

**AMENDMENT  
TO  
ASSET PURCHASE AGREEMENT**

This Amendment to Asset Purchase Agreement ("Amendment"), dated as of June 22, 2009, amends that certain Asset Purchase Agreement ("Agreement"), dated as of July 16, 2008, by and between EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation, as Seller, and POLLACK BROADCASTING CO., an Arkansas corporation, as Buyer.

**WITNESSETH:**

WHEREAS, Seller and Buyer have agreed that FM translator station W244BY (Memphis, TN) will no longer be transferred to Buyer as part of the assets to be conveyed at Closing under the Agreement; and

WHEREAS Seller has agreed to finance that portion of the Purchase Price that exceeds the Buyer's Deposit as well as the construction of certain new facilities of the Station (as hereinafter defined); and

WHEREAS, Seller and Buyer wish to amend the Agreement by this Amendment as set forth below.

**AGREEMENT:**

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 hereby amend the Agreement as follows:

1. All references to the term "Stations" shall be replaced with the term "Station" and shall mean WPLX(AM) Turrell, Arkansas / Germantown, Tennessee (1180 kHz, FCC Facility Identification Number: 52906).

2. Section 1(a)(iii) shall be deleted in its entirety and replaced with: "[Deleted]"

3. Section 2(a) shall be amended as follows:

(a) *Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale of the Assets to Buyer, on the Closing Date, Buyer shall pay to Seller the aggregate sum of Two Hundred Thousand Dollars (\$200,000) (the "Purchase Price"). The Purchase Price shall be payable to Seller as follows:*

(i) *On the Closing Date, Buyer shall pay to Seller, by release to Seller of the Earnest Money Deposit, the sum of Twelve Thousand Five Hundred Dollars (\$12, 500);*

(ii) On the Closing Date, Buyer shall execute and deliver to Seller a promissory note substantially in the form attached hereto as Exhibit A (the "Note") in the aggregate principal amount of Two Hundred Eighty Seven Thousand Five Hundred Dollars (\$287,500) which includes the following obligations: (i) Buyer's obligation to repay that portion of the Purchase Price funded by credit extended by Seller in the amount of One Hundred Eighty Seven Thousand Five Hundred Dollars (\$187,500), and (ii) Buyer's obligation to repay an additional total sum of One Hundred Thousand Dollars (\$100,000) to be loaned to Buyer on the Closing Date (as further described on Schedule 5 hereto), and the principal and interest on the Note shall be amortized over a term of eighty-four (84) months, the principal to bear interest at the rate of eight percent (8%) per annum, resulting in monthly installments of principal and interest in the amount of \$4,481.04; and

(iii) To secure Buyer's payment obligations under the Note, Buyer shall execute and deliver to Seller on the Closing Date a Security Agreement substantially in the form of Exhibit B hereto (the "Security Agreement") granting a first priority security interest in the Assets conveyed to Buyer hereunder (excluding the License, but including the proceeds of sale thereof) as well as a first and best lien on the Real Property pursuant to the mortgage in the form as attached hereto as Exhibit C ("Mortgage").

4. The first sentence of Section 2(b) shall be amended as follows:

(b) Concurrently with execution of this Agreement, Buyer has delivered to Washington First Bank (the "Escrow Agent") the sum of Twelve Thousand Five Hundred Dollars (\$12,500) to be held as an earnest money deposit (the "Earnest Money Deposit") pursuant to an Escrow Agreement (the "Escrow Agreement") of even date herewith.

5. Section 5(d) shall be deleted in its entirety and replaced with: "[Deleted]."

6. Section 7(a)(iv) shall be deleted in its entirety and replaced with: "[Deleted]."

7. Section 9(a)(iii) shall be deleted in its entirety and replaced with:

(iii) A Security Agreement, duly executed by Seller

8. Section 9(b)(i) shall be amended as follows:

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

9. Section 9(b)(iii) shall be deleted in its entirety and replaced with: "[Deleted]."

10. Schedule 1 shall be amended to delete the following:

**INVENTORY : W244BY Memphis, TN – FIN: 140011**

<b><i>Inventory Item</i></b>	<b><i>Make</i></b>	<b><i>Model</i></b>
<i>Transmitter</i>	<i>Crown</i>	<i>FM100R</i>
<i>Transmit Antenna</i>	<i>RFS</i>	<i>CPF-500</i>
<i>Receive Antenna</i>	<i>Scala</i>	<i>CL-FMRX</i>
<i>Receiver</i>	<i>Crown</i>	<i>FM100R</i>
<i>Rack</i>	<i>*</i>	<i>*</i>

11. Schedule 2 shall be amended to delete the following:

***W244BY, Memphis, Tennessee, FIN: 140011***

*STA to Rebroadcast WPLX(AM)*

*FCC File No. BSTA-20071106AEC*

*Expires: August 8, 2008*

*Translator License*

*FCC File No. BLFT-20071001DIT*

12. Schedule 3 shall be deleted in its entirety.

13. Schedule 5 shall be added to the Agreement and shall include the following:

*Construction Loan*

*On the Closing Date, Seller shall loan Buyer the sum of One Hundred Thousand Dollars (\$100,000) ("CP Loan Funds") evidenced by the Note. The CP Loan Funds shall be used by Buyer for construction costs associated with the Station Permit. EMF shall have the option to disburse the CP Loan Funds directly to the equipment vendors or to Buyer for payment to such vendors.*

14. Amendment Exhibit A shall be added as Exhibit A to the Agreement.

15. Amendment Exhibit B shall be added as Exhibit B to the Agreement.

16. Amendment Exhibit C shall be added as Exhibit C to the Agreement.

17. Except as otherwise provided in this Amendment, all terms defined in the Agreement shall have the meaning set forth in the Agreement, as amended.

18. All other terms and conditions of the Agreement shall remain in full force and effect except as specifically amended by this Amendment.

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

Seller:

**EDUCATIONAL MEDIA FOUNDATION**

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

Its: *Miki Nofar, President.*

Buyer:

**POLLACK BROADCASTING CO.**

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

Its: \_\_\_\_\_

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

**Seller:**

**EDUCATIONAL MEDIA FOUNDATION**

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

**Buyer:**

**POLLACK BROADCASTING CO.**

By:   
Its:

**AMENDMENT EXHIBIT A**  
**Note**

**AMENDMENT EXHIBIT B**  
**Security Agreement**

**SECURITY AGREEMENT**

THIS SECURITY AGREEMENT, dated as of \_\_\_\_\_, 2009, is by and between EDUCATIONAL MEDIA FOUNDATION, a California non profit corporation ("Secured Party"), and POLLACK BROADCASTING CO., an Arkansas corporation ("Debtor").

Concurrently herewith, and in accordance with that certain Asset Purchase Agreement (as amended, the "Purchase Agreement"), entered into by and between Debtor and Secured Party of July 16, 2008, and amended as of June \_\_, 2009, pursuant to which Debtor agreed to purchase from Secured Party the assets owned by Secured Party and used in connection with the operation of radio station WPLX(AM), Turrell, Arkansas / Germantown, Tennessee (the "Station"), Secured Party is lending an aggregate principal amount of Two Hundred Eighty Seven Thousand Five Hundred Dollars (\$287,500) to the Debtor, which is evidenced by a certain Promissory Note of even date herewith in favor of the Secured Party (the "Note") executed in connection with the Purchase Agreement and delivered to Secured Party.

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

**SECTION 1.     Security.**

(a) As security for the payment of the \$287,500 principal indebtedness under the Note referenced above, and any interest that may accrue thereon (collectively, the "Obligations"), Debtor is simultaneously granting to Secured Party a mortgage lien with respect to certain real property used or useful in the operation of the Station, as set forth in the Mortgage executed by Debtor in favor of Secured Party this date (the "Mortgage"), and as further security for the Obligations, Debtor hereby grants to Secured Party a continuing security interest in the Collateral set forth in Schedule 1 hereto.

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

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

**SECTION 2.     Covenants of Debtor.**

Debtor hereby covenants that:

(a) Debtor will defend the Collateral against any claims and demands of all other persons at any time claiming the same or an interest therein which would conflict with any



claim or interest of Secured Party. Debtor will maintain the tangible property included within the Collateral in good operating condition and repair, and use it only in connection with the operation of the Station unless disposed of in the ordinary course of business and replaced with equipment of substantially equivalent value. Debtor will not encumber, sell, transfer, assign, abandon or otherwise dispose of the Collateral except for: (i) sale or transfer of Inventory, and cancellation of Insurance (subject to Section 2(b) hereof) in the ordinary course of business, (ii) liens arising from taxes, assessments, charges, levies or claims that are not yet due or that remain payable without penalty or which are being contested in good faith by appropriate proceedings, (iii) liens arising from legal proceedings, so long as such proceedings are being contested in good faith by appropriate proceedings diligently conducted and so long as execution is stayed on all judgments resulting from any such proceedings, (iv) liens created by this Security Agreement and the Mortgage, (v) dispositions of items of Equipment no longer useful to Debtor in the ordinary course of business, and (vi) trade-ins, replacements or exchanges of items of Equipment for other items of Equipment having an equal or greater value (in excess of any purchase money liens on such items) and useful in Debtor's business.

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

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

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

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

**SECTION 3. Events of Default.**

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

(i) an "Event of Default" shall occur under the Note and Secured Party's acceleration of such Note; or

(ii) any representation or warranty made by Debtor in this Security Agreement shall prove to have been incorrect in any material respect on or as of the date made or deemed made, and such inaccuracy is not cured to the satisfaction of Secured Party within fifteen (15) days after the date on which Secured Party gives Debtor written notice of such failure; or

(iii) Debtor shall fail to perform or observe any material term, covenant or agreement contained in this Security Agreement, and such failure is not cured to the satisfaction of Secured Party within fifteen (15) days after the date on which Secured Party gives Debtor written notice of such failure.

(b) Upon the occurrence of an Event of Default, Secured Party shall have all of the rights, powers and remedies set forth in the Note and this Agreement, together with the rights and remedies of a secured party under the applicable Uniform Commercial Code, including without limitation the right to sell, lease or otherwise dispose of any or all of the Collateral and to take possession of the Collateral. Secured Party may require Debtor to assemble its Collateral and make it available to Secured Party at a place to be designated by Secured Party that is reasonably convenient to both parties. Debtor hereby agrees that the place or places of location of the Collateral are places reasonably convenient to it to assemble the Collateral. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will send to Debtor reasonable advance notice of the time and place of any public sale or reasonable advance notice of the time after which any private sale or any other disposition thereof is to be made. The requirement of sending reasonable advance notice shall be met if such notice is mailed, postage prepaid, to Debtor at least fifteen (15) business days before the time of the sale or disposition. After deducting all expenses incurred by Secured Party in protecting or enforcing its rights in the Collateral, the residue of any proceeds of collection or sale of the Collateral shall be applied to the payment of principal, first, and then interest of Debtor's Obligations, and Debtor shall remain, liable for any deficiency.

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

**SECTION 4. Collection.**

Upon the occurrence of an Event of Default pursuant to Section 3(a) hereof, Secured Party shall have the following rights and powers in addition to those specified in Section 3 above:

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

(b) Debtor hereby irrevocably appoints Secured Party to be Debtor's true and lawful attorney-in-fact, with full power of substitution, in Secured Party's name or Debtor's name or otherwise for Secured Party's sole use and benefit, but at Debtor's cost and expense, to exercise at any time after the occurrence and continuing existence of an Event of Default pursuant to Section 3(a), but subject to the provisions of Section 8 hereof, the power to sell, transfer, assign or otherwise deal in or with the same or the proceeds thereof and to apply for and obtain any required consents of any governmental authority for any such sale or other disposition, as full and effectually as if Secured Party were the absolute owner thereof.

**SECTION 5. Limitations.**

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

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

**SECTION 6. Successors and Assigns.**

The covenants, representations, warranties and agreements herein set forth shall be binding upon Debtor, its legal representatives, successors and assigns, as joint and several obligations, and shall inure to the benefit of Secured Party, its successors and assigns.

**SECTION 7. Miscellaneous.**

(a) No delay or omission by Secured Party in exercising any of its rights hereunder shall be deemed to constitute a waiver thereof. All rights and remedies of Secured Party hereunder shall be cumulative and may be exercised singularly or concurrently.

(b) This Agreement shall be governed by and construed under the laws of the State of Arkansas, without regard to its principles of conflict of laws. None of the terms or provisions of this Agreement may be waived, altered, modified, or amended except by an agreement in writing signed by Secured Party and Debtor.

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

If to Secured Party, to:

Educational Media Foundation  
5700 West Oaks Boulevard  
Rocklin, CA 95765  
Attn: Mike Novak, President/CEO

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

David D. Oxenford, Esq.  
Davis Wright Tremaine LLP  
1919 Pennsylvania Ave., NW Suite 200  
Washington, D.C. 20006

If to Buyer, to:

Pollack Broadcasting Co.  
5500 Poplar Ave., Ste 1  
Memphis, TN 38119  
Attn: William Pollack

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

Barry D. Wood, Esq.  
Wood, Maines & Nolan PC

4510 N. 35<sup>th</sup> Street  
Arlington, Virginia 22207

**SECTION 8. FCC Approval.**

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

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

**Secured Party:**

**EDUCATIONAL MEDIA FOUNDATION**

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

**Debtor:**

**POLLACK BROADCASTING CO.**

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

## **SCHEDULE 1**

The following assets used or useful in the operation of radio station WPLX(AM), Turrell, Arkansas / Germantown, Tennessee are collectively referred to as the "Collateral":

(a) All personal property of Debtor used in connection with the operation of the Station, as well as any replacements for such property and the proceeds or products from the sale of such property (the "Equipment").

(b) All of the Debtor's inventory, merchandise and goods in all forms, used in connection with the operations of the Station, whether now existing or hereafter acquired, and the proceeds and products thereof (the "Inventory");

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

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

**AMENDMENT EXHIBIT C**  
**Mortgage**