

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "**Agreement**") is made as of March 7, 2003, by and among Hawes-Saunders Radio Group, Inc., a Delaware corporation (the "**Company**"), Hawes-Saunders Broadcast Properties, Inc., a Delaware corporation and the sole stockholder of the Company (the "**Seller**" or "**HSBP**"), and Educational Media Foundation, a California not for profit corporation ("**Buyer**").

WHEREAS, Seller owns all of the issued and outstanding shares of capital stock of the Company (the "**Shares**");

WHEREAS, the Company owns and operates, pursuant to certain licenses, permits and authorizations issued by the Federal Communications Commission (the "**FCC**"), the radio broadcast station WRNB-FM, Troy, Ohio (the "**Station**");

WHEREAS, contemporaneous with the stock purchase contemplated by this Agreement, the shareholders and other interest holders of the Seller (the "**Interest Holders**") shall sell their shares of stock and other interests (the "**HSBP Interests**") in Seller to a third party purchaser (the "**Purchaser**");

WHEREAS, Seller is currently the subject of a Chapter 11 Bankruptcy case pending in the U.S. Bankruptcy Court for the Southern District of Ohio, Western Division (the "**Bankruptcy Court**"), Case No 02-38342;

WHEREAS, W. Lawrence Patrick ("**Attorney-in-Fact**") has authority to enter into this Agreement on behalf of the Seller and the Company pursuant to order of the Bankruptcy Court entered December 12, 2002, attached hereto as **Exhibit A**; provided, however, that this Agreement and Mr. Patrick's execution hereof on behalf of the Company and Seller is expressly conditioned upon entry of the Bankruptcy Court Order (as defined in Section 5.6 hereof); and

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Shares, subject to the terms and conditions of 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 I: SALE AND PURCHASE

1.1 Sale of Shares. Upon the terms and subject to the conditions set forth in this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Shares, free and clear of any mortgages, liens, deeds of trust, security interests, pledges, restrictions, prior assignments, charges, claims, defects in title and encumbrances of any kind or type whatsoever ("**Liens**"), except those security interests, pledges or other liens in favor of Opportunity Capital Corporation, Opportunity Capital Partners II, L.P., Opportunity Capital Partners III, L.P., or Mesbic Ventures, Inc., so long as such liens are released upon the payment to the forgoing parties as provided in the purchase agreement for the purchase of the HSBP Interests.

1.2 Purchase Price. The purchase price to be paid by Buyer for the Shares (the “**Purchase Price**”) shall be an aggregate amount equal to One Million, Two Hundred Thousand Dollars (\$1,200,000.00).

1.3 Payment; Closing Escrow Accounts.

(a) Buyer shall pay into and deposit One Million, One Hundred and Forty Thousand Dollars (\$1,140,000.00) of the Purchase Price at Closing to an escrow account (the “**Disbursement Escrow Account**”) pursuant to the Disbursement Escrow Agreement in the form of **Exhibit B** attached hereto (the “**Disbursement Escrow Agreement**”), by and among Buyer, Seller, the Company, and Branch Banking & Trust Co. (the “**Escrow Agent**”), for distribution by the Escrow Agent as directed by irrevocable instructions (the “**Disbursement Instructions**”) of the Interest Holders, through their Attorney-in-Fact, at Closing and thereafter as provided in this Agreement and in the Disbursement Escrow Agreement. Prior to or contemporaneous with the Closing, the Company, as the case may be, shall deposit into the Disbursement Escrow Account such additional monies, including cash on hand of the Company and a portion of the proceeds of the sale of the HSBP Shares so that the total amount in the Disbursement Escrow Account shall be sufficient to satisfy any and all asserted and unasserted claims reasonably foreseeable to become asserted claims based upon the facts and circumstances related thereto (“**Claims**”) against, or liabilities of, the Company, whether or not due and payable as of the Closing Date; provided, however, that this deposit by the Company and/or Seller shall not affect the amount deposited in the Disbursement Escrow Account by Buyer pursuant to this Section 1.3(a). The Disbursement Instructions shall instruct the Escrow Agent as follows:

(i) to pay all Claims which are due and payable as of the Closing Date, as described below:

(A) any and all Claims of secured creditors of the Company;

(B) undisputed Claims of unsecured creditors of the Company, exclusive of any amount incurred by the Buyer in its performance of any local marketing agreement (“**LMA**”) with the Company;

(C) administrative expenses of related to the operation and sale of the Company after December 12, 2002, including the brokerage commission payable to Patrick Communications, LLC and the fees of other professionals engaged by the Company and W. Lawrence Patrick.

(ii) to hold in the Disbursement Escrow Account until further instruction from the Attorney-in-Fact, an amount sufficient to satisfy any of the unsecured creditor Claims that are disputed, not yet asserted or not due and payable as of the Closing Date, including, without limitation, all accrued liabilities for Taxes up to and including the Closing Date (the “**Anticipated Liabilities**”).

(iii) to disburse to a separate account maintained independently by Attorney-in-Fact (the “**AIF Account**”) that sum determined by the Attorney-in-Fact, in his sole discretion, to be appropriate for the payment of expenses connected with the operation of the Company after December 12, 2002 (other than the amounts paid under Section 1.3(a)(i) or held

under Section 1.3(a)(ii)), the sale of the Shares, the Anticipated Liabilities, and the transaction described herein, including without limitation the fees and expenses of Attorney-in-Fact and the professionals employed by Attorney-in-Fact not otherwise provided for under Section 1.3(a)(i)(E) above (which shall be paid or reserved under Sections 1.3(a)(i) or 1.3(a)(ii)).

(iv) to distribute the remaining proceeds of the Disbursement Escrow Account to the Interest Holders in accordance with their respective right to receive proceeds of the sale as provided in Schedule 1.3(a) hereto.

As reflected in the Court Order attached hereto as Exhibit A, the Company and each of the Sellers have agreed that the total amount owed to Opportunity Capital Corporation, Opportunity Capital Partners II, L.P., Opportunity Capital Partners III, L.P., and Mesbic Ventures, Inc., as a result of the secured debt of the Company and HSBP is Six Million, Seven Hundred Thousand Dollars (\$6,700,000.00). Accordingly, notwithstanding anything to the contrary in this Agreement or the Stock Purchase Agreement (the "**Broadcast Properties Agreement**") between Seller, the Interest Holders, through their authorized agent W. Lawrence Patrick, and Blue Chip Broadcasting, Ltd. ("**Blue Chip**"), dated, March 7, 2003 (relating to the sale of the HSBP Interests to Blue Chip), the amount disbursed to Opportunity Capital Corporation, Opportunity Capital Partners II, L.P., Opportunity Capital Partners III, L.P., and Mesbic Ventures, Inc., under this Agreement and the Broadcast Properties Agreement as secured creditors of the Company and Seller, shall not exceed, in the aggregate, Six Million Seven Hundred Thousand Dollars (\$6,700,000).

The Attorney-in-Fact shall instruct the Escrow Agent to pay all Anticipated Liabilities promptly upon calculation thereof, the satisfactory resolution thereof, or when they become otherwise due and payable, as applicable. In the event that any Anticipated Liability is disputed by the Interest Holders, through their Attorney-in-Fact, or the claimant thereof, the Interest Holders, through their Attorney-in-Fact, shall resolve the dispute or indemnify and defend Company and Buyer in any action related thereto from funds in the Disbursement Escrow Account ("**Dispute Indemnity**"). After all Anticipated Liabilities are paid and resolved, the Attorney-in-Fact shall instruct the Escrow Agent to pay the balance of the Disbursement Escrow Account to the Interest Holders in accordance with their respective right to receive proceeds of the sale, as set forth on Schedule 1.3(a).

At such time as Attorney-in-Fact deems appropriate but no later than the conclusion of his duties as Attorney-in-Fact pursuant to the Power of Attorney and Stock Powers Agreements executed by the Interest Holders, Attorney-in-Fact shall distribute any balance of funds remaining in the AIF Account to Interest Holders in accordance with their respective right to receive proceeds of the sale.

(b) Buyer shall pay into and deposit Sixty Thousand Dollars (\$60,000.00) of the Purchase Price at Closing to an escrow account (the "**Buyer Claims Escrow Account**") pursuant to the Escrow Account Agreement in the form of **Exhibit C** attached hereto (the "**Escrow Agreement**"), by and among Buyer, Seller, the Company and the Escrow Agent, for purposes of paying any amounts due and owing to Buyer as indemnification for any and all losses, damages, liabilities and claims (including reasonable attorneys' fees) sustained by Buyer (without prejudice to Claims subject to the Dispute Indemnity above, for which Disbursement

Escrow Funds are also available) and arising out of, based upon or resulting from any breach of a material representation, warranty, covenant or other obligation of the Seller or the Company (a “**Breach**”); provided, however, that the aggregate of all claims under this Section 1.3(b) must exceed \$5,000 prior to any distributions to Buyer; and provided further that the aggregate of all claims under this Section 1.3(b) shall not exceed the amount deposited into, and shall be satisfied only out of, the Buyer Claim Escrow Account (except with respect to Claims to be satisfied under the Dispute Indemnity). Buyer hereby expressly acknowledges and agrees that it shall have no right to assert claims against the Seller or the Interest Holders for any matter associated with the transactions contemplated by this Agreement except and limited to claims for funds from the Escrow Account as provided in this Section 1.3(b) and with respect to the Dispute Indemnity. Upon the conclusion of ninety (90) days following Closing, Thirty Thousand Dollars (\$30,000), less the aggregate of any claims noticed by Buyer in accordance with Section 8.1 hereof as of that date, shall be distributed from the Buyer Claim Escrow Account to the Interest Holders in accordance with their respective rights to receive proceeds of the sale. Upon the conclusion of one hundred eighty (180) days following Closing, the remainder of the escrow account, less any claims noticed by Buyer in accordance with Section 8.1 hereof as of that date, shall be distributed from the Buyer Claim Escrow Account to the Interest Holders in proportion to their rights to receive proceeds of the sale. In the event any claims are unresolved after one hundred eighty (180) days following Closing, upon the resolution of such claims in accordance with the Escrow Agreement, the remaining funds in the Buyer Claim Escrow Account, if any, shall be distributed to the Interest Holders in proportion to their rights to receive proceeds of the sale.

1.4 Deposit; Deposit Escrow Account. On the date of this Agreement, Buyer shall deposit Sixty Thousand Dollars (\$60,000.00) (the “**Deposit**”) into escrow with the Escrow Agent, pursuant to the Escrow Agreement. At Closing, Sixty Thousand Dollars (\$60,000) of the Deposit shall remain in the Escrow Account. If this Agreement is terminated by Seller pursuant to Section 9.1(f), or by the Buyer, other than pursuant to Section 9.1, then the Deposit shall be disbursed to the Company as liquidated damages and such disbursement shall be the sole and exclusive remedy of the Company and Seller. If this Agreement is terminated without a Closing for any other reason, then the Deposit and all interest thereon shall be returned to Buyer. The Company, Seller and Buyer shall instruct the Escrow Agent to disburse the Deposit and all interest thereon as set forth in the Escrow Agreement and in Sections 1.3(b) and 1.4, and shall not, by any act or omission, delay or prevent any such disbursement.

1.5 Closing. The consummation of the sale and purchase of the Shares provided for in this Agreement (the “**Closing**”) shall take place at a date and time designated by Seller after the date the FCC Consent is granted by initial order, subject to the satisfaction or waiver of the last of the conditions required to be satisfied or waived pursuant to Articles V or VI below (other than those requiring the taking of other action at the Closing). Alternatively, the Closing may take place at such other place, time or date as the parties may mutually agree upon in writing. The date on which the Closing is to occur is referred to herein as the “**Closing Date.**” Buyer understands and agrees that the Closing must occur contemporaneous with the sale of the HSBP Shares to the Purchaser.

1.6 FCC Application. As soon as possible, but in no event later than ten business days after the Approval Date (as hereinafter defined), the parties shall file an

application with the FCC (the “**FCC Application**”) requesting the FCC’s written consent to the transfer of control of the Company to Buyer pursuant to this Agreement. The parties shall diligently take all steps that are necessary, proper or desirable to expedite the prosecution of the FCC Application to a favorable conclusion. Each party shall promptly provide the others with a copy of any pleading, order or other document served on it relating to the FCC Application, shall furnish all information required by the FCC, and shall be represented at all meetings or hearings scheduled to consider the FCC Application. The FCC’s written consent to the FCC Application is referred to herein as the “**FCC Consent.**”

ARTICLE II: REPRESENTATIONS AND WARRANTIES OF THE SELLER

For purposes of (i) establishing a basis for the condition to Buyer’s obligations under Article VI, and (ii) establishing a basis for Buyer’s right to indemnification under Section 1.3(b), and for no other purposes (Buyer acknowledging that Seller does not have sufficient knowledge to make, and does not make, the representations and warranties for any other purpose), Seller (through Attorney-in-Fact as manager of the Company on and after December 12, 2002), represents and warrants to Buyer as follows:

2.1 Ownership of Shares. Seller is the lawful owner of the Shares, free and clear of all Liens (except as set forth in Section 1.1), and there are no outstanding subscriptions, options, warrants, rights, calls, commitments, conversion rights, rights of exchange, plans or other agreements of any character providing for the purchase, issuance or sale of any of the Shares, and Seller has not granted directly, or indirectly through an affiliate or otherwise, any such rights. The authorized capital stock of the Company consists of 1,500 shares of common stock, no par value, of which 100 shares are issued and outstanding. All shares of the common stock, including the Shares, are duly authorized, validly issued and outstanding and are fully paid and nonassessable, and were issued in conformity with applicable laws. The stock record books of the Company have been maintained in the ordinary course of business and reflect accurately all transactions in the Company’s capital stock of all classes. True, correct and complete copies of the current Articles and ByLaws of the Company have been delivered to Buyer.

2.2 Organization and Authority. Each of Seller and the Company is duly organized, validly existing and in good standing under the laws of the State of Delaware. Subject to the entry of the Bankruptcy Court Order, each of Seller and the Company has the requisite power and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby and to comply with the terms, conditions and provisions hereof. The execution, delivery and performance of this Agreement by Seller and by the Company has been duly authorized and approved by all necessary action by such entities and does not require any further authorization or consent thereof. Neither the execution and delivery by Seller or the Company of this Agreement nor the consummation by Seller and the Company of any of the transactions contemplated hereby nor their compliance with or fulfillment of the terms, conditions and provisions hereof will conflict with the charter or other organizational documents of Seller or the Company or any judgment, order or decree to which either Seller or the Company is subject. This Agreement is a legal, valid and binding agreement of Seller and the Company enforceable in accordance with its terms, except 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 Liabilities, Liens, Financial Statements; Assets.

(a) Liens and Liabilities. Schedule 2.3 hereto contains a list of all Liens, liabilities, obligations and payables of the Company and the Station (such list to be the basis for certain payments related to the Company from the Disbursement Escrow Account), and such list shall be updated and delivered to Buyer three (3) business days before the Closing Date. Seller represents and warrants that, to the best of its knowledge after due inquiry, such liabilities are the only Liens, liabilities, obligations and payables of the Company and the Station, and that, as of the Closing Date, the Disbursement Escrow Account shall contain an amount sufficient to pay and discharge all such Liens, liabilities, obligations and payables.

(b) Financial Statements. Seller has furnished Buyer with a true and complete copy of the Company's balance sheet for the year ended December 31, 2002 (the "**Financial Statement**"). The Financial Statement has been prepared from the books, records and accounts of the Company and is generally consistent with the books, records, and accounts of the Company (which books, records and accounts are complete and accurate in all material respects) and presents fairly the financial condition of the Company for the period then ended. Since December 31, 2002, there has not been, occurred or arisen any change in or event affecting the Company, the Station or the Shares that has had or may reasonably be expected to have a material adverse effect on the Company, the Station, its licenses or assets. Except as set forth on Schedule 2.3, as of the December 31, 2002, the Company had no liabilities, obligations or payables of any nature affecting the Company, the Station, its FCC Licenses or Assets, whether accrued, absolute, contingent or otherwise, and whether due or to become due, except as are reflected or disclosed in the Financial Statement.

(c) Discharge of Liens against Assets. Seller further represents and warrants that when the Shares are delivered, the Assets of the Company shall be free and clear of all Liens, other than liens for taxes, assessments and governmental charges not yet due and payable, and liens for leased equipment (collectively "**Permitted Liens**") or Liens which shall be released upon payment from the Disbursement Escrow Account, for which sufficient monies therein have been reserved, and the Company and the Station shall have no liabilities or obligations other than operating payables or contested liabilities to be paid from the Disbursement Escrow Account upon settlement thereof. For purposes of this Agreement, the term "**Assets**" shall mean all right, title and interest of the Company in all Station properties, assets, privileges, rights, interests and claims, real and personal, tangible and intangible, of every type and description, wherever located, including its business and goodwill, including, without limitation, the FCC Authorizations, tangible personal property, real property, time sales agreements, station contracts, intangible property, programming and copyrights, files and records and websites.

2.4 FCC Matters; Station Operation.

(a) FCC Licenses. Schedule 2.4(a) lists all of the licenses, permits and applications issued by or pending before the FCC (including their expiration dates) in connection with the ownership of the Station (the "**FCC Licenses**"). True, complete and correct copies of

all FCC Licenses have been provided to Buyer. The Company is the authorized legal holder of the FCC Licenses. The FCC Licenses are in full force and effect and constitute all the licenses from the FCC required for the operation of the Station as currently operated. The Company and the Station have been and are being operated in all material respects in compliance with the FCC Licenses, the Federal Communications Act of 1934, as amended (the “**Communications Act**”) and the rules, regulations and policies of the FCC (the “**FCC Rules**”). The Station is not causing objectionable interference to or receiving objectionable interference from any other broadcast facility. The Station is currently transmitting its broadcast signal and shall on the Closing Date be transmitting its broadcast signal at no less than ninety percent (90%) of its maximum authorized power.

(b) FCC Proceedings. Except for actions or proceedings affecting FM radio stations generally, no action, complaint, petition, notice of violation, or proceeding is pending or, to the knowledge of Seller, threatened by or before the FCC relating to the business or operations of the Station.

(c) Antenna Towers Registration. The Company 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 Station’s antenna structure, and “no hazard” determinations for such antenna structure has been obtained, where required. The Station’s tower has been properly registered with the FCC at the coordinates specified in its FCC license.

2.5 Station Equipment. Attached hereto as Schedule 2.5 is a list of all broadcast equipment (the “**Equipment**”) used or useful in the operations of the Station as currently conducted. The Company has, or will have as of the Closing Date, all right, title and interest in and to the Equipment, subject to the Permitted Liens and Liens to be dismissed following payment of the related claim from the Disbursement Escrow Account. The Company and the Seller disclaim any implied warranties of merchantability or fitness for any particular purpose as to the Equipment, and the Buyer acknowledges and agrees that the Equipment is being delivered at Closing on an “as is” basis, and that the Purchase Price reflects the same.

2.6 Contracts. Attached hereto as Schedule 2.6 is a list of all material contracts for services provided to the Station that are in the name of the Company or by which the Company is bound or otherwise obligated and that will not be cancelled by the Company or Seller on or before the Closing Date (“**Contracts**”). Any such Contract is in full force and effect, and to Seller’s best knowledge there is no non-monetary default thereunder by any party thereto. Any payments due under a Contract for periods prior to the Closing Date (or the effective date of a Local Marketing Agreement (the “**LMA**”), if entered into by the parties) are identified with respect to each Contract on Schedule 2.6, and all such payments due shall be satisfied from the Disbursement Escrow Account as of the Closing Date.

2.7 Employees. The Company has no employees and has had no employees for the last three years. Any and all personnel assigned to operate the Station are employees or contractors of Seller, and not of the Company. The Company has no obligation of any kind with respect to any person assigned to operate the Station, including, without limitation, for salary, vacation or severance obligations, employee benefits, pension obligations, payroll taxes, other tax withholding, severance, or with respect to any claim by that employee, pending or threatened,

relating to periods on or before the Closing Date with respect to the Company and the Station. Neither Seller nor the Company is a party to any contract with any labor organization, nor have Seller or the Company agreed to recognize any union or other collective bargaining unit, nor has any union or other collective bargaining unit been certified as representing any of Seller's employees or employees assigned to the Station. There are no organizational efforts currently being made or threatened by or on behalf of any labor union with respect to employees of Seller or with respect to the Station. There are no present or threatened work stoppages or labor difficulties relating to the employees of Seller or with respect to the Station.

2.8 Real Property Matters. The Company has a valid leasehold interest (the "**Tower Site Lease**") in the Real Property (the "**Tower Site Property**") described on Schedule 2.8 attached hereto, free and clear of all liens, mortgages, pledges, covenants, restrictions, charges, or other claims or encumbrances of any nature whatsoever, and no party is, and on the Closing Date no party shall be, in material breach or default with respect to the Tower Site Lease. There is full legal and practical access to the Tower Site Property, all utilities necessary for Buyer's use of the Tower Site Property as a radio tower facility are available at the Tower Site Property, and, to Seller's knowledge, are subject to valid easements, where necessary. Except as set forth on Schedule 2.8, to Seller's knowledge, the Tower Site Property and improvements constructed thereon, as well as the present uses thereof, conform in all material respects with all restrictive covenants and with all applicable zoning, environmental and building codes, laws, rules and regulations. To Seller's knowledge, the buildings, towers, guys and other fixtures situated on the Tower Site Property are contained entirely within the bounds of the Tower Site Property, and do not encroach upon any other property except in cases where valid easements (that are included in the Assets) have been obtained.

2.9 Environmental Matters

(a) The term "**Hazardous Materials**" shall mean any substance, material, liquid or gas defined or designated as hazardous or toxic (or by any similar term) under any Environmental Law, including, without limitation, petroleum products and friable materials containing more than one percent (1.0%) asbestos by weight

(b) "**Environmental Law**" shall mean any federal, state, or local law, ordinance, order, rule, or regulation relating to pollution, protection of the environment, or actual or threatened releases, discharges, or emissions into the environment.

(c) The term "**Environmental Condition**" shall refer to any contamination or damage to the environment caused by or relating to the use, handling, storage, treatment, recycling, generation, transportation, release, spilling, leaking, pumping, pouring, emptying, discharging, injection, escaping, leaching, disposal, dumping or threatened release of Hazardous Materials by the Company or its predecessors in interest. With respect to claims by employees, Environmental Condition also includes the exposure of persons to Hazardous Materials at the Station or the Tower Site Property.

(d) The term "**Environmental Noncompliance**" shall mean any violation of any Environmental Law.

(e) There are no investigations, inquiries, administrative proceedings, actions, suits, claims, legal proceedings or any other proceedings pending or, to the knowledge of Seller, threatened against the Company that involve, or relate to, Environmental Conditions, Environmental Noncompliance or the release, use or disposal of any Hazardous Materials on the Tower Site Property.

(f) There are no Hazardous Materials being released, stored, used or otherwise held on, under or about the Tower Site Property, and there are no underground storage tanks located on or under the Tower Site Property. The Tower Site Property has been maintained by the Company in material compliance with all Environmental Laws.

2.10 Bank Accounts, Powers, etc. Schedule 2.10 lists each bank, trust company, savings institution, brokerage firm, mutual fund or other financial institution with which the Company has an account or safe deposit box relating to the Station and the names and identification of all persons authorized to draw thereon or to have access thereto and lists the names of each person holding powers of attorney or agency authority from the Company and a summary of the terms thereof. Seller shall cooperate with Buyer to cancel any such account as of the Closing Date.

2.11 Compliance With Law. The Station Assets and the operation of the Station are in material compliance with all applicable statutes, laws, ordinances, regulations, rules or orders of any federal, state or local government, department or agency, including, without limitation, energy, environmental, public utility, zoning, building code, health, and employee safety agencies.

2.12 Tax and Other Returns and Reports. The Company has timely filed, or will with respect to returns required to be filed prior to the Closing Date file, all required tax returns relating to the Company and has paid or will pay all taxes due for all periods ending on or before the Closing Date. All such tax returns have been or shall be complete and accurate in all material respects, and a copy of all such returns shall be provided to the Buyer. The books and records of the Company reflect reserves for taxes calculated in accordance with generally accepted accounting principles consistently applied. To the knowledge of Seller, except as disclosed to Buyer and set forth on Schedule 2.12 hereto, no governmental entity has proposed (tentatively or definitively), asserted or assessed or threatened to propose or assert, any deficiency, assessment or claim for taxes and there would be no basis for any such delinquency assessment or claim. All taxes that the Company is required by law to withhold or to collect for payment have been duly withheld and collected, and have been or shall be paid as of the Closing Date. The Company has complied in all material respects with all information reporting and backup withholding requirements, including maintenance of required records with respect thereto, in connection with amounts owing to any employee, independent contractor, creditor, stockholder or other third party.

2.13 Litigation. Except as set forth on Schedule 2.13, (a) neither Seller, the Company nor the Station is subject to any judgment, award, order, writ, injunction, arbitration decision or decree with respect to or affecting the Station or the Assets; (b) there is no third party

claim, litigation, proceeding or investigation pending or, to the best of Seller's knowledge, threatened against Seller or the Company with respect to the Station (i) in any federal, state or local court, or before any administrative agency, arbitrator or other tribunal authorized to resolve disputes; or (ii) which might have a material adverse effect upon the business, assets or condition, financial or otherwise, of the Station or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken in connection with this Agreement, and Seller has no knowledge of any fact, event or circumstance that might be the ground for any such third party claim.

2.14 Insurance. Each of the Company and the Station is, and through the Closing Date shall remain, insured against all risks normally insured against by companies in the radio broadcast industry of similar size, including applicable comprehensive liability coverage and casualty coverage, and all of the insurance policies and bonds presently maintained by the Company or Seller with respect to the Station are in full force and effect. Schedule 2.14 lists all insurance policies and bonds pertaining to the Station. The Company is not in default under any such policy or bond.

2.14 No Brokers or Finders. Other than Patrick Communications, LLC, whose fees will be paid from the Disbursement Escrow Account, no agent, broker, finder, or investment or commercial banker, or other person or firm engaged by or acting on behalf of Seller or the Company in connection with the negotiation, execution or performance of this Agreement or the transactions contemplated in this Agreement, is or will be entitled to any brokerage or finder's or similar fee or commission as a result of this Agreement or consummation of the transactions contemplated hereunder.

2.15 Disclosure. The representations and warranties of Seller herein or in any document, exhibit, statement, certificate or schedule furnished by or on behalf of Seller or the Company to Buyer as required by this Agreement do not contain nor will contain any untrue statement of a material fact or omit or will omit to state any material fact necessary in order to make the statements herein or therein, in light of the circumstances under which they were made, not misleading in any material respect.

ARTICLE III: REPRESENTATIONS AND WARRANTIES OF BUYER

To induce Seller and the Company to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer represents and warrants to Seller and the Company as follows:

3.1 Organization. Buyer is duly organized, validly existing and in good standing under the laws of the State of California. Buyer has the requisite power and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby and to comply with the terms, conditions and provisions hereof.

3.2 Authority. The execution, delivery and performance of this Agreement by Buyer has been duly authorized and approved by all necessary action of Buyer and does not require any further authorization or consent of Buyer. This Agreement is a legal, valid and

binding agreement of Buyer enforceable in accordance with its terms, except 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. Neither the execution and delivery by Buyer of this Agreement or the consummation by Buyer of any of the transactions contemplated hereby nor compliance by Buyer with or fulfillment by Buyer of the terms, conditions and provisions hereof will: (i) conflict with the charter or other organizational documents of Buyer or any judgment, order or decree to which Buyer is subject; or (ii) require the approval, consent, authorization or act of, or the making by Buyer of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, except for such of the foregoing as are necessary pursuant to the Communications Act and the FCC Rules.

3.4 Qualification. As of the date of this Agreement, Buyer is qualified under the Communications Act and the rules, regulations and policies of the FCC to control all of the FCC Licenses issued to the Company or with respect to the Station.

ARTICLE IV: COVENANTS

4.1 Operation of the Business. The Company and Seller, each through the Attorney-in-Fact, covenant and agree that from the date hereof until the completion of the Closing, except to the extent required by Title 11 of the United States Code, as amended, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code") or an order of the Bankruptcy Court, or except as may occur due to Buyer's conduct in performance of an LMA with Buyer or at Buyer's specific written request related thereto, Seller and the Company, each through the Attorney-in-Fact, will:

(a) preserve and protect all of the Assets in their current condition, normal wear and tear excepted;

(b) maintain the Company's and the Station's books of account and records in the usual and ordinary manner;

(c) not enter into any material agreement with respect to the Station, the Assets or the Company, including any option or agreement to sell, assign or transfer the Station, the Assets or control of the Company to any other party, except as specifically provided in Section 4.3 hereof;

(d) not make any changes in the Company's capital structure or issue or sell any additional shares of the Company, nor grant any option, warrant or similar right with respect to the Shares, or amend the Company's charter or bylaws;

(e) not take or permit any other action inconsistent with their obligations hereunder and the consummation of the transactions contemplated hereby;

(f) maintain the insurance policies listed on Schedule 2.14 in full force and effect, with policy limits and scope of coverage not less than is currently provided;

(g) not incur or permit any additional indebtedness, Lien or liability other than trade payables arising in the ordinary course of business that, if such trade payables have not been satisfied as of the Closing Date, are disclosed to Buyer as specifically identified for satisfaction at Closing by the Disbursement Escrow Account, and satisfy all trade and barter obligations of the Station as of the Closing Date;

(h) maintain and preserve the Company's rights under the FCC Licenses, operate the Station in accordance with the FCC Rules and the FCC Licenses, and timely file and prosecute any required extensions of outstanding construction permits, applications or authorizations which may expire prior to the Closing Date; and

(i) conduct the Station's business in the ordinary course consistent with past practices or as required by this Agreement. By way of amplification and not limitation, without the prior written consent of Buyer, which shall not be unreasonably withheld, Seller and the Company, through the Attorney-in-Fact, shall not:

- (i) enter into any agreement, contract or lease with an aggregate liability of more than \$5,000, unless cancelable without penalty prior to the Closing Date;
- (ii) sell or otherwise dispose of any Asset of value greater than \$500;
- (iii) commit any act or omit to do any act which will cause a breach of any Contract or terminate or fail to renew any Contract;
- (iv) violate in any material respect any law, statute, rule, governmental regulation or order of any court or governmental or regulatory authority (whether Federal, State or local);
- (v) institute litigation against any third party; or
- (vi) cause or permit by any act, or failure to act, any of the FCC Licenses to expire, be surrendered, adversely modified, or otherwise terminated, or the FCC to institute any proceedings for the suspension, revocation or adverse modification of any of the FCC Licenses, or fail to prosecute with due diligence any pending applications to the FCC.

Nothing contained in this Agreement shall give Buyer any right to control the programming, operations or any other matter relating to the Station prior to the Closing, and the Company shall have complete control of the programming, operations and all other matters relating to the Station up to the Closing.

4.2 Exclusive Dealing. The Company and Seller, each through the Attorney-in-Fact, covenant and agree that from the date hereof until the completion of the Closing except to the extent required by an order of the Bankruptcy Court, neither of the Seller nor the Company (directly or through the Attorney-in-Fact), any of its respective affiliates or representatives or any

officer or director thereof shall take any action directly or indirectly, to encourage, initiate, solicit or engage in discussions or negotiations with, or provide any information to any person other than Buyer or Purchaser and its respective affiliates and representatives concerning any purchase of any capital stock of the Company or any merger, asset sale or similar transaction involving the Company or any of the Assets, except as expressly permitted pursuant to Section 4.3 hereof.

4.3 Permitted Transactions. Notwithstanding Sections 4.1 and 4.2 above, the Company and/or the Attorney-in-Fact acting on its behalf are expressly authorized to, and shall prior to or contemporaneously with the Closing, (i) sell to the Purchaser the shares of the Seller; (ii) sell to Purchaser the call letters WRNB, and change the call letters of the Station to WOKL, each with prior FCC consent; (iii) transfer all cash on hand of the Company to the Disbursement Escrow Account; and (iv) release all rights and actions the Company may have against any present or former shareholder, officer or director thereof.

4.4 Bankruptcy Filings; Press Releases. From the date hereof until the Closing Date, the Seller shall promptly deliver to Buyer's counsel copies of all pleadings, matters, notices, statements, schedules, applications, reports and other papers that the Seller files in the Seller's bankruptcy case, and copies of all press releases pertaining to this Agreement, the transactions contemplated thereby or the Seller's bankruptcy case.

4.5 Buyer's Due Diligence Investigation. Seller acknowledges and agrees that Buyer may conduct a due diligence investigation as to the Company, the Station, and the Assets, and all Liens and liabilities associated therewith, and including, without limitation, as to any statements or information contained in Section 2 hereof. From the date hereof to the Closing Date, Seller and the Company, through the Attorney-in-Fact, shall afford, and shall cause its respective officers, directors, employees and agents to afford, to Buyer and the officers, employees and agents of Buyer reasonable access at all reasonable times to Seller's and the Company's employees, independent contractors, agents, properties, books, records and contracts, and shall furnish Buyer all regulatory, financial, operating and other data and information as Buyer, through its respective officers, employees or agents, may reasonably request.

4.6 Representations and Warranties. Each party covenants and agrees that from the date hereof until the completion of the Closing, it shall give the other parties detailed written notice promptly upon learning of the occurrence of any event that would cause or constitute a breach (or would have caused a breach had such event occurred or been known to it prior to the date hereof) of any of its or any other party's representations and warranties contained in this Agreement.

4.7 Notice of Proceedings. Each party covenants and agrees that it shall promptly notify the other parties in writing upon: (a) becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder; or (b) receiving any notice from any governmental department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this agreement or such transactions if consummated.

ARTICLE V: CONDITIONS TO THE OBLIGATIONS OF THE SELLER AND THE COMPANY

The obligations of Seller and the Company under this Agreement are, at their option, subject to the fulfillment of the following conditions prior to or on the Closing Date:

5.1 Representations, Warranties and Covenants of Seller. The representations and warranties of Buyer herein contained shall be true in all material respects at the Closing Date with the same effect as though made at such time (other than those that speak as of a specific date, which shall be true and correct as of such date); and Buyer shall have performed all obligations and complied with all covenants and conditions required by this Agreement to be performed or complied with by them at or prior to such Closing Date in all material respects.

5.2 Proceedings. None of the parties shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

5.3 FCC Consent. The FCC Consent shall have been granted by the FCC by initial order.

5.4 Deliveries. Buyer shall have complied with its obligations set forth in Section 7.2.

5.5 Required Transfers / Distributions. The Company shall have consummated the transactions described in Section 4.3 above.

5.6 Court Proceedings. An order shall have been entered by the Bankruptcy Court approving this transaction and authorizing the sale of the Shares to Buyer, pursuant to 11 U.S.C. § 363 free and clear of all claims, interests, liens and encumbrances (the "**Bankruptcy Court Order**"). The date such order is entered is referred to herein as the "Approval Date."

5.7 Approval by Seller and Interest Holders. At Attorney-in-Fact's sole discretion, he may require as a condition to Closing, that the Seller and each of the Interest Holders execute and deliver to him a document reflecting ratification of all actions taken by him with respect to the Company, the Seller, the Interest Holders or the transactions contemplated by this Agreement.

ARTICLE VI: CONDITIONS TO THE OBLIGATIONS OF BUYER

The obligations of Buyer under this Agreement are, at its option, subject to the fulfillment of the following conditions prior to or on the Closing Date:

6.1 Representations, Warranties and Covenants of Seller. The representations and warranties of Seller herein contained shall be true at the Closing Date with the same effect as though made at such time (other than those that speak as of a specific date, which shall be true and correct as of such date) in all material respects; and Seller and the Company shall have

performed all obligations and complied with all covenants and conditions required by this Agreement to be performed or complied with by them at or prior to such Closing Date in all material respects.

6.2 Proceedings. None of the parties shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

6.3 FCC Consent. The FCC Consent shall have been granted by the FCC by initial order, without any conditions materially adverse to Buyer.

6.4 Deliveries. The Seller shall have complied with its obligations set forth in Section 7.1.

6.4 Court Proceedings. An order shall have been entered by the Bankruptcy Court approving of this transaction

6.5 Purchaser/Seller Transaction. The transaction between Purchaser and Seller shall have been consummated or stand ready to be consummated as of the Closing Date, including that the purchase price funds from that transaction shall have been paid into the Disbursement Escrow Account to the extent necessary to assure that the Liens, liabilities and trade payables of the Company and the Station have been or will be paid and discharged, or reserved against in the case of Anticipated Liabilities, as of the Closing Date.

6.6 Buyer's Due Diligence. Buyer shall be satisfied in its sole reasonable discretion, based upon the due diligence investigation conducted pursuant to Section 4.5 hereof, that the representations and warranties of the Seller contained in Section 2.3(a) and (c) and Section 2.12 hereof are true and correct as of the Closing Date in all material respects.

6.7 Disbursement Instructions. Buyer shall have received the Disbursement Instructions delivered by Sellers, through their Attorney-in-Fact, regarding the initial distribution and holding of funds from the Disbursement Escrow Account pursuant to Section 1.3(a).

ARTICLE VII: ITEMS TO BE DELIVERED AT THE CLOSING

7.1 Deliveries by the Company and Seller. At the Closing, the Company and Seller shall deliver to Buyer

(1) stock certificates representing the Shares, duly endorsed in blank or accompanied by stock powers duly executed in blank;

(2) for purposes of determining Seller's compliance with the closing conditions set forth in Section 6.1 hereto and indemnification under Section 1.3(b) hereof, and for not other purpose, a certificate, dated as of the Closing Date and signed by the Seller and the Company, each through the Attorney-in-Fact, certifying as to the matters set forth in Section 6.1, together with updated Schedules to this Agreement as needed to render such certificate to be true and correct as of the Closing Date;

(3) copies of the Company's certificate of incorporation and bylaws certified as of a recent date (which is not more than thirty (30) days before Closing) by, with respect to certificate of incorporation, the Secretary of State of the State of Delaware and with respect to the bylaws, by its corporate secretary or the Attorney in Fact;

(4) a certificate of good standing of the Company, issued as of a recent date (which is not more than thirty (30) days before Closing) by the Secretary of State of the State of Delaware;

(5) a certificate of the Secretary of the Company or the Attorney in Fact on behalf of the Company dated as of the Closing Date, in form and substance reasonably satisfactory to Buyer, certifying (i) as to the absence of any amendments to the certificates of incorporation or bylaws of the Company since a specified date, and (ii) that attached thereto is a true and correct copy of the resolutions of the Seller, as sole shareholder of the Company and the board of directors of the Company authorizing the execution and performance of this Agreement;

(6) resignations of the officers and directors of the Company, dated as of the Closing Date;

(7) a lien, tax and judgment search of the records of the relevant counties and offices of the Secretary of State of Delaware and any other relevant jurisdiction (the "Search Results"), performed no more than ten (10) days before the Closing Date, showing that there are no liens, tax assessments or judgments of record against the Company, the Station, the Sellers or the Shares, except those to be discharged at Closing or under the Disbursement Escrow Account;

(8) UCC-3 termination statements or other competent releases or offers to release upon payment with respect to any lien, tax assessment or judgment shown in the Search Results or otherwise known to Seller, the Company or Buyer;

(9) the Disbursement Escrow Agreement and irrevocable Disbursement Instructions regarding the same ; and

(10) a release executed by the Seller with respect to any and all prior claims against the Company.

7.2 Deliveries by Buyer. At the Closing, Buyer shall deliver to Seller (a) the Purchase Price; (b) certified copies of resolutions authorizing the execution, delivery and performance by Buyer of this Agreement, which shall be in full force and effect at the time of the Closing; (c) a certificate, dated as of the Closing Date and signed by the Buyer, certifying as to the matters set forth in Section 5.1; and (d) the Disbursement Escrow Agreement duly executed by Buyer.

ARTICLE VIII: SURVIVAL

8.1 Survival. All representations, warranties, covenants and agreements contained in this Agreement shall survive for a period of one hundred eighty (180) days after Closing or termination of this Agreement, commencing on the Closing Date or the effective date of termination. Upon the conclusion of this survival period, except to the extent that a party has provided express written notice of a breach to the other parties, each party will be deemed to have released all other parties from any breach of this Agreement, without any further action by any party. Providing such express written notice and asserting a claim against the Escrow Account in accordance with Section 1.3(b) and this Section 8.1 shall be Buyer's exclusive remedy for the transaction contemplated in this Agreement. Buyer expressly acknowledges and agrees that the Attorney-in-Fact shall not be personally liable in any action regarding the representations, warranties, covenants or performance under this Agreement, and hereby releases the Attorney-in-Fact from any such action, whether present or future. Any claim Buyer may have against the Company or the Sellers shall be limited by Section 1.3(b), the amount of the Escrow Account and shall be noticed within one hundred eighty (180) days of the Closing Date.

ARTICLE IX: MISCELLANEOUS

9.1 Termination. This Agreement may be terminated at any time prior to Closing: (a) by the mutual consent of Seller and Buyer or order of the Bankruptcy Court; (b) by Seller or Buyer if the FCC or the Bankruptcy Court has denied the approvals contemplated by this Agreement in an order which has become final; (c) by Buyer as provided in Section 9.4; (d) except as set forth in Section 9.4, by Buyer or Seller if the Closing has not taken place by the Closing Date; (e) by Buyer, if on the Closing Date the Company or Seller have failed to satisfy any of the conditions set forth in Section 6.4; (f) by Seller, if on the Closing Date Buyer has failed to satisfy any of the conditions set forth in Section 5.4; or (g) by Seller or Buyer in the event the transactions contemplated herein are not consummated on or before December 31, 2003. Except as otherwise set forth in this Agreement, a termination pursuant to this Section 9.1 shall not relieve any party of any liability it would otherwise have for a breach of this Agreement.

9.2 Specific Performance. In the event of a breach or threatened breach by Seller or the Company or Buyer of any representation, warranty, covenant or agreement under this Agreement, at the non-breaching party's election, in addition to any other remedy available to it, the non-breaching party shall be entitled to an injunction restraining any such breach or threatened breach and, subject to obtaining any requisite approval of the FCC, to enforcement of this Agreement by a decree of specific performance requiring the breaching party to fulfill their obligations under this Agreement, in each case without the necessity of showing economic loss or other actual damage and without any bond or other security being required.

9.3 Expenses. Each party hereto shall bear all of its expenses incurred in connection with the transactions contemplated by this Agreement, including without limitation, accounting and legal fees incurred in connection herewith; provided that: (i) Seller and Buyer shall each pay one-half of the FCC filing fees required to be paid in connection with the FCC Application; and (ii) Company shall be exclusively responsible for, and Buyer shall not have any

responsibility for, any sales or transfer taxes (including without limitation any real estate transfer taxes), arising from the transfer of the Shares or control of the Assets to Buyer.

9.4 Risk of Loss. The risk of loss, damage or destruction to any of the Assets shall be borne by the Company and Seller at all times up to 12:01 a.m. local time on the Closing Date, and it shall be the responsibility of the Company and Seller to repair or cause to be repaired and to restore the property to its condition prior to any such loss, damage, or destruction. In the event of any loss, damage, or destruction, the proceeds of any claim for any loss, payable under any insurance policy with respect thereto, shall be used to repair, replace or restore any such property to its former condition, subject to the conditions stated below. In the event of any loss or damage to any of the Assets, the Company and Seller shall notify Buyer thereof in writing immediately. Such notice shall specify with particularity the loss or damage incurred, the cause thereof (if known or reasonably ascertainable), and the insurance coverage. In the event that the property is not completely repaired, replaced or restored on or before the scheduled Closing Date, Buyer at its option: (a) may elect to postpone Closing, until such time as the property has been completely repaired, replaced or restored (and, if necessary, the Company and Seller shall join Buyer in requesting from the FCC any extensions of time in which to consummate the Closing that may be required in order to complete such repairs); or (b) may elect to consummate the Closing and accept the property in its then condition, in which event the Company shall pay to Buyer all proceeds of insurance and assign to Buyer the right to any unpaid proceeds; or (c) terminate this Agreement.

ARTICLE X: GENERAL PROVISIONS

10.1 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective representatives, successors and assigns. No party may assign any of its rights or delegate any of its duties hereunder without the consent of the other parties hereto, and any such attempted assignment or delegation without such consent shall be void.

10.2 Amendments; Waivers. The terms, covenants, representations, warranties and conditions of this Agreement may be changed, amended, modified, waived, or terminated only by a written instrument executed by the party waiving compliance. The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such a party at a later date to enforce the same. No waiver by any party of any condition or the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

10.3 Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (which shall include notice by facsimile transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by graphic scanning or other facsimile communications equipment, delivered by such equipment, addressed as follows:

if to the Company or Seller:

Hawes-Saunders Broadcast Properties, Inc.
c/o Patrick Communications, LLC
5074 Dorsey Hall Drive, Suite 205
Ellicott City, Maryland 21042
Attn: W. Lawrence Patrick
Fax: (410) 740-7222

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

Jackson Kelly PLLC
1600 Laidley Tower
500 Lee Street, East
Charleston, WV 25301
Attn: Christina T. Brumley
Facsimile: (304) 304-1080

if to Buyer:

Educational Media Foundation
5700 West Oaks Boulevard
Rocklin, CA 95765
Attn: Richard Jenkins, President

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

Bryan T. McGinis, Esq.
Shaw Pittman LLP
2300 N Street, N.W.
Washington, D.C. 20037-1128
Facsimile: 202-663-8007

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice.

10.4 Captions. The captions of Articles and Sections of this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

10.5 Governing Law. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the laws of the State of Ohio, without giving effect to principles of conflicts of laws.

10.6 Entire Agreement. This Agreement constitutes the full and entire understanding and agreement between the parties with regard to the subject matter hereof, and

supersedes all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof. This Agreement has been prepared by all of the parties hereto, and no inference of ambiguity against the drafter of a document therefore applies against any party hereto.

10.7 Counterparts. This Agreement may be executed in any number of counterparts and via facsimile, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

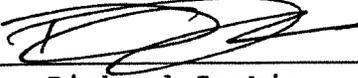
[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO STOCK PURCHASE AGREEMENT

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

BUYER:

Educational Media Foundation

By: 
Name: Richard Jenkins
Title: President

COMPANY:

Hawes-Saunders Radio Group, Inc.

By: _____
Name: W. Lawrence Patrick
Title: _____

SELLER:

Hawes-Saunders Broadcast Properties, Inc.

By: _____
Name: W. Lawrence Patrick
Title: _____

SIGNATURE PAGE TO STOCK PURCHASE AGREEMENT

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

BUYER: Educational Media Foundation

By: _____
Name:
Title:

COMPANY: Hawes-Saunders Radio Group, Inc.

By: W. Lawrence Patrick
Name: W. Lawrence Patrick
Title: Manager

SELLER: Hawes-Saunders Broadcast Properties, Inc.

By: W. Lawrence Patrick
Name: W. Lawrence Patrick
Title: Manager

SCHEDULES

- 1.3 Interest Holders
- 2.3 Liens
- 2.4 FCC Licenses
- 2.5 Station Equipment
- 2.6 Contracts
- 2.8 Real Property Matters
- 2.10 Bank Accounts
- 2.12 Tax
- 2.13 Litigation
- 2.14 Insurance

EXHIBITS

- A Orders of Bankruptcy Court
- B Disbursement Escrow Agreement
- C Escrow Agreement

SCHEDULE 1.3

INTEREST HOLDERS

Share and Interest Distribution of the Seller:

<u>Interest Holder</u>	<u>Percentage</u>
Ro Nita Hawes Saunders (1000 Share Class A Common Stock)	16.5%
Opportunity Capital Corp. (2.44% under warrant 5; .3% under warrant 14)	2.75%
Opportunity Capital Partners II, L.P. (10.98% under warrant 6; 8.125% under Broadcap warrant 13; 1.4% under warrant 15)	20.5%
Opportunity Capital Partners III, L.P. (10.98% under warrant 6; 8.125% under Broadcap warrant 13; 1.4% under warrant 15)	20.5%
Mesbic Ventures, Inc. (16.25% under Broadcap warrant 13; 23.5% under warrant 17)	39.75%
Total:	100%

SCHEDULE 2.3

LIENS

See WRNB list of vendors, attached hereto as Attachment 2.3a. The balance sheet of the Company also carries the balance of the long-term debt owed to the Interest Holders, the interest income accrued thereon, and the interest income accrued on the Vernon R. Baldwin, Inc., debt shown on Attachment 2.3a.

Security Agreement dated February 2, 1996, and UCC Financing Statement, filed May 20, 2002, in favor of Vernon R. Baldwin, Inc.

Information included on this Schedule has been redacted for proprietary reasons; the redacted information is not germane to FCC or public review of this Application. The information can be made available to the FCC upon request.

SCHEDULE 2.4

FCC LICENSES

The Company is licensee to WRNB, Troy, Ohio. An Application for Consent to Assign License to W. Lawrence Patrick as Interim Manager of Licensee was filed on Dec. 31, 2002, and was approved on Jan. 8, 2003. A letter to the FCC dated Jan. 30, 2003, informed it that the assignment would not be consummated but an Application for Consent to Transfer Control of the License would instead be filed. An Application for Consent to Transfer Control of the License to W. Lawrence Patrick as Interim Manager of Licensee was filed on Feb. 5, 2003, and the application remains pending.

SCHEDULE 2.5

STATION EQUIPMENT

See fixed assets schedule, attached hereto as Attachment 2.5a.

Information included on this Schedule has been redacted for proprietary reasons; the redacted information is not germane to FCC or public review of this Application. The information can be made available to the FCC upon request.

SCHEDULE 2.6

CONTRACTS

Information included on this Schedule has been redacted for proprietary reasons; the redacted information is not germane to FCC or public review of this Application. The information can be made available to the FCC upon request.

SCHEDULE 2.8

REAL PROPERTY MATTERS

Information included on this Schedule has been redacted for proprietary reasons; the redacted information is not germane to FCC or public review of this Application. The information can be made available to the FCC upon request.

SCHEDULE 2.10

BANK ACCOUNTS

The Company, by resolution of the Board of Directors dated Jan. 26, 1996, and by Certified Corporate Resolution dated Feb. 6, 1996, established a bank account at National City Bank. This account has been closed.

SCHEDULE 2.12

TAX

None.

SCHEDULE 2.13

LITIGATION

Opportunity Capital Corporation, et al., plaintiffs, v. Hawes-Saunders Broadcast Properties, Inc., et al., defendants; Hawes-Saunders Broadcast Properties, Inc., third-party plaintiff, v. Radio One, third-party defendant, Montgomery County Common Pleas Court, Civil Division, State of Ohio, Case No. 01-2264.

Seller has entered into certain agreements for the Company's benefit regarding operation of the Station (the "Seller Station Agreements"). The Seller Station Agreements are entered into in the name of Seller, but may specify that the Station is to receive services thereunder or may otherwise refer to the call sign WRNB-FM as a fictitious name entity and/or putative party to the Seller Station Agreement.

Pursuant to Section 2.6 of this Agreement, and the information contained on Schedule 2.6, except for the Contracts specifically set forth on Schedule 2.6, all other agreements "in the name of the Company or by which the Company is bound or otherwise obligated" shall be cancelled on or before the Closing Date.

Cancellation of the Seller Station Agreements may potentially result in a claim against the Company. The Company, Seller and the Attorney-in-Fact shall use their best efforts to obtain from the third party to each such Seller Station Agreement a written release of any and all claims against the Company arising from such termination and under the Seller Station Agreement ("Company Release"). To the extent that Company, Seller and the Attorney-in-Fact has been unable to obtain a Company Release in connection with such cancellation, the Attorney-in-Fact shall reserve an appropriate amount to satisfy in full potential claims arising under the Seller Station Agreements against Seller and the Company in the Disbursement Escrow Account established in connection with the Broadcast Properties Agreement, and shall provide Buyer on or before the Closing Date with all documentation with respect to the cancellation of each Seller Station Agreement, the Company Releases, and the reserve established with respect thereto. At Buyer's election, Buyer may cause the Attorney-in-Fact to establish on the Closing Date an additional reserve for the Seller Station Agreements in the Disbursement Escrow Account established pursuant to this Agreement, and potential liabilities thereunder shall be treated as Anticipated Liabilities as provided herein.

See also Company's obligation to terminate contracts prior to Closing under Section 2.6.

SCHEDULE 2.14

INSURANCE

Nationwide Mutual Insurance Company, Commercial Property Coverage, Commercial General Liability Coverage, Commercial Crime Coverage, Commercial Inland Marine Coverage; Business Auto Coverage, period June 3, 2002 through June 3, 2003. This policy covers both the Company and the Seller.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION AT DAYTON

ENTERED DEC 12 2002
05 DEC 12 PM 2:05
FILED
CLERK
BANKRUPTCY COURT
DAYTON, OHIO

IN RE: : CASE NO. 02-3834Z
: :
HAWES-SAUNDERS BROADCAST : :
PROPERTIES, INC. : : CHAPTER 11
: :
DEBTOR. : JUDGE WALDRON

AGREED ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF PATRICK COMMUNICATIONS, LLC AS SALES BROKER FOR DEBTOR'S STOCK AND AUTHORIZING ASSUMPTION OF PRE-PETITION BROKERAGE CONTRACT AS MODIFIED

Upon the Application dated December 11, 2002 (the "Application"¹) of Hawes-Saunders Broadcast Properties, Inc., debtor and debtor-in-possession in the above captioned chapter 11 case (the "Debtor"), and the consent of secured lenders and equity security holders OCP and Mesbic (as defined in the application) for an order pursuant to section 327(a) of title 11 of the United States Code (the "Bankruptcy Code") and Fed. R. Bankr. P. 2014 and 5002 authorizing Debtor to retain Patrick Communications, LLC ("PC") as its sales broker concerning debtor's outstanding capital stock, authorizing Debtor to assume the pre-petition brokerage contract between Debtor and PC dated August 14, 2000, *as modified pursuant to the plan* pursuant to section 365 of the Bankruptcy Code *confirm label 12/12/02 at 1:30* and Bankruptcy Rule 6006 (the "Agreement"), and authorizing the debtor to engage W. Lawrence Patrick as interim manager of the Debtor, and upon the Affidavit and Statement of W. Lawrence Patrick sworn to on December 10, 2002 (the "Affidavit"), the Court being satisfied based on the representations made in the Application and the Affidavit that PC represents no interest adverse to the Debtor or the estate with respect to the matters upon which it is to be engaged and that it is a disinterested person as that term is defined under section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code; that assumption of

¹ All capitalized terms not defined herein shall have the meanings ascribed to them in the Debtors' Application

EXHIBIT
A
Patrick Order

~~assumption~~ of the Agreement is in the best interests of the Debtor, the estate, and creditors; that W. Lawrence Patrick is not a "professional" as such term is defined under 11 U.S.C. §327, and that his engagement is thus within the normal course business judgment of the Debtor; and it appearing that the relief requested in the Application is in the best interests of the Debtor's estate, its creditors, equity holders and other parties in interest; and upon due deliberation thereon and sufficient cause appearing therefore; and it appearing that notice of the Application was made upon all parties as required by, and in accordance with, all applicable provisions of the Bankruptcy Rules and Local Bankruptcy Rules it is hereby:

ORDERED, ADJUDGED AND DECREED THAT:

1. Pursuant to section 327(a) of the Bankruptcy Code, Debtor shall be and hereby is authorized to employ and retain PC to perform the services set forth in the Agreement, attached to the Patrick Affidavit appended to Debtors' Application as Exhibit A, upon the terms and conditions set forth therein *as modified pursuant to the phone conference held 12/11/08 at 1:30. All further references to the Agreement are to the Agreement as modified*

2. Pursuant to section 365(a) of the Bankruptcy Code, Debtor shall be and hereby is authorized to assume the Agreement, and is further authorized to take any other actions required under the Agreement without further application to or Order of this Court

3. Upon a closing of any sale of the Stock as may be approved by the Court, PC shall be entitled to compensation as set forth in the agreement to be paid from the proceeds of the Sale, without further application to or order of the Court.

4. Debtor is authorized to engage W. Lawrence Patrick as its interim manager effective as of December 10, 2002, who shall hold such position throughout the administrative phase of this case. The Court finds that Patrick is not a "professional" as contemplated by section 327 of the Bankruptcy Code, and that his compensation of \$8000.00 per month plus

JAN. 7. 2003 12:54PM

STATMAN HARRIS SIEGEL & EYRICH

NO. 6196 P. 4

reimbursement of reasonable travel and out-of-pocket expenses shall not be subject to application or separate approval under section 330 of the Bankruptcy Code. Debtor is authorized and directed to pay any such compensation due Patrick from the proceeds of the Sale, without further application to or order of this Court.

5. In such position, Patrick shall have full managerial control of the Debtor, including (but not limited to) the following:

- a. Patrick shall have sole check writing authority on behalf of the Debtor.
- b. Patrick shall have general managerial control of Debtor's day-to-day operations.
- c. Patrick shall have the right to approve all sales contracts entered into by the Debtor.
- d. Patrick shall be authorized to execute any contract for the sale of debtor's stock that has been approved by the Court, and to execute any and all additional documents reasonable or necessary to promote or effectuate the sale, including but not limited to FCC transfer approval forms, share certificates, and the like.
- e. Patrick at his discretion may delegate management authority to other employees of the Debtor or professionals whose retention has been approved by the Court; however, notwithstanding such delegation, Patrick shall retain final authority over managerial decision-making.

f. *Court shall file a copy of the Agreement as modified pursuant to the phone conference held 12/12/02 at 1:30, not later than December 13, 2003.*

SO ORDERED.

Dated: _____, 2002.

Thomas F. Woodin
UNITED STATES BANKRUPTCY JUDGE
12/12/02

APPROVED FOR ENTRY:

John J. Schmidt per [Signature]
John J. Schmidt (Ohio Bar #0059417) *auth [Signature]*
Dinsmore & Shohl LLP
1900 Cheimed Center
255 East Fifth Street
Cincinnati, OH 45202
Phone: (513) 977-8440
Fax: (513) 977-8141
E-mail: jschmidt@dinalaw.com
Counsel for Opportunity Capital Corporation,
Opportunity Capital Partners II, L.P.,
Opportunity Capital Partners III, L.P., and
Mesbic Ventures, Inc. ("Mesbic").

Thomas R. Noland [Signature]
Thomas R. Noland
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110 North Main Street, Suite 1520
Dayton, Ohio 45402
Phone: (937) 222-1090
Fax: (937)222-1046
E-mail: tnoland@shsedayton.com
Counsel for Hawes-Saunders Broadcast Properties, Inc.

cc: All parties on attached matrix

DEC 18 2002

DISBURSEMENT ESCROW AGREEMENT

This DISBURSEMENT ESCROW AGREEMENT (this "**Agreement**") is dated as of March 7, 2003, by and among Educational Media Foundation, a California non-profit corporation ("**Buyer**"), Hawes-Saunders Radio Group, Inc. (the "**Company**"), each of the stockholders and other interest holders of the Company's shareholder, Hawes-Saunders Broadcast Properties, Inc., ("**HSBP**") listed on the signature page of this Agreement (collectively, the "**Interest Holders**") through their duly authorized agent, representative and attorney-in-fact, W. Lawrence Patrick (the "**Attorney-in-Fact**"), and Branch Banking and Trust Co. (the "**Escrow Agent**").

RECITALS:

A. HSBP, Company and Buyer have entered into a Stock Purchase Agreement dated March 7, 2003 (the "**Purchase Agreement**"), pursuant to which HSBP has agreed to sell, transfer and deliver to Buyer the shares and/or rights to acquire capital stock of the Company.

B. The Purchase Agreement provides that Buyer shall pay at the closing of the Purchase Agreement (the "**Closing**") from the purchase price payable under the Purchase Agreement the principal amount of One Million, One Hundred and Forty Thousand Dollars (\$1,140,000.00) to the Escrow Agent to be held as a post-closing disbursement escrow (the "**Deposit**") to be held by Escrow Agent in accordance with the terms of this Agreement.

C. The Purchase Agreement contemplates that the Attorney-in-Fact may deposit cash on hand and other monies of the Company and HSBP prior to Closing, and shall deposit some monies from the sale of the HSBP stock and other ownership interests held by the Interest Holders, which transaction shall occur contemporaneously with the sale of the HSRG Stock as contemplated in the Purchase Agreement.

D. W. Lawrence Patrick has authority to enter into and perform under this Agreement on behalf of the Interest Holders and Company pursuant to the order of the Bankruptcy Court of the Southern District of Ohio, Western Division, dated December 12, 2002, and attached hereto as **Exhibit A**. Capitalized terms used but not otherwise defined in this Agreement shall have the meaning given to such terms under the Purchase Agreement.

AGREEMENTS:

In consideration of the above recitals and of the covenants and agreements contained herein, Buyer, Interest Holders, Company, and Escrow Agent agree as follows:

SECTION 1. ESCROW DEPOSIT

1.1 Delivery. On the date hereof, (i) Buyer is delivering by wire transfer of immediately available funds to the Escrow Agent the Deposit to disburse in accordance with the provisions of this Agreement; and (ii) the Company shall, through the Attorney-in-Fact, deposit cash on hand and additional monies of the Company, as well as a portion of the proceeds from

the sale of HSBP stock and other ownership interests to a third party purchaser, immediately prior to the Closing. The afore-referenced deposits and all interest and earnings thereon (collectively, the “Escrow Amount”) shall be held by the Escrow Agent pursuant to the terms of this Agreement.

1.2 Receipt. The Escrow Agent hereby acknowledges receipt of the deposit referenced hereinabove, and agrees to hold and disburse the Escrow Amount in accordance with the terms and conditions of this Agreement and for the uses and purposes stated herein.

1.3 Investment and Income. Upon receipt of the deposit the Escrow Agent shall, pending the disbursement thereof pursuant to this Agreement, invest the Escrow Amount in accordance with Attorney-in-Fact’s written instructions in (a) direct obligations of, or obligations fully guaranteed by, the United States of America or any agency thereof, (b) certificates of deposit issued by commercial banks having a combined capital, surplus and undivided profits of not less than One Hundred Million Dollars (\$100,000,000), (c) repurchase agreements collateralized by securities issued by the United States of America or any agency thereof, or by any private corporation the obligations of which are guaranteed by the full faith and credit of the United States of America, (d) prime banker’s acceptances, (e) money market funds investing in any of the above, or (f) other investments of equal or greater security and liquidity.

SECTION 2. DISBURSEMENT OF ESCROW AMOUNT

2.1 Disbursement of Escrow Amount. The Escrow Agent shall release the Escrow Amount upon receipt of Disbursement Instructions in accordance with this Section 2.1.

(a) Initial Payments of Escrow Amount to Third Parties. Attorney-in-Fact shall send to the Escrow Agent initial Disbursement Instructions identifying by name, address, account and amount, persons or entities who should be paid in accordance with the terms of the Purchase Agreement, and authorizing the Escrow Agent to make the payments identified. The Disbursement Instructions shall also identify certain Anticipated Liabilities which are not due and payable, or are disputed, and a reserve amount for each Anticipated Liability, which the Escrow Agent shall hold in the Escrow Account until receipt of instructions regarding the same pursuant to Section 2.1(b) hereof.

(b) Subsequent Payments of Escrow Amount to Third Parties. From time to time hereunder Attorney-in-Fact shall send to the Escrow Agent additional Disbursement Instructions identifying by name, address, account and amount, persons or entities, who should be paid from the reserves for Anticipated Liabilities in accordance with the terms of the Purchase Agreement, and authorizing the Escrow Agent to make the payments identified. All additional Disbursement Instructions shall be noticed in advance by Attorney-in-Fact to Buyer and Interest Holders in accordance with Section 6.1 hereof. Upon payment of all Anticipated Liabilities reserved under Section 2.1(a) hereof and paid under Section 2.1(b) hereof, all remaining funds of the Escrow Account shall be paid to Interest Holders in accordance with their rights to receive proceeds of the sale of HSBP Interests, as set forth in the final Disbursement Instructions of the Attorney-in-Fact under this Section 2.1(b).

SECTION 3. ESCROW AGENT

3.1 Appointment and Duties. Buyer, Interest Holders and Company hereby appoint Escrow Agent to serve hereunder and the Escrow Agent hereby accepts such appointment and agrees to perform all duties which are expressly set forth in this Agreement. Escrow Agent's duties and responsibilities shall be limited to those expressly set forth in this Agreement. No implied duties of the Escrow Agent shall be read into this Agreement, and the Escrow Agent shall not be subject to, or obligated to, recognize any other agreement between, or direction or instruction of, any or all of the parties hereto even though reference thereto may be made herein. If any property subject hereto is at any time attached, garnished, or levied upon under any court order or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part hereof, then and in any of such events the Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree with which it is advised by legal counsel of its own choosing is binding upon it, and if it complies with any such order, writ, judgment, or decree it shall not be liable to any other party hereto or to any other person, firm or corporation by reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated. The Escrow Agent shall not be responsible for the sufficiency or accuracy, or the form, execution, or validity of genuineness, of documents now or hereafter deposited or received hereunder, or any description therein, nor shall it be responsible or liable in any respect on account of the identity, authority or rights of any person executing, depositing or delivering or purporting to execute, deposit or deliver any such document, or this Agreement, or on account of or by reason of forgeries, false representations, or the exercise of its discretion in any particular manner, nor shall the Escrow Agent be liable for any mistake of fact or of law or any error of judgment, or for any act or omission, except as a result of its gross negligence or willful malfeasance.

3.2 Compensation. The Escrow Agent's compensation shall be set forth on Exhibit B hereto. Such compensation shall be shared in equal portions by Interest Holders and Buyer. Company, Interest Holders and Buyer hereby agree, jointly and severally, to protect, defend, and indemnify the Escrow Agent and hold it harmless from and against any and all claims, losses, liabilities, expenses (including counsel fees and expenses) and costs imposed upon or asserted against the Escrow Agent on account of any action taken or omitted to be taken in connection with its acceptance of or performance of its duties and obligations under this Agreement, as well as the costs and expenses of defending itself against any claim or liability arising out of or relating to this Agreement, except as such may arise because of the Escrow Agent's gross negligence or willful misconduct in performing its specified duties as Escrow Agent. In case any action or proceeding is brought against the Escrow Agent by reason of any such claim, Company, Buyer and Interest Holders covenant upon notice from the Escrow agent to resist or defend such action or proceeding at their joint expense. As between Buyer and Interest Holders, such indemnification obligations shall be equally shared.

3.3 Resignation. Escrow Agent may resign at any time upon giving the other parties hereto thirty (30) days' prior written notice to that effect. In such event, the successor shall be such person, firm or corporation as shall be mutually selected by Buyer and Interest Holders. It is understood and agreed that such resignation shall not be effective until a successor agrees to

act hereunder; provided, however, if no successor is appointed and acting hereunder within thirty (30) days after such notice is given, Escrow Agent may pay and deliver the Escrow Amount into a court of competent jurisdiction.

SECTION 4. LIABILITIES OF ESCROW AGENT

4.1 Limitations. The Escrow Agent shall be liable only to accept, hold and deliver the Escrow Amount in accordance with the provisions of this Agreement and amendments thereto, provided, however, that the Escrow Agent shall not incur any liability with respect to (a) any action taken or omitted in good faith upon the advice of its counsel given with respect to any questions relating to its duties and responsibilities as Escrow Agent under this Agreement, or (b) any action taken or omitted in reliance upon any instrument which the Escrow Agent shall in good faith believe to be genuine (including the execution, the identity or authority of any person executing such instrument, its validity and effectiveness, and the truth and accuracy of any information contained therein), to have been signed by a proper person or persons, and to conform to the provisions of this Agreement.

4.2 Collateral Agreements. Other than this Escrow Agreement and the Escrow Agreement by and between the Company, Buyer, Hawes-Saunders Broadcast Properties, Inc., Interest Holders and Escrow Agent dated March 7, 2003, the Escrow Agent shall not be bound in any way by any contract or agreement between the other parties hereto, whether or not it has knowledge of any such contract or agreement or of its terms or conditions.

SECTION 5. TERMINATION

This Agreement shall be terminated (a) upon disbursement or release of the Escrow Amount by the Escrow Agent in accordance with the provisions hereof, (b) by written mutual consent signed by all parties, or (c) upon delivery of the Escrow Amount into a court of competent jurisdiction in accordance with Section 3.3 hereof. This Agreement shall not be otherwise terminated.

SECTION 6. OTHER PROVISIONS

6.1 Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (which shall include notice by facsimile transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by graphic scanning or other facsimile communications equipment, delivered by such equipment, addressed as follows:

if to the Company or Sellers:

Hawes-Saunders Broadcast Properties, Inc.
c/o Patrick Communications, LLC
5074 Dorsey Hall Drive, Suite 205
Ellicott City, Maryland 21042
Attn: W. Lawrence Patrick
Fax: (410) 740-7222

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

Jackson Kelly PLLC
1600 Laidley Tower
500 Lee Street, East
Charleston, WV 25301
Attn: Christina T. Brumley
Fax: (304) 304-1080

Sebaly Shillito + Dyer
1900 Kettering Tower
Dayton, Ohio 45423
Attn: Gale Finley, Esquire
Fax: (937) 222-2054

Folger, Levin & Kahn
275 Battery St., 23rd Floor
San Francisco, CA 94111
Attn: Chris Conner
Fax: (415) 986-2827

if to Buyer:

Educational Media Foundation
5700 West Oaks Boulevard
Rocklin, CA 95765
Attn: Richard Jenkins, President
[Facsimile number]

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

Bryan T. McGinnis, Esq.
Shaw Pittman LLP
2300 N Street, N.W.
Washington, D.C. 20037-1128
Facsimile: 202-663-8007

if to Escrow Agent:

Branch Banking and Trust Co.

or to any other or additional persons and addresses as the parties may from time to time designate in a writing delivered in accordance with this Section 6.1.

6.2 Benefit and Assignment. The rights and obligations of each party under this Agreement may not be assigned without the prior written consent of all other parties, except to the same extent assignment of the rights and obligations of the parties under the Purchase Agreement is permitted without consent of the other parties. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

6.3 Entire Agreement; Amendment. This Agreement contains all the terms agreed upon by the parties with respect to the subject matter hereof. This Agreement may be amended or modified only by written agreement executed by Interest Holders and Buyer and if the amendment in any way affects the compensation, duties and/or responsibilities of the Escrow Agent, by a duly authorized representative of the Escrow Agent. No waiver of any provision hereof or rights hereunder shall be binding upon a party unless evidenced by a writing signed by such party.

6.4 Headings. The headings of the sections and subsections of this Agreement are for ease of reference only and do not evidence the intentions of the parties.

6.5 Governing Law. THIS AGREEMENT SHALL BE GOVERNED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF WEST VIRGINIA (WITHOUT REGARD TO THE CHOICE OF LAW PROVISIONS THEREOF).

6.6 Counterparts. This Agreement may be executed in any number of counterparts and via facsimile, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

6.7 Earnings. All income and earnings upon the Escrow Deposit shall be deemed for tax reporting purposes to have accrued for the account of Sellers.

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

BUYER:

Educational Media Foundation

By: _____

Name:

Title:

COMPANY:

Hawes-Saunders Radio Group, Inc.

By: _____

Name:

Title:

INTEREST HOLDERS:

Ro Nita Hawes-Saunders, Opportunity Capital Corporation, Opportunity Capital Partners II, L.P., Opportunity Capital Partners III, L.P., and Mesbic Ventures, Inc.

By: _____

Name: W. Lawrence Patrick

Title: Attorney-in-Fact

ESCROW AGENT:

Branch Banking and Trust Co.

By: _____

Name:

Title:

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION AT DAYTON

ENTERED DEC 12 2002

DEC 12 PM 2:05
CLERK
BANKRUPTCY COURT
DAYTON, OHIO

FILED

IN RE:

CASE NO. 02-3834

HAWES-SAUNDERS BROADCAST
PROPERTIES, INC.

CHAPTER 11

DEBTOR.

JUDGE WALDRON

**AGREED ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF
PATRICK COMMUNICATIONS, LLC AS SALES BROKER FOR DEBTOR'S STOCK
AND AUTHORIZING ASSUMPTION OF PRE-PETITION BROKERAGE CONTRACT AS MODIFIED**

Upon the Application dated December 11, 2002 (the "Application"¹) of Hawes-Saunders Broadcast Properties, Inc., debtor and debtor-in-possession in the above captioned chapter 11 case (the "Debtor"), and the consent of secured lenders and equity security holders OCP and Mesbic (as defined in the application) for an order pursuant to section 327(a) of title 11 of the United States Code (the "Bankruptcy Code") and Fed. R. Bankr. P. 2014 and 5002 authorizing Debtor to retain Patrick Communications, LLC ("PC") as its sales broker concerning debtor's outstanding capital stock, authorizing Debtor to assume the pre-petition brokerage contract between Debtor and PC dated August 14, 2000, *as modified pursuant to the plan* pursuant to section 365 of the Bankruptcy Code *confirm* and Bankruptcy Rule 6006 (the "Agreement"), and authorizing the debtor to engage W. Lawrence Patrick as interim manager of the Debtor; and upon the Affidavit and Statement of W. Lawrence Patrick sworn to on December 10, 2002 (the "Affidavit"), the Court being satisfied based on the representations made in the Application and the Affidavit that PC represents no interest adverse to the Debtor or the estate with respect to the matters upon which it is to be engaged and that it is a disinterested person as that term is defined under section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code; that assumption of

the plan confirm held 12/12/02 at 1:30

¹ All capitalized terms not defined herein shall have the meanings ascribed to them in the Debtors' Application.

EXHIBIT
A
to Disbursement
Escrow

~~assumption~~ of the Agreement is in the best interests of the Debtor, the estate, and creditors; that W. Lawrence Patrick is not a "professional" as such term is defined under 11 U.S.C. §327, and that his engagement is thus within the normal course business judgment of the Debtor; and it appearing that the relief requested in the Application is in the best interests of the Debtor's estate, its creditors, equity holders and other parties in interest; and upon due deliberation thereon and sufficient cause appearing therefore; and it appearing that notice of the Application was made upon all parties as required by, and in accordance with, all applicable provisions of the Bankruptcy Rules and Local Bankruptcy Rules it is hereby:

ORDERED, ADJUDGED AND DECREED THAT:

1. Pursuant to section 327(a) of the Bankruptcy Code, Debtor shall be and hereby is authorized to employ and retain PC to perform the services set forth in the Agreement, attached to the Patrick Affidavit appended to Debtors' Application as Exhibit A, upon the terms and conditions set forth therein *as modified pursuant to the phone conference held 12/11/02 at 1:30. All further references to the Agreement are to the Agreement as modified*

2. Pursuant to section 365(a) of the Bankruptcy Code, Debtor shall be and hereby is authorized to assume the Agreement, and is further authorized to take any other actions required under the Agreement without further application to or Order of this Court

3. Upon a closing of any sale of the Stock as may be approved by the Court, PC shall be entitled to compensation as set forth in the agreement to be paid from the proceeds of the Sale, without further application to or order of the Court.

4. Debtor is authorized to engage W. Lawrence Patrick as its interim manager effective as of December 10, 2002, who shall hold such position throughout the administrative phase of this case. The Court finds that Patrick is not a "professional" as contemplated by section 327 of the Bankruptcy Code, and that his compensation of \$8000.00 per month plus

JAN. 7. 2003 12:54PM

STATMAN HARRIS SIEGEL & EYRICH

NO. 6196 P. 4

reimbursement of reasonable travel and out-of-pocket expenses shall not be subject to application or separate approval under section 330 of the Bankruptcy Code. Debtor is authorized and directed to pay any such compensation due Patrick from the proceeds of the Sale, without further application to or order of this Court.

5. In such position, Patrick shall have full managerial control of the Debtor, including (but not limited to) the following:

- a. Patrick shall have sole check writing authority on behalf of the Debtor.
- b. Patrick shall have general managerial control of Debtor's day-to-day operations.
- c. Patrick shall have the right to approve all sales contracts entered into by the Debtor.
- d. Patrick shall be authorized to execute any contract for the sale of debtor's stock that has been approved by the Court, and to execute any and all additional documents reasonable or necessary to promote or effectuate the sale, including but not limited to FCC transfer approval forms, share certificates, and the like.
- e. Patrick at his discretion may delegate management authority to other employees of the Debtor or professionals whose retention has been approved by the Court; however, notwithstanding such delegation, Patrick shall retain final authority over managerial decision-making.

f. *Council shall file a copy of the Agreement as modified pursuant to the phone conference held 12/12/02 at 1:30, not later than December 13, 2003.*

SO ORDERED.

Dated: _____, 2002.

Thomas F. Woodum
UNITED STATES BANKRUPTCY JUDGE
12/12/02

APPROVED FOR ENTRY:

John J. Schmidt per Replecki

John J. Schmidt (Ohio Bar #0059417)
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E-mail: jschmidt@dinslaw.com
Counsel for Opportunity Capital Corporation,
Opportunity Capital Partners II, L.P.,
Opportunity Capital Partners III, L.P., and
Mesbic Ventures, Inc. ("Mesbic").

*authn
12/11/02 Replecki*

Thomas R. Noland Replecki

Thomas R. Noland
Statman, Harris, Siegel & Eyrich, LLP
110 North Main Street, Suite 1520
Dayton, Ohio 45402
Phone: (937) 222-1090
Fax: (937) 222-1046
E-mail: tnoland@shsedayton.com
Counsel for Hawes-Saunders Broadcast Properties, Inc.

cc: All parties on attached matrix

DEC 18 2002

EXHIBIT B
ESCROW AGENT'S COMPENSATION

The Escrow Agent shall charge no fees for investing the Escrow Amount as provided in Section 1.3 of the Agreement and disbursing the Escrow Amount as directed in Sections 2.1 or 2.3 of the Agreement. If a dispute arises pursuant to Section 2.2 of the Agreement or if the Escrow Agent is required or deems it appropriate, in its sole discretion, to perform any functions other than the ministerial functions set forth in Sections 1.3, 2.1 or 2.3 of the Agreement, Escrow Agent shall charge such fees as are consistent with the standard fees of the Escrow Agent's trust department.