

ASSET PURCHASE AGREEMENT

31st **THIS ASSET PURCHASE AGREEMENT** ("Agreement"), is made and entered into this day of August 2021, by and between **Western Pacific WACP, LLC**, a Florida limited liability company (collectively "Seller") and **Faith Broadcasting Network, Inc.**, a New York not-for-profit corporation ("Buyer").

WITNESSETH

WHEREAS, Seller, under authority of authorizations issued by the Federal Communication Commission (the "FCC"), is the owner and operator of full power digital television station WACP, Atlantic City, New Jersey (Fac. Id. 189358) (the "Station"); and

WHEREAS, Seller desires to sell and Buyer desires to purchase certain of 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 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 to Buyer.

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"), as provided for in Section 5 below (the "Closing Date"), except for the Excluded Assets (as defined in Section 2), subject to the terms and conditions set forth herein, Seller will cause to be sold, transferred, assigned and conveyed to Buyer, by appropriate instruments, and Buyer will purchase and assume, all of Seller's right, title and interest in the following assets, real, personal, tangible and intangible, good will, contract rights, leases and licenses of Seller used and/or held for use exclusively in the operation of the Station as same exist on the Closing Date, free and clear of all liens, claims, security interests, instruments or encumbrances, except Permitted Liens (collectively the "Assets"):

1.1 **Authorizations.** The Station FCC licenses (including the Station's assigned call letters) and all other FCC authorizations issued to Seller, and all applications filed by Seller that are pending at the FCC, used in the operation of the Station, as set forth in Exhibit 1.1 hereto (the "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 exclusively in connection with the operation of the Station.

1.2 **Tangible Personal Property.** The fixed and tangible personal property assets owned by Seller and used or held for use exclusively in the operation of the Station, including without limitation all of the antennae, cables, wiring, connectors, transmitters, equipment, spare or replacement parts along with any unexpired transferable warranties that are listed in Exhibit 1.2 hereto, together with replacements thereof and improvements and additions

made between the date hereof and the Closing Date, but except for any retirements or dispositions thereof made between the date hereof and the Closing Date in the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency), (collectively the “Tangible Personal Property”).

1.3 **Contracts.** Those contracts related to the business and operations of the Station that are listed in Exhibit 1.3 hereto (the “Station Contracts”). To the extent that the assignment of any Station Contract may require the consent of a third party, both parties will use all commercially reasonable efforts to secure such consent.

1.4 **Records.** All of Seller’s records exclusively relating to the operation of the Station through the Closing Date, including, but not limited to, all program, operating and maintenance logs maintained in connection with the Station, whether or not required by the FCC; engineering or consultant reports, data or analyses pertaining to the Station’s facilities; and the Station’s online public inspection file, but not records relating to the Excluded Assets.

1.5 **MVPD Carriage Rights.** To the extent transferable, and as further described in Section 6.11 and Exhibit 6.11, all of Seller’s current rights under the Communications Act of 1934, as amended, and the FCC’s rules, to the Station’s signal election with respect to Multichannel Video Program Distributors (MVPDs) in the Station’s assigned Nielsen Designated Market Area arising from the 2021-23 carriage election statement made by the Station (the “MVPD Carriage Rights”).

1.6 **Prepaid Items.** All deposits, reserves and prepaid expenses relating to the Assets and prepaid taxes relating to the Assets, pro-rated as of Closing.

2. **Excluded Assets.** Notwithstanding anything to the contrary contained herein, the Assets shall not include the following assets or any rights, title and interest therein (the “Excluded Assets”):

2.1 all cash, cash equivalents, and accounts receivable arising from the operation of the Station prior to the Closing;

2.2 all contracts, leases and agreements other than the Station Contracts, and all programming and intellectual property, except to the extent included in the Station Contracts;

2.3 all rights and claims, whether mature, contingent or otherwise, against third parties with respect to the Assets or the business of the Station to the extent attributable to any period before the Closing Date;

2.4 all deposits, reserves and prepaid expenses relating to the Assets and prepaid taxes relating to the Assets; and

2.5 all assets and property of Seller not included in Section 1 hereof.

3. **Consideration.** The total consideration to be conveyed from Buyer to Seller for

all of the Assets sold and purchased hereunder is Thirteen Million Dollars (\$13,000,000.00) (the "Total Consideration Amount"); with Ten Million Dollars (\$10,000,000.00) of that amount to be paid by Buyer to Seller in the form of cash (the "Cash Purchase Price"); with the remaining consideration to be conveyed in the form of a Charitable Donation Receipt issued by Buyer, a qualified 501(c)(3) tax exempt charitable organization, to Seller, in the amount of Three Million Dollars (\$3,000,000.00), subject to confirmation (or adjustment) by an IRS qualified asset appraisal prior to Closing (the "Donation Consideration Component"); with the parties' final Cash Purchase Price settlement amount to be subject to other customary pro-rations or adjustments as set forth in this Agreement, including application of Buyer's Escrow Deposit to the Cash Purchase Price amount due on the Closing Date. Notwithstanding the foregoing, if, within four (4) years after the Closing, the Buyer sells, assigns or otherwise transfers the Station to an unaffiliated third party, Buyer shall, within thirty (30) business days of the closing of such subsequent transaction, pay Seller a cash amount equal to fifty percent (50%) of the amount of the cash consideration received that is in excess of the Total Consideration Amount (the "Post-Closing Payment"). By way of example, if Buyer sells the Station one (1) year after the Closing for Seventeen Million Dollars (\$17,000,000.00) in cash, Buyer shall pay to Seller, within thirty (30) business days of receipt of such cash amount at the closing thereof, a Post-Closing Payment of Two Million Dollars (\$2,000,000). The parties agree that the Post-Closing Payment, if any, is a purely contingent economic right and does not grant the Seller any economic interest in the Buyer or any reversionary interest of any kind in the Station. Seller shall have no right to compel a sale of the Station after Closing or to participate in the day-to-day operations of the Station after Closing, including any decisions regarding the programming, finances or personnel decisions of the Station after Closing. For purposes of this Section 3, the term "unaffiliated third party" shall not include any Seller-related entity that shares at least a majority of Seller's board members.

3.1 **Assumed Liabilities.** The Buyer at the Closing shall assume only those liabilities and obligations accruing on and after the Closing Date under the Station Contracts and other Assets assumed by Buyer (the "Assumed Liabilities").

3.2 **Retained Liabilities.** Buyer does not assume and shall not be obligated to pay, perform, or discharge any of Seller's obligations, liabilities, agreements, or commitments not specifically assumed by Buyer (the "Retained Liabilities"), and the indemnification obligations set forth in Section 8 hereof shall apply to the extent applicable in the event of any loss, liability, damage or expense (including reasonable attorney's fees) incurred by Buyer arising out of Seller's failure to pay, perform or discharge any of the Retained Liabilities. Without limiting the generality of the foregoing, or any other provision of this Agreement, the Retained Liabilities shall include, and Buyer shall not assume or be liable for (i) any liability, claim or obligation, contingent or otherwise, of or against Seller arising out of the business or operation of the Station or the Assets prior to the Closing Date; (ii) any liability or obligation under any contracts not specifically assumed by Buyer under the terms of this Agreement or relating to a breach prior to the Closing Date under any such contracts; (iii) any liability, claim or obligation under the Station Contracts attributable to any time before the Closing Date; (iv) any liability or obligation of Seller for any federal, state, or local income or other taxes or fees attributable to any period of time before the Closing Date; (v) any liability or obligation with respect to the Excluded Assets; (vi) any liability or obligation to any employee or former employee of Seller or the Station attributable to any period of time before the Closing Date (including vacation and holiday pay from prior years, if any); (vii)

any severance or other liability arising out of the termination by Seller of any employee of Seller; (viii) any duty, obligation or liability of Seller related to any employee benefit, pension, 401(k) or other similar plan, agreement or arrangement provided to employees of Seller, and none of such plans shall be assumed by Buyer; and (ix) any liability or obligation of Seller arising out of any litigation, proceeding or claim by any person or entity relating to the business or operation of the Station prior to the Closing Date, whether or not such litigation, proceeding, or claim is pending, threatened or asserted before, on, or after the Closing Date.

3.3 **Payment of Liabilities by Seller.** Seller shall pay, perform, discharge and settle, without any charge to Buyer, (i) all of the material liabilities of Seller which would result in an encumbrance on any of the Assets; and (ii) all other liabilities, all in the ordinary course of business and on a timely basis (except for liabilities being disputed by Seller in good faith and by appropriate proceedings). Seller shall deliver the Assets to Buyer at Closing free and clear of liabilities, liens, or encumbrances, except for taxes not yet due and payable, liens that will be discharged prior to Closing, Buyer's obligations to perform on and after the Closing Date the obligations arising under the Station Contracts and other Assets, and liens securing indebtedness that will be released effective as of Closing pursuant to customary payoff letters delivered at Closing (the "Permitted Liens").

4. **Escrow Deposit.** Within two (2) business days of the execution and delivery of this Agreement, Buyer shall deposit the amount of Five Hundred Thousand Dollars (\$500,000) (the "Escrow Deposit") with Truist Bank ("Escrow Agent") pursuant to the terms of a written escrow agreement in the form attached hereto as Exhibit 4 (the "Escrow Agreement"). The Escrow Agreement shall be signed by Seller, Buyer, and Escrow Agent simultaneously with the execution of this Agreement. At Closing, Seller and Buyer shall join in causing the Escrow Deposit to be applied to the Cash Purchase Price and remitted to Seller. Any interest accrued on the Escrow Deposit shall be disbursed to Buyer. If this Agreement is terminated under Section 16.1(c), the Escrow Deposit and any interest accrued thereon shall be disbursed to Seller. If this Agreement is terminated in accordance with its terms for any other reason, the Escrow Deposit and any interest accrued thereon shall be disbursed to Buyer. The parties shall each instruct the Escrow Agent to disburse the Escrow Deposit and all interest thereon to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement unless contested by a party in good faith in writing within five (5) business days of a disbursement request, in which event the Deposit shall remain with the Escrow Agent until the parties' dispute is resolved. Any failure by Buyer to make the Escrow Deposit constitutes a material default as to which no cure period applies, entitling Seller to immediately terminate this Agreement as its sole and exclusive remedy. Buyer and Seller shall each pay one-half of the fees of the Escrow Agent.

5. **Closing of the Agreement.**

5.1 **Closing Date**

(a) The Closing shall take place by the exchange of signed documents via electronic mail or overnight courier, within ten (10) business days after the FCC approval of the 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 both parties mutually agree 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 and reassume the contracts and leases assigned and assumed at Closing. 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 execution by Seller of instruments of assumption of the contracts and leases assigned and assumed at Closing) and make such payments (including repayment by Seller to Buyer of the Purchase Price) as are necessary to give effect to such rescission.

(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) consenting to the Assignment Application (defined in Section 13.2) 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, petition for reconsideration, application for review, 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, application, notice, 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 and Warranties.** Seller makes the following representations and warranties, each of which shall be deemed to be a separate representation and warranty, 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 and Authorization.** Seller is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Florida, and authorized to do business in every jurisdiction where failure to be so authorized would have a material effect on Seller's ability to consummate the transaction contemplated hereby. Seller has the power and authority to execute and deliver this Agreement and to consummate the transaction contemplated hereby. Seller's execution and delivery of this Agreement and consummation of the transaction contemplated hereby, have been duly and validly authorized by Seller, and no other actions on the part of Seller or its members are necessary to authorize the execution and delivery of, or the performance of Seller's obligations under this Agreement or, except for Closing document signatures, to consummate the transaction contemplated hereby. This Agreement constitutes the legal, valid, and binding obligation of Seller enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

6.2 **Licenses and Authorizations.** Seller holds the FCC Authorizations necessary for the operation of the Station. The 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 (i) no application, action or proceeding is pending for the modification of any FCC Authorization and (ii) no application, action or proceeding is pending or, to Seller's knowledge, threatened that may result in the revocation, modification, non-renewal or suspension of the FCC Authorizations or other authorizations. Seller has not received any notice of, and has no knowledge of, any pending, issued, or outstanding order by or before the FCC, or of any investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against the Station or Seller with respect to the Station. Except where omissions or delays are *de minimis* or immaterial, to Seller's knowledge Seller has timely filed all reports or other materials with the FCC as required by the FCC's rules, regulations and policies. To Seller's knowledge there is no ongoing audit by the FCC related to the Station. All Station FCC regulatory fees due as of the date hereof have been timely paid in full, and no balance or penalty related thereto is outstanding.

6.3 **Real Property.** No real property is conveyed in this transaction.

6.4 **Tangible Personal Property.** Exhibit 1.2 contains a list of material items of Tangible Personal Property included in the Assets. Seller holds and will convey at Closing title to the Tangible Personal Property, free and clear of all liens, pledges and encumbrances whatsoever other than Permitted Liens. The Tangible Personal Property listed on Exhibit 1.2, together with all improvements, replacements and additions thereto from the date hereof to the Closing Date, (i) constitutes all the material tangible personal property owned by Seller used or held for use exclusively in the operation of the Station and necessary to operate the Station in accordance with the FCC Authorizations, and (2) is in normal operating condition, normal wear and tear excepted. The Tangible Personal Property is transferrable by Seller by its sole act and deed and no consent on the part of any other person is necessary to validate the transfer thereof to Buyer, except as otherwise expressly contemplated by this Agreement. The Station's transmitting equipment included in the Tangible Personal Property is operating in all material respects in accordance with the terms and conditions of the FCC Authorizations, all underlying construction permits, and the rules and regulations of the FCC.

6.5 **Contracts.** Exhibit 1.3 contains a list of all material Station Contracts included in the Assets. True and complete copies of the Station Contracts listed on Exhibits 1.3 have been furnished to Buyer. All provisions of such contracts have been complied with in all material respects by Seller and no material default in respect to any duties or obligations required to be performed thereunder has occurred. All amounts due from Seller under any Station Contract have been paid, except where a good faith claim has been raised by Seller and Seller has notified Buyer thereof. To Seller's knowledge, no other party thereto is in default or breach in any material respect under any such contract. There are not any agreements, contracts, understandings or commitments which restrict or inhibit the right of Seller to enter into this Agreement, to make the representations and warranties provided herein, or to consummate any of the transactions contemplated hereby, except for the need to obtain the FCC consent and any third-party consents required to assign any of the Station Contracts.

6.6 **Litigation**. Seller has operated the Station in material compliance with all laws, regulations, orders, or decrees. 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 6.6 attached hereto, there is no litigation, proceeding or investigation by or before the FCC 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.

6.7 **Insurance**. Seller maintains in force appropriate insurance policies in respect to the Assets and the business and operations of the Station, and will maintain or cause to be maintained such presently existing insurance in force until the Closing.

6.8 **No Infringement**. To Seller's knowledge, the operation of the Station does not infringe, and no one has asserted that such operation infringes, upon any copyright, patent, trademark, trade name, service mark, or other similar intellectual property right of any other party.

6.9 **No Breach**. The execution, delivery, and performance of this Agreement by Seller will not (i) constitute a violation of, or conflict with, Seller's articles of organization or operating agreement of Seller, or (ii) result in a default (or give rise to any right of termination, cancellation, or acceleration) under, or conflict with, any of the terms, conditions, or provisions of any note, bond, mortgage, indenture, agreement, lease, or other instrument or obligation relating to Seller or its business, except for such defaults (or rights of termination, cancellation, or acceleration) or conflicts as to which requisite waivers or consents have been obtained and delivered to Buyer, (iii) violate any statute, regulation, order, injunction, or decree of any federal, state, or local governmental authority or agency which is applicable to Seller, or (iv) require the consent or approval of any governmental authority, lending institution, or other third party other than the need to obtain FCC consent and any third party consents required to assign any of the Station Contracts.

6.10 **Taxes**. Seller has, in respect of the Station's business, paid and discharged all taxes, assessments, excises and other levies relative to the Assets being sold, which have become payable.

6.11 **MVPD Carriage**. Seller has uploaded to the Station's online public inspection file the Station's election for the 2021-2023 Must Carry and Retransmission Consent election cycle, as set forth in Exhibit 6.11. Exhibit 6.11 also lists the MVPDs on which the Station is, to Seller's knowledge, presently being carried, along with the Station's current channel position on each system. To Seller's knowledge, except as set forth in Exhibit 6.11, Seller has received no written or other communications from MVPDs refusing or threatening to refuse or cease carriage of the Station, and Seller will promptly notify Buyer if such communications are received before Closing.

6.12 **Bankruptcy.** No insolvency proceedings of any character, voluntary or involuntary, affecting Seller's or any of the Assets are pending or, to Seller's knowledge threatened, and Seller 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.

6.13 **Environmental Matters.** Seller is not aware of the generation, use, transportation, treatment, storage, release or disposal of any substance classified as hazardous under applicable laws by Seller in connection with the conduct of Seller's business or utilization of the transmission site (the "Transmission Site") which has created or might reasonably be expected to create any material liability under any applicable environmental law or which would require reporting to or notification of any governmental entity. To Seller's knowledge, the Station is in compliance in all material respects with all environmental, health and safety laws applicable to the use of the Transmission Site and the Station equipment located thereon.

6.14 **Brokers.** Seller represents and warrants that there is no broker or finder or other person who would have a valid claim from Seller for a commission or a brokerage fee in connection with this Agreement or the transaction contemplated hereby.

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. As of the Closing, Buyer shall be qualified to do business in New Jersey. Buyer has the power and authority to execute and deliver this Agreement and to consummate the transaction contemplated hereby.

7.2 **Corporate Authorization.** The execution, delivery and consummation of this Agreement and the transactions contemplated herein has been duly authorized by Buyer and no further authorization, approval or consent of Buyer 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 performance of this Agreement by Buyer will not (i) conflict with or result in any breach of any provision of the articles of incorporation or bylaws of Buyer, or (ii) result in a default (or give rise to any right of termination, cancellation, or acceleration) under, or conflict with, any of the terms, conditions, or provisions of any note, bond, mortgage, indenture, agreement, lease, or other instrument or obligation relating to Buyer or its business, except for such defaults (or rights of termination, cancellation, or acceleration) or conflicts as to which requisite waivers or consents have been obtained and delivered to Seller, (iii) violate any statute, regulation, order, injunction, or decree of any federal, state, or local governmental authority or agency which is applicable to Buyer, or (iv) require the

consent or approval of any governmental authority, lending institution, or other third party other than the need to obtain FCC consent.

7.4 **Buyer Qualified.** Buyer is legally, financially and otherwise qualified to acquire and operate the Assets and to become the FCC licensee of the Station and to perform its obligations under this Agreement, the Communications Act of 1934, as amended, and the rules and regulations of the 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 or affecting the business of 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.

7.8 **Brokers.** Buyer represents and warrants that no broker or other representative person or firm is entitled to a commission or brokerage fee in connection with this Agreement or the transactions contemplated hereby.

7.9 **Funds.** Buyer has sufficient funds to pay the Cash Purchase Price at Closing.

8. **Indemnification.**

8.1 **Buyer's Right to Indemnification.**

(a) From and after Closing, subject to Section 8.1(b), 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 (i) the breach, misrepresentation, or other violation by Seller of any of the covenants, warranties or representations contained in this Agreement, and for and against (ii) all

Retained Liabilities of Seller not assumed by Buyer pursuant to this Agreement, and (iii) the operation of the Station by Seller before Closing and all liabilities of Seller attributable to any time prior to Closing under the Stations Contracts assigned to Buyer hereunder.

(b) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Seller shall have no liability to Buyer under Section 8.1(a) for a breach of representations except to the extent Buyer's aggregate damages exceed \$50,000; and (ii) the maximum aggregate liability of Seller under Section 8.1(a) shall not exceed \$300,000. Notwithstanding the above, Seller's liability to Buyer for indemnification shall not include any indirect, consequential, punitive or exemplary damages, specifically including any "lost profits" or business interruption damages incurred. This Section 8.1 shall survive Closing for one (1) year.

8.2 Seller's Right to Indemnification.

(a) From and after Closing, subject to Section 8.2(b) below, 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, including but not limited to Assumed Liabilities, (ii) any and all liabilities or obligations attributable to any time on or after Closing under the Stations Contracts and (iii) the operation of the Stations by Buyer from and after Closing.

(b) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Buyer shall have no liability to Seller under Section 8.2(a) for a breach of representations except to the extent Seller's aggregate damages exceed \$50,000; and (ii) the maximum aggregate liability of Buyer under Section 8.2(a) shall not exceed \$300,000. Notwithstanding the above, Buyer's liability to Seller for indemnification shall not include any indirect, consequential, punitive or exemplary damages, specifically including any "lost profits" or business interruption damages incurred. This Section 8.2 shall survive Closing for one (1) year.

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 or company authority shall survive for such maximum period as permitted by law.

10. **Covenants.**

10.1 **Buyer Covenants.** Buyer covenants and agrees that from the date hereof until the completion of the Closing, Buyer shall (i) use commercially reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement, and to consummate the transaction contemplated hereby, and (ii) cooperate and assist with Seller's efforts to obtain any required consents necessary for the assignment of the Station Contracts requiring such approval.

10.2 **Seller Covenants.** Pending the Closing of this Agreement, Seller will:

(a) **Access.** Upon reasonable notice, give Buyer or representatives of Buyer reasonable access during normal business hours to the Assets and furnish Buyer with all documents and copies of documents and information concerning the Assets of the Station as Buyer may reasonably request; provided, however, that no investigation made by or on behalf of Buyer shall affect Seller's representations, warranties and covenants hereunder. Buyer agrees to take no action which would interfere with the normal business or operation of the Station, and to comply with the requirements of any landlord applicable to the area being accessed.

(b) **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. Seller will not file any application with the FCC requesting authority to modify the Station's facilities without Buyer's prior written consent, and Seller shall take all actions necessary to keep the FCC Authorizations, including all material permits and applications pending before the FCC, valid and in full force and effect.

(c) **Contract Assignments.** Use commercially reasonable efforts (which shall not require either party to make any payment) to obtain any required consents necessary for the assignment of the Station Contracts requiring such approval.

(d) **Assets.** The Assets shall be maintained by Seller in the usual and ordinary manner consistent with good engineering practice. Seller will agree to not sell or otherwise dispose of the Assets other than in the ordinary course of business, and will replace material Assets which are worn out, lost, stolen, cancelled, terminated or destroyed with like property of substantially equivalent kind and value, in the ordinary course of business.

(f) **Operation of Station in Ordinary Course.** Seller shall operate the Station in the ordinary course of business and in accordance with past practice, and shall pay and perform all of its obligations with respect to the Station in the ordinary course as such obligations become due (although certain obligations may be satisfied out of the Cash Purchase Price, which shall be specified in the Settlement Statement (defined below) and for which Seller shall provide payoff letters and account/wire information). Seller shall ensure that the Station and its equipment are maintained in the normal and usual manner and in accordance in all material respects with the rules, regulations and policies of the FCC. No employment contract shall be entered into by Seller or on behalf of the Station which would legally bind the Buyer following the Closing, unless the same is terminable at will. Except in the ordinary course of business, no other new contract, lease or agreement which has a term extending beyond the Closing Date shall be entered into by Seller with respect to the Station 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 with respect to the Station, or the receipt of any correspondence or notice from the FCC with respect to the Station. Seller shall promptly notify Buyer, in writing, of any materially adverse developments with respect to the condition or operation of the Station.

(g) **Consummation of Agreement.** Seller shall use commercially reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement, and to consummate the transaction contemplated hereby.

(h) **Administrative Violations or Notices.** In the event Seller receives an administrative 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.

(i) **Programming.** Take such actions as may be necessary to either terminate any programming agreements not being assumed by Buyer at the Closing and/or provide such

notices or other action as may be necessary that such programming will cease to air on the Station as of the 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. The covenants and 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. Buyer shall have received a certificate dated as of the Closing Date signed by an authorized officer of Seller to the effect that the conditions set forth in this Section 11.1 have been satisfied.

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

11.5 **Third-Party Consents.** Seller shall have obtained written consent to the assignment of the Station Contracts, as required, and any lien releases or payoff letters as may be required to facilitate the Closing.

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. The covenants and 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. Seller shall have received a certificate dated as of the Closing Date signed by an authorized officer of Buyer to the effect that the conditions set forth in this Section 12.2 have been satisfied.

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

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.

12.6 **Third-Party Consents.** Seller shall have obtained written consent to the assignment of the Station Contracts, as required.

12.7 **Donation Consideration Component.** The Donation Consideration Component shall have been confirmed by an IRS qualified asset appraisal to be supplied by Patrick Communications. All costs of such appraisal shall be borne by Buyer.

13. **FCC Approval and Application**

13.1 **Condition of FCC Consent.** Consummation of the Closing is subject to and conditioned upon publication of a notice by the FCC of its consent to the Assignment Application (defined below).

13.2 **Application 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 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. Seller and Buyer shall each pay one-half of the filing fee for the Assignment Application, with Buyer reimbursing Seller for Buyer's one-half of the fee at the Closing. Each party shall be responsible for all of its other costs with respect to the preparation, filing, and prosecution of the Assignment Application, including attorneys' fees. 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 **Control of Station Pending Closing.** This Agreement shall not be consummated until after the FCC has published a notice indicating its consent to the Assignment Application, 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 of the FCC Authorizations from Seller to Buyer, and an assumption of the FCC Authorizations by Buyer;

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

(c) An assignment of the Stations Contracts from Seller to Buyer, and an assumption of the Station Contracts by Buyer;

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

(e) A certificate, dated as of the Closing Date, of a duly authorized officer certifying that all necessary company or other action by Seller has been taken to approve this Agreement and to authorize the consummation of the transactions described herein, and certifying the accuracy of the unanimous consent resolution attached thereto which authorizes the transactions and is signed by a duly authorized party of each of Seller's members;

(f) The records and files referred to in Section 1.4 hereof:

(g) A settlement statement setting forth the amounts due after adjustments and pro-rations, and wire instructions for disbursement of funds to Seller, along with any lien releases and/or payoff letters for any third-party security interests being released or Seller debts being satisfied in conjunction with the Closing (the "Settlement Statement");

(h) Joint written instructions to be provided to Escrow Agent for the release of the Escrow Deposit; and

(i) Such other documents reasonably necessary to effectuate the Closing,

14.2 Buyer shall deliver to Seller:

(a) The Purchase Price, in the form 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) Joint written instructions to be provided to Escrow Agent for the release of the Escrow Deposit;
- (e) A countersigned Settlement Statement;
- (f) Countersigned assignment and assumption documents for the assignment of the FCC Authorizations and Station Contracts to Buyer; and
- (g) Such other documents reasonably necessary to effectuate the Closing.

15. **Pro-rations.**

15.1 **Apportionment of Income and Expense.** Seller shall be entitled to all income received, payable or arising from pre-Closing Station operations, and shall be responsible for all expenses arising out of, the operation of the Station through the close of business on the Closing Date. All prepaid and deferred income and expenses relating to the Assets and arising from the operation of the Station shall be prorated between Buyer and Seller in accordance with generally accepted accounting principles as of 12:00 midnight on the Closing Date. Such prorations (the "Prorations") shall include without limitation:

- (a) A credit for Buyer for advance payments to Seller received from advertisers or programmers of the Station prior to the Closing Date for air time provided by Buyer after the Closing Date;
- (b) A credit for Seller for prepaid expenses and deposits made prior to the Closing Date (for example, rents or utilities paid in advance for a rental period extending beyond the Closing Date);
- (c) Personal property taxes and utility charges related to the Station or in respect of any of the Assets; and
- (e) Deposits and unearned prepayments received by Seller in connection with any Station Contract assumed by Buyer.

15.2 **Determination and Payment.** Prorations shall be made and paid, insofar as feasible, on the Closing Date 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. **Termination and Remedies.**

16.1 Termination. Subject to Section 16.3, this Agreement may be terminated prior to Closing as follows:

- (a) by mutual written consent of Buyer and Seller;
- (b) by written notice of Buyer to Seller if Seller breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period (defined below);
- (c) by written notice of Seller to Buyer if Buyer breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period; provided, however, that the Cure Period shall not apply to Buyer's obligation to make the Escrow Deposit when due or to pay the Cash Purchase Price at Closing;
- (d) by written notice of Seller to Buyer or Buyer to Seller if Closing does not occur by December 28, 2021.

16.2 **Opportunity to Cure.** Each party shall give the other party prompt written notice upon learning of any breach or default by the other party under this Agreement. The term "Cure Period" as used herein means a period commencing on the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) the Closing Date, or (ii) 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).

16.3 **Survival.** Except as provided by Section 16.5, 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. Notwithstanding anything contained herein to the contrary, Sections 4 (Escrow Deposit), 27 (Expenses) and 29 (Confidentiality) shall survive any termination of this Agreement. The Post-Closing Payment provision of Section 3 shall survive for five (5) years after Closing.

16.4 **Specific Performance.** In the event of failure or threatened failure by either party to comply with the terms of this Agreement, the other party shall be entitled to an injunction restraining such failure or threatened failure and, subject to obtaining any necessary FCC consent, to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement. Notwithstanding the foregoing, if prior to Closing the condition described in Section 16.1(c) exists, then Seller's sole remedy for Buyer's breach of this Agreement shall be termination of this Agreement and receipt of the liquidated damages amount pursuant to Section 16.5, except for any failure by Buyer to comply with its obligations related to the Escrow Deposit or Sections 13, 14, 28, and 29, as to which Seller shall be entitled to all available rights and remedies, including without limitation specific performance.

16.5 **Liquidated Damages.** If Seller terminates this Agreement pursuant to Section 16.1(c), then Buyer and Seller shall promptly deliver joint written instructions to the Escrow Agent directing the Escrow Agent to disburse the Escrow Deposit to Seller by wire transfer of immediately available funds. The parties acknowledge and agree that such payment shall

constitute liquidated damages and the sole remedy of Seller for a breach by Buyer of this Agreement, payment of such amount is not a penalty and the liquidated damages amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused by material breach or default under this Agreement, the difficulty of proof of loss and damages, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy and the value of the transactions to be consummated hereunder.

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 in the ordinary course of business using commercially reasonable efforts.

18. **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 delivery 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: Faith Broadcasting Network, Inc.
Attention: Legal Counsel
11717 Route 37
Marion, Illinois 62959
E-mail: mjd@tct.tv

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

Hardy, Carey, Chautin & Balkin, LLP
Attn: Joseph Chautin, Esq.
1080 Causeway Approach
Mandeville, Louisiana 70471
E-mail: jchautin@hardycarey.com

If to Seller: Western Pacific WACP, LLC
Attn: Matt Bray, CEO
400 North Ashley Drive, Suite 1750
Tampa, Florida 33602
E-mail: mbray@richlandinvest.com

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

Wilkinson Barker Knauer, LLP
Attn: David A. O'Connor
1800 M Street NW
Suite 800N
Washington, DC 20036

E-mail: doconnor@wbklaw.com

19. **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. No failure or delay in exercising any right hereunder shall be deemed or construed to be a waiver of such right, either prospectively or in the particular instance.

20. **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.

21. **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.

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

23. **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.

24. **Choice of Laws and Venue.** This Agreement is to be construed and governed by the laws of the State of New York (exclusive of those relating to conflicts of laws).

25. **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.

26. **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.

27. **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.

28. **Public Announcements.** Prior to Closing, no party hereto shall make or shall authorize any other person to make any public announcement relating to any aspect of the transactions described herein without having first consulted with the other party concerning the

requirement for, and timing and content of, such public announcement and having received their prior written consent thereto. Notwithstanding the foregoing, actions relative to obtaining approvals and like matters shall be permissible and Buyer may make reasonably necessary disclosures on a confidential basis necessary to obtain financing for purposes of carrying out the transactions described in this Agreement.

29. **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.

30. **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.

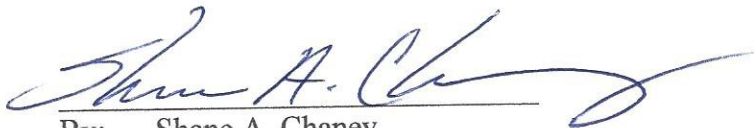
THE NEXT PAGE IS THE SIGNATURE PAGE

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:

Faith Broadcasting Network, Inc.

A handwritten signature in blue ink, appearing to read "Shane A. Chaney", is written over a horizontal line.

By: Shane A. Chaney

Title: Chief Financial Officer

Seller:

Western Pacific WACP, LLC

By:

Title:

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:

Faith Broadcasting Network, Inc.

By: Shane A. Chaney
Title: Chief Financial Officer

Seller:

Western Pacific WACP, LLC



By: **John C. Troutman**
Title: **Vice President**

Exhibits

- 1.1 FCC Authorizations
- 1.2 Tangible Personal Property
- 1.3 Station Contracts
- 4 Escrow Agreement
- 6.6 Litigation
- 6.11 MVPD Matters