

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this “*Agreement*”), dated as of March 6, 2017, is between Wolfhouse Radio Group, Inc., a California corporation (“*Seller*”), and Inspiration Media Network, LLC, a California limited liability company (“*Buyer*”).

Seller owns and operates radio broadcast station KEXA(FM), King City, California (FCC Facility ID #67104) (the “*Station*”), pursuant to licenses issued by the Federal Communications Commission (the “*FCC*”). Seller and Buyer have agreed that Seller will sell, and Buyer will acquire, the Purchased Assets (as defined below) on the terms and subject to the conditions set forth in this Agreement.

The parties hereby agree as follows:

ARTICLE 1

CLOSING; PURCHASED ASSETS; PURCHASE PRICE

1.1 Closing. Subject to **Section 7.1** hereof and except as otherwise mutually agreed upon by Seller and Buyer, the consummation of the sale and purchase of the Purchased Assets and the assumption of the Assumed Obligations hereunder (the “*Closing*”) shall take place, by electronic exchange of the documents to be delivered at the Closing, on the day that is five (5) business days after the date that the initial action by the FCC granting the FCC Application (the “*FCC Consent*”) becomes effective and Final unless waived, provided that each of the other conditions to Closing set forth in **Article 5** have been satisfied or waived (other than those conditions that by their nature are to be satisfied at Closing, but subject to the satisfaction or waiver of those conditions at such time). As used herein, the term “Final” shall mean that the order shall no longer be subject to review, reconsideration, appeal, or remand under applicable laws and the rules of the FCC. The date on which the Closing occurs is referred to herein as the “*Closing Date*.” The effective time of the Closing shall be 12:01 a.m., local Station time, on the Closing Date (the “*Effective Time*”).

1.2 Purchased Assets. At the Closing, Seller shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase and assume from Seller, all of Seller’s right, title and interest in and to the following assets:

(a) the FCC licenses, permits and other authorizations set forth on **Schedule 1.2(a)** (the “*FCC Licenses*”);

(b) the equipment and tangible personal property listed on **Schedule 1.2(b)** (the “*Personal Property*”);

(c) the lease listed on **Schedule 1.2(c)** (the “*Ground Lease*”);

(d) the public inspection file for the Station and any technical information and engineering data relating to the Personal Property in Seller’s possession; and

(e) originals, or where not available, copies, of all books and records, including, but not limited to, equipment warranty documents, machinery and equipment maintenance files, and all correspondence with any Governmental Authority relating exclusively to the Purchased Assets and the Assumed Obligations.

The assets to be transferred to Buyer hereunder are hereinafter collectively referred to as the "*Purchased Assets*." The Purchased Assets shall be delivered as is, where is, without any representation or warranty by Seller except: (i) as expressly set forth in **Article 2** of this Agreement, and Buyer acknowledges that it has not relied on or been induced to enter into this Agreement by any representation or warranty other than those expressly set forth in **Article 2** hereof; (ii) as set forth on Schedule 2.3; and (iii) as set forth in the next sentence. The Purchased Assets shall be transferred to Buyer free and clear of liens, mortgages, pledges, security interests, claims and encumbrances, including rights of way and easements, ("*Liens*") except for: (i) Assumed Obligations (as defined in **Section 1.5**); (ii) Liens for taxes not yet due and payable; and (iii) Liens that shall be removed or released prior to or contemporaneously with the Closing (collectively, "*Permitted Liens*").

1.3 Excluded Assets. Buyer acknowledges that the Purchased Assets shall consist only of those assets expressly described in **Section 1.2** and all other assets are excluded. This Agreement conveys no assets other than the Purchased Assets to Buyer. Without limiting the generality of the foregoing, the Purchased Assets shall not include any assets used in the operation of Seller's other radio stations in the Monterey-Salinas-Santa Cruz, California market.

1.4 Purchase Price.

(a) In consideration for the sale of the Purchased Assets, in addition to assuming the Assumed Obligations, Buyer shall pay to Seller Seven Hundred and Seventy Five Thousand Dollars (\$775,000.00) (the "*Purchase Price*").

(b) The Purchase Price shall be payable as follows:

(i) Buyer shall deliver to Escrow Agent a deposit of One Hundred and Fifty Five Thousand Dollars (\$155,000.00) (the "*Deposit*") pursuant to an Escrow Agreement of even date herewith. Buyer shall deliver the Deposit to Escrow Agent through two (2) installments of Seventy-Seven Thousand Five Hundred Dollars (\$77,500) each at the following intervals: (1) *First Installment* – at the time of the opening of escrow occurring on or about February __, 2017; and (2) *Second Installment* – on or about the date on which the FCC Consent becomes effective. The Monthly Fee under the LMA made by Buyer pursuant to the LMA (defined below) after three (3) months shall be credited toward the Second Installment of the Deposit as of that installment date, with a maximum credit of six (6) months. The Deposit shall serve as partial payment of the Purchase Price due at Closing to Seller, or shall otherwise be made available to Seller, or otherwise be released to Buyer as set forth in **Section 7.1**.

(ii) By Buyer's execution and delivery of a promissory note (the "*Promissory Note*") in the principal amount of Six Hundred and Twenty Thousand Dollars (\$620,000.00), in the form of **Exhibit A** to this Agreement. The Promissory Note shall be secured by the grant of a security interest in the Purchased Assets pursuant to a security

agreement, substantially in the form of **Exhibit B** to this Agreement (the "*Security Agreement*"), and shall also be personally guaranteed by the principals of Buyer.

(c) After Closing, Buyer and Seller shall allocate the Purchase Price in accordance with the respective fair market values of the Purchased Assets and the goodwill being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the "*Code*"). The allocation shall be determined by mutual agreement of the parties. Buyer and Seller each further agrees to file its federal income tax returns and its other tax returns reflecting such allocation as and when required under the Code. If the parties cannot agree on an allocation of the Purchase Price, the parties shall hire Bond and Pecaro, Inc. to determine such allocation, which shall be binding on the parties. The parties shall instruct the appraiser to deliver his report within ninety (90) days after his appointment. Buyer and Seller shall each be responsible for one-half (1/2) of the cost of such appraisal.

1.5 Assumption of Obligations; Retained Obligations. At the Closing and subject to the LMA (as defined below), Buyer shall assume and agrees to pay and perform all liabilities, obligations and commitments arising or accruing after the Effective Time under or relating to the Ground Lease (the "*Assumed Obligations*"). Except as set forth in this **Section 1.5**, Buyer does not, and shall not, assume or be deemed to assume, under this Agreement or otherwise by reason of the transactions contemplated hereby, any other liabilities, obligations or commitments of Seller of any nature whatsoever (the "*Retained Obligations*").

1.6 Prorations. Subject to the LMA, all revenue and expenses arising from the ownership and operation of the Purchased Assets shall be prorated between Buyer and Seller as of the Effective Time. Except as otherwise provided in the LMA, such prorations shall be based upon the principle that Seller shall be entitled to all revenue and responsible for all liabilities related to Purchased Assets for the period at or prior to the Effective Time, and Buyer shall be entitled to all revenue and responsible for all liabilities related to the Purchased Assets for the period after the Effective Time. No later than five (5) business days prior to Closing, Seller shall deliver to Buyer a list of all items to be prorated pursuant to this **Section 1.6** (the "*Proration Schedule*"). Buyer and Seller shall use commercially reasonable efforts to mutually agree on such Proration Schedule prior to Closing, and the proration amount reflected on the Proration Schedule shall be credited against or added to the Purchase Price at Closing, as appropriate.

1.7 LMA. Buyer and Seller have entered into a Local Programming and Marketing Agreement (the "*LMA*"), pursuant to which, among other things, and subject to the terms and conditions of the LMA, Buyer will provide programming for, and be entitled to receive the revenues from the sale of advertising time on, the Station.

ARTICLE 2
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

2.1 Existence and Power. Seller is duly organized and validly existing under the laws of its jurisdiction of organization and is qualified to do business in the State of California. Seller has the requisite power and authority to execute and deliver this Agreement.

2.2 Authorization; No Conflicts; Consents. The execution, delivery and performance of this Agreement by Seller has been duly authorized and approved by all necessary action of Seller and does not require any further authorization or consent of Seller. This Agreement is a legal, valid and binding agreement of Seller enforceable in accordance with its terms (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). The execution, delivery and performance by Seller of this Agreement and the consummation of the transactions contemplated hereby require no action by or in respect of, or filing with or notification to: (a) any federal, state or local or any foreign government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body ("*Governmental Authority*") other than the FCC; or (b) any other person or entity, except, in each case, for such actions, filings and notifications the absence of which would not, in the aggregate, have a material adverse effect on the Purchased Assets or Seller's ability to consummate the transactions contemplated hereby on a timely basis.

2.3 FCC Licenses. Seller is the holder of the FCC Licenses. The FCC Licenses are in full force and effect. Seller has no knowledge of any petition to deny or other objection filed against any pending application with respect to any of the FCC Licenses. To Seller's knowledge, no action is pending by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings that affect the radio broadcast industry generally) and there is not now issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture against Seller with respect to the Station.

Except as set forth on Schedule 2.3, to Seller's knowledge, the Station, the FCC Licenses, the Ground Lease, Personal Property, and Seller are in compliance with all requirements of federal, state and local law and all requirements of all federal, state and local governmental bodies or agencies having jurisdiction over any of them in all material respects. Without limiting the foregoing, Seller has paid all monies and FCC debts and obtained all FCC licenses, permits, certificates and authorizations and all other material licenses, permits, certificates and authorizations needed or required for its operations, and the use of the real property. Seller has properly and timely filed all reports and other documents required to be filed with any federal, state or local government or subdivision or agency thereof in connection with the Station, the FCC Licenses, Ground Lease, and Personal Property. Seller has received no notice from any federal, state or municipal authority or any insurance or inspection body that any of its properties, facilities, equipment or business procedures or practices fails to comply with any

applicable law, ordinance, regulation, building or zoning law or requirement of any public authority or body.

2.4 Absence of Litigation. To Seller's knowledge, there is no claim, litigation, arbitration or proceeding pending or threatened against Seller that seeks to enjoin or prohibit, or which otherwise questions the validity of, or that might materially hinder or impair, Seller's performance of its obligations under this Agreement. Seller has not been operating under or subject to, or in default with respect to, any order, writ, injunction or decree relating to the Purchased Assets of any Governmental Authority which would have a material adverse effect on the Purchased Assets, taken as a whole.

2.5 Personal Property. Seller has title to the Personal Property free and clear of all Liens, other than Permitted Liens. Except as disclosed on Schedule 1.2(b), the Personal Property being conveyed constitutes all the equipment owned or leased by Seller and used and useful in the operation of the station. The Personal Property is in normal working condition, ordinary wear and tear excepted.

2.6 Taxes. All federal, state and local returns, reports and other statements required to have been filed with any jurisdiction with respect to Seller's operation of the Purchased Assets with respect to any income, franchise, property, sales, value-added, payroll, withholding, excise, assessment, levy, capital and all other taxes, duties, penalties, assessments or deficiencies of every nature and description (collectively, "*Taxes*") have been duly and timely filed by Seller. Seller has paid all Taxes due and payable that it is required to pay and will pay all Taxes as the same become due.

2.7 Lease. Seller has provided to Buyer a true and complete copy of the Ground Lease, including all amendments and modifications thereto. The Ground Lease is in effect and is binding upon Seller and, to Seller's knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Seller has performed its obligations under the Ground Lease in all material respects, is not in material default thereunder, and to Seller's knowledge, the other parties to the Ground Lease are not in default thereunder in any material respect. Seller shall use commercially reasonable efforts to obtain any and all necessary consents, waivers, and estoppel certificates in connection with assignment of the Ground Lease to Buyer. The Ground Lease expires in 2017 and, if the transaction contemplated by this Agreement has not been consummated prior to the expiration date, Seller shall enter into an extension of the Ground Lease with the landlord thereunder prior to expiration of the Ground Lease.

2.8 Broker's Fees. Neither Seller nor any person or entity acting on its behalf has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter related hereto to any person or entity. As such, there is no broker, finder, or other person who would have a valid claim against any parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or of any action taken by the parties.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

3.1 Existence and Power. Buyer will be duly organized and validly existing under the laws of the state in which it is formed, and will be in good standing and qualified to do business in State of California. Buyer has or will have the requisite power and authority to execute and deliver this Agreement.

3.2 Authorization. The execution, delivery and performance of this Agreement by Buyer will be duly authorized and approved by all necessary action of Buyer and will not require any further authorization or consent of Buyer. This Agreement is a legal, valid and binding agreement of Buyer enforceable in accordance with its terms (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). The execution, delivery and performance by Buyer of this Agreement and the consummation of the transactions contemplated hereby require no action by or in respect of, or filing with or notification to: (a) any Governmental Authority other than the FCC; or (b) any other person or entity, except, in each case, for such actions, filings and notifications the absence of which would not, in the aggregate, have a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby on a timely basis.

3.3 FCC Qualifications. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station and the Purchased Assets under the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC. There are no facts that could, under existing law and the existing rules, regulations, policies and procedures of the FCC: (a) reasonably be expected to prevent or delay the FCC from granting the FCC Consent; or (b) disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Purchased Assets. No waiver of any current FCC rule or policy is necessary for the FCC Consent to be obtained.

3.4 Absence of Litigation. To Buyer's knowledge, there is no claim, litigation, arbitration, proceeding or investigation pending or threatened against Buyer which seeks to enjoin or prohibit, or which otherwise questions the validity of, or that would materially hinder or impair, Buyer's performance of its obligations under this Agreement. Buyer is not subject to, or in default with respect to, any order, writ, injunction or decree of any Governmental Authority which would have a material adverse effect on the ability of Buyer to consummate the transactions contemplated hereby.

3.5 Broker's Fees. Neither Buyer nor any person or entity acting on its behalf has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter related hereto to any person or entity.

ARTICLE 4

COVENANTS

4.1 FCC Application. The assignment of the FCC Licenses as contemplated by this Agreement is subject to the prior consent and approval of the FCC. No later than ten (10) business days after the date of this Agreement, Buyer and Seller shall file an application with the FCC requesting its consent to the assignment of the FCC Licenses (the “*FCC Application*”). Seller and Buyer shall thereafter prosecute the FCC Application with all reasonable diligence and otherwise use commercially reasonable efforts to obtain the grant of the FCC Application as expeditiously as practicable. The filing fee for the FCC Application shall be borne equally by Buyer and Seller. Each party shall notify the other party of the initiation or threatened initiation of any litigation, arbitration or administrative proceeding that challenges the transactions contemplated hereby, including any challenges to the FCC Application.

4.2 Confidentiality; Publicity. Each party shall keep confidential all information obtained by it with respect to the other in connection with this Agreement, and if the transactions contemplated hereby are not consummated for any reason, each shall return to the other, without retaining a copy thereof, any schedules, documents or other written information, including all financial information, obtained from the other in connection with this Agreement and the transactions contemplated hereby, except where such information is known or available through other lawful, publicly available sources or if such party is advised by counsel that its disclosure is required in accordance with applicable law, in which case the party required to make such disclosure shall use reasonable efforts to notify the other party prior to making such disclosure. Except for the FCC Application, prior to Closing, no news releases or other public announcements pertaining to the transaction contemplated by this Agreement will be made by or on behalf of one party without the prior written approval of the other party (such consent not to be unreasonably withheld or delayed) unless otherwise required by law.

4.3 Risk of Loss. Seller shall bear the risk of any casualty loss or damage to any of the Purchased Assets prior to the Closing Date, except if such loss or damage results from Buyer’s usage of such Purchased Asset under the LMA. Subject to the foregoing, Seller shall be responsible for repairing or replacing (as appropriate under the circumstances) any lost or damaged Purchased Asset (the “*Damaged Asset*”) unless: (a) such Damaged Asset was obsolete and unnecessary for the continued operation of the Station consistent with Seller’s past practice; or (b) the Seller elects, in its sole discretion, not to repair or replace such Damaged Asset, in which event Buyer shall have the option to terminate the Agreement. In the event that Seller elects, in its sole discretion, to repair or replace a Damaged Asset, but it is unable to complete the repair or replacement by the date on which the Closing would otherwise occur under this Agreement, Seller shall reimburse all reasonable out-of-pocket costs incurred by Buyer in repairing or replacing the Damaged Asset after Closing.

4.4 Control. Consistent with FCC rules, control, supervision and direction of the operation of the Station prior to Closing shall remain the responsibility of Seller as the holder of the FCC Licenses.

4.5 Closing Conditions. From the date hereof until the Closing, each party hereto shall use commercially reasonable efforts to take such actions as are necessary to expeditiously satisfy the closing conditions set forth in **Article 5** hereof.

4.6 Further Assurances. Following the Closing, each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the other transaction documents.

ARTICLE 5

CONDITIONS PRECEDENT

5.1 To Buyer's Obligations. The obligations of Buyer hereunder are, at its option, subject to satisfaction, on or prior to the Closing Date, of each of the following conditions:

(a) **Representations, Warranties and Covenants.** The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and the covenants and agreements to be complied with and performed by Seller at or prior to Closing shall have been complied with or performed in all material respects. Buyer shall have received a certificate dated as of the Closing Date from Seller, executed by an authorized officer of Seller, to the effect that the conditions set forth in this **Section 5.1(a)** have been satisfied.

(b) **Governmental Consents.** The FCC Consent shall be in full force and effect at the time such consent becomes effective and Final unless waived by Buyer.

(c) **Adverse Proceedings.** No order, decree or judgment of any Governmental Authority shall have been rendered against any party hereto that would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

(d) **Deliveries.** Seller shall have made or stand willing to make and make as of Closing the following deliveries: (i) the certificate described in **Section 5.1(a)**; (ii) an assignment and assumption agreement for the Ground Lease; (iii) a bill of sale for the Purchased Assets; (iv) an assignment of the FCC Licenses; and (v) the Security Agreement.

(e) **Additional Items.** At Closing, Buyer and Seller shall enter into (i) a separate bill of sale for power lines to the Ground Lease property that are owned by Seller for additional consideration ("*Utility Line Bill of Sale*"); and (ii) an office/studio lease for space in a building owned by Seller for a term of five (5) years ("*Office Lease*").

5.2 To Seller's Obligations. The obligations of Seller hereunder are, at its option, subject to satisfaction, on or prior to the Closing Date, of each of the following conditions:

(a) **Representations, Warranties and Covenants.** The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and the covenants and agreements to be complied with and performed by Buyer at or prior to Closing shall have been complied with or performed in all material respects. Seller shall have received a certificate dated as of the Closing Date from Buyer, executed by an authorized officer of Buyer, to the effect that the conditions set forth in this **Section 5.2(a)** have been satisfied.

(b) **Governmental Consents.** The FCC Consent shall be in full force and effect.

(c) **Adverse Proceedings.** No order, decree or judgment of any Governmental Authority shall have been rendered against any party hereto that would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

(d) **Deliveries.** Buyer shall have made or stand willing to make the following deliveries: (i) the certificate described in **Section 5.2(a)**, (ii) an assignment and assumption agreement for the Ground Lease; (iii) a side letter establishing the obligations of the parties relating to the shared equipment noted on Schedule 1.2(b); (iv) the Promissory Note; and (v) the Security Agreement.

(e) **Additional Items.** The Utility Line Bill of Sale and the Office Lease referenced in Section 5.1(e) shall have been executed by Buyer and Seller.

ARTICLE 6

SURVIVAL; INDEMNIFICATION; LIMITATION ON LIABILITY

6.1 Survival. The representations and warranties in this Agreement shall survive the Closing for a period of one (1) year from the Closing Date whereupon they shall expire and be of no further force or effect. The covenants and agreements in this Agreement shall survive until performed. No claim may be brought under this Agreement unless written notice describing in reasonable detail the nature and basis of such claim is given on or prior to the last day of the applicable survival period. In the event such notice is given, the right to indemnification with respect thereto shall survive the applicable survival period until such claim is finally resolved and any obligations thereto are fully satisfied.

6.2 Indemnification.

Subject to **Section 6.1**, from and after the Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages,

liabilities and expenses, including reasonable attorneys' fees and expenses ("*Damages*"), incurred by Buyer arising out of or resulting from: (i) Seller's breach of any of the representations, warranties or covenants contained in this Agreement; or (ii) the Retained Obligations. The maximum aggregate liability of Seller under this Section 6.2(a) shall be One Hundred Fifty-Five Thousand Dollars (\$155,000).

(a) Subject to **Section 6.1**, from and after the Closing, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or resulting from: (i) Buyer's breach of any of its representations, warranties or covenants contained in this Agreement; or (ii) the Assumed Obligations. The maximum aggregate liability of Buyer under this Section 6.2(b) shall be One Hundred Fifty-Five Thousand Dollars (\$155,000).

6.3 Procedures. The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder against the indemnifying party (a "*Claim*"), but a failure to give or a delay in giving such notice shall not affect the indemnified party's right to indemnification and the indemnifying party's obligation to indemnify as set forth in this Agreement, except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced. The obligations and liabilities of the parties with respect to any Claim shall be subject to the following additional terms and conditions: (a) the indemnifying party shall have the right to undertake, by counsel or other representatives of its own choosing, the defense or opposition to such Claim; (b) in the event that the indemnifying party shall elect not to undertake such defense or opposition, or, within twenty (20) days after written notice (which shall include sufficient description of background information explaining the basis for such Claim) of any such Claim from the indemnified party, the indemnifying party shall fail to undertake to defend or oppose, the indemnified party (upon further written notice to the indemnifying party) shall have the right to undertake the defense, opposition, compromise or settlement of such Claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the indemnifying party (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof); (c) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim; and (d) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such Claim.

6.4 Remedies. After the Closing, the right to indemnification under this **Article 6** shall be an available remedy for any party in connection with any breach or default by another party under this Agreement, but shall not be the sole remedy.

Prior to Closing, upon a material uncured breach by Seller of its representations, warranties, covenants and agreements under this Agreement, Buyer shall be entitled to an injunction restraining any such breach or threatened breach or to enforcement of this Agreement by a decree or decrees of specific performance requiring Seller to fulfill its obligations under this Agreement; provided, however, Buyer shall not be entitled to specific performance if it is in

material uncured breach of its representations, warranties, covenants and agreements under this Agreement or if it fails to obtain necessary regulatory approvals pursuant to this Agreement.

6.5 Limitation on Liability. Neither party shall have any liability to the other party under any circumstances for incidental, special, indirect, consequential, punitive or exemplary damages, or lost profits, diminution in value or any damages based on any type of multiple of any indemnified party.

ARTICLE 7

OTHER PROVISIONS

7.1 Termination.

(a) This Agreement may be terminated prior to Closing by either Buyer or Seller, provided that the terminating party is not then in material default, upon written notice to the other following the occurrence of any of the following: (i) if the other party is in material breach or default of this Agreement; (ii) if there shall be in effect any judgment, decree or order that would prevent or make unlawful the Closing or if the FCC denies the FCC Application or designates that application for a trial-type hearing; or (iii) if the Closing has not occurred by the date that is one (1) year after the date hereof (the “*Upset Date*”). In addition, Buyer may terminate the Agreement as provided for in **Section 4.3** and in any such event receive the Deposit.

(b) If either party believes the other to be in breach or default of this Agreement, the non-defaulting party shall, prior to exercising its right to terminate under **Section 7.1(a)(i)**, provide the defaulting party with notice specifying in reasonable detail the nature of such breach or default. Except for a failure to pay the Purchase Price, the defaulting party shall have twenty (20) days from receipt of such notice to cure such default; provided, however, that if the breach or default is due to no fault of the defaulting party and is incapable of cure within such 20-day period, the cure period shall be extended for up to an additional thirty (30) days as long as the defaulting party is diligently and in good faith attempting to effectuate a cure. Nothing in this **Section 7.1(b)** shall be interpreted to extend the Upset Date.

(c) If Seller terminates this Agreement pursuant to **Section 7.1(a)(i)** due to Buyer’s material breach or default under this Agreement, then Seller shall be entitled to retain the Deposit as liquidated damages. The parties understand and agree that the amount of liquidated damages represents Seller’s and Buyer’s reasonable estimate of actual damages and does not constitute a penalty. The payment of such liquidated damages shall be Seller’s sole remedy for damages of any nature or kind that Seller may suffer as a result of Buyer’s breach or default under this Agreement prior to the Closing. In the event of termination of this Agreement pursuant to **Section 7.1** for any other reason, then the Deposit shall be returned to Buyer.

7.2 Transfer Taxes and Expenses. All recordation, transfer, documentary, excise, sales or use taxes or fees imposed on this transaction shall be paid one-half (1/2) by Buyer and one-half (1/2) by Seller. Except as otherwise provided in this Agreement, each party shall be solely responsible for and shall pay all other costs and expenses incurred by it in

connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement.

7.3 Benefit and Assignment; No Third Party Beneficiaries. Neither party may assign its rights under this Agreement without the prior written consent of the other party, which consent cannot be unreasonably withheld. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Nothing herein express or implied or intended shall be construed to confer upon or give to any other person or entity other than the parties hereto any rights or remedies under or by reason of this Agreement.

7.4 Entire Agreement; Waiver; Amendment. This Agreement, the LMA, and the exhibits and schedules hereto and thereto embody the entire agreement and understanding of the parties hereto and supersede any and all prior agreements, arrangements and understandings relating to the matters provided for herein. No amendment, waiver of compliance with any provision or condition hereof, or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of any waiver, amendment, change, extension or discharge is sought.

7.5 Headings; Construction. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement. Any question of doubtful interpretation shall not be resolved by any rule providing for interpretation against the party who causes the uncertainty to exist or against the drafter of this Agreement.

7.6 Governing Law; Waiver of Jury Trial. The construction and performance of this Agreement shall be governed by the law of the State of California without regard to its principles of conflict of law. The exclusive forum for the resolution of any disputes arising hereunder shall be the federal or state courts located in Monterey County, California, and each party irrevocably waives the reference of an inconvenient forum to the maintenance of any such action or proceeding. BUYER AND SELLER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING IN ANY WAY TO THIS AGREEMENT, INCLUDING ANY COUNTERCLAIM MADE IN SUCH ACTION OR PROCEEDING, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE DECIDED SOLELY BY A JUDGE. Buyer and Seller hereby acknowledge that they have each been represented by counsel in the negotiation, execution and delivery of this Agreement and that their lawyers have fully explained the meaning of the Agreement, including in particular the jury-trial waiver.

7.7 Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or electronic mail transmission or confirmed delivery by a nationally recognized overnight courier service, or on the third (3rd) day after prepaid mailing by certified U.S. mail, return receipt requested, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Seller, then to:

Wolfhouse Radio Group, Inc.
548 E. Alisal Street, Suite A
Salinas, CA 93905
Attn: Hector Villalobos
Email: HVilla22@aol.com

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

Lerman Senter PLLC
2001 L Street, N.W., Suite 400
Washington, DC 20036
Attention: Nancy Ory
E-mail: nory@lermansenter.com

if to Buyer, then to:

Inspiration Media Network, LLC
302 East Beach Street
Watsonville, CA 95076
Attn: Daniel Alcantar
Email: ministeriosabrego@yahoo.com

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

Fletcher, Heald & Hildreth, PLC
1300 North 17th Street, 11th Floor
Arlington, VA 22209
Attn: Francisco R. Montero
Email: montero@fhhlaw.com

7.8 Severability. If any term or provision of this Agreement, or the application thereof to any person or circumstance shall, to any extent be held invalid, illegal or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid, illegal or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid, legal and be enforced to the fullest extent permitted by law so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner this adverse to either party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

7.9 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. Facsimile or other electronically delivered copies of signature pages to this Agreement or any other document or instrument delivered pursuant to this Agreement shall be treated as between the parties as original signatures for all purposes.


[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first set forth above.

BUYER:

INSPIRATION MEDIA NETWORK, LLC

By: 
Name: Daniel Alcantar
Title: Member

SELLER:

WOLFHOUSE RADIO GROUP, INC.

By: _____
Name:
Title:

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first set forth above.

BUYER: **INSPIRATION MEDIA NETWORK, LLC**

By: _____
Name: Daniel Alcantar
Title: Member

SELLER: **WOLFHOUSE RADIO GROUP, INC.**

By: _____
Name: Hector Altalobos
Title: CEO/President

List of Schedules and Exhibits

Exhibit A	Form of Promissory Note
Exhibit B	Form of Security Agreement
Schedule 1.2(a)	FCC Licenses
Schedule 1.2(b)	Personal Property
Schedule 1.2(c)	Ground Lease
Schedule 2.3	FCC Disclosures

EXHIBIT A

FORM OF SECURED PROMISSORY NOTE

[CLOSING DATE]
[\$620,000]

Salinas, California

FOR VALUE RECEIVED, Inspiration Media Network, LLC, a California limited liability company ("Maker"), having an address of 302 E. Beach Street, Watsonville, California 95076, hereby promises to pay to Wolfhouse Radio Group, Inc., a California corporation ("Lender"), having an address of 548 E. Alisal Street, Suite A, Salinas, California 93905, the principal sum of Six Hundred and Twenty Thousand Dollars (\$620,000), in accordance with the terms hereof.

This Promissory Note (this "Note") is made pursuant to an Asset Purchase Agreement (the "Purchase Agreement") dated February __, 2017 between Maker (as buyer) and Lender (as seller) related to the sale and acquisition of certain assets of radio station KEXA(FM), King City, California (FCC Facility ID #67104) (the "Station") and is secured by a Security Agreement dated as of the date of this Note, by and between Maker and Lender (the "Security Agreement") and the personal guarantee of the principals of Maker.

1. **Principal Indebtedness.** Maker shall have fully paid the outstanding principal balance of this Note (the "Principal Indebtedness") on the date ten (10) years after the date of this Note (the "Maturity Date").

2. **Interest.** Interest shall accrue on the Principal Indebtedness from the date hereof until paid at a rate of four percent (4%) per annum ("Interest") and shall be due and payable monthly beginning on the day that is the first (1st) day of the first (1st) month after the Closing Date (as defined in the Purchase Agreement) until the Principal Indebtedness is paid in full.

3. **Payments.** The Principal and Interest shall be amortized monthly over a term of ten (10) years from the date hereof, yielding installment payments of \$6,277.20 per month (the "Monthly Payment"). Commencing on the day that is the first day of the first (1st) month after the Closing Date, Borrower shall make the first Monthly Payment. Buyer shall make each subsequent Monthly Payment in full on the first day of each month (the "Due Date") for one hundred and twenty (120) months until the Maturity Date. Payments, when made, shall be applied to the Principal Indebtedness as follows: first, to any penalties, fees, costs, or other charges payable pursuant to this Note, including penalty fees as provided in **Section 4** of this Note; next, to the payment of any interest accrued and then outstanding; and last, to the payment of the Principal Indebtedness. This Note, and all accrued but unpaid interest through the date of repayment, may be prepaid in full or in part at any time without penalty. Any partial payments of the Principal Indebtedness shall be credited in inverse order of maturity. Time is of the essence hereof and all obligations hereunder shall be timely performed in accordance with the provisions hereof.

4. **Late Payment Penalties.** If any payment of the Principal Indebtedness or interest due is not made within ten (10) days of the date due, without notice thereof from Lender, a penalty fee in the amount of Five Hundred Dollars (\$500) shall be assessed and paid by Maker. Maker shall be notified of any claims of any penalties, fees, costs, or other charges accrued and payable on the Note.

5. **Prepayment.** Maker may prepay this Note in whole or in part at any time without premium or penalty. Any prepayment shall be applied first to accrued and unpaid interest and second to the unpaid Principal Indebtedness. If a payment hereunder is due on a day other than a business day, then such payment shall be made on the next succeeding business day.

6. **Events of Default.** At the option of the Lender, the payment of the Principal Indebtedness due and owing in accordance with the terms of this Note will be accelerated and such principal, fees and other amounts shall be immediately due and payable, without notice of demand except as provided for herein, upon the occurrence of any of the following events of default (each an “Event of Default”):

- a. Failure of Maker to make any payment required hereunder when same is due;
- b. Failure of Maker to cure any default in the performance or observance of any non-monetary term, covenant, condition or obligation contained in this Note or in the Security Agreement, within fifteen (15) business days after Maker’s receipt of written notice of default;
- c. If any representation or warranty contained herein or any representation to the Lender concerning the financial condition or credit standing of Maker proves to be materially false or misleading;
- d. Insolvency, business failure, attachment or garnishment, appointment of a receiver for Maker, or the making of an assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Maker or the institution of any proceeding by the FCC proposing revocation or short-term renewal of the Station’s licenses.

7. **Fees and Expenses.** If Lender employs an attorney for advice regarding any Event of Default, or for any other purpose under this Note, Maker agrees to pay upon demand the reasonable attorneys’ fees plus costs incurred in connection therewith. In addition, Lender shall be entitled to recover from Maker any and all attorneys’ fees incurred by the Lender in collection efforts, before or after judgment, in any court of law including in connection with execution on any such judgment.

8. **Severability.** If any provisions hereof are in conflict with any applicable statute or law and are determined to be not valid or enforceable, each such provision shall be deemed null and void but to the extent of such a conflict only, and without invalidating or affecting the remaining provisions hereof.

9. **Security.** This Note is secured by the terms of that certain Security Agreement of even date herewith executed by Maker in favor of Lender, and upon the occurrence of an Event of Default hereunder Lender may exercise all rights and remedies set forth in said Security Agreement. This Note is also secured by the personal guaranty made herein.

10. **Waiver of Rights.** Maker hereby waives any right of set-off against Lender. Maker hereby waives and renounces, for itself and its successors, presentment for payment, demand, protest and notice of demand, notice of dishonor, notice of nonpayment, notice of acceleration, and all other notices, except those provided for herein or required by applicable law. Maker hereby waives and renounces, for itself and its successors and assigns, all rights to the benefits of any statute of limitations, moratorium, reinstatement, marshaling, forbearance, valuation, stay, extension, redemption, appraisalment, and homestead exemption now provided, or which may hereafter be provided, by the applicable federal or state laws against the enforcement and collection of the obligations evidenced by this Note.

11. **Forbearance.** No failure to accelerate the Principal Indebtedness by reason of an Event of Default under this Note, acceptance of a past due installment, indulgences granted from time to time, or forbearance by Lender in exercising any right or remedy under this Note or otherwise afforded by applicable law shall be construed: (a) as a novation of this Note or a reinstatement of the Principal Indebtedness evidenced hereby or as a waiver of such right of acceleration or of the right of Lender thereafter to insert upon strict compliance with the terms of this Note; or (b) to prevent the exercise of such right of acceleration or any other right granted hereunder or by applicable law; and Maker hereby expressly waives the benefit of any statute or rule of law or equity provided, or which may hereafter be provided, which would produce a result contrary to or in conflict with the foregoing. No extension of the time for the payment of this Note made by agreement with any person now or hereafter liable for the payment of this Note, shall operate to release, discharge, modify, change, or affect the original liability of Maker under this Note, either in whole or in part, unless Lender agrees otherwise in writing. No provision of this Note may be changed, waived, discharged or terminated except by an instrument in writing signed by the Party against whom enforcement of the waiver, change, modification or discharge is sought. Lender may, without the consent of Maker, release or discharge any maker, guarantor, accommodation party, or surety or release, surrender, waive, substitute, compromise, or discharge any security for this Note without affecting the liability of the Maker hereunder.

12. **FCC Filings.** Maker shall promptly notify Lender upon the filing of any application with the FCC regarding an assignment of the license, or transfer of control of the licensee, of the Station. Notwithstanding any other provision of this Note, at the Closing Date of any assignment or transfer of control of the license of the Station, all Principal Indebtedness under this Note shall immediately be due and payable.

13. **Commercial Purposes.** Maker hereby declares, represents and warrants that the Principal Indebtedness evidenced hereby is made in a commercial transaction for business purposes.

14. **Notices.** Any notice pursuant to this Note shall be in writing and shall be deemed delivered on the date of personal delivery or electronic mail transmission or confirmed delivery

by a nationally recognized overnight courier service, or on the third (3rd) day after prepaid mailing by certified U.S. mail, return receipt requested, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Lender, then to:

Wolfhouse Radio Group, Inc.
548 E. Alisal Street, Suite A
Salinas, CA 93905
Attn: Hector Villalobos
Email: HVilla22@aol.com

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

Lerman Senter PLLC
2001 L Street, N.W., Suite 400
Washington, DC 20036
Attention: Nancy Ory
E-mail: nory@lermansenter.com

if to Maker, then to:

Inspiration Media Network, LLC
302 East Beach Street
Watsonville, CA 95076
Attention: Daniel Alcantar
Email: ministeriosabrego@yahoo.com

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

Fletcher, Heald & Hildreth, PLC
1300 North 17th Street, 11th Floor
Arlington, VA 22209
Attn: Francisco R. Montero
Email: montero@fhhlaw.com

15. Governing Law. The respective rights and obligations of the parties hereto shall be governed by and construed and enforced in accordance with the laws of the State of California applicable to agreements made and to be performed wholly within such state. Each party hereto waives trial by jury in any litigation in any court with respect to, in connection with, or arising out of this document. Each party hereto consents to the jurisdiction of the courts of California, over such persons, and waives any claim that any such court is an inconvenient forum or has no personal jurisdiction over the same.

16. **Amendments and Modifications.** This Note may not be amended or modified except by an instrument in writing expressing such intention and executed by the parties sought to be bound thereby.

IN WITNESS WHEREOF, the undersigned has duly executed this Note as of the date first set forth above.

INSPIRATION MEDIA NETWORK, LLC

By: _____
Name: Daniel Alcantar
Title: Member

GUARANTEE

_____ (“Guarantor(s)”) hereby guarantee payment as described in the Note. Guarantor(s) agree that the Lender may proceed against Guarantor(s) directly and independently of Maker, and that the cessation of the liability of Maker for any reason other than full payment, or any extension, renewal, forbearance, change of rate of interest, or acceptance, release, or substitution of security, or any impairment or suspension of Lender’s remedies or rights against Maker, shall not in any way affect the liability of Guarantor(s).

GUARANTOR

Name:
Date:

GUARANTOR

Name:
Date:

GUARANTOR

Name:
Date:

EXHIBIT B
FORM OF SECURITY AGREEMENT

This Security Agreement (the "Security Agreement") is made as of January __, 2017 between Wolfhouse Radio Group, Inc., a California corporation ("Secured Party"), and Inspiration Media Network, LLC, a California limited liability company ("Borrower").

Recitals

A. In connection with that certain Asset Purchase Agreement dated February __, 2017, by and between Secured Party and Borrower (the "APA"), whereby Borrower agreed to purchase from Secured Party certain assets connected with radio station KEXA(FM), King City, California (FCC Facility ID #67104) (the "Station"), Secured Party has extended certain financial accommodations to Borrower pursuant to the terms of a Secured Promissory Note of even date herewith in the principal amount of \$620,000.00 (as amended, renewed, restated, replaced, consolidated or otherwise modified from time to time, the "Note"). Capitalized terms used and not defined in this Security Agreement have the meanings given to them in the Note.

B. To induce Secured Party to extend financial accommodations to Borrower, Borrower has agreed to grant to Secured Party a security interest in all of Borrower's existing and future personal, real, tangible and intangible property related to the Station to secure in part its existing and future obligations to Secured Party, including, without limitation, all of its obligations under the Note.

NOW, THEREFORE, to induce Secured Party to extend credit to Borrower and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Borrower, Borrower and Secured Party agree as follows:

1. Grant of Security Interest. Borrower grants to Secured Party a continuing first priority lien and security interest (the "Security Interest") in and to the personal, real, tangible and intangible property relating to the Station, wherever located, whether such property or right, title or interest therein or thereto is now owned or existing or hereafter acquired or arising, including but not limited to the following (collectively, the "Collateral"):

Accounts. All accounts, including, without limitation, all accounts receivable and all rights to receive money or property in connection with the sale or other transfer of goods or the rendering of services by Borrower;

Equipment. All equipment, including, without limitation, all machinery, tools, fittings, furniture and fixtures, transmitting equipment, and all parts and accessions relating to any of the foregoing;

General Intangibles. All general intangibles, including, without limitation, all contract rights, tax refunds, insurance proceeds, rights to receive money or property generally and, in particular, any and all proceeds from the sale of the licenses of the Station.

Instruments. All instruments, including, without limitation, all promissory notes, and any other writings which evidence a right to the payment of money;

Chattel Paper. All chattel paper, including, without limitation, all writings which evidence both a monetary obligation and a security interest in or a lease of specific goods;

Deposit Accounts and Certificates of Deposit. All deposit accounts, including, without limitation, any demand, time or like account with a financial institution; and all certificates of deposit;

Records and Related Property. All books, records (in whatever form maintained by or on behalf of Borrower, including the Station's Public Inspection file), drawings, copyrights, plans, specifications, trade names, trademarks, service marks, goodwill, licenses, franchises, trade secrets, computer programs, object codes, source codes, manuals, know how, inventions, designs, patents, patent applications, and all other intellectual property of any nature or description whatsoever;

Real Property. All of Borrower's leasehold rights to access and use real property in connection with the operation of the Station, and right to the use of all towers, buildings and appurtenances thereon;

Licenses, Authorizations and Permits. To the extent specified in Paragraph 3 below, the proceeds from any sale of all of the present and future authorizations, permits, licenses and franchises, whether now in existence or hereafter granted to Secured Parties (including licenses and permits issued by the Federal Communications Commission ("FCC"));

Other Property. All property (other than that described above) in which a security interest may now or hereafter attach or otherwise be created; and

Products and Proceeds. All products and proceeds of the property described above and, to the extent not otherwise included, all payments under any insurance policy (whether or not Secured Party is the loss payee thereof) and under any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral.

2. Security for Obligations. This Agreement secures the payment and performance of (collectively, the "Obligations"): (a) all existing and future obligations of any nature whatsoever of Borrower to Secured Party under the Note or this Security Agreement (in each case whether for principal, interest, fees, expenses or otherwise); (b) any other obligations of any nature whatsoever of Borrower to Secured Party, whether

monetary, nonmonetary, direct, indirect, acquired, joint, several, joint and several, liquidated, unliquidated, contractual, noncontractual, existing, future, contingent or otherwise; and (c) any replacements, renewals, restatements, extensions, consolidations and any other modifications of any of the obligations described in subparts (a) and (b) above, together with any interest, fees, expenses and other charges thereon, and any amounts expended by or on behalf of Secured Party for the protection and preservation of the Security Interest granted hereby by Borrower to Secured Party.

(a) **Provisions Regarding the Station's FCC Licenses.** The Collateral in which Borrower grants Secured Party a Security Interest includes, without limitation, to the extent permitted by, and in accordance with, applicable law, all of Borrower's right, title and interest, now or hereafter, in and all cash and non-cash proceeds of any nature whatsoever generated from the sale, exchange, disposition or other transfer of the FCC Licenses (as defined in the APA) or any part thereof (collectively, the "License Rights"), including, without limitation, any such sale, exchange, disposition or other transfer of the FCC Licenses or any part thereof to any person or entity pursuant to any sale, exchange, disposition or other transfer approved at any time by the FCC or any other governmental agency.

Notwithstanding the preceding sentence or anything else to the contrary in this Security Agreement, if any law, rule, regulation or policy, including, without limitation, any law, rule, regulation or policy of the FCC or any other governmental agency, at any time on or after the date of this Security Agreement prohibits or limits the scope of the Security Interest in the Collateral or Secured Party's rights or remedies in respect thereof, then, for the duration of such prohibition or limitation, Secured Party's rights and remedies under this Security Agreement at law or in equity shall be limited to the extent, but only to the extent, of such prohibition or limitation, in each case without impairing Secured Party's other rights and remedies which have not been prohibited or limited. If, and to the extent, the Security Interest in the FCC Licenses or any part thereof is prohibited or otherwise limited by applicable law, rule, regulation or policy, such prohibition or other limitation shall not impair the Security Interest in the License Proceeds, which Security Interest is granted by Borrower to Secured Party on the date of this Security Agreement as original collateral and not merely as proceeds of other collateral in which Secured Party has a Security Interest. The parties acknowledge that as of the date hereof, a Security Interest in the FCC Licenses is prohibited by FCC rules and policies.

3. Further Assurances.

(a) Borrower agrees that from time to time, at the sole expense of Borrower, Borrower shall promptly execute and deliver all further instruments and documents, and take all further action, that may be reasonably necessary or desirable, or that Secured Party may reasonably request, in order to perfect and protect any Security Interest granted or purported to be granted hereby or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, Borrower shall execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as

may be necessary or desirable, or as Secured Party may request, in order to perfect and preserve the Security Interests granted or purported to be granted hereby.

4. Representations, Warranties and Agreements of Borrower. Borrower represents, warrants, and agrees as follows:

(a) Borrower is the owner of the Collateral free and clear of any liens, security interests, claims and encumbrances, contingent or otherwise. Borrower will at all times during the term of this Security Agreement defend the Collateral against the claims and demands of all persons at any time claiming any interest therein to be equal or superior to that of Secured Party.

(b) Secured Party may file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Collateral, without the signature of Borrower to the extent permitted by law. A copy of this Agreement shall be sufficient as a financing statement to the extent permitted by law. Borrower will pay all costs of filing of financing, continuation and termination statements with respect to the Security Interests created hereby, and Secured Party is authorized to do all things that it deems reasonable and necessary to perfect and continue perfection of such Security Interest and to protect the Collateral.

(c) Borrower will furnish to Secured Party from time to time statements and schedules further identifying and describing the Collateral and its location and such other reports in connection with the Collateral as Secured Party may reasonably request from time to time, all in reasonable detail. Borrower will promptly notify Secured Party, in writing, of any change in Borrower's place or places of business.

(d) Borrower shall keep the Collateral insured in such amounts and with such coverages as reasonably required by Secured Party from time to time. Borrower will keep the material Collateral in good working condition, normal wear and tear excepted, and timely pay and discharge all taxes, levies and other impositions levied thereon.

(e) Borrower shall not remove the Collateral from its current location without the prior written consent of Secured Party and Borrower shall not allow any lien, encumbrance, security interest or other charge to be created and/or filed against the Collateral other than the first priority lien of Secured Party created hereunder.

(f) Borrower will not sell, dispose of, or otherwise transfer the Collateral or any interest therein without the prior written consent of Secured Party. Borrower will keep the Collateral in good order and repair and will maintain in full force and effect the FCC licenses for the Station. Borrower will promptly pay any and all taxes, assessments and governmental charges upon the Collateral prior to the date penalties are attached thereto, except to the extent that such taxes, assessments and charges are contested diligently and in good faith.

(g) Borrower has the power and authority to grant the Security Interest in the Collateral and to perform its obligations hereunder and under the Note and such

grant and performance: (i) does not require the consent of or notice to any person which has not been obtained; (ii) will not cause a material default under or material violation of any material agreement to which Borrower is a Party or by which it is bound; and (iii) does not and will not contravene or violate any provisions of any law, order, or regulation applicable to Borrower or any provisions of its organizational documents.

(h) There is no claim, litigation, arbitration or proceeding pending, or threatened before or by any court, governmental authority or arbitrator that seeks to enjoin or prohibit, that questions the validity of, or that might have a material adverse effect on Borrower's timely performance of its obligations under this Security Agreement. There are now no, and Borrower will not permit during the term of this Security Agreement there to be any, outstanding and unpaid judgments against Borrower. Borrower will promptly notify Secured Party of any claim, litigation, arbitration or proceeding of which Borrower has knowledge, affecting title to all or any of the Collateral or the Security Interest and, at the request of Secured Party, will appear in and defend, at Borrower's expense, any such action or proceeding.

5. Secured Party's Duties. The powers conferred on Secured Party hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for monies actually received by them hereunder, Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against other parties or any other rights pertaining to any Collateral.

6. Borrower Remains Liable. Notwithstanding anything herein to the contrary: (a) Borrower shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Security Agreement had not been executed; (b) the exercise by Secured Party of any of its rights hereunder shall not release Borrower from any of its duties or obligations under the contracts and agreements included in the Collateral; and (c) Secured Party shall not have any obligation or liability under the contracts and agreements included in the Collateral by reason of this Security Agreement, nor shall Secured Party be obligated to perform any of the obligations or duties of Borrower thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

7. Remedies. If any Event of Default, as defined in the Note, shall have occurred and be continuing:

(a) Secured Party may exercise all the rights and remedies of a secured party under the Uniform Commercial Code as adopted in the State of California; without limiting the foregoing, and subject to the applicable rules and regulations of the FCC in effect from time to time, Secured Party may: (i) take immediate possession of the Collateral; (ii) require Borrower to assemble the Collateral, at Borrower's expense, and make it available to Secured Party at a place designated by Secured Party which is reasonably convenient to both parties; and (iii) enter any of the premises of Borrower or wherever any of the Collateral shall be located, and to keep and store the same on such

premises until sold or otherwise realized upon (and if such premises are the property of Borrower, Borrower agrees not to charge Secured Party for storage thereof).

(b) Secured Party shall have the right to sell or otherwise dispose of all or any Collateral at public or private sale or sales, with such notice as may be required by law, all as Secured Party, in its sole discretion, may deem advisable. Borrower agrees that ten (10) days written notice to Borrower of any public or private sale or other disposition of such Collateral shall be reasonable notice thereof, and such sale shall be at such locations as Secured Party may designate in such notice. Secured Party shall have the right to conduct such sales on Borrower's premises, without charge therefor. All public or private sales may be adjourned from time to time in accordance with applicable law. Secured Party shall have the right to sell, lease or otherwise dispose of such Collateral, or any part thereof, for cash, credit or any combination thereof, and Secured Party may purchase all or any part of such Collateral at public or, if permitted by law, private sale and, in lieu of actual payment of such purchase price, may set off the amount of such price against the Obligations.

(c) Secured Party may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or under the Note, all the rights and remedies of a secured party on default under the Uniform Commercial Code as in effect in the State of California, or as in effect in any other state where the Collateral is located, or otherwise available at law or in equity.

(d) Secured Party shall be entitled to appoint or cause the appointment of, and Borrower consents to the appointment of and authorizes, a receiver or other person selected by Secured Party or any court of competent jurisdiction, acting individually or through the use of one or more employees, agents, contractors or other parties (collectively, a "Receiver"), and the Receiver shall have the authority, to take possession of, operate, manage, repair, improve and otherwise generally deal with, and to sell, exchange, dispose of or otherwise transfer, all or any part of the Collateral, including, without limitation, that Collateral which is used or is usable in connection with or which otherwise relates to any radio station or other broadcast rights, in each case to the extent so directed by Secured Party or such court, as the case may be, and in each case to the extent not inconsistent with, and subject to such approvals as may be required under, applicable laws, rules and regulations, including, without limitation, those of the FCC. Borrower further agrees that, insofar as any sale, exchange, disposition or other transfer of certain of the Collateral is or may be subject to prior FCC or other governmental approval, any such sale, exchange, disposition or other transfer of all or any part of the Collateral by or on behalf of a Receiver pursuant to any court or FCC-approved sale, exchange, disposition or other transfer shall constitute a commercially reasonable sale thereof under the Uniform Commercial Code and other applicable law, and the same shall be the case notwithstanding that the sale, exchange, disposition or other transfer of a portion of the Collateral included in any such sale, exchange, disposition or other transfer is not subject to FCC or other governmental approval. Borrower agrees to reimburse the Receiver for, and indemnifies the Receiver from and against, all liabilities, damages, losses, expenses and other liabilities of any nature whatsoever incurred or suffered by the Receiver in connection with any activities

contemplated by this subsection or otherwise authorized by any court of competent jurisdiction in connection with the enforcement of any of Secured Party's rights or remedies under this Security Agreement, any Security Document, or under any applicable law, except to the extent any such liabilities, damages, expenses or other losses result from the gross negligence or willful misconduct of the Receiver.

Borrower agrees after the occurrence of any Event of Default to take any action which Secured Party may reasonably request, at Borrower's own cost and expense, in order to obtain approval of the FCC and all other governmental agencies to transfer the License Rights to the holder or purchaser of the Collateral and specifically, without limitation, upon request, to prepare, sign and file with the FCC the assignor's or transferor's portion of any application or applications for consent to the assignment of license or transfer of control necessary or appropriate under the FCC's rules and regulations with respect to the License Rights and to prosecute such applications in good faith and with due diligence. In the case of Borrower's non-performance or breach of the agreements contained in this paragraph, Borrower shall be subject to a decree of specific performance in addition to a judgment for money damages, it being agreed that the License Rights are an integral part of the value of the Collateral and the Station and that Secured Party will be irreparably harmed by a failure to realize the full value thereof. In the event of an Event of Default hereunder, Secured Party may apply to any court of competent jurisdiction for the appointment of a receiver or itself as an attorney in fact for the benefit of Secured Party and any other creditors of Borrower. In any suit or application for specific performance, attorney in fact or receivership, Secured Party shall only need to prove to the court that an Event of Default shall have occurred and be continuing, and Borrower agrees not to object to the requirement of equitable relief or the appointment of a receiver or otherwise oppose such application. In the event that the court grants an application for receivership or attorney in fact, such receiver or attorney in fact shall be instructed immediately to seek from the FCC consent to an involuntary transfer of control of Borrower. Subject to the receipt of prior FCC approvals, the receiver or attorney in fact shall have the power to dispose of the License Rights and the Collateral in any commercially reasonable manner, including the power to conduct a public or private sale of the License Rights and the Collateral. Secured Party may bid at any such public or private sale.

8. Indemnity and Expenses. Borrower agrees to indemnify Secured Party from and against any and all claims, losses and liabilities arising out of or relating to this Agreement and/or any of the Obligations (including, without limitation, enforcement of this Security Agreement and Secured Party's exercise of its rights and remedies hereunder). Borrower shall upon demand pay to Secured Party the amount of any and all expenses, including, without limitation, the reasonable fees and disbursements of its counsel and of any experts and agents, which Secured Party may incur following Borrower's default in connection with: (i) the administration of this Security Agreement; (ii) the custody, preservation, use of, or the sale of, collection from, or other realization upon, any of the Collateral; (iii) the exercise or enforcement of any of the rights of Secured Party hereunder; and/or (iv) the failure by Borrower to perform or observe any of the provisions hereof. All such fees, expenses and disbursements shall be deemed Obligations secured by this Security Agreement.

9. Governing Law. THIS SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA.

10. Collateral Representations; UCC Filing Offices. Borrower represents and warrants to Secured Party that Borrower is a limited liability company organized under the laws of the State of California; Borrower's chief executive office is located in Watsonville, California; and all of the Collateral consisting of inventory, equipment or other tangible personal property is located in only the following county (the "UCC Filing Jurisdiction"):

Monterey County, California

If Borrower changes the address of its chief executive office, or if Borrower changes its name, identity, corporate structure or state of incorporation, or if any Collateral is hereafter located in any county other than the UCC Filing Jurisdiction, then, in each case, Borrower shall give Secured Party not less than ten (10) business days prior written notice thereof and shall execute and deliver such Uniform Commercial Code financing statements or amendments thereto as Secured Party may request.

11. Notices. Any notice pursuant to this Security Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or electronic mail transmission or confirmed delivery by a nationally recognized overnight courier service, or on the third (3rd) day after prepaid mailing by certified U.S. mail, return receipt requested, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Secured Party, then to:

Wolfhouse Radio Group, Inc.
548 E. Alisal Street, Suite A
Salinas, CA 93905
Attn: Hector Villalobos
Email: HVilla22@aol.com

and

Lerman Senter PLLC
2001 L Street, N.W., Suite 400
Washington, DC 20036
Attention: Nancy Ory
Email: nory@lermansenter.com

if to Borrower, then to:

Inspiration Media Network, LLC
302 East Beach Street
Watsonville, CA 95076

Attention: Daniel Alcantar
Email: ministeriosabrego@yahoo.com

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

Fletcher, Heald & Hildreth, PLC
1300 North 17th Street, 11th Floor
Arlington, VA 22209
Attention: Francisco R. Montero
Email: montero@fhhlaw.com

12. Miscellaneous. No amendment or waiver of any provision of this Security Agreement nor consent to any departure by Borrower here from, shall in any event be effective unless the same shall be in writing and signed by the party against whom enforcement of such amendment, waiver or consent is sought, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. The paragraph and section headings herein are solely for convenience and shall not be deemed to limit or otherwise affect the meaning or construction of any part of this Security Agreement. This document shall be construed without regard to any presumption or rule requiring construction against the party causing such document or any portion thereof to be drafted. If any provision or provisions of this Security Agreement shall be unlawful, then such provision or provisions shall be null and void, but the remainder of this Security Agreement shall remain in full force and effect and be binding on the parties. This Security Agreement may be validly executed and delivered by fax or other electronic transmission and in one or more counterpart signature pages by different signatories thereto. Any notice to be given hereunder shall be given in accordance with the terms of the Note.

[SIGNATURE PAGE FOLLOWS IMMEDIATELY]

IN WITNESS WHEREOF, the parties have executed and delivered this Security Agreement by their respective duly authorized representatives as of the date first above written.

BORROWER: **INSPIRATION MEDIA NETWORK, LLC**

By: _____
Name:
Title:

SECURED PARTY: **WOLFHOUSE RADIO GROUP, INC.**

By: _____
Name:
Title: