

## ASSET PURCHASE AGREEMENT

**THIS ASSET PURCHASE AGREEMENT** (this "Agreement") is made as of July 13, 2017 by and between **BROADCASTING & PROGRAMMING SYSTEMS PUERTO RICO, INC.**, a Puerto Rico corporation ("Seller") and **EDUCATIONAL MEDIA FOUNDATION**, a California non-profit religious corporation ("Buyer").

### RECITALS

**WHEREAS**, Seller owns and operates the following radio broadcast station and FM booster stations (collectively, the "Stations") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC"):

WCAD(FM), San Juan, Puerto Rico (FCC Facility ID Number 3537)  
WCAD-FM1, Fajardo, Puerto Rico (FCC Facility ID Number 7945)  
WCAD-FM2, Juana Diaz, Puerto Rico (FCC Facility ID Number 90765)

**WHEREAS**, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Station Assets (defined below) pursuant to the terms and subject to the conditions set forth in this Agreement.

**NOW, THEREFORE**, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

### **ARTICLE 1: PURCHASE OF ASSETS**

1.1 Station Assets. On the terms and subject to the conditions hereof, at Closing (defined below), except for the Excluded Assets (defined below), Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller in and to the following assets and properties of Seller that are used or held for use in the operation of the Stations (the "Station Assets"):

(a) all licenses, permits and other authorizations and approvals issued or pending with respect to the Stations by (i) the FCC (the "FCC Licenses"); (ii) the Federal Aviation Administration ("FAA"); and (iii) any other federal, state, territorial, or local governmental authorities (including laws of the Commonwealth of Puerto Rico) in connection with the conduct of the business and operation of the Stations, including those described on *Schedule 1.1(a)*, including any renewals or modifications thereof between the date hereof and Closing;

(b) all of Seller's equipment, transmitters, antennas, cables, fixtures, spare parts and other tangible personal property of every kind and description that are used or held for use exclusively in the operation of the Real Property (defined below), including those assets listed on *Schedule 1.1(b)*, together with any items of tangible personal property valued at under \$1,000 each that may be used or held for use exclusively in the operation of the Stations'

transmission facilities, except for any retirements or dispositions thereof made between the date hereof and Closing in the ordinary course of business in accordance with Section 4.1 hereof (the “Tangible Personal Property”);

(c) all of Seller’s owned real property (“Owned Real Property”) and interest in leases or licenses of real property or similar agreements (the “Real Property Leases”) used or held for use in the operation of the Stations’ transmission facilities (including any appurtenant easements and improvements located thereon), each of which is listed and described on *Schedule I.1(c)* (the “Real Property Leases”);

(d) all of Seller’s rights in and to the Stations’ call letters;

(e) Seller’s rights in and to all the files, documents, records, and books of account (or copies thereof), technical information exclusively relating to the operation of the Stations’ transmission facilities at the Real Property or the Station Assets, including the Stations’ local public files, real estate surveys, title insurance policies, environmental reports and engineering data and logs, but excluding records relating to Excluded Assets (defined below).

The Station Assets shall be transferred to Buyer free and clear of debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements, equipment leases, and other liens, liabilities and encumbrances of every kind and nature (“Liens”), except for Assumed Obligations (defined in Section 1.3), liens for taxes not yet due and payable, liens that will be released at or prior to Closing, and, with respect to the Real Property, such other easements, rights of way, building and use restrictions and other exceptions of record that do not in any material respect detract from the value of the property subject thereto or impair the use thereof in the ordinary course of the business of the Stations or the use of the Station Assets (in the manner currently utilized by Seller) (collectively, “Permitted Liens”).

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the following assets or any rights, title and interest therein (the “Excluded Assets”):

(a) all cash and cash equivalents of Seller, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, money market accounts and all such similar accounts or investments;

(b) all tangible and intangible personal property of Seller retired or disposed of between the date of this Agreement and Closing in accordance with Article 4;

(c) all agreements for the sale of advertising time on the Stations and all other contracts, agreements and leases other than the Real Property Leases;

(d) Seller’s corporate names, any trade names not exclusive to the operation of the Stations, charter documents, business records, and books and records relating to the organization, existence or ownership of Seller, duplicate copies of the records of the Stations, and all records not relating to the operation of the Stations;

(e) all contracts of insurance, all coverages and proceeds thereunder and all rights in connection therewith, including without limitation rights arising from any refunds

due with respect to insurance premium payments to the extent related to such insurance policies;

(f) all pension, profit sharing plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller or any other asset or liability associated with Seller's employees;

(g) the Stations' accounts receivable and any other rights to payment of cash consideration for goods or services sold or provided prior to the Closing or otherwise arising during or attributable to any period prior to Closing (the "A/R");

(h) any non-transferable shrinkwrapped computer software and any other non-transferable computer licenses that are not material to the operation of the Stations;

(i) all deposits and prepaid expenses (and rights arising therefrom or related thereto), except to the extent Seller receives a credit therefor under Section 1.6;

(j) computers and other similar assets and any other operating systems and related assets that are used in the operation of multiple stations, except for any such items that are specifically set forth as included in the Station Assets on the Schedules hereto;

(k) all trademarks, trade names, service marks, internet domain names, copyrights, programs and programming material, jingles, slogans, logos and other intangible property, programming information and studies, marketing and demographic data, advertising studies, sales correspondence, lists of advertisers and credit and sales reports; and

(l) the Stations' studio site and all equipment located therein, together with all other assets used or held for use in the operation of any other station owned or operated by Seller or an affiliate of Seller, except for any such items that are specifically set forth as included in the Station Assets on the schedules hereto.

1.3 Assumption of Obligations. On the Closing Date (defined below), Buyer shall assume the obligations of Seller arising during, or attributable to, any period of time on or after the Closing Date under the Real Property Leases and any other liabilities of Seller for which Buyer receives a credit therefor under Section 1.6 (collectively, the "Assumed Obligations"). Except for the Assumed Obligations, Buyer does not assume, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to have assumed, any other liabilities or obligations of Seller (the "Retained Obligations").

1.4 Purchase Price. In consideration for the sale of the Station Assets to Buyer, at Closing Buyer shall pay Seller, by wire transfer of immediately available funds, the sum of Two Million Nine Hundred Thousand U.S. Dollars (\$2,900,000.00), subject to adjustment pursuant to Section 1.6 (the "Purchase Price").

1.5 Deposit. Within two (2) business days after execution of this Agreement, Buyer shall deposit an amount equal to five percent (5%) of the Purchase Price (the "Deposit") with WashingtonFirst Bank (the "Escrow Agent") pursuant to an Escrow Agreement (the "Escrow Agreement") among Buyer, Seller and the Escrow Agent in the form attached as *Exhibit A*

hereto. At Closing, the Deposit shall be disbursed to Seller and applied to the Purchase Price (and any interest accrued thereon shall be disbursed to Buyer). If this Agreement is terminated by Seller pursuant to Section 10.1(c), then the Deposit shall be disbursed to Seller as liquidated damages (and any interest accrued thereon shall be disbursed to Buyer). If this Agreement is terminated for any other reason, the Deposit and any interest accrued thereon shall be disbursed to Buyer. The parties shall each instruct the Escrow Agent to disburse the Deposit and all interest accrued thereon to the party or parties entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement. Any failure by Buyer to make the Deposit on the date hereof constitutes a material default as to which the Cure Period under Section 10.1 does not apply entitling Seller to immediately terminate this Agreement.

1.6 Prorations and Adjustments. All prepaid and deferred expenses and required reimbursements relating to the Station Assets and arising from the operation of the Stations shall be prorated and adjusted between Buyer and Seller in accordance with generally accepted accounting principles (“GAAP”) as of 11:59 p.m. on the day immediately preceding the Closing Date (the “Adjustment Time”). Such prorations shall include without limitation all ad valorem, real estate and other property taxes (except transfer taxes as provided by Section 11.1), utility expenses, FCC regulatory fees, rent and other amounts associated with the Owned Real Property or related to the Real Property Leases and similar prepaid and deferred expenses. Seller shall be responsible for all of the Stations’ expenses attributable to the period prior to the Adjustment Time, and Buyer shall be responsible for all of the expenses attributable to the Station Assets from and after the Adjustment Time. Prorations and adjustments shall be made no later than ninety (90) calendar days after Closing.

1.7 Allocation. After Closing, Buyer and Seller shall allocate the Purchase Price in accordance with the estimated market values of the Station Assets and the goodwill, including but not limited to all expenses, reimbursements and operational expenses related to the administration of the Station Assets being purchased or sold.

1.8 Closing. The consummation of the sale and purchase of the Station Assets provided for in this Agreement (the “Closing”) shall take place on or before the tenth (10<sup>th</sup>) business day after the date the FCC Consent (defined below) becomes Final or on such other day after the FCC’s initial consent as Buyer and Seller may mutually agree, subject to the satisfaction or waiver of the conditions set forth in Articles 6 and 7 below. The date on which the Closing is to occur is referred to herein as the “Closing Date.” For purposes of this Agreement, the term “Final” shall mean that action shall have been taken by the FCC (including action duly taken by the FCC’s staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated.

1.9 FCC Consent. Within ten (10) business days of the date of this Agreement, Buyer and Seller shall file an application with the FCC (the “FCC Application”) requesting FCC consent to the assignment of the FCC Licenses to Buyer. FCC consent to the FCC Application pursuant to the FCC’s initial order without any material adverse conditions other than those of general applicability is referred to herein as the “FCC Consent”. Buyer and Seller shall

diligently prosecute the FCC Application and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible. Buyer and Seller shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder. Buyer and Seller each shall timely take (at its own expense) any commercially reasonable action requested by the FCC with respect to any pending FCC enforcement proceeding or other matters related to the Stations, including entering into a tolling agreement, establishing an escrow or other making other arrangements satisfactory to the FCC. All filing fees and expenses due to the FCC related to the FCC Application shall be the responsibility of the Buyer.

1.10 Non-Commercial Stations; Main Studio Waiver. Seller agrees to reasonably cooperate with Buyer in connection with the filing of an application by Buyer for the Stations to become non-commercial educational stations and for a waiver of the FCC's "main studio" rules with such conversion and waiver to be effective on or after the Closing Date, so long as any such application may be filed on a basis that is contingent and effective only upon a prior Closing and does not adversely affect any operations of Seller or its affiliates. The grant of any such application and waiver shall not be a condition to Closing hereunder. Any such application shall be made and prosecution thereof shall be conducted solely at Buyer's expense. Seller shall be deemed to have cooperated with Buyer by prompt delivery of the signed statement required under Section 73.3517 of the FCC rules.

## **ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES**

Seller makes the following representations and warranties to Buyer:

2.1 Organization. Seller is a corporation which is duly organized, validly existing and in good standing under the laws of the Commonwealth of Puerto Rico. Seller has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be made by Seller pursuant hereto (collectively, the "Seller Ancillary Agreements") and to consummate the transactions contemplated hereby.

2.2 Authorization. The execution, delivery and performance of this Agreement and the Seller Ancillary Agreements by Seller have been duly authorized and approved by all necessary action of Seller and its shareholders and do not require any further authorization or consent of Seller or its shareholders. This Agreement is, and each Seller Ancillary Agreement when made by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3 No Conflicts. Except for the FCC Consent and consents to assign certain of the Real Property Leases, the execution, delivery and performance by Seller of this Agreement and the Seller Ancillary Agreements and the consummation by Seller of any of the transactions contemplated hereby does not conflict with any organizational documents of Seller or any

contract or agreement to which Seller is a party or by which it is bound, or any law, judgment, order, or decree to which Seller is subject, or require the consent or approval of, or a filing by Seller with, any governmental or regulatory authority or any third party.

2.4 FCC Licenses. Except as set forth on *Schedule 1.1(a)*:

Seller is the holder of the FCC Licenses described on *Schedule 1.1(a)*, which are all of the licenses, permits and authorizations required under the Communications Act of 1934, as amended and the rules, regulations and policies of the FCC (the “Communications Laws”) for the present operation of the Stations. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending, or, to Seller’s knowledge, threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability). There is not issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or order of forfeiture against the Stations or against Seller with respect to the Stations that could result in any such action. The Stations are in compliance in all material respects with the FCC Licenses, the Communications Laws and the rules, regulations and policies of the FCC. All material reports and filings required to be filed with, and all regulatory fees required to be paid to, the FCC by Seller with respect to the Stations have been timely filed, and no amounts currently due remain unpaid. All material reports and filings required to be filed with the FCC by Seller with respect to the operation of the Stations have been filed, and all such reports and filings are substantially accurate and complete in all material respects. Seller maintains public files for the Stations in all material respects as required by FCC rules. Seller and the Station Assets are in compliance in all material respects with all rules and regulations of the FAA applicable to the Stations.

2.5 Taxes. Seller has, in respect of the Stations’ business, filed all foreign, federal, state, territorial, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law, and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable.

2.6 Tangible Personal Property. *Schedule 1.1(b)* contains a list of material items of Tangible Personal Property included in the Station Assets. Seller has good and marketable title to the Tangible Personal Property free and clear of Liens other than Permitted Liens. The Tangible Personal Property has been maintained in a manner substantially consistent with generally accepted standards of good engineering practice; and is operating in full compliance, in all material respects, with the FCC Licenses and rules and regulations of the FCC and FAA. Except as set forth on *Schedule 1.1(b)*, each item of Tangible Personal Property is in good operating condition, ordinary wear and tear excepted, is free from material defects or damage, and is functioning in the manner and purposes for which it was intended.

2.7 Real Property Leases. *Schedule 1.1(c)* contains a description of all real property used or held for use in the business or operation of the Stations. Seller owns fee simple title to the Real Property identified as Owned Real Property on *Schedule 1.1(c)* free and clear of Liens other than Permitted Liens. *Schedule 1.1(c)* also includes a description of each Real Property Lease. The Owned Real Property and the Real Property Leases constitute all owned, leased, or

licensed (or similar easement or agreement) under which Seller owns or is lessee or licensee of, or holds, uses or operates, the real property used to operate the Stations' transmission facilities. The Owned Real Property includes (or Seller has easements for), and the Real Property Leases (i) provide sufficient vehicular access to the Stations' facilities without need to obtain any additional access rights and (ii) are served by all utilities which are required for adequate operation of the Stations. No part of any Real Property is subject to any pending or, to Seller's knowledge, threatened suit for condemnation or other taking by any public authority. All buildings and other improvements included in the Real Property are in good operating condition and are not in need of material repair (ordinary wear and tear excepted) and free from material defect or damage and comply in all material respects with applicable zoning, health and safety laws and codes. Seller has delivered to Buyer true and complete copies of all deeds of sale, title insurance policies, title insurance commitments and surveys in its possession that are applicable to the Owned Real Property or Real Property which is the subject of the Real Property Leases. Subject to obtaining applicable lessor/licensor consents, Seller has the full legal power and authority to assign its rights under the Real Property Leases to Buyer. To Seller's Knowledge, Seller's present use of the Owned Real Property and the premises leased in the Real Property Leases ("Leased Premises") is in compliance with all applicable zoning codes or other laws. All permanent certificates of occupancy and other consents and approvals required to be obtained by Seller for use of the Owned Real Property and the Leased Premises from any governmental authority, association or board with jurisdiction over the Owned Real Property or Leased Premises have been issued and are in full force and effect. Seller has performed its obligations under each of the Real Property Leases in all material respects, and is not in default thereunder, and to Seller's knowledge, no other party to any of the Real Property Leases is in default thereunder in any material respect. There are no leases, licenses, subleases, sublicenses or other contracts between Seller, on the one hand, and a third party, on the other hand pursuant to which Seller rents, licenses, subleases or sublicenses to such third party use of the Owned Real Property or the premises which are the subject of any Real Property Lease, including space on the tower structure located at such Real Property. Notwithstanding any other provision of this Agreement, the representations and warranties made in this Section 2.7 are subject to the disclosures set forth on *Schedule 2.7*.

2.8 Broadcast Tower. Seller has no knowledge (after due inquiry) that the tower from which any Station broadcasts (a) was not constructed or modified in compliance with applicable law (including the National Environmental Policy Act of 1969, as amended (NEPA); the Endangered Species Act, and the National Historic Preservation Act of 1966) and (b) is not obstruction marked, lighted and properly registered with the FCC to the extent required by, and in accordance with, the Communications Laws and the rules and regulations of the FAA. Seller and the Station Assets are in compliance in all material respects with all rules and regulations of the FAA applicable to the Stations. Except as set forth on *Schedule 2.7*, the operation of the Stations does not expose workers or others to levels of radio frequency radiation in excess of the "Radio Frequency Protection Guides" recommended in ANSI Standards C95.1-1992 or any subsequently adopted standards to the extent the same are required to be met under applicable law. All of the towers, guy anchors, guy wires, cables, driveways, parking lots, ground systems, transmitting equipment, buildings and other improvements relating to the Stations' operations are located entirely on and wholly within the lot limits and metes and bounds of the property on which the Stations' tower is situated and do not encroach on any adjoining premises, including as contemplated on *Schedule 2.7*.

2.9 Environmental. Seller has not, in connection with its business or assets, generated, used, transported, treated, stored, released or disposed of, or to its knowledge, suffered or knowingly permitted anyone else to generate, use transport, treat, store, release or dispose of any Hazardous Substance (as defined below) on the Owned Real Property or the Leased Premises in violation of any applicable environmental law; (b) there has not been any generation, use, transportation, treatment, storage, release or disposal of any Hazardous Substance on the Owned Real Property or the Leased Premises which has created or might reasonably be expected to create any material liability under any applicable environmental law or which would require reporting to or notification of any governmental entity; (c) to the knowledge of Seller, no asbestos or polychlorinated biphenyl or underground storage tank is contained in or located on the Owned Real Property or the Leased Premises; and (d) any Hazardous Substance handled or dealt with in any way on the Owned Real Property or the Leased Premises has been and is being handled or dealt with in all material respects in compliance with all applicable environmental laws. Seller and the Stations are in compliance in all material respects with all environmental, health and safety laws applicable to the Owned Real Property, the Leased Premises and the Station Assets. There is no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller or the Stations that asserts that Seller or the Stations have violated any environmental, health or safety laws applicable to the Owned Real Property, Leased Premises or Station Assets. "Hazardous Substance" means substances that are defined or listed in, or otherwise classified pursuant to, any applicable laws as "hazardous substances," "hazardous materials," "hazardous wastes" or "toxic substances," or any other formulation of any applicable environmental law intended to define, list or classify substances by reason of deleterious properties such as ignitibility, corrosiveness, reactivity, radioactivity, carcinogenicity, reproductive toxicity and petroleum and drilling fluids, produced waters and other wastes associated with the exploration, development, or production of crude oil, natural gas or geothermal energy. Seller has delivered to Buyer true and complete copies of all environmental reports and assessments in its possession that are applicable to the Real Property or the Stations.

2.10 Insurance. Seller maintains insurance policies or other similar arrangements with respect to the Stations and the Station Assets consistent with its past practices, and will maintain such policies or arrangements until the Closing.

2.11 Compliance with Law. Seller has complied in all material respects with all laws, rules and regulations, including without limitation the Communications Laws and rules and regulations of the FAA applicable to the operation of the Stations, and all decrees and orders of any court or governmental authority which are applicable to the operation of the Stations. To Seller's knowledge, there are no governmental claims or investigations pending or threatened against Seller in respect of the Stations except those affecting the industry generally.

2.12 Litigation. There is no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller in respect of the Stations that will subject Buyer to liability or which will affect Seller's ability to perform its obligations under this Agreement. Seller is not operating under or subject to any order, writ, injunction or decree relating to the Stations or the Station Assets of any court or governmental authority which would have a material adverse effect on the condition of the Stations or any of the Station Assets or on the ability of Seller to enter into this Agreement or consummate the transactions contemplated hereby, other than those of general applicability.

2.13 Title; Station Assets. The instruments to be executed by Seller and delivered to Buyer at Closing, conveying the Station Assets to Buyer, will transfer good and marketable title to the Station Assets, free and clear of all Liens other than Permitted Liens. The Station Assets include all assets that are owned or leased by Seller and used or held for use exclusively in the operation of the Stations in all material respects as currently operated, except for the Excluded Assets.

2.14 No Finder. Except for Beth Griffin, whose fee shall be owed by Seller (but delivered by Buyer via wire transfer at Closing and credited against the Purchase Price due to Seller at Closing), no broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller or any party acting on Seller's behalf.

### **ARTICLE 3: BUYER REPRESENTATIONS AND WARRANTIES**

Buyer hereby makes the following representations and warranties to Seller:

3.1 Organization. Buyer is duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its organization. At Closing, Buyer will be qualified to do business in the Commonwealth of Puerto Rico. Buyer has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (collectively, the "Buyer Ancillary Agreements") and to consummate the transactions contemplated hereby.

3.2 Authorization. The execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements by Buyer have been duly authorized and approved by all necessary action of Buyer and do not require any further authorization or consent of Buyer. This Agreement is, and each Buyer Ancillary Agreement when made by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 No Conflicts. Except for the FCC Consent and consents to assign certain of the Real Property Leases, the execution, delivery and performance by Buyer of this Agreement and the Buyer Ancillary Agreements and the consummation by Buyer of any of the transactions contemplated hereby does not conflict with any organizational documents of Buyer, any contract or agreement to which Buyer is a party or by which it is bound, or any law, judgment, order or decree to which Buyer is subject, or require the consent or approval of, or a filing by Buyer with, any governmental or regulatory authority or any third party.

3.4 Litigation. There is no action, suit or proceeding pending or, to Buyer's knowledge, threatened against Buyer which questions the legality or propriety of the transactions contemplated by this Agreement or could materially adversely affect the ability of Buyer to perform its obligations hereunder.

3.5 Qualification. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Stations under the Communications Laws. There are no facts that would, under existing law and the existing rules, regulations, policies and procedures of the FCC, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Stations. No waiver of or exemption from any FCC rule or policy is necessary to be obtained by Buyer in order for the FCC Consent to be granted and no such waiver or exemption shall be sought by Buyer in connection with the FCC Consent except as provided in Section 1.10.

3.6 Funds. Buyer has sufficient funds to pay the Purchase Price at Closing.

3.7 No Finder. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyer or any party acting on Buyer's behalf. Payment of any broker engaged by Buyer shall be Buyer's sole cost and expense.

#### **ARTICLE 4: SELLER COVENANTS**

4.1 Seller's Covenants. Between the date hereof and Closing, except as permitted by this Agreement or with the prior written consent of Buyer, which shall not be unreasonably withheld, delayed or conditioned, Seller shall:

(a) operate the Stations in the ordinary course of business and in all material respects in accordance with FCC rules and regulations and with all other applicable laws, regulations, rules and orders;

(b) not modify, and in all material respects maintain in full force and effect, the FCC Licenses;

(c) not other than in the ordinary course of business, sell, lease or dispose of or agree to sell, lease or dispose of any of the Station Assets unless replaced with similar items of substantially equal or greater value and utility, or create, assume or permit to exist any Liens upon the Station Assets, except for Permitted Liens, and not dissolve, liquidate, merge or consolidate with any other entity;

(d) maintain the Tangible Personal Property in good operating condition (ordinary wear and tear accepted);

(e) maintain the Owned Real Property in good operating condition and preserve and maintain the Owned Real Property consistent with past practice; and

(f) upon reasonable notice, give Buyer and its representatives reasonable access during normal business hours to the Station Assets, and furnish Buyer with information relating to the Station Assets that Buyer may reasonably request, provided that such access rights shall not be exercised in a manner that interferes with the operation of the Stations or other stations owned by Seller or its affiliates;

(g) except in the ordinary course of business and as otherwise required by law, not enter into any employment, labor, or union agreement or plan (or amendments of any such existing agreements or plan) that will be binding upon Buyer after Closing;

(h) not amend, terminate or fail in any material respect to perform its obligations under any Real Property Lease;

(i) not enter into new contracts that will be binding upon Buyer after Closing; and

(j) provide Buyer with a list of any Seller's creditors who have Liens on the Station Assets at least five (5) days prior to Closing, and cooperate with Buyer to ensure such Liens are released at Closing and to timely send any bulk sales notices to Seller's creditors in compliance with applicable law.

## **ARTICLE 5: JOINT COVENANTS**

Buyer and Seller hereby covenant and agree as follows:

5.1 Confidentiality. Subject to the requirements of applicable law, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement (including without limitation all financial information provided by Seller to Buyer) shall be confidential and shall not be disclosed to any other person or entity, except the parties' representatives and lenders for the purpose of consummating the transaction contemplated by this Agreement.

5.2 Announcements. Prior to Closing, no party shall, without the prior written consent of the other, issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, except to the extent that such party is so obligated by law, in which case such party shall give advance notice to the other, and except as necessary to enforce rights under or in connection with this Agreement. Notwithstanding the foregoing, the parties acknowledge that this Agreement and the terms hereof will be filed with the FCC Application and thereby become public.

5.3 Control. Buyer shall not, directly or indirectly, control, supervise or direct the operation of the Stations prior to Closing. Consistent with the Communications Laws, control, supervision and direction of the operation of the Stations prior to Closing shall remain the responsibility of Seller as the holder of the FCC Licenses.

5.4 Risk of Loss.

(a) Seller shall bear the risk of any loss of or damage to any of the Station Assets at all times until the Closing, and Buyer shall bear the risk of any such loss or damage thereafter.

(b) If prior to the Closing any item of Tangible Personal Property is damaged or destroyed or otherwise not in the condition described in Section 2.6 in any material respect, then:

(i) except as set forth below, Seller shall use commercially reasonable efforts to repair or replace such item in all material respects in the ordinary course of business; and

(ii) if such repair or replacement is not completed prior to Closing, then the parties shall proceed to Closing (with Seller's representations and warranties deemed modified to take into account any such condition) and Seller shall repair or replace such items in all material respects after Closing (and Buyer will provide Seller access for and otherwise reasonably cooperate with such repair or replacement), except that if such damage or destruction materially disrupts any Station's operations, then Buyer may postpone Closing until the date five (5) business days after operations are restored in all material respects, subject to Section 10.1.

(c) If prior to Closing any Station is off the air or operating at a power level that results in a material reduction in coverage (a "Broadcast Interruption"), then Seller shall return such Station to the air and restore prior coverage as promptly as possible in the ordinary course of business. Notwithstanding anything herein to the contrary, if prior to Closing there is a Broadcast Interruption in excess of 24 hours, then Buyer may postpone Closing until the date five (5) business days after such Station returns to the air and prior coverage is restored in all material respects, subject to Section 10.1.

5.5 Consents. Seller shall use commercially reasonable efforts to obtain (i) any third party consents necessary for the assignment of any Real Property Lease (which shall not require any payment to any such third party) and (ii) execution of reasonable estoppel certificates by lessors under any Real Property Leases, but no such consents or estoppel certificates are conditions to Closing except for the Required Consents. Receipt of consent to assign to Buyer the Real Property Leases marked with an asterisk (\*) on *Schedule 1.1(c)* is a condition precedent to Buyer's obligation to close under this Agreement (the "Required Consents").

5.6 Real Property. Within sixty (60) days after the Effective Date, Buyer may, at its expense, obtain customary title commitments, Phase I site assessments, and surveys with respect to the Owned Real Property and/or Leased Premises. Seller shall cooperate with any reasonable requests by the title company or environmental consultant and shall provide access for such surveys or site assessments upon reasonable prior notice. Buyer shall notify Seller of any Lien or encroachment disclosed on the survey or title commitment for the Owned Real Property or Leased Premises that is not a Permitted Lien promptly after Buyer becomes aware of such fact. To the extent the Phase I assessment identifies a potential environmental hazard on the Owned Real Property or the Leased Premises, Buyer may conduct such Phase II assessment, at Buyer's sole cost and expense, upon the prior written consent of Seller. If Seller does not grant such consent on a timely basis as determined above, Buyer shall have the right to terminate this Agreement without penalty.

5.7 Accounts Receivable. Buyer shall not collect any A/R, and Buyer shall promptly pay over to Seller any A/R it receives, without offset.

5.8 Actions. After Closing, if reasonably requested by Seller, Buyer shall cooperate with Seller in the investigation, defense or prosecution of any action which is pending or threatened against Seller or its affiliates with respect to the Stations, whether or not any party has notified the other of a claim for indemnification with respect to such matter. Without limiting

the generality of the foregoing, Buyer shall make available its employees to give depositions or testimony and shall preserve and furnish all documentary or other evidence that Seller may reasonably request.

5.9 FCC Compliance. If the parties agree to proceed to Closing before the FCC Consent is Final and thereafter the FCC Consent is reversed or otherwise set aside, and there is a final order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Licenses to Seller, then the purchase and sale of the Station Assets shall be rescinded. In such event, Buyer shall reconvey to Seller the Station Assets free and clear of Liens other than Permitted Liens, and Seller shall repay to Buyer the Purchase Price and reassume the Real Property Leases. Any such rescission shall be consummated on a mutually agreeable date within thirty days of such final order (or, if earlier, within the time required by such order). In connection therewith, Buyer and Seller shall each execute such documents (including execution by Buyer of instruments of conveyance of the Station Assets to Seller and execution by Seller of instruments of assumption of the Real Property Leases) and make such payments (including repayment by Seller to Buyer of the Purchase Price) as are necessary to give effect to such rescission.

## **ARTICLE 6: SELLER CLOSING CONDITIONS**

The obligation of Seller to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Seller):

### 6.1 Representations and Covenants.

(a) The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Buyer at or prior to Closing shall have been complied with or performed in all material respects.

(c) Seller shall have received a certificate dated as of the Closing Date from Buyer executed by an authorized officer of Buyer to the effect that the conditions set forth in Sections 6.1(a) and (b) have been satisfied.

6.2 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

6.3 FCC License. The FCC Consent shall have been obtained and become Final.

6.4 Deliveries. Buyer shall have complied with its obligations set forth in Section 8.2.

## **ARTICLE 7: BUYER CLOSING CONDITIONS**

The obligation of Buyer to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Buyer):

### **7.1 Representations and Covenants.**

(a) The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Seller at or prior to Closing shall have been complied with or performed in all material respects.

(c) Buyer shall have received a certificate dated as of the Closing Date from Seller executed by an authorized officer of Seller to the effect that the conditions set forth in Sections 7.1(a) and (b) have been satisfied.

**7.2 Proceedings.** Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

**7.3 FCC License.** The FCC Consent shall have been obtained and become Final.

**7.4 Title Policy.** Buyer shall have received (at its sole cost) a standard form ALTA owner's title policy from a reputable national title company insuring fee simple title to the Owned Real Property free and clear of Liens with no exceptions other than Permitted Liens.

**7.5 Environmental Report.** Any Phase I assessment obtained by Buyer shall not have identified the existence of any Hazardous Substance or other any potential environmental hazard on the Owned Real Property or the Leased Premises except as currently set forth in the Lease Addendum.

**7.6 Absence of Any Material Adverse Change.** There shall have been no material adverse change in the Station Assets or the condition of the Stations.

**7.7 Deliveries.** Seller shall have complied with its obligations set forth in Section 8.1.

**7.8 Consents.** The Required Consents shall have been obtained.

## **ARTICLE 8: CLOSING DELIVERIES**

**8.1 Seller Documents.** At Closing, Seller shall deliver or cause to be delivered to Buyer:

(i) a certificate or other evidence from the Registration of Corporations and Entities demonstrating that Seller is a corporation in good standing in the Commonwealth of Puerto Rico (including any tax clearance certificates, if available);

(ii) a certificate executed by Seller certifying the due authorization of this Agreement and the Seller Ancillary Agreements, together with copies of Seller's authorizing resolutions;

(iii) the certificate described in Section 7.1(c);

(iv) an assignment of FCC authorizations assigning the FCC Licenses from Seller to Buyer;

(v) a deed of sale (or similar general warranty deed) transferring the Owned Real Property to Buyer, together with any additional documents (such as, without limitation, an affidavit of title or residency certification, W-9, FIRPTA certificate) requested by Buyer's title company;

(vi) an assignment and assumption of leases assigning the Real Property Leases from Seller to Buyer;

(vii) a bill of sale conveying the other Station Assets from Seller to Buyer;

(viii) appropriate documents necessary to release all Liens on the Station Assets except for Permitted Liens;

(ix) a copy of the Required Consents, and estoppel certificates executed by the lessor with respect to any Real Property Lease in a form reasonably satisfactory to Buyer, confirming the terms of such lease and that Seller is not in default under, or in breach of, such lease and such other customary matters reasonably requested by Buyer;

(x) a joint notice to the Escrow Agent, executed by Seller requesting the release of the Deposit to Seller;

(xi) any other instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Station Assets from Seller to Buyer, free and clear of Liens, except for Permitted Liens.

8.2 Buyer Documents. At Closing, Buyer shall deliver or cause to be delivered to Seller:

(i) the Purchase Price in accordance with Sections 1.4 and 2.14 hereof;

(ii) a good standing certificate issued by the Secretary of State of Buyer's jurisdiction of formation;

(iii) a certificate executed by Buyer certifying the due authorization of this Agreement and the Buyer Ancillary Agreements, together with copies of Buyer's authorizing resolutions;

(iv) the certificate described in Section 6.1(c);

(v) an assignment and assumption of leases assuming the Real Property Leases;

(vi) a joint notice to the Escrow Agent, executed by Buyer requesting the release of the Deposit to Seller; and

(vii) such other documents and instruments of assumption that may be necessary to assume the Assumed Obligations.

## **ARTICLE 9: SURVIVAL; INDEMNIFICATION**

9.1 Survival. The representations and warranties in this Agreement shall survive Closing for a period of eighteen (18) months from the Closing Date whereupon they shall expire and be of no further force or effect, except (i) those under Section 2.5 (Taxes), Section 2.9 (Environmental), and those relating to title to the Station Assets which shall survive until the expiration of any applicable statute of limitations, and (ii) that if within such applicable period the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim, then such claim shall survive until the earlier of resolution of such claim or expiration of the applicable statute of limitations. The covenants and agreements in this Agreement shall survive Closing until performed.

### 9.2 Indemnification.

(a) Subject to Section 9.2(b), from and after Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or resulting from:

(i) any breach by Seller of its representations and warranties made under this Agreement; or

(ii) any default by Seller of any covenant or agreement made under this Agreement; or

(iii) the Retained Obligations;

(iv) the failure of Seller (or Buyer) to comply with any laws relating to bulk sales or tax applicable to the transactions contemplated by this Agreement; or

(v) the business or operation of the Stations before the Closing, except for the Assumed Obligations.

(b) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Seller shall have no liability to Buyer under Section 9.2(a)(i) until Buyer's aggregate Damages exceed \$10,000, after which such threshold amount shall be included in, not excluded from, any calculation of Damages, and (ii) the maximum aggregate liability of Seller under Section 9.2(a) shall be an amount equal to the Purchase Price.

(c) Subject to Section 9.2(d), from and after Closing, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or resulting from:

- (i) any breach by Buyer of its representations and warranties made under this Agreement; or
- (ii) any default by Buyer of any covenant or agreement made under this Agreement; or
- (iii) the Assumed Obligations; or
- (iv) the business or operation of the Stations after the Closing.

(d) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Buyer shall have no liability to Seller under Section 9.2(c)(i) until Seller's aggregate Damages exceed \$10,000, after which such threshold amount shall be included in, not excluded from, any calculation of Damages, and (ii) the maximum aggregate liability of Buyer under Section 9.2(c) shall be an amount equal to the Purchase Price.

### 9.3 Procedures.

(a) The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties that is subject to indemnification hereunder (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's rights or the indemnifying party's obligations except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced and provided that such notice is given within the time period described in Section 9.1.

(b) The indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel selected by it. In the event that the indemnifying party does not undertake such defense or opposition in a timely manner, the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party's cost (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

(c) Anything herein to the contrary notwithstanding:

(i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim;

(ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such Claim;

(iii) in the event that the indemnifying party undertakes defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel concerning such Claim and the indemnifying party and the indemnified party and their respective counsel shall cooperate in good faith with respect to such Claim; and

(iv) neither party shall have any liability to the other under any circumstances for special, indirect, consequential, punitive or exemplary damages or lost profits or similar damages of any kind, whether or not foreseeable.

(d) After Closing, all claims for breach of representations or warranties under this Agreement shall be subject to the limitations set forth in Section 9.2(b).

#### **ARTICLE 10: TERMINATION AND REMEDIES**

10.1 Termination. Subject to Section 10.3, this Agreement may be terminated prior to Closing as follows:

(a) by mutual written consent of Buyer and Seller;

(b) by written notice of Buyer to Seller if Seller breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period (defined below);

(c) by written notice of Seller to Buyer if Buyer breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period; provided, however, that the Cure Period shall not apply to Buyer's obligation to make the Deposit when due or to pay the Purchase Price at Closing; or

(d) by written notice of Seller to Buyer or Buyer to Seller if Closing does not occur by the date twelve (12) months after the date of this Agreement.

10.2 Cure Period. Each party shall give the other party prompt written notice upon learning of any breach or default by the other party under this Agreement. The term "Cure Period" as used herein means a period commencing on the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) twenty (20) calendar days thereafter or (ii) the Closing Date determined under Section 1.8; provided, however, that if the breach or default is non-monetary and cannot reasonably be cured within such period but can be cured before the Closing Date determined under Section 1.8, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date determined under Section 1.8.

10.3 Survival Rights Upon Termination. Except as provided by Section 10.5, the termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Sections 1.5 (Deposit) (and Section 10.5 with respect to the Deposit), 5.1 (Confidentiality) and 11.1 (Expenses) shall survive any termination of this Agreement.

10.4 Specific Performance. Seller acknowledges that the Stations are 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 specific performance action is brought by Buyer against Seller to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law, and the prevailing party in litigation shall be entitled to receive from the non-prevailing party all court costs, attorney's fees and other out-of-pocket expenses incurred by the prevailing party in enforcing or defending its rights under this provision.

10.5 Liquidated Damages. If Seller terminates this Agreement pursuant to Section 10.1(c), then Seller's sole remedy for Buyer's breach of this Agreement shall be termination of this Agreement and receipt of the Deposit by wire transfer of immediately available funds (which shall be satisfied by disbursement of the Deposit to Seller under Section 1.5). The parties acknowledge and agree that payment of the Deposit upon such breach shall constitute payment of liquidated damages and is not a penalty and that the Deposit is a reasonable amount for liquidated damages in light of the substantial but indeterminate harm anticipated to be caused by material breach or default under this Agreement, the difficulty of proof of loss and damages, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder.

## **ARTICLE 11: MISCELLANEOUS**

11.1 Expenses. Each party 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. Except as provided in Section 1.9, the filing fee applicable to the request for the FCC Consent and any fees owed to the Escrow Agent shall be paid by Buyer. Bulk sales tax or other sales or use taxes, fees and charges applicable to the transfer of the Station Assets under this Agreement, if any, shall be paid by Seller.

11.2 Further Assurances. After Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

11.3 Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement.

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

if to Seller, then to: Broadcasting & Programming Systems  
Puerto Rico, Inc.  
PO Box 9024188  
San Juan, PR 00902-4188  
Attention: Ada Cox  
E-mail: [AdaCox@alfarock.com](mailto:AdaCox@alfarock.com)

with a copy (which shall not constitute notice) to: Covington & Burling LLP  
One CityCenter  
850 Tenth Street, N.W.  
Washington, DC 20001  
Attention: Mace Rosenstein  
E-mail: [mrosenstein@cov.com](mailto:mrosenstein@cov.com)

if to Buyer, then to: Educational Media Foundation  
5700 West Oaks Boulevard  
Rocklin, CA 95765  
Attention: Scott Fera, Counsel  
E-Mail: [SFera@kloveair1.com](mailto:SFera@kloveair1.com)

with a copy (which shall not constitute notice) to: Wilkinson Barker Knauer LLP  
1800 M Street, NW  
Suite 800N  
Washington, DC 20036  
Attention: Paige Fronabarger  
E-mail: [PFronabarger@wbklaw.com](mailto:PFronabarger@wbklaw.com)

11.5 Amendments. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought.

11.6 Entire Agreement. This Agreement (including the schedules hereto) and the Escrow Agreement constitute the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof, except any confidentiality agreement among the parties with respect to the Stations, which shall remain in full force and effect. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement.

11.7 Severability. If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is

deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

11.8 No Beneficiaries. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns.

11.9 Governing Law. The construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Puerto Rico without giving effect to the choice of law provisions thereof. The prevailing party in a lawsuit brought to enforce the performance or compliance of any provision of this Agreement may recover reasonable attorneys' fees and costs from the non-prevailing party.

11.10 Counterparts. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement.

*[SIGNATURE PAGE FOLLOWS]*

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

**SELLER:** **BROADCASTING & PROGRAMMING SYSTEMS  
PUERTO RICO, INC.**

By:   
Name: Ralph Perez Ramirez  
Title: President

**BUYER:** **EDUCATIONAL MEDIA FOUNDATION**

By: \_\_\_\_\_  
Name: Mike Novak  
Title: Chief Executive Officer  
Date: \_\_\_\_\_

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

**SELLER:** **BROADCASTING & PROGRAMMING SYSTEMS  
PUERTO RICO, INC.**

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

Name:

Title:

**BUYER:** **EDUCATIONAL MEDIA FOUNDATION**

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

Name: Mike Novak

Title: Chief Executive Officer

Date: \_\_\_\_\_

  
7/24/17

## **EXHIBITS**

Exhibit A      Escrow Agreement

## **SCHEDULES**

1.1(a)          FCC Licenses & Other Governmental Authorizations

1.1(b)          Tangible Personal Property

1.1(c)          Owned Real Property and Real Property Leases; Required Consents

2.7              Real Property Leases

*Schedule 1.1(a)*  
FCC Licenses & Other Governmental Authorizations

Type of Authorization	Call Sign	FCC File Number	Grant Date	Expiration Date
Broadcast License	WCAD(FM)	BMLH-19891117KD	8/13/1991	2/1/2020
Broadcast Renewal	WCAD(FM)	BRH-20110927ACK	1/27/2012	2/1/2020

Broadcast Auxiliary Stations

Type of Authorization	Call Sign	Grant Date	Expiration Date
Aural Studio Transmitter Link	WMF719	4/20/1993	2/1/2020
Aural Studio Transmitter Link	WPNK709	5/6/1987	2/1/2020
Aural Intercity Relay	WPOS827	3/26/1999	2/1/2020

**Station WCAD-FM1, Fajardo, Puerto Rico**  
**Facility ID Number 7945**

Type of Authorization	Call Sign	FCC File Number	Grant Date	Expiration Date
Broadcast License	WCAD-FM1	BLFTB-19920921TC	11/5/1992	2/1/2020*

**Station WCAD-FM2, Juana Diaz, Puerto Rico**  
**Facility ID Number 90765**

Type of Authorization	Call Sign	FCC File Number	Grant Date	Expiration Date
Broadcast License	WCAD-FM2	BLFTB-19990226 <sup>TH</sup>	7/29/1999	2/1/2020*

*\*License is renewed with WCAD(FM), FCC File number BRH-20110927ACK.*