



ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of 1/9/2021, 2020 by and between **Grace Community Church of Amarillo, Inc.** ("Seller"), and **South Central Christian Broadcasting Network, Inc.**, ("Buyer").

Recitals

A. Seller owns the following FM radio translator station (the "Station") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC"):

K284BH (FX), Amarillo, Texas (Facility ID 142022)

B. Buyer desires to acquire certain assets and rights used in the operation of the Station, and to secure an assignment of the license and other authorizations issued by the Federal Communications Commission ("FCC") for the operation of the Station, and Seller desires to sell, assign, transfer and convey the same to Buyer.

C. Subject to the terms and conditions set forth in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Station Assets (defined below).

Agreement

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

ARTICLE 1: PURCHASE OF ASSETS

1.1. Station Assets. On the terms and subject to the conditions hereof, at Closing (defined below), Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller in and to the following assets, properties, interests and rights of Seller which are used in the operation of the Station (the "Station Assets"), but excluding the Excluded Assets (defined below):

(a) all licenses, permits and other authorizations issued to Seller by the FCC with respect to the Station, including without limitation those described on *Schedule 1.1(a)* (the "FCC Licenses"), together with any renewals or modifications thereof between the date hereof and Closing and including the right to use the Station's call letters;

(b) all of Seller's equipment, transmitter, electrical devices, antennas, cables, and other tangible personal property which are used in the operation of the Station, a complete list of which is set forth on *Schedule 1.1(b)* (the "Tangible Personal Property");

(c) all of Seller's real property used in the operation of the Station listed on *Schedule 1.1(c)* (the "Real Property"); and

(d) all files, documents and records (or copies thereof) relating to the operation of the Station, but excluding records relating to Excluded Assets (defined below).

The Station Assets shall be transferred to Buyer free and clear of liens, claims and encumbrances ("Liens") except for the Assumed Obligations (defined below).

1.2. Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the following assets or any rights, title and interest therein (the "Excluded Assets"):

- (a) Seller's charter documents and such other books and records;
- (b) Any cash, certificates of deposit, cash equivalents, and marketable securities on hand and/or in banks and any prepaid assets; and
- (c) Accounts and notes receivable for services fully performed or provided by Seller prior to the Closing Date.

1.3. Assumed Obligations. At Closing, Buyer shall assume the obligations of Seller arising from and after the Closing Date (defined below) under the FCC Licenses and Real Property (the "Assumed Obligations"). Except for the Assumed Obligations, Buyer does not assume, and will not be deemed by execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, to have assumed, any other liabilities or obligations of Seller, whether or not disclosed to Buyer.

1.4. Purchase Price. The Purchase Price for the Station shall be **One Hundred Thirty Thousand Dollars (\$130,000.00)** (the "Purchase Price"). In lieu of cash consideration, the Buyer and its affiliate entity Russell Ministries, Inc., will assign KGVB (FM), Holliday, Texas (Facility ID 173112) ("KGVB") and K237EE, Childress, Texas (Facility ID 150495) ("K237EE") to Seller.

1.5. Intentionally Left Blank.

1.6. Prorations. Any deposits, reserves and prepaid and deferred income and expenses arising from the conduct of the business and operation of the Station Assets shall be prorated between Buyer and Seller in accordance with generally accepted accounting principles as of 11:59 p.m. on the day immediately preceding the day of Closing.

1.7. Closing.

(a) The consummation of the sale and purchase of the Station Assets pursuant to this Agreement (the "Closing") will take place within ten (10) business days after the date that the FCC Consent (defined below) either is initially granted, or at Buyer's option, becomes Final (defined below), in any case subject to the satisfaction or waiver of the conditions required to be satisfied or waived pursuant to Articles 5 or 6 below (other than those requiring the taking of action at the Closing). The date on which the Closing is to occur is referred to herein as the "Closing Date." Notwithstanding the forgoing, the parties agree and understand that this instant

transaction is closing is contingent upon the Seller closing upon its acquisition of KGVB and K237EE.

(b) For purposes of this Agreement, the term "Final" means that 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.

1.8. Assignment Application. Within seven (7) business days after the execution of this Agreement, Buyer and Seller shall file an application with the FCC requesting FCC consent to the assignment of the FCC Licenses from Seller to Buyer. Seller and Buyer shall make commercially reasonable efforts to obtain the FCC Consent. Each party shall promptly provide the other with a copy of any pleading, order or other document served on it relating to such application and shall furnish all information required by the FCC.

ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Buyer as follows:

2.1. Authority. Seller has the requisite power and authority to execute, deliver and perform this Agreement and the other agreements and instruments to be made by Seller pursuant hereto (collectively, the "Seller Ancillary Agreements") and to consummate the transactions contemplated hereby.

2.2. Legal and Binding Agreement. This Agreement is, and each Seller Ancillary Agreement when made by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except in each case 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).

2.3. No Conflicts. The execution, delivery and performance by Seller of this Agreement and the Seller Ancillary Agreements and the consummation by Seller of the transactions contemplated hereby does not conflict with any law, judgment, order, or decree to which Seller is subject or require the approval, consent, authorization or act of, or the making by Seller of any declaration, filing or registration with, any third party or any governmental authority, except the FCC Consent.

2.4. FCC Licenses. Seller is the holder of the FCC Licenses described on *Schedule 1.1(a)*. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending or, to Seller's knowledge, threatened any action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability). There is no order to show cause, notice of violation, notice of apparent liability or

notice of forfeiture or complaint pending or, to Seller's knowledge, threatened against Seller or the Station by or before the FCC. The Station is operating in compliance in all material respects with the FCC Licenses, the Communications Act of 1934, as amended (the "Communications Act") and the rules, regulations and policies of the FCC. The Station does not cause any interference to any other communications facility.

2.5. Personal Property. *Schedule 1.1(b)* contains a list of the Tangible Personal Property. Seller has title to the Tangible Personal Property free and clear of Liens. Each item of Tangible Personal Property is in operating condition and repair, is functioning in the manner and purposes for which it was intended, and has been maintained in accordance with industry standards.

2.6. Real Property. *Schedule 1.1(c)* includes a description of any lease or similar agreement under which Seller is lessee or licensee of, or holds, uses or operates, any real property in the business or operation of the Station ("Real Property Lease").

2.7. Station Assets. Except for the Excluded Assets, Seller has good and marketable title to the Station Assets, free and clear of Liens. Seller maintains sufficient insurance policies with respect to the Station and the Station Assets and will maintain such policies in full force and effect until Closing.

2.8. Environmental. No hazardous or toxic substance or waste (including without limitation petroleum products) or other material regulated under any applicable environmental, health or safety law has been generated, stored, transported or released on, in, from or to the Station Assets. Seller has complied and is in compliance with all environmental, health and safety laws applicable to the Station or the Station Assets.

2.9. Compliance with Law. Seller has complied and is in compliance with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any court or of any foreign, federal, state, municipal or other governmental authority which are applicable to the Station or the Station Assets. There is no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller in respect of the Station or the Station Assets. To Seller's knowledge, there are no claims or investigations pending or threatened against Seller in respect of the Station or the Station Assets.

2.10. No Finder. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller or any party acting on Seller's behalf.

ARTICLE 3: BUYER REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to Seller as follows:

3.1. Organization. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is qualified to do business in each jurisdiction in which the Station Assets are located (if such qualification is necessary). Buyer has the requisite power and authority to execute, deliver and perform this Agreement and the

other agreements and instruments to be executed and delivered by Buyer pursuant hereto (collectively, the "Buyer Ancillary Agreements") and to consummate the transactions contemplated hereby.

3.2. Authorization. The execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements by Buyer have been duly authorized and approved by all necessary action of Buyer and do not require any further authorization or consent of Buyer.

3.3. No Conflicts. The execution, delivery and performance by Buyer of this Agreement and the Buyer Ancillary Agreements and the consummation by Buyer of the transactions contemplated hereby does not conflict with any organizational documents of Buyer or any law, judgment, order or decree to which Buyer is subject, or require the approval, consent, authorization or act of, or the making by Buyer of any declaration, filing or registration with, any third party or any governmental authority, except the FCC Consent.

3.4. Qualification. Buyer is qualified to hold the FCC Licenses under the Communications Act and the rules, regulations and policies of the FCC as they exist on the date of this Agreement.

ARTICLE 4: COVENANTS

Buyer and Seller hereby further covenant and agree as follows:

4.1. Confidentiality. Subject to the requirements of applicable law, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement shall be confidential and shall not be disclosed to any other person or entity, except the parties' representatives and lenders for the purpose of consummating the transactions contemplated by this Agreement.

4.2. Control. Buyer shall not, directly or indirectly, control, supervise or direct the operation of the Station prior to Closing. Consistent with the Communications Act and the FCC rules and regulations, control, supervision and direction of all Station operations prior to Closing shall remain the responsibility of Seller as the holder of the FCC Licenses. The risk of loss of or damage to any of the Station Assets, and the risk of any interruption in the Station's normal broadcast transmission, shall remain with Seller at all times until 12:01 a.m. local time on the day of Closing, and prior to Closing Seller shall repair and replace any lost or damaged Station Assets and restore any interrupted transmission.

4.3. Seller Covenants. Between the date hereof and the Closing Date, Seller shall: (i) maintain the FCC Licenses in full force and effect, (ii) operate the Station in the ordinary course of business and in accordance with FCC rules and regulations and with all other applicable laws, (iii) file with the FCC all required reports with respect to the Station, (iv) promptly deliver to Buyer copies of any material reports, applications or written responses to the FCC related to the Station which are filed during such period, (v) keep all Tangible Personal Property and real property under the Real Property Lease in good operating condition (ordinary wear and tear excepted), (vi) remedy at its expense prior to Closing all interference (if any) the Station causes to any other communications facility, (vii) not modify any of the FCC Licenses except in

accordance with Section 1.9 or with the written consent of Buyer, (viii) not sell, lease or otherwise dispose of any Station Assets, (ix) not create, assume or permit to exist any Liens on the Station Assets and (x) not amend or terminate any of the Real Property Lease or enter into any contract, lease or agreement with respect to the Station that will be binding upon Buyer without Buyer's prior written consent (which may be withheld in Buyer's discretion).

4.4. Consents. Prior to Closing Seller shall obtain the Required Consents (defined below) and shall use commercially reasonable efforts to obtain any other consents noted on *Schedule 1.1(c)* hereto. Receipt of consent to assign to Buyer the Station's Real Property Lease is a condition precedent to Buyer's obligation to close under this Agreement (the "Required Consents").

ARTICLE 5: SELLER CLOSING CONDITIONS

The obligation of Seller to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Seller):

5.1. Bringdown. The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of Closing, Buyer shall have performed the obligations to be performed by it under this Agreement at or prior to Closing in all material respects, and Seller shall have received a certificate dated as of Closing from Buyer (executed by an authorized officer) to the effect that the conditions set forth in this section have been satisfied (the "Buyer Bringdown Certificate").

5.2. Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

5.3. FCC Consent. The FCC Consent shall have been granted.

5.4. KGVB and K237EE Closing. The closing by Seller upon KGVB and K237EE shall have taken place.

5.5. Deliveries. Buyer shall have made the deliveries to be made by it at Closing under this Agreement.

ARTICLE 6: BUYER CLOSING CONDITIONS

The obligation of Buyer to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Buyer):

6.1 Bringdown. The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of Closing, Seller shall have performed the obligations to be performed by it under this Agreement at or prior to Closing in all material respects, and Buyer shall have received a certificate dated as of Closing from Seller to the effect that the conditions set forth in this section have been satisfied (the "Seller Bringdown Certificate").

6.2 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

6.3 FCC Consent. The FCC Consent shall have been granted and, at Buyer's option shall have become Final.

6.4 Deliveries. Seller shall have made the deliveries to be made by it at Closing under this Agreement.

6.5. Required Consents. Seller shall have obtained the Required Consents.

ARTICLE 7: CLOSING DELIVERIES

7.1. Seller Documents. At Closing, Seller shall deliver to Buyer the Seller Bringdown Certificate, and such bills of sale, assignments and other instruments of conveyance, assignment and transfer as may be necessary to convey, transfer and assign the Station Assets to Buyer, free and clear of Liens, except for the Assumed Obligations.

7.2. Buyer Documents. At Closing, Buyer shall deliver to Seller the Buyer Bringdown Certificate and such documents and instruments of assumption as may be necessary to assume the Assumed Obligations, and pay the Purchase Price in accordance with Section 1.4 hereof.

ARTICLE 8: SURVIVAL; INDEMNIFICATION

8.1. Survival. The representations and warranties in this Agreement shall survive Closing for a period of one (1) year from the Closing Date at which time they shall expire and be of no further force or effect.

8.2. Indemnification.

(a) From and after Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or resulting from: (i) any breach or default by Seller under this Agreement; or (ii) the business or operation of the Station before Closing.

(b) From and after Closing, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or resulting from (i) any breach or default by Buyer under this Agreement; or (ii) the Assumed Obligations or the business or operation of the Station after Closing.

8.3. Procedures.

(a) The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties that is subject to indemnification hereunder (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's rights or the indemnifying party's obligations

except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced and provided that such notice is given within the time period described in Section 8.1.

(b) The indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel reasonably satisfactory to the parties. In the event that the indemnifying party does not undertake such defense or opposition in a timely manner, the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party's cost.

(c) Notwithstanding anything herein to the contrary:

(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.

ARTICLE 9: MISCELLANEOUS PROVISIONS

9.1. Termination. 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 does not perform the obligations to be performed by it under this Agreement on the Closing Date, or otherwise breaches in any material respect its representations or warranties or defaults in any material respect in the performance of its covenants or agreements herein contained and such breach or default is not cured within the Cure Period (defined below);

(c) by written notice of Seller to Buyer if Buyer does not perform the obligations to be performed by it under this Agreement on the Closing Date, or otherwise breaches in any material respect its representations or warranties or defaults in any material respect in the performance of its covenants or agreements herein contained and such breach or default is not cured within the Cure Period; or

(d) by either Buyer or Seller, by written notice to the other, if the Closing has not been consummated on or before the date twelve (12) months after the date of this Agreement.

The term "Cure Period" as used herein means a period commencing the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) fifteen (15) calendar days thereafter or (ii) the Closing Date. 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 4.1 (Confidentiality) and 9.7 (Expenses) shall survive any termination of this Agreement.

9.2. Further 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.

9.3. Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto, provided, however, that Buyer may assign its rights hereunder to an affiliate of Buyer upon written notice to, but without consent of, Seller. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement.

9.4. Amendments. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought.

9.5. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Texas.

9.6. Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, and shall be addressed as set forth on *Exhibit A* attached hereto (or to such other address as any party may request by written notice).

9.7. Expenses. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement, except that the FCC filing fees with respect to the application for FCC Consent shall be paid equally by Buyer and Seller.

9.8. Specific Performance. In the event of a breach or threatened breach by Seller of any representation, warranty, covenant or agreement under this Agreement, at Buyer's election, in addition to any other remedy available to it, Buyer shall be entitled to enforce of this Agreement by a decree of specific performance requiring Seller to fulfill its obligations under this Agreement.

9.9. Severability. If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be

construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.


9.10. Entire Agreement. This Agreement (including the Exhibit and Schedules hereto) constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings 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.

9.11. Counterparts. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

Exhibit A

Notice to Seller:

Grace Community Church of Amarillo, Inc.
4111 Plains Blvd.
Amarillo, TX 79106
Attn: 

Notice to Buyer:

South Central Christian Broadcasting Network, Inc.

PO Box 1343
Ada OK 74821
800.557.8815
R. Clint

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER:

South Central Christian Broadcasting Network, Inc.

By: Randall Christy, Pres.
Name:
Title:

SELLER:

Grace Community Church of Amarillo, Inc.

By: William Behan
Name: William Behan
Title: President RBG


Schedule 1.1(b)
Tangible Personal Property

① Armstrong 300 Transmitter.

RC
12/1

Schedule 1.1(a)
FCC Licenses

K284BH (FX), Amarillo, Texas (Facility ID 142022)

A handwritten signature in blue ink, appearing to be "R. J. H.", is located in the upper right corner of the page.