

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is dated as of January 20, 2016, by and between, **EDUCATIONAL MEDIA FOUNDATION**, a California 501(c)(3) corporation ("Seller") and **BOB MARK ALLEN PRODUCTIONS, INC.**, a Texas corporation ("Buyer") (and, collectively, "Parties").

WITNESSETH:

WHEREAS, Seller is the licensee of FM translator station K233CV, Arkadelphia, Arkansas (Facility ID #85726) (the "Station"), 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 Station; and

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

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 liens other than liens for taxes not yet due and payable, the following assets used in connection with the operation of the Station ("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 Station (the "Tangible Personal Property") identified on Schedule 1 hereto;

(ii) All licenses, permits and other authorizations, including the FCC Authorizations (collectively, the "FCC Authorizations"), issued by the FCC, to Seller in connection with the operations of the Stations, identified on Schedule 2 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 Station, 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 Station prior to Closing;
- (ii) All rights of Seller under all contracts, 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 excluding the Station.

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 Thirty Five Thousand Dollars (\$35,000) (the "Purchase Price"). The Purchase Price shall be payable to Seller at Closing in cash by wire transfer of immediately available funds. Upon execution of this Agreement Buyer shall deliver to Seller the sum of Five Thousand Dollars (\$5,000) to be held by Seller as an earnest money deposit (the "Deposit"). 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 as a result of a material breach by Buyer. In all other events the Deposit shall be returned to Buyer.

3. **FCC Consent; Assignment and Modification Applications.** 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 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 to the Assignment Application without delay. Upon filing the Assignment Application, Seller consents to Buyer filing an application to modify the Station's facilities (the "Modification Application") to move the Station to Sherman, Texas and will cooperate with Buyer in the filing of such application upon opening of the first modification window (January 29-July 28, 2016) for AM stations to modify and/or relocate FM translator stations.

4. **Closing Date; Closing Place.** The closing (the "Closing") of the transactions contemplated by this Agreement shall occur not later than ten (10) days following the date of which the FCC Consent shall have become a Final Order (as hereinafter defined) (the "Closing Date") and the 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 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. Other than as specifically set forth in this Section 5(b), each material item on 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 Station. 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 Station, except such conditions as are stated on the face thereof.

(d) Seller has a valid leasehold interest in the Lease described on Schedule 3, and Seller is not in material breach or default with respect to the Lease.

(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.

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 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.

(b) Buyer is legally, financially and technically qualified to acquire and become the licensee of, acquire, own and operate the Station 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 Station. 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 become a Final Order;

(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 Station's FCC Authorizations; and

(iii)

(ii) 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.

(iv) 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 Station's FCC Authorizations; and
- (iii) 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.
- (iv) 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 three (3) months after the Closing Date. Notwithstanding the foregoing, the maximum that Buyer may recover by indemnification or otherwise from Seller as post-closing claims shall be limited to an aggregate of Ten Thousand Dollars (\$10,000).

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) by Seller, 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 Station is a unique asset 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:

Bob Mark Allen Productions, Inc.
4367 Woodlawn Road
Denison, TX 75021-8037
Attn: Bob Mark Allen, President

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

Richard A. Helmick, Esq.
Cohn and Marks LLP
1920 N Street, Suite 300
Washington, D.C. 20036-1622

13. **Governing Law; Venue.** This Agreement shall be construed and enforced in accordance with the laws of the State of Arkansas, 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. Buyer shall pay any FCC filing fee for the Assignment Application and shall be responsible for all expenses associated with the preparation and filing of the Modification Application. Buyer shall be responsible for the cost of removing the Station's equipment from its currently licensed transmission site and the delivery of such equipment to Buyer.

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.

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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

A handwritten signature in cursive script, appearing to read "Mike Novak", is written over a horizontal line.

BUYER:

BOB MARK ALLEN PRODUCTIONS, INC.

By: _____

Bob Mark Allen, President

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:

BOB MARK ALLEN PRODUCTIONS, INC.

By: Bob Mark Allen
Bob Mark Allen, President

SCHEDULE 1

Tangible Personal Property

- 1-TX antenna- Jampro JLCP-2 and associated coax (137' RFS LCF78-50A 7/8")
- 1-RX antenna-CLFM-RX and associated coax
- 1-Transmitter-Crown 500R

SCHEDULE 2

FCC Authorizations

**Educational Media Foundation
K233CV, Arkadelphia, Arkansas (FIN: 85726)**

| <u>Type of Authorization</u> | <u>Call Sign</u> | <u>FCC File Number</u> | <u>Grant Date</u> | <u>Expiration Date</u> |
|------------------------------|------------------|------------------------|-------------------|------------------------|
| Broadcast License | K233CV | BLFT-20150312AAA | 3/23/2015 | 6/1/2020 |