

## **ASSET PURCHASE AGREEMENT**

**THIS AGREEMENT** (hereinafter "Agreement" or "APA") is made and entered into this 30th day of March 2021, by and among Family Stations, Inc. a California non-profit religious corporation ("Seller") and Family Life Ministries, Inc., a New York non-profit corporation ("Buyer").

### **WITNESSETH**

**WHEREAS**, Seller, under authority of authorizations issued by the Federal Communication Commission (the "FCC"), is the owner of the following noncommercial FM translator Station W207AG, Facility ID No. 20819, Freeland, Etc. PA (the "Station"); and

**WHEREAS**, Seller desires to sell and Buyer desires to purchase the assets and rights belonging to or used or held for use in the business and operation of the Station pursuant to the terms and conditions stated herein; and

**WHEREAS**, assignment of the Station's FCC Authorizations as part of the sale is subject to and conditioned upon the consent of the FCC to the terms and conditions stated herein and the assignment of the FCC authorizations; and

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants and agreements stated herein, the parties hereto agree as follows:

1. **Assets Sold and Purchased.** On the date of the consummation of the sale and purchase contemplated hereunder (the "Closing") of this Agreement, as provided for in Section 5 below (the "Closing Date"), Seller will cause to be sold, transferred, assigned and conveyed to Buyer, by appropriate instruments, and Buyer will purchase and assume, subject to the terms and conditions set forth herein, all of Seller's right, title and interest in all the tangible assets and licenses of Seller used and/or held for use in the operation of the Station as same exist on the date of Closing (collectively the "Assets"), free and clear of all liens, claims, security interests, instruments or encumbrances ("Liens") as follows:

1.1 **Licenses and Authorizations.** The Station FCC licenses and all other FCC authorizations issued to Seller, and all applications or proceedings filed by Seller that are pending at the FCC, related to the operation of the Station, all as set forth in Exhibit 1.1 hereto ("FCC Authorizations"), and any and all other licenses, rights, permits and authorizations issued to Seller by any other governmental or regulatory agency which are used or useful in connection with the operation of the Station.

1.2 **Personal Property.** The tangible personal property as listed and described in Exhibit 1.2 hereto, together with replacements thereof and improvements and additions made between the date hereof and the Closing Date ("Tangible Personal Property"). Unless Buyer has made arrangements with the site owner to remain at the Station's existing transmitter site, then within five (5) business days after Closing, Buyer, at its sole expense, shall

remove all Tangible Personal Property from the Station's existing transmitter site (with Seller assisting with access and site owner coordination).

2. **Excluded Assets.** Seller's cash or cash equivalents, accounts receivable and any property of Seller not defined as an Asset herein shall be and are excluded from the assets to be sold hereunder (the "Excluded Assets").

3. **Purchase Price.** The total purchase price for all of the Assets sold and purchased hereunder shall be TEN THOUSAND DOLLARS (\$10,000) (the "Purchase Price"), subject to agreed-upon pro-rations or other adjustments set forth in this Agreement. Within two (2) business days of full execution of this Agreement, Buyer shall pay to Seller by electronic funds transfer in immediately available U.S. funds the sum of FIVE THOUSAND DOLLARS (\$5,000), which shall constitute an earnest money deposit (the "Earnest Money Deposit"). The entire amount of the Earnest Money Deposit shall be applied as a credit toward Buyer's payment of the Purchase Price at Closing. On the Closing Date, the remaining balance of the Purchase Price shall be paid by Buyer to Seller by electronic funds transfer in immediately available U.S. funds. If this Agreement is not consummated because of Buyer's default, Seller shall retain the Earnest Money Deposit in accordance with the terms of this Agreement. If this Agreement is terminated for any other reason, the Earnest Money Deposit shall be returned to Buyer.

3.1 **Assumed Liabilities.** Buyer at the Closing shall assume and perform the liabilities and obligations of Seller arising on and after the Closing Date under the FCC Authorizations.

3.2 **Excluded Liabilities.** Except for the Assumed Liabilities, Buyer does not assume nor shall Buyer be obligated for any other liabilities, obligations or responsibilities whatsoever of Seller or arising from or related to Seller's operation of the Station through the Closing Date (the "Excluded Liabilities").

4. **Reimbursement of Legal Fees.** Buyer shall reimburse Seller for all legal fees associated with the preparation, negotiations, and consummation of the transaction contemplated by this Agreement, not to exceed the sum of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500), upon Buyer receiving a written request for same. Seller shall provide to Buyer any necessary documentation, including receipts and ledgers, indicating the fees owed.

5. **Closing of the Agreement.**

5.1 **Closing Date**

(a) The Closing shall take place by the exchange of signed documents via facsimile, electronic mail or overnight courier, within ten (10) business days after the FCC approval of the application for assignment of the FCC Authorizations to Buyer in accordance with Section 13 has become Final (as defined in Section 5.1(c)) (the "Closing Date"), unless Buyer, in its sole discretion, elects to close at an earlier time and date, in any event, subject to satisfaction or waiver of all other conditions to Closing set forth herein.



(b) If Closing occurs prior to such FCC approval becoming Final (defined below), and prior to becoming Final such FCC approval is reversed or otherwise set aside, and there is a Final order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Authorizations to Seller, then the purchase and sale of the Assets shall be rescinded. In such event, Buyer shall re-convey to Seller the Assets, and Seller shall repay to Buyer the Purchase Price (less the value of any Buyer capital improvements made between the Closing and reconveyance). Any such rescission shall be consummated on a mutually agreeable date within thirty days of such Final order (or, if earlier, within the time required by such order). In connection therewith, Buyer and Seller shall each execute such documents (including execution by Buyer of instruments of conveyance of the Assets to Seller) and make such payments (including repayment by Seller to Buyer of the Purchase Price) as are necessary to give effect to such rescission. During the period from Closing until reconveyance is complete, Buyer shall be entitled to receive and retain all income or donations from the Station, and be responsible for all Station operating expenses. Station income and expenses will be pro-rated for the month of reconveyance.

(c) For purposes of this Agreement, the word "Final" shall mean action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended, with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending, and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated.

6. **Seller's Representations, Warranties and Covenants.** Seller makes the following representations, warranties, and covenants, each of which shall be deemed to be a separate representation, warranty, and covenant, all of which have been made for the purpose of inducing Buyer to join in and execute this Agreement, and in reliance on which Buyer has entered into this Agreement:

6.1 **Organization.** Seller is now and will be on the Closing Date, a corporation in good standing under the laws of the State of California. The execution, delivery and consummation of this Agreement and the transactions contemplated herein have been duly authorized by the board of directors of Seller, and no further authorization, approval or consent is required except the FCC's consent. The execution, delivery and consummation of this Agreement will not conflict with any provision of the by-laws or articles of incorporation of Seller. This Agreement is a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

6.2 **Licenses and Authorizations.** Seller holds the Station FCC Authorizations, and all other FCC licenses, authorizations or approvals necessary for or used in connection with the operation of the Station. The Station FCC Authorizations are valid and



existing and in full force and effect in every material respect for the purpose of operating the Station, and expire on the dates shown in Exhibit 1.1. Except for proceedings of general applicability or specific applicability to this market or as shown on Exhibit 1.1 (i) no application, action or proceeding is pending for the modification of any Station FCC Authorization and (ii) no application, action or proceeding is pending or threatened that may result in the revocation, modification, non-renewal or suspension of the Station FCC Authorizations or other authorizations. Except where omissions or delays are *de minimis* or immaterial, Seller has timely filed all reports or other materials with the FCC as required by the FCC's rules, regulations and policies. Seller has not received from the FCC any EEO audit notice, notice of inquiry, violation, apparent liability, or investigation related to the Station, and, to Seller's knowledge, no such proceeding is ongoing before the FCC. To Seller's knowledge, there are no pending complaints or proceedings at the FCC related to interference caused to or received by any of the Station's authorized transmissions.

6.3 **Personal Property.** Seller holds and will convey at Closing good and marketable title to all the Tangible Personal Property, free and clear of all Liens. The Tangible Personal Property will be conveyed at Closing "WHERE IS, AS IS" without warranty of any kind, except as to title.

6.4 **Litigation.** No judgment is presently pending against Seller with respect to the Station or the Assets and, except for proceedings of general applicability or specific applicability to this market, or as identified in Exhibit 6.4 attached hereto, there is no litigation, proceeding or investigation by or before the FCC or by or before any other person, firm or governmental agency pending, or, to the knowledge of Seller, threatened with respect to the Station or the Assets which might result in any material adverse change in the operation of the Station or would have a material adverse effect on the right, title or interest of Seller in the Assets or the ownership, use or possession of the Station or the Assets by Buyer, or which may question the validity of any action taken or to be taken pursuant to or in connection with any of the provisions of this Agreement.

6.5 **Disposal of Assets.** Between the date hereof and the Closing Date, Seller will not sell or agree to sell or otherwise dispose of the Assets other than in the ordinary course of business and only as such Assets are replaced, prior to the Closing Date, by other assets of substantially equal or greater value and utility. Any such disposition of the Assets shall only be after consultation with and approval of Buyer, which shall not be unreasonably withheld.

6.6 **No Breach.** The execution and performance of this Agreement will not violate any order, rule, judgment, or decree to which Seller is subject or breach any contract, agreement, or other commitment to which Seller is a party or by which Seller is bound, except for the need to obtain the FCC consent.

6.7 **Administrative Violations or Notices.** Between the date hereof and the Closing Date, if Seller receives an administrative notice or other order relating to any violation of the rules and regulations of the FCC, or of any other federal, state or local regulatory or administrative body, including rules regarding the employment of labor and equal employment opportunity, it will promptly notify Buyer of such order and use reasonable efforts to remove or



correct such violations in the ordinary course of business and will be responsible for the cost of removing same, including the payment of any fines or back pay that may be assessed for any such violation, and Seller will indemnify and hold Buyer harmless with respect to any and all such violations occurring prior to the Closing Date.

6.8 **Operations Pending Closing.** Between the date hereof and the Closing Date, Seller shall ensure that the Station are operated in the normal and usual manner in accordance in all material respects with the rules, regulations and policies of the FCC. No increase shall be made in the compensation payable or to become payable to any employee or agent of the Station other than in the ordinary course of business consistent with Seller's past practice. No employment contract shall be entered into by Seller or on behalf of the Station which would legally bind the Buyer following the Closing. No other contract, lease or agreement which have a term extending beyond the Closing Date shall be entered into by Seller or on behalf of the Station, without the prior written consent of Buyer. Seller shall promptly provide a copy to Buyer of any filing by Seller with the FCC, or the receipt of any correspondence or notice from the FCC, with respect to the Station.

7. **Buyer's Representations and Warranties.** Buyer hereby makes the following representations, warranties and covenants each of which shall be deemed to be a separate representation, warranty and covenant, all of which have been made for the purpose of inducing Seller to join in and execute this Agreement, and in reliance on which Seller has entered into this Agreement:

7.1 **Corporate Existence.** Buyer is a non-profit corporation duly organized, existing, and in good standing under the laws of the State of New York.

7.2 **Corporate Authorization.** The execution, delivery and consummation of this Agreement and the transactions contemplated herein has been duly authorized by Buyer's board of directors and no further authorization, approval or consent of Buyer's board of directors is required. This Agreement is a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

7.3 **No Breach.** The execution, delivery and consummation of this Agreement will not conflict with any provision of the articles of incorporation or bylaws of Buyer, or with any contract to which Buyer is a party or is bound.

7.4 **Buyer Qualified.** Buyer is legally, financially and otherwise qualified to acquire and operate the Assets. This qualification is consistent with the Communications Act of 1934, as amended, and the rules and regulations of the Federal Communications Commission ("FCC"). To Buyer's knowledge, no circumstances exist which reasonably could support a conclusion by the FCC that Buyer lacks the requisite qualifications to acquire and operate the Station.



7.5 **No Conflict.** Neither the execution or delivery of this Agreement nor compliance with the terms of this Agreement will (i) conflict with any order, judgment, injunction, award or decree of any governmental body, administrative agency or court, or any agreement, lease or commitment, to which Buyer is a party or by which Buyer is bound, or (ii) constitute a violation by Buyer of any law or regulation applicable to it, except for the need to obtain the FCC consent.

7.6 **Litigation.** There is no claim, litigation, proceeding or governmental investigation pending or threatened, or any judgment, order, injunction or decree outstanding, against Buyer and Buyer does not know of any valid basis for future claims, litigations, proceedings or investigations against Buyer that might materially and adversely affect its ability to consummate the transactions contemplated by this Agreement.

7.7 **Insolvency Proceedings.** No insolvency proceedings of any kind including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement of creditors, voluntary or involuntary, affecting the Buyer or any of its assets or properties are pending or, to Buyer's knowledge, threatened, and Buyer has made no assignment for the benefit of creditors, or taken any action with a view to, or which would constitute the basis for, the institution of any such insolvency proceedings.

## 8. **Indemnification.**

8.1 **Buyer's Right to Indemnification.** Seller undertakes and agrees to indemnify and hold Buyer harmless against any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorney's fees, incurred or assumed by Buyer arising from the breach, misrepresentation, or other violation by Seller of any of the covenants, warranties or representations contained in this Agreement, and for and against (i) all liabilities of Seller not assumed by Buyer pursuant to this Agreement, and (ii) all liens, charges, or encumbrances on the Assets transferred hereunder not specifically excepted herein. The foregoing indemnity is intended by the Seller to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs, and expenses with respect to any and all of the specific matters in this indemnity set forth which exceed in the aggregate \$1,000. Notwithstanding the above, Seller's liability to Buyer for indemnification shall not include any indirect, consequential, punitive or exemplary damages to Buyer, specifically including any "lost profits" or business interruption damages incurred by Buyer.

8.2 **Seller's Right to Indemnification.** Buyer undertakes and agrees to indemnify and hold Seller harmless against any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorney's fees, incurred or assumed by Seller arising from breach, misrepresentation, or other violation by Buyer of any of the covenants, warranties or representations contained in this Agreement, and for and against (i) all liabilities of Buyer, and (ii) any actions by Buyer after Closing. The foregoing indemnity is intended by the Buyer to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs, and expenses with respect to any and all of the specific matters in this indemnity set forth which exceed in the aggregate \$1,000. Notwithstanding the above, Buyer's liability to Seller for

indemnification shall not include any indirect, consequential, punitive or exemplary damages to Seller, specifically including any "lost profits" or business interruption damages incurred by Seller.

**8.3 Procedure.**

(a) If any claim or proceeding covered by the foregoing agreements to indemnify and hold harmless shall arise, the party who seeks indemnification shall give written notice thereof to the other party promptly describing in reasonable detail the nature and basis of the claim and the party from whom indemnification is sought shall have the right to employ counsel to defend against any such claim or proceeding or to compromise, settle or otherwise dispose of the same, if the indemnifying party deems it advisable to do so, all at the expense of the indemnifying party. The parties will fully cooperate in any such action, making available to each other books or records for the defense of any such claim or proceeding. If a party from whom indemnification is sought does not furnish a written acknowledgment of its undertaking to defend or settle such claim or proceeding in a timely manner, the party seeking indemnification shall be free to dispose of the matter, at the expense of the indemnifying party, in any reasonable way which it deems in its best interest (subject to the right of the indemnifying party to assume the defense of or opposition to such claim at any time prior to settlement, compromise or final determination thereof).

(b) Anything herein to the contrary notwithstanding:

(i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the claim;

(ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such claim; and

(iii) in the event that the indemnifying party undertakes defense of or opposition to any claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel concerning such claim and the indemnifying party and the indemnified party and their respective counsel shall cooperate in good faith with respect to such claim.

9. **Survival of Representations and Warranties.** The several representations and warranties of the parties contained herein shall survive the Closing for a period of twelve (12) months, at which point they shall be of no further force and effect; provided, however, that all warranties as to corporate authority shall survive for such maximum period as permitted by law.

10. **Actions Pending Closing.** Pending the Closing of this Agreement, Seller will:



10.1 **Compliance with Laws.** Comply in all material respects with all applicable federal, state and local laws, ordinances and regulations including, but not limited to, the Communications Act of 1934 and the rules and regulations of the FCC.

10.2 **Other FCC Applications.** Seller will reasonably cooperate with Buyer in the preparation, filing and prosecution of applications with the FCC for any Buyer-desired modification of the FCC Authorizations, provided that the cost of such filings shall be borne by Buyer, any such filings made by Buyer shall be contingent upon the consummation of the transactions contemplated herein, and the grant of such applications by the FCC shall not be a condition of Closing.

11. **Conditions Precedent to Buyer's Obligations to Close.** The obligation of Buyer to consummate the Closing under this Agreement is subject to the satisfaction, or to Buyer's written waiver, on or before the Closing, of each of the following conditions:

11.1 **Representations and Warranties True and Correct.** The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, except for changes permitted or contemplated by the terms of this Agreement, and all of the agreements of Seller to be performed on or prior to the Closing pursuant to the terms of this Agreement shall have been duly performed in all material respects. Such facts shall be evidenced by a certificate to that effect, delivered at Closing, and signed by an authorized officer of Seller.

11.2 **FCC Consent.** The FCC shall have consented to the assignment of the Station FCC Authorizations from Seller to Buyer without any conditions materially adverse to Buyer, and the last of such consents shall have become Final.

11.3 **No Injunction.** There shall not be in effect an injunction or restraining order issued by a court of competent jurisdiction in any action or proceeding against the consummation of the sale of the Assets contemplated by this Agreement.

11.4 **Closing Documents.** Seller shall deliver to Buyer at the Closing all the closing documents specified in Section 14.1, which documents shall be duly executed.

12. **Conditions Precedent to Seller's Obligations to Close.** The obligation of Seller to consummate the Closing under this Agreement is subject to the satisfaction, or to Seller's written waiver, on or before the Closing, of each of the following conditions:

12.1 **Payments.** All payments which are due and payable by Buyer under this Agreement on or before the Closing Date shall have been paid in accordance with the terms of this Agreement.

12.2 **Representations and Warranties True and Correct.** The representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, except for changes permitted or contemplated by the terms of this Agreement, and all of the agreements of Buyer to be performed on or prior to



the Closing pursuant to the terms of this Agreement shall have been duly performed in all material respects. Such facts shall be evidenced by a certificate to that effect, delivered at Closing, and signed by an authorized officer of Buyer.

12.3 **FCC Consent.** The FCC shall have consented to the assignment of the Station FCC Authorizations from Seller to Buyer.

12.4 **No Injunction.** There shall not be in effect an injunction or restraining order issued by a court of competent jurisdiction in any action or proceeding against the consummation of the sale of the Assets contemplated by this Agreement.

12.5 **Closing Documents.** Buyer shall deliver to Seller at the Closing all the closing documents specified in Section 14.2, which documents shall be duly executed.

13. **FCC Applications**

13.1 **Condition of FCC Consent.** Consummation of the Closing is subject to and conditioned upon receipt from the FCC of its consent in writing to the assignment to Buyer of the Station FCC Authorizations to be transferred to Buyer hereunder.

13.2 **Applications for Consent.** The parties to this Agreement agree to proceed as expeditiously as practicable to file or cause to be filed one or more applications requesting FCC consent to the assignment of the Station FCC Authorizations, as contemplated by this Agreement (the "Assignment Application"). The parties agree that the Assignment Application shall be duly filed with the FCC not later than five (5) business days after the date of this Agreement, and that such application shall be prosecuted in good faith and with due diligence. The failure of either party to timely file or diligently prosecute its portion of the Assignment Application shall be deemed a material breach of this Agreement. Buyer and Seller shall notify each other of all documents filed with or received from the FCC with respect to the Assignment Application. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of the Assignment Application.

13.3 **Absence of Commission Consent.** If the initial FCC consent granting the Assignment Application is not secured within nine (9) months after acceptance for filing by the FCC of the Assignment Application, then this Agreement may be terminated at the option of either party upon written notice to the other; provided, however, that neither party may terminate this Agreement if (a) such party is in default hereunder, (b) if a delay in any decision or determination by the Commission respecting the Assignment Application has been caused or materially contributed to by any failure of such party to furnish, file or make available information within its control or caused by the willful furnishing by such party of incorrect, inaccurate or incomplete information to the Commission, or caused by any action taken by such party for the purposes of delaying any decision or determination respecting the Assignment Application. Upon termination pursuant to this Paragraph, the parties shall be released and discharged of all obligations hereunder.



13.4 **Designation for Hearing.** The time for FCC consent provided in Section 13.3 notwithstanding, either party may terminate this Agreement upon written notice to the other, if, for any reason, the Assignment Application is designated for hearing by the FCC, provided, however, that such termination shall not negate the provisions of this Agreement permitting legal recourse by one party against the other related to the reason cited by the FCC for hearing designation.

13.5 **Control of Station Pending Closing.** This Agreement shall not be consummated until after the FCC has given its written consent thereto, and between the date of this Agreement and the Closing Date, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct the operation of the Station. Such operation shall be the sole responsibility of Seller.

14. **Closing Documents.** On the Closing Date:

14.1 Seller shall deliver to Buyer:

(a) An assignment transferring all of the interests of Seller in and to the FCC Authorizations, Station call letters, pending applications and all other licenses, permits, and authorizations issued by any other regulatory bodies which are used or held for use in the operation of the Station;

(b) A bill of sale conveying to Buyer all of the Tangible Personal Property;

(c) The certificate, dated as of the Closing Date, described in Section 11.1;

(d) A Certificate, dated as of the Closing Date, of a duly authorized officer certifying that all necessary corporate or other action by Seller has been taken to approve this Agreement and to authorize the consummation of the transactions described herein;

(e) A settlement statement setting forth the amounts due after adjustments and pro-rations, and wire instructions for disbursement of funds to Seller; and

(f) Any other documents and instruments that may be reasonably necessary to purchase and acquire the Assets or otherwise document the transaction contemplated herein.

14.2 Buyer shall deliver to Seller:

(a) The Purchase Price, in the form and subject to the setoffs and adjustments provided for in Section 3 hereof;

(b) The certificate, dated as of the Closing date, described in Section 12.2;



(c) A certificate, dated as of the Closing date, of a duly authorized officer of Buyer certifying that all necessary corporate or other action by Buyer has been taken to approve this Agreement and to authorize the consummation of the transactions described herein

(d) A countersigned settlement statement; and

(e) Any other documents and instruments that may be reasonably necessary to purchase and acquire the Assets or otherwise document the transaction contemplated herein.

15. **Pro-rations.**

15.1 **Apportionment of Income and Expense.** Seller shall be responsible for all expenses arising out of, the operations of the Station through 11:59 p.m. on the Closing Date. All prepaid expenses relating to the Assets and arising from the operation of the Station shall be prorated between Buyer and Seller as of 11:59 p.m. on the Closing Date. Such prorations (the "Prorations") shall include without limitation:

(a) Prepaid expenses and deposits arising from payments made for goods or services prior to the Closing Date where all or part of the goods or services have not been received or used at the Closing Date (for example, rents or utilities paid in advance for a rental period extending beyond the Closing Date);

(b) Liabilities, customarily accrued, arising from expenses incurred but unpaid as of the Closing Date; and

(c) Personal property taxes and utility charges related to the Station or in respect of any of the Assets.

15.2 **Determination and Payment.** Prorations shall be made and paid, insofar as feasible, on the Closing Date and shall be paid by separate check and not by way of adjustment to the purchase price. As to Prorations that cannot be made on the Closing Date, within sixty (60) days after the Closing Date, the parties shall determine and agree upon all such Prorations and promptly thereafter Buyer shall pay to Seller or Seller shall pay to Buyer, as the case may be, the net amount due.

16. **Default and Remedies.**

16.1 **Material Breaches.** A party shall be deemed to be in default under this Agreement only if such party has materially breached or failed to perform its obligations hereunder, and no non-material breaches or failures shall be grounds for declaring a party to be in default, postponing the Closing, or terminating this Agreement.

16.2 **Opportunity to Cure.** If either party believes the other to be in default hereunder, the former party shall promptly provide the other with written notice specifying in



reasonable detail the nature of such default. If the default has not been cured by the earlier of (i) five (5) business days after the scheduled Closing Date, or (ii) within twenty (20) days after delivery of that notice (or such additional reasonable time as the circumstances may warrant provided the party in default undertakes diligent, good faith efforts to cure the default within such twenty (20) day period and continue such efforts thereafter), then the party giving such notice may exercise the remedies available to such party pursuant to this Section 16, subject to the right of the other party to contest such action through appropriate proceedings.

16.3 **Seller's Remedies.** Buyer recognizes that if the transaction contemplated by this Agreement is not consummated as a result of Buyer's breach of this Agreement, Seller would be entitled to compensation, the extent of which is extremely difficult and impractical to ascertain. To avoid this problem, the parties agree that if this Agreement is not consummated due to Buyer's breach, as its sole remedy Seller shall be entitled to the Earnest Money Deposit as liquidated damages (and not as a penalty) in lieu of any other remedies to which Seller might otherwise be entitled due to Buyer's wrongful failure to consummate the Agreement.

16.4 **Buyer's Remedies.** Seller agrees that the Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall have the right, if Buyer is not in material default in its obligations hereunder, as its sole remedy to specifically to enforce Seller's performance under this Agreement, and Seller agrees to waive the defense in any suit for specific performance that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy. Buyer's reasonable costs of enforcing Seller's performance hereunder shall be offset by a reduction to the Purchase Price in the amount of such costs.

17. **Damage.** The risk of loss or damage to the Assets shall be upon Seller at all times prior to Closing and Buyer shall bear the risk of loss or damage thereafter. In the event of such loss or damage, Seller shall promptly notify Buyer thereof and repair, replace or restore any such damaged property to its former condition as soon as possible after its loss and prior to the Closing Date. If damage has occurred and such relief or restoration of any such damage has not been completed prior to the Closing Date, Buyer may, at its option:

(a) elect to consummate the Closing in which event Seller shall pay to Buyer the costs of such repairs, replacements or restoration as is required to restore the property to its former condition and against such obligation shall assign to Buyer all of Seller's rights under any applicable insurance policies. Buyer shall in such event submit to Seller an itemized list of the costs of such repairs, replacements or restoration. If the parties are unable to agree upon the costs of such repairs, the matter shall be referred to a qualified consulting communications engineer mutually acceptable to Seller and Buyer who is a member of the Association of Federal Communications Consulting Engineers, whose decision as to the costs shall be final, and whose fees and expenses shall be shared equally by Seller and Buyer; or

(b) elect to postpone the Closing Date for a period of up to ninety (90) days, with prior consent of the FCC if necessary, to permit Seller to make such repairs, replacements, or restoration as is required to restore the property to its former condition. If after the expiration



of the extension period granted by Buyer the property has not been adequately repaired, replaced or restored, Buyer may terminate this Agreement, and the Earnest Money Deposit be returned to Buyer. If the parties disagree as to whether the property has been adequately repaired, replaced or restored, the matter shall be referred to a mutually-acceptable qualified consulting communications engineer, who is a member of the Association of Federal Communications Consulting Engineers, whose decision shall be final, and whose fees and expenses shall be shared equally by Seller and Buyer.

18. **Intentionally Deleted.**

19. **Brokerage.** Seller represents to Buyer that, other than Robert Branch, whose fee shall be paid by Seller, it has not engaged a broker in connection with this transaction, and agrees to indemnify and hold harmless Buyer against any claim from any broker based upon any agreement, arrangement, or understanding alleged to have been made with Seller. Buyer represents to Seller that it has not engaged a broker in connection with this transaction, and agrees to indemnify and hold harmless Seller against any claim from any broker based upon any agreement, arrangement, or understanding alleged to have been made with Buyer.

20. **Notices.** Any notice required hereunder shall be in writing and any payment, notice or other communication shall be deemed given on the date of personal delivery or confirmed email transmission or confirmed delivery by a nationally recognized overnight courier service, or on the third day after mailing by U.S. certified mail, postage prepaid, with return receipt requested, and addressed as follows (or to any other address as any party may request by written notice):

If to Buyer: Family Life Ministries, Inc.  
Attn: Richard Snaveley, Jr., President  
PO Box 506  
Bath, NY 14810  
Email: [rsnaveley@fln.org](mailto:rsnaveley@fln.org)

With a copy (which shall not constitute notice) to:

Hardy, Carey, Chautin & Balkin, LLP  
Attn: Joseph C. Chautin, III, Esq.  
1080 West Causeway Approach  
Mandeville, LA 70471  
Email: [jchautin@hardycarey.com](mailto:jchautin@hardycarey.com)

If to Seller: Family Stations, Inc.  
Attn: Thomas Evans, President  
112 North Elm Street  
Shenandoah, IA 51601  
Email: [tevans@familyradio.org](mailto:tevans@familyradio.org) and  
[jburkhiser@familyradio.org](mailto:jburkhiser@familyradio.org)

With a copy (which shall not constitute notice) to:

Fletcher, Heald & Hildreth, PLC.  
Attn: Matthew McCormick, Esq.  
1300 N. 17<sup>th</sup> Street, 11<sup>th</sup> Floor  
Arlington, VA 22209  
E-mail:[mccormick@fhhlaw.com](mailto:mccormick@fhhlaw.com)

21. **Entire Agreement.** This Agreement constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof, and supersedes any prior agreements between the parties and contains all of the terms agreed upon with respect to the subject matter hereof. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement. This Agreement may not be altered or amended except by an instrument in writing signed by the party against whom enforcement of any such change is sought.

22. **Counterparts.** This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument.

23. **Headings.** The headings of the paragraphs of this Agreement are for convenience only and in no way modify, interpret or construe the meaning of specific provisions of the Agreement.

24. **Exhibits.** The Exhibits to this Agreement are a material part hereof.

25. **Severability.** In case any one or more of the provisions contained in this Agreement should be found to be invalid, illegal or unenforceable in any material respect by a court or governmental authority, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

26. **Choice of Laws and Venue.** This Agreement is to be construed and governed by the laws of the State of New York except with respect to the conflicts of law provisions thereof. Venue shall be in any court of competent jurisdiction located in New York.

27. **Bulk Sales.** Seller will indemnify and hold Buyer harmless against any cost or expense as a result of Seller's failure to comply with the provisions of any bulk sales or fraudulent conveyance statutes.

28. **Benefit; Assignment.** This Agreement shall inure to the benefit and be binding upon the parties hereto and their respective successors and assigns. Neither party may assign its rights and obligations hereunder without the other party's written consent. 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.



29. **Fees and Expenses.** Except as specifically otherwise provided herein, Buyer and Seller shall each pay their own costs and expenses relating to the execution and delivery of this Agreement and the consummation of all transactions contemplated hereby.

30. **Confidentiality.** Each party and its counsel, accountants, engineers and other representatives shall hold in confidence all data and information obtained regarding the other party and the Station's business and properties, except for public record information, and if the transactions provided for in this Agreement are not consummated as contemplated, shall continue to hold such non-public information in confidence and return all information and documents without retaining any copies thereof, and further Buyer (and its representatives) shall not directly or indirectly disclose to anyone or use in competition with the Station any data and information obtained in connection with this proposed purchase, or induce or attempt to persuade any of Seller's employees not to be employed by, or to terminate their employment with Seller at any time.

31. **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.

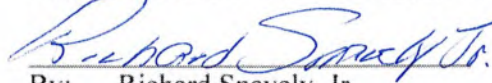
SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

**BUYER:**

**FAMILY LIFE MINISTRIES, INC.**



By: Richard Snavely, Jr.

Title: President

**SELLER:**

**FAMILY STATIONS, INC.**



By: Thomas Evans

Title: President