

OPTION AGREEMENT

THIS OPTION AGREEMENT (this "Agreement"), is made as of this 29th day of January, 2016 by and among EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation (hereinafter referred to as "EMF") and AMERICAN FAMILY ASSOCIATION, INC. a Mississippi non-profit corporation ("AFA").

WITNESSETH:

WHEREAS, EMF holds authorizations issued by the Federal Communications Commission ("FCC") and owns or holds certain operating assets with respect to FM radio translator W270CD Jacksonville Beach, Florida (Channel 270, 101.9 MHz, FIN 140687) ("W270CD"); and

WHEREAS, AFA and EMF have entered into an Asset Exchange Agreement of even date by which AFA has agreed to transfer the FCC broadcast licenses and certain of the assets of radio stations KSUR Mart, Texas (Channel 205, 88.9 MHz, FIN: 83542); WBFY Pinehurst, North Carolina (Channel 212, 90.3 MHz, FIN: 88048); KAPG Bentonville, Arkansas (Channel 201, 88.1 MHz, FIN: 77546); KAPK Grants Pass, Oregon (Channel 216, 91.1 MHz, FIN: 1698); WZKM Waynesboro, Mississippi (Channel 209, 89.7 MHz, FIN: 90975); and K212EF Las Vegas, New Mexico (Channel 212, 90.3 MHz, FIN: 1694) in exchange for EMF's transfer of the FCC broadcast licenses and certain of the assets of radio stations KMRL Buras, Louisiana (Channel 220, 91.9 MHz, FIN: 16738); KKWV Aransas Pass, Texas (Channel 201, 88.1 MHz, FIN: 91069); KAWV Alice, Texas (Channel 202, 88.3 MHz, FIN: 91097); and WKTZ-AM Jacksonville, Florida (1220 KHz, FIN: 31937) (the "AEA"); and

WHEREAS, entry into this Option Agreement was part of the consideration for AFA's agreement to enter into the AEA; and

WHEREAS, AFA desires to obtain, and EMF desires to grant AFA an option to acquire W270CD or another translator with substantially similar coverage (the "Station"); and

WHEREAS, if the option granted hereunder is duly exercised, the parties shall enter into an Asset Purchase Agreement (the "Asset Purchase Agreement") containing terms and conditions customary for transactions of this type.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Grant of Option.

(a) EMF hereby grants to AFA an exclusive Option (the "Option") to acquire by purchase or exchange of similar assets, certain of the assets, properties, interests and rights of EMF of whatsoever kind and nature, real and personal, tangible and intangible, owned, held or leased by EMF, as the case may be, which are used or useful in connection with the operation of

the Station. As used herein, the "Station" refers to W270CD or such other translator as determined by EMF with substantially similar coverage to W270CD. The assets to be conveyed shall include, but are not limited to, (i) the EMF's Station licenses, permits and other authorizations issued by the FCC (the "FCC Authorizations"), and (ii) certain Station equipment to be determined upon mutual agreement of EMF and AFA prior to the Closing (collectively, the "Assets"). The Assets will be conveyed free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements or other liens, liabilities and encumbrances whatsoever (collectively, "Liens").

(b) Pursuant to the Option granted herein, AFA shall have the exclusive right to purchase the Station for a "Purchase Price" of One Dollar (\$1) to be paid in cash at Closing.

2. Term of the Option. The term of this Agreement (the "Term") shall commence upon the execution of this Agreement (the "Effective Date") and, unless earlier terminated as provided in this Agreement, shall continue until the Option Exercise Period expires.

3. Method of Exercise of the Option. AFA may exercise the Option to acquire the Station by giving EMF written notice thereof at any time during the three (3) month period commencing on the Second Anniversary of the Closing of the Asset Exchange Agreement of even date (the "Option Exercise Period"). If the Option has been duly exercised, the parties shall promptly enter into an Asset Purchase Agreement containing customary representations, warranties and closing conditions. EMF shall promptly furnish complete and accurate schedules to the Asset Purchase Agreement. The parties shall jointly file, within five (5) business days of exercise, an application ("Assignment Application") with the FCC seeking its consent to the assignment of license of Station from EMF to AFA ("FCC Consent").

4. Closing. The Closing of the acquisition of the Station to AFA shall occur within 10 business days of the FCC approval unless there is a protest or objection to the Assignment Application, in which case the Closing shall occur within 10 business days following the date on which the FCC Consent becomes a Final Order. The parties agree to execute such documents as are reasonably necessary to complete the transactions contemplated by this Agreement. A grant of an application by the FCC shall be considered "Final" when it is no longer subject to administrative or judicial review, reconsideration or appeal.

5. Representations and Warranties.

Each party hereby makes the following representations and warranties to the other party (all of which have been relied upon by the other party in entering into this Agreement):

(a) It is duly organized, validly existing and in good standing under the laws of the State of its organization.

(b) It has all necessary power and authority to enter into and perform this Agreement and the transactions contemplated hereby, and its execution, delivery and performance of this Agreement and the transactions contemplated hereby have been duly and

validly authorized by all necessary corporate action on its part. This Agreement has been duly executed and delivered by it and this Agreement constitutes, and any other agreements to be executed in connection herewith constitute, the valid and binding obligation of such party, enforceable in accordance with their terms, except as limited by laws affecting creditors' rights or equitable principles generally.

(c) The execution, delivery and performance of this Agreement by it: (A) will not conflict with, result in a breach of, or constitute a violation of or default under, the provisions of its organizational documents or any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority to which it is a party; and (B) will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination of or result in a breach of the terms, conditions or provisions of, or constitute a default under, any agreement, instrument, license or permit to which it is now subject or by which it is bound.

6. Covenants. EMF represents, warrants, covenants and agrees, that, as of this date and from the date hereof and until the earlier of the Closing or the expiration or termination of the Option, except as expressly permitted by this Agreement or with the prior written consent of AFA, it shall act in accordance with the following:

(a) EMF holds all FCC Authorizations necessary for the lawful conduct of the business and operations of the Station in the manner and to the full extent it is presently operated. None of such FCC Authorizations is or shall be subject to any restrictions or conditions that would limit in any respect the operations of the Station. There is not now pending or threatened any action by or before the FCC to revoke, cancel, rescind, adversely modify or refuse to renew any of such FCC Authorizations, and EMF 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 EMF.

(b) EMF shall not cause or permit by any act, or failure to act, any of the FCC Authorizations of the Station to expire, be surrendered, modified, or otherwise terminated, or cause the FCC to institute any proceedings for the suspension, non-renewal, revocation or adverse modification of any of the FCC Authorizations, or any material application to the FCC to be dismissed or denied. AFA acknowledges that translators are subject to displacement.

(c) EMF shall preserve and conduct the business and operation of the Station in the ordinary and prudent course of business and in compliance with the FCC Authorizations and the policies, rules and regulations of the FCC. EMF does not represent or warrant that W270CD will not be displaced or that, if displaced, there is an available frequency which would allow it to continue to operate.

(d) EMF shall not sell, assign, lease or otherwise transfer or dispose of any of the Station's assets or properties, whether now owned or hereafter acquired, except for retirement in the normal and usual course of business in connection with the acquisition of similar

properties or assets of equal or greater value.

7. Remedies for Breach. EMF and AFA each recognize and acknowledge that, in the event that EMF shall fail to perform its obligations contemplated hereby in a timely manner, money damages alone will not be adequate to compensate AFA for its injury. EMF and AFA, therefore, each agree and acknowledge that, in the event of EMF's failure to perform its obligations contemplated hereby in a timely manner, AFA shall be entitled, as a remedy, to specific performance of the terms of this Agreement and of EMF's obligations contemplated hereby. If any action is brought by either to enforce this Agreement, EMF shall waive the defense that there is an adequate remedy at law. In the event of litigation with respect to this Agreement, if the matter results in a final judgment, the prevailing party, as a part of its remedy, shall be entitled to reasonable attorney's fees incurred in such litigation.

8. Notices. All notices to be given under this Agreement shall be in writing and shall be sent by facsimile, email or other reliable electronic transmission or by reputable overnight carrier to the other party at the address set forth below or to such other address as such party may have specified by notice in accordance with this section. Notices shall be deemed effective upon confirmed receipt of an electronic transmission or the following business day if sent by a reputable overnight carrier.

EMF: Educational Media Foundation
5700 West Oaks Blvd.
Rocklin, CA 95765
Attn: President
Fax: 916-251-1733
mnovak@kloveair1.com

With a copy to: Educational Media Foundation
5700 West Oaks Blvd.
Rocklin, CA 95765
Attn: General Counsel
Fax: 916-251-1766
kblair@kloveair1.com

If to AFA, to: American Family Association, Inc.
P.O. Drawer 2440
Tupelo, MS 38803

9. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

10. Assignment. 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.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without regard to the choice of law principles thereof.

12. Headings. The headings herein are included for ease of reference only and shall not control or affect the meaning or construction of the provisions of this Agreement.

13. Counterparts. This Agreement may be signed in counterpart originals, which collectively shall have the same legal effect as if all signatures had appeared on the same physical document. This Agreement may be signed and exchanged by facsimile or electronic mail transmission, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

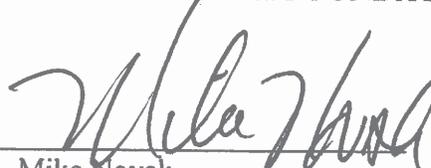
14. Entire Agreement. This Agreement and the exhibits attached hereto constitute the entire understanding and agreement between the parties with respect to the subject matter contained herein, and supersedes all prior negotiations, agreements, or letters of intent between the parties and cannot be amended, supplemented, or changed except by a writing signed by the parties hereto. When executed, the APA shall supersede the provisions hereof in their entirety with respect to the subject matter thereof.

IN WITNESS WHEREOF, this Option Agreement has been executed by each of the parties as of the date first written above.

AMERICAN FAMILY ASSOCIATION

By: 
Name:
Title:

EDUCATIONAL MEDIA FOUNDATION

By: 
Mike Novak
President/CEO