

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is dated as of March 7, 2016, by and between, **EDUCATIONAL MEDIA FOUNDATION**, a California 501(c)(3) corporation ("Seller") and **RENO MEDIA GROUP LP**, a Nevada limited partnership ("Buyer") (and, collectively, "Parties").

WITNESSETH:

WHEREAS, Seller is the licensee of FM translator stations K269FC Reno, Nevada and K228DA Gardnerville, Nevada (the "Stations"), (Facility ID #148597 and #18541 respectively), pursuant to authorizations issued by the Federal Communications Commission (the "FCC"); and

WHEREAS, Seller desires to sell, transfer, assign, convey and deliver to Buyer, and Buyer desires to acquire from Seller, certain assets used in connection with the operation of the Stations; and

WHEREAS, FCC authorizations may be assigned only with the prior consent of the FCC; and

WHEREAS, pending the Closing of the transactions contemplated by this Agreement, an affiliate of Buyer is providing programming on station K269FC pursuant to a Rebroadcast Consent Agreement;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Sale of Assets.

(a) At Closing (as hereinafter defined), Seller agrees to sell, transfer, assign, convey and deliver to Buyer and Buyer shall purchase and assume from Seller, free and clear of any security interests, liens or other encumbrances of any kind of nature ("Liens") other than Liens for taxes not yet due and payable, the following assets used in connection with the operation of the Stations ("Assets"), but excluding the Excluded Assets described in subparagraph (b) below:

(i) Seller's equipment and other tangible personal property used in the transmission operations of the Stations (the "Tangible Personal Property") identified on Schedule 1 hereto;

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

(iii) Seller's right, title and interest in and to the leasehold interests in the site leases (the "Leases") to lease space at the current tower sites for the Stations (the "Tower Site Properties"), as identified on Schedule 3 hereto;

(b) Seller shall not sell, assign or transfer to Buyer any assets, of whatever kind or nature, wherever located, which are held by Seller and used or useful in connection with the operations or ownership of any station or stations other than the Stations, including any privileges, rights, interests and claims associated therewith (the "Excluded Assets") and specifically including, without limitation, the following:

(i) Cash on hand and in banks (or their equivalents), and accounts receivable arising out of the operation of the Stations prior to Closing;

(ii) All rights of Seller under all contracts, leases (other than the Leases), and agreements, including contracts of insurance and insurance proceeds of settlement and insurance claims made by Seller relating to property or equipment repaired, replaced, restored by Seller prior to the Closing Date;

(iii) All deposits and all prepaid expenses and taxes;

(iv) Seller's corporate records; and

(v) All tangible and intangible personal and real property used or useful in connection with all of Seller's broadcast properties other than the Stations.

2. **Consideration.** 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 One Hundred and Fifty Two Thousand Dollars (\$152,000) (the "Purchase Price"). The Purchase Price shall be payable to Seller at Closing in cash by wire transfer of immediately available funds. Within two (2) business days of execution and delivery of this Agreement, Buyer shall place an earnest money deposit of Seven Thousand Six Hundred Dollars (\$7,600) (the "Deposit") with WashingtonFirst Bank, N.A., ("Escrow Agent") pursuant to an Escrow Agreement (the "Escrow Agreement") in a form agreed to by the parties. In the event that the Deposit is not made within the two business days set forth above, Seller may terminate this Agreement. The Deposit will be credited against the Purchase Price at Closing or held by Seller as liquidated damages, and not as a penalty, in the event the transaction contemplated herein does not close primarily as a result of a material breach by Buyer. In all other events the Deposit shall be returned to Buyer. The parties shall execute and deliver joint written instructions to the Escrow Agent as required by the Escrow Agreement to distribute the Deposit as set forth herein.

3. **FCC Consent; Assignment Application; Modification Application.** At a date not later than five (5) business days after the date hereof, 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

Stations (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. If requested by Buyer, Seller agrees to provide written consent to Buyer and to associate Buyer's FCC Registration Number with K228DA to enable Buyer to file a modification application for the K228DA ("Modification Application") contingent upon the grant of the Assignment Application. Buyer shall be solely responsible for the preparation and filing of the Modification Application. Neither the filing nor the FCC grant of the Modification Application shall be a condition to closing.

4. **Closing Date; Closing Place.** The closing (the "Closing") of the transactions contemplated by this Agreement shall occur on a mutually agreeable date (the "Closing Date") which shall be after the FCC Consent has been granted and no later than five (5) business days after the FCC Consent becomes effective and the other conditions to closing set forth in Section 8 have either been waived or satisfied. Notwithstanding anything to the contrary herein, if there is any objection filed to the Assignment Application prior to the issuance of the FCC Consent, either party may elect to delay the Closing until after the FCC Consent shall have become a Final Order (as hereinafter defined). For purposes of this Agreement, the term "Final Order" means action by the FCC that 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, facsimile, or electronic mail, as the Buyer and Seller may agree.

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

(a) Seller is a non-profit corporation duly organized, validly existing and in good standing under the laws of the State of California. Seller has the power and authority to execute and deliver this Agreement and 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) Schedule 1 hereto contains a list of the Tangible Personal Property owned by Seller that shall be transferred to Buyer. Seller owns and has, and will have on the Closing Date, good and marketable title to the Tangible Personal Property free and clear of all Liens (other than Liens for taxes not yet due and payable). Other than as specifically set forth in this Section 5(b), each material item of Tangible Personal Property shall be conveyed to Buyer without representation or warranty, "as-is, where-is."

(c) Schedule 2 hereto contains a true and complete list of the FCC Authorizations that are required by the FCC to operate the Stations. The FCC Authorizations are in full force and effect, unimpaired by any act or omission of Seller. Seller lawfully holds each of the FCC Authorizations listed on Schedule 2, none of which is subject to any restrictions or conditions that would limit in any material respect the operations of the Stations, except such

conditions as are stated on the face thereof. There are no outstanding unsatisfied FCC notices of violation, citations or cease and desist orders against the Stations, and any FCC citations or orders subsequently issued shall be satisfied prior to Closing. There are no ongoing investigations of Seller's operations of the Stations by the FCC or by any other federal or state governmental agency. The Stations are operating with maximum power and facilities as specified in the FCC Authorizations, are not causing objectionable interference to the transmissions of any other broadcast station or communications facility, and no other broadcast station or communications facility is causing objectionable interference to the transmissions of the Stations.

(d) Schedule 3 contains true and complete copies or descriptions of the material terms of the Leases, which are in full force and effect, for the Tower Site Properties. Seller has a valid leasehold interest in the Leases described on Schedule 3, and Seller is not in material breach or default with respect to the Leases.

(e) 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 transaction 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.

(f) 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.

(g) Seller has complied in all material respects with all laws, rules, regulations, writs, injunctions, ordinances, franchises, decrees and orders of any court or governmental authority which are applicable to the operation of the Stations.

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

(a) This Agreement has been duly and validly executed and delivered by Buyer and constitutes the legal, valid and binding agreement of Buyer 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) Buyer is legally, financially and technically qualified to acquire and become the licensee of, acquire, own and operate the Stations under the Communications Act of 1934, as amended (the "Communications Act") and the rules, regulations and policies of the FCC. There are no facts that would, under existing law and the existing rules, regulations, policies and procedures of the FCC, disqualify Buyer as an assignee of the FCC Authorizations or as the owner and operator of the Stations. No waiver of any FCC rule or policy with respect to Buyer, its business or operations, is necessary for the FCC Consent to be obtained. Buyer has and will have available on the Closing Date sufficient funds to enable it to consummate the transactions contemplated hereby.

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

(d) 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 other 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 take all reasonable actions necessary to keep the FCC Authorizations, including all material permits and applications pending before the FCC, valid and in full force and effect.

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 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 been granted;

(iv) Buyer shall have delivered to Seller on the Closing Date, the documents and payments required to be delivered pursuant to Section 9(b);

(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) The FCC Consent contemplated by this Agreement shall have been granted;

(iv) The FCC Authorizations shall be in full force and effect and there shall be no proceedings pending before the FCC to revoke, cancel, rescind, or refuse to renew any of such FCC Authorizations;

(v) 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 shall 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 transferring title to the Tangible Personal Property to Buyer;

(ii) An Assignment and Assumption of the Stations' FCC Authorizations;

(iii) An Assignment and Assumption of the Leases, along with the written consent of the Lessors thereunder to the assignment of the Leases to Buyer;

(iv) A certificate that the conditions set forth in Section 8(b)(i) and 8(b)(ii) have been satisfied by Seller as of the Closing Date; and

(v) 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 Purchase Price;

(ii) An Assignment and Assumption of the Stations' FCC Authorizations;

(iii) An Assignment and Assumption of the Leases;

(iv) A certificate that the conditions set forth in Section 8(a)(i) and 8(a)(ii) have been satisfied by Buyer as of the Closing Date; and

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

10. **Indemnification.** Each party agrees to indemnify the other for its breach of any representations, warranties and covenants contained herein. The several representations and warranties of Seller and Buyer contained in or made pursuant to this Agreement shall expire twelve (12) months after the Closing Date. Notwithstanding the foregoing, the maximum that either party may recover by indemnification or otherwise from the other party as post-closing claims shall be limited to an aggregate of Ten Thousand Dollars (\$10,000), except that Buyer's indemnification liability under any assumed Lease shall be unlimited.

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: (i) if, on or prior to the Closing Date, the other party breaches any of its material obligations contained herein, and such breach is not cured by the earlier of the Closing Date or thirty (30) days after receipt of the notice of breach from the non-breaching party; or (ii) if the Assignment Application is denied by the FCC and such denial shall have become a Final Order; or (iii) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing of this Agreement; or (iv) if the Closing has not occurred within 12 months of the date hereof.

(b) The Seller's exclusive remedy upon a termination of this Agreement by the Seller due to a breach by the Buyer of any of its material obligations under this Agreement shall be retention of the Deposit as liquidated damages.

(c) Seller acknowledges that the Stations are unique assets not readily obtainable on the open market and that, in the event that Seller fails to perform its obligations 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 performances 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.

12. **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:

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

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

David Oxenford, Esq.
Wilkinson Barker Knauer LLP
1800 M Street, N.W., Suite 800N
Washington, D.C. 20036

If to Buyer, to:

Reno Media Group LP
961 Matley Lane, Suite 120
Reno, NV 89502
Attn: A. Thomas Quinn

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

Lerman Senter PLLC
2000 K Street NW, Suite 600
Washington, DC 20006
Attn: Dennis P. Corbett

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

14. **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.

15. **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 or

electronic mail, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

16. **Expenses.** Except as otherwise set forth herein, each party 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.

17. **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 assign its interest or delegate its duties under this Agreement without the prior written consent of the other party.

18. **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 parties.

19. **Risk of Loss.** The risk of loss or damage to the Assets prior to the Closing Date shall be upon Seller. Seller shall repair, replace and restore any damaged or lost item of Tangible Personal Property to its prior condition as soon as possible and in no event later than the Closing Date, unless such damage was immaterial or such item was obsolete and unnecessary for the continued operation of the Stations consistent with past practice. Seller has no obligation to repair or replace any damaged or lost item of Tangible Personal Property if the aggregate damage not covered by insurance exceeds Ten Thousand Dollars (\$10,000). If Seller elects to not repair any damage in excess of Ten Thousand Dollars not covered by insurance, Buyer may either (i) terminate this Agreement in which case both parties shall be relieved of all liability and obligations hereunder or (ii) agree to close and accept the damaged or lost items of Tangible Personal Property in the state in which they exist as of Closing, in which case Seller shall pay over to Buyer the proceeds, if any, of any insurance that may exist to cover such damage or loss.

21. **Cooperation.** From time to time after the date of execution hereof, the parties shall take further action and execute such further documents, assurances and certificates as either party reasonably may request of the other to effectuate the purposes of this Agreement.

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

SELLER:

EDUCATIONAL MEDIA FOUNDATION

By: _____

Mike Novak, President



BUYER:

RENO MEDIA GROUP LP

By: A. Thomas Quinn Revocable Trust, General Partner

By: _____

A. Thomas Quinn, Trustee

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

SELLER:

EDUCATIONAL MEDIA FOUNDATION

By: _____
Mike Novak, President

BUYER:

RENO MEDIA GROUP LP

By: A. Thomas Quinn Revocable Trust, General Partner

By:  _____
A. Thomas Quinn, Trustee