

## **ASSET PURCHASE AGREEMENT**

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of the 2<sup>nd</sup> day of January 2014 by and between the Spirit Broadcasting, LLC, an Ohio limited liability company ("Buyer") and Family Life Ministries, Inc. a New York not-for-profit corporation ("Seller").

### **RECITALS**

**WHEREAS**, Seller is the owner, operator, and licensee of FM radio translator station with call letters **W221CT**, Ashtabula, Ohio, FCC Facility ID# 106489 (the "Station"), under authority of a License issued by the Federal Communication Commission (the "FCC") bearing the FCC license application file number BLFT-20130612ABZ, hereinafter referred to as the "License"; and

**WHEREAS**, Seller desires to sell and Buyer desires to buy the rights belonging to or used or to be used in the business and operation of the Station pursuant to the terms and conditions stated herein; and

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants and agreements stated herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

### **AGREEMENT**

1. **Terms of the Assignment.** Subject to the conditions contained herein, Seller agrees to sell and assign and Buyer agrees to purchase and assume the tangible personal property, License and certain other property used by Seller in connection with operation of the Station (collectively the "Station Assets") as indicated on the attached Addendum A under the following terms:
  - a. **Purchase Price.** The Purchase Price for the Station Assets shall be as indicated on the attached Addendum A, payable in immediately available funds on the Closing Date.
  - b. **Deposit.** Within five (5) business days after the execution hereof Buyer shall deliver within to an attorney of its election (the "Escrow Agent") the amount of Six Thousand Dollars (\$6,000) (the "Deposit"). The Deposit shall constitute partial payment of the Purchase Price due to Seller on the Closing Date.
  - c. **Application.** Within ten (10) days after the execution of this Agreement, Seller and Buyer shall jointly file with the FCC an application for assignment to Buyer of the FCC License (the "Assignment Application"). The filing fees for the Assignment Application shall be split equally between Seller and Buyer.
  - d. **Closing.** Buyer will pay the Purchase Price (less the deposit referenced in Paragraph

1(b) hereof, within ten (10) days after approval of the Assignment Application and satisfaction of all other conditions herein (the "Closing Date"), whereupon Seller will provide to Buyer a instruments of conveyance suitable to Buyer for the Station Assets; provided, however, that Buyer may postpone the Closing Date until such time as FCC approval of the Assignment Application and the Permit Application (as defined in Section 13 below) have both become a Final Order. "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.

- e. Closing Conditions. The Closing of the sale of the Station Assets by Seller to Buyer pursuant to this Agreement shall be subject to the satisfaction of the following conditions: (i) the absence of any material adverse changes in Assets; (ii) the receipt of the approval from the FCC to Assignment Application and Permit Application being Final Orders (unless Buyer waives the requirement for Final Order); (iii) the receipt of approvals from any other necessary third parties and governmental authorities; (iv) the absence of any judgment, order or injunction that impacts or impedes the receipt of any such approvals or the ability of the parties to consummate the transactions specified herein; and (v) the maintenance of the Station's facilities in ordinary course until the Closing Date.
2. Exclusivity and Confidentiality. The parties agree that from the date hereof until the Closing Date or earlier termination in accordance with the terms hereof, Seller will not seek to transfer or sell, or entertain any offers to sell to third parties the Station Assets. Further, the parties agree to keep confidential the terms of this Agreement, except with respect to any disclosure required by law or the rules and regulations of the FCC.
3. Representations, Warranties and Covenants of Seller. Seller makes the following representations and warranties to Buyer:
- It has the full power and authority to enter into and perform this Agreement.
  - It holds the FCC License for the Station and the License is in full force and effect.
  - It has paid all of its taxes, and there are no claims or other liabilities that would preclude the sale of all of the Station Assets to Buyer free and clear of all liens and encumbrances.
  - There are no legal proceedings against the Seller, pending or threatened, that could affect the sale, or complaints, investigations or proceedings pending or, to the knowledge of Seller, threatened before the FCC relating to the operation of the Station.

- The Station and the Station Assets, to the best of Sellers's knowledge, are in full compliance with all applicable laws and regulation, including all environmental laws, and Buyer will not assume any legal liabilities through its purchase of the Station Assets.
  - The tangible personal property is in good working order and operating in full compliance with the specifications and requirements set forth in its FCC License and in the rules, regulations and policies of the FCC.
  - Other than Charles E. Keiler, whose finder fee shall be paid by Buyer, no other 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 Seller.
4. Representations, Warranties and Covenants of Buyer. Buyer makes the following representations and warranties to Seller:
- It has the full power and authority to enter into and perform this Agreement.
  - It has the financial ability to perform its obligations under this Agreement.
  - Other than Charles E. Keiler, whose finder fee shall be paid by Buyer upon execution of this Agreement, no other 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 Buyer.
5. Covenants. Between the execution of this Agreement and the Closing, each party shall use commercially reasonable efforts to do everything necessary to obtain FCC approval for the Assignment Application and Permit Application and to consummate the transaction contemplated by this Agreement. Seller will maintain the assets and the Station's FCC License in good working order and in accordance with all laws, rules and regulations, including those of the FCC. Each party shall use commercially reasonable efforts to ensure that the Representations and Warranties set forth in this Agreement remain true and correct. If requested by Buyer, Seller will grant to Buyer the authority to rebroadcast Seller's station WCGF(FM), on the Station after Closing.
6. Termination. Either party may terminate this Agreement if it is not in material default under any of its representations, warranties and other undertakings under this Agreement, if the FCC has not approved the Assignment Application or the Permit Application, or if Closing has not occurred, within six (6) months of the date of this Agreement. In addition, either party not then in default, may terminate this Agreement if the other party has materially breached any of its representations, warranties or commitments under this Agreement, and the breach has not been cured within ten (10) days of notice. 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 of this Agreement for any reason other than an uncured default by Buyer, this Agreement shall

be deemed null and void and the Deposit shall be returned to Buyer. Upon termination due to default of Buyer, this Agreement shall be deemed null and void and Seller shall be entitled to receive the Deposit as liquidated damages and its exclusive remedy.

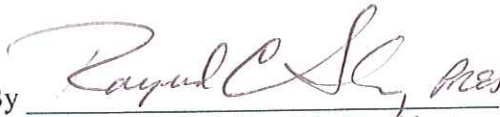
7. Risk of Loss. The risk of loss for any damage to the Station or the Station Assets to be conveyed under this Agreement shall remain with the Seller until Closing. Seller shall maintain insurance on the assets, and shall repair any damage to any of the Station Assets. If the Station is not operating in accordance with its License on the day set for Closing, Buyer can, at its election, either terminate this Agreement, or Buyer may postpone Closing until such time as the Station and Station Assets have been restored to their former condition and the Station is operating in accordance with its FCC License. If Buyer elects to delay the Closing, Seller cannot terminate the Agreement pursuant to Section 7, even if six (6) months have passed since the date of this Agreement.
8. Specific Performance. Seller recognizes that the assets to be conveyed hereunder are unique, and that its failure to perform under this Agreement would harm Buyer in a manner that cannot be compensated by monetary damages. Thus, Seller agrees that specific performance is the appropriate remedy in the event that it breaches its obligations hereunder, and it waives all rights to claim that there is an adequate remedy at law for such breach.
9. Indemnification. Seller shall indemnify Buyer for any claims made after the Closing with respect to the operation of the Station, which claims are based on matters that occurred or arose before Closing. Buyer shall indemnify Seller for all claims made against Seller that occur or arise from Buyer's operation of the Station after the Closing.
10. Transfer Fees and Taxes. The party who is customarily or statutorily responsible for any and all bulk transfer fees, transfer taxes, sales taxes or other taxes, assessments or fees associated with the sale/purchase of the Station Assets shall pay such taxes to the appropriate authorities.
11. Attorney's Fees. In any litigation or other dispute that arises under this Agreement, the party who substantially prevails in such litigation or dispute shall, in addition to any other remedies to which they may be entitled, shall receive their reasonable attorney's and costs incurred in the prosecution of such matter.
12. Miscellaneous. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof and supersedes any prior agreement with respect thereto whether it is in writing or otherwise. This Agreement may be amended only in writing by the instrument duly executed by both parties. This Agreement is to be construed and enforced under the laws of Ohio. Venue for any action brought to enforce this Agreement is exclusively in the federal or state courts located in the State of Ohio. This Agreement may be executed in counterparts. The undersigned represent and warrant that, respectively, they have received authority to sign this Agreement and to legally bind their respective corporations to perform all the terms hereof.

13. Permit Application. While the Assignment Application is pending at the FCC, Seller shall, at the request of Buyer, file in Seller's name with the FCC a minor change application to relocate the Station's transmission facilities to a new antenna site (the "Permit Application"). Buyer shall be responsible for preparing the technical portions of the Permit Application which shall be prepared at Buyer's reasonable discretion and subject to Seller's approval, which shall not be unreasonably withheld. Seller understands that the Permit Application may involve a "Mattoon" request and, therefore, such a request shall not be a basis for Seller to fail to approve and file the Permit Application. Buyer shall pay all costs in connection with preparing, filing and prosecuting the Permit Application, including, without limitation, reasonable attorneys' fees. The modifications to the Station contemplated by the Permit Application shall not be commenced until after Closing, and Seller shall have no obligation with respect to the implementation of such modifications, except that Seller shall permit Buyer access to Seller's current transmitter site following the Closing to permit Buyer to remove any Station Assets at that site. It shall be a condition to Buyer's obligation to Close under this Agreement that the Permit Application shall have been granted by the FCC.

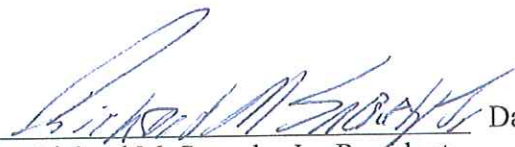
**THE NEXT PAGE IS THE SIGNATURE PAGE**

**WHEREFORE**, the parties whose names and addresses appear below have caused this Agreement to be executed by them as of the date first above written.

**SPIRIT BROADCASTING, LLC**  
PO Box 1330  
Willoughby, OH 44096

By  Pres. Date 1-20-14  
Raymond C. Somich, President

**FAMILY LIFE MINISTRIES, INC.**  
PO Box 506  
7634 Campbell Creek Road  
Bath, NY 14810

By  Date 1-20-14  
Richard M. Snavely, Jr., President

## **ADDENDUM A**

### **Purchase Price**

<b>Call Sign, Location, Facility ID Number</b>	<b>Total</b>	<b>Deposit</b>	<b>At Closing</b>
W221CT, Ashtabula, OH FIN: 106489	\$60,000	\$6,000	\$54,000

### **Station Assets**

Tangible Personal Property: the transmitter, antenna, transmission line, and other tangible personal property of Seller used in the operation of the Station.

Notwithstanding anything contained elsewhere in this Agreement, the following items are specifically excluded from the Station Assets, shall be retained by Seller and not be part of the sale or assignment to Buyer:

- (i) Seller's corporate records;
- (ii) cash equivalents, accounts receivables or similar type investments of Seller's;
- (iii) any and all contracts of insurance and insurance proceeds of settlements and insurance claims made by Seller relating to property equipment repaired, replaced or restored by Seller prior to the Closing Date;
- (iv) any of Seller's assets that are used primarily at one or more of Seller's other broadcast facilities; and
- (v) the tower lease for the current location of the Station's antenna and transmitter, nor shall Buyer be responsible for any early termination fees or rent in connection with such lease.