

## ASSET EXCHANGE AGREEMENT

THIS ASSET EXCHANGE AGREEMENT (this "Agreement") is made as of Sept 25, 2012, between Truth Broadcasting Corporation, ("Truth"), and Iglesia Nueva Vida of High Point ("INV" and, where applicable, together with Truth the "Parties" or, individually, a "Party").

WHEREAS, INV holds the Federal Communications Commission ("FCC") authorizations for Station WEGO(AM), Winston-Salem, NC ("WEGO"), and Truth holds the FCC authorization(s) for WBZK(AM), York, SC ("WBZK" and, where applicable, together with WEGO the "Stations" or individually, a "Station"); and

WHEREAS, subject to the terms and conditions set forth herein, INV desires to assign WEGO's FCC authorizations and sell substantially all of the assets used and useful in connection with WEGO and Truth desires to accept and purchase such authorizations and assets; and

WHEREAS, subject to the terms and conditions set forth herein, Truth desires to assign the WBZK FCC authorizations and sell substantially all of the assets used and useful in connection with WBZK and INV desires to accept and purchase such authorizations and assets;

WHEREAS, the Parties have with one another entered into time brokerage agreements consistent with FCC regulations and policies for the Stations, under which each Party is programming and selling time on the station licensed to the other Party; and

WHEREAS, prior approval by the FCC of the license assignments contemplated by this Agreement is necessary .

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

1. **Assets to be Conveyed** – A. INV will sell, assign, transfer, convey and deliver to Truth the following assets (the “Station Assets”), all free and clear of any and all pledges, liens or other encumbrances, except for any pledges, liens and encumbrances explicitly permitted by this Agreement (the “Permitted Encumbrances”):
  - a) The Station licenses and all other authorizations issued by the FCC for and in connection with WEGO (a “License”).
  - b) Contracts, leases and other agreements for WEGO which Truth agrees to assume.
  - c) The tangible and intangible assets used and useful in connection with the operation of WEGO.B. Truth will sell, assign, transfer, convey and deliver to INV the following assets all free and clear of any and all pledges, liens and encumbrances, except for the Permitted Encumbrances:
  - a) The Station license and all other authorizations issued by the FCC for and in connection with WBZK.
  - b) Contracts, leases and other agreements for WBZK which INV agrees to assume.
  - c) The tangible and intangible assets used and useful in the operation of WBZK, and the rights and privileges of Truth to the broadcasting format of WBZK.

2. **Additional Consideration** – The consideration for the Station assets to be assigned and conveyed hereunder shall be the exchange of Station Assets provided for in Section 1 hereof and, additionally, the following as detailed below:

Truth will cancel the debt is it owed by INV, arising from the previous purchase by INV from Truth of WEGO 91. The total amount of debt cancelation will be, forty-six thousand, five hundred and one dollars and seventy-three cents (\$46,501.73).

3. The assignment of the FCC license and the conveyance of the assets of WEGO is mutually contingent upon and with the assignment of the FCC license and the conveyance of the assets of WBZK, and the assignments and conveyances as to both Stations shall only be closed simultaneously.

4. **Prorations and Adjustments**. All prepaid and deferred expenses arising from the conduct of the business and operations of the Stations shall be prorated as of 11:59 p.m. of the Closing Date. The prorations and adjustments contemplated by this Section 5 shall be made to the extent practicable at the Closing, and to the extent not made at the Closing shall be made within thirty (30) calendar days after the Closing Date.

5. **Closing**. Subject to satisfaction or waiver of the conditions set forth herein, consummation of the sale of the Stations' Assets under this Agreement (the "**Closing**") shall occur on a date (the "**Closing Date**") mutually agreed upon by the parties which date shall be within ten (10) business days after the grant of FCC Consents (as defined below) having become

Final Orders (as defined below), unless the requirement of Final Orders is waived by the Parties, in which case the Closing shall occur after the grant of FCC Consents on a date mutually agreed upon by the parties, but not later than ten (10) business days after the release of the FCC Public Notice of the grant of the FCC consents. Upon closing and from the Closing Date forward each Party as the buyer of a Station hereunder will be responsible for existing land/tower leases, and additional broadcasting related expenses such as (but not limited to) utilities, insurances, engineering studies, studio lease, FCC License Fees, BMI & Music fees and all FCC requirements and costs regarding the land and tower.

6. FCC Consents. The Closing is subject to and conditioned upon prior FCC consents (the “FCC Consents”) to the assignments of the FCC Licenses by the Parties to one another, and, unless waived by the Parties, the FCC Consents having become Final Orders. “Final Order” means an action by the FCC as to which: (a) no request for stay by the FCC is pending, no such stay is in effect, and any deadline for filing a request for any such stay has passed; (b) no appeal, petition for rehearing or reconsideration, or application for review is pending before the FCC and the deadline for filing any such appeal, petition or application has passed; (c) the FCC has not initiated reconsideration or review on its own motion and the time in which such reconsideration or review is permitted has passed; and (d) no appeal to a court, or request for stay by a court, of the FCC’s action is pending or in effect, and the deadline for filing any such appeal or request has passed.

7. FCC Applications. Within five (5) business days of the date of this Agreement, Truth and INV shall file applications with the FCC (the “FCC Applications”) requesting the FCC Consents. Truth and INV shall diligently prosecute the FCC Applications and otherwise use their best efforts to obtain the FCC Consents as soon as practicable.

8. The Parties' Representations and Warranties. Truth and INV make the following representations and warranties to each other:

(a) The Party is duly organized, validly existing and in good standing under the laws of the State of North Carolina, and South Carolina. The Party has the requisite power and authority to execute and deliver this Agreement and to comply with the terms, conditions and provisions hereof.

(b) The execution, delivery and performance of this Agreement by the Party has been duly authorized and approved by all necessary corporate action of the Party. This Agreement is a legal, valid and binding agreement of the Party enforceable in accordance with its terms, except (i) as may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally, and (ii) as such enforceability is subject to general principles of equity.

(c) No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of the Party.

(d) The Party is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Act of 1934, as amended, and the rules, regulations, and policies of the FCC.

(e) There are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations pending against, or, to the Party's knowledge,

threatened against, the Party relating to or affecting this Agreement or the transactions contemplated hereby.

(f) The License as denoted above is held by the Party, and has been issued for the full term customarily issued to radio stations in the states of North Carolina and South Carolina. The License is in full force and effect and has not been revoked, suspended, canceled, rescinded or terminated and have not expired. There are no applications, complaints, investigations or proceedings pending or, to the knowledge of the Party, threatened before the FCC relating to the operation of the Station other than those affecting the broadcasting industry generally. The Party is not subject to any outstanding judgment or order of the FCC relating to the Station. The Party has operated and is operating in material compliance with all laws, regulations and governmental orders applicable to the operation of the Station.

(g) The Party to the lease has provided to the other Party a true and complete copy of the Real Property Lease [listed in Schedule 1(c)], including all amendments and modifications thereto. The Real Property Lease is the only real property lease used or useful in connection with the operation of the Station. The Real Property Lease is in full force and effect, all accrued and currently payable rents and other payments have been paid by the leasing Party, the leasing Party has been in peaceable possession since the beginning of the original term of the Real Property Lease, neither the leasing Party nor any other party thereto is in default under such lease, the leasing Party has not given nor received any notice of default or termination, and subject to obtaining the consent of the landlord, the validity or enforceability of the Real Property Lease will in no way be affected by the sale of the Station Assets to the buying Party.

(h) The selling Party has good and valid title to all Tangible Personal Property [listed in Schedule 1(b)], free and clear of all liens and encumbrances, except for liens for taxes not yet due and payable and for which the buying Party receives a credit pursuant to Section 5 hereof (“Permitted Liens”), and except for the security interests, if any, which will be released on or before Closing. All of the items of Tangible Personal Property are of types, kinds and/or designs in accordance with standard industry practices and are in good operating condition and repair.

(i) 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, are pending or, to the Party’s knowledge, threatened, and the Party has not made any assignment for the benefit of creditors or taken any action which would constitute the basis for the institution of such insolvency proceedings.

9. The Parties’ General Covenants. Each Party covenants and agrees that between the date hereof and the Closing, the Party shall:

- (a) maintain its qualifications to be the licensee of the Station it is acquiring;
- (b) take necessary steps as required to be able to consummate this transaction;
- (c) notify the other Party promptly of any event, circumstance or occurrence which will interfere with the prompt consummation of this transaction at Closing.

- (d) operate the Station it is assigning in the ordinary course of business consistent with past practice;
- (e) not directly or indirectly, including by dissolution, liquidation, merger or otherwise, sell, lease or dispose of any of the Station Assets of the Station it is selling unless those assets are replaced with assets of equal or greater value;
- (f) maintain the Tangible Personal Property of the Station it is selling in its current condition (reasonable wear and tear in ordinary usage excepted);
- (g) use its best efforts to obtain, prior to Closing, the consent or approval of the landlord under the Real Property Lease to assign any such lease to the acquiring Party;
- (h) furnish the acquiring Party with access to the Tangible Personal Property; and
- (i) fully perform and adhere to the time brokerage agreements which the Parties have entered into for the Stations, just as if the terms and conditions of those agreements were set forth herein.

10. Joint Covenants. The Parties hereby covenant and agree that between the date hereof and the Closing they shall cooperate fully with each other in taking any commercially reasonable actions (including to obtain the required consent of any governmental instrumentality or any third party) necessary to accomplish the transactions contemplated by this Agreement, including, but not limited to, the prompt satisfaction of any condition to the Closing set forth herein.



11. Each Party's Conditions to Closing.

A. The obligations of each Party as a seller hereunder are, at its option, subject to satisfaction at or prior to the Closing of each of the following conditions:

(a) The representations and warranties of the buying 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 buying Party at or prior to the Closing shall have been complied with or performed in all material respects.

(b) The FCC Consent shall have been obtained and shall be in full force and effect, no court, administrative or governmental order prohibiting the Closing shall be in effect, and the FCC Consent shall have become a Final Order.

(c) The buying Party shall have made each of the deliveries contemplated by Section 12 hereof or otherwise reasonably required by this Agreement.

B. The obligations of each Party as a buyer hereunder are, at its option, subject to satisfaction at or prior to the Closing of each of the following conditions:

(a) The representations and warranties of the selling 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 selling Party at or prior to the Closing shall have been complied with or performed in all material respects.

(b) The FCC Consent shall have been obtained and shall be in full force and effect, no court or governmental order prohibiting the Closing shall be in effect, and the FCC Consent shall have become a final order.

(c) All security interests pertaining to the Station Assets shall be released of record and there shall be no liens in respect of such assets, except Permitted Encumbrances.

(d) The selling Party shall have made each of the deliveries contemplated by Section 12 hereof or otherwise reasonably required by this Agreement.

12. Closing Deliveries. At the Closing, each Party as a seller shall deliver or cause to be delivered to the buying Party such bills of sale, documents of title and other instruments of conveyance, assignment and transfer as may reasonably be requested by the buying Party to convey, transfer and assign the Station Assets to the buying Party, free and clear of liens, except for Permitted Liens. The selling Party shall also deliver the landlord's written consent to assignment of the Real Property Lease to the buying Party. At the Closing, the buying Party shall deliver or cause to be delivered to Seller such documents and instruments of assumption as may reasonably be requested by the selling Party for the buying Party to assume the Real Property Lease and any other obligation or contracts being assumed. The buying Party shall also deliver to the selling Party the consideration agreed upon herein, as adjusted pursuant to Section 4 hereof.

13. Survival. The covenants, agreements, representations and warranties in this Agreement shall expire at Closing and be of no further force or effect, with the exception of: (i) the indemnification obligations of the Parties under Section 14 hereof with respect to Claims (as defined below) made by third parties against either Party, as applicable, shall survive for two (2) years; (ii) those Claims made under Section 14 that relate to either Party's Damages (as defined below), as applicable, for which timely written notice is given by the indemnified party to the indemnifying party prior to expiration of this survival period, shall survive until resolved.

14. Indemnification. From and after the Closing, each Party as Seller shall defend, indemnify and hold harmless the other Party as Buyer from and against losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Buyer's Damages") incurred by the buying Party arising out of or resulting from: (a) any failure by the selling Party to perform any covenant or agreement contained in this Agreement, or any other breach or default by the selling Party under this Agreement; and (b) the operation of the Station before the Closing. From and after the Closing, each party as Buyer shall defend, indemnify and hold harmless the other Party as Seller from and against losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Seller's Damages") incurred by the selling Party arising out of or resulting from: (y) any failure by the buying Party to perform any covenant or agreement contained in this Agreement, or any other any breach or default by the buying Party under this Agreement; and (z) the operation of the Station after the Closing. The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder on the part of the indemnifying party (a "Claim"), but a failure to give such notice or a delay in giving such notice shall not affect the indemnified party's

right to indemnification and the indemnifying party's obligation to indemnify as set forth in this Agreement, except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced.

15. Termination. This Agreement may be terminated at any time prior to the Closing as follows:

- (a) by mutual written consent of the Parties;
- (b) by written notice of a Party to the other Party if the notified Party breaches in any material respect any of its representations or warranties or other terms of this Agreement, or defaults in any material respect in the performance of any of its covenants or agreements herein contained, including with respect to the time brokerage agreements entered into by the Parties, and such breach or default is not cured within the Cure Period (as defined below);
- (c) by written notice of a Party to the other Party, if the Closing shall not have been consummated on or before the date which is nine (9) months after the execution of this Agreement, and if the Party giving notice is not then in default hereunder; or
- (d) by written notice of the buying Party to the selling Party, if due to a weather related cause, force majeure, or other cause beyond the control of the selling Party, a material portion of the Station Assets are damaged or destroyed and the selling Party elects not to repair or replace such damaged or destroyed Station Assets prior to Closing Date.

The term "Cure Period" as used herein means a period commencing on the date that a Party

receives from the other Party written notice of breach or default hereunder and continuing for twenty (20) days thereafter.

16. Damages upon Termination. The termination of this Agreement shall not relieve any Party of any liability for breach or default under this Agreement prior to the date of termination. Upon termination under Section 15(a) or (d), this Agreement shall be deemed null and void. If this Agreement is terminated pursuant to Section 15(b) or (c), a Party may seek such remedies as it may be entitled to at law or equity.

17. 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, except that FCC filing fees with respect to the FCC Applications shall be paid equally by the Parties.

18. Assignment. Neither Party may assign any of its rights or obligations under this Agreement, without the express prior written consent of the non-assigning Party.

19. Amendments. No amendment to, or waiver of compliance with, any provision or condition 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 any waiver or amendment is sought.

20. Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

21. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of North Carolina applicable to contracts made and to be fully performed

within such State, without giving effect to the choice of law provisions thereof that may require the application of the laws of any other state, except to the extent, if any, that the laws of South Carolina may apply to the conveyance of assets of WBZK.

22. Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, and shall be deemed to have been received on the date of personal delivery, on the third day after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid and return receipt requested, on the day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery (or to such other address as any party may request by written notice):

If to Seller: Iglesia Nueva Vida of High Point  
1841 Bethel Drive  
High Point, NC 27260  
Attention: Javier Fernandez  
336-471-3500

If to Buyer: Truth Broadcasting Corporation  
4405 Providence Lane  
Winston- Salem, NC 27106  
Attention: Stuart Epperson Jr.  
336-759-0363

23. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.
24. No Third Party Beneficiaries. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity other than the Parties hereto and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.
25. Severability. The Parties agree that if one or more provisions contained in this Agreement shall be deemed or held to be invalid, illegal or unenforceable in any respect under any applicable law, 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, unless such construction would alter the fundamental purposes of this Agreement.
26. Entire Agreement. This Agreement embodies the entire agreement and understanding of the Parties hereto and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein.
27. Attorneys' Fees. In the event of a dispute relating to this Agreement involving the interpretation or enforcement of the terms of this Agreement, resulting in litigation brought by either Party, the prevailing Party in such litigation shall be entitled, in addition to other relief ordered by the Court, to reasonable attorneys' fees and costs.
28. Further Assurances. After the 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

and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

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

Iglesia Nueva Vida of High Point

By: Javier Fernandez  
Name: Javier Fernandez  
Title: President

Truth Broadcasting Corporation

By: Stu Epperson Jr  
Name: Stu Epperson Jr  
Title: President

## **Table of Schedules**

1(b)            List of Tangible Personal Property

1(c)            Real Property Lease