

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is made as of this 31 day of July 2014, by and among Educational Media Foundation ("Seller"), a California non-profit corporation and AGM California, Inc., a California corporation ("AGM California") and AGM Nevada, LLC, a Nevada limited liability company ("AGM Nevada" and collectively with AGM California, "Buyers").

Recitals

A. Seller is the holder of a Federal Communications Commission ("FCC") construction permit for a new FM translator station to serve the community of Bakersfield, California (Facility ID No. 139845, File No. BNPFT-20130322AFL) (the "Permit").

B. Seller has agreed to sell the Permit to Buyers, and Buyers have agreed to purchase the Permit from Seller, on the terms and conditions set forth herein.

Agreements

In consideration of the foregoing, and the mutual covenants and agreements set forth below, Seller and Buyers hereby agree as follows:

1. **Assignment Application.** The parties shall cooperate in the prompt preparation and filing of an application with the FCC for consent to the assignment of the Permit from Seller to Buyers. Such application is to be filed within five (5) business days after the date of this Agreement. The parties shall cooperate in the diligent submission of any additional information requested or required by the FCC with respect to such application, and shall take all steps reasonably required for the expeditious prosecution of such application to a favorable conclusion.

2. **Assets to be Conveyed.** On the Closing Date, as defined in Section 4 hereof, Seller will sell, assign, transfer, convey and deliver to Buyers:

- a. the Permit; and
- b. any intangible property or property rights of Seller related to the Permit.

The foregoing assets (the "Purchased Assets") are to be conveyed by Seller to Buyers through an assignment and any other document of transfer (the "Closing Documents") customary for such purpose and satisfactory in form and substance to Buyers, Seller, and their respective counsel. The Purchased Assets are to be conveyed to Buyers free and clear of any claims, liabilities, mortgages, deeds of trust, assignments, liens, pledges, conditions, exceptions, restrictions, limitations, charges, security interests or other encumbrances of any nature whatsoever (collectively, "Liens").

3. **Purchase Price.** The Purchase Price ("Purchase Price") to be paid on the Closing Date by Buyers for the Purchased Assets shall be Twenty-Five Thousand Dollars (\$25,000), plus or minus any prorations, and shall be paid at Closing by wire transfer by Buyers of immediately available funds to Seller. As additional consideration for the Purchased Assets, Buyers shall modify, or cause to be modified, the Radio Tower Space Sub-lease Agreement ("Lease Agreement"), dated September 1, 2004, and signed by and between the Seller and AGM Nevada

("Revised Lease Agreement") in the following manner:

- a. the first twenty-four (24) months of rent under the Revised Lease Agreement shall be waived by AGM Nevada;
- b. base rent shall be for the sum of Three Thousand Dollars (\$3000.00) per month for the first two (2) years of the Revised Lease Agreement;
- c. on the second anniversary of the Revised Lease Agreement's effective date, the base rent shall increase by three percent (3%), and shall continue to increase by three percent (3%) every two years thereafter on the anniversary date.
- d. eliminate in its entirety the re-sale restriction contained in paragraph 7(b) of the Lease Agreement.

4. **Closing.** The Closing, or the Closing Date, as used throughout this Agreement, shall take place within five (5) business days after the FCC shall have consented to assignment of the Permit to Buyers and, unless waived by Buyers, in Buyers' sole discretion, such consent shall have become a Final Order, subject to satisfaction of or waiver of the other conditions precedent set forth above. The term "Final Order" means such consent shall no longer subject to review, reconsideration, appeal, or remand under applicable laws and the rules of the FCC.

5. **Representations and Warranties of Seller.** Seller hereby represents and warrants to Buyers that:

a. Seller is, and as of the Closing Date will be, a non-profit corporation, duly organized, validly existing and in good standing in the State of California and is authorized to do business in the State of Nevada. Seller has the requisite power and authority to enter into and fulfill its obligations under this Agreement.

b. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly authorized by the board of directors of Seller. No other or further corporate act on the part of Seller is necessary to authorize this Agreement or the consummation of the transaction contemplated hereby. This Agreement constitutes the legal, valid and binding obligation of Seller, enforceable in accordance with its terms.

c. Subject to obtaining the approval of the FCC, the execution, delivery and performance of this Agreement (i) does not require the consent of any third party, and (ii) will not conflict with, result in a breach of, or constitute a default under any agreement or instrument to which Seller is a party or by which Seller is bound, or under any law, judgment, order, decree, rule or regulation of any court or governmental body which is applicable to Seller or the Permit.

d. Seller knows of no reason related to its qualifications which would disqualify it from holding the Permit or assigning the Permit to Buyers. The Permit is valid and in full force and effect and constitutes all of the authorizations issued by the FCC in connection with the construction and/or operation of the new FM translator as provided in the Permit. Other than as set forth in the publicly available FCC records, the Permit is not subject to any restriction or condition that would limit in any respect the construction and/or operation of the FM

translator as now intended. There is not pending or threatened any action by or before the FCC to revoke, suspend, cancel, rescind or modify the Permit (other than proceedings relating to FCC rules of general applicability), and there is no order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint by or before the FCC, pending or threatened, against Seller regarding the Permit.

e. Seller has, and on the Closing Date will have, good and marketable title to all the Purchased Assets, free and clear, of all claims and Liens.

6. Representations and Warranties of Buyers. Buyers hereby represent and warrant to Seller that:

a. AGM California is, and as of the Closing Date will be, a corporation, duly organized, validly existing and in good standing in the State of California, and AGM Nevada is, and as of the Closing Date will be, a limited liability company, duly organized, validly existing and in good standing in the State of Nevada. This Agreement constitutes a legal, valid and binding obligation of Buyers, enforceable in accordance with its terms.

b. Buyers know of no reason related to its qualifications that would disqualify it from acquiring the Permit from Seller.

c. Buyers have the financial resources necessary to consummate the transaction contemplated by this Agreement.

7. Expenses. The expenses involved in the preparation and consummation of this Agreement shall be borne by the party incurring such expense, provided, however, that Buyers shall pay the filing fee for the FCC assignment application at the time of filing.

8. Modification and Construction of the Permit.

a. Seller hereby grants its consent for Buyers to file in Buyers' name, pursuant to Section 73.3517(a) of the FCC's rules, an application to modify the facilities authorized under the Permit. The application shall be prepared and filed at Buyers' expense and in accordance with applicable FCC rules and shall request that the grant thereof be contingent upon approval and consummation of the assignment of the Permit to Buyers.

b. In the event the application to modify the facilities is approved prior to the Closing, Seller agrees to construct the facilities authorized by the Permit at Buyers' expense, and enter into a Network Affiliation Agreement with Buyer, so long as Buyer complies with FCC rules and policies and other applicable law, and complies with Seller's "family friendly" program standards, which includes, but is not limited to, sports/talk, country, adult alternative, and gospel.

9. Seller's Closing Conditions. All obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions which, except for the initial consent of the FCC to the assignment, may be waived in whole or in part by Seller:

a. the FCC shall have consented to the assignment of the Permit to Buyers without any condition materially adverse to Seller; and

b. Buyers shall have delivered the Purchase Price and additional consideration in the manner specified in Section 3 hereof.

10. **Buyers' Closing Conditions.** All obligations of Buyers to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions which, except for the initial consent of the FCC to the assignment, may be waived in whole or in part by Buyers:

a. the FCC shall have consented to the assignment of the Permit to Buyers without any condition materially adverse to Buyers, and such consent shall have become a Final Order;

b. Seller shall have executed and delivered to Buyers the Closing Documents and conveyed the Purchased Assets to Buyers in accordance with this Agreement;

c. all representations and warranties of Seller made herein shall be true and correct in all material respects as of the Closing Date; and

d. As of the Closing Date, Seller shall have complied in all material respects with all covenants and conditions of this Agreement.

11. CLOSING DELIVERIES.

(a) At the Closing, Seller will deliver to Buyers the following, each of which shall be in form and substance satisfactory to Buyers and its counsel:

(i) A Bill of Sale;

(ii) An Assignment and Assumption of the Permit;

(iii) The Revised Lease Agreement; and

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

(b) Prior to or at the Closing, Buyers 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;

(ii) An Assignment and Assumption of the Permit;

(iii) The Revised Lease Agreement; and

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

12. Termination. This Agreement may be terminated by the parties as follows:

a. If either Buyers or Seller shall be in material breach of this Agreement, and such breach is not cured after twenty (20) days' written notice from the other party or, if the breach is not of a type that can be cured within such time period, then after a reasonable time to cure such breach so long as the breaching party has commenced good faith diligent efforts to cure such breach within said time period and thereafter diligently pursues such cure to completion, then the other party, if not then in material breach itself, may terminate this Agreement. In the event of a material breach of this Agreement by Seller, instead of termination of this Agreement Buyers shall alternatively have the right to seek and obtain specific performance of the terms of this Agreement, it being agreed by Seller that the Purchased Assets are unique assets. If any action is brought by Buyers pursuant to this subsection to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law. In the event of termination of this Agreement by Seller as a result of an uncured breach of this Agreement by Buyers, Seller's sole and exclusive remedy shall be recent, as liquidated damages, in the amount of three Thousand Dollars (\$3000). In the event of a dispute hereunder, the prevailing party shall be entitled to recover reasonable attorney's fees from the other party.

b. If the FCC or a court shall have issued an order or taken any other action, in any case having the effect of permanently restraining, enjoining or otherwise prohibiting or making the transaction not feasible, and such order or other action is finally determined, then either party may terminate this Agreement provided, however, that the right to terminate this Agreement under this Section 12(b) shall not be available to a party whose failure to fulfill any obligation under this Agreement shall have been the principal cause of, or shall have resulted in, such order or action.

c. If the Closing has not occurred within twelve (12) months after the date of this Agreement, then either party may terminate this Agreement, provided, however, that the right to terminate this Agreement under this Section 12(c) shall not be available to any party whose failure to fulfill any obligation under this Agreement shall have been the principal cause of, or shall have resulted in unreasonable delay in the Closing.

13. Survival. The representations and warranties of Buyers and Seller set forth above shall survive the Closing Date for a period of twelve (12) months (the "Survival Period") and no claims may be brought under this Agreement unless written notice describing in reasonable detail the nature and basis of such claim is given on or prior to the last day of the Survival Period. In the event such notice is given, the right to indemnification with respect thereto under this provision shall survive the applicable Survival Period until such claim is finally resolved and any obligations with respect thereto are fully satisfied.

14. Entire Agreement. This Agreement, together with all exhibits and schedules hereto, constitute the entire agreement between the parties and supersede all prior agreements.

15. **Construction and Enforcement.** This Agreement shall be construed and enforced in accordance with the internal laws of the State of California. Any disputes arising out of this Agreement shall be resolved in state or federal court in California.

16. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding on the permitted successors and assigns of the parties hereto.

17. **Cooperation.** Both before and after the Closing, Seller and Buyers shall each cooperate, take such actions and execute and deliver such documents as may be reasonably requested by the other party in order to carry out the provisions of this Agreement.

18. **Notices.** All notices hereunder shall be delivered in writing and shall be deemed to have been duly given if delivered and received by certified or registered mail, return receipt requested, or by expedited courier service, to the following addresses or such other addresses as any party may provide by written notice:

To Seller: Educational Media Foundation
5700 West Oaks Blvd.
Rocklin, CA 95765
Attention: Mike Novak, President and CEO

With a copy to: Wilkinson Barker Knauer LLP
2300 N Street, NW, Suite 700
Washington, DC 20037-1128
Attention: David D. Oxenford, Esq.

To Buyers: AGM Nevada LLC
P.O. Box 2700
Bakersfield, CA 93303
Attention: L. Rogers Brandon,

With a copy to:

19. **Exclusivity.** While this Agreement is in effect, Seller agrees not to engage in any discussions or negotiations concerning any potential sale of the Purchased Assets to any party other than Buyers or its assigns.

20. **Broker.** The parties jointly acknowledge and recognize that no third party served as broker in this transaction.

21. **Counterparts.** This Agreement may be signed in counterparts with the same effect as if the signature on each counterpart were upon the same instrument. Executed copies of this Agreement transmitted by facsimile or other electronic means shall be valid and binding.

[The remainder of this page has been intentionally left blank. Signatures appear on the next page.]

[Signature page to Asset Purchase Agreement for K240EE, Bakersfield, California.]

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

Seller:

EDUCATIONAL MEDIA FOUNDATION

By: _____

Mike Novak, President and CEO

Buyers:

AGM California, Inc.

By: _____

L. Rogers Brandon

AGM Nevada, LLC

By: _____

L. Rogers Brandon

Exhibit 1

(Revised Lease Agreement – to be added by Buyers)