

## **ASSET PURCHASE AGREEMENT**

This ASSET PURCHASE AGREEMENT (this “Agreement”) is dated as of February 4, 2021 (“Effective Date”), by and between, **VERNON R. BALDWIN, INC.**, an Ohio corporation (“Seller”) and **EDUCATIONAL MEDIA FOUNDATION**, a California non-profit religious corporation (“Buyer”) (and, collectively, “Parties”).

### **WITNESSETH:**

**WHEREAS**, Seller is the licensee of FM radio stations WNLT(FM), Delhi Hills, OH (Facility Id. 69986), WKLN(FM), Wilmington, OH (Facility Id. 58372), and WVRB(FM), Wilmore, KY (Facility Id. 69991) (collectively, the “Stations”) pursuant to authorizations (“FCC Authorizations”) issued by the Federal Communications Commission (the “FCC”); and

**WHEREAS**, the Parties previously entered into (i) that certain Network Affiliation Agreement, dated December 20, 2000, related to WNLT(FM) and WVRB(FM), as amended, and (ii) that certain Network Affiliation Agreement dated June 18, 2003, related to WKLN(FM) (collectively, the “Affiliation Agreements”); and

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

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

### **1. Assets and Liabilities.**

(a) On the Closing Date (as defined below), Seller shall sell, assign and transfer, or cause to be delivered, to Buyer, and Buyer shall purchase, assume and accept from Seller, the assets, properties, interests and rights of Seller of whatsoever kind and nature, used in connection with the operation of the Stations and which are specifically described below, but excluding the Excluded Assets described in subparagraph (d) below (collectively, the “Assets”):

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

(A) The towers and improvements (“Towers”) used for multi-user broadcast and/or wireless communications tower facilities listed on Schedule 1(a)(i) 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 Seller has an ownership interest and which is located on or appurtenant to the Towers (collectively the “Tower Facilities”); provided, however, that the Tower Facilities shall not include any equipment cabinets, shelters, generators, and broadcast related equipment, used, held for use or occupied by any third party or used or useful in connection with the operation by Seller of a station other than the Stations; and

(B) 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, including every item of tangible property described on Schedule 1(a)(i), 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.

(ii) Licenses. All of the licenses, permits and other authorizations issued by the FCC (including, but not limited to, the FCC Authorizations and call letters associated with the Stations), and any other federal, state or local governmental authorities to Seller in connection with the conduct of the business and the operation of the Stations, including those identified on Schedule 1(a)(ii) hereto (collectively, the “Licenses”).

(iii) Real Property. The parcels of real property to which Seller has a fee simple interest (“Owned Real Property”) or a leasehold interest (each a “Real Property Lease”) used to operate the Stations’ primary transmitter sites and auxiliary site for WNLT (collectively, the “Transmitter Sites”), including any appurtenant easements and improvements located thereon, each of which is listed and described on Schedule 1(a)(iii) (collectively the “Real Property”) and together with any and all easements for ingress, egress and utilities for the foregoing.

(iv) Contracts. All leases, subleases, licenses and other agreements which grant others (a “Collocator”) a right to use, lease, sublease, license or sublicense, or occupy a portion of any Tower or Tower Facilities, that are listed and described on Schedule 1(a)(iv) (collectively, the “Assumed Contracts”).

(v) Files and Records. The Stations’ public inspection files, filings with the FCC relating to the Stations, and such other environmental reports, title insurance policies, technical information, engineering data, books and records that primarily relate to the other Assets being conveyed hereunder.

(vi) 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.

(b) The Assets shall be transferred by Seller to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements and other liens, liabilities and encumbrances of every kind and nature (“Liens”), except (i) liens for taxes not due and payable; (ii) liens or mortgages, in each case that will be released on or before the Closing, and (iii) with respect to Owned 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 Transmitter Sites (“Permitted Liens”).

(c) Buyer is not agreeing to, and shall not, assume any liability, obligation, undertaking, expense or agreement of Seller of any kind, absolute or contingent, known or unknown, and the execution and performance of this Agreement shall not render Buyer liable for any such liability, obligation, undertaking, expense or agreement except for the obligations of

Seller arising after Closing under the Real Property Leases and Assumed Contracts or any other liabilities of Seller for which Buyer receives a credit under Section 2(c) (collectively, the “Assumed Liabilities”). All liabilities, except for the Assumed Liabilities, shall be retained by Seller and are referred to herein as the “Retained Liabilities”. Without limiting the generality of the foregoing, it is understood and agreed that Buyer is not agreeing to, and shall not, assume (i) any liability or obligation of Seller to Seller’s employees under any existing written or oral agreements with Seller, including any such liability or obligation in respect of wages, salaries, bonuses, accrued vacation or sick pay or any other matter, (ii) any liability arising out of any termination by Seller of the employment of any employee of the Stations or any liability for any employee benefit plan or arrangement of Seller for Stations’ employees, (iii) any liability or obligation of Seller arising with respect to Owned Real Property, Real Property Leases and Assumed Contracts at or prior to Closing, (iv) any liability or obligation of Seller arising under any contracts (other than post-closing obligations arising under the Real Property Leases and Assumed Contracts) related to the Stations or (v) all obligations and liabilities with respect to the PPP Loan (defined below) or any Additional COVID-19 Benefits, whether now existing or hereafter arising.

(d) The following assets and obligations relating to the business of the Stations shall be retained by Seller and shall not be sold, assigned or transferred to or assumed by Buyer (the “Excluded Assets”):

(i) any and all cash, cash equivalents, cash deposits to secure contract obligations and all other accounts receivable, bank deposits and securities held by Seller in respect of the Stations at the Closing Date.

(ii) any and all claims of Seller with respect to transactions prior to the Closing.

(iii) all prepaid expenses.

(iv) all contracts of insurance and claims against insurers.

(v) all employee benefit plans and the assets thereof and all employment contracts.

(vi) all contracts that are terminated in accordance with the terms and provisions of this Agreement or have expired prior to Closing in the ordinary course of business, and all loans and loan agreements.

(vii) Seller’s corporate and employee records.

(viii) all studio equipment of Seller used in connection with the operation of the Stations not identified on Schedule 1(a)(ii).

(ix) all items of Tangible Personal Property that are used, useful or held for use in the operations by Seller of a station other than the Stations.

(x) all commitments, contracts, leases and agreements except to the extent that they are specifically assumed in this Agreement.

## **2. Purchase Price.**

(a) Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale of the Assets, on the Closing Date Buyer shall pay to Seller the aggregate sum of Seven Million One Hundred Seven Thousand and 00/100 Dollars (\$7,107,000.00) (the "Purchase Price"). The Purchase Price shall be payable to Seller at Closing as follows:

(i) Not later than two (2) business days after the Effective Date, Buyer shall deliver the sum of One Hundred Sixty Thousand and 00/100 Dollars (\$160,000.00) to Seller to be held by Seller as a deposit (the "Deposit") for this transaction. The Deposit shall be paid to Seller as partial payment of the Purchase Price due at Closing to Seller or shall otherwise be made available to Seller or returned to Buyer in accordance with the provisions of this Agreement.

(ii) On the Closing Date, (A) Seller shall retain the Deposit as partial payment of the Purchase Price, (B) Buyer shall execute and deliver to Seller a promissory note substantially in the form attached hereto as Exhibit A (the "Note") in the aggregate principal amount of Five Million Five Hundred Thousand Dollars (\$5,500,000.00) and (C) Buyer shall pay to Seller by wire transfer of readily available funds the balance of the Purchase Price (after deduction of the Deposit and the Note amount).

(iii) To secure Buyer's payment obligations under the Note, Buyer shall execute and deliver to Seller on the Closing Date a Security Agreement substantially in the form of Exhibit B hereto ( the "Security Agreement") granting a first priority security interest in the Collateral set forth in Schedule 1 to the Security Agreement which shall include all Assets conveyed to Buyer hereunder, but excluding (A) the Towers, Tower related assets, Real Property Leases which are ground leases and Assumed Contracts of the Stations and (B) the FCC Authorizations, but including the proceeds of sale thereof.

(b) The parties agree to prorate all expenses arising out of the operation of the Stations which are incurred, accrued or payable, as of 11:59 p.m. local time of the day preceding the Closing. The items to be prorated shall include, but not be limited to, power and utilities charges, security deposits, and similar prepaid and deferred items. On the Closing Date, the prorations shall, insofar as feasible, be determined and paid on the Closing Date, with final settlement and payment to be made within forty-five (45) days after the Closing Date.

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

## **3. FCC Consent; FCC Applications.**

(a) At a date not later than two (2) business days after the Effective Date, Buyer and Seller shall execute, file and diligently prosecute an application with the FCC (the "Assignment Application") requesting its consent to the assignment, from Seller to Buyer, of all FCC Authorizations pertaining to the Stations (the "FCC Consent"). Buyer and Seller shall take all reasonable steps to cooperate with each other and with the FCC to secure the FCC Consent without delay, and to promptly consummate this Agreement in full, provided, however, that neither Seller

nor Buyer will be required to participate in a trial-type hearing before the FCC or a judicial appeal from any adverse FCC action.

(b) Seller agrees to reasonably cooperate with Buyer in connection with the filing of an application by Buyer to modify the FCC Authorizations for the Stations to specify operation as a non-commercial facility ("Non-Commercial Application"), with such modification to be effective on or after the Closing Date, so long as the Non-Commercial Application is filed on a basis that is contingent and effective only upon a prior Closing and does not adversely affect the operations of Seller. The grant of the Non-Commercial Application shall not be a condition to Closing hereunder. The Non-Commercial Application 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 Application as required by FCC rules.

**4. Closing Date; Closing Place.** The closing of the transactions contemplated by this Agreement (the "Closing") shall occur on a date fixed by Buyer (the "Closing Date"), which such date shall be no later than ten (10) days following the date on which the FCC Consent shall have been granted and become a Final Order (defined below) and the other conditions to closing set forth in Section 8 have either been waived or satisfied. For purposes of this Agreement, "Final Order" means an FCC Consent (a) that is no longer subject to review, set aside, or rehearing by the FCC or any court, and (b) that has received no timely requests for stay, petition for rehearing or appeal. The Closing shall take place remotely by email, or in such other manner and at such other place as the Parties may agree in writing.

**5. Representations and Warranties of Seller.** Seller hereby represents and warrants to Buyer:

(a) Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Ohio. Seller has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by Seller (and if necessary, its trustees) and no other proceedings on the part of Seller are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Seller and constitutes the legal, valid and binding obligations of Seller, enforceable in accordance with its respective terms.

(b) The execution, delivery, and performance of this Agreement by Seller will not (i) constitute a violation of or conflict with Seller's organizational documents, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation relating to the business of the Stations and to which Seller or any of the Assets may be subject, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained and delivered to Buyer, (iii) violate any law, statute, rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency and which is applicable to Seller or any of the Assets, (iv) result in the creation or imposition of any Lien of any nature whatsoever on any of the Assets,

or (v) require the consent or approval of any governmental authority or other third party, other than the FCC Consent and any applicable lessor consents for any Real Property Lease.

(c) Schedule 1(a)(i) hereto contains a complete and accurate list of the Tangible Personal Property that is necessary to conduct the operation of the Stations in the manner in which it is currently operated (other than those assets which are Excluded Assets) and will be acquired by Buyer. Seller owns and has, and will have on the Closing Date, good and marketable title to the Tangible Personal Property. To Seller's knowledge, each item of Tangible Personal Property (i) is in good operating condition (reasonable wear and tear excepted) and is not in need of any material repair, (ii) has been maintained in a manner consistent with generally accepted standards of good engineering practice, and (iii) is operating in substantial compliance with all Licenses, including, but not limited to, the FCC Authorizations and rules and regulations of all relevant federal, state and local governments, agencies, or departments, including, but not limited to, the FCC.

(d) To Seller's knowledge, no item of Tangible Personal Property contains any Hazardous Materials. As used in this Agreement, "Hazardous Materials" means any wastes, substances, or materials (whether solids, liquids or gases) that are deemed hazardous, toxic, pollutants, or contaminants, including substances defined as "hazardous wastes," "hazardous substances," "toxic substances," "radioactive materials," or other similar designations in, or otherwise subject to regulation under, any applicable regulations of any federal, state, or local department of natural resources or federal, state, or local environmental protection agency now or at any time hereafter in effect ("Environmental Laws"). Without limiting the generality of the foregoing, Hazardous Materials includes, but is not limited to, polychlorinated biphenyls (PCBs), asbestos, lead-based paints, infectious wastes, radioactive materials and wastes and petroleum and petroleum products (including crude oil or any fraction thereof).

(e) Schedule 1(a)(ii) contains a true and complete list of the FCC Authorizations and all other Licenses that are required for the lawful conduct of the business and operations of the Stations in the manner and to the full extent it is presently operated. Seller lawfully holds the FCC Authorizations and Licenses listed on Schedule 1(a)(ii). Except as set forth in Schedule 1(a)(ii), Seller is operating the Stations in all material respects in accordance with the FCC Authorizations, and all applicable rules, regulations and policies of the FCC (collectively, the "Communications Laws"), including that the Stations are now and on the Closing Date will be 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 such FCC Authorizations or Licenses, and Seller has not received any notice of and has no knowledge of any pending, issued or outstanding order by or before the FCC, or of any investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against either the Stations or Seller. All material reports and filings required to be filed with the FCC by Seller with respect to the operation of the Stations have been timely filed, and all such reports and filings are accurate and currently are in material compliance.

(f) Schedule 1(a)(iii) contains a description of all real property which is owned, leased or licensed and used or held for use in the operation of the Stations' transmission facilities. The Owned Real Property includes, and the Real Property Leases provide (i) 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 Transmitter Sites. There is no pending or to Seller's knowledge threatened suit for condemnation or other taking by any public authority of the Real Property or any part thereof. To Seller's knowledge, all buildings and other improvements included in the Owned Real Property or the real property subject to the Real Property Leases are in operating condition and are not in need of material repair (ordinary wear and tear excepted) and free from material defect or damage. To Seller's knowledge, the towers, guy wires and anchors, ground systems and other facilities and improvements included in the Tangible Personal Property or Owned Real Property or the real property subject to the Real Property Leases do not encroach upon any adjacent premises. To Seller's knowledge, the Real Property is not subject to any zoning, restrictive covenant or other agreement or order that prohibits use of the Real Property as a tower site. Seller has provided Buyer with access to true and complete copies of all deeds, title insurance policies, title insurance commitments, zoning reports, and surveys in its possession that are applicable to the Owned Real Property or the real property which is the subject of the Real Property Leases. Subject to obtaining applicable lessor consents (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 Leases to Buyer. All permanent certificates of occupancy and other consents and approvals required to be obtained by Seller for use of the Owned Real Property and the Real Property subject to the Real Property Leases from any governmental authority, association or board with jurisdiction over such Real Property have been issued and are in full force and effect. To Seller's knowledge, the Tower Facilities were constructed in accordance with and comply with all Communications Laws and any other applicable laws, including health and safety laws and codes and zoning requirements.

(g) Seller has the power and authority to assign and deliver the Real Property, Real Property Leases and Assumed Contracts at Closing and such agreements are legal, valid and binding obligations of Seller enforceable in accordance with their terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

(h) To Seller's knowledge, each Tower (or similar pole, building, rooftop or other infrastructure) from which any Station broadcasts is (a) obstruction marked; (b) lighted; and (c) properly registered with the FCC to the extent required by, and in accordance with, the Communications Laws. To Seller's knowledge, no Tower has any physical, structural or mechanical defects or limits which would prevent or materially obstruct the ability to use the Tower as a telecommunications tower. To Seller's knowledge, the buildings, towers, guys and other fixtures that comprise the Tower Facilities or otherwise situated on the Transmitter Sites are free of material structural defects that would render them unsuitable for their intended uses. Seller has no knowledge that they have not been properly maintained and repaired or that they do not comply in all material respects with applicable zoning, health and safety laws and codes. The operations of the Stations do not exceed permissible levels of exposure to RF radiation specified in either the Communications Laws or any other federal, state or local laws.

(j) 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.

(k) [Reserved].

(l) There is no broker or finder or other person who would have any valid claim for a commission or brokerage in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding or action by Seller. In the event any broker claims to be owed a commission with respect to this transaction, Seller shall be solely responsible to pay any amounts which may ultimately be owed to such broker.

(m) Seller is not subject to any order, writ, injunction, judgment, arbitration decision or decree having binding effect and affecting the business of the Stations or the Assets or which restrains or enjoins the transactions contemplated hereby, and no such proceeding is pending. There is no material litigation pending by or against, or to Seller's knowledge, threatened against Seller. Seller has complied in all material respects with all applicable laws, regulations, orders or decrees applicable to the Stations. The present uses by Seller of the Assets do not violate any such laws, regulations, orders or decrees in any material respect, and Seller has no knowledge of any basis for any claim for compensation or damage or other relief from any violation of the foregoing.

(n) To Seller's knowledge, there are no underground storage tanks located at the Real Property and there are not now, nor have there been, any Hazardous Substances (defined below) stored, generated, used, released or disposed upon the Real Property that, if known to be present in soils or ground water, would 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; require cleanup, removal or some other remedial action under any Environmental Laws. To Seller's knowledge, 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 Law, health and safety laws applicable to the Real Property 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 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 and includes all Hazardous Materials. Seller has provided Buyer with access to true and complete copies of all environmental reports and assessments in Seller's possession that are applicable to the Real Property or the Stations.

(o) There is now, and through the Closing there shall be, in full force and effect with reputable insurance companies, fire and property insurance with respect to all Tangible Personal Property in commercially reasonable amounts sufficient to repair or replace the applicable Assets.

(p) Each of the Real Property Leases and Assumed Contracts 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). To Seller's knowledge, Seller has performed in all material respects all of its



obligations pursuant to each of the Real Property Leases and the Assumed Contracts and is not in material default or breach of any such agreements. Seller has not received written notice from any party to any Real Property Lease or Assumed Contract that such party contends that Seller is in material default or breach under any Real Property Lease or Assumed Contract. To Seller's knowledge, there has not been, and is not, any material default or breach under any Real Property Lease or Assumed Contract by the other party to any Real Property Lease or Assumed Contract. Seller has delivered to Buyer true and complete copies of each Assumed Contract and Real Property Lease, together with all amendments thereto. Except as set forth in Schedule 1(a)(iii) or Schedule 1(a)(iv) attached hereto, there have been no modifications, extensions, or amendments of any of the Real Property Leases or Assumed Contracts, whether oral or written, except as may be contemplated by this Agreement. Seller has not been notified by any other party to any Real Property Lease or Assumed Contract that such party has a present intent to terminate or not to renew any Real Property Lease or Assumed Contract.

(q) Seller has duly, timely, and in the required manner filed all federal, state, and local, franchise, sales, use, property, excise, payroll and other tax returns and forms required to be filed, and has paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies and losses required to be paid prior to the Closing Date which, if not filed or paid as the case might be, would interfere with Buyer's full use and enjoyment of the Assets after the Closing Date. To Seller's knowledge, no event has occurred which imposes on Buyer any liability for any taxes, penalties or interest due or to become due from Seller from any taxing authority.

(r) Except for administrative rulemaking or other proceedings of general applicability to the radio broadcast industry: (i) there is no proceeding or investigation of any nature pending or, to Seller's knowledge, threatened against Seller (in relation to the Stations), the Stations or the FCC Authorizations or affecting the same; and (ii) no writ, decree, or similar instrument has been rendered or is pending against Seller which would materially and adversely affect the Assets or Seller's ability to perform under this Agreement.

(s) On or before the Closing Date, Seller shall furnish to Buyer revised schedules to this Agreement as may be necessary to render such Schedules accurate and complete as of the Closing Date. Seller shall give detailed written notice to Buyer promptly upon the occurrence of or becoming aware of the impending or threatened occurrence of, any event which would cause or constitute a breach or would have caused a breach had such event occurred or been known to Seller prior to the date hereof, of any of Seller's representations or warranties contained in this Agreement or in any Schedule and Seller shall promptly disclose to Buyer any significant problems or developments with respect to the Assets; provided, such notice and/or such disclosure shall not be required if Seller has a reasonable belief that Buyer has knowledge of the reportable event, problem or development.

(t) Seller has applied for and received funds as a borrower or otherwise pursuant to the Small Business Administration ("SBA") Paycheck Protection Loan described on Schedule 5(t) hereto ("PPP Loan") which was executed under the Paycheck Protection Program (the "PPP"), established by the Coronavirus Aid, Relief, and Economic Security Act (Public Law No: 116-136) ("CARES Act"). Seller is in compliance with all applicable terms and conditions associated with the PPP Loan, the CARES Act and all other applicable laws, including as described by the SBA in regulations and administrative guidance related to the Paycheck Protection Program provisions

of the CARES Act. Seller (i) used the proceeds of the PPP Loan exclusively for uses that are eligible for forgiveness under Section 1106 of the CARES Act and in the manner required under the CARES Act to obtain forgiveness of the full amount of the PPP Loan, and (ii) maintained such books, records, and documentation associated with the PPP Loan in compliance with all applicable laws, including as described by the SBA in regulations and administrative guidance related to the Paycheck Protection Program provisions of the CARES Act to evidence that the Seller used the proceeds of the PPP Loan solely for purposes permitted under the CARES Act and otherwise qualified for loan forgiveness. All funds obtained pursuant to the PPP Loan were obtained in accordance with all applicable laws (including the CARES Act) and any and all certifications made in connection with applying for or obtaining such funds were true and correct at the time submitted and as of the date this Agreement and were made in good faith. Seller has not participated in the payroll tax credit program described in Section 2301 of the CARES Act. Except for the PPP Loan, Seller has not obtained any other loan, grant, funding, tax benefit or other benefit, relief or assistance under the CARES Act, any government program established or expanded thereunder, related thereto or funded thereby or any other legislation enacted, any rule or regulation promulgated, or any other program established or expanded, by any governmental body in connection with, or in response to, COVID-19 or designed to provide economic or other benefit, relief or assistance to persons in connection therewith or in relation thereto ( "Additional COVID-19 Benefits").

**6. Representations and Warranties of Buyer.** Buyer hereby represents and warrants to Seller:

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

(b) Buyer has the power and authority to execute and deliver this Agreement, the Security Agreement and the Note and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement as well as, when executed and delivered, the Security Agreement and Note and the consummation of the transactions contemplated hereby and thereby have been or, in the case of the Security Agreement and Note, will be duly and validly authorized by Buyer, and no other proceedings on the part of Buyer are necessary to authorize this Agreement, the Security Agreement or the Note or to consummate the transactions contemplated hereby or thereby. This Agreement has been duly and validly executed and delivered by Buyer and, upon their issuance, the Security Agreement and Note will be duly and validly executed and delivered by Buyer and each such document constitutes or, in the case of the Security Agreement and Note, will constitute the legal, valid and binding agreements of Buyer enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

(c) There is no broker or finder or other person, who would have any valid claim for a commission or brokerage in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding or action by Buyer.

(d) Buyer is legally, technically, and financially qualified to hold the FCC Authorizations for and to operate the Stations. To Buyer's knowledge, there is no investigation or inquiry in progress at the FCC that might delay approval of Buyer to be the licensee of the Stations.

(e) Immediately after giving effect to the transactions contemplated hereby, Buyer shall be solvent and shall: (a) be able to pay its debts as they become due, including the Note; (b) own property that has a fair saleable value greater than the amounts required to pay its debts (including a reasonable estimate of the amount of all contingent liabilities); and (c) have adequate capital to carry on its business. No transfer of property is being made and no obligation is being incurred in connection with the transactions contemplated hereby with the intent to hinder, delay or defraud either present or future creditors of Buyer. In connection with the transactions contemplated hereby, Buyer has not incurred, nor plans to incur, debts beyond its ability to pay as they become absolute and matured.

## **7. Covenants.**

(a) Seller covenants with Buyer that, between the Effective Date and the Closing Date, Seller shall act in accordance with the following:

(i) Seller shall maintain the Tangible Personal Property in accordance with standards of good engineering practice and replace any of such property, which shall be worn out, lost, stolen or destroyed with like property of substantially equivalent kind and value.

(ii) Seller shall continue to operate and maintain the Stations in accordance with the terms of the Licenses and in material compliance with all applicable laws, rules, and regulations and the Affiliation Agreements shall remain in full force and effect until the Closing Date. Seller shall deliver to Buyer, promptly after filing, copies of any reports, applications or responses to the FCC or any communications from the FCC or any other party directed to the FCC related to the Stations which are filed between the Effective Date and the Closing Date. Except as otherwise approved by Buyer, Seller shall not file any application to modify the Stations' facilities except such modifications as are required by the public interest as determined in the sole discretion of Seller, exercised in good faith after consultation with Buyer, and Seller shall take all actions necessary to keep the Licenses valid and in full force and effect.

(iii) Seller shall maintain the Real Property in the ordinary course of business;

(iv) Seller shall maintain insurance on all of the Tangible Personal Property in such amounts as necessary to repair or rebuild the applicable Tangible Personal Property.

(v) Seller shall not, without the prior written consent of Buyer, sell, lease, transfer or agree to sell, lease or transfer any of the Assets;

(vi) Seller shall not, without the prior written consent of Buyer, enter into any amendment of any Real Property Lease or Assumed Contract, except for any agreements renewing, extending or replacing a Real Property Lease or Assumed Contract on substantially the same terms as in effect on the Effective Date;

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

(viii) Seller shall be in material compliance with all federal, state and local laws, rules and regulations with respect to operation of the Stations.

(b) Subject to the terms and conditions of this Agreement, each of the Parties hereto will use commercially reasonable efforts to take all action and to do all things necessary, proper or advisable to satisfy any condition to the Parties' obligations hereunder in its power to satisfy and to consummate and make effective as soon as practicable the transactions contemplated by this Agreement, provided, however, that neither Seller nor Buyer will be required to participate in a trial-type hearing before the FCC or a judicial appeal from any adverse FCC action.

(c) Within sixty (60) days after the Effective Date, Buyer may, at its expense, obtain customary title commitments, Phase I site assessments, and surveys with respect to the Owned Real Property or the Real Property subject to any Real Property Lease. As used herein, (i) "Encroachment" means any (A) Lien disclosed in any such survey that is not a Permitted Lien or (B) encroachment disclosed in any such survey that is not consistent with the representations set forth in this Agreement, and (ii) "Environmental Condition" means any (A) recognized environmental condition disclosed in any such environmental assessment or (B) other condition that is not in compliance with applicable Environmental Law or regulation that is disclosed in any such environmental assessment. Seller shall cooperate with any reasonable requests by the title company or environmental consultant and shall provide access for such surveys or site assessments upon reasonable prior notice. Buyer shall notify Seller of any Environmental Condition or Encroachment promptly after Buyer becomes aware of such fact. If any Environmental Condition on any Real Property or if an Encroachment is identified on or from the Real Property is disclosed, Seller shall 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 (i) if the reasonably estimated remediation cost exceeds \$50,000, then either Party shall have the right to terminate the Agreement 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 on mutually acceptable term.

(d) Seller and Buyer will join together in seeking any required third-party consents to the assignment and assumption of the Real Property Leases and Assumed Contracts ("Required Consents") and customary estoppel certificates from lessors under the Real Property Leases. Except for the Required Consents, Seller shall be required to use only commercially reasonable efforts to obtain any consents or authorizations for an assignment of the Assumed Contracts, and

the failure of Seller to obtain any third party consents other than a Required Consent shall not be a failure of a condition to Closing.

(e) Buyer covenants with Seller that, between the Effective Date and the Closing Date, the Affiliation Agreements shall remain in full force and effect. Buyer and Seller agree that the Affiliation Agreements shall automatically terminate by mutual agreement at Closing. Buyer agrees to make any payments required to be made prior to the Closing under the Affiliation Agreements to Seller within thirty (30) calendar days from the Closing Date.

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

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

(i) Buyer shall have performed and complied in all material respects with all of the agreements, obligations and covenants required by this Agreement to be performed or complied with by Buyer prior to or as of the Closing Date.

(ii) The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date.

(iii) The FCC Consent shall have been granted and shall have become a Final Order.

(iv) Buyer shall have delivered to Seller, on the Closing Date, the Purchase Price.

(v) Buyer shall have delivered to Seller the documents required to be delivered pursuant to Section 9(b).

(vi) Buyer shall not be subject to any voluntary or involuntary petition under Federal bankruptcy law, or any state receivership or similar proceeding.

(vii) Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

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

(i) The Seller shall have performed and complied in all material respects with all the agreements, obligations and covenants required by this Agreement to be performed or complied with by Seller prior to or as of the Closing Date.

(ii) The representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date.

(iii) None of the events or conditions referenced in Section 18 below shall have occurred and not been remedied as set forth in Section 18.

(iv) The FCC Consent shall have been granted and shall have become a Final Order.

(v) Seller shall have delivered to Buyer the documents required to be delivered pursuant to Section 9(a).

(vi) Seller shall not be subject to any voluntary or involuntary petition under Federal bankruptcy law, or any state receivership or similar proceeding.

(vii) Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

(viii) Buyer shall have not been denied a standard form ALTA owner's title policy (at its sole cost) in the form in use in the state where the parcel of Real Property is located from a reputable national title company insuring fee simple title to each parcel of Real Property free and clear of Liens other than Permitted Liens.

(ix) Seller shall provide Buyer with documentation which is acceptable to Buyer, in its reasonably discretion, evidencing that the PPP Loan has been forgiven by the SBA; provided, however, in the event that Seller encounters any delays or the SBA rejects Seller's PPP Loan forgiveness request, Buyer shall cooperate with Seller to find an alternative path for Closing so long as such path (A) complies with the terms and conditions associated with the PPP Loan, the CARES Act and all other applicable laws, including as described by the SBA in regulations and administrative guidance related to the Paycheck Protection Program provisions of the CARES Act, (B) will enable Buyer to acquire the Assets free and clear of any Liens or PPP Loan obligations and (C) will not delay Closing by more than sixty (60) days.

(x) If requested by Buyer, Seller shall have delivered an estoppel certificate from the ground lessor of any Real Property Lease.

## **9. Closing Deliveries.**

(a) At the Closing, Seller shall deliver, or cause to be delivered, to Buyer the following:

(i) a Bill of Sale vesting in Buyer good and marketable title in and to the Assets ("Bill of Sale"), executed by Seller.

(ii) an Assignment and Assumption transferring to Buyer the rights and obligations of Seller pursuant to FCC Authorizations and other Licenses ("FCC Assignment"), executed by Seller.

(iii) a warranty deed for any parcel of Owned Real Property to Buyer, together with 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.

(iv) an Assignment and Assumption transferring to Buyer the rights and obligations of Seller pursuant to the Real Property ("Real Property Assignment"), executed by Seller.

(v) an Assignment and Assumption Agreement transferring to Buyer the rights and obligations of Seller pursuant to the Assumed Contracts ("Contract Assignment"), executed by Seller.

(vi) certified copies of the resolutions of Seller authorizing and approving the execution and delivery of this Agreement and authorizing the consummation of the transactions contemplated hereby and thereby.

(vii) a certificate, dated as of the Closing Date, executed by an officer of Seller, certifying that the conditions set forth in Section 8(b)(i) and 8(b)(ii) have been satisfied by Seller as of the Closing Date.

(viii) a closing statement, executed by Seller.

(ix) the Security Agreement, executed by Seller.

(x) an IRS Form W-9, completed and executed by Seller.

(xi) a copy of a recent utility bill for each parcel of the Real Property.

(xii) all releases of liens, mortgages, financing statements, security interests and other encumbrances necessary to convey clear title to the Assets free of any Liens, except for the Permitted Liens.

(xiii) such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement, executed by Seller.

(b) At the Closing, Buyer shall deliver, or cause to be delivered, to Seller the following

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

(ii) the Real Property Assignment, executed by Buyer.

(iii) the Contract Assignment, executed by Buyer.

(iv) the Bill of Sale, executed by Buyer.

(v) the FCC Assignment, executed by Buyer.

(vi) certified copies of the resolutions of Buyer authorizing and approving the execution and delivery of this Agreement and authorizing the consummation of the transactions contemplated hereby and thereby.

(vii) a certificate, dated the Closing Date, executed by an officer of Buyer, certifying that the conditions set forth in Section 8(a)(i) and 8(a)(ii) have been satisfied by Buyer as of the Closing Date.

(viii) a closing statement, executed by Buyer.

(ix) such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement, executed by Buyer.

#### **10. Indemnification and Survival.**

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

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

(c) Claims by one Party against the other shall be permitted only to the extent that damages exceed Fifty Thousand and 00/100 Dollars (\$50,000.00) and shall be limited to the Purchase Price; provided, however these limitations shall not apply to (i) claims for Damages against Buyer for Assumed Liabilities, (ii) claims for Damages against Seller for Retained Liabilities and (iii) Damages arising from third party claims. In no event may either Party claim damages other than actual damages against the other; no Party may claim consequential, exemplary, or punitive damages or damages for lost business opportunities.

(d) If either Party hereto (the "Indemnatee") receives notice or otherwise obtains knowledge of any third-party claim or matter with respect to which another Party hereto (the "Indemnifying Party") may be obligated to indemnify the Indemnatee under this Section 10(d), then the Indemnatee shall promptly deliver to the Indemnifying Party written notice describing such matter in reasonable detail and specifying the estimated amount of the Damages or liability that may be incurred by the Indemnatee in connection therewith. The Indemnifying Party shall have the right, at its option, to assume the complete defense of such matter at its own expense and



with its own counsel, provided such counsel is reasonably satisfactory to the Indemnitee. If the Indemnifying Party elects to assume the defense of such matter, then (i) notwithstanding anything to the contrary contained herein, the Indemnifying Party shall not be required to pay or otherwise indemnify the Indemnitee against any such matter following the Indemnifying Party's election to assume the defense of such matter, (ii) the Indemnitee shall fully cooperate as reasonably requested by the Indemnifying Party in the defense or settlement of such matter, (iii) the Indemnifying Party shall keep the Indemnitee informed of all material developments and events relating to such matter, and (iv) the Indemnitee shall have the right to participate in the defense of such matter, at its own expense unless legal counsel has advised that representation by Buyer and Seller by the same legal counsel would constitute a conflict of interest or is otherwise inappropriate. In no event shall the Indemnifying Party be liable for any settlement or admission of liability with respect to such matter by the Indemnitee without the Indemnifying Party's prior written consent. An Indemnifying Party may not settle a third-party claim without the Indemnitee's prior written consent unless the Indemnitee receives a release from all matters relating to the claim and is not obligated to make any payment to the claimant.

(e) The representations and warranties in this Agreement shall survive Closing for a period of twelve (12) months from the Closing Date whereupon they shall expire and be of no further force or effect except (i) any representation related to Seller's title to the Assets which shall survive until the expiration of any applicable statute of limitations, and (ii) that if within such applicable period the Indemnitee gives the Indemnifying Party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim, then such claim shall survive until the earlier of resolution of such claim or expiration of the applicable statute of limitations. The covenants and agreements in this Agreement shall survive Closing until performed.

(f) Other than in the case of Damages arising from Seller's breach of Sections 5(a), 5(b), 5(g), 5(j), 5(l), 5(q), 5(t) and the second sentence of 5(e) Seller shall not be liable under this Section 10 for any Damages based upon or arising out of any inaccuracy or breach of any of the representations or warranties of Seller contained in this Agreement if Buyer had knowledge of such inaccuracy or breach prior to Closing

## **11. Termination.**

(a) This Agreement may be terminated by either Buyer or Seller, if the Party seeking to terminate is not in default or breach of any of its obligations under this Agreement, upon written notice to the other upon the occurrence of any of the following: (i) if, on or prior to the Closing Date, the other Party breaches any of its obligations contained herein, and such breach is not cured by the earlier of the Closing Date or thirty (30) days after receipt of the notice of breach from the non-breaching Party, provided, however, that if notice of default is given 30 days or less prior to the Closing Date the Closing Date will automatically be extended to the first business day after the end of the cure period, and provided further that such opportunity to cure shall not apply to the failure of a Party to perform its obligations set forth in Section 4 or Section 8, hereof; (ii) if the Assignment Application is denied by Final Order; (iii) if the Assignment Application is designated for a trial-type hearing; (iv) if a judicial appeal is taken from FCC grant of the Assignment Application; (v) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing of this Agreement; or (vi) if the Closing has not occurred within

twelve (12) months after the Effective Date.

(b) Upon a termination of this Agreement by Seller due to a breach by Buyer of any of its obligations under this Agreement, Seller's sole remedy shall be to retain the Deposit, as liquidated damages and not as a penalty ("Liquidated Damages").

THE RETENTION OF THE LIQUIDATED DAMAGES BY SELLER SHALL BE CONSIDERED LIQUIDATED DAMAGES AND NOT A PENALTY, AND SHALL BE SELLER'S SOLE REMEDY AT LAW OR IN EQUITY FOR A BREACH HEREUNDER IF CLOSING DOES NOT OCCUR. BUYER AND SELLER EACH ACKNOWLEDGE AND AGREE THAT THIS LIQUIDATED DAMAGE AMOUNT IS REASONABLE IN LIGHT OF THE ANTICIPATED HARM WHICH WILL BE CAUSED BY A BREACH OF THIS AGREEMENT BY BUYER, THE DIFFICULTY OF PROOF OF LOSS, THE INCONVENIENCE AND NON-FEASIBILITY OF OTHERWISE OBTAINING AN ADEQUATE REMEDY, AND THE VALUE OF THE TRANSACTION TO BE CONSUMMATED HEREUNDER.

(c) Upon a termination of this Agreement due to a breach by Seller of any of its obligations under this Agreement, Seller shall return the Deposit to Buyer and Buyer may seek all rights and remedies that it may have in equity or at law.

(d) Upon a termination of this Agreement for any reason other than as a result of a breach by Buyer of any of Buyer's obligations under this Agreement, Seller shall return the Deposit to Buyer (along with any accrued interest, if any), and thereafter neither Party will have any further liability or obligation to the other with respect to this Agreement, except with respect to any provisions herein that by their terms survive termination.

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

**13. Notices.** All notices, elections and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery, or on the first business day of attempted delivery by a courier service, or five (5) business days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a Party as shall be specified by like notice):

If to Buyer, to:

Educational Media Foundation  
5700 West Oaks Boulevard  
Rocklin, CA 95765  
Attn.: Shaine Grieshaber  
Email: SGrieshaber@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

If to Seller, to:

Marcella Baldwin  
President  
Vernon R. Baldwin, Inc.  
8686 Michael Lane  
Fairfield, OH 45014

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

F. Reid Avett, Esq.  
Womble Bond Dickinson (US) LLP  
1200 Nineteenth Street, NW  
Suite 500  
Washington, DC 20036

**14. Governing Law.** This Agreement shall be governed by and construed under the laws of the **State of Ohio**, without regard to its principles of conflict of laws. Any legal action brought under this Agreement or any document related to this transaction shall be brought in courts having jurisdiction over claims arising in **Butler County, Ohio**. None of the terms or provisions of this Agreement may be waived, altered, modified.

**15. Partial Invalidity.** Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any provision contained herein shall, for any reason, be held to be invalid or unenforceable, such provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remainder of such provision or any other provisions hereof, unless such a construction would be unreasonable.

**16. Counterparts.** This Agreement may be executed in counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same instrument. This Agreement may be executed and exchanged by facsimile or other electronic transmission, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document. At the request of any Party hereto or to any such agreement or instrument, each other Party hereto or thereto shall re-execute original forms thereof and deliver them to all other Parties. No Party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or Portable Document Format (pdf) to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or other electronic means as a defense to the formation of a contract and each such Party forever waives any such defense.

**17. Expenses.** Except as otherwise set forth in this Agreement, each Party hereto shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. The FCC filing fees relating to the Assignment Application, if any, shall be shared equally between Buyer and Seller. The Parties recognize that any payment of filing fees must come from a single source, and the Party making the payment shall either be promptly reimbursed upon request or shall receive an adjustment at Closing the amount of one-half of the filing fee. Federal, state, local and other transfer and sales taxes applicable to, imposed upon or arising out of the transfer to Buyer of the Assets as contemplated hereby, if any, shall be paid by the Party responsible for such amounts under applicable law.

**18. Risk of Loss.** The risk of loss to any of the Assets on or prior to the Closing Date shall be upon Seller. Seller shall use all commercially reasonable efforts to repair or replace any damaged or lost Assets, provided, however, that in the event that Assets with a value of greater than Fifty Thousand and 00/100 Dollars (\$50,000.00) are damaged or lost on the date otherwise scheduled for Closing, Buyer may, at its option, either (a) postpone Closing for a period of up to sixty (60) days while Seller repairs or replaces such Assets, or (b) elect to close with the Assets in their current condition, in which case Seller shall assign all proceeds from insurance on such lost or damaged Assets to Buyer, and Buyer shall have the responsibility to repair or replace the Assets. Seller shall have no responsibility to repair or replace damaged or destroyed Assets not covered by insurance if the cost of such repair exceeds Fifty Thousand and 00/100 Dollars (\$50,000.00), provided, however, that should Seller advise Buyer within five (5) days after being requested to do so that Seller will not repair or replace such Assets, Buyer may terminate this Agreement without penalty upon written notice to Seller.

**19. Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective heirs, successors, and permitted assigns. No Party may voluntarily or involuntarily assign its interest or delegate its duties under this Agreement without the prior written consent of the other Party.

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

by both Parties. The headings and captions in this Agreement are for only the convenience of the Parties and may not be deemed to affect the substantive terms of this Agreement.

**20. Schedules and Exhibits.** Unless otherwise specified herein, each schedule and exhibit referred to in this Agreement is attached hereto, and each such schedule and exhibit is hereby incorporated by reference herein.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the Parties hereto have executed this Asset Purchase Agreement as of the Effective Date.

**SELLER:**

**VERNON R. BALDWIN, INC.**

By: Marcella Baldwin  
Name: Marcella Baldwin  
Title: President

**BUYER:**

**EDUCATIONAL MEDIA FOUNDATION**

By: \_\_\_\_\_  
Name: David Atkinson  
Title: Chief Financial Officer

By: \_\_\_\_\_  
Name: Shaine Grieshaber  
Title: General Counsel and Secretary

**IN WITNESS WHEREOF**, the Parties hereto have executed this Asset Purchase Agreement as of the Effective Date.

**SELLER:**

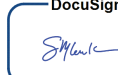
**VERNON R. BALDWIN, INC.**

By: \_\_\_\_\_  
Name: Marcella Baldwin  
Title: President

**BUYER:**

**EDUCATIONAL MEDIA FOUNDATION**

By:  \_\_\_\_\_  
Name: David Atkinson  
Title: Chief Financial Officer

By:  \_\_\_\_\_  
Name: Shaine Grieshaber  
Title: General Counsel and Secretary

**PROMISSORY NOTE**

\$5,500,000.00

\_\_\_\_\_, 2021

FOR VALUE RECEIVED, the undersigned, **EDUCATIONAL MEDIA FOUNDATION**, a California non-profit religious corporation (the “Maker”), hereby promises to pay to the order of **VERNON R. BALDWIN, INC.**, an Ohio corporation (the “Holder”), at 8686 Michael Lane, Fairfield, Ohio 45014, or at such other address specified by the Holder to the Maker, in lawful money of the United States of America and in immediately available funds, the principal amount of **FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$5,500,000.00)**, together with interest accrued thereon in like money.

This Note is issued on the Closing Date (and in furtherance of) the transaction contemplated by the Asset Purchase Agreement, dated as of February 4, 2021, between the Maker and the Holder (the “Purchase Agreement”) relating to the Maker’s purchase from Holder of certain of the assets and licenses of used in the operation of FM radio stations WNL(T)FM, Delhi Hills, OH (Facility Id. 69986), WKL(N)FM, Wilmington, OH (Facility Id. 58372), and WVR(B)FM, Wilmore, KY (Facility Id. 69991) (collectively, the “Stations”) pursuant to authorizations (“FCC Authorizations”) issued by the Federal Communications Commission (the “FCC”);

The principal of and interest on the Note shall be amortized over a term of ninety (90) months commencing thirty days after the date hereof. The loan evidenced by the Note shall bear interest at the rate of three percent (3.0%) per annum. Buyer shall pay monthly, in arrears, installments of principal and interest in the amount of \$68,319.75 each month (the “Monthly Payment”), commencing on the 30th day after the date hereof, and continuing on the same calendar date of each succeeding month. If any payment date shall be a day that is not a regular business day, then the Monthly Payment shall be due on the next regular business day thereafter.

Interest shall be calculated on the basis of a year of 365 days for the actual number of days elapsed, including any time extended by reason of payments falling due on Saturdays, Sundays or legal holidays. Buyer may prepay all or any portion of the principal of the Note.

If any of the following events or conditions (each, an “Event of Default”) shall occur:

(a) Default by the Maker in the payment of the Monthly Payment when the same becomes due and payable, which default continues uncured for a period of five (5) business days after written notice of such default has been given by the Holder to the Maker;

(b) The Maker shall make an assignment for the benefit of creditors, or shall file a voluntary petition in bankruptcy, or shall file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation;



(c) There shall be filed against the Maker any petition or application for relief under any bankruptcy or similar law which is not discharged or dismissed within sixty (60) days after the filing of such petition or application;

(d) Default by the Maker under that certain Security Agreement of even date herewith executed by Maker in favor of the Holder, which default continues uncured within the applicable cure period set forth therein; or

(e) The consummation of the transfer or assignment of the FCC licenses for any of the Stations to any third party for which an FCC Form 314 or Form 315 must be filed, provided Maker has not paid all principal and interest due under this Note on the closing date of such transfer or assignment,

then, and in any such Event of Default the Holder may at any time, by written notice to the Maker, declare the entire amount of all principal and interest remaining unpaid on this Note due and payable, whereupon the same shall forthwith become immediately due and payable, provided however, if Holder has not declared the entire amount of all principal and interest remaining unpaid on this Note due and payable Maker may cure such Event of Default if (i) within ten (10) business days after written notice contemplated by subpart (a) above is given by the Holder to the Maker, the Monthly Payment is received by Holder and (ii) such late Monthly Payment is accompanied by the amount of \$500 as a late fee (the "Late Fee"), this Late Fee being in addition to all interest charges, and provided further, after the third (3<sup>rd</sup>) such default in the payment of any Monthly Payment, the Late Fee shall be increased by Fifty Dollars (\$50.00) per each subsequent default under subpart (a) thereafter. After an uncured Event of Default, the unpaid principal, collection costs, expenses, Late Fees and accrued interest under this Note, until paid, shall accrue interest commencing on the date of the Event of Default at the rate of 10% per annum (the "Default Rate"), compounded daily with such Default Rate to be set, and thereafter adjusted on a monthly basis, on the same day of the month of the Event of Default until this Note, all Late Fees, accrued interest, costs and expenses are paid in full. The Holder of this Note shall be entitled to recover its costs and expenses, including, but not limited to, reasonable attorneys' fees, incurred by Holder after an Event of Default has occurred in collecting such sums as are due under this Note.

All notices and other communications provided for under this Note shall be in writing and shall be deemed effectively given or delivered upon personal delivery (or refusal thereof), or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, or twenty-four (24) hours after submission of electronic mail with confirmed delivery receipt addressed as follows (or at such other address for a party as shall be specified by like notice):

If to the Holder, to:

Vernon R. Baldwin, Inc.  
8686 Michael Lane  
Fairfield, OH 45014  
Attn: Marcella Baldwin, President

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

F. Reid Avett, Esq.  
Womble Bond Dickinson (US) LLP  
1200 Nineteenth Street, NW  
Suite 500  
Washington, DC 20036  
Email: Reid.Avett@wbd-us.com

If to Maker, to:

Educational Media Foundation  
5700 West Oaks Boulevard  
Rocklin, CA 95765  
Attn.: Shaine Grieshaber  
Email: SGrieshaber@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

This Note is secured by that certain Security Agreement of even date herewith executed by Maker in favor of the Holder, and by a security interest in the collateral as defined therein, and upon the occurrence of an Event of Default the Holder may exercise all rights and remedies set forth in such Security Agreement.

This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought. This Note shall be governed by the laws of the State of Ohio.

*[Rest of page intentionally left blank; signature to follow]*

**IN WITNESS WHEREOF**, the undersigned has executed this Note as of the date first above written.

**EDUCATIONAL MEDIA FOUNDATION**

By: \_\_\_\_\_  
Name:  
Title:

**SECURITY AGREEMENT**

**THIS SECURITY AGREEMENT**, dated as of \_\_\_\_\_, \_\_, 2021, is by and between **EDUCATIONAL MEDIA FOUNDATION**, a California non-profit religious corporation ("Debtor"), and **VERNON R. BALDWIN, INC.**, an Ohio corporation ("Secured Party").

Concurrently herewith, and in accordance with that certain Asset Purchase Agreement, dated as of February 4, 2021, (the "Purchase Agreement"), entered into by and between Debtor and Secured Party pursuant to which Debtor agreed to purchase from Secured Party of certain of the assets and licenses of used in the operation of FM radio stations WNLT(FM), Delhi Hills, OH (Facility Id. 69986), WKLN(FM), Wilmington, OH (Facility Id. 58372), and WVRB(FM), Wilmore, KY (Facility Id. 69991) (collectively, the "Stations") pursuant to authorizations ("FCC Authorizations") issued by the Federal Communications Commission (the "FCC"), Secured Party is lending an aggregate principal amount of Five Million Five Hundred Thousand Dollars (\$5,500,000.00) to the Debtor thereon, which is evidenced by a certain Promissory Note of even date herewith in favor of the Secured Party (the "Note") executed in connection with the Purchase Agreement and delivered to Secured Party.

In order to secure repayment of the Note, interest payable, and any other amounts due and owing to Secured Party thereunder, including all costs and expenses incurred with respect to the collection of the Note or the enforcement of the Note (the "Obligations"), Debtor has agreed to grant a security interest to Secured Party in certain assets of Debtor described below.

All capitalized terms, unless otherwise defined herein, shall have the meanings set forth in the Note.

**SECTION 1. Security.**

(a) As security for the payment of the Obligations, Debtor hereby grants to Secured Party a continuing security interest in the Collateral set forth in Schedule 1.

(b) Debtor irrevocably appoints Secured Party as its lawful attorney-in-fact and agent for the limited purpose of executing, on its behalf, financing statements and any assignment documents and to file on its behalf appropriate financing statements.

(c) Debtor hereby represents and warrants to Secured Party that: (i) except for the lien granted by the Debtor in favor of the Secured Party pursuant to this Security Agreement, Debtor is, or to the extent that certain of the Collateral is to be acquired after the date hereof, will be, the owner of the Collateral free from any adverse

lien, security interest or encumbrance; and (ii) to the best of Debtor's knowledge, no financing statement covering the Collateral is on file in any public office, other than the financing statements filed pursuant to this Security Agreement.

**SECTION 2. Covenants of Debtor.**

Debtor hereby covenants that:

(a) Debtor will defend the Collateral against any claims and demands of all other persons at any time claiming the same or an interest therein which would conflict with any claim or interest of Secured Party. Debtor will maintain the tangible property included within the Collateral in good operating condition and repair, and use it only in connection with the operation of the Stations unless disposed of in the ordinary course of business and replaced with equipment of substantially equivalent value. Debtor will not encumber, sell, transfer, assign, abandon or otherwise dispose of the Collateral except for: (i) sale or transfer of Inventory, and cancellation of Insurance (subject to Section 2(b) hereof) in the ordinary course of business, (ii) liens arising from taxes, assessments, charges, levies or claims that are not yet due or that remain payable without penalty or which are being contested in good faith by appropriate proceedings, (iii) liens arising from legal proceedings, so long as such proceedings are being contested in good faith by appropriate proceedings diligently conducted and so long as execution is stayed on all judgments resulting from any such proceedings, (iv) liens created by this Security Agreement, (v) dispositions of items of Equipment no longer useful to Debtor in the ordinary course of business, and (vi) trade-ins, replacements or exchanges of items of Equipment for other items of Equipment having an equal or greater value (in excess of any purchase money liens on such items) and useful in Debtor's business.

(b) Debtor will have and maintain insurance in the amount of the equal to the Obligations with financially sound and reputable insurance companies or associations in such amounts and covering such risks as are usually carried by companies engaged in the same or a similar business and similarly situated, including without limitation, property and casualty insurance and public liability insurance, will have Secured Party named as a loss payee, and will provide proof of insurance to Secured Party upon the execution of this Security Agreement and thereafter for every insurance policy renewal period.

(c) Upon reasonable advance notice to Debtor, Secured Party may examine and inspect the Collateral owned by Debtor at any reasonable time and at any reasonable place, wherever located.

(d) Debtor will pay promptly when due all taxes and assessments upon the Collateral owned by Debtor or upon its use or sale unless such taxes or assessments are being contested in good faith by Debtor. At its option, Secured Party may discharge taxes, liens or other encumbrances at any time levied against or placed on the Collateral which have not been stayed as to execution and contested with due

diligence in appropriate legal proceedings, and Secured Party may pay for insurance on the Collateral if Debtor has failed to comply with such obligation and may pay for maintenance and preservation of the Collateral if Debtor fails to do so. Debtor shall reimburse Secured Party on demand for any such expense incurred by Secured Party pursuant to the foregoing authorization.

(e) Debtor will from time to time upon demand furnish to Secured Party such further information and will execute and deliver to Secured Party such financing statements and assignments and other papers and will do all such acts and things as may be necessary or appropriate to establish, perfect and maintain a valid security interest in the Collateral as security for the Obligations, and Debtor hereby authorizes Secured Party to execute and file at any time and from time to time one or more financing statements or copies thereof or of this Security Agreement with respect to the Collateral signed only by Secured Party.

### **SECTION 3. Events of Default.**

(a) Debtor shall be in default under this Agreement upon the occurrence of any of following events or conditions (each, an “Event of Default”):

(i) an “Event of Default” shall occur under the Note and Secured Party’s acceleration of such Note; or

(ii) any representation or warranty made by Debtor in this Security Agreement shall prove to have been incorrect in any material respect on or as of the date made or deemed made, and such inaccuracy is not cured to the satisfaction of Secured Party within thirty (30) days after the date on which Secured Party gives Debtor written notice of such failure; or

(iii) Debtor shall fail to perform or observe any material term, covenant, or agreement contained in this Security Agreement, and such failure is not cured to the satisfaction of Secured Party within thirty (30) days after the date on which Secured Party gives Debtor written notice of such failure.

(b) Upon the occurrence of an Event of Default, Secured Party shall have all of the rights, powers and remedies set forth in the Note and this Agreement, together with the rights and remedies of a secured party under the applicable Uniform Commercial Code, including without limitation the right to sell, lease or otherwise dispose of any or all of the Collateral and to take possession of the Collateral. Secured Party may require Debtor to assemble its Collateral and make it available to Secured Party at a place to be designated by Secured Party that is reasonably convenient to both parties. Debtor hereby agrees that its address and the place or places of location of the Collateral are places reasonably convenient to it to assemble the Collateral. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will send to Debtor reasonable advance notice

of the time and place of any public sale or reasonable advance notice of the time after which any private sale or any other disposition thereof is to be made. The requirement of sending reasonable advance notice shall be met if such notice is made in accordance with Section 7(d) of this Security Agreement to Debtor at least ten (10) days before the time of the sale or disposition. After deducting all expenses incurred by Secured Party in protecting or enforcing its rights in the Collateral, the residue of any proceeds of collection or sale of the Collateral shall be applied to the payment of principal, first, and then interest of Debtor's Obligations, and Debtor shall remain, liable for any deficiency.

(c) Upon the occurrence and continuing existence of an Event of Default, Secured Party shall have the right to require that Debtor join with the successful bidder or other purchaser at a foreclosure sale regarding the Collateral in seeking from the FCC all applicable prior approvals of FCC for the assignment of the FCC Authorizations to such bidder or other purchaser. In that regard, Debtor agrees to execute and deliver all applications, certificates, instruments, assignments and other documents and papers that may be required to obtain any necessary FCC consent, approval or authorization. It is expressly understood that such sale shall be subject to all applicable consents and prior approvals of the FCC.

#### **SECTION 4. Collection.**

Upon the occurrence of an Event of Default pursuant to Section 3(a) hereof, Secured Party shall have the following rights and powers in addition to those specified in Section 3 above:

(a) Secured Party shall have the right to notify the contract obligors obligated on any or all of Debtor's Insurance to make payment thereof directly to Secured Party, and Secured Party may take control of all proceeds of any of the Insurance or General Intangibles.

(b) Debtor hereby irrevocably appoints Secured Party to be Debtor's true and lawful attorney-in-fact, with full power of substitution, in Secured Party's name or Debtor's name or otherwise for Secured Party's sole use and benefit, but at Debtor's cost and expense, to exercise at any time after the occurrence and continuing existence of an Event of Default pursuant to Section 3(a), but subject to the provisions of Section 8 hereof, the power to sell, transfer, assign or otherwise deal in or with the same or the proceeds thereof and to apply for and obtain any required consents of any governmental authority for any such sale or other disposition, as full and effectually as if Secured Party were the absolute owner thereof.

(c) In the event of a sale of the Collateral as provided for herein, Debtor will without compensation cooperate with the purchaser of the Collateral in promptly preparing and filing and diligently prosecuting all necessary applications before the FCC for the assignment of the FCC Authorizations to the purchaser of the Collateral, it being acknowledged and agreed that the FCC Authorizations are a material part of the

Stations in the absence of which the value of the Collateral would be significantly reduced. In the case of Debtor's non-performance or breach of the obligations contained in this Agreement, Debtor shall be subject to a decree of specific performance in addition to a judgment for money damages. The Secured Party shall be entitled to seek the appointment of a receiver or other person selected by the Secured Party or any court of competent jurisdiction, acting individually or through the use of one or more employees, agents, contractors or other parties (collectively, a "Receiver"), and the Receiver shall have the authority, to take possession of, operate, manage, repair, improve and otherwise generally deal with, and to sell, exchange, dispose of or otherwise transfer, all or any part of the Collateral, including an offering for sale of the Station's FCC authorizations and seeking FCC consent for such sale, and including, without limitation, that Collateral which is used or is usable in connection with or which otherwise relates to the Station or other broadcast rights, in each case to the extent so directed by the Secured Party or such court, as the case may be, and in each case to the extent not inconsistent with, and subject to such approvals as may be required under, applicable laws, rules and regulations, including, without limitation, those of the FCC. The Debtor further agrees that any such sale, exchange, disposition or other transfer of all or any part of the Collateral by or on behalf of a Receiver pursuant to any court approved sale, exchange, disposition or other transfer, shall constitute a commercially reasonable sale thereof for purposes of the Code and other applicable law, and the same shall be the case notwithstanding that the sale, exchange, disposition or other transfer of a portion of the Collateral included in any such sale, exchange, disposition or other transfer is not subject to FCC or other governmental approval. The Debtor agrees to reimburse the Receiver for, and indemnifies the Receiver from and against, all liabilities, damages, losses, expenses and other liabilities of any nature whatsoever reasonably incurred or suffered by the Receiver in connection with any activities contemplated by this subsection or otherwise authorized by any court of competent jurisdiction in connection with the enforcement of any of the Secured Party's rights or remedies under this Agreement or applicable law.

#### **SECTION 5.    Limitations.**

With respect both to Obligations and Collateral, Debtor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payments thereon and the settlement, compromising or adjusting of any thereof, all in such time or times as Secured Party may deem advisable. Secured Party shall have no duty as to the collection or protection of Collateral not in Secured Party's possession, and Secured Party's duty with reference to Collateral in its possession shall be to use reasonable care in the custody and preservation of such Collateral, but such duty shall not require Secured Party to engage in the collection of income thereon, the collection of debt or the taking of steps necessary to preserve rights against prior parties, although Secured Party is authorized to reasonably undertake any such action if deemed appropriate by Secured Party.



**SECTION 6. Successors and Assigns.**

The covenants, representations, warranties and agreements herein set forth shall be binding upon Debtor, its legal representatives, successors and assigns, as joint and several obligations, and shall inure to the benefit of Secured Party, its successors and assigns.

**SECTION 7. Miscellaneous.**

(a) No delay or omission by Secured Party in exercising any of its rights hereunder shall be deemed to constitute a waiver thereof. All rights and remedies of Secured Party hereunder shall be cumulative and may be exercised singularly or concurrently.

(b) This Agreement shall be governed by and construed under the laws of the State of Ohio, without regard to its principles of conflict of laws. Any legal action brought under this Agreement or any document related to this transaction shall be brought in courts having jurisdiction over claims arising in Butler County, Ohio. None of the terms or provisions of this Agreement may be waived, altered, modified, or amended except by an agreement in writing signed by Secured Party and Debtor.

(c) This Agreement may be executed in counterparts, each of which will be deemed to be an original but both of which together will constitute one and the same instrument. This Agreement may be executed and exchanged by facsimile or other electronic transmission, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No Party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or Portable Document Format (pdf) to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or other electronic means as a defense to the formation of a contract and each such party forever waives any such defense.

(d) All notices and other communications provided for under this Security Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery (or refusal thereof), or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, or twenty-four (24) hours after submission of electronic mail with confirmed delivery receipt addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Secured Party, to:

Vernon R. Baldwin, Inc.  
8686 Michael Lane  
Fairfield, OH 45014  
Attn: Marcella Baldwin, President

with a copy (which shall not constitute notice)

F. Reid Avett, Esq.  
Womble Bond Dickinson (US) LLP  
1200 Nineteenth Street, NW  
Suite 500  
Washington, DC 20036  
Email: Reid.Avett@wbd-us.com

If to Debtor, to:

Educational Media Foundation  
5700 West Oaks Boulevard  
Rocklin, CA 95765  
Attn: Shaine Grieshaber  
Email: [SGrieshaber@kloveair1.com](mailto:SGrieshaber@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: [PFonabarger@wbklaw.com](mailto:PFonabarger@wbklaw.com)

**SECTION 8. FCC Approval.**

(a) Notwithstanding anything to the contrary contained herein, any foreclosure on, sale, transfer or other disposition of any Collateral or any other action taken or proposed to be taken hereunder that would affect the operational, voting, or other control of Debtor or affect the ownership of the FCC Authorizations, shall be pursuant to Section 310(d) of the Communications Act of 1934, as amended (the “Communications Act”), and to the applicable rules and regulations of the FCC and, if and to the extent required thereby, subject to the prior consent to the FCC and any other applicable governmental authority. Notwithstanding anything to the contrary contained herein, Secured Party will not take any action pursuant hereto that would constitute or result in any assignment of the FCC Licenses if such assignment of license would require under then existing law (including the Communications Act), the prior approval of the FCC,

without first obtaining such approval of the FCC and notifying the FCC of the consummation of such assignment (to the extent required to do so).

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

**VERNON R. BALDWIN, INC.**

By: \_\_\_\_\_

Name: Marcella Baldwin

Title: President

**EDUCATIONAL MEDIA FOUNDATION**

By: \_\_\_\_\_

Name:

Title:

## **SCHEDULE 1**

The following Equipment, Inventory, General Intangibles, Governmental Authorizations, Accounts, Real Property Leases and Insurance are collectively referred to as the “Collateral”:

(a) All fixtures, equipment, inventory, books and records, computer hardware and software, auxiliary and translator facilities, transmitters, antennas, antenna line and other electronic equipment and parts, supplies, and other tangible and intangible personal property of Debtor, now owned including property listed below, or property hereafter acquired, located within the 54 dBu coverage area relating to the ownership and operation of FM radio stations WNLT(FM), Delhi Hills, OH (Facility Id. 69986), WKLN(FM), Wilmington, OH (Facility Id. 58372), and WVRB(FM), Wilmore, KY (Facility Id. 69991) (collectively, the “Stations”) pursuant to authorizations (“FCC Authorizations”) issued by the Federal Communications Commission (the “FCC”), as well as any replacements for such property and the proceeds or products from the sale of such property (the “Equipment”); provided, however, the Equipment shall not include any Tower Assets (defined below);

(b) All of the Debtor’s inventory, merchandise and goods in all forms, used solely in connection with the operation of the Stations, whether now existing or hereafter acquired, and the proceeds and products thereof (but excluding any inventory, merchandise and goods which are also used in connection with Debtor’s ownership and operation of its other broadcast stations and facilities) (the “Inventory”);

(c) All of Debtor’s presently existing and hereafter acquired or arising general intangibles and other intangible personal property used solely in the operation of the Stations (the “General Intangibles”);

(d) To the extent permitted by law, any and all construction permits, licenses, and authorizations, including those for the Stations (including successor variants of its call sign), issued or granted to Debtor by the FCC or any other governmental entity or otherwise in connection with the operation of the Stations (“FCC Authorizations”) and any auxiliary or translator broadcast or other facility associated with the Stations, but excluding any antenna structure registration related to any Tower Asset. The parties recognize that as of the date of this Agreement, it is generally acknowledged that the Communications Act of 1934, as amended, and the rules and regulations of the FCC, do not permit a security interest to extend to a radio station’s FCC Authorizations; however, they also recognize that courts have held that security interests are permitted to extend to the proceeds of the sale, transfer, or other disposition of such FCC Authorizations, and the parties agree that if this security interest continues not to be permitted to include Debtor’s FCC Authorizations, that the security interest shall extend to the proceeds of the sale, transfer, or other disposition of such FCC Authorizations. If the law in this regard is subsequently changed, in whole or in part, then all of the right,

title, and interest of Debtor in and to any FCC Authorizations, whether now held or hereafter acquired but related to this facility, shall automatically and immediately become subject to the Secured Party's security interest to the maximum extent permitted by law as then in force and effect (the "Governmental Authorizations");

(e) All other rights to any real property now existing or hereafter acquired or leased which is used as a transmission facility for the Stations (the "Real Property"), but excluding interests in real property included in the Tower Assets (*i.e.*, Debtor's interest as a tenant under any ground lease for the Stations or Debtor's interest as tower owner under any tenant lease which are Tower Assets for purpose of this Agreement); and

(f) All insurance policies held by the Debtor or naming the Debtor as loss payee (or naming Debtor as an additional insured as its interest may appear) relating to the operation of the Stations, including without limitation, casualty insurance and property insurance, and the proceeds thereof (the "Insurance").

Notwithstanding anything contained herein to the contrary, as used herein the term "Collateral" does not include (a) any personal property of Debtor which is not located within the 54 dBu coverage area of the Stations, (b) any interest in Debtor's listener pledges and donations, (c) any of Debtor's slogans, logos, jingles, programming, program formats, trademarks, trade names, service marks, copyrights and applications for any of the foregoing, and all goodwill associated therewith, and other similar intangible rights and interests issued to or owned by Debtor in connection with the operation of the Stations, (d) any intangible property of Debtor which is also used in connection with Debtor's ownership and operation of its other broadcast stations and facilities, and (e) the transmission towers, tower facilities and improvements, ground leases for any of the Stations and tenant lease agreements for use of towers acquired by Debtor in connection with its acquisition of the Stations (collectively, the "Tower Assets").

Except for indebtedness of the repayment of the Note, interest payable, and any other amounts due and owing to Secured Party thereunder, including all costs and expenses incurred with respect to the collection of the Note or the enforcement of the Note, the Obligations do not include, and this Security Agreement does not secure, any liability, obligation or indebtedness of Debtor to Secured Party, whether now existing or hereafter arising and howsoever evidenced.

Listing of Equipment Included in Collateral

<u>Item</u>	<u>Location</u>	<u>Model Number</u>	<u>Serial Number</u>
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