

## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT, dated as of July 5, 2011 (the "Agreement"), is entered into by and between THE CEDARVILLE UNIVERSITY, an Ohio non-profit corporation ("Seller"), and EDUCATIONAL MEDIA FOUNDATION, a California non-profit corporation ("Buyer").

### **WITNESSETH:**

WHEREAS, Seller owns and holds licenses, permits and authorizations issued by the Federal Communications Commission (the "FCC") for the following FM radio stations, permits, translators and auxiliary facilities:

WCDR-FM, Cedarville, Ohio (Channel 212B);

WOHP(FM), Portsmouth, Ohio (Channel 202A); and

WOHC(FM), Chillicothe, Ohio (Channel 211A)  
(collectively, with WCDR-FM and WOHP(FM), the "Stations"); and

the construction permit (the "CP") for WOCU(FM), Sinking Spring, Ohio  
(Channel 214A); and

FM translators: W202CC, Columbus, Ohio; W205CK, Piketon, Ohio;  
W211BT, Athens, Ohio; W212BM, Jackson, Ohio; W213AO, New Paris, Ohio;  
W224BO, West Union, Ohio; W231BY Bellefontaine, Ohio; W251BC, Sidney, Ohio;  
W279BR, Greenville, Ohio; and W237AT, Richmond, Indiana (the "Translators"); and

Auxiliaries: KA74970, KPF344, WOL56, and WLO746 (the "Auxiliaries");

and Earth Station E950339 (the "Earth Station"); and

WHEREAS, on the terms and conditions described herein, Seller desires to sell and Buyer desires to purchase the FCC Authorizations of the Stations, the Permit, the Translators, the Auxiliaries and the Earth Station (collectively, the "Station Licenses" or "Acquired Stations") and certain of the other assets held for use by Seller in connection with the operation of the Acquired Stations (the "Acquired Assets");

WHEREAS, Seller also desires to grant Buyer the option to acquire other licenses, permits and authorizations that the FCC may issue to Seller upon pending applications (the "Option");

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

#### **1. Sale of Assets.**

(a) On the Closing Date (as hereinafter defined), Seller shall sell, assign and transfer to Buyer, and Buyer shall purchase and assume from Seller, the assets, properties, interests and rights of Seller of whatsoever kind and nature, which are owned by Seller and used in connection with the transmission operations of the Acquired Station(s) (but excluding the Excluded Assets described in subparagraph (c) below), including without limitation:

(i) Seller's equipment, machinery, fixtures, and other tangible personal property used in the conduct of the transmission operations of the Acquired Stations at the Station(s) tower facilities (the "*Tangible Personal Property*"), together with such improvements and additions thereto and replacements thereof between the date hereof and the Closing Date, as identified on Schedule 1 hereto;

(ii) All of the Station Licenses issued by, or granted by, or filed with the FCC, the Federal Aviation Administration (the "*FAA*"), and any other federal, state or local governmental authorities to Seller in connection with the conduct of the business and the full on-air operations of the Acquired Stations, as set forth on Schedule 2 hereto;

(iii) The leasehold interests ("*Real Property Leases*") held by Seller in the Acquired Stations' current tower sites, including buildings, fixtures and other improvements, leasehold interests, easements, licenses, rights of access, rights of way and improvements which are held by Seller and used in the operations of the Acquired Stations' tower site facilities as of the date hereof (the "*Real Property*") as specifically identified on Schedule 3 hereto;

(iv) All of Seller's logs, books, files, data, FCC and other governmental applications, equipment manuals and warranties, and other records relating to the transmission operations of the Acquired Station(s), including without limitation all FCC filings and all records required by the FCC to be kept by the Acquired Stations. Seller may copy such information it determines necessary to be archived for future governmental or regulatory reporting; and

(v) The call signs of the Acquired Stations, except WCDR.

(b) The Assets shall be transferred by Seller to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements and other liens, liabilities and encumbrances of every kind and nature ("*Liens*"), except Permitted Liens as defined below. Buyer is not agreeing to, and shall not, assume any liability, obligation, undertaking, expense or agreement of Seller of any kind, absolute or contingent, known or unknown, and the execution and performance of this Agreement shall not render Buyer liable for any such liability, obligation, undertaking, expense or agreement, other than the Real Property Leases identified on Schedule 3 hereto, referred to herein as the "*Assumed Liabilities*." All such liabilities not specifically assumed by Buyer shall be retained by Seller and are referred to herein as the "*Retained Liabilities*". Without limiting the generality of the foregoing, it is understood and agreed that Buyer is not agreeing to, and shall not, assume (i) any liability or obligation of Seller to Seller's employees under any existing written or oral agreements with Seller, including any such liability or obligation in respect of wages, salaries, bonuses, accrued vacation or sick pay or any other matter, or (ii) any liability arising out of any termination by Seller of the

employment of any employee of the Acquired Stations or any liability for any employee benefit plan or arrangement of Seller for the Stations' employees.

(c) The following assets and obligations relating to the business of the Acquired Stations shall be retained by Seller and shall not be sold, assigned or transferred to or assumed by Buyer (the "Excluded Assets"):

(i) Cash on hand and in banks (or their equivalents), and accounts receivable, donations, pledges and other income or investments arising out of the Seller's operation of the Acquired Stations prior to the Closing Date;

(ii) All rights of Seller under all contracts, leases (except any Real Property Leases, but specifically including any studio or other on campus properties) and agreements, including programming agreements, contracts of insurance and insurance proceeds of settlement and insurance claims made by Seller relating to property or equipment repaired, replaced, restored by Seller prior to the Closing Date;

(iii) All tangible personal property not included on Schedule 1 hereto, including, without limitation, all equipment located at Seller's main studio or on the Seller's campus (unless appearing on Schedule 1), or not used solely in the operation of the Acquired Stations, and all motor vehicles;

(iv) All pension, profit-sharing, retirement, stock purchase or savings plans or trusts and any assets thereof and all other employee benefit plans;

(v) All deposits and all prepaid expenses and taxes;

(vi) Seller's corporate records; and

(vii) The call letters WCDR-FM and all other intellectual property relating to Seller or the Acquired Stations prior to the Closing Date.

## 2. **Purchase Price.**

(a) Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale of the Assets, on the Closing Date Buyer shall pay to Seller the aggregate sum of Two Million Three Hundred Twenty Five Thousand Dollars (\$2,325,000) (the "Purchase Price"), subject to adjustments provided in Section 2(c). The Purchase Price shall payable by wire transfer of same day Federal funds to an account designated by Seller, including delivery of the Escrow Deposit as set forth in Section 2(b) below. The Purchase Price shall be subject to a credit in the amount of \$50,000 to Buyer as further set forth at Section 19(c) hereto.

(b) Concurrently with the execution of this Agreement, Buyer shall deliver to WashingtonFirst Bank (the "Escrow Agent") the sum of One Hundred Sixteen Thousand Two Hundred Fifty Dollars (\$116,250) to be held as an earnest money deposit (the "Earnest Money Deposit") pursuant to an Escrow Agreement (the "Escrow Agreement") of even date herewith. The Earnest Money Deposit shall be paid to Seller as partial payment of the cash Purchase Price due at Closing to Seller, or shall otherwise be made available to Seller or released to Buyer in

accordance with the provisions of this Agreement.

(c) The parties agree to prorate all expenses arising out of the operation of the Acquired Stations which are incurred, accrued or payable, as of 11:59 p.m. local time of the day preceding the Closing Date. The items to be prorated shall include, but not be limited to, lease payments, utilities charges, FCC regulatory fees, real and personal property taxes upon the basis of the most recent tax bills and information available, and similar prepaid and deferred items. On the Closing Date, the prorations shall, insofar as feasible, be determined and paid on the Closing Date, with final settlement and payment to be made within sixty (60) days after the Closing Date.

3. **FCC Consent; Assignment Application.**

(a) At a date not later than ten (10) business days after the execution of this Agreement, Buyer and Seller shall execute, file and prosecute application(s) with the FCC (the "Assignment Application(s)") requesting its consent to the assignment, from such entity to Buyer, of all FCC Authorizations pertaining to the Acquired Stations held by such entity (the "FCC Consent(s)"). The parties acknowledge that the FCC processes an application to assign the Earth Station in a different bureau and on a different timetable than the processing of the Assignment Applications, and references to FCC Consent or Final Order thereof do not include the separate FCC consent to assign the Earth Station. Buyer and Seller shall take all reasonable steps to cooperate with each other and with the FCC to secure such FCC Consent without delay, and to promptly consummate this Agreement in full.

(b) Seller hereby consents to and agrees to cooperate with Buyer in connection with the filing of a request by Buyer for a waiver of the FCC's "main studio" rules for the Acquired Stations, such waiver to be effective on or after the Closing Date. Such request shall be made and prosecution thereof shall be conducted solely at Buyer's expense.

4. **Closing Date; Closing Place.** The closing (the "Closing") of the transactions contemplated by this Agreement shall occur on a date (the "Closing Date") fixed by Buyer upon at least five (5) days prior written notice to the Seller which shall be no later than ten (10) days following the date on which the FCC Consents shall have become Final Orders (as hereinafter defined) and the other conditions to closing set forth in Section 8 hereof have either been waived or satisfied, provided, however, that at its sole election, and subject to satisfaction or waiver of the closing conditions set forth in Section 8 hereof, Buyer may elect that the Closing Date shall occur on any date more than ten days after the FCC Consents have been issued, with at least five (5) business days prior notice to Seller. Closing of assignment to Buyer of the Earth Station shall occur on the Closing Date if the FCC consent to assign the Earth Station has been received by such date, or if later, within ten (10) days after such separate consent has been received. For purposes of this Agreement, the term "Final Order" means action by the FCC consenting to an application which is not reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no timely request for stay, petition for rehearing or appeal is pending, and as to which the time for filing any such request, petition or appeal or reconsideration by the FCC on its own motion has expired. The Closing shall be held by mail, facsimile or electronic mail, with all documents that are to be delivered by Buyer and Seller at the Closing to be delivered to

the other party's respective counsel prior to such time, and held in escrow by such counsel until the Closing is effected.

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

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

(b) The execution, delivery and performance of this Agreement by Seller will not (i) constitute a violation of or conflict with Seller's organizational documents, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligation relating to the business of the Acquired Stations and to which Seller or any of the Acquired Assets may be subject, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained and delivered to Buyer, (iii) violate any law, statute, rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency and which is applicable to Seller or any of the Acquired Assets, (iv) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever on any of the Acquired Assets, or (v) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent or any Landlord's consents to assignment of any Real Property Leases identified on Schedule 3 hereto.

(c) Schedule 1 hereto contains a list of the Tangible Personal Property to be conveyed to Buyer and owned by Seller for use in connection with the transmission operation of the Acquired Stations. Seller owns and has, and will have on the Closing Date, good and marketable title to the Tangible Personal Property. The assets listed in Schedule 1 hereto include all material Tangible Personal Property necessary to conduct the transmission operations of the Stations as now conducted (other than those assets which are Excluded Assets). Each material item of Tangible Personal Property (i) is in normal operating condition and repair, ordinary wear and tear excepted, and (ii) is available for immediate use in the business. For purposes of this Section only, material Tangible Personal Property shall be such items of property valued at Three Hundred Dollars (\$300) or more. To Seller's knowledge, no item of equipment identified on Schedule 1 contains PCBs in violation of the Environmental Laws (as hereafter defined).

(d) Schedule 2 hereto contains a true and complete list of the Station Licenses and all other licenses, permits or other authorizations from governmental or regulatory

authorities that are required for the lawful conduct of the business and operations of the Acquired Stations in the manner and to the full extent they are presently operated. Seller lawfully holds each of the Station Licenses for the Acquired Stations listed on Schedule 2, none of which is subject to any restrictions or conditions (other than those set forth on the Station Licenses and other authorizations or as shown on Schedule 2) that would limit in any material respect the operations of the Acquired Stations. Except as set forth in Schedule 2, Seller is operating the Acquired Stations in all material respects in accordance with the Station Licenses, and all rules, regulations and policies of the FCC (the "Communications Laws"), including that the Acquired Stations that are main stations are transmitting at no less than 90% of their authorized power. To Seller's knowledge, the Acquired Stations are not transmitting or receiving any objectionable interference to or from any other station. There is not now pending or, to Seller's knowledge, threatened any action by or before the FCC to revoke, cancel, rescind, adversely modify or refuse to renew any of such Station Licenses, and Seller has not received any notice of and has no knowledge of any pending, issued or outstanding order by or before the FCC, or of any investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against either the Acquired Stations, the Station Licenses or the Seller. Except as set forth in Schedule 2, all material reports and filings required to be filed with the FCC by Seller with respect to the operation of the Acquired Stations have been timely filed, and all such reports and filings are accurate and currently are in material compliance. Each Acquired Station maintains a public inspection file if required, and such files comply with the Communications Laws.

(e) To Seller's knowledge, the towers specified for use in the operation of the Acquired Stations are obstruction-marked and lighted to the extent required by, and in accordance with, the rules and regulations of the FAA and the FCC. Seller has complied in all material respects with all requirements of the FCC and the Federal Aviation Administration with respect to the construction and/or alteration of any Seller-owned antenna structures, and "no hazard" determinations for each antenna structure have been obtained, where required. To Seller's knowledge, the Acquired Stations' towers have been properly registered with the FCC, if required.

(f) Schedule 3 contains a chart summarizing the material terms of the Real Property Leases used in connection with the Acquired Stations, including property leased, station/location, lessor, lease term, annual rent and renewal terms.

(i) The Real Property constitutes the only real properties, other than the excluded Acquired Stations' collective main studio on Seller's campus, required to operate the transmission facilities of each of the Acquired Stations in the manner in which they are presently operated. Seller has a valid leasehold interest in the Real Property Leases described on Schedule 3, and as of the Closing Date, such Real Property Lease interests shall be free and clear of all liens, mortgages, pledges, covenants, restrictions, subleases with Seller as sublessor, charges, or other claims or encumbrances of any nature whatsoever, except for liens for taxes not yet due and payable, and non-monetary encumbrances that do not have a material effect on the Buyer's ability to use the Real Property as radio station transmission facilities ("Permitted Liens").

(ii) No party is in material breach or default with respect to a Real Property Lease, and each such Real Property Lease is in full force and effect, except as set forth on Schedule 3 hereto or as shown in the Real Property Lease documents provided to Buyer.

(iii) Subject to the terms of the Real Property Leases or any easement rights, there is full legal and practical access to the Real Property and all utilities necessary for Buyer's use of the Real Property as a radio tower facility are installed and are in working order, and to Seller's knowledge, are subject to valid easements, where necessary.

(iv) Except as set forth on Schedule 3, to Seller's knowledge, the Real 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, including set back restrictions.

(v) To Seller's knowledge, the buildings, towers, guys and other fixtures situated on the Real Property, are free of structural defects and, are suitable for their intended uses, are in a good state of maintenance and repair (ordinary wear and tear excepted), are contained entirely within the bounds of the Real Property, and do not encroach upon any other property except in cases where valid easements (that are included in the Assets) have been obtained.

(vi) To Seller's knowledge, there is no pending condemnation or similar proceeding affecting the Real Property or any portion thereof, and no such action is presently contemplated or threatened.

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

(i) Buyer shall have no obligation to offer employment to any employee of Seller or the Acquired Stations, and shall have no liability with respect to any such employee or for benefits of any kind or nature.

(j) Other than Patrick Communications, to be compensated by Seller, there is no broker or finder or other person who would have any valid claim for a commission or brokerage in connection with this Agreement or the transactions contemplated hereby as a result of any agreement, understanding or action by Seller.

(k) Seller is not subject to any order, writ, injunction, judgment, arbitration decision or decree having binding effect and affecting the business of the Acquired Stations or the Acquired Assets or which restrains or enjoins the transactions contemplated hereby, and no such proceeding is pending. Except as set forth in Schedule 4, there is no material litigation pending by or against, or to the best of Seller's knowledge, threatened against Seller which relates to the Acquired Stations or could affect any of the Acquired Assets. Seller, with respect to the Acquired Stations, has complied in all material respects with all applicable laws, regulations, orders or decrees. The present uses by Seller of the Acquired Assets do not violate any such laws, regulations, orders or decrees in any material respect, and Seller has no

knowledge of any basis for any claim for compensation or damage or other relief from any violation of the foregoing.

(l) All of the Assets that are insurable in character are insured against loss, injury or damage to the full extent of their replacement value.

(m) Seller has duly, timely and in the required manner filed all federal, state, and local income, franchise, sales, use, property, excise, payroll and other tax returns and forms required to be filed, and has paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies and losses required to be paid. No event has occurred which could impose on Buyer any liability for any taxes, penalties or interest due or to become due from Seller from any taxing authority.

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

As used herein, the term "Hazardous Materials" means any wastes, substances, or materials (whether solids, liquids or gases) that are deemed hazardous, toxic, pollutants, or contaminants, including substances defined as "hazardous wastes," "hazardous substances," "toxic substances," "radioactive materials," or other similar designations in, or otherwise subject to regulation under, any Environmental Laws. "Hazardous Materials" includes polychlorinated biphenyls (PCBs), asbestos, lead-based paints, infectious wastes, radioactive materials and wastes and petroleum and petroleum products (including crude oil or any fraction thereof). Except for an unused underground propane tank located on the easement premises for the W212BM, Jackson, Ohio translator facility, there are no underground storage tanks located on the owned Real Property. To Seller's knowledge, there are not now, nor have there previously been, any other facilities on, under, or at the owned Real Property which contained any Hazardous Materials which, if known to be present in soils or ground water, would require cleanup, removal or some other remedial action under Environmental Laws.

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



6. **Representations and Warranties of Buyer.** Buyer hereby represents and warrants to Seller:

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

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

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

(d) Buyer is legally, financially and technically qualified to acquire and become the licensee of the Acquired Stations.

(e) There is no litigation, proceeding or governmental investigation pending or to the knowledge of Buyer, threatened, in any court, arbitration board, administrative agency, or tribunal against or relating to Buyer that would prevent or materially impede the consummation by Buyer of the transactions contemplated by this Agreement.

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

(g) Buyer does not now and will not as of the Closing Date, hold or have an attributable interest in any FCC-issued noncommercial broadcast authorization for which it received points based upon a continuing commitment to maintain diversity of ownership or local established applicant status which would make Buyer ineligible to hold the Station Licenses.

7. **Covenants.** Seller covenants with Buyer that, between the date hereof and the Closing Date, subject to the provisions of the LMA, Seller shall act in accordance with the following:

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

(b) Except as set forth in Schedule 2, Seller shall continue to operate and maintain the Acquired Stations in accordance with the terms of the Station Licenses and in material compliance with all applicable laws and FCC rules and regulations. Seller will deliver to Buyer, promptly after filing, copies of any reports, applications or responses to the FCC or any communications from the FCC or any other party directed to the FCC related to the Acquired Stations which are filed between the date of this Agreement and the Closing Date. Seller will not file any application to modify the Acquired Stations' facilities without Buyer's prior written consent, and Seller shall take all actions necessary to keep the Station Licenses, including all material permits and applications (subject to Section 7(d) below), pending before the FCC, valid and in full force and effect.

(c) Seller will cooperate with Buyer in filing contingent applications to facilitate the upgrade or potential relocation of the Acquired Stations, provided, that no such applications shall jeopardize existing Seller upgrade or relocation permits.

(d) At Buyer's request, Seller shall convey to Buyer at the Closing (if granted by such date) or thereafter, when a grant has occurred, any additional licenses, permits or authorizations for which Seller has currently filed a pending application for construction permit, provided, that Buyer shall reimburse the reasonable and prudent costs incurred by Seller in prosecuting such applications. This option shall expire at Closing with respect to permits then issued, or thereafter, within thirty (30) days after notice from Seller to Buyer that the permit has been issued by the FCC. Seller agrees to work with Buyer, at Buyer's election (and subject to agreement that EMF will promptly reimburse Seller's expenses), should additional efforts be necessary to prosecute these pending applications. The covenants set forth in this Section 7(d) shall not create any Seller affirmative obligation to maintain the pending status, validity or accuracy of the pending applications, absent a request from Buyer that Seller do so. Notwithstanding any of the foregoing, nothing herein shall restrict Seller from making changes to its Board of Trustees, notwithstanding that such action might constitute an ownership change that would create grounds for or result in dismissal of such pending application.

(e) Seller shall maintain in full force and effect, and shall not default under or, where within Seller's control pursuant to the Real Property Leases, permit the expiration (without renewal), termination or cancellation of any Real Property Lease. At Buyer's request, Seller shall cooperate with Buyer and use commercially reasonable efforts to assist with Buyer's negotiations for renewal of any Real Property Lease with a remaining term of less than five (5) years. For purposes of this requirement, the phrase "remaining term of less than five (5) years"

shall mean Real Property Leases with a defined current term with less than five (5) years remaining, except where the lease terms (i) provide for automatic renewal, or (ii) permit Seller to unilaterally opt to renew such lease, in either case for an additional term or terms totaling at least five (5) years. The renewal to be requested shall be for a term of no less than five years, and otherwise shall be on commercially reasonable terms. Buyer acknowledges that the Real Property Leases may not include terms permitting their extension or negotiation for same.

(f) Seller shall maintain in full force and effect through the Closing Date adequate property damage, liability and other insurance with respect to the Acquired Assets.

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

(h) On or before the Closing Date, Seller shall use commercially reasonable efforts to obtain, if required, consents to assignment of any Real Property Leases from the landlords of each of the Real Property Leases, and to obtain estoppel certificates in customary form from the landlords of the Columbus, Ohio (W202CC) and Cedarville (WCDR-FM) tower sites. Buyer acknowledges that the Real Property Lease terms for the aforementioned tower sites do not include provisions requiring the landlord to provide an estoppel certificate.

(i) On or before the Closing Date, Seller shall furnish to Buyer revised Schedules to this Agreement as may be necessary to render such Schedules accurate and complete as of the Closing Date. Seller shall give detailed written notice to Buyer promptly upon the occurrence of or becoming aware of the impending or threatened occurrence of, any event which would cause or constitute a breach or would have caused a breach had such event occurred or been known to Seller prior to the date hereof, of any of Seller's representations or warranties contained in this Agreement or in any Schedule. Seller shall promptly disclose to Buyer any significant problems or developments with respect to the Station or the Acquired Assets. Seller shall give prompt written notice to Buyer if the Acquired Assets shall have suffered damage on account of fire, explosion or other cause of any nature that is sufficient to prevent operation of the Acquired Stations;

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

(k) Subject to Section 19 hereof, if any event should occur which would prevent the consummation of the transactions contemplated hereunder, Seller shall use its best efforts to cure the event as expeditiously as possible.

## 8. **Conditions Precedent to Obligation to Close.**

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

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

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

(iii) The FCC Consent shall be effective and at Buyer's election shall have become a Final Order;

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

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

(vi) If any event should occur which would prevent the consummation of the transactions contemplated hereunder, the Buyer shall use its best efforts to cure the event as expeditiously as possible.

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

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

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

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

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

(v) There shall not be any Liens (other than Permitted Liens) on the Acquired Assets or any financing statements of record other than those to be satisfied by Seller on or before the Closing Date; and

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

## 9. **Closing Deliveries.**

(a) At the Closing, Seller will deliver to Buyer the following, each of which

shall be in form and substance satisfactory to Buyer and its counsel:

(i) A Bill of Sale dated the Closing Date, in form and substance so as to effectively and legally transfer and assign to Buyer the Tangible Personal Property and effectively vest in Buyer good and marketable title to the Tangible Personal Property;

(ii) An Assignment and Assumption of the Station Licenses;

(iii) The Assignment and Assumption Agreements of the Real Property Leases, duly executed by Seller;

(iv) Consents to assignment of the Real Property Leases, if required therein, executed by the Landlords thereof;

(v) If necessary, payoff letters from each lienholder, and authorized lien releases with respect to the Acquired Assets;

(vi) Certified copies of the resolutions of the Board of Directors of Seller, authorizing and approving the execution and delivery of this Agreement and authorizing the consummation of the transactions contemplated hereby and thereby;

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

(viii) A certificate of good standing from the Secretary of State of Ohio;  
and

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

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

(i) The Purchase Price pursuant to Section 2(a) hereof;

(ii) An Assignment and Assumption of the Station Licenses;

(iii) The Assignment and Assumption of the Real Property Leases,  
executed by Buyer;

(iv) Certified copies of the resolutions of the Board of Directors of Buyer authorizing and approving the execution and delivery of this Agreement and authorizing the consummation of the transactions contemplated hereby and thereby;

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

(vi) A certificate of good standing for Buyer from the Secretary of State of California and a certificate of authority to do business as a foreign corporation in Ohio; and

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

10. **Indemnification.**

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

(b) Following the Closing Buyer shall indemnify, defend and hold Seller harmless with respect to any and all Damages asserted against, resulting from, imposed upon or incurred by Seller directly or indirectly relating to or arising out of: (i) the breach by Buyer of any of its representations, warranties, or failure by Buyer to perform any of its covenants, conditions or agreements set forth in this Agreement; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the Assumed Liabilities or the ownership and operation of the Acquired Stations as conducted by Buyer subsequent to the Closing.

(c) If either party hereto (the "Indemnitee") receives notice or otherwise obtains knowledge of any matter with respect to which another party hereto (the "Indemnifying Party") may be obligated to indemnify the Indemnitee under this Section 10(c), then the Indemnitee shall promptly deliver to the Indemnifying Party written notice describing such matter in reasonable detail and specifying the estimated amount of the Damages or liability that may be incurred by the Indemnitee in connection therewith. The Indemnifying Party shall have the right, at its option, to assume the complete defense of such matter at its own expense and with its own counsel, provided such counsel is reasonably satisfactory to the Indemnitee. If the Indemnifying Party elects to assume the defense of such matter, then (i) notwithstanding anything to the contrary herein contained, the Indemnifying Party shall not be required to pay or otherwise indemnify the Indemnitee against any such matter following the Indemnifying Party's election to assume the defense of such matter, (ii) the Indemnitee shall fully cooperate as reasonably requested by the Indemnifying Party in the defense or settlement of such matter, (iii) the Indemnifying Party shall keep the Indemnitee informed of all material developments and events relating to such matter, and (iv) the Indemnitee shall have the right to participate, at its own expense, in the defense of such matter. In no event shall the Indemnifying Party be liable

for any settlement or admission of liability with respect to such matter without its prior written consent.

(d) The several representations and warranties of Seller and Buyer contained in or made pursuant to this Agreement, as effective on the Closing Date, shall expire on the date that is one year after the Closing Date.

11. **Termination.**

(a) This Agreement may be terminated by either Buyer or Seller, if the party seeking to terminate is not in default or breach of any of its material obligations under this Agreement, upon written notice to the other upon the occurrence of any of the following: (a) if, on or prior to the Closing Date, the other party breaches any of its material obligations contained herein, and such breach is not cured by the earlier of the Closing Date or thirty (30) days after receipt of the notice of breach from the non-breaching party; or (b) if the Assignment Application is denied by Final Order or designated for hearing by the FCC; or (c) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing of this Agreement; or (d) if the Closing has not occurred within twelve (12) months after the date hereof.

(b) Upon a termination of this Agreement by Seller due to a breach by Buyer of any of its material obligations under this Agreement, Seller's sole remedy for said breach shall be to retain the Escrow Deposit plus any accrued interest, as liquidated damages. Seller and Buyer each acknowledge and agree that these liquidated damages are reasonable in light of the anticipated harm which would be caused by Buyer's breach of any of its material obligations under this Agreement and the difficulty of ascertaining damages and proof of loss and that these damages are not a penalty.

(c) Upon a termination of this Agreement due to a breach by Seller of any of its' material obligations under this Agreement, Seller shall promptly authorize the Escrow Agent to return to Buyer the Escrow Deposit, and subject to Section 12 below, Buyer may seek all other rights and remedies that it may have in equity or at law.

(d) Upon a termination of this Agreement for any reason other than as a result of a breach by either party of any of its material obligations under this Agreement, neither party shall have any further obligation to the other under this Agreement, and the parties shall join in authorizing the Escrow Agent to return the Escrow Deposit to Buyer.

(e) This Agreement may be terminated by either party if the Board of Directors of Buyer has not approved the transaction contemplated herein on or before July 15, 2011. In such event, the provisions of (d) above shall apply.

12. **Specific Performance.** Seller agrees that the purchased Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, notwithstanding the provisions of Section 11(a), Buyer shall have the right specifically to enforce Seller's performance under this Agreement, and Seller agrees to and does waive the defense in any such suit that Buyer has

an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy. Buyer shall have the right to terminate this Agreement as a result of Seller's material default in lieu of seeking specific performance (if not cured within the cure periods set forth in Section 11(a)). In the event Buyer elects to terminate this Agreement as a result of Seller's default instead of seeking specific performance, Buyer shall be entitled to a return of the Escrow Deposit, together with all accrued interest and to seek any and all other forms of relief, including a suit for damages arising out of Seller's default.

13. **Confidentiality.**

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

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

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



If to Seller, to:

Cedarville, University  
Attn: Phil Grafton  
251 North Main  
Cedarville, Ohio 45314

Copy (which shall not constitute  
notice) to:

Joseph C. Chautin, III, Esq.  
Hardy, Carey, Chautin & Balkin, LLP  
1080 West Causeway Approach  
Mandeville, Louisiana 70471

If to Buyer, to:

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

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

David D. Oxenford, Esq.  
Davis Wright Tremaine LLP  
1919 Pennsylvania Avenue, NW, Suite 800  
Washington, D.C. 20006

15. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Ohio, without giving effect to the choice of law principles thereof.

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

17. **Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument. This Agreement may be executed and exchanged by facsimile transmission, with the same legal effect as if the signatures had appeared in original handwriting on the same physical

document. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine as a defense to the formation of a contract and each such party forever waives any such defense.

18. **Expenses.** Except as otherwise set forth in this Section, each party hereto shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. The FCC filing fees, if any, relating to the Assignment Application shall be shared equally between Buyer, on the one hand, and Seller, on the other hand. Real property transfer tax, if any, shall be paid by Buyer. All federal, state, local and other sales taxes applicable to, imposed upon or arising out of the transfer to Buyer of the Assets as contemplated hereby, shall be paid by Seller.

19. **Risk of Loss.**

(a) The risk of loss to any of the Acquired Assets on or prior to the Closing Date shall be upon Seller. Seller shall use all commercially reasonable efforts to repair or replace any damaged or lost Assets, provided, however, that in the event that the Assets with a value of greater than One Hundred Thousand Dollars (\$100,000) (with respect to any Station) are damaged or lost on the date otherwise scheduled for Closing, Buyer may, at its option, either (i) postpone Closing for a period of up to sixty (60) days while Seller repairs or replaces such Assets, or (ii) elect to close with the Acquired Assets in their current condition, in which case Seller shall assign all proceeds from insurance on such lost or damaged Assets to Buyer, and Buyer shall have the responsibility to repair or replace the Assets, or (iii) terminate this Agreement. Seller shall have no responsibility to repair or replace damaged or destroyed Assets not covered by insurance if the cost of such repair exceeds One Hundred Thousand Dollars (\$100,000), provided, however, that should Seller not advise Buyer within five (5) days after being requested to do so that Seller will repair or replace such Assets, Buyer may terminate this Agreement without penalty upon written notice to Seller.

(b) Should an Acquired Station (i) not operate for a period in excess of seventy-two (72) consecutive hours, or (ii) except as disclosed in Schedule 2, not operate with full licensed facilities for a period of thirty (30) consecutive days, or, except as disclosed in Schedule 2, if an Acquired Station is not operating at 90% or more of its full authorized power as of the scheduled Closing Date and it is reasonably expected that the condition set forth in either clause (i) or (ii) of this sentence would be satisfied other than for the originally scheduled Closing Date, Buyer may either elect to postpone the Closing for a period of up to sixty (60) days while Seller attempts to cure the condition described in the preceding sentence of this Section 19 or to terminate this Agreement without penalty upon written notice to Seller.

(c) Notwithstanding the above, Seller has disclosed to Buyer certain engineering issues relating to the facilities and licensing of WOHP-FM (as further set forth on Schedule 2 hereto) and W211 BT. In consideration of Buyer accepting these facilities and Station Licenses as they are currently operating, Buyer shall receive a credit in the amount of \$50,000 at Closing,

and the provisions of this Section 19 or Section 5(d) and 7(b) shall not apply thereto.

20. **Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may voluntarily or involuntarily assign its interest or delegate its duties under this Agreement without the prior written consent of the other party.

21. **Entire Agreement.** This Agreement, and the exhibits attached hereto, supersede all prior agreements and understandings between the parties with respect to the subject matter hereof and may not be changed or terminated orally, and no attempted change, amendment, or waiver of any of the provisions hereof shall be binding unless in writing and signed by both parties.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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


**Seller:**

**THE CEDARVILLE UNIVERSITY**

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

**Buyer:**

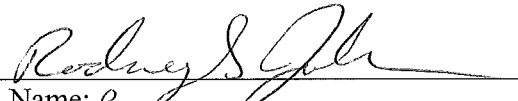
**EDUCATIONAL MEDIA FOUNDATION**

By:  \_\_\_\_\_  
Mike Novak, President

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

**Seller:**

**THE CEDARVILLE UNIVERSITY**

By:   
Name: RODNEY S. JOHNSON  
Title: VP FOR OPERATIONS

**Buyer:**

**EDUCATIONAL MEDIA FOUNDATION**

By: \_\_\_\_\_  
Mike Novak, President

SCHEDULE 2

Station Licenses

<b>Call Sign</b>	<b>Service</b>	<b>Fac. ID.</b>	<b>Community of License</b>	<b>FCC File No.</b>
WCDR-FM	FM	65515	Cedarville, Ohio	BLED-19991222ABL
WCDR-FM	FM	65515	Cedarville Ohio	BPED-20070907AEE <sup>1</sup>
WOHC	FM	65503	Chillicothe, Ohio	BLED-19920512KB
WOHC	FM	65503	Chillicothe, Ohio	BPED-20091015AAO <sup>2</sup>
WOHP	FM	65508	Portsmouth, Ohio	BLED-19920228KB
WOHP	FM	65508	Portsmouth, Ohio	BSTA-20040803ACL <sup>3</sup>
WOCU	FM	175227	Sinking Spring, Ohio	BNPED-20071019AAW <sup>4</sup>
W202CC	FX	65506	Columbus, Ohio	BLFT-20080416AAS
W211CC	FX	65506	Columbus, Ohio	BPFT-20091013AGT <sup>5</sup>
W205CK	FX	91885	Piketon, Ohio	BLFT-20100831AAZ
W211BT	FX	92525	Athens, Ohio	BLFT-20010829ABE
W212BM	FX	121845	Jackson, Ohio	BLFT-20010212ABM <sup>6</sup>
W213AO	FX	65516	New Paris, Ohio	BLFT-20070516AEZ
W224BO	FX	141889	West Union, Ohio	BLFT-20050524AFN
W231BY	FX	142558	Bellefontaine, Ohio	BLFT-20070910ADU
W237AT	FX	65509	Richmond, Indiana	BLFT-19930927TJ
W251BC	FX	142405	Sidney, Ohio	BLFT-20060316AGC
W279BR	FX	142405	Greenville, Ohio	BLFT-20070615ADK
KA74970	RP	65515	Cedarville, Ohio	Expires 10/1/2012
KPF344	RP	65515	Cedarville, Ohio	Expires 10/1/2012
WOL56	AS	65515	Cedarville, Ohio	Expires 10/1/2012
WLO746	AI	65516	New Paris, Ohio	Expires 10/1/2012
E950339	FES	n/a	Cedarville, Ohio	Expires 7/7/2020

<sup>1</sup> Expires December 8, 2012.

<sup>2</sup> Expires December 23, 2012.

<sup>3</sup> Extension of this STA (BESTA-20050607ADR) has been accepted for filing.

<sup>4</sup> Original Permit for Unbuilt Station; expires April 24, 2012.

<sup>5</sup> Permit to move W202CC to Channel 211 to avoid possible interference; expires October 19, 2012.

<sup>6</sup> This license erroneously specifies equipment shown on the original construction permit, notwithstanding Seller's disclosure in the license application of construction using a different antenna and transmitter model. In addition, the license does not reflect a 2004 filed notice with the FCC of a change in the translated station to WCDR-FM and the method of signal delivery to satellite.

SCHEDULE 4

Litigation

None.