

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is made as of October 29, 2010, by and among SAN JOAQUIN BROADCASTING CO., a California corporation (the "Company"), and LA RUE FAMILY L.P., a California limited partnership ("LFLP") and Annette LaRue ("LaRue"), an individual resident of the State of California, the sole stockholders of the Company (together, LFLP and LaRue are referred to as the "Seller"), and EDUCATIONAL MEDIA FOUNDATION, a California not for profit corporation ("Buyer").

WHEREAS, Seller owns all of the issued and outstanding shares of capital stock of the Company consisting of an aggregate of 7,521 shares of common stock, \$1.00 par value per share (the "Shares");

WHEREAS, the Company owns and operates, pursuant to certain licenses, permits and authorizations issued by the Federal Communications Commission (the "FCC"), FM broadcast station KLVS, Stockton, California (the "Station"), and AM broadcast station KSTN ("KSTN"), Stockton, California;

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Shares, subject to the terms and conditions of this Agreement;

WHEREAS, Buyer and the Company have entered into a Network Affiliation Agreement, dated December 22, 2009 (the "LMA") pursuant to which Buyer has provided and will continue to provide all programming for the Station as of February 19, 2010 (the "LMA Effective Date") until the Closing Date hereunder;

WHEREAS, Buyer and Seller have entered into an Option Agreement, dated December 22, 2009, to purchase all of the Company's stock from Seller and, in consideration of such Option Agreement, Buyer has paid Seller the sum of \$100,000 (the "Option Payment");

WHEREAS, Buyer has elected to exercise its option to purchase all of the Company's stock from Seller and Seller has agreed to credit the Option Payment against the balance of the Purchase Price due at closing.

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE I: SALE AND PURCHASE

1.1 Sale of Shares. Upon the terms and subject to the conditions set forth in this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Shares, free and clear of any mortgages, liens, deeds of trust, security interests, pledges, restrictions, prior assignments, charges, claims, defects in title and encumbrances of any kind or type whatsoever ("Liens") except liens for taxes not yet due and payable and Buyer's pledge of stock set forth in Section 1.2(c) ("Permitted Liens"). In addition:

(a) The Company has and on the Closing Date (as defined below) will have in full force and effect a Tower Lease Agreement (the "Tower Lease") with LFLP for use of the Station's tower site facility (the "Real Property") attached as Exhibit A hereto.

(b) On the Closing Date, the Company shall hold the assets, equipment, licenses and other tangible and intangible property used primarily in the operation of the Station (the "Assets"), which are identified in Schedule 1.1(b)(i) but shall have divested to an entity not owned by the Company, the tangible and intangible property relating to the business and operations of KSTN or overhead of the Company, the Station contracts that are used in commercial broadcasting operations and the Station's current accounts receivable and tax refunds (the "Retained Assets and Retained Liabilities"), including, without limitation, the items listed on Schedule 1.1(b)(ii) hereto.

1.2 Purchase Price. The purchase price to be paid by Buyer for the Shares (the "Purchase Price") shall be an aggregate amount equal to Ten Million Dollars (\$10,000,000.00), plus or minus the Working Capital adjustment set forth in Section 1.4 hereof and minus the \$100,000 Option Payment. The Purchase Price shall be payable on the Closing Date as follows:

(a) The sum of Two Million One Hundred and Fifty Thousand Dollars (\$2,150,000) shall be paid to the Seller in cash at Closing, by wire transfer of same day Federal funds to an account designated by Seller at least two business days before the Closing.

(b) Buyer shall issue a Secured Promissory Note (the "Note") to Seller in the principal amount of Seven Million Seven Hundred Fifty Thousand Dollars (\$7,750,000), in the form of Exhibit B hereto. The Note shall bear interest at a rate of 5% per annum, payable in monthly installments along with a portion of the principal amount. The principal shall be amortized over a period of ninety six months. Buyer shall pay Seller a monthly payment of \$98,114.38, with the first such payment due thirty (30) days after the Closing Date, with equal payments due on the same day of the month thereafter. Any portion or all of the principal and interest due under the Note may be prepaid by Buyer at any time without penalty. The balance of such Note shall be due and payable to Seller in the event that (i) Buyer sells either the Company or the Station or (ii) Buyer has a material change in ownership and/or operations or (iii) Buyer grants LMA of the Station's FCC license to a third party.

(c) Buyer shall also execute and deliver a Security Agreement in the form of Exhibit C to Seller at the Closing, granting Seller a first priority security interest in certain collateral, as further defined therein, to secure Buyer's obligations under the Note.

1.3 Deposit; Deposit Escrow Account. Buyer has deposited Five Hundred Thousand Dollars (\$500,000.00) (the "Deposit") into escrow with the Escrow Agent, pursuant to the Escrow Agreement previously executed between Seller and Buyer. At Closing, the Deposit shall be delivered to Seller as a partial payment of the Purchase Price. If this Agreement is terminated by Seller pursuant to Section 8.1(c), then the Deposit shall be disbursed to the Company as liquidated damages and such disbursement shall be the sole and exclusive remedy of the Company and Seller. If this Agreement is terminated without a Closing

for any reason other than a breach by Buyer and termination by Seller under Section 8.1(c) hereof, then the Deposit and all interest thereon shall be released to Buyer.

1.4 Adjustments to Purchase Price.

(a) Closing Date Balance Sheet. At least three (3) business days before the Closing, Seller will provide Buyer with an estimated unaudited internally prepared balance sheet of the Company as of the Closing Date (the "Estimated Closing Date Balance Sheet"). The Estimated Closing Date Balance Sheet will present fairly in all material respects the financial condition of the Company as of the date thereof in a manner consistent with past practices and prior reporting of the Company. To the extent that the Estimated Closing Date Balance Sheet states that the Working Capital of the Company is greater or less than zero, the Purchase Price (as adjusted, the "Closing Date Purchase Price") to be paid at Closing shall be adjusted by that amount, such that Seller receives the benefit of any surplus, and Buyer is compensated for any deficiency. This adjustment shall be applied against the cash portion of the Purchase Price under Section 1.2(a). For purposes of this Agreement, "Working Capital" shall mean the amount by which the total current assets of the Company (cash, cash equivalents, outstanding tax refunds (including any tax refund payable for calendar year 2010), and prepaid expenses, excluding any current assets included on the Retained Assets and Retained Liabilities listed on Schedule 1.1(b)(ii)) exceed the total current liabilities of the Company (accounts payable, accrued expenses, employment taxes and withholdings, and other such liabilities) giving effect to the KSTN-AM transaction referred to in Section 4.3 hereof.

(b) Adjustment Based on Closing Date Balance Sheet. No more than sixty (60) days after the Closing Date, the parties shall prepare a Final Working Capital statement. If the amount of the final Working Capital is greater or less than the Working Capital shown on the Estimated Closing Date Balance Sheet, the Closing Date Purchase Price will be increased or decreased accordingly (the "Adjusted Purchase Price") and both Buyer and Seller, as the case may be, shall retain adequate cash on hand to satisfy any such adjustment within three (3) business days after the Adjusted Purchase Price is conclusively determined, provided, however, that any adjustments attributable to tax refunds shall not be due and payable to Seller until received by Buyer. All accounts payable invoices shall be provided by Seller to Buyer to support the "Final Working Capital Statement." In the event of any disputes between the parties as to the Working Capital amount, the undisputed amount shall be paid when due, and the parties shall endeavor to resolve such dispute within thirty (30) days after the date when the Adjusted Purchase Price would otherwise have been determined. If such dispute is not resolved within that 30-day time period, the parties shall immediately select a mutually-agreeable independent CPA to resolve the dispute using GAAP accounting principles customarily applied in the broadcast industry, and the fees and expenses of such accountant shall be paid one-half by Seller and one-half by Buyer. The decision of such CPA shall be rendered within one hundred eighty (180) days after the Closing and shall be conclusive and binding on the parties.

(c) Employee Matters. Notwithstanding any other provision of this Agreement, wages, salaries, and other employee benefit expenses (whether such wages, salaries or benefits are current or deferred expenses, including, without limitation, liabilities accrued up to the Effective Time for bonuses, commissions, vacation pay, payroll taxes, workers' compensation and social security taxes) shall be the sole responsibility of the Seller as Retained

Liabilities, and to the extent known, shall be discharged by the Company on or before the Closing Date.

1.5 Closing. The consummation of the sale and purchase of the Shares provided for in this Agreement (the "Closing") shall take place at a date and time designated by Buyer within ten business days after the date the FCC Consent is granted by initial order, subject to the satisfaction or waiver of the last of the conditions required to be satisfied or waived pursuant to Articles 5 or 6 below (other than those requiring the taking of other action at the Closing). Alternatively, the Closing may take place at such other place, time or date as the parties may mutually agree upon in writing. The date on which the Closing is to occur is referred to herein as the "Closing Date."

1.6 FCC Applications. As soon as possible, but in no event later than five business days after the date hereof, the parties shall file an application with the FCC (the "FCC Application") requesting the FCC's written consent to the transfer of control of the Company to Buyer pursuant to this Agreement. The parties shall diligently take all steps that are necessary, proper or desirable to expedite the prosecution of the FCC application to a favorable conclusion. Each party shall promptly provide the others with a copy of any pleading, order or other document served on it relating to the FCC Application, and shall furnish all information required by the FCC. The FCC's written consent to the FCC Application is referred to herein as the "FCC Consent."

Seller hereby consents to and agrees to cooperate with Buyer in connection with the filing of a request by Buyer to change the Station license to non-commercial educational status and for a waiver of the FCC's "main studio" rules, such license grant and waiver to be effective on or after the Closing Date. Such request shall be made and prosecution thereof shall be conducted solely at Buyer's expense, and Seller's covenant of cooperation shall be satisfied by prompt delivery of the signed statement required under Section 73.3517 of the FCC rules or any similar successor rule or provision.

Seller has filed an application for modification of the facilities of the Station to, in part, change the city of license from Stockton, California, to Livermore, California [BPH-20100915ABK) (the "Mod Application"). Buyer and Seller shall cooperate in diligent prosecution of the Mod Application.

ARTICLE II: REPRESENTATIONS AND WARRANTIES OF THE SELLER

To induce Buyer to enter into this Agreement and to consummate the transactions contemplated hereby, each Seller and the Company, jointly and severally, represents and warrants that:

2.1 Ownership of Shares. Each Seller is the lawful owner of the respective Shares to be conveyed to Buyer hereunder, free and clear of all Liens, and there are no other classes of capital stock authorized or outstanding, and no other outstanding subscriptions, options, warrants, rights, calls, commitments, conversion rights, rights of exchange, plans or other agreements of any character providing for the purchase, issuance or sale of any of the Shares or other Company stock, and Seller has not granted directly, or indirectly through an

affiliate or otherwise, any such rights. There are no shareholder agreements, voting trusts or similar agreements in effect with respect to the Shares. The authorized capital stock of the Company consists solely of 10,000 shares of common stock, \$1 par value, of which 7521 shares are issued and outstanding. All shares of the common stock, including the Shares, are duly authorized, validly issued and outstanding and are fully paid and non-assessable, and were issued in conformity with applicable laws. The stock record books of the Company have been maintained in the ordinary course of business and reflect accurately all transactions in the Company's capital stock of all classes. True, correct and complete copies of the foregoing and of the current Articles and ByLaws of the Company have been delivered to Buyer.

2.2 Organization and Authority. Each of LRFP and the Company is duly organized, validly existing and in good standing under the laws of the State of California; LaRue is a resident of California. The Company has no subsidiaries. LRFP and the Company each has the requisite power and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby and to comply with the terms, conditions and provisions hereof. The execution, delivery and performance of this Agreement by each Seller and by the Company has been duly authorized and approved by all necessary action by such entities or persons and does not require any further authorization or consent thereof. Other than the FCC Consent, no consent of a third party is required to be obtained with respect to the transactions contemplated by this Agreement. Neither the execution and delivery by each Seller or the Company of this Agreement nor the consummation by each Seller and the Company of any of the transactions contemplated hereby nor their compliance with or fulfillment of the terms, conditions and provisions hereof will conflict with the charter or other organizational documents of LRFP or the Company, any contract, agreement or undertaking of either Seller or the Company, or any judgment, order or decree to which either Seller or the Company is subject. This Agreement is a legal, valid and binding agreement of each Seller and the Company enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3 Liabilities, Liens, Financial Statements; Assets.

(a) **Liens and Liabilities.** Schedule 2.3 hereto contains a list of all Liens, liabilities, obligations and payables of the Company and the Station as estimated at that date, and such list shall be updated and delivered to Buyer three (3) business days before the Closing Date (giving effect to the KSTN transaction referred to in Section 4.3 hereof). Seller represents and warrants that, to the best of its knowledge after due inquiry, such liabilities are the only Liens, liabilities, obligations and payables of the Company and/or the Station.

(b) **Financial Statements.** Seller has furnished Buyer with true and complete copy of the Company's unaudited, internally prepared income statement and balance sheet for the year ended December 31, 2009, and unaudited, internally prepared calendar quarter income statements and balance sheets for the interim periods until the date hereof (collectively, the "Financial Statements"). The unaudited, internally prepared Financial Statements have been prepared from the books, records and accounts of the Company and are generally consistent with

the books, records, and accounts of the Company (which books, records and accounts are complete and accurate in all material respects) and present fairly the financial condition of the Company for the period then ended. Since December 31, 2009 until the present, there has not been, and as of the Closing Date there shall not have been, occurred or arisen any change in or event affecting the Company, the Station or the Shares that has had or may reasonably be expected to have a material adverse effect on the Company, the Station, its licenses or assets, except for actions to be taken pursuant to the provisions of this Agreement. Except as set forth on Schedule 2.3, as of the December 31, 2009 unaudited, internally prepared Financial Statement until the present, the Company had no liabilities, obligations or payables of any nature affecting the Company, the Station, its FCC Licenses or Assets, whether accrued, absolute, contingent or otherwise, and whether due or to become due, except as are reflected or disclosed in the Financial Statement. For the avoidance of doubt, Sellers' representations and warranties made as of the Closing Date with respect to liabilities shall speak as of that date.

(c) Discharge of Liens against Assets. Seller further represents and warrants that when the Shares are delivered pursuant to Section 1.5, the Assets of the Company and the Shares shall be free and clear of all Liens, other than Permitted Liens, and the Company and the Station shall have no liabilities or obligations other than operating payables, unless such liabilities are disclosed on Schedule 2.3 and agreed to by Buyer.

2.4 FCC Matters; Station Operation.

(a) FCC Licenses. Schedule 2.4(a) lists all of the licenses, permits and applications issued by or pending before the FCC (including their expiration dates) in connection with the ownership of the Station (the "FCC Licenses"). True, complete and correct copies of all FCC Licenses have been provided to Buyer. The Company is the authorized legal holder of the FCC Licenses. The FCC Licenses are in full force and effect and constitute all the licenses from the FCC required for the operation of the Station as currently operated. Except as set forth on Schedule 2.4(a), since the latest renewal of the Station's FCC Licenses has been granted, the Company and the Station have been and are being operated in all material respects in compliance with the FCC Licenses, the Federal Communications Act of 1934, as amended (the "Communications Act") and the rules, regulations and policies of the FCC (the "FCC Rules"). All material reports required to be filed with the FCC pursuant to the FCC Rules have been timely filed and are accurate and complete in all material respects. The Station is not causing objectionable interference to or receiving objectionable interference from any other broadcast facility, and the Station is not short spaced to any Station. The Station is currently transmitting its broadcast signal and shall on the Closing Date be transmitting its broadcast signal at no less than ninety percent (90%) of its maximum authorized power.

(b) FCC Proceedings. Except for actions or proceedings identified on Schedule 2.4(b) hereto or affecting FM radio stations generally, no action, complaint, petition, notice of violation, or proceeding is pending or, to the knowledge of Seller, threatened by or before the FCC relating to the business or operations of the Station or KSTN-AM.

(c) Antenna Towers Registration. To the best of Seller's knowledge the owner of the Tower on which the Company's broadcast antenna is located, (i) has complied in all material respects with all requirements of the FCC and the FAA with respect to the construction and/or alteration, (ii) no "no hazard" determinations for such antenna structure was required, and (iii) the tower has been properly registered with the FCC at the coordinates specified in its FCC License.

2.5 Station Equipment. Identified in Schedule 1.1(b)(i) is a list of all broadcast equipment (the "Equipment") used or useful in the operations of the Station as currently conducted. The Company has, or will have as of the Closing Date, all right, title and interest in and to the Equipment, free and clear of all Liens. The Equipment is in operating condition, has been maintained according to industry standards, and contains no material quantity of PCBs. The Equipment is all broadcast equipment necessary to operate the Station in compliance with the FCC Rules and the Station's FCC Licenses.

2.6 Contracts. Attached hereto as Schedule 2.6 is a list of all contracts for goods or services provided to the Station that are in the name of the Company or by which the Company is bound or otherwise obligated and that will not be cancelled by the Company or Seller or assigned to an entity owned by Seller pursuant to Section 4.3 hereof on or before the Closing Date ("Contracts"). Each such Contract is in full force and effect, and to Seller's knowledge there is no non-monetary default thereunder by any party thereto. Any payments due under a Contract for periods prior to the Closing Date (or the LMA Effective Date, as applicable) are identified with respect to each Contract on Schedule 2.6.

2.7 Employees. As of the Closing Date, except for those items included on the "Estimated Closing Dated Balance Sheet" under Section 1.4(a) and/or the "Final Working Capital Statement" under Section 1.4(b) for which an adjustment will be made, as of the Closing Date the Company shall have no obligation of any kind with respect to any person employed or formerly employed by the Station or the Company, including, without limitation, for salary, vacation or severance obligations, employee benefits, pension obligations, payroll taxes, other tax withholding, severance, or with respect to any claim by any employee, pending or threatened, relating to periods on or before the Closing Date with respect to the Company and the Station, and Seller shall expressly undertake to assume, indemnify and defend Buyer with respect to any such liability at the Closing. Neither Seller nor the Company is a party to any contract with any labor organization, nor have Seller or the Company agreed to recognize any union or other collective bargaining unit, nor has any union or other collective bargaining unit been certified as representing any of Seller's employees or employees assigned to the Station. There are no organizational efforts currently being made or threatened by or on behalf of any labor union with respect to employees of Seller or with respect to the Station. There are no present or threatened work stoppages or labor difficulties relating to the employees of Seller or with respect to the Station.

2.8 Real Property Matters. As of the Closing Date, the Tower Lease shall be a valid legal obligation as described on Schedule 2.8 attached hereto, free and clear of any restriction which would materially interfere with the intended use of the site. There is full legal and practical access to the Real Property, all utilities necessary for Buyer's use of the Real Property as a radio tower facility are available at the Real Property, and, to Seller's knowledge,

are such utilities are subject to valid easements, where necessary. Except as set forth on Schedule 2.8, to Seller's knowledge, the site and improvements constructed thereon, as well as the present uses thereof, conform in all material respects with all restrictive covenants and with all applicable zoning, environmental and building codes, laws, rules and regulations.

2.9 Environmental Matters

(a) The term "Hazardous Materials" shall mean any substance, material, liquid or gas defined or designated as hazardous or toxic (or by any similar term) under any Environmental Law, including, without limitation, petroleum products and friable materials containing more than one percent (1.0%) asbestos by weight

(b) "Environmental Law" shall mean any federal, state, or local law, ordinance, order, rule, or regulation relating to pollution, protection of the environment, or actual or threatened releases, discharges, or emissions into the environment.

(c) The term "Environmental Condition" shall refer to any contamination or damage to the environment caused by or relating to the use, handling, storage, treatment, recycling, generation, transportation, release, spilling, leaking, pumping, pouring, emptying, discharging, injection, escaping, leaching, disposal, dumping or threatened release of Hazardous Materials by the Company or its predecessors in interest. With respect to claims by employees, Environmental Condition also includes the exposure of persons to Hazardous Materials at the Station or the Tower Site Property.

(d) The term "Environmental Noncompliance" shall mean any violation of any Environmental Law.

(e) There are no investigations, inquiries, administrative proceedings, actions, suits, claims, legal proceedings or any other proceedings pending or, to the knowledge of Seller, threatened against the Company that involve, or relate to, Environmental Conditions, Environmental Noncompliance or the release, use or disposal of any Hazardous Materials on the Tower Site Property.

(f) There are no Hazardous Materials being released, stored, used or otherwise held on, under or about the Tower Site Property, and there are no underground storage tanks located on or under the Tower Site Property. The Tower Site Property has been maintained by the Company in material compliance with all Environmental Laws.

2.10 Bank Accounts, Powers, etc. Schedule 2.10 lists each bank, trust company, savings institution, brokerage firm, mutual fund or other financial institution with which the Company has an account or safe deposit box relating to the Station and the names and identification of all persons authorized to draw thereon or to have access thereto and lists the names of each person holding powers of attorney or agency authority from the Company and a summary of the terms thereof. Seller shall cooperate with Buyer to cancel any such account as of the Closing Date.

2.11 Compliance With Law. The Station Assets and the operation of the Station and the Company are in material compliance with all applicable statutes, laws, ordinances, regulations, rules or orders of any federal, state or local government, department or agency, including, without limitation, energy, environmental, public utility, zoning, building code, health, and employee safety agencies.

2.12 Tax and Other Returns and Reports. The Company has timely filed, or will with respect to returns required to be filed prior to the Closing Date file, all required tax returns relating to the Company and has paid or will pay all taxes due for all periods ending on or before the Closing Date. All such tax returns have been or shall be complete and accurate in all material respects, and a copy of all such returns shall be provided to the Buyer. The books and records of the Company reflect adequate reserves for taxes.. To the knowledge of Seller, except as disclosed to Buyer and set forth on Schedule 2.12 hereto no governmental entity has proposed (tentatively or definitively), asserted or assessed or threatened to propose or assert, any deficiency, assessment or claim for taxes and there would be no basis for any such delinquency assessment or claim. All taxes that the Company is required by law to withhold or to collect for payment have been duly withheld and collected, and have been or shall be paid as of the Closing Date. The Company has complied in all material respects with all information reporting and backup withholding requirements, including maintenance of required records with respect thereto, in connection with amounts owing to any employee, independent contractor, creditor, stockholder or other third party.

2.13 Litigation. Except as stated on Schedule 2.13, to Seller's knowledge neither Seller, the Company nor the Station is subject to any judgment, award, order, writ, injunction, arbitration decision or decree with respect to or affecting the Station or the Assets. There is no third party claim, litigation, proceeding or investigation pending or, to the best of Seller's knowledge, threatened against Seller or the Company in any federal, state or local court, or before any administrative agency, arbitrator or other tribunal authorized to resolve disputes. There is no third party claim, litigation, proceeding or investigation pending or, to the best of Seller's knowledge, threatened against Seller or the Company which might have a material adverse effect upon the business, assets or condition, financial or otherwise, of the Station or the Company or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken in connection with this Agreement, and Seller has no knowledge of any fact, event or circumstance that might be the ground for any such third party claim.

2.14 Insurance. Each of the Company and the Station is, and through the Closing Date shall remain, insured against all risks normally insured against by companies in the radio broadcast industry of similar size, including applicable comprehensive liability coverage and casualty coverage equal to the replacement value of the Station's tangible personal property, and all of the insurance policies and bonds presently maintained by the Company or Seller with respect to the Station are in full force and effect. Schedule 2.14 lists all insurance policies and bonds pertaining to the Station. The Company is not in default under any such policy or bond.

2.15 No Brokers or Finders. Other than Patrick Communications, LLC, whose fees will be paid by Seller, no agent, broker, finder, or investment or commercial banker, or other person or firm engaged by or acting on behalf of Seller or the Company in connection with the negotiation, execution or performance of this Agreement or the transactions contemplated in this

Agreement, is or will be entitled to any brokerage or finder's or similar fee or commission as a result of this Agreement or consummation of the transactions contemplated hereunder.

2.16 Disclosure. To the best of the Seller's knowledge, the representations and warranties of Seller herein or in any document, exhibit, statement, certificate or schedule furnished by or on behalf of Seller or the Company to Buyer as required by this Agreement do not contain nor will contain any untrue statement of a material fact or omit or will omit to state any material fact necessary in order to make the statements herein or therein, in light of the circumstances under which they were made, not misleading in any material respect.

ARTICLE III: REPRESENTATIONS AND WARRANTIES OF BUYER

To induce Seller and the Company to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer represents and warrants to Seller and the Company as follows:

3.1 Organization. Buyer is duly organized, validly existing and in good standing under the laws of the State of California. Buyer has the requisite power and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby and to comply with the terms, conditions and provisions hereof.

3.2 Authority. The execution, delivery and performance of this Agreement by Buyer has been duly authorized and approved by all necessary action of Buyer and does not require any further authorization or consent of Buyer. This Agreement is a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 No Conflicts. Neither the execution and delivery by Buyer of this Agreement or the consummation by Buyer of any of the transactions contemplated hereby nor compliance by Buyer with or fulfillment by Buyer of the terms, conditions and provisions hereof will: (i) conflict with the charter or other organizational documents of Buyer or any judgment, order or decree to which Buyer is subject; or (ii) require the approval, consent, authorization or act of, or the making by Buyer of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, except for such of the foregoing as are necessary pursuant to the Act and the FCC Rules.

3.4 Qualification. As of the date of this Agreement, Buyer is qualified under the Communications Act and the rules, regulations and policies of the FCC to control all of the FCC Licenses issued to the Company or with respect to the Station, including without limitation all rights in and to the station's call letters and any variations thereof, and all applications therefor, together with any renewals or extensions thereof and additions thereto.

3.5 Retention of Company as Subsidiary. Buyer is authorized to acquire the Shares and to contract to maintain the Company as a subsidiary corporation for the duration of

the pay-out of the Secured Promissory Note included in the purchase price at Section 1.2(b).

3.6 Disclosure. To the best of the Buyer's knowledge the representations and warranties of Buyer herein or in any document, exhibit, statement, certificate or schedule furnished by or on behalf of Buyer to Seller as required by this Agreement do not contain nor will contain any untrue statement of a material fact.

ARTICLE IV: COVENANTS OF THE COMPANY AND SELLER

The Company and Seller covenant and agree that from the date hereof until the completion of the Closing:

4.1 Operation of the Business. Except in accordance with the provisions of the LMA, Seller and the Company will:

(a) preserve and protect all of the Assets as identified in Schedule 1.1(b)(i) in their current condition, with additional normal wear and tear excepted;

(b) maintain the Company's and the Station's books of account and records in the usual and ordinary manner, and not change the Company's tax status or method of accounting;

(c) not enter into any material agreement with respect to the Station, the Assets or the Company, including any option or agreement to sell, assign or transfer the Station, the Assets or control of the Company to any other party, except as specifically provided in Section 4.3 hereof;

(d) not make any changes in the Company's capital structure or issue or sell any additional shares of the Company, nor grant any option, warrant or similar right with respect to the Shares, or amend the Company's charter or bylaws;

(e) not take or permit any other action inconsistent with their obligations hereunder and the consummation of the transactions contemplated hereby;

(f) maintain the insurance policies listed on Schedule 2.14 in full force and effect, with policy limits and scope of coverage not less than is currently provided;

(g) not incur or permit any additional indebtedness, material judgment, Lien or liability other than trade payables arising in the ordinary course of business that, if such trade payables have not been satisfied as of the Closing Date, are disclosed to Buyer as specifically identified for satisfaction at closing by deduction from the Purchase Price, and satisfy all trade and barter obligations of the Station as of the Closing Date;

(h) maintain and preserve the Company's rights under the FCC Licenses, operate the Station in accordance with the FCC Rules and the FCC Licenses, and timely file and prosecute any required extensions of outstanding construction permits, applications or authorizations which may expire prior to the Closing Date; and

(i) conduct the Station's business in the ordinary course consistent with past practices or as required by this Agreement. By way of amplification and not limitation, without the prior written consent of Buyer, which shall not be unreasonably withheld, Seller and the Company shall not:

- (i) enter into any agreement, contract or lease with an aggregate liability of more than \$5,000, unless cancelable without penalty prior to the Closing Date;
- (ii) sell or otherwise dispose of any Asset on Schedule 1.1(b)(i) until a value greater than \$1000 unless replaced by an Asset of like kind and value;
- (iii) commit any act or omit to do any act which will cause a breach of any Contract or terminate or fail to renew any Contract;
- (iv) violate in any material respect any law, statute, rule, governmental regulation or order of any court or governmental or regulatory authority (whether Federal, State or local);
- (v) institute litigation against any third party; or
- (vi) cause or permit by any act, or failure to act, any of the FCC Licenses to expire, be surrendered, adversely modified, or otherwise terminated, or the FCC to institute any proceedings for the suspension, revocation or adverse modification of any of the FCC Licenses, or fail to prosecute with due diligence any pending applications to the FCC.

Nothing contained in this Agreement shall give Buyer any right to control the programming, operations or any other matter relating to the Station prior to the Closing, and the Company shall have complete control of the programming, operations and all other matters relating to the Station up to the Closing. The Company may transfer at Company's election to a third party controlled by Seller all accounts receivable of the Company and the obligation to satisfy all trade payables generated by the Station, provided, that the Company shall remain subject to the Working Capital adjustment set forth in Section 1.4 hereof on the Closing Date and thereafter with respect to any remaining current assets or trade payables.

4.2 Exclusive Dealing. Neither the Seller nor the Company, nor any of their respective affiliates or representatives or any officer or director thereof shall take any action directly or indirectly, to encourage, initiate, solicit or engage in discussions or negotiations with, or provide any information to any person other than Buyer and its respective affiliates and representatives concerning any purchase of any capital stock of the Company or any merger, asset sale or similar transaction involving the Station, Company or any of the Assets, except as expressly permitted pursuant to Section 4.3 hereof.

4.3 Required Seller's Transaction. No later than five (5) business days after grant of the FCC Application, the Company shall assign to another entity controlled by Seller (or Seller's assignee and not owned by the Company the assets and licenses of KSTN, including any and all Retained Assets and Retained Liabilities, with the result that the Company shall have only such assets, licenses, Liens and liabilities as are directly related to the Station and primarily used or useful in its operations, not including any overhead operations.

4.4 Required Buyer's Transaction. The LMA shall be in full force and effect during the pendency of the FCC Application until Closing. Default by Buyer under the LMA shall constitute a default under the Agreement.

4.5 Buyer's Due Diligence Investigation. Seller acknowledges and agrees that Buyer may conduct a due diligence investigation as to the Company, the Station, and the Assets, and all Liens and liabilities associated therewith, and including, without limitation, as to any statements or information contained in Section 2 hereof. From the date hereof to the Closing Date, Seller and the Company shall afford, and shall cause its respective officers, directors, employees and agents to afford, to Buyer and the officers, employees and agents of Buyer reasonable access at all reasonable times to the Company's officers, employees, independent contractors, agents, properties, books, records and contracts, and shall furnish Buyer all regulatory, financial, operating and other data and information as Buyer, through its respective officers, employees or agents, may reasonably request.

ARTICLE V: CONDITIONS TO THE OBLIGATIONS OF SELLER AND THE COMPANY

The obligations of Seller and the Company under this Agreement are, at their option, subject to the fulfillment of the following conditions prior to or on the Closing Date:

5.1 Representations, Warranties and Covenants of Buyer. The representations and warranties of Buyer herein contained shall be true at the Closing Date with the same effect as though made at such time (other than those that speak as of a specific date, which shall be true and correct as of such date); and Buyer and the Company shall have performed all obligations and complied with all covenants and conditions required by this Agreement to be performed or complied with by them at or prior to such Closing Date.

5.2 Proceedings. None of the parties shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

5.3 FCC Consent. The FCC Consent shall have been granted by the FCC by initial order.

5.4 Deliveries. Buyer shall have complied with its obligations set forth in Section 7.2.

ARTICLE VI: CONDITIONS TO THE OBLIGATIONS OF BUYER

The obligations of Buyer under this Agreement are, at its option, subject to the fulfillment of the following conditions prior to or on the Closing Date:

6.1 Representations, Warranties and Covenants of Seller. The representations and warranties of Seller herein contained shall be true at the Closing Date with the same effect as though made at such time (other than those that speak as of a specific date, which shall be true and correct as of such date); and Seller and the Company shall have performed all obligations and complied with all covenants and conditions required by this Agreement to be performed or complied with by them at or prior to such Closing Date.

6.2 Proceedings. None of the parties shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

6.3 FCC Consent. The FCC Consent shall have been granted by the FCC by initial order, without any conditions materially adverse to Buyer, and no petition to deny or other objection to the transaction contemplated hereby shall be pending at the FCC.

6.4 Deliveries. The Seller shall have complied with its obligations set forth in Section 7.1.

6.5 Seller Transaction. The Company shall have consummated the transaction described in Section 4.3 above to the mutual satisfaction of Buyer and Seller.

ARTICLE VII: ITEMS TO BE DELIVERED AT THE CLOSING

7.1 Deliveries by the Company and Seller. At the Closing, the Company and Seller shall deliver to Buyer:

- (1) stock certificates representing the Shares, duly endorsed in blank or accompanied by stock powers duly executed in blank;
- (2) a certificate, dated as of the Closing Date and signed by the Seller and the Company certifying as to the matters set forth in Section 6.1, together with updated Schedules to this Agreement as needed to render such certificate to be true and correct as of the Closing Date;
- (3) copies of the Company's certificate of incorporation and bylaws certified as of a recent date (which is not more than thirty (30) days before Closing) by, with respect to certificate of incorporation, the Secretary of State of the State of California and with respect to the bylaws, by its corporate secretary, and an opinion of counsel with respect to the matters set forth in Sections 2.1 and 2.2 hereof;
- (4) a certificate of good standing of the Company, issued as of a recent date (which is not more than thirty (30) days before Closing) by the Secretary of State of the State of California;

(5) a certificate of the Secretary of the Company dated as of the Closing Date, in form and substance reasonably satisfactory to Buyer certifying (i) as to the absence of any amendments to the certificates of incorporation or bylaws of the Company since a specified date, (ii) that attached thereto is a true and correct copy of the resolutions of the Seller, as shareholders of the Company and the board of directors of the Company authorizing the execution and performance of this Agreement and (iii) as to the incumbency and genuineness of the signatures of the officers of the Company executing this Agreement and any related agreement;

(6) resignations of the officers and directors of the Company, dated as of the Closing Date, and evidence of termination of all Company employees as of the LMA Effective Date (except such employees to be retained pursuant to the LMA, who shall be terminated on the Closing Date by Seller);

(7) a lien, tax and judgment search of the records of the relevant counties and offices of the Secretary of State of California and any other relevant local jurisdiction (the "Search Results"), performed no more than ten (10) days before the Closing Date, showing that there are no Liens, tax assessments or judgments of record against the Company, the Station, the Seller or the Shares, except those to be discharged at closing;

(8) UCC-3 termination statements or other competent releases or offers to release upon payment with respect to any lien, tax assessment or judgment shown in the Search Results or otherwise known to Seller, the Company, or Buyer;

(9) A Joint Notice to Escrow Agent;

(10) The Tower Lease, executed by the landlord thereof;

(11) An instrument of Assignment and Assumption of the Retained Assets and Retained Liabilities; and

(12) A release executed by each Seller with respect to any and all prior claims against the Company.

7.2 Deliveries by Buyer. At the Closing, Buyer shall deliver to Seller:

(a) the Purchase Price, including the Note and the Security Agreement;

(b) certified copies of resolutions authorizing the execution, delivery and performance by Buyer of this Agreement, which shall be in full force and effect at the time of the Closing;

(c) a certificate of good standing of the Buyer, issued as of a recent date (which is not more than thirty (30) days before Closing) by the Secretary of State of the State of California;

(d) a certificate, dated as of the Closing Date and signed by the Buyer, certifying as to the matters set forth in Section 5.1;

- (e) a Joint Notice to the Escrow Agent.

7.3 “Closing Deliveries.” All deliveries referenced in this Article VII shall be referred to herein as the “Closing Deliveries.

ARTICLE VIII: TERMINATION OF OBLIGATIONS

8.1 Termination of Agreement. Anything herein to the contrary notwithstanding, this Agreement may be terminated at any time before the Closing as follows and in no other manner:

- (a) Mutual Consent. By mutual consent in writing of Buyer and Seller.
- (b) FCC Evidentiary Hearing. By Buyer or Seller if the application seeking the FCC Consent is designated for hearing by the FCC.
- (c) Material Breach. By Buyer or Seller if there has been a material misrepresentation or other material breach by the other party in its representations, warranties and covenants set forth herein; provided, however, that if such breach is susceptible to cure, the breaching party will have ten (10) business days after receipt of notice from the other party of its intention to terminate this Agreement if such breach continues in which to cure such breach.
- (d) Termination Date. By Buyer or Seller if the Closing has not occurred on or before three year after the FCC Application has been filed

8.2 Effect of Termination. If this Agreement is terminated pursuant to Section 8, all further obligations and liabilities of the parties under this Agreement will terminate without further liability of any party to another, provided, however, that such termination under Section 8 will not relieve any party of any liability for a breach of, or for any misrepresentation under this Agreement.

8.3 Liquidated Damages for Buyer’s Breach. In the event that Buyer breaches any material obligation hereunder and this Agreement is terminated by Seller before Closing due to such breach, then Buyer shall pay Seller the sum of \$1,000,000 (of which the Deposit is a portion) as liquidated damages, and such liquidated damages shall constitute Seller’s sole remedy for a Buyer breach.

ARTICLE IX: INDEMNIFICATION/CERTAIN TAX MATTERS

9.1 Indemnification Obligations of Seller. Seller agrees to indemnify and hold harmless Buyer and its employees, agents and assigns from and against any and all losses of Buyer or the Company, directly or indirectly, as a result of, or based upon or arising from:

- (a) any inaccuracy in or breach of any of the representations, warranties of Seller or the Company contained herein;

(b) any breach by Seller or the Company of any covenants of Seller or the Companies contained herein; or

(c) any third party claims or demands regarding the conduct of the business or operations of the Station or the Company on or before the Closing Date including with respect to any Station Employee, employee-related employee benefit or any related liability, or the FCC Licenses, arising or accruing at any time on or before the Closing Date, except to the extent such claim is identified as a liquidated sum on the Closing Date Balance Sheet.

(d) Seller expressly agrees that Buyer may offset any indemnification amount owed by Seller to Buyer as a reduction in the principal amount of the Note.

9.2 Indemnification Obligations of Buyer. Buyer agrees to indemnify and hold harmless Seller from and against any losses of Seller, directly or indirectly, as a result of, or based upon or arising from:

(a) any inaccuracy in or breach of any of the representations or warranties of Buyer contained herein; or

(b) any breach by Buyer of any covenants of Buyer contained herein; or

(c) any third-party claims or demands regarding the conduct of the business or operations of the Station or the Company, or with respect to the FCC Licenses, arising or accruing at any time after the Closing, except for such claims or demands for which Seller is obligated to indemnify Buyers pursuant to Section 9.1; or

(d) failure to hold the shares as a for profit subsidiary corporation pursuant to Section 3.5.

9.3 Certain Tax Matters. Seller will cause to be timely filed when due all tax returns that are required to be filed by or with respect to the Company for tax periods ending on or prior to the Closing Date. Buyer will be responsible for causing the preparation and filing of all tax returns required to be filed for periods beginning before and ending after the Closing Date (and all subsequent tax returns), provided, that Seller shall be responsible for reimbursement to Buyer of any and all taxes due and owing with respect to the period ending as of the Closing Date. Buyer and Seller agree to jointly participate in the preparation and filing of the tax returns for calendar year ending December 2010 if the Closing Date is in December 2010. Buyer and their authorized representatives shall have access to each Company's books and records for relevant periods prior to the Closing for the purposes of completing and filing its tax return. The tax returns filed by Seller and Buyer shall be true, complete and correct in all material respects and filed on a timely basis. Any such tax returns will be prepared and filed in a manner consistent with past practice of the Company, and, on such tax returns, no position will be taken, elections made or method adopted by Buyer or by Seller if such action could reasonably be expected to have an adverse impact on the other party, without the other party's written consent (which consent will not be unreasonably withheld), or that is inconsistent with positions taken, elections made or methods used in preparing and filing similar tax returns in prior periods. Buyer and Seller will each cause to be delivered, at least twenty (20) days prior to the due date for filing any such tax return (including extensions), to the other party a copy of

such tax return. Seller and Buyer agree to consult and resolve in good faith any issue arising as a result of the review of such tax return and mutually to consent to the filing as promptly as possible of such tax return.

9.4 Survival. Except as set forth herein, all representations, warranties, covenants and agreements contained in this Agreement shall survive for a period of eighteen months after Closing or termination of this Agreement, commencing on the Closing Date or the effective date of termination, except that the representations contained in Section 2 relating to title to the Shares and the Assets, Environmental Matters and Taxes, and the covenant contained in Section 9.3 above shall extend to the statute of limitations for the applicable obligations. Upon the conclusion of a specific survival period, except to the extent that a party has provided express written notice of a breach to the other parties, each party will be deemed to have released all other parties from any breach of this Agreement with respect to that specific type of claim, without any further action by any party. Buyer's representation and warranty in Section 3.5 shall survive until full payment of the Promissory Note in Section 1.2(b)

ARTICLE X: MISCELLANEOUS

10.1 Specific Performance. Seller and the Company acknowledge and agree that the Station and the Assets are unique assets not readily available on the open market, and in the event Seller or the Company shall fail to perform its obligations to consummate the transactions contemplated hereby, money damages alone cannot adequately compensate Buyer for its injury. In the event a court of competent jurisdiction finds that Seller or the Company has failed to perform its obligations under this Agreement, Buyer shall be entitled to specific performance of this Agreement and of Seller's and the Company's obligation to consummate the transaction contemplated hereby, and Seller and the Company shall waive any and all defenses that Buyer has an adequate remedy at law.

10.2 Expenses. Each party hereto shall bear all of its expenses incurred in connection with the transactions contemplated by this Agreement, including without limitation, accounting and legal fees incurred in connection herewith; provided that: (i) Seller and Buyer shall each pay one-half of the FCC filing fees required to be paid in connection with the FCC Application; and (ii) Company shall be exclusively responsible for, and Buyer shall not have any responsibility for, any sales or transfer taxes (including without limitation any real estate transfer taxes), arising from the transfer of the Shares or control of the Assets to Buyer.

10.3 Risk of Loss. The risk of loss, damage or destruction to any of the Assets shall be borne by the Company and Seller at all times up to 12:01 a.m. local time on the Closing Date, and it shall be the responsibility of the Company and Seller to repair or cause to be repaired and to restore the property to its condition prior to any such loss, damage, or destruction. In the event of any loss, damage, or destruction, the proceeds of any claim for any loss, payable under any insurance policy with respect thereto, shall be used to repair, replace or restore any such property to its former condition, subject to the conditions stated below. In the event of any loss or damage to any of the Assets, or if the Station is not operating at or above 90% of its maximum authorized power on the Closing Date for any reason, the Company and Seller shall notify Buyer thereof in writing immediately. Such notice shall specify with particularity the loss or damage incurred or technical problem existing, the cause thereof (if

known or reasonably ascertainable), and the insurance coverage. In the event that the property or equipment is not completely repaired, replaced or restored on or before the scheduled Closing Date, Buyer at its option: (a) may elect to postpone Closing, until such time as the property and equipment has been completely repaired, replace or restored (and, if necessary, the Company and Seller shall join Buyer in requesting from the FCC any extensions of time in which to consummate the Closing that may be required in order to complete such repairs); or (b) may elect to consummate the Closing and accept the property in its then condition, in which event the Company shall pay to Buyer all proceeds of insurance and assign to Buyer the right to any unpaid proceeds; or (c) terminate this Agreement.

10.4 Sale of Certain Buyer Stations. Buyer shall consider a possible sale of its stations KYKL-FM, Tracy, California and/or KLVN-FM, Livingston, California, without obligation to make such a sale. If any such station is sold by Buyer, the proceeds shall be paid to Seller to pay down a portion of the Note principal, either as a lump sum, if Buyer is paid a lump sum, or in monthly payments, if Buyer receives monthly payments. If either station is involved in a station exchange, only the cash portion of any such exchange proceeds shall be applied to the Note, but if a station received by such exchange is sold for cash, then the proceeds thereof would be applied to the Note. All proceeds paid to reduce the Note shall be allocated to the final principal amounts payable under the Note, and the monthly payments to Seller under the Note shall remain the same amount, with the effect of an earlier maturity date to the extent of principal repayments as provided above.

ARTICLE XI: GENERAL PROVISIONS

11.1 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective representatives, successors and assigns. No party may assign any of its rights or delegate any of its duties hereunder, and any such attempted assignment or delegation without such consent shall be void.

11.2 Amendments; Waivers. The terms, covenants, representations, warranties and conditions of this Agreement may be changed, amended, modified, waived, or terminated only by a written instrument executed by the party waiving compliance. The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such a party at a later date to enforce the same. No waiver by any party of any condition or the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

11.3 Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (which shall include notice by facsimile transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by graphic scanning or other facsimile communications equipment, delivered by such equipment, addressed as follows:

if to the Company or Seller:

Annette LaRue, Secretary
San Joaquin Broadcasting Co.
2171 Ralph Avenue
Stockton, CA 95206

Annette LaRue, G.P.
LaRue Family L.P.
2171 Ralph Avenue
Stockton, CA 95206

Annette LaRue
1515 N. Echo
Fresno, CA 93728

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

Richard A. Helmick, Esq.
Cohn and Marks LLP
1920 N Street, N.W.
Suite 300
Washington, D.C. 20036

and

Janet L. Wright, Esq.
Wright & Johnson
7110 North Fresno Street
Suite 420
Fresno, CA 93720

if to Buyer:

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.
Davis Wright Tremaine, LLP
1919 Pennsylvania Avenue, N.W – Suite 800.
Washington, D.C. 20006

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

11.4 Captions. The captions of Articles and Sections of this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

11.5 Governing Law; Jurisdiction; Venue. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to principles of conflicts of laws. Any legal action to enforce the provisions of this Agreement shall be filed solely in the state court sitting in Fresno, California, which each party agrees is a convenient and acceptable forum.

11.6 Attorneys' Fees. Should any party hereto institute any action or proceeding at law or in equity to enforce any provision of this Agreement, including an action for declaratory relief, or for damages by reason of an alleged breach of any provision of this Agreement, or otherwise in connection with this Agreement, or any provision hereof, the prevailing party shall be entitled to recover from the losing party or parties reasonable attorneys' fees and costs for services rendered to the prevailing party in such action or proceeding.

11.7 Entire Agreement. This Agreement constitutes the full and entire understanding and agreement between the parties with regard to the subject matter hereof, and supersedes all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof. This Agreement has been prepared by all of the parties hereto, and no inference of ambiguity against the drafter of a document therefore applies against any party hereto.

11.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO STOCK PURCHASE AGREEMENT

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

BUYER:

Educational Media Foundation

By: 

Name: Mike Novak

Title: President

COMPANY:

San Joaquin Broadcasting Co.

By: _____

Name: Annette LaRue

Title: Secretary-Treasurer

SELLER:

LaRue Family L.P., by its general partner

By: _____

Name: Annette LaRue

Title: General Partner

Annette LaRue, individually

SIGNATURE PAGE TO STOCK PURCHASE AGREEMENT

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

BUYER:

Educational Media Foundation

By: _____

Name:

Title:

COMPANY:

San Joaquin Broadcasting Co.

By: Annette LaRue

Name: Annette LaRue

Title: Secretary-Treasurer

SELLER:

LaRue Family L.P., by its general partner

By: Annette LaRue

Name: Annette LaRue

Title: General Partner

Annette LaRue, individually

Annette LaRue

PROMISSORY NOTE

\$7,750,000

_____. 2010

FOR VALUE RECEIVED, the undersigned, EDUCATIONAL MEDIA FOUNDATION, a California not for profit corporation ("*Maker*"), hereby promises to pay to the order of LA RUE FAMILY L.P., a California limited partnership ("*LFLP*"), and Annette LaRue ("*LaRue*"), a California resident (either or both, a "*Holder*"), to such addresses shown in Section 8 hereof, or as may be otherwise specified by each Holder respectively to Maker in writing, in lawful money of the United States of America and in immediately available funds, the principal amount of SEVEN MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$7,750,000), together with interest accrued thereon in like money.

1. **Reference to Purchase Agreement.** This Promissory Note (the "*Note*") is issued pursuant to a Stock Purchase Agreement, dated as of October 29, 2010, between Maker and Holder (the "*Purchase Agreement*") relating to Maker's purchase from Holder of 100% of the stock of San Joaquin Broadcasting Co., a California corporation ("*SJB*"), licensee of radio station KLVS-FM (formerly known as KSTN-FM), Stockton, California (the "*Station*"), and is issued on the closing date of the transaction contemplated by the Purchase Agreement.

2. **Payments.** Principal and interest on this Note shall be amortized monthly over a term of 96 months from the date hereof at an interest rate of 5%, yielding monthly payments of \$98,114.38 (the "*Monthly Payment*"), of which, the sum of \$80,149.32 shall be paid to LFLP, and \$17,964.68 shall be paid to LaRue. Maker shall pay monthly, in arrears, installments of principal and interest in the amount of the Monthly Payment, commencing on the 30th day after the Closing Date, and continuing on the same calendar day of each succeeding month thereafter (the "*Due Date*") until this Note is paid in full (the "*Maturity Date*"). If any payment date shall be a day that is not a regular business day in California, then payment shall be due on the next regular business day thereafter. Maker may prepay all or any portion of the principal of this Note from time to time without penalty; provided, that any prepayments shall be applied first to the costs of collection, if any, second to interest, if any, and then to the principal amounts last due before the Maturity Date, and provided, the Monthly Payment shall not be reduced, but the Maturity Date will be advanced.

Interest shall be calculated on the basis of a year consisting of Three Hundred Sixty-Five (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.

3. **Security Interest.** Maker shall grant Holder a first priority security interest in the assets and licenses used or held for use by SJB in connection with the operation of the Station [and 100% of the stock of SJB, according to the provisions of a Security Agreement between Maker and Holder to be executed and delivered of even date herewith.

4. **Events of Default; Acceleration.** If any of the following events or conditions (each, an "*Event of Default*") shall occur:

(a) Default by Maker in the payment of any Monthly Payment on or before the Due Date, provided, that no Event of Default shall occur if the Monthly Payment is made within ten (10) days after written notice to Maker that the Monthly Payment has not been timely made;

(b) 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 or seeks the appointment of a trustee, receiver, liquidator, custodian or other similar official of all or any substantial part of Maker's property, or consents to any such relief or to appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against Maker, or admits in writing such Borrower's general inability to pay its debts as they become due;

(c) There shall be filed against 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 Maker under that certain Security Agreement of even date herewith executed by Maker in favor of Holder, which default continues uncured within the applicable cure period set forth therein;

(e) The transfer of control of SJB to a third party (i.e. requiring Federal Communications Commission ("FCC") approval of a Form 315 application), or assignment of the licenses issued by the FCC for the operation of the Station to a third party (i.e. requiring FCC approval of a Form 314 application); or

(f) Failure of Maker to observe or perform any of its non-monetary obligations under this Note.

then, and in any such event, Holder may at any time, without prior notice to Maker (except if notice is required by applicable law, then after such notice), declare the entire amount of all principal, interest remaining unpaid and all other amounts payable under this Note due and payable, whereupon the same shall forthwith become due and payable. Holder may exercise this option to accelerate regardless of any prior forbearance.

5. Default Rate. The default interest rate shall be 8% per annum (the "Default Rate").

(a) So long as (i) any Monthly Payment remains past due for 30 days or more, or (ii) any other Event of Default has occurred and is continuing, then notwithstanding anything in this Note to the contrary, interest under this Note shall accrue on the unpaid principal balance from the Monthly Payment due date of the first unpaid monthly installment or the occurrence of such other Event of Default, as applicable, at the Default Rate.

(b) If the principal balance and all accrued interest are not paid in full on the Maturity Date, the unpaid principal balance and all accrued interest shall bear interest from the Maturity Date at the Default Rate until and including the date on which the entire principal balance and all accrued interest is paid in full.

6. **Costs and Expenses.** If Holder prevails in a lawsuit or other formal legal proceeding to enforce its rights hereunder, Maker shall reimburse Holder for all reasonable costs of collection, including without limitation, all out-of-pocket expenses for reasonable attorneys' fees incurred by Holder to enforce the provisions of this Note or the Security Agreement, including those incurred in post-judgment collection efforts and in any bankruptcy proceeding (including any action for relief from the automatic stay of any bankruptcy proceeding) or judicial or non-judicial foreclosure proceeding.

7. **Forbearance.** Any forbearance by Holder in exercising any right or remedy under this Note or the Pledge Agreement or otherwise afforded by applicable law shall not be a waiver of or preclude the exercise of that or any other right or remedy. The acceptance by Holder of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not constitute a waiver of Holder's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by Holder of any security for Maker's obligations under this Note shall not constitute an election by Holder of remedies so as to preclude the exercise of any other right or remedy available to Holder. No delay or omission by Holder in exercising any right or power hereunder shall impair such right or power or be a waiver of any default or an acquiescence therein; and no single or partial exercise of any such right or power shall preclude other or further exercise thereof, or the exercise of any other right. No amendment of this Note or any waiver of the Holder's rights shall be valid unless in writing signed by Holder, and then only to the extent specifically set forth in such writing.

8. **Notices.** 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), overnight delivery or on the date of receipt by the party to whom such notice is to be given addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Holder, to:

Annette LaRue, G.P.
LaRue Family L.P.
2171 Ralph Avenue
Stockton, CA 95206

Annette LaRue
1515 N. Echo
Fresno, CA 93728

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

Richard A. Helmick, Esq.
Cohn and Marks LLP
1920 N Street, N.W.
Suite 300
Washington, D.C. 20036

and

Janet L. Wright, Esq.
Wright & Johnson
7110 North Fresno Street
Suite 420
Fresno, CA 93720

If to Maker:

Educational Media Foundation
5700 West Oaks Boulevard
Rocklin, CA 95765
Attn: Mike Novak, President
Phone: (916-251-1600)

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

David D. Oxenford, Esq.
Davis Wright Tremaine LLP
1919 Pennsylvania Avenue, N.W. - Suite 800
Washington, D.C. 20005
Phone: (202) 973-4256
Fax: (202) 973-4499

10. Waiver and Modification. 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. Maker hereby waives presentment, demand for payment, notice of dishonor and any and all other notices or demands in connection with the delivery, acceptance, performance, default or enforcement of this Note.

11. Loan Charges. This Note shall not be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate greater than the maximum amount of interest allowed by applicable law. If any applicable law limiting the amount of interest or other charges permitted to be collected from Maker in connection with this Note is interpreted so that any interest or other charge provided for in this Note whether considered individually or together with other charges provided for in the Pledge Agreement, violates that law, and Maker is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Holder in excess of the permitted amounts shall be applied by Holder to reduce the unpaid principal balance of this Note.

12. Commercial Purpose. Maker represents that this Note is being made by Maker solely for the purpose of carrying on a business or commercial enterprise, and not for personal, family or household purposes.

13. Severability. If any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal, or unenforceable, in whole or in part or in any respect, or in the event

that any one or more of the provisions of this Note operate or would prospectively operate or invalidate this Note, then and in any such event, such provision(s) only shall be deemed null and void and shall not affect any other provision of this Note and the remaining provisions of this Note shall remain operative and in full force and effect and in no way shall be affected, prejudiced, or disturbed thereby.

14. Governing Law. The construction and performance of this Note shall be governed by the laws of the State of California without regard to its principles of conflicts of law. The exclusive forum for the resolution of all disputes arising hereunder shall be the state courts located in Fresno, California, and each party irrevocably waives the right to object to the continuation of an action or proceeding in the state courts located in Fresno, California based on the alleged inconvenience of that forum or the convenience of an alternative forum.

[Signature Page Follows]

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

EDUCATIONAL MEDIA FOUNDATION

By: _____
Mike Novak
President

SECURITY AGREEMENT

THIS SECURITY AGREEMENT, dated as of [December __, 2010], is by and between EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation ("Debtor"), and LA RUE FAMILY L.P., a California limited partnership and ANNETTE LARUE, an individual resident of California (together "Secured Party").

Concurrently herewith, and in accordance with that certain Stock Purchase Agreement, dated as of October __, 2010 (the "Purchase Agreement"), entered into by and between Debtor, San Joaquin Broadcasting Co. (the "Company") and Secured Party pursuant to which Debtor agreed to purchase from Secured Party 100% of the capital stock of the Company, licensee of radio station KLVS(FM), formerly KSTN-FM, Stockton, California, FIN: 69685 (the "Station"), Secured Party is lending an aggregate principal amount of Seven Million Seven Hundred Fifty Thousand Dollars (\$7,750,000) to Debtor thereon, which is evidenced by a certain Promissory Note of even date herewith in favor of Secured Party (the "Note") executed in connection with the Purchase Agreement and delivered to Secured Party.

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 \$7,750,000 principal indebtedness under the Note referenced above, and any interest that may accrue thereon (collectively, the "Obligations"), Debtor hereby grants to Secured Party a continuing security interest in the Collateral set forth in Schedule 1 hereto.

(b) 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 as appropriate under Article IX of the Uniform Commercial Code in effect in the State of California (the "UCC").

(c) Debtor hereby represents and warrants to Secured Party that: (i) except for the lien granted by Debtor in favor of 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 Station 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) 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, (ii) 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, (iii) liens created by this Security Agreement, (iv) dispositions of items of Equipment no longer useful to Debtor in the ordinary course of business, and (v) 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 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.

(c) Upon reasonable advance notice to Debtor, Secured Party may examine and inspect the Collateral owned by Debtor at any reasonable time and 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 to the extent that the expenses were reasonably and properly incurred.

(e) Debtor will from time to time upon demand furnish to Secured Party such further information 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.

(f) In the event that Debtor removes any of the Equipment referred to in Schedule 1 hereto, Secured Party shall maintain its continuing security interest in the Equipment regardless of such Equipment's location.

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 have occurred under the Note and Secured Party shall have properly declared an 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 reasonable 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 reasonable 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 UCC in effect in the State of California, 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 and Secured Party hereby agree that Debtor's address and the place or places of location of the Collateral are places reasonably convenient to them at which 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 mailed, postage prepaid, to Debtor at least ten (10) days before the time of the sale or disposition. After deducting all reasonable 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 on 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 the assignment of the Station's FCC Licenses 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 and continuing existence of an Event of Default pursuant to Section 3(a) hereof:

(a) Debtor hereby irrevocably appoints Secured Party to be Debtor's true and lawful attorney-in-fact with respect to the Collateral, 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), the power to sell, transfer, assign or otherwise deal in or with the Collateral or the proceeds thereof and to apply for and obtain any required consents of any governmental authority except the FCC for any such sale or other disposition, as full and effectually as if Secured Party were the absolute owner thereof.

(b) 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.

(c) Debtor hereby agrees that Secured Party may, subject to applicable law, seek the appointment of a receiver to take possession of the Collateral and to become the FCC licensee of the Station after the occurrence and continuing existence of an Event of Default pursuant Section 3(a). Debtor will cooperate with such receiver as may be necessary to secure assignment of the license for the Station to the receiver.

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:

- (i) the collection of income thereon;
- (ii) the collection of debt; or
- (iii) 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 California, without regard to its principles of conflict of laws. Any legal action to enforce the provisions of this Agreement shall be filed solely in the state court sitting in Fresno, California, which each party agrees is a convenient and acceptable forum. 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) All notices, statements, requests and demands herein provided for 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 five (5) 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 Secured Party, to:

Annette LaRue, G.P.
LaRue Family L.P.
2171 Ralph Avenue
Stockton, CA 95206

Annette LaRue
1515 N. Echo
Fresno, CA 93728

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

Richard A. Helmick, Esq.
Cohn and Marks LLP
1920 N Street, N.W.
Suite 300
Washington, D.C. 20036

and

Janet L. Wright, Esq.
Wright & Johnson
7110 North Fresno Street
Suite 420
Fresno, CA 93720

If to Debtor, to:

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

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

David D. Oxenford, Esq.
Davis Wright Tremaine LLP
1919 Pennsylvania Avenue, NW – Suite 800
Washington, D.C. 20006

SECTION 8. FCC Approval.

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 Licenses, 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).

[THE NEXT PAGE IS THE SIGNATURE PAGE]

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.

EDUCATIONAL MEDIA FOUNDATION

By: _____
Mike Novak
President/CEO

LARUE FAMILY L.P.
By its general partner, Annette LaRue

By: _____

ANNETTE LARUE, individually

By: _____

SCHEDULE 1

The following assets used or useful in the operation of radio station KLV5(FM), formerly KSTN-FM, Stockton, California (the "Station") are collectively referred to as the "Collateral":

(a) All personal property of Debtor located at the Station's tower facility site (or successor sites) or at the sites and facilities of any booster or translator station rebroadcasting KLV5(FM), and all after acquired items used in connection with the transmission operations of the Station, its associated boosters and translators (the "Equipment"). Debtor shall not remove any of the Equipment from its location at the Station's tower facility site, booster sites or translator sites except for dispositions of items of Equipment no longer useful to Debtor in the ordinary course of business that are replaced by items of equivalent or greater value to be retained at the Station's tower facility site, booster sites or translator sites.

(b) All of the Debtor's inventory, merchandise and goods in all forms, used solely in connection with the operation of the Station, including boosters and translators rebroadcasting the Station's signal, 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 their 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 Station, including without limitation rights under all leases, contracts and all present and future authorizations, permits, licenses, franchises, government authorizations, including Debtor's rights under present and future authorizations, permits and licenses issued or granted to Debtor by the Federal Communications Commission (each, an "FCC License") for the ownership and operation of the Station, and its associated boosters and translators, and all rights incident or appurtenant to such authorizations, permits and licenses (but only to the extent it currently is, or hereafter may become, lawful to grant a security interest in such FCC License), together with the rights to receive all proceeds derived from or in connection with the sale, assignment or transfer of any FCC License used for ownership or operations of the Station, its boosters or translators (the "General Intangibles");

(d) 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 Station, its boosters or translators, including without limitation, casualty insurance and property insurance, and the proceeds thereof (the "Insurance"); and

(e) All proceeds and products of the items described in (a) – (d) above.

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 Station, or at its booster or translator sites (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 Station, or (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.

Except for principal indebtedness of the Note outstanding from time to time and any interest that may accrue thereon, 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.