

## ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, dated as of April 6, 2005 (this "Agreement"), by and between RADIO BROADCASTERS, L.L.C., a Mississippi limited liability company ("Seller"), and EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation ("Buyer").

### WITNESSETH:

WHEREAS, Seller is the licensee of radio station WKNZ(FM), Collins, Mississippi (Channel 296, 107.1 MHz) (the "Station") pursuant to authorizations (the "FCC Authorizations") 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 owned or leased by Seller and used 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.

(a) On the Closing Date (as hereinafter defined), Seller shall sell, assign and transfer to Buyer, and Buyer shall purchase and assume from Seller, all of the assets, properties, interests and rights of Seller of whatsoever kind and nature, which are owned by Seller and used or useful in connection with the operation of the Station (the "Assets") (but excluding the Excluded Assets described in subparagraph (c) below), including without limitation:

(i) Certain of Seller's equipment, machinery, furniture, furnishings, fixtures, office materials, and other tangible personal property used or useful in the conduct of the business or operations of the Station (the "Tangible Personal Property"), together with such improvements and additions thereto and replacements thereof between the date hereof and the Closing Date, including, without limitation, the property set forth on Schedule 1 hereto;

(ii) All of the licenses, permits and other authorizations, including the FCC Authorizations (collectively, the "Licenses"), issued by the FCC, the Federal Aviation Administration (the "FAA"), and any other federal, state or local governmental authorities to Seller in connection with the conduct of the business and the full on-air operations of the Station, including without limitation, those set forth on Schedule 2 hereto;

(iii) A Lease Agreement in the form of Exhibit A hereto (the "WKNZ Tower Lease") for the Station's tower facility;

(iv) All of Seller's logs, books, files, data, FCC and other governmental applications, equipment manuals and warranties, and other records relating to the full on-air broadcast operations of the Station, including without limitation all electronic data processing

files and systems, FCC filings and all presently existing records required by the FCC to be kept by the Station; and

(v) Seller's right, title and interest in and to all copyrights, licenses, patents, trademarks, service marks, logos and trade names (including the Station call letters and any variation thereof) used in connection with the operation of the Station and all goodwill associated therewith, including registrations and applications for registration of any of the foregoing, and other similar intangible rights and interests.

(b) The Assets shall be transferred by Seller to Buyer 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, and the execution and performance of this Agreement shall not render Buyer liable for any such liability, obligation, undertaking, expense or agreement. All of such liabilities and obligations shall be referred to herein as the "Retained Liabilities." Without limiting the generality of the foregoing, it is understood and agreed that Buyer is not agreeing to, and shall not, assume (i) any liability or obligation of Seller to Seller's employees under any existing written or oral agreements with Seller, including any such liability or obligation in respect of wages, salaries, bonuses, accrued vacation or sick pay or any other matter, or (ii) any liability arising out of any termination by Seller of the employment of any employee of the Station or any liability for any employee benefit plan or arrangement of Seller for the Station's employees.

(c) The following assets and obligations relating to the business of the Station shall be retained by Seller and shall not be sold, assigned or transferred to or assumed by Buyer (the "Excluded Assets"):

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

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

(iii) All pension, profit-sharing, retirement, stock purchase or savings plans or trusts and any assets thereof and all other employee benefit plans;

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

(v) Seller's corporate records.

## 2. Purchase Price.

(a) 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 Seven Hundred Thousand Dollars (\$700,000) (the "Purchase Price"). The Purchase Price shall be payable to Seller at Closing as follows:

(i) On the Closing Date, Buyer shall pay to Seller, by wire transfer of immediately available funds, the sum of Two Hundred Thousand Dollars (\$200,000);

(ii) On the Closing Date, Buyer shall execute and deliver to Seller a promissory note substantially in the form attached hereto as Exhibit B (the "Note") in the aggregate principal amount of Five Hundred Thousand Dollars (\$500,000). The principal of and interest on the Note shall be amortized as if payable over a term of one hundred forty-four (144) months. The loan evidenced by the Note shall bear interest at the rate of six and eighty nine hundredths percent (6.89%) per annum. Buyer shall pay monthly, in arrears, installments of principal and interest in the amount of \$5,112.63 each month, commencing on the 30<sup>th</sup> day after the date hereof, and continuing on the same calendar day of each succeeding month for a term of sixty (60) months. On or before the date which is sixty (60) days before the date that is five (5) years after the first payment date under the Note, Seller may notify Buyer that all of the remaining principal amount due under the Note shall be due immediately on the fifth anniversary date of the first payment (the "Due Date"), provided, however, that at Buyer's election and upon notice from Buyer to Seller, Seller and Buyer shall negotiate in good faith during the sixty (60) day period to extend the term of the Note on commercially reasonable terms for an additional eighty four (84) months, but if Seller and Buyer do not reach agreement on extension of the term, then all principal and interest of the Note shall be payable in full on the Due Date. If any payment date shall be a day that is not a regular business day, then payment shall be due on the next regular business day thereafter. Buyer may prepay all or any portion of the principal of the Note from time to time without penalty; and

(iii) To secure Buyer's payment obligations under the Note, Buyer shall execute and deliver to Seller on the Closing Date a Security Agreement substantially in the form of Exhibit C hereto (the "Security Agreement") granting a first priority security interest in the Assets conveyed to Buyer hereunder (excluding the Licenses, but including the proceeds of sale thereof).

(b) Concurrently with the execution of this Agreement, Buyer has delivered to WashingtonFirst Bank (the "Escrow Agent") the sum of Thirty-Five Thousand Dollars (\$35,000) to be held as an earnest money deposit (the "Earnest Money Deposit") pursuant to an Escrow Agreement (the "Escrow Agreement") of even date herewith. The Earnest Money Deposit shall be paid to Seller as partial payment of the cash Purchase Price due at Closing to Seller, or shall otherwise be made available to Seller or released to Buyer in accordance with the provisions of this Agreement.

(c) Seller shall have the option of obtaining an independent appraisal of the Station and related assets. To the extent the appraised fair market value exceeds the Purchase Price, the difference may be claimed by Seller on its tax return as a charitable contribution to Buyer, and Buyer shall render reasonable cooperation in connection therewith.

(d) The parties agree to prorate all expenses arising out of the operation of the Station which are incurred, accrued or payable, as of 11:59 p.m. local time of the day preceding

the Closing. The items to be prorated shall include, but not be limited to, power and utilities charges, FCC regulatory fees (if any), real and personal property taxes upon the basis of the most recent tax bills and information available, security deposits, and similar prepaid and deferred items. On the Closing Date, the prorations shall, insofar as feasible, be determined and paid on the Closing Date, with final settlement and payment to be made within forty-five (45) days after the Closing Date.

(e) On or before the Closing Date, Seller and Buyer shall mutually determine an allocation of Purchase Price among the Assets that complies with Section 1060 of the Internal Revenue Code of 1986, as amended.

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 all FCC Authorizations pertaining to the Station (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 bear one half the cost of the Assignment Application fee payable to the FCC, but shall otherwise 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 and a request to convert the station to noncommercial status, such waiver and noncommercial change 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, and Seller's covenant of cooperation shall be satisfied by prompt delivery of the signed statement required under Section 73.3517 of the FCC rules or any similar successor rule or provision.

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. Seller shall notify Buyer in writing upon consummation of the abovementioned purchase. 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 by mail, 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 limited liability company duly organized, validly existing and in good standing under the laws of the State of Mississippi. 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. This Agreement has been duly and validly executed and delivered by Seller and constitutes the legal, valid and binding obligation of Seller enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

(b) The execution, delivery and performance of this Agreement by Seller will not (i) constitute a violation of or conflict with Seller's articles of incorporation, by-laws or other similar organizational documents, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation relating to the business of the Station and to which Seller or any of the Assets may be subject, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained and delivered to Buyer, (iii) violate any law, statute, rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency and which is applicable to Seller or any of the Assets, (iv) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever on any of the Assets, or (v) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.

(c) Schedule 1 hereto contains a list of the Tangible Personal Property owned or leased by Seller that shall be transferred to Buyer. Seller owns and has, and will have on the Closing Date, good and marketable title to the Tangible Personal Property. The assets listed in Schedule 1 hereto include all of the material tangible personal property necessary to conduct the business and operations of the Station as now conducted. Each material item of Tangible Personal Property (i) is in good condition and repair, ordinary wear and tear excepted, (ii) has been maintained in a manner substantially consistent with generally accepted standards of good engineering practice, (iii) is operating in substantial compliance with the FCC Authorizations and rules and regulations of the FCC and FAA, and (iv) to Seller's best knowledge, does not contain any PCBs. For purposes of this Section, material Tangible Property shall be such property valued at One Hundred Dollars (\$100) or more.

(d) Schedule 2 hereto contains a true and complete list of the FCC Authorizations and all other licenses, permits or other authorizations from governmental or regulatory authorities that are required for the lawful conduct of the business and operations of the Station in the manner and to the full extent it is presently operated. The Licenses are in full force and effect, unimpaired by any act or omission of Seller. Seller lawfully holds each of the FCC Authorizations and other licenses, permits and authorizations listed on Schedule 2, none of which is subject to any restrictions or conditions that would limit in any material respect the operations of the Station. Except as set forth in Schedule 2, Seller is operating the Station in all material respects in accordance with the FCC Authorizations, and all rules, regulations and policies of the FCC (the "Communications Laws"), including that the Station is transmitting at no less than 90% of its authorized power. The Station is not short spaced to any other station and, to Seller's knowledge, is not transmitting or receiving any objectionable interference to or

from any other 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 any of such FCC Authorizations, 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. Except as set forth in Schedule 2, all material reports and filings required to be filed with the FCC by Seller with respect to the operation of the Station have been timely filed, and all such reports and filings are accurate and complete in all material respects. Seller maintains a public inspection file for the Station and, to Seller's knowledge, such file complies with the Communications Laws.

(e) Seller has a valid and enforceable ownership or leasehold interest in the Station tower facility ("the *Real Property*"). There is full legal and practical access to the Real Property and all utilities necessary for Buyer's use of the Real Property as a radio tower facility are installed and are in good working order, and, to Seller's knowledge, are subject to valid easements, where necessary. To Seller's knowledge, the buildings, towers, guys and other fixtures situated on the Real Property, are free of structural defects and, are suitable for their intended uses, and are in a good state of maintenance and repair (ordinary wear and tear excepted).

(f) The existing tower used in the operation of the Station is obstruction marked and lighted by the Tower owner to the extent required by, and in accordance with, the rules and regulations of the FAA and the FCC. To Seller's knowledge, the Station tower is properly registered by the Tower owner with the FCC. To Seller's knowledge, the operations of the Station do not exceed permissible levels of exposure to RF radiation specified in either the FCC's rules, regulations and policies concerning RF radiation or any other applicable Environmental Laws (as defined below).

(g) The instruments to be executed by Seller and delivered to Buyer at the Closing, conveying the Assets to Buyer, will transfer good and marketable title to the Assets free and clear of all Liens.

(h) Buyer shall have no obligation to offer employment to any employee of Seller or the Station, and shall have no liability with respect to any such employee or for benefits of any kind or nature.

(i) Other than Bob Connelly, whose broker fees will be paid by Seller, 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.

(j) Seller is not subject to any order, writ, injunction, judgment, arbitration decision or decree having binding effect and affecting the business of the Station or the Assets or which restrains or enjoins the transactions contemplated hereby, and no such proceeding is pending. There is no material litigation pending by or against, or to the best of Seller's knowledge, threatened against Seller which relates to Seller or the Station or could affect any of the Assets. Seller, with respect to the Station, has complied in all material respects with all

applicable laws, regulations, orders or decrees. The present uses by Seller of the Assets do not violate any such laws, regulations, orders or decrees in any material respect, and Seller has no knowledge of any basis for any claim for compensation or damage or other relief from any violation of the foregoing.

(k) All of the Assets that are insurable in character are insured against loss, injury or damage to the full extent of their replacement value.

(l) Seller has duly, timely and in the required manner filed all federal, state, and local income, franchise, sales, use, property, excise, payroll and other tax returns and forms required to be filed, and has paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies and losses required to be paid. To Seller's knowledge, no event has occurred which could impose on Buyer any liability for any taxes, penalties or interest due or to become due from Seller from any taxing authority.

(m) To the best of Seller's knowledge, it has complied and currently is in compliance in all material respects with, and to Seller's knowledge the Real Property is in material compliance with, all applicable laws, statutes, rules, regulations, codes and ordinances of all U.S. federal, state and local government agencies and authorities relating to the discharge of air pollutants, water pollutants or process waste water, Hazardous Materials (as defined herein), or toxic substances, or otherwise relating to the environment, including without limitation the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, regulations of the Environmental Protection Agency, regulations of the Nuclear Regulatory Commission, and regulations of any state department of natural resources or state environmental protection agency now or at any time hereafter in effect ("Environmental Laws").

As used herein, the term "Hazardous Materials" means any wastes, substances, or materials (whether solids, liquids or gases) that are deemed hazardous, toxic, pollutants, or contaminants, including substances defined as "hazardous wastes," "hazardous substances," "toxic substances," "radioactive materials," or other similar designations in, or otherwise subject to regulation under, any Environmental Laws. "Hazardous Materials" includes polychlorinated biphenyls (PCBs), asbestos, lead-based paints, infectious wastes, radioactive materials and wastes and petroleum and petroleum products (including crude oil or any fraction thereof). To Seller's knowledge, there are no underground storage tanks located on the Real Property. To Seller's knowledge there are not now, nor have there previously been, any other facilities on, under, or at the Real Property which contained any Hazardous Materials which, if known to be present in soils or ground water, would require clean up, removal or some other remedial action under the Environmental Laws.

(n) 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, is authorized to do business as a foreign corporation in Mississippi, and has the requisite power and authority to own, lease and operate its properties and to carry on the business of the Station as now being conducted

(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. This Agreement has been duly and validly executed and delivered by Buyer and constitutes the legal, valid and binding agreements of Buyer enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

(c) The execution, delivery and performance of this Agreement by Buyer will not (i) conflict with or result in any breach of any provision of the articles of incorporation or by-laws of Buyer, or (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation, relating to its own business, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained and delivered to Seller, (iii) violate any law, statute, rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency and which is applicable to Buyer, or (iv) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.

(d) Buyer is legally, financially and technically qualified to acquire and become the licensee of the Station.

(e) There is no litigation, proceeding or governmental investigation pending or to the knowledge of Buyer, threatened, in any court, arbitration board, administrative agency, or tribunal against or relating to Buyer including without limitation, any voluntary or involuntary petition under Federal bankruptcy law or any state receivership or similar proceedings, that would prevent or materially impede the consummation by Buyer of the transactions contemplated by this Agreement, nor does Buyer know of, or have any reasonable ground to know of, in view of its present situation or action it now contemplates taking, any basis for such litigation, proceeding or investigation.

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

(g) No representation or warranty made by Buyer in this Agreement, and no statement made in any certificate, document, exhibit or schedule furnished or to be furnished in connection with the transactions herein contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to Seller to the best of Buyer's knowledge.

7. **Covenants.** Seller covenants with Buyer that, between the date hereof and the Closing Date, Seller shall act in accordance with the following:

(a) Seller shall maintain the Tangible Personal Property included in the Assets in accordance with standards of good engineering practice and replace any of such property which shall be worn out, lost, stolen or destroyed with like property of substantially equivalent kind and value.

(b) Seller shall continue to operate and maintain the Station in accordance in all material respects with the terms of the FCC Authorizations and in material compliance with all applicable laws and FCC rules and regulations. Seller will deliver to Buyer, promptly after filing, copies of any reports, applications or responses to the FCC or any communications from the FCC, or if from any other party directed to the FCC, promptly after receipt by Seller, related to the Station that are filed or received between the date of this Agreement and the Closing Date. Seller will not file any application to modify the Station's facilities without Buyer's prior written consent, and Seller shall take all actions necessary to keep the Licenses, including all material permits and applications pending before the FCC, valid and in full force and effect.

(c) In all other respects, except as disclosed in writing to and approved by Buyer, Seller shall operate the Station solely in the ordinary course of business and in accordance with past practice, and shall pay its obligations with respect to the Station in the ordinary course as such obligations become due.

(d) Seller shall maintain in full force and effect through the Closing Date adequate property damage, liability and other insurance with respect to the Assets.

(e) Prior to the Closing Date, Seller shall not, without the prior written consent of Buyer sell, lease, transfer or agree to sell, lease or transfer any of the Assets without replacement thereof with an equivalent asset of equivalent kind, condition and value that satisfies industry standards for such assets, or create any new Lien on the Assets.

(f) On or before the Closing Date, Seller shall furnish to Buyer revised Schedules to this Agreement as may be necessary to render such Schedules accurate and complete as of the Closing Date. Seller shall give detailed written notice to Buyer promptly upon the occurrence of or becoming aware of the impending or threatened occurrence of, any event which would cause or constitute a breach or would have caused a breach had such event occurred or been known to Seller prior to the date hereof, of any of Seller's representations or warranties contained in this Agreement or in any Schedule. Seller shall promptly disclose to Buyer any problems or developments which materially affect the Station or the Assets. Seller shall give prompt written notice

to Buyer if the Assets shall have suffered damage on account of fire, explosion or other cause of any nature that is sufficient to prevent operation of the Station.

(g) Seller shall comply in all material respects with all federal, state and local laws, rules and regulations.

(h) If any event should occur which would prevent the consummation of the transactions contemplated hereunder, Seller shall use its respective best efforts to cure the event as expeditiously as possible.

8. **Conditions Precedent to Obligation to Close.**

(a) The performance of the obligations of Seller hereunder is subject to the satisfaction of each of the following express conditions precedent, unless waived in writing by Seller:

(i) Buyer shall have performed and complied in all material respects with all of the agreements, obligations and covenants required by this Agreement to be performed or complied with by Buyer prior to or as of the Closing Date;

(ii) The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(iii) The FCC Consent contemplated by this Agreement shall have become a Final Order;

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

(v) Buyer shall not be subject to any voluntary or involuntary petition under Federal bankruptcy law, or any state receivership or similarly proceeding; and

(vi) If any event should occur which would prevent the consummation of the transactions contemplated hereunder, the Buyer, as appropriate, shall use its best efforts to cure the event as expeditiously as possible.

(b) The performance of the obligations of Buyer hereunder is subject to the satisfaction of each of the following express conditions precedent:

(i) Seller shall have performed and complied in all material respects with all the agreements, obligations and covenants required by this Agreement to be performed or complied with by Seller prior to or as of the Closing Date;

(ii) The representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(iii) The FCC Consent contemplated by this Agreement shall have become a Final Order;

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

(v) The Assets shall not have suffered damage that shall cause a material adverse effect upon the Station or the Assets taken as a whole on account of fire, explosion or other cause of any nature which shall not have been repaired as of the Closing Date; provided that if such damage shall have occurred, Seller shall be afforded a reasonable opportunity to repair and restore such damaged assets to their prior condition or, at Seller's election, to replace such damaged assets with assets of comparable quality and utility; and provided, further, that if Buyer elects to waive the condition set forth in this Section 8 and consummate the Closing, then Buyer shall be entitled to collect and receive the proceeds of any insurance payable to Seller on account of such damages which have not been applied to the repair thereof;

(vi) 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 other than those created by Buyer in favor of Seller or Permitted Liens, and Seller shall have delivered to Buyer lien search reports, in form and substance satisfactory to Buyer and dated no earlier than thirty (30) days prior to the Closing, reflecting the results of UCC, tax and judgment lien searches conducted at Secretary of State offices of the State of Mississippi and in the County Clerk's Office of each county in which the Assets are located;

(vii) No suit, action, claim or governmental proceeding shall be pending, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against any party hereto which: (A) would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; (B) questions the validity or legality of any transaction contemplated hereby; or (C) seeks to enjoin any transaction contemplated hereby;

(viii) None of the events or conditions referenced in Section 19 below shall have occurred and not been remedied as set forth in Section 19; and

(ix) 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, each of which shall be in form and substance satisfactory to Buyer and its counsel:

(i) A Bill of Sale, and other instruments of transfer and conveyance, dated the Closing Date, in form and substance so as to effectively and legally transfer and assign to Buyer the personal property Assets and effectively vest in Buyer good and marketable title to the personal property Assets;

(ii) An Assignment and Assumption of the Station's FCC Licenses;

(iii) The WKNZ Tower Lease, executed by Seller;

(iv) The Security Agreement duly executed by Seller;

(v) 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;

(vi) 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;

(vii) A certificate of existence or good standing for Seller from the Secretary of State of the State of Mississippi;

(viii) A joint notice to the Escrow Agent;

(ix) Payoff letters and UCC-3 termination statements with respect to any lien of record shown on the reports delivered pursuant to Section 8(b)(vi) hereof; and

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

(b) Prior to or at the Closing, Buyer will deliver to Seller the following, each of which shall be in form and substance satisfactory to Seller and its counsel:

(i) The payments to be made pursuant to Section 2(a) hereof and the Note and the Security Agreement duly executed by Buyer;

(ii) An Assignment and Assumption of the Station's FCC Licenses;

(iii) The WKNZ Tower Lease, executed by Buyer;

(iv) Complete UCC-1 Financing Statement(s), each in form and substance satisfactory to Seller and Seller's counsel, establishing Seller's security interests as set forth in the Security Agreement;

(v) A joint notice to Escrow Agent;

(vi) Certified copies of the resolutions of the Board of Directors of Buyer authorizing and approving the consummation of the transactions contemplated hereby and thereby;

(vii) 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;

(viii) A certificate of existence or good standing for Buyer from the Secretary of State of California and a certificate of authority to do business as a foreign corporation in Mississippi; and

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

10. **Indemnification.**

(a) Following the Closing, Seller shall indemnify, defend and hold harmless Buyer with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including, without limitation, interest, penalties, court costs and reasonable attorneys' fees) ("Damages") asserted against, resulting from, imposed upon or incurred by Buyer directly or indirectly relating to or arising out of: (i) the breach by Seller of any of its or her representations or warranties that survive the Closing, or failure by Seller to perform any of its covenants, conditions or agreements set forth in this Agreement that survive the Closing; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Station prior to the Closing, including the Retained Liabilities and with respect to the Excluded Assets.

(b) Following the Closing Buyer shall indemnify, defend and hold Seller harmless with respect to any and all Damages asserted against, resulting from, imposed upon or incurred by Seller directly or indirectly relating to or arising out of: (i) the breach by Buyer of any of its representations, warranties, or failure by Buyer to perform any of its covenants, conditions or agreements set forth in this Agreement; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Station as conducted by Buyer subsequent to the Closing.

(c) If either party hereto (the "Indemnitee") receives notice or otherwise obtains knowledge of any matter with respect to which another party hereto (the "Indemnifying Party") may be obligated to indemnify the Indemnitee under this Section 10(c), then the Indemnitee shall promptly deliver to the Indemnifying Party written notice describing such matter in reasonable detail and specifying the estimated amount of the Damages or liability that may be incurred by the Indemnitee in connection therewith. The Indemnifying Party shall have the right, at its option, to assume the complete defense of such matter at its own expense and with its own counsel, provided such counsel is reasonably satisfactory to the Indemnitee. If the Indemnifying Party elects to assume the defense of such matter, then (i) notwithstanding anything to the contrary herein contained, the Indemnifying Party shall not be required to pay or otherwise indemnify the Indemnitee against any such matter following the Indemnifying Party's

election to assume the defense of such matter, (ii) the Indemnatee shall fully cooperate as reasonably requested by the Indemnifying Party in the defense or settlement of such matter, (iii) the Indemnifying Party shall keep the Indemnatee informed of all material developments and events relating to such matter, and (iv) the Indemnatee shall have the right to participate, at its own expense, in the defense of such matter. In no event shall the Indemnifying Party be liable for any settlement or admission of liability with respect to such matter without its prior written consent.

(d) 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.

#### 11. **Termination.**

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

(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 delivery of the Earnest Money Deposit, including all interest earned thereon, from the Escrow Agent, as liquidated damages. Seller and Buyer each acknowledge and agree that these liquidated damages are reasonable in light of the anticipated harm which would be caused by Buyer's breach of any of its material obligations under this Agreement and the difficulty of ascertaining damages and proof of loss and that these damages are not a penalty.

(c) Upon a termination of this Agreement due to a breach by any Seller of any of its material obligations under this Agreement, Buyer shall be entitled to the release of the Earnest Money Deposit, including all interest earned thereon, and Buyer may seek all rights and remedies that it may have in equity or at law.

(d) Upon a termination of this Agreement for any reason other than as a result of a breach by either party of any of its material obligations under this Agreement, Buyer shall be entitled to the release of the Earnest Money Deposit, and thereafter neither party shall have any further obligation to the other under this Agreement.

12. **Specific Performance.** Seller acknowledges that the Station is a unique asset not readily obtainable on the open market and that, in the event that Seller fails to perform its obligation to consummate the transaction contemplated hereby, money damages alone will not be adequate to compensate Buyer for its injury. Therefore, Seller agrees and acknowledges that

in the event of Seller's failure to perform its obligation to consummate the transaction contemplated hereby, Buyer shall be entitled to specific performance of the terms of this Agreement and of Seller's obligation to consummate the transaction contemplated hereby. If any action is brought by Buyer to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law, and Buyer shall be entitled to receive from Seller all court costs, attorney's fees and other out-of-pocket expenses incurred by Buyer in enforcing its rights under this provision.

13. **Confidentiality.**

(a) Each party shall hold, and shall cause its officers, employees, agents and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain such information to hold, in confidence, and not use for any purpose other than evaluating the transactions contemplated by this Agreement, any confidential information of another party obtained through the investigations permitted hereunder, which for the purposes hereof shall not include any information which (i) is or becomes generally available to the public other than as a result of disclosure by the party which alleges the information is confidential or its affiliates, (ii) becomes available to a party on a nonconfidential basis from a source, other than the party which alleges the information is confidential or its affiliates, which has represented that such source is entitled to disclose it, or (iii) was known to a party on a nonconfidential basis prior to its disclosure to such party hereunder. If this Agreement is terminated, each party shall deliver, and cause its officers, employees, agents, and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain confidential information of another party pursuant to investigations permitted hereunder to deliver to such other party all such confidential information that is written (including copies or extracts thereof), whether such confidential information was obtained before or after the execution.

(b) If a party or a person to whom a party transmits confidential information of another party is requested or becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoena, criminal or civil investigative demand or similar process) to disclose any of such confidential information, such party or person will provide the other applicable party with prompt written notice so that such party may seek a protective order or other appropriate remedy or waive compliance with Section 13(a). If such protective order or other remedy is not obtained, or if the applicable party waives compliance with Section 13(a), the party subject to the request will furnish only that portion of such confidential information which is legally required and will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded such confidential information.

14. **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:

Radio Broadcasters, L.L.C.  
P.O. Box 3160  
Meridian, MS 39303  
Attn: Kenneth R. Rainey, Managing Member

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

[Mark N. Lipp, Esq.  
Vinson & Elkins, L.L.P.  
1455 Pennsylvania Ave., NW  
Suite 600  
Washington, DC 20004-1008]

If to Buyer, to:

Educational Media Foundation  
5700 West Oaks Boulevard  
Rocklin, CA 95765  
Attn: Richard Jenkins, President

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

David D. Oxenford, Esq.  
Shaw Pittman LLP  
2300 N Street, NW  
Washington, D.C. 20037

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

16. **Partial Invalidity.** Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any provision contained herein shall, for any reason, be held to be invalid or unenforceable, such provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remainder of such provision or any other provisions hereof, unless such a construction would be unreasonable.

17. **Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument. This Agreement may be executed and exchanged by facsimile transmission, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document. At the request of any party hereto or to any such agreement or instrument, each other

party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine as a defense to the formation of a contract and each such party forever waives any such defense.

18. **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. The FCC filing fees relating to the Assignment Application shall be shared equally between Buyer, on the one hand, and Seller, on the other hand. All federal, state, local and other transfer and sales taxes applicable to, imposed upon or arising out of the transfer to Buyer of the Assets as contemplated hereby shall be paid according to local custom.

19. **Risk of Loss.** The risk of loss to any of the Assets on or prior to the Closing Date shall be upon Seller. Seller shall use all commercially reasonable efforts to repair or replace any damaged or lost Assets, provided, however, that in the event that the Assets with a value of greater than Twenty-Five Thousand Dollars (\$25,000) are damaged or lost on the date otherwise scheduled for Closing, Buyer may, at its option, either (i) postpone Closing for a period of up to sixty (60) days while Seller repairs or replaces such Assets, or (ii) elect to close with the Assets in their current condition, in which case Seller shall assign all proceeds from insurance on such lost or damaged Assets to Buyer, and Buyer shall have the responsibility to repair or replace the Assets. Seller shall have no responsibility to repair or replace damaged or destroyed Assets not covered by insurance if the cost of such repair exceeds Twenty-Five Thousand Dollars (\$25,000), provided, however, that should Seller advise Buyer within five (5) days after being requested to do so that Seller will not repair or replace such Assets, Buyer may terminate this Agreement without penalty upon written notice to Seller. Should the Station (i) not operate for a period in excess of seventy two (72) consecutive hours or (ii) not operate with full licensed facilities for a period of thirty (30) consecutive days, or should the Station be operating at less than 90% of its fully authorized power as of the scheduled Closing Date and it is reasonably expected that either condition set forth in clause (i) or (ii) of this sentence would be satisfied but for the occurrence of the originally scheduled Closing Date, Buyer may either elect to terminate this Agreement without penalty upon written notice to Seller or postpone the Closing for a period of up to sixty (60) days while Seller attempts to cure the condition described in the preceding sentence of this Section 19.

20. **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.

21. **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.

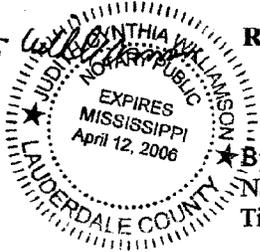
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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**Seller:**

**RADIO BROADCASTERS, L.L.C.**

*Ladith Cynthia Williams  
Notary*



★ By: Kenneth R. Rainey Sr.

Name: Kenneth R. Rainey Sr.

Title: MANAGING MEMBER

**Buyer:**

**EDUCATIONAL MEDIA FOUNDATION**

By: \_\_\_\_\_

Richard Jenkins, President

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

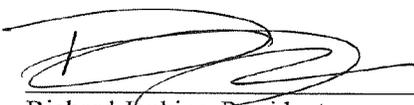
**Seller:**

**RADIO BROADCASTERS, L.L.C.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Buyer:**

**EDUCATIONAL MEDIA FOUNDATION**

By:  \_\_\_\_\_  
Richard Jenkins, President

SCHEDULE 1

Tangible Personal Property

WKNZ-107.1 COLLINS, MS.  
EQUIPMENT LIST

MOSLEY STL-TRANSMITTER & RECEIVER.

MOSLEY REMOTE CONTROL TELEPHONE UNIT  
FOR HARRIS TRANSMITTER.

MOSLEY POWER SUPPLY WITH RELAYS

HARRIS 2.5 ( H-3 ) FM TRANSMITTER WITH  
45- WATT FM EXCITER TUNED TO 107.1.

2005 WHIRLPOOL 24,000 BTU AIR UNIT.

1-MEDAL EQUIPMENT RACK.

550-FEET 15/8" ANTENNA CABLE WAVE COAX

3-JAMPRO ANTENNAS TUNED TO 107.1

SCHEDULE 2

FCC Licenses

**CURRENT FCC LICENSES, AUTHORIZATIONS  
AND PENDING AUTHORIZATIONS FOR  
WKNZ(FM) AND ASSOCIATED AUXILIARY STATIONS**

Main Station WKNZ(FM), Collins, Mississippi  
Facility ID Number: 63847  
*Radio Broadcasters, L.L.C.*

Type of Authorization	Call Sign	FCC File Number	Grant Date	Expiration Date
License Renewal Authorization	WKNZ(FM)	BRH-20040202AVY	05/27/04	06/01/12
Consent to Assignment of License From: Sunbelt Broadcasting Corporation To: Radio Broadcasters, L.L.C.	WKNZ(FM)	BALH-20000811ABC	11/06/00 (Consummated on 01/19/01)	N/A
FM Broadcast Station License	WKNZ(FM)	BLH-19931027KB	07/16/97	06/01/12

Pending Applications  
Main Station WKNZ(FM), Collins, Mississippi  
Facility ID Number: 63847

Application	Call Sign	FCC File Number	Date Filed
Application for Consent to Transfer of Control (FCC Form 315)	WKNZ(FM)	BTCH-20050325AND	03/25/05

Antenna Structures Associated with  
Main Station WKNZ(FM), Collins, Mississippi  
Facility ID Number: 63847

Registration Number	Issue Date	Coordinates	Overall Height	Owner
1047121	05/12/98	31° 31' 48.0" N 89° 30' 30.0" W	138.6 meters	Sunbelt Broadcasting Corporation

Broadcast Auxiliary Stations Associated with  
Main Station WKNZ(FM), Collins, Mississippi  
Facility ID Number: 63847

Type of Authorization	Call Sign	FCC File Number	Grant Date	Expiration Date
Aural Studio Transmitter Link	WHY864	--	06/22/84	06/01/12
Aural Studio Transmitter Link	WLO271	--	02/10/98	06/01/12



**EXHIBIT A**

**TOWER LEASE AGREEMENT**

**THIS TOWER LEASE AGREEMENT** (this "*Agreement*") is dated as of this \_\_\_\_ day of \_\_\_\_\_, 2005, by and between RADIO BROADCASTERS, L.L.C., with an address at P.O. Box 3160, Meridian, Mississippi 39303 ("*Landlord*"), and EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation, with an address at 5700 West Oaks Blvd., Rocklin, CA 95765 ("*Tenant*").

**WITNESSETH**

WHEREAS, Landlord is the owner of radio communications transmission facilities located at \_\_\_\_\_ (the "*Real Property*") (a description of the Real Property is attached as Exhibit A and incorporated by reference), from which FM radio station WKNZ(FM), Channel 296, 107.1 MHz, Collins, Mississippi (the "*Station*") currently transmits, broadcasting from a communications transmission tower approximately \_\_\_\_ feet in height (the "*Tower*") (a diagram of the Tower is attached as Exhibit B and incorporated by reference) and a transmitter building located on the Real Property (collectively, the Tower, the Building and Real Property are referred to as the "*Premises*");

WHEREAS, Landlord and Tenant hereunder have entered into an Asset Purchase Agreement dated April \_\_, 2005 (the "*Purchase Agreement*") pursuant to which Tenant is acquiring substantially all the assets of the Station from Landlord, and said Purchase Agreement requires Landlord to deliver a lease agreement for the Premises to Tenant to ensure continued use of the Premises by the Station.

WHEREAS, on the date hereof, Landlord has executed and delivered this Agreement pursuant to the provisions of Section 1(a)(iii) of a Purchase Agreement dated as of April \_\_, 2005 by and between Landlord and Tenant;

WHEREAS, pursuant to the provisions hereof, Tenant has the right to lease the Premises and to operate a radio transmitting antenna (the "*Antenna*") and related transmission lines at an aperture located at approximately \_\_\_\_ meters AGL on the Tower (the "*Tower Space*") (a Description of the Tower Space is attached as Exhibit C and incorporated by reference);

WHEREAS, Tenant also is leasing hereunder certain space in the Building (the "*Building Space*") in which Tenant may locate its transmitter and other related equipment, as shown on the diagram attached hereto as Exhibit D and incorporated herein by reference. All of Tenant's equipment, including its proposed Antenna, transmitter and transmission line, is collectively referred to as "*Tenant's Equipment*"; a list of all items of Tenant's Equipment to be operated on the Premises is attached as Exhibit E and incorporated by reference;

WHEREAS, Tenant also desires to use the ground space within the boundaries of the Real Property and to have unrestricted access to such ground space for its broadcast operations, as further set forth herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by the parties, and upon the mutual rights, obligations, terms, covenants, and provisions hereof, the parties mutually agree as follows:

## ARTICLE I

### LEASED PREMISES

Landlord does hereby devise and lease to Tenant and Tenant does hereby take and hire from Landlord for the Term (as defined herein) upon and subject to the terms and conditions herein contained, the following:

(a) Tower Space. The Tower Space for the installation and operation of the Antenna and certain other items of Tenant's Equipment such as studio transmitter links (all as more particularly described in Exhibit C hereto) and including the right to replace the Antenna and install any successor antennas necessary for the Station to broadcast as authorized by the FCC;

(b) Transmission Lines. The limited and nonexclusive right to maintain transmission lines from Tenant's Building to the Tower Space, specifically at the locations and to the extent specified on Exhibit C, for the purpose of enabling Tenant to conduct the current or future broadcasting activities of the Station.

(c) The Building Space. An approximately \_\_\_\_\_ square foot area of space in the Building in which to locate Tenant's current (or future) transmitter (the "Transmitter") and related Tenant Equipment, as further described on Exhibit D hereto.

(d) Access. The unrestricted right, in common with others, to use the roadways on the Real Property for ingress and egress to and from the Tower, for Tenant to conduct its broadcasting activities on the Real Property (including without limitation, for placement of satellite earth stations or generators as necessary for operation of the Station), and for purposes of Tenant's installation, removal, servicing, maintenance and repair of the Antenna and Tenant's Equipment (subject to the provisions of Articles IV and V hereof) and the installation of utilities necessary for Tenant's operations at the Premises by Tenant, its agents and contractors, or the appropriate utility and its agents and contractors.

All of the specified space and premises granted to Tenant under this Article are hereinafter collectively referred to as the "Leased Premises." Landlord represents, warrants and covenants to Tenant that it has and shall maintain all necessary underlying rights in and to the Premises sufficient for Tenant to enjoy its rights to the Leased Premises as set forth above for the Term of this Lease. Tenant's use of the Leased Premises shall be limited to broadcasting activities associated with the current or future broadcast operations of the Station.

## ARTICLE II

### TERM

(a) Term. Tenant shall lease the Leased Premises for a term commencing at 12:01 a.m. on \_\_\_\_\_, 2005 and thereafter for a term of ten (10) years (the "Initial Term"). At Buyer's election, there shall be three (3) renewal terms for a term of ten (10) years (each a "Renewal Term"). The Initial and any and all Renewal Terms shall be referred to here in as the "Term" and shall be subject to all of the terms and conditions set forth in this Agreement.

(b) Holding Over. If Tenant or anyone claiming under or through Tenant to have rights in the Leased Premises under this Agreement shall remain in possession of the Leased Premises or any part thereof after the expiration or earlier termination of the Term, without any agreement in writing between the Landlord and Tenant with respect thereto, prior to acceptance of Rent (as defined herein) by Landlord, the person remaining in possession shall be deemed a tenant at sufferance, and, after acceptance of Rent by Landlord, the party remaining in possession shall be deemed a tenant from month-to-month, subject to the provisions of this Agreement. The Rent during any such period shall equal one hundred fifty percent (150%) of the Rent in effect immediately preceding such expiration or earlier termination of the Term.

(c) Non-Disturbance. Landlord represents that neither this Agreement nor Tenant's interest in the Leased Premises will be subordinate to any other interest unless the party holding such interest agrees in writing with Tenant not to disturb Tenant's rights under this Agreement for so long as Tenant is not in default hereunder beyond applicable notice and cure periods. Landlord further represents that it has not mortgaged or otherwise granted a security interest in the Premises, and that no consents are required for it to enter into this Agreement and perform its obligations hereunder.

### ARTICLE III

#### RENT AND OTHER COSTS

(a) Rent and Other Payments. The annual rent (the "Rent") for the Initial Term of this Agreement shall be Three Hundred Dollars (\$300) per year. In the event that, the Buyer elects to renew this Agreement, at the commencement of each Renewal Term, the monthly rent shall escalate by thirty percent (30.0%) and shall remain fixed at that amount throughout the Renewal Term .

(b) Personal and Real Property Taxes. Tenant shall be liable for and shall pay all taxes levied against the personal property owned by it on or about the Leased Premises, including, but not limited to, all of Tenant's Equipment. Tenant shall pay its proportionate share of all real property taxes and general and special assessments levied and assessed against the Leased Premises, including, but not limited to, all improvements of which the Leased Premises are a part, within ten (10) days after receipt of written demand for payment from Landlord.

## ARTICLE IV

### USE OF LEASED PREMISES

(a) Use of Tower Space. Tenant shall use the Tower Space only for the installation, operation and maintenance of the Antenna and Tenant's Equipment, but including any subsequent Antenna and Tenant's Equipment authorized by the FCC, and for purposes reasonably necessary to Tenant's broadcasting activities, as further set forth in (b) below. Any antenna or any of Tenant's Equipment to be installed on the Tower other than the specific items described in Exhibit E shall be subject to Landlord's prior written approval, which shall not be unreasonably withheld or delayed and shall be negotiated in good faith between Landlord and Tenant. Any and all direct costs incurred by Landlord due to changes in the Antenna and Tenant's Equipment shall be reimbursed by Tenant within ten (10) days after demand for payment is made. The Antenna and any of Tenant's Equipment, including, but not limited to, any of the Tenant's transmission lines placed on the Tower, shall be tagged by Tenant with the Tenant's name and address, and the Station's call letters and frequency.

(b) Modification of the Antenna and Tenant's Equipment. Tenant shall have the right, at its own cost and expense, to make such changes, repairs, alterations and additions to the Antenna and Tenant's Equipment as its operations may reasonably require, including the renovation, replacement or removal of the Antenna, substitution of a directional antenna, or increase in power or change of frequency of the Station's broadcast signal; provided, however, that (i) such changes or alterations must be in compliance with standards of good engineering practice and, if necessary, approved by the FCC and all other applicable governmental authorities; and (ii) plans and specifications are first submitted to and approved in writing by Landlord, provided such approval shall not be unreasonably withheld or delayed and shall be negotiated in good faith between Landlord and Tenant. Landlord shall either approve or reject Tenant's proposed changes in writing within ten (10) days of receipt by Landlord of notification of said changes, and shall provide specific reasons if the changes are rejected. Tenant shall give Landlord no fewer than ten (10) days advance written notice of any maintenance or modification of the Antenna or Tenant's Equipment. Such maintenance or installation work may require the cessation of operations of other tenants or users on the Tower, and Landlord will reasonably cooperate with Tenant as to the schedule requested by Tenant.

(d) Contractors. Unless Tenant employees perform such work, Tenant shall contract with a contractor mutually reasonably acceptable to both Tenant and Landlord for any material modification of the Antenna and Tenant's Equipment. If contractors proposed by Tenant are not acceptable to the Landlord, in Landlord's reasonable discretion, Landlord will provide Tenant with a list of acceptable contractors. All construction and installation work on the Tower by, through or on behalf of Tenant shall be (i) performed in accordance with plans and specifications and by Tenant employees or by contractors and riggers all reasonably satisfactory to both Tenant and Landlord, (ii) shall be subject to Landlord's reasonable requirements as to the circumstances, timing and sequence of such work, and (iii) shall be conducted in accordance with applicable building codes. Prior to the commencement of any such work by contractors, Tenant shall cause such contractors or riggers to obtain insurance affording minimum protection of not less than One Million Dollars (\$1,000,000) with respect to personal injury or death to any one person, of

not less than Two Million Dollars (\$2,000,000) with respect to personal injury or death to any two (2) or more persons, and of not less than One Million Dollars (\$1,000,000) for property damage. At Landlord's request, certificates of insurance conforming to the requirements of Article VI(b) shall be provided to Landlord prior to commencement of any such work.

(e) Tenant's General Responsibility. The Antenna and Tenant's Equipment shall be and remain the property of Tenant. Tenant shall be fully responsible for the replacement, maintenance, modification, rearrangement and removal of the Antenna and Tenant's Equipment installed on or about the Leased Premises, and Landlord shall have no responsibility thereof. Tenant shall keep the Antenna and all Tenant's Equipment in a safe and proper working condition at all times and in compliance with all applicable statutes, rules, regulations, orders and directives of the FCC, any other governmental authority and other standards pertaining thereto and pertaining to the Leased Premises. The manner of use of the Antenna and Tenant's Equipment and devices to be used for any installation, relocation and removal thereof, must be consistent with standards of good engineering practices and with the quiet and uninterrupted use and occupancy of the Premises by Landlord and other tenants and users thereof.

(f) Repairs. Tenant shall, at Tenant's expense, keep the Leased Premises in good order, condition and repair, and Tenant shall promptly and adequately repair all damage to the Leased Premises caused by its acts or failure to act, under the supervision and with the approval of Landlord, and within any reasonable period of time specified by Landlord. If Tenant does not do so, Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof forthwith upon being billed for same.

(g) Access to Tower. Tenant shall have a right of access to the Tower for inspection, repair, maintenance and replacement of the Antenna and Tenant's Equipment; provided, however, that (except as may be provided elsewhere in the Agreement) such access and activities shall not unreasonably interfere with the use of the Tower by Landlord or by any other tenant or user, or interrupt or otherwise adversely affect the continued broadcast operation of Landlord or any other tenant or user. Landlord shall have a right of access to the Tower; provided, however, that (except as may be provided elsewhere in this Agreement) such access and activity by Landlord shall not unreasonably interfere with the use of the Tower by Tenant, or interrupt or otherwise adversely affect the Tenant's broadcasting activities.

(h) No Nuisance. Tenant shall not use any portion of the Leased Premises in any manner that constitutes or might constitute waste, nuisance or any other annoyance or disturbance of other tenants or users of the Leased Premises (including Landlord). Tenant shall not do or permit to be done, on or about the Leased Premises, any act that (i) violates any governmental rules or regulations, (ii) invalidates or conflicts with any provision of any insurance policy covering the Leased Premises, (iii) results in a refusal by a reputable casualty insurance company to insure the Leased Premises in amounts reasonably satisfactory to Landlord, (iv) causes any increase in the casualty insurance rates applicable to the Leased Premises, or (v) subjects Landlord to any liability or responsibility for injury to any person or property by reason of Tenant's operations on or about the Leased Premises.

(i) Necessary Permits. Tenant, at its own cost and expense, shall obtain and maintain

in effect any and all permits, licenses and approvals that may be required with respect to the Antenna and Tenant's Equipment or its broadcasting activities by each governmental authority having jurisdiction over its operation.

## ARTICLE V

### TOWER AND MAINTENANCE

(a) Maintenance of Tower. During the Term, Landlord will maintain the Tower in compliance with existing rules and regulations imposed by the FCC and any other governmental authority having jurisdiction over its operation, and make any repairs and modifications reasonably necessary to maintain the same in good condition and in compliance with standards of good engineering practices. Tenant shall reimburse Landlord, when invoiced by Landlord, for the reasonable cost of any repairs or modifications occasioned by: (i) the negligence of Tenant, its agents, servants, employees, contractors or invitees; (ii) a defect or malfunction in, or problem with, Tenant's Equipment or the Antenna; (iii) any safety hazard or violation of any applicable statute, rule, regulation, order, directive or standard relating to, in or caused by Tenant's Equipment or the Antenna; (iv) changes or improvements requested by Tenant; or (v) any violation or breach of any provision of this Agreement by Tenant or anyone acting under or through Tenant or on behalf of Tenant. In the performance of Landlord's obligation to maintain and repair the Tower and equipment on the Tower, it may be necessary from time to time for Landlord to request that Tenant temporarily cease transmission and broadcasting activities, to turn off electrical power and to make other adjustments to the Antenna, Tenant's Equipment and Tenant's general broadcast operations. Landlord agrees to make reasonable efforts to minimize any inconvenience or possible loss or expense to Tenant, including to perform routine maintenance during nighttime (2AM to 5AM) hours to the extent feasible, and to notify Tenant in advance of any scheduled maintenance or repair activities that would reasonably affect Tenant's broadcast operations from the Tower. Tenant agrees, upon request of Landlord, to cease transmission at its main or auxiliary antenna, or reduce power, in the event that Landlord reasonably determines that any of these actions is required in order to perform maintenance or repairs to the Tower.

## ARTICLE VI

### INDEMNITY; TENANT REMEDIES; INSURANCE; ENVIRONMENTAL MATTERS

(a) Indemnification by Tenant.

(i) Conditions. Tenant hereby assumes all risk of and responsibility for, and agrees to defend, indemnify and hold harmless Landlord, its officers, directors, employees and agents (collectively, the "Indemnified Landlord Parties") from and against any and all claims, demands, suits and proceedings made or commenced by any party against any of the foregoing, for loss of life, personal injury, loss or damage to property or other damage (other than ordinary wear and tear) caused by (a) the use of the Tower, the Leased Premises or the Premises by Tenant, its agents, servants, employees or invitees, or (b) the performance of or carrying out by Tenant of any of the terms and conditions hereof, or (c) the failure of Tenant to perform any

term, covenant or condition required to be performed by Tenant hereunder, or (d) any damage or injury that may occur as a result of any unsafe condition, or of any negligent installation or maintenance of Tenant's Equipment or the Antenna to the extent such condition or installation or maintenance is the responsibility of Tenant hereunder, or (e) failure by Tenant to comply with any applicable statute, rule, regulation, order or other standard pertaining to the use or installation of the Antenna and Tenant's Equipment; and in all events from and against any and all judgments, recoveries, settlements, costs, expenses and losses that may be incurred by the Indemnified Landlord Parties as a result of any such claim, demand, suit or proceeding, including, but not limited to, attorneys fees, court costs and expenses incurred in responding to or defending any such claim, demand, suit or proceeding.

(ii) Notice. If any suit or proceeding shall be instituted against the Indemnified Landlord Parties for which indemnification would be required under the provisions of this Article, Landlord shall, with reasonable promptness, give written notice of same to Tenant. Subject always to Tenant's demonstration to Landlord's reasonable satisfaction of Tenant's continuing financial capacity to respond to any resulting indemnity obligations hereunder Tenant shall have the right to assume the defense of the case at Tenant's sole and separate expense; provided, however, that, at Landlord's expense, Landlord shall be entitled to designate counsel of its choosing to associate with Tenant's counsel in the defense of said proceeding. Landlord shall cooperate fully in all respects with the Tenant in any defense, compromise or settlement, including, without limitation, providing Tenant with all pertinent information under the control of Landlord. If after such notice Tenant does not assume control of such defense, Tenant shall nevertheless be kept informed and be consulted by Landlord with respect to the litigation but shall be bound by the results obtained by Landlord insofar as the claim against Landlord is concerned.

(b) Indemnification by Landlord. Landlord agrees to defend, indemnify and hold harmless Tenant, its officers, directors, employees and agents (collectively, the "Indemnified Tenant Parties") from and against any and all claims, demands, suits and proceedings made or commenced by any party against any of the foregoing, for loss of life, personal injury, loss or damage to property or other damage that occurs as a result of Landlord's gross negligence or willful misconduct; and in all events from and against any and all judgments, recoveries, settlements, costs, expenses and losses that may be incurred by the Indemnified Tenant Parties as a result of any such claim, demand, suit or proceeding, including, but not limited to, reasonable attorneys' fees, court costs and expenses incurred in responding to or defending any such claim, demand, suit or proceeding.

(c) Tenant's Additional Remedies. In recognition of the fact that Tenant has provided substantial consideration for this Agreement as of the execution hereof by the parties, Landlord agrees to the following Tenant remedies with respect to a breach by Landlord of its obligations hereunder:

(i) Specific Performance. Landlord acknowledges that the Tower is a unique asset not readily available on the open market and that in the event Landlord fails to perform its obligation to consummate the transaction contemplated hereby, irreparable harm may occur to Tenant as to which money damages alone will not be adequate to compensate Tenant for its

injury. Landlord therefore agrees and acknowledges that in the event of Landlord's failure to perform its obligations under this Agreement, Tenant shall be entitled to specific performance of the terms of this Agreement, provided, however, that such action for specific performance shall not be deemed to limit or preclude Tenant's right to any other remedy that may be available at law or in equity. If any action is brought by Tenant's right to enforce this Agreement, Landlord shall waive the defense that there is an adequate remedy at law.

(ii) Liquidated Damages. Landlord acknowledges that among the damages that may be incurred by Tenant in the event of a Landlord breach of this Agreement during the Term causing Tenant to exercise a right to terminate this Agreement or causing Tenant to be dislocated from its Leased Premises hereunder is the cost and expense to Tenant of obtaining a suitable tower lease at another facility, potentially having to build another facility, and moving its equipment and operation to such facility. In the event that Tenant is caused to leave the Leased Premises hereunder during the Term for any reason arising from a Landlord breach of its obligations hereunder, Landlord shall pay to Tenant, as liquidated damages, the sum of One Hundred Thousand Dollars (\$100,000), as relocation expenses. This liquidated damages provision is without prejudice to any Tenant action for specific performance, nor any other action by Tenant to recover direct or consequential damages from Landlord for matters other than relocation expenses, but represents the parties' reasonable estimate of Tenant relocation expenses.

(d) Workers' Compensation Insurance. Before commencing any maintenance or replacement work or removal on or about the Leased Premises, Tenant shall procure and thereafter maintain at Tenant's expense workers' compensation insurance coverage with a responsible insurance company, qualified to do business in the State of Mississippi, reasonably acceptable to Landlord. Said insurance shall provide for the payment of compensation in accordance with the laws of the State of Mississippi for all workers hired or employees employed by Tenant or its contractors or subcontractors, and shall further insure against any and all liability for personal injury or death of such workers and employees.

(e) Tenant's Liability Insurance. Tenant shall procure and maintain, at Tenant's expense, throughout the Term, a policy or policies of comprehensive general liability insurance, with contract liability coverage, with respect to all of Tenant's operations and activities on or about the Leased Premises, including, but not limited to, operations of contractors and the operation of vehicles and equipment and negligence of Tenant, and naming Tenant as insured and Landlord as an additional insured, fully paid in advance, issued by and binding upon a responsible insurance company qualified to do business in the State of Mississippi and reasonably satisfactory to Landlord. Such insurance shall afford minimum per occurrence protection of not less than One Million Dollars (\$1,000,000) with respect to personal injury or death to any one person, of not less than Two Million Dollars (\$2,000,000) with respect to personal injury or death of any two or more persons, and of not less than Two Million Dollars (\$2,000,000) for property damage. The foregoing policy limits shall not constitute a limitation of liability or waiver of claims by Landlord or any third party. Prior to any use or occupancy of the Leased Premises, including, but not limited to, performance of any work on the Leased Premises, and thereafter prior to the expiration of any applicable policy or the performance of any work, Tenant shall, at Landlord's request, deliver to Landlord a certificate of insurance for

each insurance policy required in this Article. Further, Tenant shall procure and maintain in force and effect throughout the Term, a fire insurance policy with extended coverage insuring the Antenna and Tenant's Equipment and all other property owned by Tenant and located on or about the Leased Premises for full replacement value.

(f) Landlord's Right to Procure Liability Insurance. If Tenant shall fail to procure or maintain the insurance policies required in this Article or shall fail to cause its contractors or subcontractors to procure and maintain such insurance policies, Landlord may, but it shall not be obligated to, procure and maintain such policies at Tenant's expense. Landlord shall promptly notify Tenant of its procurement and/or maintenance of such coverage. Any amounts so paid by Landlord shall be due from Tenant to Landlord within ten (10) days after Tenant's receipt of Landlord's written demand.

(g) Environmental Matters.

(i) Definitions. For the purposes of this Article VI(f), the following terms are defined as follows:

(a) Environmental Law means any federal, state or local laws, statutes, codes, regulations, rules, ordinances or judicial or administrative orders or decrees pertaining to either (1) the use, handling, storage, transportation and disposal of Hazardous Material, or (2) the protection of human health and the environment.

(b) "Hazardous Material" means any hazardous or toxic substance, product, material or waste which is or becomes regulated by the United States government, the State of California or any local governmental authority. The term "Hazardous Material" includes (1) any substance, product, waste or other material of any nature whatsoever which is or becomes listed, regulated, or addressed pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. 1801 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq.; the Toxic Substances Control Act, 15 U.S.C. 2601 et seq.; or the Federal Water Pollution Control Act, 33 U.S.C. 1251 et seq.; (2) "medical waste" as defined by law; (3) "radioactive waste" as defined by law; (4) petroleum, and (5) asbestos.

(ii) Negative Covenants. Except as specifically set forth in this Article VI(f), neither Landlord nor Tenant shall:

(a) Discharge, leak or emit, or permit to be discharged, leaked or emitted, any Hazardous Material in, on or about the Leased Premises or anything therein or thereon;

(b) Permit any machine or equipment in, on or about the Leased Premises or anything therein or thereon to emit exhaust which is in violation of any Environmental Law;

(c) Create, or permit to be created, any sound pressure level which

will interfere with the quiet enjoyment of any area of the Leased Premises, or which will create a nuisance or violate any governmental law, statute, rule, regulation, ordinance or other requirement;

(d) Other than the transmission and broadcast of signals in accordance with this Agreement, transmit, receive or permit to be transmitted or received, any electromagnetic, microwave or other radiation which is harmful or hazardous to any person or property in, on or about the Leased Premises or anything therein or thereon or elsewhere;

(e) Create, or permit to be created, any vibration that is reasonably discernible outside the Leased Premises; or

(f) Use, store, dispose of, release or permit to remain in, on or about the Leased Premises or anything therein or thereon any Hazardous Material.

## ARTICLE VII

### RISK OF LOSS; LOSS OF USE

Tenant shall assume the full risk of loss from any and all causes for the Antenna and all of Tenant's Equipment located or installed on or about the Leased Premises. Landlord shall have no responsibility and shall not be liable for damage or destruction thereto, or for losses resulting from any such damage or destruction, except in the case of Landlord's willful misconduct or gross negligence. Landlord shall not be liable to Tenant or anyone claiming under or through Tenant for any loss or damage caused by (i) the acts or omissions of any other tenants or users of the Premises (or any portion thereof), except with respect to the consequences of Landlord's failure to enforce covenants with respect to Interference as provided under Article XV or (ii) the malfunctioning or interruption of any service, utility, facility or installation supplied by Landlord or any other party, except in each case such loss or damage is due to Landlord's willful misconduct or gross negligence.

## ARTICLE VIII

### DESTRUCTION OR DAMAGE TO TOWER

(a) Damage to Tower. If the Tower or Building shall, with or without fault of the Landlord, by any cause, be totally or partially destroyed or damaged so as to cause the substantial diminution of Tenant's signal coverage area from the Antenna or substantial obstruction to Tenant's broadcast operations due to damage to the Building, Landlord shall rebuild, repair or replace the Tower and/or Building within 180 days after destruction or damage thereof, but may do so only to the extent necessary to allow Tenant to resume its broadcasting activities to at least the same signal coverage area and without obstruction to its broadcast operations as prior to such destruction or damage and to put the Tower and/or Building in such condition as will comply with all of the terms and conditions of this Agreement; provided, that in no event shall Landlord be responsible for any delay which may result from governmental

regulations, inability to obtain labor or materials or any other cause beyond Landlord's reasonable control. During the period of reconstruction, this Agreement shall remain in force and effect, except that Tenant's obligation to pay Rent shall cease and shall not resume again until such time as Tenant is notified by Landlord that Tenant may resume Tenant's broadcasting activities.

(b) Conditions Under Which Tenant May Terminate Agreement. If Landlord has not, within sixty (60) days after the date of damage or destruction to the Tower, commenced its repair or reconstruction of the destruction or damage to the Tower to the extent necessary to allow Tenant to conduct broadcasting activities within a period of 180 days from and after the date of such destruction or damage, Tenant may, at its option, terminate this Agreement by written notice to Landlord, in which event Tenant shall be released from any further obligations hereunder but shall be entitled to liquidated damages provided under Section 6(c)(ii) hereof.

(c) Insurance and Proceeds. In order that Landlord may satisfy the obligation set forth in Section 8(a) above, Landlord shall maintain and renew for the duration of this Agreement, property, casualty and liability insurance with respect to the Tower and the Building in at least the full amount of the cost to repair, reconstruct or replace the Tower as required in Section 8(a). The proceeds of any insurance which may be collected by Landlord on account of any such damage or destruction shall be the sole property of the Landlord, provided, that Landlord shall dedicate such proceeds to reconstructing the Tower and Building, unless Tenant has exercised its election under (b) above, in which event the proceeds shall first be applied to payment of liquidated damages to Tenant.

## ARTICLE IX

### DEFAULT

(a) Default and Remedies. The following events shall constitute "Tenant's Default":

(i) Tenant abandons the Leased Premises and discontinues payment of Rent; provided, however, that in the event Tenant abandons the Leased Premises but continues to pay Rent and any other monies due and payable hereunder in a timely manner, Tenant shall not be deemed to be in default under this Agreement;

(ii) Failure to pay Rent, or any other monies due and payable hereunder, said failure continuing for a period of ten (10) days after written notice thereof from Landlord to Tenant;

(iii) The filing of a voluntary petition in bankruptcy by Tenant, the filing of a petition, voluntary or involuntary, for reorganization, or the filing of an involuntary petition by Tenant's creditors, said petition remaining undischarged for a period of sixty (60) days. Notwithstanding the foregoing, this paragraph shall not apply during the Term or if Tenant continues to make timely payments of Rent to Landlord during the Term;

(iv) Receivership, attachment, or other judicial seizure of substantially all of

Tenant's assets on or about the Leased Premises, such attachment or other seizure remaining undismissed or undischarged for a period of sixty (60) days after the levy thereof; and

(v) Failure in the performance of any of Tenant's material covenants, agreements or obligations hereunder, which failure continues for thirty (30) days after written notice thereof from Landlord to Tenant specifying the nature of said failure in detail, provided, that if Tenant has commenced and is diligently pursuing a cure of such failure, Tenant shall be afforded such additional time to complete such cure as is reasonable under the circumstances.

(b) Lien or Encumbrance. It shall be the responsibility and obligation of Tenant to pay all taxes imposed upon, or assessed with respect to, the Antenna and Tenant's Equipment. Tenant shall not allow any lien or encumbrance to be placed against Landlord's property, including, but not limited to, the Tower for failure to pay any such tax or for failure to pay any other debt finally resolved in judicial proceedings to be due, whether or not such person be a taxing authority or other creditor. Tenant, at its expense, promptly shall take all action necessary to obtain the release of any such lien or encumbrance. Any such taxes or other indebtedness may be contested in good faith if, and so long as, Tenant shall post a bond against such tax lien or indebtedness in form and from a surety reasonably acceptable to Landlord and enforcement of any claim or taxes for loss or forfeiture of the property in question shall be effectively stayed. Upon the occurrence and continuation of a violation by Tenant under the provisions of this Article IX(a), Landlord, in its sole and absolute discretion, after giving not less than seven (7) days' written notice to Tenant, shall have the right to pay any such tax and remove such lien or encumbrance on Landlord's property including, but not limited to, the Tower, and any amounts so paid by Landlord together with any reasonable expenses, including attorney's fees, incurred by Landlord in connection therewith, shall be reimbursed by Tenant within ten (10) days of demand.

## ARTICLE X

### LANDLORD'S REMEDIES

In the event of any Tenant's Default, then in addition to any other remedies available to Landlord at law or in equity and under this Agreement, Landlord shall have the following remedies:

(a) Termination for Breach. Landlord shall have the right to terminate this Agreement and all rights of Tenant hereunder by giving written notice of such intention to terminate. In the event that Landlord shall elect to so terminate this Agreement, then Landlord may recover from Tenant:

(i) the worth at the time of termination of any unpaid Rent for the Term, and any other sums due and payable which have been earned at the time of such termination; and

(ii) such reasonable attorneys' fees incurred by Landlord as a result of a Tenant Default and costs in the event suit is filed by Landlord to enforce such remedy.

(b) Re-entry. In the event of any Tenant's Default, Landlord, if Landlord terminates

the Agreement, shall also have the right, in compliance with applicable law, to re-enter the Leased Premises and remove all persons and property from the Leased Premises including, but not limited to, the Antenna and Tenant's Equipment. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant or the Landlord may sell such property at a public or private sale upon ten (10) days' notice to Tenant and apply the proceeds thereof, after payment of all expenses or removal, storage and sale, to the indebtedness, if any, of Tenant to Landlord, the surplus, if any, to be paid to Tenant upon demand. Landlord shall have no liability for any damage to Tenant's property during such removal and storage, or the value, accounting, preservation or safekeeping of such property.

(c) Reletting. In the event Tenant abandons the Leased Premises and discontinues payment of Rent, or in the event that Landlord shall elect to re-enter as provided in Article X(b) or shall take possession of the Leased Premises pursuant to legal proceeding or pursuant to any notice provided by law, then if Landlord does not elect to terminate this Agreement as provided in Article X(a), Landlord may, from time to time without terminating this Agreement, relet the Leased Premises or any part thereof for such term or terms and at such rental or rentals and upon such other terms and conditions as Landlord, in its sole discretion, may deem advisable with the right to make necessary alterations or repairs to the Leased Premises. In the event that Landlord shall elect to so relet the Leased Premises, then rentals received by Landlord from such reletting shall be applied in the following order: (i) to reasonable attorneys' fees incurred by Landlord as a result of a Tenant's Default and costs in the event suit is filed by Landlord to enforce such remedies; (ii) to the payment of Rent due and unpaid hereunder; (iii) to the payment of any costs of such reletting; (iv) to the payment of the reasonable cost of any necessary alterations or necessary repairs to the Leased Premises; and (v) the residue, if any, shall be held by Landlord and applied in payment of future Rent and other sums payable by Tenant hereunder as the same may become due and payable hereunder. Should that portion of such rentals received from such reletting during any month, which is applied to the payment of Rent hereunder, be less than the Rent payable during the month by Tenant hereunder, then Tenant shall immediately pay such deficiency to Landlord. Such deficiency shall be calculated by Landlord and paid by Tenant monthly. Tenant shall also pay to Landlord, as soon as ascertained, any reasonable costs and expenses incurred by Landlord in such reletting or in making such alterations and repairs not covered by the rentals received from such reletting.

(d) Cumulative Remedies. The remedies herein provided are not exclusive and Landlord shall have any and all other remedies provided herein or by law or in equity.

(e) No surrender. No act or conduct of Landlord shall be deemed to be or constitute an acceptance of the surrender of the Leased Premises by Tenant prior to the expiration of the Term, and such acceptance by Landlord of surrender by Tenant shall only flow from and must be evidenced by a written acknowledgment of acceptance of surrender signed by Landlord.

## ARTICLE XI

### RIGHT OF QUIET ENJOYMENT

Except if Tenant encounters interference as described at Article XV hereof, over which

Landlord has no immediate control, Landlord covenants that Tenant shall be placed in possession of the Leased Premises at the Commencement Date, and that during the Term, Tenant, having paid, or during the Term paying the herein stipulated Rent and performing all of the terms and conditions of this Agreement, shall peaceably hold and enjoy the Leased Premises without hindrance or interruption by Landlord.

## ARTICLE XII

### CONDEMNATION AND DISMANTLING

(a) Condemnation. If the Leased Premises, or any part or portion thereof, are condemned, or taken, or ordered dismantled, by any governmental authority, agency or entity, which makes the transmission facilities unusable for Tenant's broadcasting activities, and if, in the case of a taking of less than all of the Leased Premises, within thirty (30) days after possession is taken by such condemning authority, Landlord does not notify Tenant that it will restore the remaining portions of the Leased Premises so as to permit Tenant to resume its broadcasting activities within six (6) months, then this Agreement shall terminate from the time possession is taken by the condemning authority, or dismantling is begun, as the case may be. If Tenant is not entitled to terminate this Agreement, the Agreement will continue in full force and effect except that Rent during the Term will be reduced in proportion to the amount of space unavailable to Tenant as a result of the taking or condemnation.

(b) Condemnation Award. With respect to the condemnation of all or any portion of the Leased Premises causing Tenant's broadcast operations to no longer be feasible on the Tower and the Leased Premises, Tenant shall be entitled recover from any such condemnation award received by Landlord up to the liquidated damages provided under Section 6(c)(ii) hereof.

(c) Modification of Leased Premises. Should any governmental authority order or direct Landlord to make any alteration to the Leased Premises, any delay, disruption or hindrance caused to Tenant, its broadcasting activities, transmission or business, occasioned thereby, shall not affect or impair Tenant's obligation to pay Rent hereunder; except that if Tenant is unable to conduct its broadcasting activities as a result of such alteration for more than thirty (30) days, its obligation to pay Rent hereunder shall be temporarily suspended. Such required alterations shall be made by Landlord as promptly as reasonably possible; provided that the costs of any such alterations to the Tower or any portion of the Leased Premises shall be reimbursed by Tenant on a pro rata basis among all users of the Tower. Notwithstanding the foregoing, Tenant shall have the right to terminate this Agreement and be paid liquidated damages as provided under Section 6(c)(ii) hereof, if Landlord is unable to restore the Leased Premises to the same, or substantially the same, condition within six (6) months of the date on which Landlord receives notice from a governmental authority to make such alterations.

## ARTICLE XIII

### REMOVAL OF EQUIPMENT

At any time during the Term, and upon expiration or termination of this Agreement,

Tenant, if not in default hereunder, shall have and is hereby granted the right to dismantle, disconnect and remove, at Tenant's sole expense and in accordance with Article IV(g), the Antenna and any and all of Tenant's Equipment which may be installed on or about or connected to the Tower or the Leased Premises. If Tenant shall not have removed the Antenna and Tenant's Equipment within thirty (30) days of the termination of this Agreement, the Antenna and Tenant's Equipment shall be considered to be abandoned by Tenant and become the property of Landlord. All reasonable expenses incurred by Landlord in effecting such removal shall be paid by Tenant when invoiced.

#### ARTICLE XIV

##### SURRENDER OF PREMISES

Upon any termination of this Agreement, by expiration, lapse of time or otherwise, and at Landlord's request, Tenant shall immediately vacate the Leased Premises and surrender the Leased Premises in good condition and repair (reasonable wear and tear and damage by any casualty not caused by Tenant excepted) and Tenant shall immediately vacate the Tower Space and remove the Antenna and all trade fixtures, movable furniture, furnishings, ornamentation, equipment (including transmitters, waveguides, cables, and any and all items of any nature installed in or affixed to the Leased Premises by Tenant in connection with performing broadcasting functions) and all of the Tenant's Equipment from the Tower and any other portion of the Leased Premises and shall repair at Tenant's expense all damage caused to the Tower and any other portion of the Leased Premises on account of such removal.

#### ARTICLE XV

##### INTERFERENCE

(a) Transmission Interference. Tenant acknowledges and agrees that at no time during the Term shall the Antenna and Tenant's Equipment cause any interference to the operations of Landlord or other prior users or tenants of the Tower. If the Antenna and Tenant's Equipment or operations cause any interference with the equipment or operations of Landlord or other prior users or tenants, Tenant will, upon demand by Landlord, immediately take all reasonable steps necessary to correct or eliminate such interference. If such interference cannot be corrected or eliminated immediately, Tenant shall, at its cost, either cease the use of the Antenna and Tenant's Equipment causing such interference until the interference is corrected, or remove the Antenna and Tenant's Equipment from the Tower, and at Tenant's option, install alternative equipment approved by Landlord which does not cause interference, subject to the other terms and conditions hereof. If Tenant fails to take immediate corrective action after receiving notice of interference, Landlord may, without prejudice to any other remedies available to Landlord, take such action as is necessary, in Landlord's reasonable discretion, to eliminate the interference, and Tenant shall be liable for, and shall pay to Landlord on demand, all costs and damages caused by Tenant's interference and the resulting corrective action. For purposes of this Agreement, interference shall be deemed to exist if there is any impairment of the quality of the signals received or transmitted by Landlord, Tenant, or any other tenant or user of the Tower.

(b) Interference to Tenant. Landlord will prevent any subsequent user or tenant (i.e. any party that occupied the Tower or modified its facilities after Tenant's initial use thereof) of the Tower from installing, operating or using any antenna or equipment at a location or in a manner that interferes with Tenant's transmissions from the Antenna and Tenant's Equipment on the Tower. Upon notice from Tenant, Landlord will use diligent effort to cause any such interference to be cured, including the termination of any such user's transmissions until such interference is cured.

(c) Dispute as to Interference. Any dispute as to whether interference is being caused or as to who is causing such interference, which remains unresolved for longer than seven (7) days, shall be submitted to a consulting electronic engineer. The determination of such consulting electronic engineer shall be final and binding on all parties. The consulting electronic engineer shall be jointly selected by an electronic engineering firm selected by Landlord and by an electronic engineering firm selected by Tenant. The expense of the consulting electronic engineer so selected shall be paid by the party or parties determined to be responsible for causing the interference. If it is determined that all parties are equally responsible for such interference, the expense of the consulting electronic engineer shall be shared equally by such parties as determined to be responsible for causing such interference.

## ARTICLE XVI

### EMERGENCY WORK

(a) Action by Landlord. If circumstances occur, or threaten to occur, from which Landlord may reasonably conclude that damage is likely to occur to the property of Tenant, of Landlord, of any other tenant or users of the Premises, or that substantial threat to life will exist, before agents of Tenant can be advised and respond, Landlord without notice to Tenant, may repair, maintain, de-energize, disconnect or dismantle any or all equipment and/or lines of Tenant and take any other action which, in Landlord's discretion, may appear necessary to rectify such emergency situation, with respect to the Antenna, Tenant's Equipment or any other property of Tenant, or any of Landlord's property, or any property of other tenants or users of the Premises, without any liability whatsoever on the part of Landlord for any damage whatsoever which such action may cause, except in cases of Landlord's gross negligence.

(b) Cost of Repairs. Tenant shall reimburse Landlord for all reasonable costs and expenses incurred by Landlord in performing any work and services under the terms of this Article with respect to the Antenna, Tenant's Equipment, or any other property of Tenant.

## ARTICLE XVII

### CONSTRUCTION LIENS

Tenant shall not permit any mechanic's, laborer's or material men's lien to be filed against the Leased Premises or any part thereof by reason of work, labor, services or materials supplied or claimed to have been supplied to Tenant. If any such lien is at any time filed against the Leased Premises or any part thereof, Tenant, within thirty (30) days after notice of the filing thereof, will cause such lien to be discharged of record by payment, deposit, bond, order of a

court of competent jurisdiction, or otherwise. If Tenant fails to cause such lien to be discharged within the thirty (30) day period, then, in addition to any other right or remedy, Landlord may, but is not obligated to, discharge such lien either by paying the amount claimed to be due or by procuring the discharge of such lien by transferring it to a bond. Any amounts paid by Landlord in obtaining the discharge or transfer of any lien, plus all of Landlord's costs and expenses associated therewith, shall be paid by Tenant to Landlord upon demand. Notwithstanding the foregoing, Tenant has the right to contest the correctness or the validity of any such lien, if prior to the expiration of the thirty (30) day period, Tenant procures a bond meeting the requirements of local law.

## ARTICLE XVIII

### ASSIGNMENT

(a) By Landlord. This Agreement may be assigned by Landlord provided that Landlord's assignee agrees to be bound by the terms and conditions of this Agreement in writing. Landlord agrees that in the event of a sale of the Real Property to a third party, the agreement of sale shall provide as a material condition thereof that the buyer assume this Agreement and perform this Agreement fully according to its terms, and that such obligation shall continue to be in effect as to each successive buyer and seller of the Real Property.

(b) By Tenant. Except as otherwise provided herein, without the prior written consent of Landlord, which shall not be unreasonably withheld, Tenant shall not assign, or sublease, encumber, hypothecate, transfer or otherwise give as security, this Agreement or any interest herein, provided, that Tenant may assign this Agreement to any party which is an affiliate of Tenant or which acquires the assets and FCC licenses of the Station.

## ARTICLE XIX

### UTILITIES

Tenant shall be responsible for furnishing and paying for all gas, fuel, telephone, electricity and all other utility services utilized by Tenant on or about the Leased Premises. Tenant shall arrange for separate metering of all such installations serving the Leased Premises.

## ARTICLE XX

### SUCCESSORS

The terms, conditions and covenants contained in this Agreement shall apply to, inure to the benefit of and be binding upon, the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

## ARTICLE XXI

NOTICES

Whenever any notice is required or permitted hereunder, such notice shall be in writing and shall be deemed duly given if personally delivered to the address of the party to be notified or if deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, as well as by overnight courier, such as Federal Express, addressed to the party to be notified as follows:

If to Landlord to:

Radio Broadcasters, L.L.C.  
P.O. Box 3160  
Meridian, MS 39303  
Attn: Kenneth R. Rainey, Managing Member

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

[Mark N. Lipp, Esq.  
Vinson & Elkins, LLP  
1455 Pennsylvania Ave., NW  
Suite 600  
Washington, DC 20004-1008]

If to Tenant, to:

Educational Media Foundation  
5700 West Oaks Boulevard  
Rocklin, CA 95765  
Attn: Richard Jenkins, President

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

Bryan T. McGinnis, Esq.  
Shaw Pittman  
2300 N Street, NW  
Washington, D.C. 20037  
Telecopier: 202.663.8007

The notices shall be deemed received on the date of delivery to such address if personally delivered or, if mailed, on the date stamped on the return receipt. Either party may change its address for delivery of notice by giving notice of a change of address in compliance with the

terms of this Article.

## ARTICLE XXI

### MISCELLANEOUS

(a) Delays. In any case in which either party hereto is required to do any act (other than make a payment of money), and is unable to do so in a timely fashion due to an act of God, war, civil commotion, fire or other casualty, labor difficulties, general shortage of labor, materials or equipment, governmental regulations or other causes beyond such party's reasonable control, such delay shall not be counted in determining the time when the performance of such act must be completed, whether such time be designated by fixed time, a fixed period of time or a "reasonable time".

(b) Construction of Agreement. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed in accordance with, the laws of the State of Mississippi applicable to agreements made and to be performed in that state. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

(c) Modifications. Any agreement between the parties hereto shall be ineffective in changing, modifying or discharging this Agreement in whole or in part unless such agreement is in writing and signed by both parties to this Agreement. This Agreement supersedes any and all prior or contemporaneous agreements between the parties, whether written or oral, with respect to the subject matter hereof.

(e) Additional Actions. The parties shall cooperate with each other, take any additional action and execute any additional documents necessary or appropriate to accomplish the purposes of this Agreement or to preserve and further the rights of the parties hereunder.

(f) Paragraph Headings. Paragraph headings used in this Agreement are for the convenience of the parties only and shall in no way be used to interpret or construe the agreement of the parties.

(g) Counterparts. This Agreement may be executed in any number of counterparts, any one and all of which shall constitute the Agreement of the parties and each of which shall be deemed an original.

(h) Time is of the Essence. Time is of the essence in the performance of all obligations by Landlord and Tenant under this Agreement.

(i) Authority to Execute. Landlord and Tenant each warrant and represent to the other that the individuals signing this Agreement on behalf of Landlord and Tenant, respectively, have full power and authority to execute, deliver and perform this Agreement and to bind the respective parties hereto, and that upon their respective execution thereof by the

parties, this Agreement shall be a valid and binding Agreement, enforceable according to its terms.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Landlord and Tenant have signed this Agreement as of the day and year first above written.

**LANDLORD:**

**RADIO BROADCASTERS, L.L.C.**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**TENANT:**

**EDUCATIONAL MEDIA FOUNDATION**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**REAL PROPERTY DESCRIPTION**

**EXHIBIT B**

**DESCRIPTION AND DIAGRAM OF TOWER**

**EXHIBIT C**

**DESCRIPTION OF TOWER SPACE**

**EXHIBIT D**

**DIAGRAM OF BUILDING AND BUILDING SPACE**

**EXHIBIT E**

**TENANT'S EQUIPMENT**

**EXHIBIT B**

**PROMISSORY NOTE**

\$ 500,000

\_\_\_\_\_, 2005

FOR VALUE RECEIVED, the undersigned, EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation ( "Maker" ), hereby promises to pay to the order of RADIO BROADCASTERS, L.L.C., a Mississippi limited liability company ( "Holder" ), at P.O. Box 3160, Meridian, MS 39303, or at such other address specified by Holder to Maker, in lawful money of the United States of America and in immediately available funds, the principal amount of FIVE HUNDRED THOUSAND DOLLARS (\$500,000), together with interest accrued thereon in like money.

This Note is issued pursuant to an Asset Purchase Agreement, dated as of April \_\_, 2005, between Maker and Holder (the "Purchase Agreement") relating to Maker's purchase from Holder of substantially all of the assets and licenses of radio station WKNZ(FM), Meridian, Mississippi (the "Station"), and is issued on the closing date of the transaction contemplated by the Purchase Agreement.

The principal of and interest on the Note shall be amortized as if payable over a term of one hundred forty-four (144) months. The loan evidenced by the Note shall bear interest at the rate of six and eighty nine hundredths percent (6.89%) per annum. Maker shall pay monthly, in arrears, installments of principal and interest in the amount of \$5,112.63 each month, commencing on the 30<sup>th</sup> day after the date hereof, and continuing on the same calendar day of each succeeding month for a term of sixty (60) months. On or before the date which is sixty (60) days before the date that is five (5) years after the first payment date under the Note, Holder may notify Maker that all of the remaining principal amount due under the Note shall be due immediately on the fifth anniversary date of the first payment (the "Due Date"), provided, however, that at Maker's election and upon notice from Maker to Holder, Holder and Maker shall negotiate in good faith during the sixty (60) day period to extend the term of the Note on commercially reasonable terms for an additional eighty four (84) months, but if Holder and Maker do not reach agreement on extension of the term, then all principal and interest of the Note shall be payable in full on the Due Date. For the purposes of the foregoing, "commercially reasonable terms" shall be deemed to include an annual interest rate equal to the greater of (a) five percent (5%) or (b) the prime lending rate published in the Wall Street Journal on such anniversary date plus 1.89 percent. If any payment date shall be a day that is not a regular business day, then payment shall be due on the next regular business day thereafter.

Interest shall be calculated on the basis of a year of Three Hundred Sixty-Five (365) days for the actual number of days elapsed, including any time extended by reason of payments falling due on Saturdays, Sundays or legal holidays. Maker may prepay all or any portion of the principal of the Note at any time, and such prepayment shall cause the amount of the monthly payments thereafter to be reduced accordingly.

If any of the following events or conditions (each, an "Event of Default") shall occur:

- (a) Default by Maker in the payment of any installment of principal or

interest on this Note when the same becomes due and payable, which default continues uncured for a period of ten (10) business days after written notice of such default has been given by Holder to Maker;

(b) Maker shall make an assignment for the benefit of creditors, or shall file a voluntary petition in bankruptcy, or shall file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation;

(c) There shall be filed against Maker any petition or application for relief under any bankruptcy or similar law which is not discharged or dismissed within sixty (60) days after the filing of such petition or application; or

(d) Default by Maker under that certain Security Agreement of even date herewith executed by Maker in favor of Holder, which default continues uncured within the applicable cure period set forth therein;

(e) The transfer or assignment of the license issued by the Federal Communications Commission for the operation of the Station, unless the net proceeds (purchase price minus costs of sale) of such sale are paid to Holder at the closing of such transaction, and such net proceeds are sufficient to extinguish the entire debt at that time;

then, and in any such event, Holder may at any time, by written notice to Maker, declare the entire amount of all principal and interest remaining unpaid on this Note due and payable, whereupon the same shall forthwith become due and payable.

Maker will pay to Holder, on demand, all reasonable costs and expenses which Holder incurs to enforce this Note or to otherwise collect any amounts due Holder under this Note, including, without limitation, reasonable attorneys' fees and expenses, irrespective of whether litigation is commenced, and, if litigation is commenced, all court costs and reasonable expenses of Holder in connection therewith.

All notices and other communications provided for under this Note shall be in writing and shall be deemed effectively given or delivered upon personal delivery (or refusal thereof), or twenty-four (24) hours after facsimile transmission or 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 Holder, to:

Radio Broadcasters, L.L.C.  
P.O. Box 3160  
Meridian, MS 39303  
Attn: Kenneth R. Rainey, Managing Member

with a copy (which shall not

constitute notice) to:

Mark N. Lipp, Esq.  
Vinson & Elkins, LLP  
1455 Pennsylvania Ave., NW  
Suite 600  
Washington, DC 20004-1008

If to Maker, to:

Educational Media Foundation  
5700 West Oaks Boulevard  
Rocklin, CA 95765  
Attn: Richard Jenkins, President

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

David D. Oxenford, Esq.  
Shaw Pittman LLP  
2300 N Street, N.W.  
Washington, D.C. 20037  
Fax: (202) 663-8007

This Note is secured by the terms of a certain Security Agreement of even date herewith and executed by Maker in favor of Holder, and upon the occurrence of an Event of Default Holder may exercise all rights and remedies set forth in said Security Agreement.

This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought. This Note shall be governed by the laws of the State of Mississippi. Maker hereby waives presentment, demand for payment, notice of dishonor and any and all other notices or demands in connection with the delivery, acceptance, performance, default or enforcement of this Note.

*[Rest of page intentionally left blank; signatures to follow]*

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

**EDUCATIONAL MEDIA FOUNDATION**

By: \_\_\_\_\_  
Richard Jenkins  
President

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT C**

**SECURITY AGREEMENT**

THIS SECURITY AGREEMENT, dated as of \_\_\_\_\_, 2005, is by and between EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation ("Debtor"), and RADIO BROADCASTERS, L.L.C. a Mississippi limited liability company ("Secured Party").

Concurrently herewith, and in accordance with that certain Asset Purchase Agreement, dated as of April \_\_, 2005 (the "Purchase Agreement"), entered into by and between Debtor and Secured Party pursuant to which Debtor agreed to purchase from Secured Party the Assets and licenses used in the operation of radio station WKNZ(FM), Collins, Mississippi (the "Station"), Secured Party is lending an aggregate principal amount of Five Hundred Thousand Dollars (\$500,000) to Debtor thereon, which is evidenced by a certain Promissory Note of even date herewith in favor of Secured Party (the "Note") executed in connection with the Purchase Agreement and delivered to Secured Party.

All capitalized terms, unless otherwise defined herein, shall have the meanings set forth in the Note.

**SECTION 1. Security.**

(a) As security for the payment of the \$500,000 principal indebtedness under the Note referenced above, and any interest that may accrue thereon (collectively, the "Obligations"), Debtor hereby grants to Secured Party a continuing security interest in the Collateral set forth in Schedule 1 hereto.

(b) Debtor irrevocably appoints Secured Party as its lawful attorney-in-fact and agent to execute, on its behalf, financing statements and any assignment documents and to file on its behalf appropriate financing statements.

(c) Debtor hereby represents and warrants to Secured Party that: (i) except for the lien granted by Debtor in favor of Secured Party pursuant to this Security Agreement, Debtor is, or to the extent that certain of the Collateral is to be acquired after the date hereof, will be, the owner of the Collateral free from any adverse lien, security interest or encumbrance; and (ii) to the best of Debtor's knowledge, no financing statement covering the Collateral is on file in any public office, other than the financing statements filed pursuant to this Security Agreement.

**SECTION 2. Covenants of Debtor.**

Debtor hereby covenants that:

(a) Debtor will defend the Collateral against any claims and demands of all other persons at any time claiming the same or an interest therein which would conflict with any claim or interest of Secured Party. Debtor will maintain the tangible property included within the Collateral in good operating condition and repair, and use it only in connection with the operation

of the Station unless disposed of in the ordinary course of business and replaced with equipment of substantially equivalent value. Debtor will not encumber, sell, transfer, assign, abandon or otherwise dispose of the Collateral except for: (i) liens arising from taxes, assessments, charges, levies or claims that are not yet due or that remain payable without penalty or which are being contested in good faith by appropriate proceedings, (ii) liens arising from legal proceedings, so long as such proceedings are being contested in good faith by appropriate proceedings diligently conducted and so long as execution is stayed on all judgments resulting from any such proceedings, (iii) liens created by this Security Agreement, (iv) dispositions of items of Equipment no longer useful to Debtor in the ordinary course of business, (v) trade-ins, replacements or exchanges of items of Equipment for other items of Equipment having an equal or greater value (in excess of any purchase money liens on such items) and useful in Debtor's business, and (vi) sale of the Station in which the net proceeds as defined in the Note are paid to Secured Party at the closing of the sale transaction.

(b) Debtor will have and maintain insurance with financially sound and reputable insurance companies or associations in such amounts and covering such risks as are usually carried by companies engaged in the same or a similar business and similarly situated, including without limitation, property and casualty insurance and public liability insurance.

(c) Upon reasonable advance notice to Debtor, Secured Party may examine and inspect the Collateral owned by Debtor at any reasonable time and at any reasonable place, wherever located.

(d) Debtor will pay promptly when due all taxes and assessments upon the Collateral owned by Debtor or upon its use or sale unless such taxes or assessments are being contested in good faith by Debtor. At its option, Secured Party may discharge taxes, liens or other encumbrances at any time levied against or placed on the Collateral which have not been stayed as to execution and contested with due diligence in appropriate legal proceedings, and Secured Party may pay for insurance on the Collateral if Debtor has failed to comply with such obligation and may pay for maintenance and preservation of the Collateral if Debtor fails to do so. Debtor shall reimburse Secured Party on demand for any such expense incurred by Secured Party pursuant to the foregoing authorization.

(e) Debtor will from time to time upon demand furnish to Secured Party such further information and will execute and deliver to Secured Party such financing statements and assignments and other papers and will do all such acts and things as may be necessary or appropriate to establish, perfect and maintain a valid security interest in the Collateral as security for the Obligations, and Debtor hereby authorizes Secured Party to execute and file at any time and from time to time one or more financing statements or copies thereof or of this Security Agreement with respect to the Collateral signed only by Secured Party.

(f) In the event that Debtor removes any of the Equipment referred to in Schedule 1 hereto, Secured Party shall maintain its continuing security interest in the Equipment regardless of such Equipment's location.

**SECTION 3. Events of Default.**

(a) Debtor shall be in default under this Agreement upon the occurrence of any of following events or conditions (each, an "Event of Default"):

(i) an "Event of Default" shall occur under the Note; or

(ii) any representation or warranty made by Debtor in this Security Agreement shall prove to have been incorrect in any material respect on or as of the date made or deemed made, and such inaccuracy is not cured to the satisfaction of Secured Party within thirty (30) days after the date on which Secured Party gives Debtor written notice of such failure; or

(iii) Debtor shall fail to perform or observe any material term, covenant, or agreement contained in this Security Agreement, and such failure is not cured to the satisfaction of Secured Party within thirty (30) days after the date on which Secured Party gives Debtor written notice of such failure.

(b) Upon the occurrence of an Event of Default, Secured Party shall have all of the rights, powers and remedies set forth in the Note and this Agreement, together with the rights and remedies of a secured party under the applicable Uniform Commercial Code, including without limitation the right to sell, lease or otherwise dispose of any or all of the Collateral and to take possession of the Collateral. Secured Party may require Debtor to assemble its Collateral and make it available to Secured Party at a place to be designated by Secured Party that is reasonably convenient to both parties. Debtor hereby agrees that its address and the place or places of location of the Collateral are places reasonably convenient to it to assemble the Collateral. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will send to Debtor reasonable advance notice of the time and place of any public sale or reasonable advance notice of the time after which any private sale or any other disposition thereof is to be made. The requirement of sending reasonable advance notice shall be met if such notice is mailed, postage prepaid, to Debtor at least ten (10) days before the time of the sale or disposition. After deducting all expenses incurred by Secured Party in protecting or enforcing its rights in the Collateral, the residuc of any procceds of collection or sale of the Collateral shall be applied to the payment of principal, first, and then interest of Debtor's Obligations, and Debtor shall remain liable for any deficiency.

(c) Upon the occurrence and continuing existence of an Event of Default, Secured Party shall have the right to require that Debtor join with the successful bidder or other purchaser at a foreclosure sale regarding the Collateral, or the Secured Party in the event of a repossession of the Collateral, in seeking from the FCC all applicable prior approvals of the assignment of the Station's FCC Licenses to such bidder or other purchaser. In that regard, Debtor agrees to execute and deliver all applications, certificates, instruments, assignments and other documents and papers that may be required to obtain any necessary FCC consent, approval or authorization. It is expressly understood that such sale shall be subject to all applicable consents and prior approvals of the FCC.

**SECTION 4. Collection.**

Upon the occurrence of an Event of Default pursuant to Section 3(a) hereof:

(a) Debtor hereby irrevocably appoints Secured Party to be Debtor's true and lawful attorney-in-fact, with full power of substitution, in Secured Party's name or Debtor's name or otherwise for Secured Party's sole use and benefit, but at Debtor's cost and expense, to exercise at any time after the occurrence and continuing existence of an Event of Default pursuant to Section 3(a), the power to take possession of, sell, transfer, assign, or otherwise deal in or with the same or the proceeds thereof and to apply for and obtain any required consents of any governmental authority for any such sale or other disposition, as full and effectually as if Secured Party were the absolute owner thereof.

(b) Secured Party shall have the right to notify the contract obligors obligated on any or all of Debtor's Insurance to make payment thereof directly to Secured Party, and Secured Party may take control of all proceeds of any of the Insurance or General Intangibles.

**SECTION 5. Limitations.**

With respect both to Obligations and Collateral, Debtor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payments thereon and the settlement, compromising or adjusting of any thereof, all in such time or times as Secured Party may deem advisable. Secured Party shall have no duty as to the collection or protection of Collateral not in Secured Party's possession, and Secured Party's duty with reference to Collateral in its possession shall be to use reasonable care in the custody and preservation of such Collateral, but such duty shall not require Secured Party to engage in:

- (i) the collection of income thereon;
- (ii) the collection of debt; or
- (iii) the taking of steps necessary to preserve rights against prior parties, although Secured Party is authorized to reasonably undertake any such action if deemed appropriate by Secured Party.

**SECTION 6. Successors and Assigns.**

The covenants, representations, warranties and agreements herein set forth shall be binding upon Debtor, its legal representatives, successors and assigns, as joint and several obligations, and shall inure to the benefit of Secured Party, its successors and assigns. No party shall assign this Agreement or its rights or obligations hereunder without the consent of the other party.

**SECTION 7. Miscellaneous.**

(a) No delay or omission by Secured Party in exercising any of its rights hereunder shall be deemed to constitute a waiver thereof. All rights and remedies of Secured Party hereunder shall be cumulative and may be exercised singularly or concurrently. The Debtor waives any right it may have to require the Secured Party to proceed against any other party before exercising any remedies herein granted to the Secured Party.

(b) In the event that Secured Party is required to take any action to enforce its rights under this Agreement, the Debtor agrees to pay all reasonable attorney's fees and all related costs. All such amounts shall be payable upon demand and shall accrue interest at the current interest rate under the Note from the date of demand until paid.

(c) This Agreement shall be governed by and construed under the laws of the State of Mississippi, without regard to its principles of conflict of laws, except to the extent that the Uniform Commercial Code of a jurisdiction shall govern assets located in that specific jurisdiction. None of the terms or provisions of this Agreement may be waived, altered, modified, or amended except by an agreement in writing signed by Secured Party and Debtor. The Debtor irrevocably (i) submits to the jurisdiction of any Mississippi state court or federal court sitting in Mississippi with respect to any suit, action, or proceeding relating to this Agreement; (ii) waives any objection which it may now or hereafter have to the laying of venue of any such suit, action, or proceeding brought in any such court and any claim that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum; and (iii) waives the right to object that any such court does not have jurisdiction over it. Nothing in this paragraph shall affect the Creditor's right to serve process in any other manner permitted by law or to bring proceedings against the Debtor in any other court having jurisdiction.

(d) All notices, statements, requests and demands herein provided for 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 Secured Party, to:

Radio Broadcasters, L.L.C.  
P.O. Box 3160  
Meridian, MS 39303

with a copy (which shall not

constitute notice) to:

Mark N. Lipp, Esq.  
Vinson & Elkins, LLP  
1455 Pennsylvania Ave., NW  
Suite 600  
Washington, DC 20004-1008

If to Debtor, to:

Educational Media Foundation  
5700 West Oaks Boulevard  
Rocklin, CA 95765  
Attn: Richard Jenkins, President

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

David D. Oxenford, Esq.  
Shaw Pittman LLP  
2300 N Street, N.W.  
Washington, D.C. 20037

**SECTION 8. FCC Approval.**

Notwithstanding anything to the contrary contained herein, any foreclosure on, sale, transfer or other disposition of any Collateral or any other action taken or proposed to be taken hereunder that would affect the operational, voting, or other control of Debtor or affect the ownership of the FCC Licenses, shall be pursuant to Section 310(d) of the Communications Act of 1934, as amended (the "Communications Act"), and to the applicable rules and regulations of the FCC and, if and to the extent required thereby, subject to the prior consent to the FCC and any other applicable governmental authority. Notwithstanding anything to the contrary contained herein, Secured Party will not take any action pursuant hereto that would constitute or result in any assignment of the FCC Licenses if such assignment of license would require under then existing law (including the Communications Act), the prior approval of the FCC, without first obtaining such approval of the FCC and notifying the FCC of the consummation of such assignment (to the extent required to do so).

*[THE NEXT PAGE IS THE SIGNATURE PAGE]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date and year first above written.

**EDUCATIONAL MEDIA FOUNDATION**

By: \_\_\_\_\_  
Richard Jenkins  
President

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**RADIO BROADCASTERS, L.L.C.**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

### SCHEDULE 1

The following assets used or useful in the operation of radio station WKNZ(FM), Collins, Mississippi (the "Station") are collectively referred to as the "Collateral":

(a) All personal property of Debtor located at the Station tower facility site and used in connection with the operation of the Station (the "Equipment"). Debtor shall not remove any of the Equipment from its location at the Station's tower facility site except for dispositions of items of Equipment no longer useful to Debtor in the ordinary course of business that are replaced by items of equivalent or greater value to be retained at the Station's tower facility site.

(b) All of the Debtor's inventory, merchandise and goods in all forms, used solely in connection with the operation of the Station, whether now existing or hereafter acquired, and the proceeds and products thereof (but excluding any inventory, merchandise and goods which are also used in connection with Debtor's ownership and operation of its other broadcast stations and facilities) (the "Inventory");

(c) All of Debtor's presently existing and hereafter acquired or arising general intangibles and other intangible personal property used solely in the operation of the Station, including without limitation rights under all contract rights and all present and future authorizations, permits, licenses, franchises, government authorizations, including Debtor's rights under present and future authorizations, permits and licenses issued or granted to Debtor by the Federal Communications Commission (each, an "FCC License") for the ownership and operation of the Station, and all rights incident or appurtenant to such authorizations, permits and licenses (but only to the extent it currently is, or hereafter may become, lawful to grant a security interest in such FCC License), together with the rights to receive all proceeds derived from or in connection with the sale, assignment or transfer of any FCC License used for ownership or operations of the Station (the "General Intangibles"); and

(d) All insurance policies held by the Debtor or naming the Debtor as loss payee (or naming Debtor as an additional insured as its interest may appear) relating to the operation of the Station, including without limitation, casualty insurance and property insurance, and the proceeds thereof (the "Insurance").

Notwithstanding anything contained herein to the contrary, as used herein the term "Collateral" does not include (a) any personal property of Debtor which is not located within the 54 dBu coverage area of the Station, (b) any interest in Debtor's listener pledges and donations, (c) any of Debtor's slogans, logos, jingles, programming, program formats, trademarks, trade names, service marks, copyrights and applications for any of the foregoing, and all goodwill associated therewith, and other similar intangible rights and interests issued to or owned by Debtor in connection with the operation of the Station, or (d) any intangible property of Debtor which is also used in connection with Debtor's ownership and operation of its other broadcast stations and facilities.

Except for principal indebtedness of the Note outstanding from time to time and any interest that may accrue thereon, the Obligations do not include, and this Security Agreement does not secure, any liability, obligation or indebtedness of Debtor to Secured Party, whether now existing or hereafter arising and howsoever evidenced.