

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT dated as of August ~~14~~, 2006 (this "Agreement"), by and between **Maria Liadis a/k/a Maria Liadis Alberto, an individual**("Seller"), and **Educational Media Foundation, a California non-profit corporation** ("Buyer").

WITNESSETH:

WHEREAS, Seller is the licensee of FM translator station W220AA, Parlin, New Jersey, FIN: 40054 (the "Station"), pursuant to authorizations issued by the Federal Communications Commission (the "FCC");

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller the Station on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

ARTICLE 1 PURCHASE OF ASSETS

1.1 Transfer of Assets. On the Closing Date (as hereinafter defined), subject to Section 8.1(a) and the satisfaction of all other conditions contained herein, Seller shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase from Seller (i) all of the licenses, permits and other authorizations issued by the FCC in connection with the full on-air operation of the Station ("FCC Authorizations"), including without limitation those set forth on Schedule 2, and any other assets held by Seller for use in connection with the Station (collectively, the "Assets").

The Assets shall be transferred to Buyer free and clear of all liens, encumbrances, debts, security interests, mortgages, trusts, claims, pledges, charges, covenants, conditions or restrictions of any kind ("Liens").

Seller's equipment, machinery and other tangible personal property used in the conduct of the transmission operations of the Station shall be retained by Seller and shall not be sold, assigned or transferred to or assumed by Buyer ("Excluded Assets").

ARTICLE 2 ASSUMPTION OF OBLIGATIONS

2.1 No Assumption of Liabilities and Obligations. Except as otherwise specifically provided herein, Buyer shall not assume any obligations or liabilities of Seller.

ARTICLE 3 CONSIDERATION

3.1 Purchase Price. In consideration for the transfer of the Assets, Buyer shall, at Closing, pay to Seller, by wire of immediately available funds, the sum of Thirty Thousand Dollars (\$30,000) (the "Purchase Price").

3.2 Contingent Upgrade Note. On the Closing Date, Buyer shall execute and deliver to Seller a promissory note substantially in the form attached hereto as Exhibit A (the "Note"), which Note shall only be effective upon occurrence of the Triggering Event (as defined herein). The principal of and interest on the Note shall be amortized over a term of thirty-six (36) months. The loan evidenced by the Note shall bear interest at the rate of six percent (6%) per annum. If Buyer is able to obtain an FCC construction permit authorizing an increase in power of the Station to 2 watts or more effective radiated power ("ERP"), at 43 meters Radiation Center Height Above Average Terrain ("RCHAAT") or equivalent broadcast signal coverage ("Construction Permit"), the Note shall be deemed effective on the date that is 180 days from the date that Buyer has filed an FCC Form 350 license application to cover the Construction Permit, provided the FCC Form 350 is filed within seven (7) years of the Closing Date and during the 180 days, the Station operates without objection from other broadcasters, pursuant to Section 74.1203 of the FCC rules, to Buyer or to the FCC ("Triggering Event"). The first payment under the Note shall be due on the 10th day following the Triggering Event, thereafter Buyer shall pay monthly, on the same calendar day of each succeeding month, in arrears, installments of principal and interest in the amount set forth in Schedule 1 corresponding to the Station ERP, each month ("Note Payment(s)"). The final payment date shall be 36 months after the first Note Payment is due and the aggregate principal amount payable under the Note shall be equivalent to the sum of all Note Payments paid pursuant to Schedule 1 over the term of the Note, up to a maximum of Forty Five Thousand Dollars (\$45,000). Buyer may prepay all or any portion of the principal of the Note from time to time without penalty.

3.3 Note Reduction or Suspension. If the Station is operating at 10 watts or more and following objections by other broadcasters pursuant to Section 74.1203 of the FCC rules, the Station is forced to reduce power to 9 watts ERP or less, at 43 meters Radiation Center Height Above Average Terrain ("RCHAAT") or equivalent broadcast signal coverage, the Note amount shall be reduced by \$4,500.00 for each watt below 10 watts at which the Station ultimately operates ("Prorated Reduction"), as set forth in Schedule 1. If the Station is authorized to and later commences operation at a new ERP, the Note Payments shall be adjusted as set forth in Schedule 1, corresponding to the new ERP. In the event that the Station is required to cease operations by direct order of the FCC or formal request by a main station receiving interference from the Station, the Note Payments shall be suspended until the Station recommences operation ("Note Suspension"). If the Station resumes full power operation at a new ERP, the Note Payments shall be adjusted as set forth in Schedule 1, corresponding to the new ERP. Except if fully prepaid by Buyer, notwithstanding Note Suspension and/or Prorated Reduction the final payment under the Note shall be 36 months after the first Note Payment is due; accordingly, the principal and interest payable under the Note shall be equivalent to the sum of the Note Payments

delivered to Seller over the term of the Note and the Note shall be deemed paid in full as of that date. If the Station FCC construction permit or license, for any increase in power over that at which the Station currently operates, is cancelled or revoked due to the interference issues, the remaining Note balance shall be cancelled.

3.4 Escrow Deposit. Concurrently with the execution of this Agreement, Buyer has delivered to Davis Wright Tremaine LLP (the “Escrow Agent”) the sum of Three Thousand Dollars (\$3,000) to be held as earnest money deposit (the “Earnest Money Deposit”) pursuant to an Escrow Letter (the “Escrow Letter”) 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.

ARTICLE 4 GOVERNMENTAL CONSENTS

4.1 FCC Application. Within five (5) business days after execution of this Agreement, the parties shall file with the FCC an application (“FCC Application”) requesting its consent to the assignment of the FCC Authorizations from Seller to Buyer (“FCC Consent”). The parties shall thereafter use all reasonable efforts to obtain the grant of the FCC Application as expeditiously as practicable (but no party shall have any obligation to satisfy complainants or the FCC by taking any steps which would have a material adverse effect on the results of operations of a party or any affiliated entity).

ARTICLE 5 CLOSING

5.1 Closing. Except as otherwise mutually agreed upon by Seller and Buyer, the consummation of the transactions contemplated herein (the “Closing”) shall take place within ten (10) days after the FCC Consent shall have become a Final Order (as hereinafter defined) (the “Closing Date”). As used herein, the term “Final Order” means a written action or order issued by the FCC setting forth the FCC Consent (a) which has not been reversed, stayed, enjoined, set aside, annulled or suspended, and (b) with respect to which (i) no requests have been filed for administrative or judicial review, reconsideration, appeal or stay, and the time for filing any such requests and for the FCC to set aside the action on its own motion (whether upon reconsideration or otherwise) has expired, or (ii) in the event of review, reconsideration or appeal, the time for further review, reconsideration or appeal has expired. The Closing shall be held at such place as the parties hereto may agree.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties. Each party hereto expressly represents and warrants that it has all requisite power and authority to execute and deliver this Agreement and the documents contemplated hereby, and to perform and comply with all of the terms, covenants, and conditions to be performed and complied with by it hereunder and thereunder.

Seller represents to Buyer that the FCC Authorizations have been validly issued by the FCC, Seller is the authorized legal holder of the FCC Authorizations, that the FCC Authorizations constitute all of the authorizations issued by the FCC in connection with the Station and are not subject to any restriction or condition that would limit the operation of the Station, other than as limited by the FCC Authorizations themselves and other FCC rules and policies affecting radio broadcasting in general, and that the FCC Authorizations are in good standing and in full force and effect. To Seller's knowledge, there is no pending nor threatened action by or before the FCC to revoke, cancel, or rescind the FCC Authorizations. Other than as otherwise disclosed on Schedule 2 hereto or proceedings which may affect radio stations in general, there is no pending action at the FCC to modify the FCC Authorizations. Seller has not received any notice of any kind 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.

Buyer shall have procured a lease at the new transmitter site on terms acceptable to Buyer in its sole discretion, on or before the date the FCC Consent shall have become a Final Order.

ARTICLE 7 COVENANTS

7.1 Operation of Business. Between the date of this Agreement and the Closing Date, without the prior written consent of Buyer, which shall not be unreasonably withheld, Seller shall not:

- (i) Place or allow to be placed on any of the Assets relating to the Station, any Lien; and
- (ii) Sell, assign, transfer or otherwise dispose of the FCC Authorizations or Assets.

ARTICLE 8 CONDITIONS

8.1 Conditions Precedent to Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions, except to the extent Buyer shall have waived in writing satisfaction of such condition:

(a) The representations and warranties made by Seller shall be true and correct in all material respects as of the date of this Agreement and on the Closing Date as though such representations and warranties were made on such date.

(b) Seller shall have performed and complied in all material respects with all covenants, agreements, representations, warranties and undertakings required by this Agreement to be performed or complied with prior to the Closing, and shall be prepared to perform any post-closing covenants.

(c) Seller shall have delivered to Buyer all of the documents required by Section 9.1 hereof.

(d) The FCC Consent shall have become a Final Order.

8.2 Conditions Precedent to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions, except to the extent Seller shall have waived in writing satisfaction of such condition:

(a) The representations and warranties made by Buyer in this Agreement shall be true and correct in all material respects as of the date of this Agreement and on the Closing Date as though such representations and warranties were made on such date.

(b) Buyer shall have performed and complied in all material respects with all covenants, agreements, representations, warranties and undertakings required by this Agreement to be performed or complied with by it prior to Closing.

(c) Buyer shall have delivered to Seller all of the documents required by Section 9.2 hereof.

(d) The FCC Consent shall have been granted.

ARTICLE 9 CLOSING DELIVERIES

9.1 Seller's Deliveries. At the Closing, Seller shall deliver or cause to be delivered to Buyer and its counsel:

(a) an Assignment and Assumption of FCC Authorizations

(b) a joint notice to the Escrow Agent, duly executed by Seller

(c) a certificate, dated the Closing Date, executed by the Seller, certifying the fulfillment of the conditions set forth in Section 8.1(a) and (b) hereof; and

(d) any other documents of conveyance reasonably requested by Buyer and necessary to consummate the transaction contemplated by this Agreement.

9.2 Buyer's Deliveries. At the Closing, Buyer shall deliver or cause to be delivered to Seller, and its counsel:

- (a) The payments to be made pursuant to Section 2 hereof;
- (b) an Assignment and Assumption of FCC Authorizations
- (c) a joint notice to the Escrow Agent, duly executed by Buyer

(d) a certificate, dated the Closing Date, executed by the President of the Buyer, certifying the fulfillment of the conditions set forth Section 8.2(a) and (b) hereof.

ARTICLE 10 REMEDIES

10.1 Specific Performance. The parties recognize that if either parties breaches its obligation to consummate the transactions contemplated by this Agreement and refuses to perform under the provisions of this Agreement, monetary damages alone would not be adequate to compensate the other party for its injury. The non-breaching party shall therefore be entitled, in addition to any other remedies that may be available, including money damages, to obtain specific performance of the terms of this Agreement. If any such action is brought to enforce this Agreement, the breaching party shall waive the defense that there is an adequate remedy at law.

ARTICLE 11 TERMINATION RIGHTS

11.1 Termination. This Agreement may be terminated and the purchase and sale of the Assets abandoned as follows:

- (a) by mutual written consent of Buyer and Seller; or
- (b) by written notice from a party that is not then in material breach of this Agreement, if the other party has failed to cure or has not commenced to cure any material breach of any of its representations, warranties or covenants under this Agreement within ten (10) business days after receipt of written notice of such breach from the party not in material breach; or

(c) if the Closing shall not have occurred by the date that is twelve (12) months from the date hereof.

11.2 Rights on Termination. If this Agreement is terminated pursuant to Section 11.1(c) and neither party is in material breach of any provision of this Agreement, the parties hereto shall not have any further liability to each other with respect to the purchase and sale of the Assets. If this Agreement is terminated due to a material breach of this Agreement, then the non-breaching party shall be entitled to the Earnest Money Deposit as compensation for its damages along with all other rights and remedies available to it at law or in equity.

ARTICLE 12 MISCELLANEOUS PROVISIONS

12.1 Further Assurances. The parties shall take any actions and execute any other documents that may be necessary or desirable to the implementation and consummation of this Agreement.

12.2 Benefit and 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 assign its interest under this Agreement without the prior written consent of the other parties, which consent shall not be unreasonably withheld; provided, however, Buyer may assign its rights hereunder to an affiliated company of common control, without the consent of Seller. In the event of assignment, the assignor shall remain liable for all obligations imposed under this Agreement should assignee fail or refuse to perform such obligations.

12.3 Survival. All representation, warranties and covenants made herein shall survive the Closing. Each party agrees to indemnify the other for any post-closing breach of such representations, warranties and covenants.

12.4 Governing Law. This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of New Jersey without regard to any choice of law or conflict of law provisions.

12.5 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

12.6 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall 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.

12.7 Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed given upon

personal delivery, four days after being mailed by registered or certified mail, return receipt requested, or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, addressed as follows:

If to Seller: Maria Liadis
45 Acorn Road
Watchung, NJ 07060

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

John Neely, Esq.
6900 Wisconsin Ave.
Suite 704
Bethesda, MD 20815

If to Buyer: Educational Media Foundation
5700 West Oaks Boulevard
Rocklin, CA 95765
Attn: Richard Jenkins

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

David D. Oxenford, Esq.
Davis Wright Tremaine LLP
1500 K Street, N.W., Suite 450
Washington, D.C. 20005

or to any other or additional persons and addresses as the parties may from time to time designate in a writing delivered in accordance with this Section.

12.8 Waivers. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof, nor shall such waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

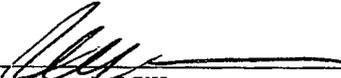
12.9 Entire Agreement. This Agreement and the Schedules attached hereto and the ancillary documents provided for herein, constitute the entire Agreement and understanding of the parties hereto relating to the matters provided for herein and supersede any and all prior agreements, arrangements, negotiations, discussions and understandings relating to the matters provided for herein.

[Signature page to follow]

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

EDUCATIONAL MEDIA FOUNDATION

By: 
Bill Lyons
Vice President

By: 
Joseph Miller
Treasurer

**MARIA LIADIS a/k/a MARIA LIADIS
ALBERTO, as an individual**

By: _____
Maria Liadis

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

EDUCATIONAL MEDIA FOUNDATION

By: _____
Bill Lyons
Vice President

By: _____
Joseph Miller
Treasurer

MARIA LIADIS a/k/a MARIA LIADIS
ALBERTO, as an individual

By: 
Maria Liadis

SCHEDULE 1

AMORTIZATION TABLE

<u>Authorized ERP</u>	<u>Note Amount</u>	<u>Monthly Payments</u> <u>(6% Interest)</u>
2 watts	\$9,000	\$273.80
3 watts	\$13,500	\$410.70
4 watts	\$18,000	\$547.59
5 watts	\$22,500	\$684.49
6 watts	\$27,000	\$821.39
7 watts	\$31,500	\$958.29
8 watts	\$36,000	\$1095.19
9 watts	\$40,500	\$1232.09
10+ watts	\$45,000	\$1368.99

FURTHER TERMS:

- In the event the Station suspends operation per Section 3.3 of this Agreement, and recommences authorized operation at a new ERP, the remaining Note Payments shall correspond to the ERP listed in the table above, without prorated adjustment if the ERP change occurs in between Note Payments.

SCHEDULE 2
**Current FCC Licenses, Authorizations
and Pending Authorizations For
FM Translator W220AA**

FM Translator W220AA, Parlin, Etc., New Jersey
Facility ID Number 40054
Maria Liadis

Type of Authorization	Call Sign	FCC File Number	Grant Date	Expiration Date
FM Translator Construction Permit	W220AA	BPFT-20060707AEG	07/19/2006	07/19/2009
FM Translator License	W220AA	BLFT-19900109TF	6/1/1990	6/1/1997
FM Translator Renewal	W220AA	BRFT-20060131ABL	5/26/2006	6/1/2014

Pending Applications

Application Type	Call Sign	FCC File Number	Public Notice Acceptance Date
Special Temporary Authority	W220AA	BSTA-20060320AFX	3/20/2006