

## OPTION TO PURCHASE AGREEMENT

This is an **OPTION AGREEMENT** ("Agreement") entered into this 28th day of January, 2004 by and between **Serendipity Ventures II, LLC**, its successors and assigns ("**Serendipity**" or "**Optionor**"), and **Family Worship Center Church, Inc.** ("**Family**" or "**Optionee**").

### WITNESSETH:

**WHEREAS**, Serendipity is the Licensee of Radio Station KDJR (FM), DeSoto, Missouri ("**Station**"), licensed by the Federal Communications Commission ("**FCC**" or "**Commission**"); and

**WHEREAS**, Serendipity and Family have entered into a Time Brokerage Agreement ("**TBA**") whereby Optionee shall, *inter alia*, provide substantially all of the programming for Station;

**WHEREAS**, Optionee desires to acquire an Option to acquire certain of the assets of Optionor used or intended for use in the Station's operation, including all permits, authorizations and licenses issued by the FCC, in accordance with the terms and conditions set forth below:

**NOW, THEREFORE**, in consideration of the mutual promises set forth in this Option Agreement, the parties, intending to be legally bound, agree as follows:

#### 1. OPTIONEE'S OPTION RIGHTS.

**1.1. Grant of Option.** Optionor hereby Grants to Optionee an Option to acquire all of the assets ("**KDJR Assets**") of Optionor used or intended for use in the Station's operation, including, but not limited to: all FCC construction permits, licenses and other authorizations of the Station, certain broadcast equipment, furniture, fixtures, and other tangible and intangible property (including real property and those leases of real and personal property used or usable in the operation of the Station) and all replacements of such assets up to and including the date of Closing, as defined herein, and all rights, contracts, leases, rights-of-way held by Optionor, pertaining to the operation of Station, free and clear of all liens, mortgages, judgments or other encumbrances of any kind, in accordance with the terms and conditions set forth below.

**1.2. Overall Purchase Price.** The Overall Purchase Price to be paid by Optionee for the KDJR Assets shall be the sum of

\$, subject

to the Adjustments and Credits set forth below, and the net of any prorations made at the Closing.

**1.3. Adjustments and Credits.** Optionee shall be entitled to a credit of one hundred percent (100%) toward the Overall Option Price, as defined below as against the Overall Purchase Price. These credits shall include all TBA payments made, and all payments set forth in Section 3 below except for utilities and maintenance.

**1.4. Effective Date.** The parties agree that the Option can not be exercised until

May 1, 2004. After that date, the Option granted hereunder shall be exercisable by Optionee by written Notice to Optionor at any time during the Agreement.

**2. TERM.** The rights granted under Sections 1 of this Agreement shall coincide with the Time Brokerage Agreement unless otherwise extended by the parties.

**3. OPTION PRICE.** The consideration for this Option shall be under the schedule which encompasses the Initial Consideration, Interim Consideration and Final Consideration.

**3.1. Initial Physical Asset Purchase - Initial Consideration.** The payment of \_\_\_\_\_ shall be paid to Serendipity on May 1, 2004.

At that time all Physical Assets (set forth in Exhibit A) and the Real Estate (set forth in Exhibit B) shall be purchased by Family. All said Physical Assets and Real Estate will be purchased free and clear of encumbrances as noted above in paragraph 1.1

**3.2. Interim Consideration.** On June 1, 2004, the payment of \_\_\_\_\_ ) in sixty (60) equal monthly installments will be made to Serendipity on the first day of each month.

**3.3. Final Consideration** On the tenth (10) day, following the sixtieth (60th) month after the Effective Date of this Agreement, Family shall pay to Serendipity the payment of \_\_\_\_\_

**3.4. Full Payment Provision** At any time after the effective date of this Agreement, Family may prepay the entire Overall Purchase Price.

**3.5. Option Payments.** The Option payments must be paid within ten (10) days of the due dates. Failure to pay by those dates shall result in the termination of the Agreement and forfeiture of all payments made.

#### **4. FCC ASSIGNMENT OF LICENSE APPLICATION AND FCC CONSENT; CONTINUATION OF TBA.**

**4.1. Assignment Application** Upon delivery of Notice of the exercise of the rights set forth in Section 1 above, the parties agree to execute a Asset Purchase Agreement, and to cooperate fully and promptly to complete and file all forms and other documents necessary to obtain FCC approval of the purchase of the assets, and assignment of the licenses, of the Station. The parties further agree that this Application can be filed at anytime after the Effective Date if Family is prepared to payoff the amount due or in the event that the Family chooses to pay under the installment system noted above, then an assignment application will be filed ninety (90) days before the Final Installment Consideration amount is due.

**4.2.** In the event that the FCC fails to approve the sale of the station to Optionee within one (1) year of the filing of the Application for such approval, either party to the Asset Purchase Agreement may terminate such agreement upon written notice to the other party; provided, however, that the party giving such notice must not be in default under any provision of such Asset Purchase Agreement. All payments made by Optionee to Optionor shall be considered to be Time Brokerage Payments and are not

refundable.

**4.3.** The TBA shall continue in effect on the same terms and conditions as heretofore, so long as there is a valid Asset Purchase Agreement, and such agreement has not been terminated pursuant to the terms thereof and/or the terms of this Option Agreement.

## **6. CLOSING.**

**5.1.** Upon the exercise of the option set forth above, and after FCC consent has been obtained, a closing shall be held at a mutually agreeable location within Missouri within ten (10) business days of the approval by the FCC of such purchase.

**5.2.** At the Closing Optionee shall deliver to Optionor the Purchase Price, plus any applicable interest, less the adjustments, credits and prorations provided for hereunder, by wire transfer or certified check, and Optionee and Optionor agree to execute such bills of sale, assumption agreements, and other instruments and documents as may be necessary to convey all of Optionor's right, title and interest in the KDJR Assets which are to be transferred to Optionee, free and clear of all liens, mortgages, debts, liabilities or other encumbrances, and for Optionee to assume those leases, contracts and agreements of Optionor which Optionee has agreed to assume.

**6. COVENANTS OF OPTIONOR.** Optionor hereby covenants and agrees that:

**6.1. Sale or Hypothecation of Station Assets.** Without the express written consent of Optionee, and except in the ordinary course of business, so long as this Agreement (or any extension, renewal or modification of it) is outstanding, neither the KDJR Assets nor the stock of Optionor will be sold, hypothecated, pledged, or otherwise encumbered (except for existing liens), nor the FCC licenses assigned by Optionor, nor will Optionor hold out the Station, the KDJR Assets, or Optionor's stock for sale to any other person. Optionor will cooperate with Optionee and execute any documents deemed reasonably necessary by Optionee to put third parties on notice of the existence of this Agreement and the restrictions contained herein.

**6.2. Timely Payments to Creditors.** Optionor will make all payments to creditors on a timely basis and will take no action nor refrain from taking any action that would constitute a default on any obligation, loan, or mortgage secured by the KDJR Assets.

**6.3. Preservation of Assets.** Will take all steps commercially reasonable and necessary to protect and preserve the KDJR Assets from damage, loss, or material reduction in value.

## **7. NOTICES.**

**7.1.** Any notices to be given under this Agreement by either party to the other may be effected by certified mail, postage prepaid with return receipt requested, or by USPS Express air service, overnight air courier service or same day delivery service. Notices shall be addressed to the parties at the addresses given below, but each party may change its address by written Notice in accordance with this paragraph. The

telephone and telefax numbers of each party are also specified below:

***If to Optionor.***

Harold S. Vogt, Member  
Serendipity Ventures II, LLC  
11563 Argonne Road  
Festus, MO 63028

***If to Optionee:***

Jimmy Swaggart, President  
Family Worship Center Church, Inc.  
8919 World Ministry Avenue  
P.O. Box 262550  
Baton Rouge, LA 70810

7.2. Notice shall be deemed to have been given three business days after mailing if sent by registered or certified mail, or on the next business day if sent by USPS express mail, overnight air courier, or same day delivery service. Notification to counsel, or by telephone facsimile shall not constitute Notice for purposes of this Paragraph.

**8. NO WAIVER.** The failure of any party at any time to require performance of any provision of this Agreement shall not affect its right at a later time to enforce the provision. No waiver by any party of any condition or of any breach of any term, covenant, representation or warranty contained in this Agreement shall be effective unless in writing, and no waiver in any one or more instances shall be deemed to be in other instances a waiver of any other condition or breach of any other term, covenant, representation or warranty.

**9. REMEDIES.** It is agreed and understood that the facilities of Station and the obligations of Optionee hereunder are unique, and that Optionee and Optionor may not be adequately compensated by money damages in the event of a material default by Optionor or Optionee of this Agreement. Accordingly, the parties agree that in the event of a material default by either party, the other party may seek specific performance of the breaching party's obligations under this Agreement, subject to the rules, regulations, and policies of the FCC.

**10. CONTROL OF STATION.** During the term of this Agreement, Optionee shall not control the operation of the Station, but such operation shall be the responsibility of Optionor. Optionor shall have the right twice during each broadcast day to make an announcement that the opinions expressed by the Optionee are not necessarily those of the Optionor.

**11. FINDERS, CONSULTANTS AND BROKERS.** Each party represents and warrants to the other that there are no finders, consultants or brokers involved in this transaction and that neither party has agreed to pay any other brokers Commission or finders fee in connection with this transaction.

**12. AMENDMENTS.** The provisions of this Agreement may be amended, terminated or

waived only by an instrument in writing executed by all of the parties or by the party granting a waiver.

**13. HEADINGS.** The headings contained in this Agreement are for reference purposes only and shall not affect its meaning or interpretation.

**14. COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**15. COMPLIANCE WITH THE COMMUNICATIONS ACT AND FCC RULES.** The parties agree that the provisions of this Agreement are subject to all applicable requirements under the Communications Act of 1934, as amended (the "Communications Act"), and the rules, regulations and policies of the FCC promulgated thereunder ("FCC Rules"). All actions undertaken pursuant to this Agreement shall be in full compliance with the requirements of the Communications Act and the FCC Rules, and no party shall take any action which would be in violation thereof. Each party agrees to execute, and to cooperate in the filing and prosecution of, all applications and other documents which, in the opinion of counsel, are necessary to obtain FCC or other governmental approval of any transactions contemplated by this Agreement.

**16. FURTHER ASSURANCES.** The parties to this Agreement hereby each pledge to the other that they shall take whatever steps are reasonably necessary, in good faith, and shall use their best efforts to carry out their obligations under this Agreement so that the transactions contemplated herein shall be consummated in a complete and expeditious manner.

**17. OTHER DOCUMENTS.** The parties shall execute such other documents as may be necessary and desirable to the implementation and consummation of this Agreement.

**18. ASSIGNMENT.** The rights granted to Optionee by this Agreement may not be assigned by Optionee to another party without the prior written consent of Optionor, such consent not to be unreasonably withheld. *Provided, however,* that Optionee may assign its rights and obligations under this Agreement to an entity, controlled by, controlled, or under common control with, Optionee.

**19. CONSTRUCTION.** This Agreement shall be construed in accordance with the laws of the State of Missouri with jurisdiction and venue in Jefferson County.

**20. SEPARATE COUNSEL.** The parties Agent have each retained independent counsel in connection with the negotiation and preparation of this Agreement, and have consulted with and sought advice from their respective counsel, prior to execution, concerning their respective rights and duties under this Agreement.

**21. TERMINATION.** In the event of the termination of the TBA as a result of default on the part of the Optionee, this Option Agreement shall likewise terminate and be of no further force or effect. The Assets previously transferred to Optionee shall be retransferred to Optionor within ten (10) days with no additional consideration paid to Optionee. In the event of termination of the TBA as a result of a default on the part of

the Optionor, this Option Agreement shall continue in full force and effect.

**22. TIME OF ESSENCE.** Time is of the essence. All times, dates and events contained in this agreement shall be performed when stated.

**Both parties certify that they have read and understand the terms of this agreement and agree to abide by all the provisions contained herein.**

**IN WITNESS WHEREOF,** the parties have executed this Agreement as of the date and year first above written.

**"OPTIONOR"**

**SERENDIPITY VENTURES II, LLC**

By: \_\_\_\_\_

*HAROLD S. VOLT*

**"OPTIONEE"**

**FAMILY WORSHIP CENTER CHURCH, INC.**

By: \_\_\_\_\_



**EXHIBIT A**

**Physical Assets**

Fort Worth 40-600G 300 w/ 25' mast' Broadcast tower

CROWN FM2000 2kw Broadcast transmitter

ORBAN OPTIMOD FM Audio Processor

s/n: 967267

BURK VRC2500 Metering and alarm system

SWR FM3/4 1/2 wave antenna

ERI 3 bay antenna

1 5/8" coax to each antenna

7' equipment rack (approx ht)

Miscellaneous spare parts kit for CROWN

20' x 30' framed building with steel siding and roof

contains:

central air conditioner w/5kw heating elements

200 amp electric service - single phase

insulated walls/ceiling

Tower light controller (red lites)

Old 8 x 12' building

GATES/HARRIS FM5H3 5kw FM transmitter - condition unknown

**EXHIBIT B**  
**Real Estate**

"A tract of land being part of the Northwest quarter of the Southwest quarter of Section Eleven (11), Township Thirty-Eight (38), Range Four (4) East, being more particularly described as follows: Beginning at the Northeast corner of a tract conveyed from Atchi to Atchi on March 13, 1989, and recorded at Deed Book 421 at page 1982 of records of the Recorder of Deeds of Jefferson County, Missouri, thence South along the eastern boundary line of said tract and further a distance of 364 feet to a point; thence East a distance of 364 feet to a point; thence North a distance of 364 feet to the centerline of Blackwell County Road; thence in a westerly direction with the center line of Blackwell County Road a distance of 364 feet to the point of beginning."