

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, dated as of March 25, 2013 (this "Agreement"), by and between TEJAS BROADCASTING LTD., LLP, a Texas limited partnership ("Seller"), Derrick Varnell, an individual resident of Tarrant County, Texas or an entity controlled by such individual ("Optionee") and EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation ("Buyer").

WITNESSETH:

WHEREAS, Seller is the licensee of radio station KOUL, Refugio, Texas, Facility ID 7084 (Channel 279, 103.7MHz) (the "Station"), pursuant to authorizations (the "FCC Authorizations") issued by the Federal Communications Commission (the "FCC");

WHEREAS, on the terms and conditions described herein, Seller desires to sell and Buyer desires to acquire certain of the assets owned or leased by Seller and used or useful in connection with the operation of the Station; and

WHEREAS, simultaneously with the execution of this Agreement, Seller and Buyer desire to enter into a Network Affiliation Agreement ("LMA") pursuant to which Buyer will acquire the right to provide programming on the Station, subject to the terms and conditions of such LMA;

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Assets and Liabilities.

(a) On the Closing Date (as hereinafter defined), Seller shall sell, assign and transfer, or cause to be delivered, to Buyer, and Buyer shall purchase, assume and accept from Seller, the assets, properties, interests and rights of Seller of whatsoever kind and nature, used in connection with the operation of the Station and which are specifically described below (the "Assets") (but excluding the Excluded Assets described in subparagraph (c) below):

(i) Seller's antenna and transmission line used in the conduct of the business or operations of the Station, as identified on Schedule 1 hereto (the "Tangible Personal Property"), together with such modifications, improvements and additions thereto and replacements thereof occurring between the date hereof and the Closing Date;

(ii) All of the licenses, permits and other authorizations, including the FCC Authorizations (collectively, the "Licenses"), issued by the FCC, the Federal Aviation Administration (the "FAA"), and any other federal, state or local governmental authorities to Seller in connection with the conduct of the business and the full on-air operations of the Station, identified on Schedule 2 hereto;

(iii) All of Seller's logs, books, files, data, software, FCC and other governmental applications, equipment manuals and assignable warranties, and other records

relating to the full on-air broadcast operations of the Station, including without limitation all electronic data processing files and systems related thereto, FCC filings and all records required by the FCC to be kept by the Station.

(b) The Assets shall be transferred by Seller to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements and other liens, liabilities and encumbrances of every kind and nature ("Liens") except (i) liens for taxes not due and payable or, that are being contested in good faith by appropriate proceedings; and (ii) liens or mortgages, in each case that will be released on or before the Closing or otherwise satisfied by Seller with Buyer's consent. Buyer is not agreeing to, and shall not, assume any liability, obligation, undertaking, expense or agreement of Seller of any kind, absolute or contingent, known or unknown, and the execution and performance of this Agreement shall not render Buyer liable for any such liability, obligation, undertaking, expense or agreement unless otherwise specifically agreed to herein. Notwithstanding the preceding, Buyer agrees, upon the terms and subject to the conditions set forth herein, to assume, at the Closing, and thereafter to pay, perform and discharge all obligations of Seller accruing from and after the Closing Date under the Licenses, including the FCC Authorizations. In addition, Buyer shall assume the liabilities to be assumed or discharged by Buyer under the LMA. All liabilities not specifically assumed by Buyer shall be retained by Seller and are referred to herein as the "Retained Liabilities". Without limiting the generality of the foregoing, it is understood and agreed that Buyer is not agreeing to, and shall not, assume (i) any liability or obligation of Seller to Seller's employees under any existing written or oral agreements with Seller, including any such liability or obligation in respect of wages, salaries, bonuses, accrued vacation or sick pay or any other matter, or (ii) any liability arising out of any termination by Seller of the employment of any employee of the Station or any liability for any employee benefit plan or arrangement of Seller for Station employees.

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

(i) Any and all cash, cash equivalents, cash deposits to secure contract obligations, all inter-company receivables from any affiliate of Seller and all other accounts receivable, bank deposits and securities held by Seller in respect of the Station at the Closing Date;

(ii) Any and all claims of Seller with respect to transactions prior to the Closing;

(iii) All prepaid expenses;

(iv) All contracts of insurance and claims against insurers;

(v) All employee benefit plans and the assets thereof and all employment contracts;

(vi) All contracts that are terminated in accordance with the terms and provisions of this Agreement or have expired prior to Closing in the ordinary course of business, and all loans and loan agreements;

(vii) All tangible personal property disposed of or consumed between the date hereof and Closing in the ordinary course of business;

(viii) Seller's corporate records;

(ix) All commitments, contracts, leases and agreements except to the extent that they are specifically assumed in this Agreement;

(x) All of Seller's intellectual property used in the operation of the Station and the Assets including the call sign, KOUL, provided, however, that Seller and Buyer shall cooperate to designate a new call sign to be effective upon commencement of programming;

(xi) All of Seller's equipment, machinery, furniture, and other tangible personal property used in the conduct of the business or operations of the Station other than the property specifically set forth on Schedule 1 hereto;

(xii) All assets relating to the radio stations owned by Seller other than KOUL; and

(xiii) Any and all assets not specifically described in Section 1(a) hereof.

2. Purchase Price.

(a) Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale of the Assets, on the Closing Date Buyer shall pay to Seller the aggregate sum of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) (the "Purchase Price") which shall be paid by Buyer in cash by wire transfer of same day Federal funds to an account designated by Seller at least two (2) business days before the Closing Date.

(b) Concurrently with the execution of this Agreement, Buyer and Seller have entered into a Loan Agreement by which Buyer shall loan Seller the sum of Five Hundred Thousand Dollar (\$500,000) (the "Loan") in a single advance to be used for the exclusive purpose of conducting deferred maintenance and repairs on the Station's tower and tower site and to fund the relocation and construction of Seller's two stations at the tower site. The loan shall be due and payable at closing and shall constitute a credit against the Purchase Price in favor of Buyer. If the Closing fails to occur then the loan will mature six (6) months from the date hereof, or thirty (30) days after termination of this Agreement, whichever is later, subject to the following conditions and limitations:

(i) If the failure of the Closing to occur is due to the fault of Buyer, then Seller shall receive a credit against the principal on the Loan of Two Hundred Fifty Thousand Dollars (\$250,000) and the balance of the principal shall be paid to Buyer;

(ii) If the failure of the Closing to occur is not due to any fault on the part of the Buyer, then the Loan shall be repayable in full.

(c) The parties agree to prorate all expenses arising out of the operation of the Station which are incurred, accrued or payable, as of 11:59 p.m. local time of the day preceding the Closing. The items to be prorated shall include, but not be limited to, power and utilities charges, FCC regulatory fees, real and personal property taxes upon the basis of the most recent tax bills and information available, security deposits, and similar prepaid and deferred items. The prorations shall, insofar as feasible, be determined and paid on the Closing Date, with final settlement and payment to be made within sixty (60) days after the Closing Date. In the event of any disputes between the parties as to adjustments, the amounts not in dispute shall nonetheless be paid at the time provided in this Section and such disputes shall be determined by an independent certified public accountant mutually acceptable to the parties. The accountant's resolution of the dispute shall be final and binding on the parties, and a judgment may be entered thereon in any court of competent jurisdiction. The fees and expenses of such accountant shall be paid one-half by Seller and one-half by Buyer.

3. FCC Consent; Assignment Application.

(a) At a date not later than ten (10) business days after the execution of this Agreement, Buyer and Seller shall execute, file and vigorously prosecute an application with the FCC (the "*Assignment Application*") requesting its consent to the assignment, from Seller to Buyer, of all FCC Authorizations pertaining to the Station (the "*FCC Consent*"). Buyer and Seller shall take all reasonable steps to cooperate with each other and with the FCC to secure such FCC Consent without delay, and to promptly consummate this Agreement in full.

(b) Seller hereby consents to and agrees to cooperate with Buyer in connection with the filing of an application by Buyer for the Station to become a non-commercial educational station and for a waiver of the FCC's "main studio" rules, such conversion and waiver to be effective on or after the Closing Date. Seller further agrees to cooperate with Buyer to select new call letters for the Station, such call letters to be effective upon commencement of Buyer's programming. Such requests shall be made and prosecution thereof shall be conducted solely at Buyer's expense, and Seller's covenant of cooperation shall be satisfied by prompt delivery of the signed statement required under Section 73.3517 of the FCC rules or any similar successor rule or provision.

(c) Except as otherwise provided herein, each party will be solely responsible for the expenses incurred by it in the preparation, filing and prosecution of its respective portion of the Assignment Application. Seller and Buyer shall each be responsible for one-half of all filing fees and grant fees imposed by the FCC.

(d) Each party agrees to comply with any condition imposed on it by the FCC, except that no party shall be required to comply with a condition that would have a Material Adverse Effect upon it unless the condition was imposed in the ordinary course or as the result of a circumstance which constitutes a breach by that party of any of its representations, warranties or covenants in this Agreement. Buyer and Seller shall oppose any efforts for reconsideration or

judicial review of the grant by the FCC of the Assignment Application (but nothing in this Section shall limit any party's right to terminate this Agreement pursuant to Section 9.1 of this Agreement).

(e) Seller shall, at its expense, give due notice of the filing of the Assignment Application by broadcasting on the Station, and by such other means as may be required by the rules and regulations of the FCC.

(f) As soon as practicable, Seller shall establish an auxiliary operation for the Station (the "Aux Site") on its tower with Antenna Structure Registration Number 1047400, known as the KLHB tower, located at 27° 47' 48" N; 97° 23' 51" W.. Seller shall submit and diligently prosecute an Application For Construction Permit (the "CP Application") with the FCC for the Aux Site. Upon request of Buyer, Seller shall ask the FCC for expedited processing of the CP Application. Seller shall immediately notify Buyer upon a grant of the CP Application. Thereafter, Seller shall build the Aux Site described in the grant of the CP Application in accordance with Section 7(d) of the Agreement. Buyer shall reimburse Seller for any filing fees incurred by Seller in connection with the CP Application.

4. **Closing Date; Closing Place.** The closing (the "Closing") of the transactions contemplated by this Agreement shall occur on a date (the "Closing Date") fixed by Buyer upon at least five (5) business days prior written notice to the Seller on a date which shall be no later than ten (10) days following the date on which the FCC Consent shall have become a Final Order (as hereinafter defined) and the other conditions to closing set forth in Section 8 have either been waived or satisfied. For purposes of this Agreement, the term "Final Order" means action by the FCC consenting to an application which is not reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no timely request for stay, petition for rehearing or appeal is pending, and as to which the time for filing any such request, petition or appeal or reconsideration by the FCC on its own motion has expired. The Closing shall be held at the offices of Wilkinson Barker Knauer, LLP, 2300 N St NW, Suite 700, Washington, DC, 20037, or at any other location agreed upon by Buyer and Seller, or by mail.

5. **Representations and Warranties of Seller.** Seller hereby makes the following representations and warranties to Buyer:

(a) Seller is a limited partnership duly formed, validly existing and in good standing under the laws of the State of Texas and is authorized to do business in the State of Texas. Seller has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by Seller and no other proceedings on the part of Seller are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Seller and constitutes the legal, valid and binding obligation of Seller enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

(b) The execution, delivery and performance of this Agreement by Seller will not (i) constitute a violation of or conflict with Seller's organizational documents, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation relating to the business of the Station and to which Seller or any of the Assets may be subject, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained and delivered to Buyer, (iii) violate any law, statute, rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency and which is applicable to Seller or any of the Assets, (iv) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever on any of the Assets, or (v) require the consent or approval of any governmental authority or other third party other than the FCC Consent, except, in the case of clauses (ii) and (iii) above, for any such conflicts, violations, defaults, terminations, cancellations or accelerations which would not, individually or in the aggregate, have a Material Adverse Effect (as hereinafter defined) on Seller. For purposes of this Agreement, the term "Material Adverse Effect" means a material adverse effect on the following, when taken together as a whole, the assets, business, results of operations, condition (financial or otherwise), or operation of the Station in the amount of \$25,000 or more individually or in the aggregate.

(c) Schedule 1 hereto contains a list of the tangible personal property owned by Seller for use in connection with the operation of the Station that will be acquired by Buyer. Seller owns and has, and will have on the Closing Date, good and marketable title to the Tangible Personal Property. Each item of Tangible Personal Property that has been maintained by Seller (i) is in good condition and repair, ordinary wear and tear excepted, (ii) has been maintained in a manner consistent with generally accepted standards of good engineering practice, (iii) is operating in substantial compliance with the FCC Authorizations and rules and regulations of the FCC and FAA, and (iv) to Seller's best knowledge, does not contain any PCBs.

(d) Schedule 2 hereto contains a true and complete list of the FCC Authorizations and all other licenses, permits or other authorizations from governmental or regulatory authorities that are required for the lawful conduct of the business and operations of the Station in the manner and to the full extent it is presently operated. Seller lawfully holds each of the FCC Authorizations and other licenses, permits and authorizations listed on Schedule 2. Except as set forth in Schedule 2, Seller is operating the Station in all material respects in accordance with the FCC Authorizations, and all rules, regulations and policies of the FCC (the "Communications Laws"), including that the Station is now and on the Closing Date will be capable of continually transmitting at no less than 90% of its authorized power. The Station is not transmitting or receiving any objectionable interference to or from any other station, and the Station is not short-spaced to any other station. There is not now pending or, to Seller's knowledge, threatened any action by or before the FCC to revoke, cancel, rescind, modify or refuse to renew any of such FCC Authorizations, and Seller has not received any notice of and has no knowledge of any pending, issued or outstanding order by or before the FCC, or of any investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against either the Station or Seller. Except

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

(e) The existing tower used in the operation of the Station is obstruction-marked and lighted to the extent required by, and in accordance with, the rules and regulations of the FAA and the FCC. Except as set forth in Schedule 2, Seller has complied in all material respects with all requirements of the FCC and the FAA with respect to the construction and/or alteration of the Seller's antenna structures, and "no hazard" determinations for each antenna structure have been obtained, where required. To Seller's knowledge, the operations of the Station do not exceed permissible levels of exposure to RF radiation specified in either the FCC's rules, regulations and policies concerning RF radiation or any other applicable Environmental Laws (as defined below).

(f) Seller has a valid leasehold interest in the Station's Tower Site Property described on Schedule 3 under a 99 year ground lease with approximately 70 years remaining, and no party is in material breach or default with respect to the same. To Seller's knowledge, there is full legal and practical access to the Tower Site Property and all utilities necessary for Buyer's use of the Tower Site Property as a radio tower facility are installed and are in good working order, and are subject to valid easements, where necessary. The buildings, towers, guys and other fixtures situated on the Tower Site Property are free of structural defects and are suitable for their intended uses, and are in good state of maintenance and repair (ordinary wear and tear excepted).

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

(h) Buyer shall have no obligation to offer employment to any employee of Seller or the Station, and shall have no liability with respect to any such employee or for benefits of any kind or nature, unless Buyer employs such employee, in which event Buyer shall be liable for compensation and benefits provided to such employee accruing from and after the date of employment of such employee but not prior thereto.

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

(j) Seller is not subject to any order, writ, injunction, judgment, arbitration decision or decree having binding effect and affecting the business of the Stations or the Assets or which restrains or enjoins the transactions contemplated hereby, and no such proceeding is pending. There is no material litigation pending by or against, or to the best of Seller's knowledge, threatened against Seller. To the best of Seller's knowledge, with respect to the Station, Seller has complied in all material respects with all applicable laws, regulations, orders or decrees. The present uses by Seller of the Assets do not violate any such laws, regulations,

orders or decrees in any material respect, and Seller has no knowledge of any basis for any claim for compensation or damage or other relief from any violation of the foregoing.

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

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

(l) There is now, and through the Closing there shall be, in full force and effect with reputable insurance companies fire and property insurance with respect to all material Tangible Personal Property in commercially reasonable amounts sufficient to repair or replace the applicable Assets.

(m) Seller has duly, timely and in the required manner filed all federal, state, and local income, franchise, sales, use, property, excise, payroll and other tax returns and forms required to be filed, and has paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies and losses required to be paid prior to the Closing Date. Based upon Seller's understanding that Buyer is exempt from the imposition of Texas sales taxes, no event has occurred which imposes on Buyer any liability for any taxes, penalties or interest due or to become due from Seller from any taxing authority.

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

6. Representations and Warranties of Buyer. Buyer hereby makes the following representations and warranties to Seller:

(a) Buyer is a non-profit, religious corporation duly organized, validly existing and in good standing under the laws of the State of California, is duly qualified to do business in Texas and has the requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted.

(b) Buyer has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by Buyer and no other proceedings on the part of Buyer are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Buyer and constitutes the legal, valid and binding agreements of Buyer enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

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

(d) Buyer is legally, financially and technically qualified to acquire and become the FCC licensee of the Station and to operate the Station in the manner contemplated. Buyer knows of no reason why the application for the assignment of the Licenses from Seller to Buyer will not be approved by the FCC, and knows of no threatened objections to the completion of the transactions contemplated under this Agreement.

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

(f) Other than John Pierce, John Pierce and Company, whose fee will be paid by Buyer, there is no broker or finder or other person who would have any valid claim for a

commission or brokerage in connection with this Agreement or the transactions contemplated hereby as a result of any agreement, understanding or action by Buyer.

(g) Buyer shall use its best efforts to install an equipment shelter and transmission equipment at the main tower site (the "Substitute Transmission Equipment"), or to establish, under the direction and control of Seller, the Aux Site by May 1, 2013 so that Seller may complete the move of the transmission facilities of two of its other radio stations into the existing KOUL transmission building.

7. Covenants.

(a) Seller covenants with Buyer that, between the date hereof and the Closing Date, Seller shall act in accordance with the following, unless the Buyer otherwise agrees in writing (which agreement shall not be unreasonably withheld or delayed) or unless otherwise set forth in the LMA:

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

(ii) Seller shall continue to operate and maintain the Station in accordance with the terms of the FCC Authorizations and in material compliance with all applicable laws and FCC rules and regulations. Seller will deliver to Buyer, promptly after filing, copies of any reports, applications or responses to the FCC or any communications from the FCC or any other party directed to the FCC related to the Station which are filed between the date of this Agreement and the Closing Date. Seller will not file any application to modify the Station's facilities except such modifications as are required by the public interest as determined in the sole discretion of Seller, exercised in good faith after consultation with Buyer, and Seller shall take all actions necessary to keep the Licenses valid and in full force and effect.

(iii) Seller shall maintain insurance on all of the Tangible Personal Property in such amounts as necessary to repair or rebuild the applicable Assets.

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

(iv) From the date hereof to the Closing Date, Seller shall afford, and shall cause its respective officers, directors, employees and agents to afford, to Buyer, its prospective financing sources and its and their respective officers, employees, advisors and agents reasonable access during regular business hours to Seller's officers, employees, independent contractors, agents, properties, records and contracts relating to the Assets, and shall furnish Buyer all operating and other data and information with respect to the Assets as Buyer, through its respective officers, employees, advisors or agents, may reasonably request.

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

(vi) Seller shall be in material compliance with all federal, state and local laws, rules and regulations.

(vii) Seller shall enter into a tower lease with Buyer for the use of the Station's tower site in the form attached hereto as Exhibit A (the "Tower Lease"). The Tower Lease shall specify an initial rent of \$2,200 with an annual escalator equal to 3% of the former years rent. The Tower Lease shall be for an initial term of five (5) years with five (5) options to extend for an additional five years each.

(b) Buyer covenants with Seller that, between the date hereof and the Closing Date, it shall act in accordance with the following:

(i) Buyer shall give detailed written notice to Seller promptly on learning of the occurrence of any event that would cause or constitute a breach, or that would have caused a breach had such event occurred or been known to Buyer on or before the date of this Agreement, of any of Buyer's representations or warranties contained in this Agreement or in any Schedule attached hereto. Any such notice to Seller, similar informal notice by Buyer to Seller, or independent investigation, examination, or other source of knowledge by Seller regarding a breach of Buyer's representations and warranties shall not in any way diminish or obviate any representations or warranties of Buyer made in this Agreement, the Schedules and documents delivered pursuant to this Agreement.

(ii) Buyer shall maintain its qualifications to be the FCC licensee of the Station.

(iii) Buyer shall enter into the Tower Lease described in paragraph 7(a)(vii).

(iv) Subject to the provisions of this Agreement, Buyer shall fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement and to cause the transactions contemplated by this Agreement to be fully carried out. If any event should occur which would prevent the consummation of the transactions contemplated hereunder (other than an event proximately caused by Seller), Buyer shall notify Seller of such event and shall use its best efforts to cure such event as expeditiously as possible.

(c) Subject to the terms and conditions of this Agreement, each of the parties hereto will use its reasonable best efforts to take all action and to do all things necessary, proper or advisable to satisfy any condition to the parties' obligations hereunder in its power to satisfy and

to consummate and make effective as soon as practicable the transactions contemplated by this Agreement.

(d) **Construction of the Aux Site.** Upon grant of the CP Application for the Aux Site, Buyer shall build, under the direct supervision and control of Seller, the Aux Site and will use its' best efforts to complete said construction on or before May 1, 2013. Buyer shall be solely responsible for the costs of construction and shall supply all needed equipment. Buyer and Seller shall enter into an Equipment Lease in the form attached hereto as Exhibit B. At Closing Buyer and Seller shall enter into a tower lease with regard to the Aux Site (the "Aux Tower Lease") on substantially the same terms and conditions as contained in Exhibit A with the following exceptions:

- (i) Rent shall be \$1000 per month;
- (ii) The initial term of the Aux Tower Lease shall commence upon Closing and end on December 31, 2016;
- (iii) There shall be 2 – 5 year renewal options subject to Seller being able to extend the term of its existing rooftop lease; and
- (v) Rent shall be subject to an annual escalation of 5%.

(e) **Call Option in Favor of Optionee.** For and in consideration of the sum of \$100 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Buyer, Buyer hereby grants Optionee a conditional irrevocable option (the "Option") to purchase for the sum of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) in cash at closing, all of the assets, properties, interests and rights of Buyer of whatsoever kind and nature, real and personal, tangible and intangible, owned, held or leased by Buyer, as the case may be, which are used or useful in connection with the operation of the Station, subject to the terms and conditions set forth in this paragraph. The assets to be conveyed upon exercise of such Option shall include, but are not limited to, Buyer's (i) Station licenses, permits and other authorizations issued by the FCC, (ii) Station equipment, and (iii) the lease for the Station's tower site, and related buildings, fixtures and other improvements free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements or other liens, liabilities and encumbrances whatsoever. The Option granted herein shall be exercisable if, and only if, Buyer, prior to the tenth (10th) anniversary of the Closing Date, converts or attempts to convert the Station to commercial status by filing an appropriate application or other document with the FCC seeking authority to convert the Station to commercial status or otherwise sells or markets the Station with the intent to sell or transfer the same.

(i) Buyer will give Optionee prompt written notice (the "Option Notice") if it intends, prior to the tenth anniversary of the Closing, to convert the Station to commercial status or sell the Station. Optionee shall have thirty (30) days from the date of receipt of the Option Notice to exercise the option by giving Buyer written notice of its intention to exercise the option. If the Option is duly exercised, the parties shall promptly enter into an Asset Purchase Agreement containing customary representations, warranties and closing

conditions in substantially the same form as used by Buyer in connection with its purchase of the Station.

(ii) Buyer and Optionee shall jointly file, within ten (10) business days of exercise, an application ("Assignment Application") with the FCC seeking its consent to the assignment of license of Station from Licensee to Optionee.

(iii) The Closing of the sale of the Station to Optionee pursuant to the Option shall occur within ten (10) business days of the FCC approval unless there is a protest or objection to the Assignment Application, in which case the Closing shall occur within 10 business days following the date on which the FCC Consent becomes a Final Order. The Buyer and Optionee agree to execute such documents as are reasonably necessary to complete the transactions contemplated by this Option. A grant of an application by the FCC shall be considered "Final" when it is no longer subject to administrative or judicial review, reconsideration or appeal

(iv) This Option shall expire and be of no further force or effect at 12:01 AM on the tenth (10th) anniversary of the Closing or the termination of this Agreement.

(f) Between the date hereof and the Closing Date, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise, or direct, the business and operations of the Station, and such operation, including complete control and supervision of all programming, shall be the sole responsibility of the owners of the Station except as contemplated by the LMA. On or after the Closing Date, Seller shall have no control over, or right to intervene, supervise, direct or participate in, the business and operations of the Station.

8. Conditions Precedent to Obligation to Close.

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

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

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

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

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

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

(vi) Buyer shall not have terminated this Agreement in accordance with the provisions of Section 19 hereof.

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

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

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

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

(iv) The FCC Consent contemplated by this Agreement shall be effective and shall have become a Final Order;

(v) There shall not be any Liens on the Assets or any financing statements of record other than Permitted Liens and those to be satisfied by Seller on or before the Closing Date, and Seller shall obtain lien search reports, in form and substance satisfactory to Buyer and dated no earlier than 30 days prior to the Closing, reflecting the results of a UCC lien search conducted at Secretary of State offices of the State of Texas and elsewhere as necessary in Buyer's reasonable judgment; and

(vi) Seller shall have delivered to Buyer, on the Closing Date, the documents required to be delivered pursuant to Section 9(a).

9. Closing Deliveries.

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

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

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

(iii) The Tower Lease and the Aux Tower Lease;

(iv) A certificate, dated the Closing Date, executed by an officer of Seller, certifying the fulfillment of the conditions set forth in Section 8(b)(i) and (ii) hereof;

(v) A Closing Statement; and

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

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

(i) The Purchase Price;

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

Authorizations;

(iii) Certified copies of the resolutions of the Board of Directors of Buyer authorizing the transactions contemplated herein;

(iv) A certificate, dated the Closing Date, executed by an officer of Buyer, certifying the fulfillment of the conditions set forth in Section 8(a)(i) and (ii) hereof;

(v) The Tower Lease and the Aux Tower Lease;

(vi) The Closing Statement; and

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

10. Indemnification.

(a) Subject to the terms and conditions of this Section 10, following the Closing Seller shall indemnify, defend and hold harmless Buyer with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including, without limitation, interest, penalties, court costs and reasonable attorneys' fees) ("Damages") asserted against, resulting from, imposed upon or incurred by Buyer directly or indirectly relating to or arising out of: (i) the breach by Seller of any of its representations or warranties that survive the Closing, or failure by Seller to perform any of its covenants, conditions or agreements set forth in this Agreement that survive the Closing; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Station prior to the Closing, including the Retained Liabilities and with respect to the Excluded Assets, but excluding any liabilities of Buyer under the LMA (collectively, the "Buyer Claims").

(b) Subject to the terms and conditions of this Section 10, following the Closing Buyer shall indemnify, defend and hold Seller harmless with respect to any and all Damages asserted against, resulting from, imposed upon or incurred by Seller directly or indirectly relating to or arising out of: (i) the breach by Buyer of any of its representations, warranties, that survive Closing or failure by Buyer to perform any of its covenants, conditions or agreements

set forth in this Agreement that survive Closing; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Station, as conducted by Buyer, subsequent to the Closing (collectively, the "Seller Claims").

(c) The indemnification obligations of the parties hereto pursuant to this Section 10 shall be subject to the following:

(i) No indemnification shall be required to be made by Seller pursuant to this Section 10 with respect to any Buyer Claims, unless and until the aggregate amount of Damages incurred by Buyer with respect to all Buyer Claims (whether asserted, resulting, imposed or incurred before, on or after the Closing Date) exceeds \$25,000, it being agreed and understood that, if such amount is exceeded, Seller shall be liable to the full extent of such Damages, including those not in excess of \$25,000 and provided further that claims for taxes, accounts payable, or attorney's fees or brokerage fees payable by Seller shall not be subject to the foregoing \$25,000 threshold amount.

(ii) No indemnification shall be required to be made by Buyer pursuant to this Section 10 with respect to any Seller Claims, unless and until the aggregate amount of Damages incurred by Seller with respect to all Seller Claims (whether asserted, resulting, imposed or incurred before, on or after the Closing Date) exceeds \$25,000, it being agreed and understood that, if such amount is exceeded, Buyer shall be liable to the full extent of such Damages, including those not in excess of \$25,000, except claims for Buyer's attorney's fees paid by Seller.

(iii) The amount of Damages required to be paid by any party to indemnify any other party pursuant to this Section 10 as a result of any Seller Claim or any Buyer Claim shall be reduced to the extent of any amounts actually received by such other party after the Closing Date pursuant to the terms of the insurance policies (if any) covering such claim, but there shall not be taken into account any tax benefit realized directly or indirectly, by the indemnified party.

(iv) The indemnification obligations of Seller and Purchaser pursuant to this Section 10 shall be limited to actual damages and shall not include incidental, consequential, indirect, punitive or exemplary damages; provided, however, for purposes of this Agreement, actual Damages shall include incidental, consequential, indirect, punitive or exemplary damages that are awarded by a court of competent jurisdiction or pursuant to binding arbitration to a third party against an Indemnified Party.

(v) Notwithstanding anything to the contrary, the maximum aggregate indemnification obligation of the Seller pursuant to this Agreement and the transactions contemplated herein and in the Ancillary Documents shall not exceed the Purchase Price; provided, that this Section 10(c)(iii) shall not apply in the event of fraud by Seller.

(vi) As a material inducement to Seller to enter into this Agreement and perform its obligations hereunder, Buyer hereby agrees and acknowledges that, in relation to any breach, default or nonperformance of any representation, warranty, covenant, obligation or agreement made or entered into by Seller pursuant to this Agreement, or any ancillary document executed and delivered by Seller, the sole and exclusive relief and remedy available to Buyer, in respect of said breach, default or nonperformance or any other claim or cause of action relating to or arising under this Agreement or any ancillary document (i) prior to Closing shall be to seek specific performance pursuant to the provisions of Section 12 hereof, and (ii) after Closing shall be to seek indemnification from Seller for Damages to the extent properly claimable and as limited pursuant to the provisions of this Section 10.

(d) If either party hereto (the "*Indemnitee*") receives notice or otherwise obtains knowledge of any matter with respect to which another party hereto (the "*Indemnifying Party*") may be obligated to indemnify the Indemnitee under this Section 10(c), then the Indemnitee shall promptly deliver to the Indemnifying Party written notice describing such matter in reasonable detail and specifying the estimated amount of the Damages or liability that may be incurred by the Indemnitee in connection therewith. The Indemnifying Party shall have the right, at its option, to assume the complete defense of such matter at its own expense and with its own counsel, provided such counsel is reasonably satisfactory to the Indemnitee. If the Indemnifying Party elects to assume the defense of such matter, then (i) notwithstanding anything to the contrary herein contained, the Indemnifying Party shall not be required to pay or otherwise indemnify the Indemnitee for its attorney's fees, (ii) the Indemnitee shall fully cooperate as reasonably requested by the Indemnifying Party in the defense or settlement of such matter, (iii) the Indemnifying Party shall keep the Indemnitee informed of all material developments and events relating to such matter, and (iv) the Indemnitee shall have the right to participate, at its own expense, in the defense of such matter. In no event shall the Indemnifying Party be liable for any settlement or admission of liability with respect to such matter without its prior written consent.

(e) Except for Section 5(c) as it relates to title, which shall survive through the applicable statute of limitations, the several representations and warranties of Seller and Buyer contained in or made pursuant to this Agreement shall expire on the date that is twelve (12) months after the Closing Date.

11. Termination.

(a) This Agreement may be terminated by either Buyer or Seller, if the party seeking to terminate is not in default or breach of any of its material obligations under this Agreement, upon written notice to the other upon the occurrence of any of the following: (a) if, on or prior to the Closing Date, the other party breaches any of its material obligations contained herein, and such breach is not cured by the earlier of the Closing Date or thirty (30) days after receipt of the notice of breach from the non-breaching party, provided however that such opportunity to cure shall not apply to the failure of a party to perform its obligations set forth in Section 4 or Section 9, hereof; or (b) if the Assignment Application is denied by Final Order; or

(c) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing of this Agreement; or (d) if the Closing has not occurred within twelve (12) months after the date hereof.

Upon a termination of this Agreement by Seller due to a breach by Buyer of any of its material obligations under this Agreement, Seller's sole remedy shall be a credit in the amount of \$250,000 against the repayment of the Promissory Note executed in connection therewith ("Liquidated Damages").

THE RETENTION OF THE LIQUIDATED DAMAGES AMOUNT SHALL BE CONSIDERED LIQUIDATED DAMAGES AND NOT A PENALTY, AND SHALL BE THE RECIPIENT'S SOLE REMEDY AT LAW OR IN EQUITY FOR A BREACH HEREUNDER IF CLOSING DOES NOT OCCUR. BUYER AND SELLER EACH ACKNOWLEDGE AND AGREE THAT THIS LIQUIDATED DAMAGE AMOUNT IS REASONABLE IN LIGHT OF THE ANTICIPATED HARM WHICH WILL BE CAUSED BY A BREACH OF THIS AGREEMENT, THE DIFFICULTY OF PROOF OF LOSS, THE INCONVENIENCE AND NON-FEASIBILITY OF OTHERWISE OBTAINING AN ADEQUATE REMEDY, AND THE VALUE OF THE TRANSACTION TO BE CONSUMMATED HEREUNDER.

(b) Upon a termination of this Agreement due to a breach by Seller of any of its material obligations under this Agreement, Buyer shall be entitled to the remedies described in Section 10(c)(vi) hereof.

(c) Upon a termination of this Agreement for any reason other than as a result of a breach by either party of any of its material obligations under this Agreement, Buyer shall be entitled to repayment of the Promissory Note executed in connection with the Loan Agreement in accordance with its terms. Thereafter neither party will have any further liability or obligation to the other with respect to this Agreement, except with respect to the confidentiality provisions herein.

(d) In the event of the termination of this Agreement pursuant to this Section 11, either Seller or Buyer shall thereupon be entitled to terminate the LMA by written notice to the other party in which event the LMA shall notwithstanding any provision contained therein be terminated 30 days after receipt of such notice by such other party.

12. Specific Performance. Seller acknowledges that the Station is a unique asset not readily obtainable on the open market and that, in the event that Seller fails to perform its obligation to consummate the transaction contemplated hereby, money damages alone will not be adequate to compensate Buyer for its injury. Therefore, Seller agrees and acknowledges that in the event of Seller's failure to perform its obligation to consummate the transaction contemplated hereby, Buyer shall be entitled, (in lieu of any other rights and remedies on account of such failure if such relief is granted), to specific performance of the terms of this Agreement and of Seller's obligation to consummate the transaction contemplated hereby. If any action is brought by Buyer to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law, and Buyer shall be entitled to receive from Seller all court costs, attorney's fees and other out-of-pocket expenses incurred by Buyer in enforcing its rights under this provision.

13. Confidentiality.

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

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

(c) In the event that either party determines in good faith that a press release or other public announcement is desirable under any circumstances, the parties shall consult with each other to determine the appropriate timing, form and content of such release or announcement.

14. Notices. All notices, elections and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery (or refusal thereof), or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Buyer, to:

Educational Media Foundation
5700 West Oaks Blvd.
Rocklin, CA 95765
Attn: Mike Novak

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

Wilkinson, Barker, Knauer, LLP
2300 N St. NW, Suite 700
Washington, DC 20037

If to Seller, to:

Tejas Broadcasting LTD, LLP
1227 West Magnolia Ave, Suite 300
Fort Worth, TX 76104
Attn: James L. Anderson

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

Snell Wylie & Tibbals, P.C.
8150 N. Central Expressway, Suite 1800
Dallas, Texas 75206
Attn: William F. Pyne

15. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas, without giving effect to the choice of law principles thereof. The parties hereto hereby irrevocably submit to the jurisdiction of the applicable courts of the State of Texas located in Tarrant County, Texas and the federal courts of the United States of America located in Tarrant County, Texas and the appropriate appellate courts therefrom, over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby and each party hereby irrevocably agrees that all claims in such dispute or proceeding may be heard and determined in such courts, which courts shall be the exclusive courts of jurisdiction and venue.

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