

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Agreement") is dated as of September 4, 2001, and is made by and between Educational Media Foundation, a California non-profit corporation ("Seller"), and Santa Monica Community College District, a district organized and operated under California State Law as part of the California Community College system ("Buyer").

Recitals

WHEREAS, Seller holds licenses, permits and other authorizations (the "FCC Licenses") issued by the Federal Communications Commission (the "FCC") for FM translator station K210CL in Lemon Grove, California (the "Station") and owns or holds other assets used or useful in the operation of the Station; and

WHEREAS, Seller desires to sell, assign and transfer to Buyer, to the fullest extent permitted by law, the Licenses, as well as the other assets owned or held by Seller and used or useful in the operation of the Station; and

WHEREAS, to the fullest extent permitted by law, Buyer desires to acquire the Licenses and the other assets owned or held by Seller and used or useful in the operation of the Station, all under the terms described herein;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained herein, the parties hereby agree as follows:

ARTICLE 1. Exchange of Consideration

1.1. Consideration Conveyed by Seller. At the Closing, as defined herein, Seller shall provide Buyer with the following consideration:

1.1.1. Station Assets. Subject to the terms and conditions of this Agreement, and except for assets described in Section 1.1.2. of this Agreement, Seller shall, to the fullest extent permitted by law, assign, convey, transfer and deliver to Buyer, and Buyer shall, to the fullest extent permitted by law, acquire from Seller, free and clear of all debts, liens, claims, financing leases, security interests and encumbrances of any kind whatsoever (except as permitted herein), the assets owned or held by Seller which are used or useful in the operation of the Station (the "Station Assets"). The Station Assets include the following items:

(a) **Licenses.** Seller's right, title and interest in and to the FCC Licenses, as well as any and all other licenses and authorizations issued by any governmental entity that are used and useful in the operations of the Station (collectively, the "Licenses"), as well as any and all pending applications for the renewal or modification of any License or for a new License (all of which are identified in Schedule 1). Copies of the Licenses are included in Schedule 1 hereto.

(b) Personal Property. Personal property (the "Personal Property") owned or held by Seller and used or useful in the operation of the Station, the material items of which are listed on Schedule 2 hereto.

(c) Records. Any and all files required to be placed in the Station's public inspection files.

(d) Personal Property Lease. Seller will lease to Buyer the Personal Property identified in Schedule 2 for a period of 60 months beginning on the Closing Date for an amount of \$8.3335 per month to be paid to Seller annually. Maintenance of that Personal Property identified in Schedule 2 shall be the responsibility of the Buyer. At the end of that 60 month period, that Personal Property will be conveyed to Buyer by Seller for \$1.

1.1.2. Excluded Assets. Notwithstanding the foregoing, there shall be excluded from the Station Assets and retained by Seller, to the extent in existence on the Closing Date, the following assets (the "Excluded Assets"):

(a) Accounts Receivable. All notes and accounts receivable of Seller relating to or arising out of the sale of advertising time on the Station prior to the Closing Date.

(b) Cash and Investments. All cash on hand or in bank accounts and all cash equivalents and similar investments of Seller, such as certificates of deposit.

(c) Prepaid Items. All deposits, reserves and prepaid expenses and taxes (unless prorated as provided in this Agreement).

(d) Personal Property. All non-material tangible personal property disposed of or consumed in the ordinary course of business of the Station.

(e) Insurance. All contracts of insurance, proceeds and insurance claims made by Seller relating to Station Assets repaired, replaced or restored by Seller prior to the Closing.

(f) Securities. Any and all securities owned or held by Seller.

(g) Claims. Any and all claims of Seller with respect to transactions which transpire prior to the Closing Date, including, without limitation, claims for tax refunds.

(h) Agreements. Agreements, contracts and leases with respect to the Station not identified or assumed by Buyer in writing after the date of this Agreement.

(i) **Miscellaneous Assets.** Pension, profit-sharing, savings plans and trusts, and any assets thereof.

(j) **Organizational Documents.** Seller's books and original records that pertain to the organization, existence or capitalization of Seller.

1.1.3. Seller's Retained Liabilities. The Station Assets shall be sold and conveyed to Buyer free and clear of all debts, liens, claims, financing leases, security interests and encumbrances or liabilities of any kind or nature ("the Encumbrances") except for liens for current taxes not yet due and payable (the "Permitted Encumbrances"). Unless reflected in a document executed by Buyer, Buyer shall not assume or be liable for: (a) any contract, agreement or lease not specifically assumed by Buyer hereunder; (b) any obligation of Seller arising out of any contract of insurance, any pension, retirement or profit-sharing plan, or any trust or other benefit plan; (c) any litigation, proceeding or claim relating to the business or operation of the Station prior to the Closing, regardless of whether such litigation, proceeding or claim is pending, threatened or asserted before, on or after the Closing, or (d) any obligation (including but not limited to wages, salaries, vacation pay, payroll taxes, COBRA coverage or severance payments) to or for persons employed by Seller.

1.2. Consideration Conveyed by Buyer. At the Closing, as defined herein, Buyer shall pay Seller Twenty-Seven Thousand Seven Hundred Twenty-Two Dollars (\$27,722) (the "Purchase Price") by wire transfer of immediately available federal funds pursuant to instructions from Seller, less adjustments, if any, made pursuant to this Agreement.

1.3. Adjustments. At the Closing, all taxes and assessments and other expenses with respect to the Station Assets to be acquired by Buyer shall be apportioned and allocated between Buyer and Seller as of the Closing Date on the basis of the period of time to which such income or expenses apply. To the extent such items cannot be determined at Closing, a final settlement on such prorations shall be made within sixty (60) days after the Closing Date. If the Closing occurs before the tax rate is fixed for the then current term, the apportionment of taxes at Closing shall be upon the basis of the tax rate for the preceding tax year applied to the latest assessed valuation. If the tax rate is changed with respect to any period of time prior to the Closing Date, as defined herein, the post-Closing proration shall include a corresponding adjustment in the final proration made pursuant to this Section.

1.4. Closing.

1.4.1. Date and Location. The consummation of the transaction provided for in this Agreement (the "Closing") shall be held at the offices of Dickstein Shapiro Morin & Oshinsky LLP, 2101 L Street, NW, Washington, D.C. 20037-1526, or at such other place mutually agreed to by the parties, commencing at 10:00 AM on a date (the "Closing Date") selected by Buyer, which shall be within ten (10) days after the date on which the FCC order (the "Order") granting the Application referenced in Section 4.4 of this Agreement becomes "Final." For purposes of this Agreement, an order becomes Final if it has not been stayed, is not subject

to reconsideration or review by the FCC or a court of competent jurisdiction, and the time to institute such administrative or judicial reconsideration or review has expired. The parties shall not be obligated to proceed to Closing if (a) the Order includes conditions materially adverse to Buyer or Seller or (b) the conditions precedent to Closing have not been satisfied or waived; provided, that Buyer shall have the unilateral right to require that the Closing be held before the Order becomes Final, in which case Buyer and Seller will execute an appropriate rescission agreement in the event either the FCC or a court requires that the Closing be unwound and the parties returned to the *status quo ante*.

1.4.2. Exchange of Documents. At the Closing, each party shall execute and deliver to the other party the other items specified herein as well as any additional document(s) and item(s) reasonably necessary for the consummation of the transactions contemplated herein. Such additional documents shall be reasonably satisfactory to the other party as to both form and substance. Each party agrees that documents may be exchanged via overnight delivery or by facsimile followed by an original sent via overnight delivery or by certified U.S. mail.

1.5 Timing. Time is of the essence to the consummation of this Agreement, and the Closing must occur, except as otherwise provided herein, within twelve (12) months after the Application is filed with the FCC.

ARTICLE 2. Representations and Warranties of Seller.

Seller represents and warrants to Buyer as to the truth of the following matters:

2.1. Status. Seller is a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code duly organized, validity existing, and in good standing in the State of California and has the power to carry on the business of the Station as it is now being conducted, to own, hold and use the Station Assets, and to enter into and consummate the transaction contemplated by this Agreement.

2.2. Licenses. Seller is the holder of the FCC Licenses and other Licenses, true copies are included in Schedule 1 to this Agreement, all of which are in full force and effect. The FCC Licenses constitute all of the licenses, permits and authorizations required under the Communications Act of 1934, as amended ("Act"), and the current rules and policies of the FCC and the FAA for the operation of the Station as currently conducted. The Licenses authorize the operation of the Station for the license term expiring on December 1, 2005. Seller has filed with the FCC all material applications, reports, antenna structure registrations and other disclosures required by the Act and by FCC rules and policies and has paid any and all required regulatory fees. There is not pending or, to Seller's knowledge, threatened, any petition, complaint, objection (whether formal or informal), order to show cause, investigation or other action by or before the FCC or any court to revoke, cancel, rescind, modify or refuse to renew the Licenses, or which would otherwise have a material adverse effect on the operation of the Station. Other than proceedings of general applicability to the broadcasting industry, there is not now pending or, to Seller's knowledge, threatened, any other petition, complaint, objection (whether formal or

federal, state, municipal or other governmental department, commission, board, agency or instrumentality, foreign or domestic, which has had or could reasonably be expected to have a material adverse effect on the Station Assets or the operation of the Station. There is no litigation, arbitration, dispute, proceeding or investigation of any nature ("Litigation") pending by or against, or, to Seller's knowledge, threatened against the Station or Seller which relates to or affects the Station Assets or the business of the Station or which materially interferes or could reasonably be expected materially to interfere with Seller's (a) right, title to, or interest in the Station Assets; (b) operation of the Station, or (c) ability to transfer the Station Assets to Buyer free of such Litigation.

2.7. Insurance. Annexed hereto on Schedule 3 are true copies of all insurance policies maintained by Seller with respect to the Station. All of such policies are in full force and effect, and Seller is not in default of any material provision thereof. Seller has not received notice from any issuer of any such policies of its intention to cancel, terminate or refuse to renew any policy issued by it.

2.8. Compliance with Laws. Seller is in material compliance with all applicable laws, rules, regulations, policies and orders of the federal, state, and local governments with respect to the Station. The present uses by Seller of the Station Assets do not violate any such laws, regulations, policies or orders in any material respect, and there is no investigation or proceeding regarding the foregoing which is pending or, to Seller's knowledge, threatened.

2.9. No Defaults. Neither the execution and delivery by Seller of this Agreement nor the consummation by Seller of the transactions contemplated herein are events that, by themselves or with the giving of notice or the passage of time or both, (a) constitute a material violation of or will conflict with or result in any material breach of or any default under (i) the terms, conditions, or provisions of any arbitration award, judgment, law, order, decree, writ or regulation to which Seller is subject, (ii) Seller's articles of incorporation and bylaws, or (iii) any agreement or instrument to which Seller is a party or by which Seller is bound, or (b) will result in the creation or imposition of any lien, charge, or encumbrance on any of the Station Assets.

2.10. Seller Action. All Seller actions and proceedings necessary to be taken by or on the part of Seller in connection with the transactions contemplated by this Agreement and necessary to make the Agreement effective have been duly and validly taken. This Agreement has been duly and validly authorized, executed, and delivered by Seller and constitutes the valid and binding agreement of Seller, enforceable in accordance with and subject to its respective terms, except as enforceability may be limited by laws affecting the enforcement of creditors' rights or equitable principles generally. At the Closing, Seller will provide Buyer with a certified copy of the consent adopted by Seller's Board of Trustees authorizing the execution, delivery and consummation of this Agreement.

2.11. Brokers. There is no broker or finder or other person who would, as a result of any agreement of or action taken by Seller, have any valid claim against any of the parties to this

Agreement for a commission or brokerage fee in connection with this Agreement or the transaction contemplated herein.

2.12. Insolvency. No insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or any of the Station Assets, is pending or, to Seller's knowledge, threatened, and Seller has neither made any assignment for the benefit of creditors, nor taken any actions with a view to, or which would constitute the basis for, the institution of any such insolvency proceeding.

2.13. Approvals. No approval of any third party, governmental agency or court is required to be obtained by Seller with regard to the assignment of the Licenses and sale of the Station Assets, except the approval by the FCC as provided herein.

2.14. Material Omission. Seller has not failed to disclose any material fact within its knowledge which would make any statement or representation in this Agreement inaccurate or misleading.

ARTICLE 3. Representations and Warranties of Buyer.

Buyer represents and warrants to Seller as to the truth of the following matters:

3.1. Status. Buyer is a college district duly organized, validly existing and in good standing under the laws of the State of California and has the power to enter into and consummate the transaction contemplated by this Agreement.

3.2. No Defaults. Neither the execution and delivery by Buyer of this Agreement nor the consummation by Buyer of the transaction contemplated herein are events that, by themselves or with the giving of notice or the passage of time or both, constitute a material violation of or will conflict with or result in any material breach of or any default under (a) the terms, conditions or provisions of any arbitration award, judgment, law, order, decree, writ or regulation to which Buyer is subject; (b) the certificate of formation or other organizational documents of Buyer, or (c) any agreement or instrument to which Buyer is a party or by which it is bound.

3.3. Organizational Action. All actions and proceedings necessary to be taken by or on the part of Buyer in connection with the transaction contemplated by this Agreement and necessary to make the Agreement effective have been duly and validly taken. This Agreement has been duly and validly authorized, executed, and delivered by Buyer and constitutes the valid and binding agreement of Buyer, enforceable in accordance with and subject to its terms, except as enforceability may be limited by laws affecting the enforcement of creditors' rights or equitable principles generally. At the Closing, Buyer will provide Seller with a certified copy of the consent adopted by Buyer's Board of Trustees authorizing the execution, delivery and consummation of this Agreement.

3.4. Brokers. There is no broker or finder or other person who would, as a result of any agreement of or action taken by Buyer, have any valid claim against any of the parties to this Agreement for a commission or brokerage fee in connection with this Agreement or the transactions contemplated herein.

3.5. Litigation. There is no litigation, arbitration, dispute, proceeding or investigation of any nature pending by or against, or, to Buyer's knowledge, threatened against or affecting Buyer that would affect Buyer's ability to carry out the transactions contemplated herein.

3.6. Qualification as a Broadcast Licensee. To its knowledge, Buyer is legally qualified under the Act and all other applicable federal, state and local laws, rules and regulations, to acquire the FCC Licenses.

3.7. No Material Omission. Buyer has not failed to disclose any material fact within its knowledge which would make any statement or representation in this Agreement inaccurate or misleading.

ARTICLE 4. Covenants of Seller Pending Closing.

Seller covenants and agrees that, from the date of this Agreement to and including the Closing Date, subject to the provisions of this Agreement, it will take, or refrain from taking, the following actions:

4.1. Station Operation. Upon execution of this Agreement and until either of (1) termination of the Agreement or (2) consummation of the transaction referred to herein, Seller will operate the Station in the ordinary course of business consistent with current and past practices.

4.2. Maintenance of Station. Seller shall continue to carry on the Station's business and keep books of account, records, and files in the ordinary course of business and shall operate the Station in all material respects in accordance with the terms of the Licenses and in material compliance with all applicable rules, regulations, policies and laws. To that end, Seller will file with the FCC any and all reports, applications, and other documents as may be required by the Act or FCC rules or policies. Seller shall maintain in full force and effect through and including the Closing Date the existing property damage, liability and other insurance with respect to the Station Assets to cover contingencies that can reasonably be anticipated. Prior to the Closing, Seller will not, without the prior written consent of Buyer:

4.2.1. sell, lease, transfer or agree to sell, lease or transfer any Station Asset without replacement thereof with an asset of equivalent kind, condition and value;

4.2.2. make any material change in the insurance policies included in Schedule 3.

4.2.3. subject to Section 1.1.1. hereof, enter into any contract or agreement with respect to the Station or the Station Assets except in the ordinary course of business or as provided in this Agreement.

4.3. Access to Facilities, Files and Records. At the reasonable request of Buyer, Seller shall give Buyer and its representatives: (a) reasonable access during normal business hours to all facilities, property, accounts, title papers, insurance policies, licenses, agreements, commitments, records, machinery, fixtures, furniture and inventories related to the Station or the Station Assets and (b) all such other information concerning the affairs of the Station as Buyer may reasonably request. The rights of Buyer under this Section shall not be exercised in such a manner as to interfere unreasonably with the business of the Station.

4.4. Application for FCC Consent. Within ten (10) business days after execution of this Agreement, Seller shall prepare and file with the FCC an appropriate application (the "Application") requesting the FCC's written consent or consents to the assignment of the FCC Licenses for the Station to Buyer. Seller shall diligently take, or cooperate in the taking of, all steps necessary and appropriate to expedite the preparation of the Application and its prosecution to a favorable conclusion. Seller will promptly provide Buyer with a copy of any pleading, order or other document served on it relating to the Application. Seller will use commercially reasonable efforts and otherwise cooperate with Buyer in responding to any information requested by the FCC relating to the Application, in making any amendment to this Agreement, requested by the FCC which does not adversely affect either party in a material manner, and in defending against any petition, complaint or objection which may be filed against the Application.

4.5. Notice of Proceedings. Seller will notify Buyer promptly (and in any event within five (5) business days) upon becoming aware of any actual or threatened claim, dispute, arbitration, litigation, complaint, judgment, order, decree action or proceeding relating to Seller, the Station, the Station Assets or the consummation of this Agreement or any transaction contemplated herein.

4.6. Representations and Warranties. Seller shall give notice to Buyer promptly upon the occurrence of, or upon becoming aware of the impending or threatened occurrence of, any event that would cause or constitute a material breach of any of Seller's representations or warranties in this Agreement.

4.7. Confidential Information. Seller shall not disclose to third parties (except its agents and representatives, who will be bound by this section) any information designated as confidential and received from Buyer or its agents in the course of investigating, negotiating and performing the transaction contemplated by this Agreement; provided, that no information shall be deemed to be confidential that (a) becomes publicly known or available other than through disclosure by Seller, (b) is rightfully received by Seller from a third party, or (c) is independently developed by Seller. If the transaction contemplated by this Agreement is not consummated for

any reason, all originals of all material provided to Seller by Buyer or its agents shall be returned to Buyer and all copies thereof shall be destroyed.

4.8. Compliance with Law. Seller will comply in all material respects with all applicable federal, state and local laws, ordinances and regulations, including but not limited to the Act and the rules and policies of the FCC.

4.9. Consummation of Agreement. Seller shall fulfill and perform all conditions and obligations to be fulfilled and performed by Seller under this Agreement and make every reasonable effort to cause the transactions contemplated by this Agreement to be fully carried out.

4.10. Performance Under Contracts and Leases. Seller will perform in all material respects its obligations under, and keep in good standing, all Contracts and Real Estate Leases to which Seller is a party.

ARTICLE 5. Covenants of Buyer Pending the Closing.

Buyer covenants and agrees that, from the date of this Agreement to and including the Closing, it will take, or refrain from taking, the following actions:

5.1. Confidential Information. Buyer shall not disclose to third parties (except its lenders, agents and representatives, who will be bound by this section) any information designated as confidential and received from Seller or its agents in the course of investigating, negotiating and performing the transactions contemplated by this Agreement; provided, that no information shall be deemed to be confidential that (a) becomes publicly known or available other than through disclosure by Buyer, (b) is rightfully received by Buyer from a third party, or (c) is independently developed by Buyer. If the transaction contemplated by this Agreement is not consummated for any reason, all originals of all material provided to Buyer by Seller or its agents shall be returned to Seller and all copies thereof destroyed.

5.2. Consummation of Agreement. Buyer shall fulfill and perform all conditions and obligations to be fulfilled and performed by Buyer under this Agreement and make every reasonable effort to cause the transactions contemplated by this Agreement to be fully carried out.

5.3 Representations and Warranties. Buyer shall give notice to Seller promptly upon the occurrence of, or upon becoming aware of the impending or threatened occurrence of, any event that would cause or constitute a material breach of any of the representations and warranties of Buyer in this Agreement.

5.4. Notice of Proceedings. Buyer will promptly (and in any event within five (5) business days) notify Seller upon becoming aware of any actual or threatened claim, dispute, arbitration, litigation, complaint, judgment, order, decree, action or proceeding relating to Buyer,

by specific performance, then Seller shall waive the defense that Buyer has an adequate remedy at law.

9.2.3. Notice of Breach. In the event that any party to this Agreement believes that the other party is in material breach of its representations, warranties or obligations hereunder, such party shall give prompt written notice thereof, detailing the nature of the breach and the steps necessary to cure such breach. For purposes of this Agreement, no "breach" shall be deemed to have occurred hereunder unless the party alleged to be in breach has been afforded at least twenty (20) business days following such notice within which to cure such breach; provided, that the cure period shall be extended for an additional twenty (20) days in the event that such party is diligently and in good faith proceeding to cure such breach and the breach is reasonably capable of being cured within such extended period. Any cure period allowed under this subsection shall extend the deadline for Closing established in Section 1.5 of this Agreement.

9.2.4. Survival of Confidentiality Obligations. Notwithstanding any other provision of this Agreement, the provisions of Sections 4.7 and 5.1 shall survive any termination of this Agreement.

9.3. Expenses. Except as otherwise provided herein, each party hereto shall be solely responsible for all fees and expenses each party incurs in connection with the transactions contemplated by this Agreement, including, without limitation, legal fees incurred in connection herewith; provided, that the FCC filing fees shall be divided equally between Seller and Buyer; and, provided further, that all transfer, sales, use or other taxes or assessments imposed by any governmental body on the sale of the Station Assets shall be paid by Seller.

9.4. Assignments. Neither Buyer nor Seller may assign its rights or obligations under this Agreement without the prior written consent of the other party; provided that Buyer may assign its rights under this Agreement without the prior written consent of Seller to any party who (1) controls Buyer or (2) is controlled by the same parties who control Buyer. Buyer may also assign its obligations under this Agreement to any other party with Seller's consent, which consent shall not be unreasonably withheld.

9.5. Further Assurances. From time to time prior to, at and after the Closing, each party hereto will execute all such instruments and take all such actions any other party shall reasonably request in connection with effectuating the intent and purpose of this Agreement and all transactions contemplated by this Agreement, including, without limitation, the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered at the Closing.

9.6. Notices. All notices, demands and other communications authorized or required by this Agreement shall be in writing, shall be delivered by personal delivery or by overnight delivery service (charges prepaid), and shall be addressed to each party at the

6.3. FCC Approval. The FCC shall have adopted the Order without any conditions materially adverse to Seller.

ARTICLE 7. Conditions Precedent to Obligation of Buyer to Close.

The obligation of Buyer to consummate the transactions under this Agreement is subject to the fulfillment of the following conditions prior to or at the Closing:

7.1. Representations, Warranties, Covenants.

7.1.1. Seller's Representations and Warranties. Each of the representations and warranties of Seller contained in this Agreement shall have been true and accurate in all material respects as of the date when made and as of the Closing Date.

7.1.2. Seller's Performance Under Agreement. Seller shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by Seller prior to or at the Closing.

7.1.3. Seller's Deliveries. Seller shall have delivered to Buyer (a) a certificate, dated the Closing Date, certifying to the fulfillment of the conditions set forth in Sections 7.1.1. and 7.1.2., and (b) the resolutions referred to in Section 2.10 of this Agreement.

7.2. Proceedings.

7.2.1. Absence of Litigation. No action or proceeding shall be pending or have been instituted before any court or governmental body to restrain or prohibit, or to obtain substantial damages in respect of, the consummation of this Agreement.

7.2.2. Notice of Investigation. Neither of the parties to this Agreement shall have received written notice from any governmental body of (a) its intention to institute any action or proceeding to restrain, enjoin or nullify this Agreement or the transactions contemplated hereby, or to commence any investigation (other than a routine letter of inquiry, including a routine Civil Investigative Demand) into the consummation of this Agreement or (b) the actual commencement of such an investigation.

7.3. Risk of Loss.

7.3.1 Repair or Replacement of Assets. In the event of material loss or damage to the Station Assets, Seller shall promptly and in any event within ten (10) calendar days notify Buyer thereof and use its best efforts promptly to repair, replace or restore the lost or damaged property to its former condition; provided, that any replacement property need only be of the same kind and quality as the lost or damaged property, and Seller shall have no obligation to replace used property with new property. Buyer agrees to reimburse Seller for any repairs or

replacement of assets described in this section as long as the amount of the repair or the replacement of the asset(s) does not exceed Eight Thousand Dollars (\$8,000).

7.3.2. Repair of Transmission Facilities. Notwithstanding anything to the contrary in this Agreement, Seller shall promptly make any and all necessary repairs to the Station's transmission facilities to enable the Station to operate at their fully-authorized power under their Licenses.

7.4. FCC Approval. The FCC shall have issued the Order without any conditions materially adverse to Buyer, and the Order shall have become Final; provided, that Buyer may unilaterally waive the requirement that the Order become Final and require that the Closing be held before the Order becomes Final.

7.5. Discharge of Liens. Seller shall have obtained and delivered to Buyer, at Seller's expense, at least 10 days prior to Closing, a report prepared by C. T. Corporation System (or similar firm reasonably acceptable to Buyer) showing the results of searches of lien, tax, judgment and records, demonstrating that the Station Assets are being conveyed to Buyer free and clear of all liens, security interests and encumbrances except for Permitted Encumbrances or otherwise consented to by Buyer in writing. The record searches described in the report shall have taken place no more than 30 days prior to the Closing.

7.6. Environmental Assessment. Within thirty (30) days after the Application is filed with the FCC, Buyer may, at its option, commence at its expense, a Phase I and, within forty-five (45) days after the Application is filed with the FCC, a Phase II audit (the "Environmental Assessment") of the Real Property. Seller shall cooperate with Buyer in performing such Environmental Assessment. Buyer shall provide a copy of such Environmental Assessment to Seller within (5) business days after its receipt by Buyer, but such delivery shall not relieve Seller of any obligation with respect to any representation, warranty or covenant of this Agreement or waive any condition to Buyer's obligations under this Agreement. Seller shall promptly cure or remediate any material non-compliance with Environmental Laws disclosed in the Environmental Assessment.

ARTICLE 8. Indemnification.

8.1. Survival. The several representations, warranties, covenants and agreements of the Seller and Buyer contained in or made pursuant to this Agreement shall be deemed to have been made on and as of the Closing Date shall survive the Closing, and shall remain operative and in full force and effect for a period of twenty-four (24) months after the Closing Date; provided, that all representations, warranties, covenants and agreements relating to the Environmental Laws, litigation or taxes shall remain operative until the expiration of any applicable statutes of limitation; and provided further, that liabilities assumed or retained, as the case may be, pursuant to this Agreement shall remain in effect until such liabilities have been paid or discharged in full.

8.2. Indemnification of Buyer. Seller shall indemnify, defend and hold Buyer harmless from and against any and all damages, claims, losses, expenses, costs, obligations and liabilities including, without limiting the generality of the foregoing, liabilities for reasonable attorneys' fees ("Loss and Expense"), suffered, directly or indirectly, by Buyer after the Closing Date by reason of, or arising out of (a) any breach of a representation or warranty made by Seller pursuant to this Agreement, (b) any failure by Seller to perform or fulfill any of its covenants or agreements set forth in this Agreement, (c) any failure by Seller to pay or discharge any liabilities which remain the responsibility of Seller under this Agreement or to comply, if required, with California's bulk sales law, or (d) any litigation, proceeding or claim by any third party relating to the business or operation of the Station prior to the Closing.

8.3. Indemnification of Seller. Buyer shall indemnify, defend and hold Seller harmless from and against any and all Loss and Expense suffered, directly or indirectly, by Seller after the Closing Date by reason of, or arising out of (a) any breach of a representation or warranty made by Buyer pursuant to this Agreement; (b) any failure by Buyer to perform or fulfill any of its covenants or agreements set forth in this Agreement; (c) any failure by Buyer to pay or discharge any liabilities assumed pursuant to this Agreement, or (d) any litigation, proceeding or claim by any third party relating to the business or operation of the Station after the Closing.

8.4. Notice of Claim. If Seller or Buyer believes that any Loss and Expense has been suffered or incurred, then such party shall notify the other promptly in writing describing such Loss and Expense, the amount thereof, if known, and the method of computation of such Loss and Expense, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss and Expense shall have occurred. If any action at law or suit in equity is instituted by a third party with respect to which any of the parties intends to claim any liability or expense as Loss and Expense under this Article 8, then such party shall promptly notify the indemnifying party of such action or suit. In no event, however, may the indemnifying party avoid or limit its obligations under this Article 8 by reason of delay unless such delay has materially prejudiced the indemnifying party, and then the indemnifying party's obligations shall be reduced only to the extent of such prejudice.

8.5. Defense of Third Party Claims. The indemnifying party under this Article 8 shall have the right to conduct and control, through counsel of that party's own choosing, any third party claim, action or suit at the indemnifying party's sole cost and expense, but the indemnified party may, at that latter party's election, participate in the defense of any such claim, action or suit at that party's sole cost and expense; provided, that if the indemnifying party shall fail to defend any such claim, action or suit, then the indemnified party may defend, through counsel of that party's own choosing, such claim, action or suit and settle such claim, action or suit, and recover from the indemnifying party the amount of such settlement or of any judgment and the costs and expenses of such defense; and provided further, that the indemnifying party shall be given at least fifteen (15) days prior notice of the terms of any proposed settlement thereof so that the indemnifying party may then undertake and/or resume the defense against the

claim. The indemnifying party shall not compromise or settle any third party claim, action or suit without the prior written consent of the indemnified party, which consent will not be unreasonably withheld or delayed; provided, that any such compromise or settlement shall include a release for the Indemnified Party of all liability with respect to the matter being compromised or settled.

8.6. Limitations. Neither party shall be required to indemnify the other party under this Article 8 unless written notice of a claim under this Article 8 was received by the party within the pertinent survival period specified in Section 8.1.

ARTICLE 9. Miscellaneous.

9.1. Termination of Agreement. This Agreement may be terminated immediately on or prior to the Closing under one or more of the following circumstances:

9.1.1. by the mutual consent of the parties hereto;

9.1.2. by Seller or Buyer, if the FCC has not issued the Order within twelve (12) months after the Application is filed or the Order does not become Final within fifteen (15) months after the Application is filed;

9.1.3. by Seller or Buyer, if the FCC designates the Application for hearing or denies the Application in an order which has become Final;

9.1.4. by Seller, if any of the conditions provided in Article 6 hereof have not been met by the time required and have not been waived; or

9.1.5. by Buyer, if any of the conditions provided in Article 7 hereof have not been met by the time required and have not been waived.

9.2. Liabilities Upon Termination.

9.2.1. Seller's Remedies. If the parties hereto shall fail to consummate this Agreement on the Closing Date due solely to Buyer's material breach of any representation, warranty, covenant or condition hereunder, and Seller is not at that time in breach of any material representation, warranty, covenant or condition hereunder, then Seller shall be entitled to any and every remedy available at law or equity.

9.2.2. Buyer's Remedies. If the parties hereto shall fail to consummate this Agreement on the Closing Date due solely to Seller's material breach of any representation, warranty, covenant or condition hereunder, and Buyer is not at that time in material breach of any representation, warranty, covenant or condition hereunder, then Buyer shall be entitled to any and every remedy available at law or equity, including but not limited to specific performance of the terms of this Agreement and of Seller's obligation to consummate the transactions contemplated hereby. If any action is brought by Buyer to enforce this Agreement

by specific performance, then Seller shall waive the defense that Buyer has an adequate remedy at law.

9.2.3. Notice of Breach. In the event that any party to this Agreement believes that the other party is in material breach of its representations, warranties or obligations hereunder, such party shall give prompt written notice thereof, detailing the nature of the breach and the steps necessary to cure such breach. For purposes of this Agreement, no "breach" shall be deemed to have occurred hereunder unless the party alleged to be in breach has been afforded at least twenty (20) business days following such notice within which to cure such breach; provided, that the cure period shall be extended for an additional twenty (20) days in the event that such party is diligently and in good faith proceeding to cure such breach and the breach is reasonably capable of being cured within such extended period. Any cure period allowed under this subsection shall extend the deadline for Closing established in Section 1.5 of this Agreement.

9.2.4. Survival of Confidentiality Obligations. Notwithstanding any other provision of this Agreement, the provisions of Sections 4.7 and 5.1 shall survive any termination of this Agreement.

9.3. Expenses. Except as otherwise provided herein, each party hereto shall be solely responsible for all fees and expenses each party incurs in connection with the transactions contemplated by this Agreement, including, without limitation, legal fees incurred in connection herewith; provided, that the FCC filing fees shall be divided equally between Seller and Buyer; and, provided further, that all transfer, sales, use or other taxes or assessments imposed by any governmental body on the sale of the Station Assets shall be paid by Seller.

9.4. Assignments. Neither Buyer nor Seller may assign its rights or obligations under this Agreement without the prior written consent of the other party; provided that Buyer may assign its rights under this Agreement without the prior written consent of Seller to any party who (1) controls Buyer or (2) is controlled by the same parties who control Buyer. Buyer may also assign its obligations under this Agreement to any other party with Seller's consent, which consent shall not be unreasonably withheld.

9.5. Further Assurances. From time to time prior to, at and after the Closing, each party hereto will execute all such instruments and take all such actions any other party shall reasonably request in connection with effectuating the intent and purpose of this Agreement and all transactions contemplated by this Agreement, including, without limitation, the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered at the Closing.

9.6. Notices. All notices, demands and other communications authorized or required by this Agreement shall be in writing, shall be delivered by personal delivery or by overnight delivery service (charges prepaid), and shall be addressed to each party at the

following addresses (or at such other address as any party may designate in writing to the other parties):

If to Seller--

Educational Media Foundation
1425 North Market Boulevard
Suite 9
Sacramento, California 95834
Attention: Richard Jenkins, President

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

David D. Oxenford, Esquire
Shaw Pittman LLP
2300 N Street, N.W.
Washington, D.C. 20037

If to Buyer--

Santa Monica Community College
1900 Pico Boulevard
Santa Monica, California 90405
Attention: Will Lewis

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

Lewis J. Paper, Esquire
Dickstein Shapiro Morin & Oshinsky LLP
2101 L Street, NW
Washington, DC 20037-1526

9.7. Law Governing. Except to the extent governed by federal law, this Agreement shall be governed by, construed and enforced in accordance with the laws of the State of California without regard to such State's conflicts of laws provisions.

9.8. Waiver of Provisions. The terms, covenants, representations, warranties and conditions of this Agreement may be waived 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 not affect the exercise of a party's rights at a later date. No waiver by any party of any condition or the breach of any provision, term, covenant, representation or warranty contained in this Agreement 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.

9.9. Counterparts. This Agreement may be executed in counterparts, and all counterparts so executed shall collectively constitute one agreement, binding on all of the parties hereto, notwithstanding that all the parties are not signatory to the original or the same counterpart.

9.10. Litigation Expenses. If a formal legal proceeding is instituted by a party to enforce that party's rights under this Agreement, then the party prevailing in the proceeding shall be reimbursed by the other party for all reasonable costs incurred thereby, including but not limited to reasonable attorneys' fees.

9.11. Seller's Access to Records. Any records delivered to Buyer by Seller relating to the operation of the Station or Seller's business shall be maintained by Buyer for a period of four (4) years from and after the Closing Date. Upon reasonable prior notice, Seller shall be entitled to inspect and copy any of such records for purposes of preparing and completing any tax returns or other compilations of its operation of the Station. In the event that Buyer wishes to dispose of such records, then Buyer shall give Seller thirty (30) days' prior written notice and an opportunity to retrieve such records at Seller's expense.

9.12. Entire Agreement. This Agreement constitutes the entire agreement among the parties, supersedes and cancels any and all prior or contemporaneous agreements and understandings between them, and may not be amended except in a writing signed by the parties.

9.13. Headings and Cross-references. Headings of the sections have been included for convenience of reference only and shall in no way limit or affect the meaning or interpretation of the specific provisions of this Agreement. All cross-references to sections herein shall mean the section of this Agreement unless otherwise stated or clearly required by the context. Words such as "herein" and "hereof" shall be deemed to refer to this Agreement as a whole and not to any particular provision of this Agreement unless otherwise stated or clearly required by the context. The term "including" means "including without limitation."

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Dismissed Applications

The Commission has dismissed in the past several of EMF's other applications for new FM translators on technical grounds. EMF has also requested that applications be dismissed with prejudice as part of the universal settlements of mutually exclusive applications. The dismissal, or request for dismissal, of these applications did not involve any character issues or other similar matters relating to EMF's legal qualifications. In addition, the Commission dismissed the following application regarding which character issues had been raised:

1. Application for FM Translator Station at Golf Manor, Ohio (BPFT-19990125TB): On March 4, 1999, the Board of Trustees of the University of Cincinnati (the "University"), licensee of WGUC(FM), Cincinnati, Ohio, filed a Petition to Dismiss or Deny EMF's Golf Manor application in which it alleged that EMF falsely certified that it had reasonable assurance of the availability of its proposed transmitter site. In its Opposition, filed March 24, 1999, EMF submitted documentation demonstrating that it had obtained reasonable site assurance from Motorola Network Services ("Motorola"), a tenant at the site who had indicated to EMF that its lease with the site owner permitted it to sublease space on the tower. When the tower owner later contradicted Motorola's assertion, EMF amended its application to relocate the station. On February 9, 2000, the University challenged EMF's reasonable site assurance at the new site. In its Opposition filed on March 2, 2000, EMF submitted the Declaration of Jeff Wall, EMF's system designer, who indicated that he had obtained reasonable site assurance from the operations manager of the station whose licensee owned the tower. By letter dated November 27, 2000, the Commission dismissed the application based on its finding that, despite its representations to EMF, Motorola had no actual authority to lease space at the original site. Specifically, the Commission concluded, "[W]hile we find no evidence that EMF misrepresented the availability of its original site, we believe that EMF has not met its burden of demonstrating that it had a reasonable assurance that the specified site was in fact available to it." Letter to Veronica D. McLaughlin, Esq. from Linda Blair, Chief, Audio Services Division, Mass Media Bureau, dated November 27, 2000. Because EMF, through no fault of its own, could not have obtained reasonable site assurance from Motorola, the Commission held that EMF could not amend its application to propose a new transmitter site. Thus, the Commission did not address the allegations concerning the site specified in the amended application.

Educational Media Foundation

1425 North Market Boulevard, Sacramento, CA 95834

CHARACTER ISSUES AND DISMISSED APPLICATIONS

EMF has pending the following applications against which Petitions to Deny have been filed raising issues that may be characterized as character issues. It is EMF's belief that none of these allegations has merit and that each will ultimately be decided in EMF's favor.

1. Application for Noncommercial Educational FM Station at Kuna, Idaho (BPED-971027MC): On October 6, 1998, Southern Idaho Corporation of Seventh-day Adventists, licensee of KTSY(FM), Caldwell, Idaho and an applicant for a new noncommercial educational FM station at Buhl, Idaho, filed a Petition to Dismiss or Deny EMF's Kuna application in which it challenged EMF's financial qualifications based on the number of applications that EMF had pending. In its Opposition, filed October 21, 1998, EMF indicated that it had a binding financial commitment from a lending source to fund the cost of construction and initial operation of every station for which it has applied.

2. Application for FM Translator Station at St. Joseph, Missouri (BPFT-970911TH): On February 20, 1998, Pensacola Christian College, a competing applicant for a new FM translator at St. Joseph, Missouri, filed a Petition to Deny EMF's St. Joseph application in which it alleged that EMF had falsely certified that it had obtained reasonable assurance of the availability of its proposed transmitter site. In its Opposition, filed March 5, 1998, EMF submitted documentation demonstrating that it had obtained reasonable site assurance from Motorola, a tower lessee who had represented to EMF that it had authority to negotiate with other potential lessees regarding the lease of space on the tower.

In addition to these pending applications, EMF withdrew the following applications, which had been opposed by competing applicants, in part, based upon certain character allegations:

1. Application for FM Translator Station at Anchorage, Alaska (BPFT-971003TF): Petition to Deny filed on February 20, 1998 by the University of Alaska Board of Regents, licensee of KRUA(FM), Anchorage, Alaska. Petition alleged that EMF failed to obtain reasonable assurance of the availability of its proposed transmitter site. Though EMF withdrew the application due to potential interference by its proposed translator to KRUA(FM), it responded to the reasonable site assurance claim on March 13, 1998 by submitting a letter from the tower owner dated prior to the filing of its application granting reasonable site assurance.


2. Application for FM Translator Station at The Dalles, Oregon (BPFT-970206TB): Petition to Deny filed on July 16, 1997 by Metro Catholic Broadcasting, Inc., licensee of K256AC, The Dalles, Oregon. Petition challenged EMF's financial qualifications. Though EMF withdrew the application due to potential interference by its proposed translator to K256AC, on July 29, 1997, EMF filed a response indicating that it had a binding financial commitment from a lending source to fund and operate each of the stations for which it had applied.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year written above.

EDUCATION MEDIA FOUNDATION

By: _____
Richard Jenkins
President

SANTA MONICA COMMUNITY COLLEGE
DISTRICT

By:  _____
Thomas J. Donner
Executive Vice President,
Business and Administration

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year written above.

EDUCATION MEDIA FOUNDATION

By: _____



Richard Jenkins
President

SANTA MONICA COMMUNITY COLLEGE
DISTRICT

By: _____

Thomas J. Donner
Executive Vice President,
Business and Administration

Nature of Applicant

Santa Monica Community College District (“SMCCD”) operates Santa Monica College (the “College”), a community college located in Santa Monica, California. The College is a public institution of higher learning. SMCCD is governed by a 7-member Board of Trustees whose members are elected for four-year terms by voters in the District, which serves Santa Monica and Malibu, California. The College is organized and operates under California state law as part of the California Community College system.