonably acceptable to Buyer (the “Assignment and Assumption of Licenses”);

(f) An instrument or instrument transferring to Buyer all right title and interest of Seller in and to the WBOZ Real Property and the WFFI Real Property, including without limitation, any deeds and any additional documents (such as, without limitation, an affidavit of title or residency certification, W-9, FIRPTA certificate) reasonably requested by Buyer’s title company or the WBOZ Real Property and the WFFI Real Property free and clear of any Liens (other than Permitted Liens), in a form reasonably acceptable to Buyer (the “Real Property Deeds”)

- (g) the New KAIM Sublicense;
- (h) if Buyer has elected to rent the WFFH Auxiliary Site, the New WFFH Auxiliary Site Lease;
- (i) a joint notice to the Escrow Agent requesting delivery of the Escrow Deposit to Seller, ("Escrow Release Notice");
- (j) executed releases, in suitable form for filing and otherwise in form and substance reasonably satisfactory to Buyer, of any security interests granted in the Assets as security for payment of loans and other obligations and of any other Liens (other than Permitted Liens); and
- (k) any other documents reasonably requested by Buyer that are reasonably necessary to convey the Assets to Buyer at Closing.

10.2 Deliveries by Buyer. At Closing, Buyer shall deliver to Seller the following, duly executed by Buyer or such other signatory as may be required by the nature of the document:

- (a) a certificate for Buyer, dated as of the Closing Date, executed by an officer or other authorized representative of Buyer, certifying on behalf of Buyer that the closing conditions specified in Section 8.1 have been satisfied;
- (b) the Escrow Release Letter, provided the conditions in Section 9.9 have been satisfied;
- (c) payment of the Stations' Purchase Price (less the Escrow Deposit) by wire transfer of readily available funds to an account designated by Seller,
- (d) a good standing certificate issued by Buyer's jurisdiction of formation;
- (e) the Bill of Sale;
- (f) the Assignment and Assumption of Real Property Lease;
- (g) the Assignment and Assumption of Licenses;
- (h) the New KAIM Sublicense;
- (i) if Buyer has elected to rent the WFFH Auxiliary Site, the New WFFH Auxiliary Site Lease;
- (j) any other documents reasonably requested by Seller and reasonably necessary to consummate the transactions set forth in this Agreement.

ARTICLE 11: SURVIVAL AND INDEMNITY

The rights and obligations of Buyer and Seller under this Agreement shall be subject to the following terms and conditions:

11.1 Survival of Covenants, Representations, and Warranties. Except as stated below, the representations and warranties of Buyer and Seller contained in this Agreement shall survive Closing for eighteen months (18) months from the Closing Date, except Section 3.1 (Organization and Authorization), Section 3.7 (Title; Title Documents); Section 3.9 (Brokers) and Section 3.13 (“Taxes”) (the “Fundamental Representations”) which shall survive until the last to occur of (a) expiration of any applicable statute of limitations or (b) eighteen months (18) months from the Closing Date. The covenants and agreements in this Agreement to be performed after Closing shall survive Closing until performed. All other covenants shall expire at Closing.

11.2 General Agreement to Indemnify.

(a) After Closing, Seller on the one hand, and Buyer on the other hand, shall indemnify, defend and hold harmless each other and any employee, representative, agent, director, officer, affiliate or permitted assign of each other (each, an “Indemnified Party”) from and against any and all claims, claims, actions, suits, proceedings, liabilities, obligations, losses and damages, amounts paid in settlement, interest, costs and expenses (including reasonable attorneys’ fees, court costs and other out-of-pocket expenses incurred in investigating, preparing or defending the foregoing) (collectively, “Losses”) asserted against, incurred or suffered by any Indemnified Party as a result of, arising out of, or relating to: (i) the failure of any representation or warranty of the Indemnifying Party made in the Agreement to have been true and correct as of the Closing Date as though such representation or warranty were made at and as of the Closing Date, or (ii) the breach by the Indemnifying Party of any covenant of such Party contained in this Agreement to be performed after Closing. The term “Losses” is expressly limited to such Party’s actual out-of-pocket costs and expenses and does not and shall not include special, indirect, incidental, consequential or punitive or exemplary damages unless paid in satisfaction of a Third Party Claim (defined below). Adjustments to the Stations’ Purchase Price made pursuant to Section 1.4(d) of this Agreement shall not be included in any calculation of Party’s total “Losses” for purposes of meeting the Loss threshold provided in Section 11.4.

(b) After Closing, Seller further agrees to indemnify and hold harmless Buyer and any other Indemnified Party of Buyer from and against any Losses asserted against, incurred or suffered by Buyer or any other Indemnified Party of Buyer arising out of, resulting from, or relating to the Retained Obligations or the operations of the Stations and ownership of the Assets prior to Closing.

(c) After Closing, Buyer further agrees to indemnify and hold harmless Seller and any other Indemnified Party of Seller from and against any Losses asserted against, incurred or suffered by Seller or any other Indemnified Party of Seller arising out of, resulting from, or relating to the Assumed Liabilities or the operations of the Stations and the Assets from and after Closing.

11.3 General Procedures for Indemnification.

(a) The Indemnified Party seeking indemnification under this Agreement shall promptly notify in writing the Party or Parties from whom indemnification is sought (the “Indemnifying Party”) of the assertion and basis of any claim, or the commencement and basis of any action, suit or proceeding by any third party in respect of which indemnity may be sought

hereunder (a “Third Party Claim”) and will give the Indemnifying Party such information with respect thereto as the Indemnifying Party may reasonably request, but failure to give such notice shall not relieve the Indemnifying Party of any liability hereunder (except to the extent the Indemnifying Party has suffered prejudice by such failure). The Indemnifying Party shall have the right, but not the obligation, exercisable by written notice to the Indemnified Party within thirty (30) days of receipt of notice from the Indemnified Party of the commencement of a Third Party Claim, to assume the defense and control the settlement of such Third Party Claim that involves (and continues to involve) solely money damages; *provided, however*, that prior to assuming any claim defense, the Indemnifying Party must show the Indemnified Party that they have the financial ability to pay out any potential monetary claim before they are allowed to assume its defense. Failure by the Indemnifying Party to so notify the Indemnified Party shall be deemed a waiver by the Indemnifying Party of its right to assume the defense of such claim.

(b) Whether or not the Indemnifying Party chooses to defend or prosecute any Third Party Claim, the Parties hereto shall cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials and appeals, as may be reasonably requested in connection therewith.

(c) The Indemnifying Party or the Indemnified Party, as the case may be, shall have the right to participate in (but not control), at its own expense, the defense of any Third Party Claim that the other is defending, as provided in this Agreement.

(d) The Indemnifying Party, if it has assumed the defense of any Third Party Claim as provided in this Agreement, shall not consent to, or enter into, any compromise or settlement of, or consent to the entry of any judgment arising from, any such Third Party Claim (which compromise, settlement, or judgment (i) commits the Indemnified Party to take, or to forbear to take, any action or (ii) does not provide for a complete release by such third party of the Indemnified Party) without the Indemnified Party’s prior written consent. If the conditions set forth herein are met but the Indemnified Party refuses to settle any Third Party Claim, the Indemnifying Party may tender the settlement amount and be relieved of further liability.

(e) The Indemnifying Party shall not be entitled to require that any action be brought against any other person before action is brought against it hereunder by the Indemnified Party, but shall be subrogated to any right of action to the extent that it has paid or successfully defended against any Third Party Claim.

11.4 Limitations. Neither Party shall be required to indemnify the other Party for any Losses under this Article 11 unless written notice of a claim under this Article 11 was received by an Indemnifying Party before the end of the survival period for such claim as set forth in Section 11.1. In addition, Seller shall not be required to indemnify Buyer for any Losses under Section 11.2(a)(i) (except with respect to the Fundamental Representations) until the aggregate claim for Losses exceeds \$100,000, after which the Indemnified Party shall be entitled to recover for all Losses in excess of such threshold. Notwithstanding the foregoing, the maximum liability of Seller for Losses under Section 11.2(a)(i) shall not exceed Two Million Dollars (\$2,000,000) except with respect to a breach of the Fundamental Representations which shall not exceed the Stations’ Purchase Price. In calculating the amount of Losses to Buyer, such Losses shall be reduced by any recovery from any third party (including insurance proceeds) as a result of the facts or

circumstances giving rise to the Losses. The limitations set forth in this Section shall not apply to Losses arising under Sections 11.2(b) or 11.2(c).

11.5 Exclusive Remedy. Following Closing, the right to indemnification, defense, hold harmless, payment or reimbursement provided in this Article 11 will be the exclusive remedy of any Party with respect to Losses in connection with the transactions contemplated by this Agreement.

ARTICLE 12: TERMINATION

12.1 Termination. This Agreement, in whole or in part, in accordance with the terms of this Agreement, and consistent with Section 13.11(b) below, may be terminated at any time by Buyer or by Seller prior to Closing, or the applicable Closing, as set forth below:

- (a) by the mutual written consent of Buyer and Seller;
- (b) by written notice of Seller to Buyer, provided that Seller is not in breach or default of this Agreement, if Buyer (i) breaches in any material respect any of Buyer's representations or warranties provided herein; or (ii) defaults in any material respect in the performance of any of Buyer's covenants or agreements under this Agreement; and in any of which events (i)-(ii) such breach or default is not cured by Buyer within the Cure Period (as defined below), if applicable;
- (c) by written notice of Buyer to Seller, provided Buyer is not in breach or default of this Agreement, if Seller (i) breaches in any material respect any of Seller's representations or warranties provided herein; or (ii) defaults in any material respect in the performance of any of Seller's covenants or agreements under this Agreement; and in any of which events (i)-(ii) such breach or default is not cured by Seller within the Cure Period, if applicable; and
- (d) by written notice of Seller to Buyer, or Buyer to Seller (i) if Closing has not been consummated with one (1) year after the date the FCC releases public notice that the Assignment Application has been accepted for filing ("Drop Dead Date"); (ii) if, for any reason, the FCC denies or dismisses the Assignment Application and the time for reconsideration or court review under the Communications Laws with respect to such denial or dismissal has expired and there is not then pending with respect thereto a timely filed petition for reconsideration or request for review; or (iii) if, for any reason, the Assignment Application is designated for an evidentiary hearing, *provided, however*, that the right to terminate this Agreement under this subsection shall not be available to any Party whose breach of this Agreement has been the cause of, or resulted in, the failure of Closing to occur on or before such date.

12.2 Cure Period. The term "Cure Period" as used herein means a period commencing with the date that Buyer or Seller receives from the other Party written notice of breach or default hereunder and continuing until thirty (30) days thereafter; *provided, however*, that if the breach or default cannot reasonably be cured within such period but can be cured before the Drop Dead Date, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Drop Dead Date. Except as set forth below, the termination of this Agreement with respect to the transaction contemplated hereunder

shall not relieve the Buyer or Seller of any liability for breach or default under this Agreement prior to the date of such termination.

12.3 Liability; Right to Terminate. A termination of this Agreement shall not relieve any Party hereto of any liability for which it otherwise would be subject. Except as set forth in Section 7.3, no Party that is in material breach of this Agreement shall be entitled to terminate this Agreement except with the written consent of the other Party.

12.4 Payment of Escrow Deposit.

(a) **Buyer's Default.** Upon a termination of the Agreement by Seller pursuant to Section 12.1(b), Seller's sole remedy shall be receipt of the Escrow Deposit, including all interest earned thereon, from the Escrow Agent, which amount will be paid as liquidated damages. Seller and Buyer acknowledge that these liquidated damages are reasonable in light of the anticipated harm that would be caused by Buyer's breach of any of its material obligations under this Agreement and the difficulty of ascertaining damages and proof of loss and that these damages do not constitute a penalty.

(b) **Other Termination.** Upon a termination of the Agreement by either Party for any reason other than a termination by Seller under Section 12.1(b), Buyer shall be entitled to the return of the Escrow Deposit, including all interest earned thereon. Instead of terminating the transaction contemplated hereunder upon a default by Seller pursuant to Section 12.1(c), Buyer shall have the right to seek specific performance as provided in Section 13.8 below.

ARTICLE 13: MISCELLANEOUS

13.1 Governing Law. The construction and interpretation of this Agreement shall at all times and in all respects be governed by the laws of the State of Tennessee (exclusive of those relating to conflicts of laws). Any action at law, suit in equity or judicial proceeding arising directly, indirectly, or otherwise in connection with, out of, related to or from this Agreement, or any provision hereof, shall be litigated only in the federal or state courts of the State of Tennessee, County of Davidson. The Parties hereby consent to the personal and subject matter jurisdiction of such courts and waive any right to transfer or change the venue of any litigation between them.

13.2 Expenses; Taxes. Each Party hereto shall bear all of its expenses incurred in connection with the transaction contemplated by this Agreement, including without limitation, accounting, engineering and legal fees incurred in connection herewith; *provided, however*, that Seller and Buyer shall share equally (a) all filing fees required to be paid in connection with the Assignment Application as set forth in Section 2.1; (b) the costs of any state or local sales, use, stamp or transfer taxes and other similar taxes applicable to the transfer of the Assets under this Agreement, if any and (c) the fees owed to the Escrow Agent.

13.3 Entire Agreement; Amendment; No Waiver. This Agreement, including the schedules and exhibits hereto, contain the entire agreement and understanding by and between the Parties, and no other representations, promises, agreements, or understanding, written or oral, not contained herein shall be of any force or effect. This Agreement may only be amended in a writing signed by all of the Parties. No oral agreement shall have any effect. No failure or delay in exercising any right hereunder shall be deemed or construed to be a waiver of such right, either

prospectively or in the particular instance. This Agreement has been prepared by all of the Parties hereto, and no inference of ambiguity against the drafter of a document therefore applies against any Party hereto.

13.4 Confidentiality. Except for information about the Stations and the Assets acquired by Buyer at or after Closing and except where such information is known through other lawful sources or where its disclosure is required in accordance with applicable law, including requirements of the FCC pursuant to the Assignment Application, Buyer and Seller shall keep confidential all non-public information obtained by it with respect to the other Party or the Stations in connection with this Agreement. If the transaction contemplated herein is not consummated for any reason, Buyer and Seller shall return to each other or destroy, without retaining a copy thereof in any medium whatsoever, any schedules, documents or other written information, including all financial information, obtained from the other in connection with this Agreement and the transaction contemplated hereby.

13.5 Public Announcements.

(a) Prior to the filing of the Assignment Application, no Party shall, without the prior approval of the other Party hereto (which approval may not be unreasonably withheld), make any press release or public statement concerning the transaction contemplated by this Agreement, except (i) to announce that the transaction has been entered into and (ii) as and to the extent that such Party shall be so obligated by law or the requirements of any national securities exchange; provided, however, that both Parties will be permitted to publicly comment on, issue public statements regarding and otherwise discuss the transaction contemplated by this Agreement (without the other Party's prior approval), including, without limitation, in response to analyst questions, on earnings calls and as otherwise determined by a Party in its sole discretion.

(b) Notwithstanding the foregoing, the Parties acknowledge that the rules and regulations of the FCC require that local public notice of the transaction contemplated by this Agreement be made by Seller after the Assignment Application has been filed with the FCC and that a copy of this Agreement shall be included as a material part of the Assignment Application, which will be made available for public inspection at the Stations and in the FCC's records. The form and substance of the required public notices, to the extent not dictated by the Communications Laws, shall be mutually agreed upon by Seller and Buyer.

13.6 Risk of Loss. The risk of loss to any of the Assets on or prior to the Closing Date shall be upon Seller. Seller shall repair or replace any damaged or lost Assets; *provided, however*, that in the event any lost or damaged Assets is reasonably expected to exceed One Hundred Thousand Dollars (\$100,000) to repair or replace, then either Party may, at its option, upon prior written notice to the other Party, postpone Closing of the affected Station(s) for a period of up to ninety (90) days while Seller shall repair or replace such Assets, and the Closing Date relating to the affected Station(s) shall be extended to accommodate such 90-day period. Notwithstanding the foregoing, if the expected insurance proceeds are sufficient to repair or replace the damaged or lost Assets, the Parties shall close the transaction contemplated herein with the Assets in their damaged or lost condition, and Seller shall assign to Buyer all proceeds of insurance on such damaged or lost Assets, and Buyer shall have the responsibility to repair or replace the damaged or lost Assets. Further, however, if the damage or loss exceeds Five Hundred Thousand Dollars

(\$500,000), and Seller elects not to repair or replace the lost or damaged Assets, then, either Party shall have the right to terminate the Agreement with respect to such affected Station by written notice to the other Party before Closing, and in such event the Parties hereby agree to use good faith efforts to reform the terms of this Agreement as provided in Section 13.11(b) hereof.

13.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto, and their respective representatives, successors and assigns. Neither Seller nor Buyer may assign this Agreement or any part hereof prior to Closing without the prior written consent of the other Party and any attempted assignment without such consent shall be void. In the event of any assignment of this Agreement, the assignee shall enter into a written agreement accepting joint and several liability for all obligations under this Agreement.

13.8 Specific Performance. Seller acknowledges that the Assets are a unique asset not readily obtainable on the open market and that, in the event that Seller fails to perform its obligation to consummate the transaction contemplated hereby, money damages alone will not be adequate to compensate Buyer for its injury. Therefore, Seller agrees and acknowledges that in the event of Seller's failure to perform its obligation to consummate the transaction contemplated hereby, in lieu of seeking damages or any other remedy, Buyer may seek specific performance of the terms of this Agreement and of Seller's obligation to consummate the transaction contemplated hereby. If any action is brought by Buyer against Seller to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law, and the prevailing Party in litigation shall be entitled to receive from the non-prevailing Party all court costs, attorney's fees and other out-of-pocket expenses incurred by the prevailing Party in enforcing or defending its rights under this provision.

13.9 Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly made and received on date delivered by hand, receipt confirmed, or the next business day when sent for next business day delivery by a nationally recognized overnight courier service, expenses prepaid, addressed as set forth below:

If to Seller, then to:

Salem Communications Holding Corporation
Salem Media of Hawaii, Inc.
Reach Satellite Network, Inc.
Salem Radio Properties, Inc.
4880 Santa Rosa Road
Camarillo, CA 93012
Attention: Christopher J. Henderson
Email: chrish@salemmedia.com

If to Buyer, then to:

Educational Media Foundation
2000 Mallory Lane, Suite 130-388
Franklin, TN 37067-8231

Attn. Todd Woods
Email: TWoods@kloveair1.com

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

Paige K. Fronabarger, Esq.
Wilkinson Barker Knauer LLP
1800 M Street, NW, Suite 800N
Washington, DC 20036
Email: Pfronabarger@wbklaw.com

Any Party may change the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice.

13.10 Further Assurances. From time to time prior to, on and after the Closing Date, each Party hereto will execute all such instruments and take all such actions as any other Party shall reasonably request, without payment of further consideration other than any reasonable expenses that may be incurred by the other Party, in connection with carrying out and effectuating the intent and purpose of the transaction contemplated by this Agreement, including without limitation the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered on a Closing Date, and any and all actions which may reasonably be necessary to complete the transaction contemplated hereby. The Parties shall cooperate fully with each other and with their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement.

13.11 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, or its application to any particular circumstance shall, for any reason, be held to be invalid or unenforceable by a court of competent jurisdiction, such provision or such application shall be ineffective to the extent of such invalidity or unenforceability in such jurisdiction, without invalidating the remainder of such provision or any other provisions hereof, or its application in any other circumstance, unless such a construction would be unreasonable, and without invalidating such provision or its application in any other jurisdiction.

13.12 No Third Party Beneficiaries. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity other than the Parties hereto and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

13.13 Execution in Counterparts. This Agreement (and any other document delivered in connection with this Agreement) may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. This Agreement (and any other document delivered in connection with this Agreement) may be executed via electronic or digital signature and signature pages may be exchanged by facsimile or other electronic transmission, (including via DocuSign or a similar program) with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

At the request of either Party hereto or to any such agreement or instrument, each other Party hereto or thereto shall re-execute original forms thereof and deliver them to the other Party. No Party hereto or to any such agreement or instrument shall raise the fact execution of such document by digital or electronic signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or other electronic means as a defense to the formation of a contract and each such Party forever waives any such defense.

13.14 Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

[SIGNATURE PAGES FOLLOW]

SIGNATURE PAGE #1 TO KAIM-FM, ETC. ASSET PURCHASE AGREEMENT (SELLER)

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first above written.

SELLER:

SALEM COMMUNICATION HOLDING CORPORATION

Christopher Henderson

By: _____

Name: Christopher J. Henderson

Title: Executive Vice President

SELLER:

SALEM MEDIA OF HAWAII, INC.

Christopher Henderson

By: _____

Name: Christopher J. Henderson

Title: Executive Vice President

SELLER:

REACH SATELLITE NETWORK, INC.

Christopher Henderson

By: _____

Name: Christopher J. Henderson

Title: Executive Vice President

SELLER:

SALEM RADIO PROPERTIES, INC.

Christopher Henderson

By: _____


Name: Christopher J. Henderson

Title: Executive Vice President

SIGNATURE PAGE #2 TO KAIM-FM, ETC. ASSET PURCHASE AGREEMENT (BUYER)

BUYER:

EDUCATIONAL MEDIA FOUNDATION

By:  DocuSigned by:
B7C2B575E3ED43D
Name: Todd Woods
Title: Chief Executive Officer

By:  DocuSigned by:
9281311B34B5494...
Name: Matt Reynolds
Title: Chief Financial Officer