

ASSET EXCHANGE AGREEMENT

THIS ASSET EXCHANGE AGREEMENT (this "Agreement") is made as of August 24, 2014 between Advance Ministries, Inc., an Arizona non-profit corporation ("AMI") and Donald Hendren ("DH" and together with AMI, each a party and collectively, the parties.

Recitals

A. AMI is the permittee of FM translator station K294CQ, Lake Havasu City, Arizona, FAC 156889 (the "Lake Havasu Station") pursuant to construction permit number BNPFT-20130827AEN ("Permit 156889") issued by the Federal Communications Commission (the "FCC").

B. DH is the permittee of FM translator station K254CB, Nothing, Arizona, FCC Facility ID No 156429 (the "Nothing Station") pursuant to construction permit number BNPFT20130826ABD ("Permit 156429") and together with Permit 156889, the "Permits" issued by the FCC.

C. Pursuant to the terms and subject to the conditions set forth in this Agreement, the Parties desire to exchange the Lake Havasu Station for the Nothing Station.

Agreement

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1: EXCHANGE OF ASSETS

1.1. Exchange of Station Assets. On the terms and subject to the conditions hereof, at Closing (defined below). AMI shall assign, transfer, convey and deliver to DH, and DH shall acquire from AMI, all right, title and interest of AMI in and to the Lake Havasu Station Assets (as hereinafter defined) and DH shall assign, transfer, convey and deliver to AMI and AMI shall acquire from DH all right, title and interest of DH in and to the Nothing Station Assets (as hereinafter defined).

(a) As used herein, the "Lake Havasu Assets" shall mean:

(i) all licenses, permits and other authorizations issued to AMI by the FCC with respect to the Lake Havasu Station and listed on *Schedule 1.1 (a)(i)* (the "Lake Havasu FCC Authorizations") including any permitted modifications thereof between the date hereof and Closing:

(ii) the Lake Havasu Station records maintained by AMI pursuant to 47 C.F.R. Section 74.1281.

(b) As used herein, the "Nothing Station Assets" shall mean:

(i) all licenses, permits and other authorizations issued to DH by the FCC with respect to the Nothing Station and listed on *Schedule 1.1 (b)(i)* (the "Nothing FCC Authorizations") and together with the Lake Havasu FCC Authorizations, the "FCC Authorizations"), including any permitted modifications thereof between the date hereof and Closing:

(ii) the Nothing Station records maintained by DH pursuant to 47 CF.R. Section 74.1281.

The Lake Havasu Station Assets and the Nothing Station Assets are collectively referred to as the "Assets." The Assets shall be transferred to the respective Party free and clear of liens, claims and encumbrances ("Liens") except for Assumed Obligations (defined in Section 1.2), liens for taxes not yet due and payable, and liens that will be released at or prior to Closing (collectively, "Permitted Liens").

1.2. Assumption of Obligations. On the Closing Date (as hereinafter defined), DM shall assume the obligations of AMI with respect to the Lake Havasu Station Assets arising during, or attributable to any period of time on or after the Closing Date (the "Lake Havasu Assumed Obligations") and AMI shall assume the obligations of DH with respect to the Nothing Station Assets arising during, or attributable to any period of time on or after the Closing Date (the "Nothing Assumed Obligations" and together with the Lake Havasu Assumed Obligations, the "Assumed Obligations").

1.3. Consideration. The Parties hereby acknowledge that the exchange of the Assets constitutes the total consideration for the Parties' mutual performance of this Agreement.

1.4. Closing. The consummation of the assignment and transfer of the Assets provided for in this Agreement (the "Closing") shall take place on or before the tenth (10th) business day after the date of the FCC Consent (as defined below) having been issued, or on such other day after grant of the FCC Consent as the Parties may mutually agree, subject to the satisfaction or waiver of the conditions set forth in Articles 3 or 4 below. The date on which the Closing is to occur is referred to herein as the "Closing Date."

1.5. FCC Consent.

(a) Within five (5) business days of the date of this Agreement, the Parties shall file applications with the FCC (the "FCC Applications") requesting concurrent FCC consent (i) to the assignment of the Lake Havasu FCC Authorizations from AMI to DH, and (ii) to the assignment of the Nothing FCC Authorizations from DH to AMI. FCC consent to the FCC Applications without any material adverse conditions other than those of general applicability is referred to herein as the "FCC Consent." The Parties shall diligently prosecute the FCC Applications and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible.

(b) The Parties shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. The Parties shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder.

1.6. Risk of Loss. The respective current permittee shall bear the risk of any loss of or damage to any of its respective assets at all times until the Closing, and the proposed permittee shall bear the risk of any such loss or damage thereafter.

ARTICLE 2: REPRESENTATIONS, WARRANTIES AND COVENANTS

2.1 Authorization. Each of AMI and DH represents, warrants, and covenants that (a) it has the full right and legal authority to enter into and fully perform this Agreement in accordance with the terms and conditions hereof: and (b) the execution, delivery and performance of this Agreement does not and will not violate or cause a breach of any other agreements or obligations to which it is a party or by which it is bound.

2.2. FCC Authorizations.

(a) AMI represents and warrants that:

(i) AMI is the holder of the Lake Havasu FCC Authorizations described on *Schedule 1.1 (a)(i)*. The Lake Havasu FCC Authorizations are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending, or, to AMI's knowledge, threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify the Lake Havasu FCC Authorizations (other than proceedings to amend FCC rules of general applicability). There is not issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or order of forfeiture against the Lake Havasu FCC Authorizations or against AMI with respect to the Lake Havasu Station that could result in any such action.

(ii) All material reports and filings required to be filed with the FCC by AMI with respect to the Lake Havasu Station have been timely filed. All such reports and filings are accurate and complete in all material respects. AMI maintains FM Translator station records in material compliance with 47 C.F.R. Section 74.1281.

(b) DH represents and warrants that:

(i) DH is the holder of the Nothing FCC Authorizations described on *Schedule 1.1 (b)(i)*. The Nothing FCC Authorizations are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending, or, to DH's knowledge, threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify the Nothing FCC Authorizations (other than proceedings to amend FCC rules of general applicability). There is not issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or order of forfeiture against the Nothing FCC Authorizations or against DH with respect to the Nothing Station that could result in any such action .

(ii) All material reports and filings required to be filed with the FCC by DH with respect to the Nothing Station have been timely filed. All such reports and filings are accurate and complete in all material respects. DH maintains FM Translator station records in material compliance with 47 C.F.R. Section 74.1281.

2.3. Taxes. Each Party represents and warrants that such Party has, in respect of the respective Station's business, filed all foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law, and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable.

2.4. Qualification. Each Party represents and warrants that it is legally, financially and otherwise qualified to be the permittee of the respective Station to be acquired under the

Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC.

2.5 Other Covenants. Between the date hereof and Closing, except as permitted by this Agreement or with the prior written consent of the other Party, which shall not be unreasonably withheld, delayed or conditioned, neither Party shall materially adversely modify, and each Party shall maintain in full force and effect in all material respects, their respective FCC Authorizations. If requested by the other Party, each Party shall cooperate in the filing and prosecution of an application to the FCC for a modification of the outstanding construction permit contingent upon such Party's acquisition of the Station (the "Modification Application"), provided further that the requesting Party is responsible for the costs of preparing and filing the Modification Application.

ARTICLE 3: CLOSING CONDITIONS

The obligation of each Party to consummate the Closing hereunder is subject to Satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by the benefitting Party):

3.1. Representations and Covenants. The representations and warranties of the other Party made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and the covenants and agreements to be complied with and performed by the other Party at or prior to Closing shall have been complied with or performed in all material respects.

3.2. Proceedings. The Parties shall not be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

3.3. FCC Consent. The FCC Consent pursuant to the FCC's initial order shall have been obtained.

3.4. Deliveries. Each Party shall have complied with its obligations set forth in Section 4.1.

ARTICLE 4: CLOSING DELIVERIES

4.1. Documents. At Closing, each Party shall deliver or cause to be delivered to the other Party:

- herein:
- (i) assignments of FCC authorizations assigning the FCC Authorizations as contemplated herein;
 - (ii) bill of sales conveying the other Assets as contemplated herein: and
 - (iii) any other instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Assets as contemplated herein: free and clear of Liens, except for Permitted Liens.

ARTICLE 5: INDEMNIFICATION AND TERMINATION

5.1. Indemnification.

(a) AMI shall defend, indemnify and hold harmless DH from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses incurred by DH arising out of or resulting from (i) any breach by AMI of its representations and warranties made under this Agreement: or (ii) any default by AMI of any covenant or agreement made under this Agreement.

(c) DM shall defend, indemnify and hold harmless AMI from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses incurred by AMI arising out of or resulting from (i) any breach by DM of its representations and warranties made under this Agreement: or (ii) any default by DM of any covenant or agreement made under this agreement.

5.2. Termination. Subject to Section 5.3. this Agreement may be terminated prior to Closing as follows:

- (a) by mutual written consent of the Parties:
- (b) by written notice of AMI to DH if DH breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period (defined below):
- (c) by written notice of DH to AMI if AMI breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period:
- (d) by written notice of either Party to the other if the FCC Authorizations for either Station are revoked or otherwise terminated by the FCC: or
- (e) by written notice of either Party to the other if Closing does not occur by the date twelve (12) months after the date of this Agreement.

5.3. Cure Period. Each Party shall give the other Party prompt written notice upon learning of any breach or default by the other party under this Agreement. The term "Cure Period" as used herein means a period commencing on the date a Party receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) ten (10) calendar days thereafter or (ii) the Closing Date determined under Section 1.4.

5.4. Survival. Except as provided by Section 5.6. the termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date termination. Notwithstanding anything contained herein to the contrary. Section 6.1 (Expenses) shall survive any termination of this Agreement.

5.5. Specific Performance. In the event of failure or threatened failure by either Party to comply with the terms of this Agreement, the other Party shall be entitled to an injunction restraining such failure or threatened failure and, subject to obtaining any necessary FCC consent, to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement.

ARTICLE 6: MISCELLANEOUS

6.1. Expenses. Each Party 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. All fees and charges applicable to any requests for the FCC Consent shall be paid by the Party upon whom the applicable authority imposes the fee or charge (or shall be shared equally if not imposed upon either Party). The Parties shall share equally any governmental taxes, fees and charges applicable to the transfer of the Assets under this Agreement. Each Party is responsible for any commission, brokerage fee, advisory fee or other similar payment that arises as a result of any agreement or action of it or any party acting on its behalf in connection with this Agreement or the transactions contemplated hereby.

6.2. Further Assurances. After Closing, each Party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

6.3. Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto, provided, however, that either Party may assign its rights hereunder to an affiliate upon written notice to, but without consent of, the other Party, provided that (i) any such assignment does not delay processing of the FCC Applications, grant of the FCC Consent or Closing. (ii) any such assignee delivers to the other Party a written assumption of this Agreement, and (iii) the original Party shall remain liable for all of its obligations hereunder. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement.

6.4. Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to AMI:

Advance Ministries
510 N. Acoma Blvd.
Lake Havasu City, AZ 86403
Attention: Faron Eckelbarger
Facsimile: (928)453-2588

if to DH:

Donald Hendren
1612 Country Club Dr.
Bullhead City, Arizona 86442

6.5. Amendments. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought.

6.6. Entire Amendment. This Agreement (including the Schedules hereto) constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof except any confidentiality agreement among the parties with respect to the Stations, which shall remain in full force and effect. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement.

6.7. Severability. If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

6.8. No Beneficiaries. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns.

6.9. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Arizona without giving effect to the choice of law provisions thereof.


6.10. Counterparts. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement. Delivery of an executed counterpart signature page to this Agreement by facsimile or e-mail shall be deemed sufficient to render this Agreement effective.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET EXCHANGE AGREEMENT

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


ADVANCE MINISTRIES, INC.

Bv: 

Name: Richard Tatham

Title: President

DONALD HENDREN

Bv: 

Name: Donald Hendren

Title: Owner

Schedule 1.1(a)(i)

Federal Communications Commission FM Broadcast Translator Construction Permit
File Number BLFT-20130827AEN. Facility ID Number 156889

Schedule 1.1(b)(i)

Federal Communications Commission FM Broadcast Translator Construction Permit
File Number BNPFT-20130826ABD. Facility ID Number 156429