

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, dated as of June 30, 2009 (this "Agreement"), by and between MUNCY HILLS BROADCASTING, INC., a Pennsylvania corporation ("Seller"), and EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation ("Buyer").

WITNESSETH:

WHEREAS, Seller is the permittee of FM radio station WYUR, Midland, Maryland (Channel 202, 88.3 MHz, FIN: 176201) (the "Station"), pursuant to authorization BMPED-20080327ADL (the "Construction Permit") 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 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.

On the Closing Date (as hereinafter defined), Seller shall sell, assign and transfer to Buyer, and Buyer shall purchase and assume from Seller the Construction Permit, a copy of which is set forth on Schedule 1 hereto, and any other tangible and intangible assets held by Seller in connection with the Construction Permit (collectively, the "Assets"), 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 for taxes not yet due and payable ("Permitted Liens"). 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. On the Closing Date, Seller, as Lessor, shall execute a tower and transmission building lease agreement ("Tower Lease") with Buyer substantially similar to Exhibit A, whereby Buyer shall lease tower site space on Seller's property ("Tower Site Property") for the Station for a minimum initial term of ten years at \$800.00 per month, subject to a 3% annual escalator commencing on the second anniversary of the date thereof and continuing at 3% each year thereafter.

2. Purchase Price.

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 Five Thousand Dollars (\$5,000) (the "Purchase Price"). The Purchase Price shall be payable to Seller at Closing by wire transfer of immediately available funds.

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

(a) 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 the Construction Permit (the "FCC Consent") at a date not later than five (5) business days after the execution of this Agreement. 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. Each party shall be responsible for all of its own costs with respect thereto.

(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.

4. **Closing Date; Closing Place.** The closing (the "Closing") of the transactions contemplated by this Agreement shall occur ten (10) days following the date on which the FCC Consent shall have become a Final Order (as hereinafter defined) (the "Closing Date") 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 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 at the offices of Buyer's counsel or conducted by an exchange of documents by overnight delivery and wire transfer of funds, as the Parties may agree.

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 ~~Pennsylvania~~ 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. The execution, delivery and performance of this Agreement by Seller will not require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.

(b) The Construction Permit is in full force and effect, unimpaired by any act or omission of Seller. Seller lawfully holds the Construction Permit listed on Schedule 1, which is not subject to any restrictions or conditions that would limit in any material respect the operations of the 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 the



Construction Permit, 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.

(c) Seller has a valid fee simple ownership interest or leasehold interest in the Tower Site Property and has the power and authority to execute and deliver the Tower Lease, without third party consent.

(d) 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.

(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 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.

(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 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.

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 will not take any action prior to the Closing which would interfere with, impede or delay the grant of the Assignment Application or which would be inconsistent with Seller's representations, warranties and/or obligations under this Agreement and will diligently prosecute the Assignment Application

(b) Seller will not permit the Construction Permit to expire or to be surrendered or voluntarily modified or take any action (or fail to take action) which could cause the FCC or any other governmental authority to institute proceedings for the suspension, revocation or limitation of rights under the Construction Permit apart from actions by the FCC generally applicable to the broadcasting industry for stations of the same class and type as authorized by the Construction Permit.



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 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, unless waived in writing by Buyer:

(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 become a Final Order and the FCC shall have granted Buyer's main studio waiver request;

(iv) The Construction Permit shall be in full force and effect and there shall be no proceedings pending before the FCC to revoke, cancel, rescind, or modify the Construction Permit other than conditions applicable generally to the broadcasting industry for stations of the same type and class as authorized by the Construction Permit.

(v) Other than those presently existing Liens that are to be satisfied at Closing by Seller out of the cash proceeds of this transaction, there shall not be any Liens on the Assets or any financing statements of record.

(vi) 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:

- (i) An Assignment and Assumption of the Construction Permit;
- (ii) A Tower Lease, duly executed by Seller;
- (iii) 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;
- (iv) 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; and
- (v) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as each party shall reasonably request.

(b) At the Closing, Buyer will deliver to Seller the following:

- (i) An Assignment and Assumption of the Construction Permit;
- (ii) The Purchase Price, in the manner contemplated by Section 2 hereof;
- (iii) A Tower Lease, duly executed by Buyer;
- (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; and
- (v) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as each party shall reasonably request.

10. **Indemnification.**

(a) The several representations and warranties of Seller and Buyer contained in or made pursuant to this Agreement shall expire on the date that is two (2) years after the Closing Date. Each party agrees to indemnify the other for any post-closing breach of such representations, warranties and covenants.

11. **Termination.**

(a) This Agreement may be terminated by either Buyer or Seller by mutual written consent of the parties hereto, or (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.

(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 liquidated damages in the aggregate amount of Five Thousand Dollars. 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.

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:

Muncy Hills Broadcasting, Inc.
4371 MUNCY-EXCHANGE ROAD
TURKEYTOWN, PA 17771

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

If to Buyer, to:

Educational Media Foundation
5700 West Oaks Boulevard
Rocklin, CA 95765
Attn: Michael Novak, President/CEO

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

David D. Oxenford, Esq.
Davis Wright Tremaine, LLP
1919 Pennsylvania Ave., NW, Suite 200
Washington, D.C. 20006

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

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

15. **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.

16. **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.

17. **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.

[SIGNATURES TO FOLLOW]



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

Seller:

MUNCY HILLS BROADCASTING, INC.

By: 

Van Micheal
President

Buyer:

EDUCATIONAL MEDIA FOUNDATION

By: 

Michael Novak
President/CEO



SCHEDULE 1

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Jun. 22. 2009 12:23 PM

United States of America
FEDERAL COMMUNICATIONS COMMISSION
FM BROADCAST STATION CONSTRUCTION PERMIT

Authorizing Official:

Official Mailing Address:

MUNCY HILLS BROADCASTING, INC.
4271 MUNCY-EXCHANGE ROAD
TURBOTVILLE PA 17772

Rodolfo F. Bonacci
Assistant Chief
Audio Division
Media Bureau

Facility ID: 176201

Call Sign: WYUR

Permit File Number: BMPED-20080327ADL

Grant Date: April 10, 2009

The authority granted herein has no effect on the expiration date of the underlying construction permit.

This permit modifies permit no.: BNPED-20071019AYX

Subject to the provisions of the Communications Act of 1934, as amended, subsequent acts and treaties, and all regulations heretofore or hereafter made by this Commission, and further subject to the conditions set forth in this permit, the permittee is hereby authorized to construct the radio transmitting apparatus herein described. Installation and adjustment of equipment not specifically set forth herein shall be in accordance with representations contained in the permittee's application for construction permit except for such modifications as are presently permitted, without application, by the Commission's Rules.

Commission rules which became effective on February 16, 1999, have a bearing on this construction permit. See Report & Order, Streamlining of Mass Media Applications, MM Docket No. 98-43, 13 FCC RCD 23056, Para. 77-90 (November 25, 1998); 63 Fed. Reg. 70039 (December 18, 1998). Pursuant to these rules, this construction permit will be subject to automatic forfeiture unless construction is complete and an application for license to cover is filed prior to expiration. See Section 73.3598.

Equipment and program tests shall be conducted only pursuant to Sections 73.1610 and 73.1620 of the Commission's Rules.

Callsign: WYUR

Permit No.: BMPED-20080327ADL

Name of Permittee: MUNCY HILLS BROADCASTING, INC.

Station Location: MD-MIDLAND

Frequency (MHz): 88.3

Channel: 202

Class: A

Hours of Operation: Unlimited

Transmitter: Type Accepted. See Sections 73.1660, 73.1665 and 73.1670 of the Commission's Rules.

Transmitter output power: As required to achieve authorized ERP.

Antenna type: Non-Directional

Antenna Coordinates: North Latitude: 39 deg 34 min 51 sec

West Longitude: 78 deg 54 min 01 sec

Horizontally Polarized Antenna	Vertically Polarized Antenna
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Effective radiated power in the Horizontal Plane (kW):	.0180
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Height of radiation center above ground (Meters):	27	27
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Height of radiation center above mean sea level (Meters):	893	893
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Height of radiation center above average terrain (Meters):	412	412
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Antenna structure registration number: 1036217

Overall height of antenna structure above ground (including obstruction lighting if any) see the registration for this antenna structure.

Special operating conditions or restrictions:

- 1 In accordance with Section 73.525(c) of the Commission's Rules, the permittee shall effectively install 968 filters on television receivers located within the predicted interference area within ninety (90) days after commencing program tests and, no later than forty five (45) days thereafter, provide TV channel six Station WJAC-TV, Johnstown, PA with a certification containing sufficient information to permit verification of such installations.
- 2 The permittee/licensee in coordination with other users of the site must reduce power or cease operation as necessary to protect persons having access to the site, tower or antenna from radiofrequency electromagnetic fields in excess of FCC guidelines.

*** END OF AUTHORIZATION ***