

ASSET EXCHANGE AGREEMENT

THIS ASSET EXCHANGE AGREEMENT, dated as of April 24, 2014 (this "Agreement"), is by and between AMERICAN FAMILY ASSOCIATION, a Mississippi non-profit corporation ("AFA"), and EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation ("EMF").

WITNESSETH:

WHEREAS, AFA is the licensee of FM radio stations WTLG, Starke, Florida (Channel 202, 88.3 MHz, FIN: 62344) ("WTLG") and KNDW, Williston, ND (Channel 219, 91.7 MHz, FIN 122472) ("KNDW" and, with WTLG, the "AFA Stations"). EMF is the licensee of FM radio station WVDA, Valdosta, Georgia (Channel 203, 88.5 MHz, FIN: 120609); and

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

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. Sale of Assets.

(a) AFA Stations.

(i) On the Closing Date (as hereinafter defined), AFA shall sell, assign and transfer to EMF, free and clear of all liens and encumbrances, and EMF shall purchase, assume and receive from AFA, the assets, properties, interests and rights of AFA of whatsoever kind and nature, which are held by AFA and used or useful in connection with the operation of the AFA Stations (the "AFA Assets"), including without limitation, (but excluding the AFA Excluded Assets described in subparagraph (iii) below):

(A) All equipment and other tangible personal property used or useful in the operations of WTLG (the "WTLG Tangible Personal Property"), identified on Schedule 1 hereto; and

(B) All equipment and other tangible personal property used or useful in the operations of KNDW (the "KNDW Tangible Personal Property"), identified on Schedule 1 hereto; and

(C) All of the licenses, construction permits and other authorizations issued by the FCC (collectively, the "WTLG Authorizations"), to AFA in connection with the operations of WTLG identified on Schedule 2 hereto;

(D) All of the licenses, construction permits and other authorizations issued by the FCC (collectively, the "KNDW Authorizations"), to AFA in connection with the operations of KNDW identified on Schedule 2 hereto;

(E) The owned real property and leasehold interests held by AFA in the WTLG's current tower site, including buildings, fixtures and other improvements, leasehold interests, easements, licenses, rights of access, rights of way and improvements which are held by AFA and intended for use in the operations of WTLG tower site facilities as identified on Schedule 3 hereto.

(F) All of Seller's right, title and interest in and to KNDW's tower lease (the "KNDW Tower Lease"), as further identified and described, and subject to the limitations identified on Schedule 3 hereto and referred to herein

(ii) EMF is not agreeing to, and shall not assume any liability, obligation, or agreement of AFA of any kind, absolute or contingent, known or unknown.

(iii) The assets and associated liabilities of AFA under all contracts, leases and agreements, including contracts of insurance and insurance proceeds of settlement and insurance claims made by AFA, relating to the business of the AFA Stations shall be retained by AFA and shall not be sold, assigned or transferred to EMF (the "AFA Excluded Assets").

(b) **EMF Station.**

(i) On the Closing Date (as hereinafter defined), EMF shall sell, assign and transfer to AFA, and AFA shall purchase, assume and receive from EMF, certain assets, properties, interests and rights of EMF of whatsoever kind and nature, which are held by EMF and used in connection with WVDA, as identified in below (the "WVDA Assets") free and clear of all liens and encumbrances (but excluding the EMF Excluded Assets described in subparagraph (iii) below):

(A) EMF's equipment and other tangible personal property, used in the operations of WVDA (the "WVDA Tangible Personal Property"), as identified on Schedule 4 hereto;

(B) All of the licenses, construction permits and other authorizations, issued by the FCC (collectively, the "WVDA Authorizations"), to EMF in connection with the operations of WVDA identified on Schedule 5 hereto; and

(C) The owned real property and leasehold interests held by EMF in the WVDA's current tower site, including buildings, fixtures and other improvements, leasehold

interests, easements, licenses, rights of access, rights of way and improvements which are held by EMF and intended for use in the operations of WVDA tower site facilities as identified on Schedule 6 hereto (the "WVDA Real Property").

(ii) AFA is not agreeing to, and shall not assume any liability, obligation, or agreement of EMF of any kind, absolute or contingent, known or unknown.

(iii) EMF shall not sell, assign or transfer to AFA (A) any assets, of whatever kind or nature, which are held by EMF and used principally in connection with the operations of any station or stations other than WVDA and (B) the assets and associated liabilities of EMF under all contracts, leases and agreements, including contracts of insurance and insurance proceeds of settlement and insurance claims made by EMF relating to the business of WVDA (the "EMF Excluded Assets").

2. **Purchase Price.**

(a) Upon the terms and subject to the conditions contained in this Agreement, AFA shall transfer the AFA Assets to EMF and EMF shall transfer the WVDA Assets to AFA. Other than the exchange of assets, no other consideration will be due to or from either party on the Closing Date, except to the extent of net prorations.

(b) The parties agree to prorate all expenses arising out of the operation of broadcasting WVDA and WTLG which are incurred, accrued or payable, as of 11:59 p.m. local time of the day preceding the Closing.

3. **FCC Consent; Assignment Application.** At the earliest mutually agreeable date, but not later than five (5) business days after the date of this Agreement, EMF and AFA shall execute, file and vigorously prosecute applications with the FCC (each an "Assignment Application," together the "Assignment Applications") requesting its consent (the "FCC Consent") to the assignment (i) from AFA to EMF of the WTLG Authorizations and the KNDW Authorizations and (ii) from EMF to AFA of the WVDA Authorizations.

4. **Closing Date; Closing Place.** The closing (the "Closing") of the transactions contemplated by this Agreement shall occur on a date (the "Closing Date") fixed by EMF which shall be no later than ten (10) days following the date on which all FCC Consents shall have been granted. The Closing shall be held by mail or in such other manner as mutually agreed upon by the parties.

5. **Representations and Warranties of AFA.** AFA hereby makes the following representations and warranties to EMF which shall be true as of the date hereof and on the Closing Date:

(a) AFA is a non-profit corporation duly organized, validly existing and in good standing under the laws of the State of Mississippi. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by AFA. The execution, delivery and performance of this Agreement by AFA

will not require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.

(b) Schedule 1 hereto contains a list of all material WTLG Tangible Personal Property and KNDW Tangible Personal Property owned by AFA for use in connection with the operation of WTLG and KNDW, respectively. AFA has, and will have on the Closing Date, good and marketable title to all such property. The AFA Tangible Personal Property is in good condition and repair, ordinary wear and tear excepted.

(d) Schedule 2 hereto contains a true and complete list of the WTLG Authorizations and the KNDW Authorizations and all other licenses, permits or other authorizations required for the operations of WTLG and KNDW. AFA is the authorized legal holder of the WTLG Authorizations and the KNDW Authorizations. The WTLG Authorizations and the KNDW Authorizations are validly issued and are in full force and effect, unimpaired by any act or omission of AFA.

(e) Schedule 3 hereto contains a true and complete copy of the KNDW Lease and a true and accurate description of the WTLG Real Property. AFA has valid leasehold interest in the KNDW Lease and holds a fee interest in the WTLG Real Property.

6. **Covenants, Representations and Warranties of EMF.** EMF hereby makes the following representations and warranties to AFA which shall be true as of the date hereof and on the Closing Date:

(a) EMF is a non-profit corporation, duly organized, validly existing and in good standing under the laws of the State of California. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by EMF. The execution, delivery and performance of this Agreement by EMF will not require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.

(c) Schedule 4 hereto contains a list of all material WVDA Tangible Personal Property owned by EMF for use in connection with the operation of WVDA. EMF has, and will have on the Closing Date, good and marketable title to all such property. The WVDA Tangible Personal Property is in good condition and repair, ordinary wear and tear excepted.

(d) Schedule 5 hereto contains a true and complete list of the WVDA Authorizations and all authorizations that are required for the operations of WVDA. EMF is the authorized legal holder of the WVDA Authorizations. The WVDA Authorizations are validly issued and are in full force and effect.

(e) Schedule 6 hereto contains a description of the WVDA Real Property. EMF holds a fee interest in the WVDA Real Property.

7. **Conditions Precedent to Obligation to Close.**

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

(i) AFA 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 AFA prior to or as of the Closing Date;

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

(iii) The FCC Consents shall have been granted; and

(iv) There shall not be any liens on the AFA Assets.

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

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

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

(iii) The FCC Consents shall have been granted; and

(iv) There shall not be any liens on the WVDA Assets.

8. **Closing Deliveries.**

(a) At the Closing, AFA will execute and deliver to EMF the following:

(i) A Bill of Sale in a form so as to effectively vest in EMF good and marketable title to the AFA Assets;

(ii) An Assignment and Assumption of the WTLG Authorizations and the KNDW Authorizations;

(iii) An Assignment and Assumption of KNDW Lease provided the Lease has been executed by AFA and American Tower Corporation;

(iv) Consent to assignment of lease (if required) from the American Tower Corporation;

(v) A recordable General Warranty Deed in proper form conveying a fee simple interest in the WTLG Real Property to EMF.

(b) Prior to or at the Closing, EMF will execute and deliver to AFA the following:

(i) A Bill of Sale in a form so as to effectively vest in AFA good and marketable title to the WVDA Assets

(ii) An Assignment and Assumption of the WVDA Authorizations;

(iii) A recordable General Warranty Deed in proper form conveying a fee simple interest in the WVDA Real Property to EMF.

9. **Survival of Representations and Warranties.** The several representations and warranties of AFA and EMF contained in or made pursuant to this Agreement shall expire on the Closing Date.

10. **Termination.** This Agreement may be terminated by either EMF or AFA, if the party seeking to terminate is not in default or breach of any of its material obligations under this Agreement, upon written notice to the other upon the occurrence of any of the following: (i) if, on or prior to the Closing Date, the other party breaches any of its material obligations contained herein, and such breach is not cured by the earlier of the Closing Date or thirty (30) days after receipt of the notice of breach from the non-breaching party; or (ii) if any of the Assignment Applications are designated for hearing or denied by Final Order; or (iii) if the Closing has not occurred within one year of the date the Assignment Applications are filed with the FCC.

11. **Notices.** All notices, elections and other communications permitted or required under this Agreement shall be in writing and shall be addressed as follows (or at such other address for a party as shall be specified by like notice):

If to AFA, to:

American Family Association
PO Drawer 2440
Tupelo, MS 38801

If to EMF, to:

Educational Media Foundation
5700 West Oaks Boulevard
Rocklin, CA 95765

Attn: Mike Novak, President/CEO

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

David D. Oxenford, Esq.
Wilkinson, Barker, Knauer, LLP
2300 N Street, NW, Suite 700
Washington, DC 20037

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

13. **Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

14. **Risk of Loss.** The risk of any loss, taking, condemnation, damage or destruction of or to any of the AFA Assets or to any of the WVDA Assets (each, an "*Event of Loss*") on or prior to the Closing Date shall be upon the party then owning such assets and the risk of any Event of Loss subsequent to the Closing Date shall be upon the party acquiring such assets.

15. **Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may voluntarily or involuntarily assign its interest or delegate its duties under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed.

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

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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

AMERICAN FAMILY ASSOCIATION

By: Tim Wildmer
President 4/16/2014

EDUCATIONAL MEDIA FOUNDATION

By: Mike Novak
Mike Novak
President/CEO 4/24/14