

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, dated as of July 29, 2004 (this "Agreement"), by and between LINCOLN-GARRARD BROADCASTING CO., INC., a Kentucky corporation ("Seller"), and EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation ("Buyer").

WITNESSETH:

WHEREAS, Seller is the licensee of radio station WXKY-FM, Stanford, Kentucky, (Channel 242C3, 96.3 MHz) (the "Station") pursuant to authorizations (the "FCC Authorizations") issued by the Federal Communications Commission (the "FCC"); and

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

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

1. Sale of Assets.

(a) On the Closing Date (as hereinafter defined), Seller shall sell, assign and transfer to Buyer, and Buyer shall purchase and assume from Seller, the following assets, properties, interests and rights of Seller (the "Assets") (but excluding the Excluded Assets as defined in subparagraph (c) below), including without limitation:

(i) Harris FM 10 transmitter, THE Digit Exciter, transmission line, ERI 3-bay antenna, 135 feet of tower, one spare final tube, one nitrogen bottle tank (rental), one gas line regulator (owned), one chain link fence and one small transmitter building together with such improvements and additions thereto and replacements thereof between the date hereof and the Closing Date, including, but not limited to, a new 400 foot tower, ERI 2-bay antenna and transmission line;

(ii) The Lease dated February 28, 1995 (the "Real Property Lease"), as attached on Schedule 2 hereto;

(iii) All of the licenses, permits and other authorizations, including the FCC Authorizations (collectively, the "Licenses"), issued by the FCC, the Federal Aviation Administration (the "FAA"), and any other federal, state or local governmental authorities to Seller in connection with the conduct of the business and the full on-air operations of the Station, except auxiliary authorizations, but including without limitation, those Licenses set forth on Schedule 3 hereto;

(iv) All of Seller's logs, books, files, data, FCC and other governmental applications, equipment manuals and warranties, and other records relating to the full on-air

broadcast operations of the Station, including without limitation all electronic data processing files and systems, FCC filings and all records required by the FCC to be kept by the Station; and

(v) Seller's right, title and interest in and to all copyrights, licenses, patents, trademarks, service marks, logos and trade names (including the call letters WXYK and any variation thereof) used in connection with the operation of the Station and all goodwill associated therewith, including registrations and applications for registration of any of the foregoing, and other similar intangible rights and interests.

(vi) All Seller's rights to and in the contracts, agreements, and leases to which Seller or the Station is a party listed in Schedule 4 hereto, together with all contracts, agreements and operating leases entered into or acquired by the Seller between the date hereof and the Closing Date, which Buyer elects to assume, but in each case solely with the written approval of Buyer in its sole discretion (hereinafter collectively "Contracts").

(b) The Assets shall be transferred by Seller to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements and other liens, liabilities and encumbrances of every kind and nature ("Liens") other than Permitted Liens with respect to the Real Property. Buyer is not agreeing to, and shall not, assume any liability, obligation, undertaking, expense or agreement of Seller of any kind, absolute or contingent, known or unknown, and the execution and performance of this Agreement shall not render Buyer liable for any such liability, obligation, undertaking, expense or agreement. All of such liabilities and obligations shall be referred to herein as the "Retained Liabilities." Without limiting the generality of the foregoing, it is understood and agreed that Buyer is not agreeing to, and shall not, assume (i) any liability or obligation of Seller to Seller's employees under any existing written or oral agreements with Seller, including any such liability or obligation in respect of wages, salaries, bonuses, accrued vacation or sick pay or any other matter, or (ii) any liability arising out of any termination by Seller of the employment of any employee of the Stations or any liability for any employee benefit plan or arrangement of Seller for the Station's employees.

(c) All assets and obligations, not specifically listed above in paragraph (1)(a), relating to the business of the Station shall be retained by Seller and shall not be sold, assigned or transferred to or assumed by Buyer (the "Excluded Assets").

2. Purchase Price.

(a) Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale of the Assets, on the Closing Date Buyer shall pay to Seller the aggregate sum of Eight Hundred Thousand Dollars (\$800,000) (the "Purchase Price"). The Purchase Price shall be payable to Seller at Closing as follows:

(i) On the Closing Date, Buyer shall pay to Seller for the account of Seller, by wire transfer of immediately available funds, the sum of Two Hundred Thousand Dollars (\$200,000); and

(ii) On the Closing Date, Buyer shall execute and deliver to Seller a promissory note substantially in the form attached hereto as Exhibit A (the "Note") in the

aggregate principal amount of Six Hundred Thousand Dollars (\$600,000). The principal of and interest on the Note shall be amortized over a term of one hundred twenty (120) months commencing on the Closing Date. The loan evidenced by the Note shall bear interest at the rate of four and one half percent (4.5%) per annum. Buyer shall pay monthly, in arrears, installments of principal and interest in the amount of \$6218.30 each month, commencing on the 30th day after Closing, and continuing on the same calendar date of each succeeding month during the remainder of the term of the Note until paid in full. Buyer may prepay all or any portion of the principal of the Note at any time, provided, that such prepayment shall not vary the amount or schedule of payments under the Note until the principal and all accrued interest has been paid in full, unless otherwise mutually agreed.

(iii) To secure Buyer's payment obligations under the Note, Buyer shall execute and deliver to Seller on the Closing Date a Security Agreement substantially in the form of Exhibit B hereto (the "Security Agreement") granting a first priority security interest in the Assets conveyed to Buyer hereunder, including the FCC Licenses solely to the extent now or hereafter permitted by law, and in any event all proceeds from the FCC Licenses, and, subject to obtaining landlord's consent thereto, Buyer shall execute and deliver a Collateral Assignment of the Real Property Lease (the "Collateral Assignment") in the form of Exhibit C hereto

(b) Concurrently with the execution of this Agreement, Buyer has delivered to WashingtonFirst Bank (the "Escrow Agent") the sum of Forty Thousand Dollars (\$40,000) to be held as an earnest money deposit (the "Earnest Money Deposit") pursuant to an Escrow Agreement (the "Escrow Agreement") of even date herewith. The Earnest Money Deposit shall be paid to Seller as partial payment of the cash Purchase Price due at Closing to Seller, or shall otherwise be made available to Seller or released to Buyer in accordance with the provisions of this Agreement.

(c) The parties agree to prorate all expenses arising out of the operation of the Station which are incurred, accrued or payable, as of 11:59 p.m. local time of the day preceding the Closing. The items to be prorated shall include, but not be limited to, power and utilities charges, FCC regulatory fees, real and personal property taxes upon the basis of the most recent tax bills and information available, security deposits, and similar prepaid and deferred items. On the Closing Date, the prorations shall, insofar as feasible, be determined and paid on the Closing Date, with final settlement and payment to be made within forty-five (45) days after the Closing Date.

(d) On or before the Closing Date, Seller and Buyer shall mutually determine an allocation of Purchase Price among the Assets that complies with Section 1060 of the Internal Revenue Code of 1986, as amended. The parties also agree to use such Purchase Price allocation in completing and filing Internal Revenue Code Form 8594 for federal income tax purposes.

(e) Seller may obtain a bona fide independent appraisal of the Station and Assets conveyed hereunder, and to the extent that the appraised fair market value of the Station and Assets exceeds the Purchase Price, Seller may seek a charitable deduction with respect to the difference between the Purchase Price and the appraised value, provided, that Buyer's sole obligation shall be to offer reasonable cooperation to Seller in connection therewith.

3. **FCC Consent; Assignment Application.**

(a) At a date not later than five (5) business days after the execution of this Agreement, Buyer and Seller shall execute, file and vigorously prosecute an application with the FCC (the "Assignment Application") requesting its consent to the assignment, from Seller to Buyer, of all FCC Authorizations pertaining to the Station (the "FCC Consent"). Buyer and Seller shall take all reasonable steps to cooperate with each other and with the FCC to secure such FCC Consent without delay, and to promptly consummate this Agreement in full.

(b) Seller hereby consents to and agrees to cooperate with Buyer in connection with the filing of a request by Buyer for a waiver of the FCC's "main studio" rules, such 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,

4. **Closing Date; Closing Place.** The closing (the "Closing") of the transactions contemplated by this Agreement shall occur on a date (the "Closing Date") fixed by Buyer which shall be no later than ten (10) days following the date on which the FCC Consent shall have become a Final Order (as hereinafter defined) and the other conditions to closing set forth in Section 8 have either been waived or satisfied. For purposes of this Agreement, the term "Final Order" means action by the FCC consenting to an application which is not reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no timely request for stay, petition for rehearing or appeal is pending, and as to which the time for filing any such request, petition or appeal or reconsideration by the FCC on its own motion has expired. The Closing shall be held by mail.

5. **Representations and Warranties of Seller.** Seller hereby makes the following representations and warranties to Buyer:

(a) Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Kentucky. Seller has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by Seller and no other proceedings on the part of Seller are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Seller and constitutes the legal, valid and binding obligation of Seller enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

(b) The execution, delivery and performance of this Agreement by Seller will not (i) to the extent applicable to Seller, constitute a violation of or conflict with Seller's articles of incorporation, by-laws or other similar organizational documents, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation relating to the business of the Station and to which Seller or any of

the Assets may be subject, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained and delivered to Buyer, (iii) violate any law, statute, rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency and which is applicable to Seller or any of the Assets, (iv) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever on any of the Assets, or (v) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.

(c) Each material item of Tangible Personal Property being transferred to Buyer (i) is in good condition and repair, ordinary wear and tear excepted, (ii) has been maintained in a manner consistent with generally accepted standards of good engineering practice, (iii) is operating in substantial compliance with the FCC Authorizations and rules and regulations of the FCC and FAA, and (iv) to Seller's best knowledge, does not contain any PCBs. For purposes of this Section, material Tangible Property shall be such property valued at One Thousand Dollars (\$1,000) or more.

(d) Schedule 2 contains a complete description of all Real Property leased in connection with the Seller's operation of the current tower facility of the Station, including legal description, owner and use (the "Real Property"). There is full legal and practical access to the Real Property, and all utilities necessary for Buyer's use of the Real Property are installed and are in good working order and, to Seller's knowledge, are subject to valid easements, where necessary. Except as set forth in Schedule 2, to Seller's knowledge, the Real Property 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, including "set back" restrictions. To Seller's knowledge, except as set forth in Schedule 2, the buildings, towers, guys and other fixtures situated on the Real Property are free of structural defects, are suitable for their intended use, are in a good state of maintenance and repair (ordinary wear and tear excepted), are contained entirely within the bounds of the Real Property, and do not encroach upon any other property except in cases where valid easements (that are included in the Assets) have been obtained. There is no pending condemnation or similar proceeding affecting the Real Property or any portion thereof, and no such action is presently contemplated or threatened.

(e) Schedule 3 hereto contains a true and complete list of the FCC Authorizations and all other licenses, permits or other authorizations from governmental or regulatory authorities that are required for the lawful conduct of the business and operations of the Station in the manner and to the full extent it is presently operated. Seller lawfully holds each of the FCC Authorizations and other licenses, permits and authorizations listed on Schedule 3, none of which is subject to any restrictions or conditions that would limit in any material respect the operations of the Station, and each such FCC Authorization is in full force and effect. Except as set forth in Schedule 3, Seller is operating the Station in all material respects in accordance with the FCC Authorizations, and all rules, regulations and policies of the FCC (the "Communications Laws"), including that the Station is transmitting at no less than 90% of its authorized power. The Station is not short-spaced to any other station and, to Seller's knowledge, is not transmitting or receiving any objectionable interference to or from any other station. There is not now pending or, to Seller's knowledge, threatened any action by or before the FCC to revoke, cancel, rescind, modify or refuse to renew any of such FCC Authorizations,

and Seller has not received any notice of and has no knowledge of any pending, issued or outstanding order by or before the FCC, or of any investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against either the Station or Seller. Seller has no reason to believe that the Renewal Application will not be granted by the FCC in the ordinary course. Except as set forth in Schedule 3, all material reports and filings required to be filed with the FCC by Seller with respect to the operation of the Station have been timely filed, and all such reports and filings are accurate and complete in all material respects. Seller maintains a public inspection file for the Station and, to Seller's knowledge, such file complies with the Communications Laws.

(f) Except as set forth in Schedule 2, all of the existing towers used in the operation of the Station are obstruction-marked and lighted to the extent required by, and in accordance with, the rules and regulations of the FAA and the FCC. Except as set forth in Schedule 2, Seller has complied in all material respects with all requirements of the FCC and the FAA with respect to the construction and/or alteration of the Seller's antenna structures, and "no hazard" determinations for each antenna structure have been obtained, where required. The Station's tower is registered with the FCC. To Seller's knowledge, the operations of the Station do not exceed permissible levels of exposure to RF radiation specified in either the FCC's rules, regulations and policies concerning RF radiation or any other applicable Environmental Laws (as defined below).

(g) The instruments to be executed by Seller and delivered to Buyer at the Closing, conveying the Assets to Buyer, will transfer good and marketable title to the Assets free and clear of all Liens.

(h) Buyer shall have no obligation to offer employment to any employee of Seller or the Station, and shall have no liability with respect to any such employee or for benefits of any kind or nature.

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

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

(k) All of the Station Assets that are insurable in character are insured against loss, injury or damage to the full extent of their replacement value.

(l) Seller has duly, timely and in the required manner filed all federal, state, and local income, franchise, sales, use, property, excise, payroll and other tax returns and forms required to be filed, and has paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies and losses required to be paid except for a Federal revenue lien for taxes which will be satisfied in full from the sale proceeds. No event has occurred which could impose on Buyer any liability for any taxes, penalties or interest due or to become due from Seller from any taxing authority.

(m) Seller have complied and currently are in compliance in all material respects with, and, to the best of Seller's knowledge, the Real Property is in material compliance with, all applicable laws, statutes, rules, regulations, codes and ordinances of all U.S. federal, state and local government agencies and authorities relating to the discharge of air pollutants, water pollutants or process waste water, Hazardous Materials (as defined herein), or toxic substances, or otherwise relating to the environment, including without limitation the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, regulations of the Environmental Protection Agency, regulations of the Nuclear Regulatory Commission, and regulations of any state department of natural resources or state environmental protection agency now or at any time hereafter in effect ("Environmental Laws").

As used herein, the term "Hazardous Materials" means any wastes, substances, or materials (whether solids, liquids or gases) that are deemed hazardous, toxic, pollutants, or contaminants, including substances defined as "hazardous wastes," "hazardous substances," "toxic substances," "radioactive materials," or other similar designations in, or otherwise subject to regulation under, any Environmental Laws. "Hazardous Materials" includes polychlorinated biphenyls (PCBs), asbestos, lead-based paints, infectious wastes, radioactive materials and wastes and petroleum and petroleum products (including crude oil or any fraction thereof). There are no underground storage tanks located at the Real Property. There are not now, nor to Seller's knowledge have there previously been, any other facilities on, under, or at the Real Property which contained any Hazardous Materials which, if known to be present in soils or ground water, would require cleanup, removal or some other remedial action under Environmental Laws.

(n) No representation or warranty made by Seller in this Agreement, and no statement made in any certificate, document, exhibit or schedule furnished or to be furnished in connection with the transactions herein contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to Buyer.

6. **Representations and Warranties of Buyer.** Buyer hereby makes the following representations and warranties to Seller:

(a) Buyer is a non-profit corporation duly organized, validly existing and in good standing under the laws of the State of California and on the Closing Date will be a foreign corporation in good standing under the laws of the State of Kentucky, and has or will have the requisite power and authority to own, lease and operate its properties and to carry on the business

of the Station as now being conducted. Buyer is qualified and in good standing as a tax exempt organization pursuant to Section 501(c)3 of the Internal Revenue Code.

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

(c) The execution, delivery and performance of this Agreement, the Note, and the Security Agreement by Buyer will not (i) conflict with or result in any breach of any provision of the articles of incorporation or by-laws of Buyer, or (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation, relating to its own business, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained and delivered to Seller, (iii) violate any law, statute, rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency and which is applicable to Buyer, or (iv) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.

(d) Buyer is legally, financially and technically qualified to acquire and become the licensee of the Station.

(e) There is no litigation, proceeding or governmental investigation pending or to the knowledge of Buyer, threatened, in any court, arbitration board, administrative agency, or tribunal against or relating to Buyer including without limitation, any voluntary or involuntary petition under Federal bankruptcy law or any state receivership or similar proceedings, that would prevent or materially impede the consummation by Buyer of the transactions contemplated by this Agreement, nor does Buyer know of, or have any reasonable ground to know of, in view of its present situation or action it now contemplates taking, any basis for such litigation, proceeding or investigation.

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

(g) No representation or warranty made by Buyer in this Agreement, and no statement made in any certificate, document, exhibit or schedule furnished or to be furnished in connection with the transactions herein contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make

such representation or warranty or any such statement not misleading to Seller to the best of Buyer's knowledge.

7. **Covenants.** Seller covenants with Buyer that, between the date hereof and the Closing Date, Seller shall act in accordance with the following:

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

(b) Seller shall continue to operate and maintain the Station in accordance in all material respects with the terms of the FCC Authorizations and in material compliance with all applicable laws and FCC rules and regulations. Seller will deliver to Buyer, promptly after filing, copies of any reports, applications or responses to the FCC or any communications from the FCC or any other party directed to the FCC related to the Station which are filed between the date of this Agreement and the Closing Date. Other than the License Application as defined in (c) below, Seller will not file any application to modify the Station's facilities without Buyer's prior written consent, and Seller shall take all actions necessary to keep the Licenses valid and in full force and effect. Seller shall vigorously prosecute grant of the renewal application for the Station filed March 30, 2004 (the "Renewal Application") and shall inform Buyer of any FCC correspondence or requests with respect thereto, and shall provide Buyer with any written response by Seller thereto.

(c) Seller shall commence and diligently prosecute construction of the transmission facilities authorized by construction permit BPH-20020111AAA (the "CP"), including performing program tests, and, if such construction is completed before the Closing Date, Seller shall file an application for license to cover on Form 302-FM (the "License Application.") Such facilities and all assets related thereto shall be included in the Assets to be conveyed to Buyer at Closing, and shall be subject to the representations, warranties, covenants and conditions contained herein. The closing shall not be delayed in the event that construction is not completed, provided, that, under the direction of Buyer, Seller shall complete the construction of such CP facilities within ninety (90) days after the Closing, or indemnify Buyer as further provided in Section 10(a)(iii) hereof. The parties agree to bear the costs of completion as previously agreed upon (Buyer to pay \$10,000 toward the construction of which \$6,000 has already been paid.)

(d) Seller shall maintain in full force and effect through the Closing Date adequate property damage, liability and other insurance with respect to the Assets.

(e) Prior to the Closing Date, Seller shall not, without the prior written consent of Buyer sell, lease, transfer or agree to sell, lease or transfer any of the Assets without replacement thereof with an equivalent asset of equivalent kind, condition and value that satisfies industry standards for such assets, or create any Lien on the Assets.

(f) On or before the Closing Date, Seller shall furnish to Buyer revised Schedules to this Agreement as may be necessary to render such Schedules accurate and

complete as of the Closing Date. Seller shall give detailed written notice to Buyer promptly upon the occurrence of or becoming aware of the impending or threatened occurrence of, any event which would cause or constitute a breach or would have caused a breach had such event occurred or been known to Seller prior to the date hereof, of any of Seller's representations or warranties contained in this Agreement or in any Schedule. Seller shall promptly disclose to Buyer any significant problems or developments with respect to the Station or the Assets. Seller shall give prompt written notice to Buyer if the Assets shall have suffered damage on account of fire, explosion or other cause of any nature that is sufficient to prevent operation of the Station.

(g) Seller shall comply in all material respects with all federal, state and local laws, rules and regulations.

(h) If any event should occur which would prevent the consummation of the transactions contemplated hereunder, Seller shall use its respective best efforts to cure the event as expeditiously as possible.

(i) Intentionally omitted.

(ii) Intentionally omitted.

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

(a) The performance of the obligations of Seller hereunder is subject to the satisfaction of each of the following express conditions precedent, unless waived in writing by the Seller:

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

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

(iii) The FCC Consent contemplated by this Agreement shall have become a Final Order;

(iv) The Renewal Application shall have been granted and become a Final Order;

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

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

(vii) If any event should occur which would prevent the consummation of the transactions contemplated hereunder, the Buyer, as appropriate, shall use its best efforts to cure the event as expeditiously as possible.

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

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

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

(iii) None of the events or conditions referenced in Section 19 below shall have occurred and not been remedied as set forth in Section 19;

(iv) The FCC Consent contemplated by this Agreement shall have become a Final Order;

(v) The Renewal Application shall have been granted and become a Final Order;

(vi) Intentionally omitted.

(vii) There shall not be any Liens on the Assets or any financing statements of record other than those created by Buyer in favor of Seller or Permitted Liens, and Buyer may obtain lien search reports, in form and substance satisfactory to Buyer and dated no earlier than 30 days prior to the Closing, reflecting the results of UCC, tax and judgment lien searches conducted at Secretary of State offices of the State of Kentucky, and in the County Clerk's Office of each county in which the Assets are located; and

(viii) Seller shall have delivered to Buyer, on the Closing Date, the documents required to be delivered pursuant to Section 9(a).

9. **Closing Deliveries.**

(a) At the Closing, Seller will deliver to Buyer the following, each of which shall be in form and substance satisfactory to Buyer and its counsel:

(i) A Bill of Sale, and other instruments of transfer and conveyance, dated the Closing Date, in form and substance so as to effectively and legally transfer and assign to Buyer the personal property Assets and effectively vest in Buyer good and marketable title to the personal property Assets;

(ii) An Assignment and Assumption of the Station's FCC Licenses;

- (iii) An Assignment and Assumption of the Real Property Lease;
 - (iv) A consent to assignment from the Landlord of the Real Property Lease, as required thereunder;
 - (v) The Security Agreement, duly executed by Seller;
 - (vi) Certified copies of the resolutions of the Board of Directors of Seller authorizing and approving the execution and delivery of this Agreement and each of the other documents to be delivered in connection herewith and authorizing the consummation of the transactions contemplated hereby and thereby, and an opinion of Seller' counsel with respect to the matters contained in Sections 5(a) and 5(e) above;
 - (vii) A certificate, dated the Closing Date, executed by the President of Seller, certifying the fulfillment of the conditions set forth in Section 8(b)(i) and (ii) hereof;
 - (viii) An incumbency certificate and certificate of existence or good standing for Seller from the Secretary of State of the State of Kentucky.
 - (ix) A joint notice to the Escrow Agent;
 - (x) Receipt for the Purchase Price; and
 - (xi) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as Buyer shall reasonably request, each in form and substance satisfactory to Buyer and its counsel.
- (b) Prior to or at the Closing, Buyer will deliver to Seller the following, each of which shall be in form and substance satisfactory to Seller and its counsel:
- (i) The payments to be made pursuant to Section 2(a) hereof and the Note, the Security Agreement, and the Collateral Assignment, in recordable form, duly executed by Buyer;
 - (ii) A joint notice to Escrow Agent;
 - (iii) Certified copies of the resolutions of the Board of Directors of Buyer authorizing and approving the execution and delivery of this Agreement and each of the other documents to be delivered in connection herewith and authorizing the consummation of the transactions contemplated hereby and thereby;
 - (iv) A certificate, dated the Closing Date, executed by the President of Buyer, certifying the fulfillment of the conditions set forth in Section 8(a)(i) and (ii) hereof;
 - (v) A certificate of existence or good standing for Buyer from the Secretary of State of California and a certificate of authority to do business as a foreign corporation in Kentucky; and

(vi) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as Buyer shall reasonably request, each in form and substance satisfactory to Seller and their counsel.

10. **Indemnification.**

(a) Following the Closing Seller shall indemnify, defend and hold harmless Buyer with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including, without limitation, interest, penalties, court costs and reasonable attorneys' fees) ("Damages") asserted against, resulting from, imposed upon or incurred by Buyer directly or indirectly relating to or arising out of: (i) the breach by Seller of any of its or her representations or warranties that survive the Closing, or failure by Seller to perform any of its covenants, conditions or agreements set forth in this Agreement that survive the Closing; (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Station prior to the Closing, including the Retained Liabilities and with respect to the Excluded Assets, and (iii), if the CP facilities construction as described in Section 7(c) is not completed by Seller within ninety (90) days after the Closing Date, Buyer may, at its election, notify Seller that Buyer will complete the construction, and any and all costs to Buyer of such completion shall constitute Damages hereunder.

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

(c) If either party hereto (the "Indemnatee") receives notice or otherwise obtains knowledge of any matter with respect to which another party hereto (the "Indemnifying Party") may be obligated to indemnify the Indemnatee under this Section 10(c), then the Indemnatee shall promptly deliver to the Indemnifying Party written notice describing such matter in reasonable detail and specifying the estimated amount of the Damages or liability that may be incurred by the Indemnatee in connection therewith. The Indemnifying Party shall have the right, at its option, to assume the complete defense of such matter at its own expense and with its own counsel, provided such counsel is reasonably satisfactory to the Indemnatee. If the Indemnifying Party elects to assume the defense of such matter, then (i) notwithstanding anything to the contrary herein contained, the Indemnifying Party shall not be required to pay or otherwise indemnify the Indemnatee against any such matter following the Indemnifying Party's election to assume the defense of such matter, (ii) the Indemnatee shall fully cooperate as reasonably requested by the Indemnifying Party in the defense or settlement of such matter, (iii) the Indemnifying Party shall keep the Indemnatee informed of all material developments and events relating to such matter, and (iv) the Indemnatee shall have the right to participate, at its own expense, in the defense of such matter. In no event shall the Indemnifying Party be liable for any settlement or admission of liability with respect to such matter without its prior written consent.

(d) The several representations and warranties of Seller and Buyer contained in or made pursuant to this Agreement shall expire on the date that is twelve (12) months after the Closing Date.

(e) Except as provided to the contrary in this Agreement, the right to indemnification pursuant to Section 10 shall be the sole and exclusive post-closing remedy of each party in connection with any breach or other violation by the other party of its representations, warranties, or covenants contained in this Agreement.

11. **Termination.**

(a) This Agreement may be terminated by either Buyer or Seller, if the party seeking to terminate is not in default or breach of any of its material obligations under this Agreement, upon written notice to the other upon the occurrence of any of the following: (a) if, on or prior to the Closing Date, the other party breaches any of its material obligations contained herein, and such breach is not cured by the earlier of the Closing Date or thirty (30) days after receipt of the notice of breach from the non-breaching party; or (b) if the Assignment Application is designated for a hearing by the FCC or denied by Final Order; or (c) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing of this Agreement; or (d) if the Closing has not occurred within three (3) months after the date that the Renewal Application is granted.

(b) Upon a termination of this Agreement by Seller due to a breach by Buyer of any of its material obligations under this Agreement, Seller's sole remedy shall be delivery of the Earnest Money Deposit, including all interest earned thereon, from the Escrow Agent, as liquidated damages. Seller and Buyer each acknowledge and agree that these liquidated damages are reasonable in light of the anticipated harm which would be caused by Buyer's breach of any of its material obligations under this Agreement and the difficulty of ascertaining damages and proof of loss and that these damages are not a penalty.

(c) Upon a termination of this Agreement due to a breach by any Seller of any of its material obligations under this Agreement, Buyer shall be entitled to the release of the Earnest Money Deposit, including all interest earned thereon, and Buyer may seek all rights and remedies that it may have in equity or at law.

(d) Upon a termination of this Agreement for any reason other than as a result of a breach by either party of any of its material obligations under this Agreement, Buyer shall be entitled to the release of the Earnest Money Deposit, and thereafter neither party shall have any further obligation to the other under this Agreement.

12. **Specific Performance.** Seller acknowledges that the Station is a unique asset not readily obtainable on the open market and that, in the event that Seller fails to perform its obligation to consummate the transaction contemplated hereby, money damages alone will not be adequate to compensate Buyer for its injury. Therefore, Seller agrees and acknowledges that in the event of Seller's failure to perform its obligation to consummate the transaction contemplated hereby, Buyer shall be entitled to specific performance of the terms of this Agreement and of Seller's obligation to consummate the transaction contemplated hereby. If any

action is brought by Buyer to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law, and Buyer shall be entitled to receive from Seller all court costs, attorney's fees and other out-of-pocket expenses incurred by Buyer in enforcing its rights under this provision.

13. **Confidentiality.**

(a) Each party shall hold, and shall cause its officers, employees, agents and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain such information to hold, in confidence, and not use for any purpose other than evaluating the transactions contemplated by this Agreement, any confidential information of another party obtained through the investigations permitted hereunder, which for the purposes hereof shall not include any information which (i) is or becomes generally available to the public other than as a result of disclosure by the party which alleges the information is confidential or its affiliates, (ii) becomes available to a party on a nonconfidential basis from a source, other than the party which alleges the information is confidential or its affiliates, which has represented that such source is entitled to disclose it, or (iii) was known to a party on a nonconfidential basis prior to its disclosure to such party hereunder. If this Agreement is terminated, each party shall deliver, and cause its officers, employees, agents, and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain confidential information of another party pursuant to investigations permitted hereunder to deliver to such other party all such confidential information that is written (including copies or extracts thereof), whether such confidential information was obtained before or after the execution.

(b) If a party or a person to whom a party transmits confidential information of another party is requested or becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoena, criminal or civil investigative demand or similar process) to disclose any of such confidential information, such party or person will provide the other applicable party with prompt written notice so that such party may seek a protective order or other appropriate remedy or waive compliance with Section 13(a). If such protective order or other remedy is not obtained, or if the applicable party waives compliance with Section 13(a), the party subject to the request will furnish only that portion of such confidential information which is legally required and will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded such confidential information.

14. **Notices.** All notices, elections and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery (or 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 Seller, to:

Jonathan L. Smith
Lincoln-Garrard Broadcasting Co., Inc.
100 N. LaSalle Street, Suite 1111
Chicago, IL 60602

If to Buyer, to:

Educational Media Foundation
5700 West Oaks Boulevard
Rocklin, CA 95765
Attn: Richard Jenkins, President

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

Bryan T. McGinnis, Esq.
Shaw Pittman
2300 N Street, NW
Washington, D.C. 20037
Telecopier: 202.663.8007

15. **Governing Law; Venue.** This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Kentucky, without giving effect to the choice of law principles thereof.

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

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

18. **Expenses.** Except as otherwise set forth in this Section, each party hereto shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. The FCC filing fees relating to the Assignment Application shall be shared equally between Buyer, on the one hand, and Seller, on the other hand. All federal, state, local and other transfer and sales taxes applicable to, imposed upon or arising out of the transfer to Buyer of the Assets as contemplated hereby shall be paid according to local custom.

19. **Risk of Loss.** The risk of loss to any of the Assets on or prior to the Closing Date shall be upon Seller. Seller shall use all commercially reasonable efforts to repair or replace any damaged or lost Assets, provided, however, that in the event that the Assets with a value of greater than Fifty Thousand Dollars (\$50,000) are damaged or lost on the date otherwise scheduled for Closing, Buyer may, at its option, either (i) postpone Closing for a period of up to sixty (60) days while Seller repairs or replaces such Assets, or (ii) elect to close with the Assets in their current condition, in which case Seller shall assign all proceeds from insurance on such lost or damaged Assets to Buyer, and Buyer shall have the responsibility to repair or replace the Assets. Seller shall have no responsibility to repair or replace damaged or destroyed Assets not covered by insurance if the cost of such repair exceeds Fifty Thousand Dollars (\$50,000), provided, however, that should Seller advise Buyer within five (5) days after being requested to do so that Seller will not repair or replace such Assets, Buyer may terminate this Agreement without penalty upon written notice to Seller. Should the Station (i) not operate for a period in excess of seventy-two (72) consecutive hours, or (ii) not operate with full licensed facilities for a period of thirty (30) consecutive days, or if the Station not be operating at no less than 90% of its full authorized power as of the scheduled Closing Date and it is reasonably expected that the condition set forth in either clause (i) or (ii) of this sentence would be satisfied other than for the originally scheduled Closing Date, Buyer may either elect to terminate this Agreement without penalty upon written notice to Seller or postpone the Closing for a period of up to sixty (60) days while Seller attempt to cure the condition described in the preceding sentence of this Section 19.

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

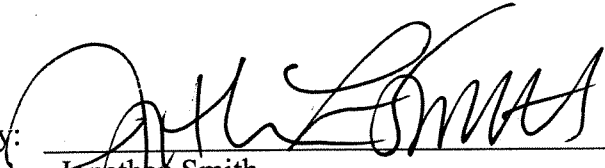
21. **Entire Agreement.** This Agreement, and the exhibits attached hereto, supersede all prior agreements and understandings between the parties with respect to the subject matter hereof and may not be changed or terminated orally, and no attempted change, amendment, or waiver of any of the provisions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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

Seller:

**LINCOLN-GARRARD BROADCASTING CO.,
INC.**

By: 
Jonathan Smith
Title President

Buyer:

EDUCATIONAL MEDIA FOUNDATION

By: _____
Richard Jenkins
President

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

Seller:

**LINCOLN-GARRARD BROADCASTING CO.,
INC.**


By: _____

Jonathan Smith
Title

Buyer:

EDUCATIONAL MEDIA FOUNDATION

By: _____


Richard Jenkins
President

SCHEDULE 1

Tangible Personal Property

All items specifically identified in Section 1(a)(i).

SCHEDULE 2

Real Property

See Lease attached

OPTION AND LEASE AGREEMENT

This option and lease agreement is made and entered into this February 28, 1995, between William S. Rousey and Lucy Jane Rousey, husband and wife, 600 Sand Knob Road, Stanford, Casey County, KY 40484, hereinafter designated LESSOR and Lincoln-Garrard Broadcasting Co., Inc., a Kentucky corporation, P. O. Box 300, Stanford, Lincoln County, KY 40484, hereinafter designated LESSEE.

WITNESSETH:

Whereas, LESSOR is the owner of certain real property located in Casey County, Commonwealth of Kentucky; and

Whereas, LESSEE desires to obtain an Option to lease a portion of said real property, containing approximately 1,200.7917 square feet, together with a right of way for access thereto (said lease parcel and right of way hereinafter called "Property"), and the property is more specifically described in and substantially shown outlined in red on Exhibit "A" attached hereto and made a part hereof,

NOW, for and in consideration of the sum of Two Hundred Dollars (\$200.00), hereinafter referred to as "Option Money", to be paid by LESSEE to the LESSOR, which LESSEE will provide upon its execution of this Agreement, the LESSOR hereby grants to LESSEE the right and Option to lease said portion of said real property including a right of way for access thereto for the terms and in accordance with the covenants and conditions set forth herein.

This Option may be exercised at any time on or prior to April 17, 1995.

At LESSEE's election, and upon LESSEE's prior written notification to LESSOR, the time during which the Option may be exercised may be further extended for one additional period of three (3) months, through and including July 17, 1995, with an additional payment of Three Hundred Dollars (\$300.00) by LESSEE to LESSOR for the Option Period so extended. The time during which the Option may be exercised may be further extended by mutual agreement in writing.

LESSOR covenants that LESSOR is seized of good and sufficient title and interest to the Property and has full authority to enter in to and execute this Agreement. LESSOR further covenants that there are not any liens, judgments or impediments of title on the Property which would prevent the LESSOR from entering into this agreement.

This Option may not be sold, assigned, or transferred, at any time except to LESSEE's principal, affiliates or subsidiaries of its principal. As to other parties, this Option may not be sold, assigned or transferred without the written consent of the LESSOR, such consent not to be unreasonably withheld.

Should LESSEE fail to exercise this Option or any extension thereof within the time herein limited, all rights and privileges granted hereunder shall be deemed completely surrendered, this Option terminated, and LESSOR shall retain all money paid for the Option, and no additional money shall be payable by either party to the other.

The LESSOR shall permit LESSEE during the Option Period, free ingress and egress to the Property to conduct such surveys, structural strength analysis, subsurface boring tests and other activities of similar nature, as LESSEE may deem necessary, at the sole cost of LESSEE.

Notice of the exercise of the Option shall be given by LESSEE to the LESSOR in writing by certified mail, return receipt requested. Notice shall be deemed effective on the date it is posted. On the date of such notice the following Agreement shall take effect:

LEASE AGREEMENT

1. LESSOR hereby leases to LESSEE that certain parcel of real Property, containing approximately 1,200.7917 square feet, situated in Casey County, Commonwealth of Kentucky, together with the nonexclusive right for ingress and egress, seven (7) days a week, twenty-four (24) hours a day, on foot or motor vehicle, including trucks, and for the installation and maintenance of utility wires, cables, conduits and pipes over, under or along a ten foot (10') wide right of way extending from the nearest public right of way to the leased parcel, said parcel and right of way for access being described on Exhibit "A" which is attached hereto and made a part hereof. Said leased parcel and right of way for access shall be hereinafter referred to as "Property". LESSOR shall cooperate with LESSEE in LESSEE's effort to obtain utility services along said right of way by signing such documents or easements as may be required by the utility companies.

2. This Agreement shall be for an initial term of ninety-nine (99) years beginning on the date the Option is exercised by LESSEE for the lump sum rental payment of Eight Thousand Dollars (\$8,000.00) to be paid upon execution of the lease agreement, in advance, to William S. Rousey and Lucy Jane Rousey. As additional consideration for the execution of this lease, the LESSEE shall gravel and maintain the road right of way which provides access for ingress and egress, and the LESSEE shall keep all gates locked and closed.

3. LESSEE shall use the Property for the purpose of constructing, maintaining and operating a radio broadcasting tower and uses incidental or necessary thereto. All improvements shall be at LESSEE's expense. LESSOR grants LESSEE the right to use adjoining and adjacent land as is reasonably required during construction, installation, maintenance, and operation of the broadcasting tower. LESSEE will maintain the Property in a reasonable condition. It is understood and agreed that LESSEE's ability to use the Property is contingent upon its obtaining after the execution date of the Agreement, all of the certificates, permits and other approvals that

may be required by any federal, state or local authorities. LESSOR shall cooperate with LESSEE in its effort to obtain such approvals and shall take no action which would adversely affect the status of the Property with respect to the proposed use thereof by LESSEE. In the event that any of such applications should be finally rejected or any certificate, permit, license or approval issued to LESSEE is cancelled, expires, lapses, or is otherwise withdrawn or terminated by governmental authority or soil boring test or radio frequency propagation tests are found to be unsatisfactory so that LESSEE will be unable to use the Property for its intended purposes, this Lease Agreement shall terminate, and all rentals paid shall be retained by the LESSOR. Upon such termination, this Lease Agreement shall become null and void and all the parties shall have no further obligations, including the payment of money, to each other.

4. LESSEE shall indemnify and hold LESSOR harmless against any claim of liability or loss from personal injury or property damage resulting from or arising out of the use and occupancy of the Property by the LESSEE, its servants or agents. The LESSEE further agrees to obtain and pay for public liability insurance with the LESSOR named as insureds with limits of not less than \$300,000.00.

5. LESSEE will be responsible for making any necessary returns for and paying any and all property taxes separately levied or assessed against its improvements on the Property. LESSEE shall reimburse LESSOR as additional rent for any increase in real estate taxes levied against the leased Property which are directly attributable to the improvements constructed by LESSEE and are not separately levied or assessed against LESSEE's improvements by the taxing authorities.

6. LESSEE upon termination of the Agreement, shall, within a reasonable period, remove its personal property and fixtures and restore the property to its original above grade condition, reasonable wear and tear excepted.

7. Should the LESSOR, at any time during the term of the Agreement, decide to sell all or any part of his real property which includes the parcel of property leased by LESSEE herein and/or the right of way thereto to purchaser other than LESSEE, such sale shall be subject to this Lease Agreement and LESSEE's right hereunder.

8. LESSOR covenants that LESSEE, on paying the rent and performing the covenants shall peaceably and quietly have, hold and enjoy the Property.

9. LESSOR covenants that LESSOR is seized of good and sufficient title and interest to the Property and has full authority to enter into and execute this Agreement. LESSOR further covenants that there are not any liens, judgments or impediments of title on the Property.

10. It is agreed and understood that this Agreement contains all agreements, promises and understandings between the

LESSOR and LESSEE and that no verbal or oral agreement, promises or understanding shall be binding upon either the LESSOR or LESSEE in any dispute, controversy or proceeding at law, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing and signed by the parties.

11. This Agreement and the performance thereof shall be governed, interpreted, constructed and regulated by the laws of the State of Kentucky.

12. This lease may not be sold, assigned or transferred at any time except to LESSEE's principal affiliates or subsidiaries of its principal or to any company upon which LESSEE is merged or consolidated. ^{CR 3040} AS to other parties, this Lease may not be sold, assigned or transferred without the written consent of the LESSOR, such consent not to be unreasonably withheld.

13. All notices hereunder must be in writing and shall be deemed validly given if sent by certified mail, return receipt requested, addressed as follows (or to any other address that the party to be notified may have designated to the sender by like notice):

LESSEE: Lincoln-Garrard Broadcasting Co., Inc.
P. O. Box 300
Stanford, KY 40484

LESSOR: William S. Rousey and Lucy Jane Rousey
600 Sand Knob Road
Stanford, KY 40484

14. This Agreement shall extend to and bind the heirs, personal representatives, successors and assigns of the parties hereto.

15. At LESSOR's option, this Agreement shall be subordinate to any mortgage by LESSOR which from time to time may encumber all or part of the property or right of way; provided, however, every such mortgage shall recognize the validity of this Agreement in the event of a foreclosure of LESSOR's interest and also LESSEE's right to remain in occupancy of and have access to the Property as long as LESSEE is not in default of this Agreement. LESSEE shall execute in a timely manner whatever instruments as may reasonably be required to evidence this subordination clause.

16. In the event the leased premises are condemned by any legally constituted authority for any public use or purpose, the LESSEE shall not be entitled to recover any portion of the rental paid to the LESSOR. However, nothing in this provision shall be construed to limit or affect LESSEE's right to an award of compensation of any

eminent domain proceeding for the taking of LESSEE's leasehold interest hereunder.

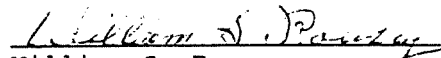
17. LESSEE, at LESSEE's option may erect either a self supporting tower or a guyed tower suitable for his proposed use. Should LESSEE choose to erect a guyed tower, LESSOR grants LESSEE easements for the purpose of anchoring and mounting guy wires extending from LESSEE's tower; provided, the LESSEE shall not construct more than three (3) anchors. Said easement shall extend in three (3) directions from the tower for the distance indicated on Exhibit A. The LESSEE shall have a right of ingress and egress (twenty-four hours per day) to said guy anchors for purposes of maintenance, inspections, and installation to insure the proper installation and operation of the LESSEE's facility. Such inspection, maintenance and installations shall be LESSEE's sole responsibility and all such costs shall be borne by LESSEE.

18. The LESSEE shall have the right to clear all trees, undergrowth, or other obstructions and to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees and/or limbs which may interfere with or fall upon LESSEE's tower or tower's guy wires; provided, the LESSEE shall pay the LESSOR the amount of One Hundred Dollars (\$100.00) for each tree (regardless of size) that is cut down and/or trimmed on the leased property. Any trees which are cut by the LESSEE shall belong to the LESSEE.

19. LESSEE will be responsible for any and all damages, losses, and expenses and will indemnify LESSOR against and from any and all claims, damages, demands, or otherwise, resulting from hazardous wastes generated, stored, or disposed of as a result of LESSEE's equipment and uses of the aforementioned Property.

20. This option and lease agreement shall be construed according to the laws of the Commonwealth of Kentucky.

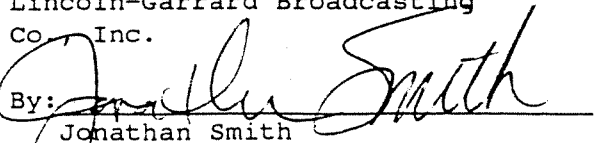
IN WITNESS WHEREOF, the parties hereto have set their hands and affixed their respective seals the day and year first above written.


William S. Rousey


Lucy Jane Rousey

LESSOR

Lincoln-Garrard Broadcasting
Co., Inc.

By: 
Jonathan Smith

LESSEE

STATE OF KENTUCKY

COUNTY OF CASEY

I, _____, Notary Public in and for the above county and state, certify that this Option and Lease Agreement was presented to me and personally acknowledged by William S. Rousey and Lucy Jane Rousey, husband and wife, to be their free act and deed on March ___, 1995.

Notary Public

My Commission Expires: _____

STATE OF ILLINOIS

COUNTY OF COOK

I, TIMOTHY T. BALIN, Notary Public in and for the county and state above, certify that the foregoing Option and Lease Agreement was produced to me in the above county and state and acknowledged before me by Jonathan Smith as President of Lincoln-Garrard Broadcasting Co., Inc., a party thereto, to be his free act and deed and the free act and deed of the corporation by him as its President on ~~March~~ ^{April} 14th, 1995.

Timothy T. Balin
Notary Public

My Commission Expires: 7-15-96

This Instrument Prepared By:

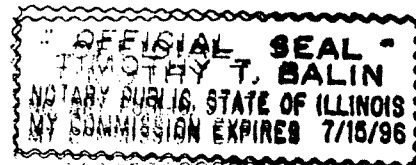
Thomas M. Weddle, Jr.

Attorney at Law

Court Square, P.O. Box 519

Liberty, KY 42539-0519

Telephone: 606-787-6273



SPARR ENGINEERING
RR 8 BOX 265X
LIBERTY, KENTUCKY 42539
606-787-7137

March 2, 1995

Lincoln-Garrard Broadcasting Co., Inc.
P.O. Box 300
Stanford, Ky. 40484

Attn: David Smith

RE: Tower Location Survey and Plat

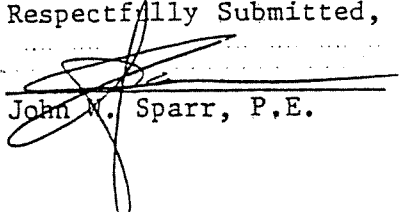
Mr. Smith:

On 2/18/95 we conducted a survey of the above referenced project. Please find to follow a description of the access road centerline leading to the tower site. A description of the tower site itself is recorded on the plat.

BEGINNING at an iron pin (set), being the southeast corner of a 0.0276 acre survey of the tower site; Thence S37 11'10"E, 113.92 feet to the centerline of an existing road at an existing gate; thence with the centerline of the existing 10foot wide road S03 32'30"E, 233.71 feet; S 04 29'47"E, 230.28 feet; S 01 32'15"E, 112.86 feet; S 20 09'51"E, 161.98 feet; S 50 13'10"E, 63.14 feet; S 65 32'54"E, 92.86feet; S 81 06'20"E, 109.22 feet; S 86 00'32"E, 161.72 feet to a point in the centerline of Sandknob county road, pursuant to a survey conducted by Gary D. Ousley, Kentucky Registered Land Surveyor No. 2912, on 2/18/95.

We trust this information is sufficient for your intended purposes.

Respectfully Submitted,



John M. Sparr, P.E.

EXHIBIT A

SCHEDULE 3

CURRENT FCC LICENSES AND AUTHORIZATIONS WXKY-FM AND ASSOCIATED AUXILIARY STATIONS

Main Station WXXY-FM, Stanford, Kentucky

Facility ID Number: 37560

Licensee: Lincoln-Garrard Broadcasting Company, Inc..

Type of Authorization	Call Sign	FCC File Number	Grant Date	Expiration Date
Broadcast Station Construction Permit	WXXY-FM	BPH-20020111AAA	01/23/03	01/23/06
Consent to Transfer of Control From: Ruth Smith To: Jonathan L. Smith	WXXY-FM	BTCH-20011221AAJ	02/11/02 (Consummated on 02/18/02)	N/A
License Renewal Authorization	WRSL-FM	BRH-19960329YI	07/26/96	08/01/04
FM Broadcast Station License	WRSL-FM	BLH-19950727KA	10/23/95	08/01/04

Pending Applications

Main Station WXXY-FM, Stanford, Kentucky

Facility ID Number: 37560

Application	Call Sign	FCC File Number	Date Filed
Application for Renewal of Broadcast Station License (FCC Form 303-S)	WXXY-FM	BRH-20040326ACJ	03/30/04

Antenna Structures Associated with

Main Station WXXY-FM, Stanford, Kentucky

Facility ID Number: 37560

Registration Number	Issue Date	Coordinates	Overall Height	Owner
1234122	05/20/02	37° 31' 27.3" N 84° 52' 11.8" W	121.9 meters	Lincoln-Garrard Broadcasting Company, Inc.

Broadcast Auxiliary Stations Associated with
Main Station WXXY-FM, Stanford, Kentucky

Facility ID Number: 37560

Auxiliaries will not be conveyed to Buyer

Type of Authorization	Call Sign	FCC File Number	Grant Date	Expiration Date
Aural Studio Transmitter Link	WPJA563	--	08/28/95	08/01/04
Remote Pickup ¹	WPKX936	--	09/19/97	08/01/04

¹ This auxiliary is not associated with any parent in the ULS database.

SCHEDULE 4

Contracts

None

SCHEDULE 5

Excluded Assets

Any and all Assets not listed on Schedules 1, 2 3 or 4 hereto.