

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, dated as of June 10, 2009 (this "Agreement"), by and among EDGEWATER BROADCASTING, INC., an Idaho non-profit corporation ("EB"), and VSS CATHOLIC COMMUNICATION, INC., a Nebraska non-profit corporation ("VSS").

WITNESSETH:

WHEREAS, EB is the licensee of FM NCE full power station KBTk FM (FIN: 90676), Grand Island, Nebraska ("EB Station");

WHEREAS, on the terms and conditions described herein and subject to the approval of the Federal Communications Commission ("FCC"), VSS desires to acquire and EB desires to sell and assign certain assets and the FCC license associated with the EB Station.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

WHEREAS, EB is currently in the process of relocating its antenna from a level of 100 feet on its transmission tower to a level of 180 feet on said tower, and will complete this antenna relocation, including permitting and licensing for the antenna at the 180 foot height prior to closing.

1. Sale of Assets.

(a) EB Stations.

(i) On the Closing Date (as hereinafter defined), EB shall sell, assign and transfer to VSS, and VSS shall purchase, assume and receive from EB, the assets, properties, interests and rights of EB of whatsoever kind and nature, which are held by EB and used or useful in connection with the operation of the EB Station, including without limitation (the "EB Assets") (but excluding the Excluded Assets described in subparagraph (iv) below):

(A) All equipment and other tangible personal property used or useful in the conduct of the business or operations of the EB Station (the "EB Tangible Personal Property"), (together with such improvements and additions thereto and replacements thereof between the date hereof and the Closing Date), identified on Schedule 1 hereto;

(B) The license and other authorizations, including the authorizations issued by the FCC (the "EB Authorizations"), the Federal Aviation Administration (the "FAA"), if any, and any other federal, state or local governmental authorities to VSS in connection with the conduct of the business or operations of the EB Station identified on Schedule 2 hereto;

(C) All of EB's right, title and interest in and to any leasehold interests in real property (the "EB Station Lease") used or useful in the conduct of the operations of the EB Station KBTk FM, as identified on Schedule 3 hereto; and

(ii) The EB Assets shall be transferred to VSS free and clear of all Liens, except for taxes not yet due and payable ("Permitted Liens"). Except as expressly set forth herein, VSS is not agreeing to, and shall not, assume any liability, obligation, undertaking, expense or agreement of EB of any kind, absolute or contingent, known or unknown, specifically including, without limitation, any liability, obligation or agreement to retain any EB employee, or with respect to termination thereof, or any employee benefit or expense, and the execution and performance of this Agreement shall not render VSS liable for any such liability, obligation, undertaking, expense or agreement. All of such liabilities and obligations shall be referred to herein as the "EB Retained Liabilities."

(iii) The following assets and associated liabilities relating to the business of the EB Station shall be retained by EB and shall not be sold, assigned or transferred to VSS (the "EB Excluded Assets"):

(A) Cash on hand and in banks (or their equivalents) and accounts receivable arising out of the operation of the EB Station prior to Closing;

(B) All rights of EB under all contracts, leases (other than the leases described in Schedule 3) and agreements, including contracts of insurance and insurance proceeds of settlement and insurance claims made by EB;

(D) All deposits and all prepaid expenses and taxes; and

(E) EB's corporate records.

2. Purchase Price.

Upon the terms and subject to the conditions contained in this Agreement and in consideration of the sale of the EB License and Assets to VSS,

(a) Purchase Price. The Purchase Price for the FM NCE full power station KBTk FM (FIN: 90676) shall be One-Hundred Forty-Seven Thousand Five-Hundred Dollars (\$147,500.).

(b) Deposit. Concurrently with the execution hereof VSS shall pay to EB a deposit in the amount of Two Thousand Five-Hundred Dollars (\$2,500.) for the FM NCE full power station KBTk FM (FIN: 90676). Balance of One-Hundred Forty-Five Thousand Dollars (\$145,000.) shall be paid at close. In the



event the closing (as hereinafter defined) does not take place through no fault of VSS, then the \$2,500 deposit shall be returned to VSS.

- (c) The parties agree to prorate all expenses arising out of the operation of the FM broadcasting EB Station KBTK FM which is incurred, accrued or payable, as of 11:59 p.m. local time of the day preceding the Closing. The items to be prorated may include, but are not limited to, power and utilities charges, real and personal property taxes upon the basis of the most recent tax bills and information available, security deposits (to the extent any such deposit is assigned to the benefit of the other party hereunder), and similar prepaid and deferred items. On the Closing Date, the prorations shall, insofar as feasible, be determined and paid on the Closing Date.

3. **FCC Consent; Assignment Application.** At the earliest mutually agreeable date, but not later than five (5) business days after the date of this Agreement, VSS and EB shall execute, file and vigorously prosecute applications with the FCC (each an "Assignment Application," together the "Assignment Application") requesting its consent (the "FCC Consent") to the assignment from EB to VSS of the EB Station Authorization. VSS and EB shall take all reasonable steps to cooperate with each other and with the FCC to secure such FCC Consents without delay, and to promptly consummate this Agreement in full.

4. **Closing Date; Closing Place.** The closing (the "Closing") of the transactions contemplated by this Agreement shall occur on a date (the "Closing Date") which shall be no later than ten (10) days following the date on which all FCC Consents shall have become Final Orders (as hereinafter defined). For purposes of this Agreement, the term "Final Order" means action by the FCC consenting to an application which is not reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no timely request for stay, petition for rehearing or appeal is pending, and as to which the time for filing any such request, petition or appeal or reconsideration by the FCC on its own motion has expired. The Closing shall be held by mail or in such other manner as mutually agreed upon by the parties.

5. **Representations and Warranties of EB.** EB hereby jointly and severally make the following representations and warranties to VSS which shall be true as of the date hereof and on the Closing Date:

- (a) EB is a non-profit corporation duly organized, validly existing and in good standing under the laws of the State of Idaho. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by EB and no other proceedings on the part of EB is necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement and each ancillary document and instrument to be executed and delivered hereunder (the "Transaction Documents") has been and will be duly and validly executed and delivered by EB and constitutes and will constitute the legal, valid and binding agreement of EB 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.

(b) The execution, delivery and performance of this Agreement by EB will not (i) conflict with or result in any breach of any provision of the articles of incorporation or by-laws of each of EB, or (ii) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.

(c) Schedule 1 hereto contains a list of all material tangible personal property and assets owned or leased by EB for use in connection with the EB Station. EB owns and has, and will have on the Closing Date, good and marketable title to all such property. The assets listed in Schedule 1 hereto include all material tangible personal property necessary to conduct the business and operations of EB as now conducted (other than those assets which are Excluded Assets). The EB Tangible Personal Property (i) is in good condition and repair; ordinary wear and tear accepted, (ii) has been maintained in a manner consistent with standards of good engineering practice; (iii) has been operated in material compliance with the Communications Laws, and (iv) does not contain any material quantity of PCBs. For purposes of this Section, material Tangible Personal Property shall be items of such property valued at One Hundred Dollars (\$100) or more.

(d) Schedule 2 hereto contains a true and complete list of the EB Authorization and all other permits or other authorizations from governmental or regulatory authorities that are required for the lawful conduct of the business and operations of the EB Station. EB is the authorized legal holder of the respective EB Authorization identified on Schedule 2 hereto, none of which is subject to any restrictions or conditions that would limit in any respect the broadcast operations of the EB station, except such conditions as are stated on the face thereof and as identified on Schedule 2 hereto. EB is in the process of relocating its antenna to a height of 180 feet above ground at its present tower site and shall have secured the grant and issuance of the appropriate permits and licenses from the FCC authorizing the Station to operate with said facilities prior to Closing. The EB Authorizations are validly issued and are in full force and effect, unimpaired by any act or omission of EB. Other than the proceedings affecting the radio broadcasting industry generally, (i) there is not now pending or threatened any action by or before the FCC to revoke, cancel, rescind, modify or refuse to renew any of the EB Authorizations, and (ii) EB 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 EB Station or EB with respect to the EB Stations. EB has timely filed with the FCC all material reports required thereby and has timely paid any fines or forfeitures due to the FCC with respect to the EB Stations.

(e) Schedule 3 hereto contains a complete description of all EB real property leased by EB in connection with the EB Station ("EB Real Property"). EB has valid leasehold interest in the EB Station Lease described on Schedule 3, free and clear of all Liens, and no party is in material breach or default with respect thereto. There is full legal and practical access to the EB Real Property, and all utilities necessary for EB's use thereof are installed and are in good working order and are subject to valid easements, where necessary. Except as set forth in



Schedule 3, the buildings, towers, guys and other fixtures situated on the EB Real Property are free of structural defects, are suitable for their intended use, and are in a good state of maintenance and repair (ordinary wear and tear excepted).

(f) There is a broker or finder fee in connection with this Agreement and/or the transactions contemplated hereby as a result of this agreement, understanding or action by EB. EB agrees to pay Randall Christy, et al, Seven Thousand Five-Hundred Dollars (\$7,500.)

(g) There is no litigation, proceeding or governmental investigation pending or to the knowledge of EB, threatened, in any court, arbitration board, administrative agency, or tribunal against or relating to EB, or the EB Station that could prevent or materially impede the consummation by EB of the transactions contemplated by this Agreement.

(h) All of the EB Assets that are insurable in character are insured against loss, injury or damage to the full extent of their replacement value.

(i) No event has occurred which could impose on EB any liability for any taxes, penalties or interest due or to become due from EB from any taxing authority.

(j) No representation or warranty made by EB in this Agreement, and no statement made in any certificate, document, exhibit or schedule furnished or to be furnished in connection with the transactions herein contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to VSS.

6. **Representations and Warranties of VSS** VSS hereby makes the following representations and warranties to EB which shall be true as of the date hereof and on the Closing Date:

(a) VSS is a non-profit corporation, duly organized, validly existing and in good standing under the laws of the State of Nebraska. VSS has the requisite organizational power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by VSS and no other proceedings on the part of VSS are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. The Transaction Documents have been and will be duly and validly executed and delivered by VSS and constitutes and will constitute the legal, valid and binding obligation of VSS 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.

(b) The execution, delivery and performance of this Agreement by VSS will not require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.

(c) No representation or warranty made by VSS in this Agreement, and no



statement made in any certificate, document, exhibit or schedule furnished or to be furnished in connection with the transactions herein contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to EB.

7. **EB Covenants.** EB covenants with VSS that, between the date hereof and the Closing Date, it shall act in accordance with the following:

(a) EB shall operate the EB Station only in the ordinary course of business and in accordance with past practice, and EB will not, without the prior written consent of VSS, sell, lease, transfer or agree to sell, lease or transfer any of the EB Assets without replacement thereof with an equivalent asset of equivalent kind, condition and value that satisfies industry standards for such assets, or create any lien on the EB Assets.

(b) EB shall operate the EB Station in material compliance with applicable law, including the Communications Laws.

(c) EB shall maintain the EB Tangible Personal Property in accordance with standards of good engineering practice and replace any of such property which shall be worn out, lost, stolen or destroyed with like property of substantially equivalent kind and value.

(d) EB has and shall maintain in full force and effect through the Closing Date adequate property damage, liability and other insurance with respect to the EB Assets.

8. **Conditions Precedent to Obligation to Close.**

(a) The performance of the obligations of VSS hereunder is subject to the satisfaction of each of the following express conditions precedent:

(i) EB shall have performed and complied in all material respects with all of the agreements, obligations and covenants required by this Agreement to be performed or complied with by EB prior to or as of the Closing Date;

(ii) The representations and warranties of EB set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(iii) EB shall have secured the grant and issuance appropriate permits and licenses from the FCC to modify its existing license to permit the station to operate with an antenna height above ground of 180 feet with an effective radiated power of 1.5Kws.

(iv) The FCC Consents contemplated by this Agreement shall have become a Final Order;



(v) EB shall have obtained the necessary consent to assignment of the EB Station Lease from the landlord thereof, and shall have delivered to VSS on or before the Closing Date a Consent and Estoppels Agreement in customary form executed by such landlord;

(vi) No suit, action, claim or governmental proceeding shall be pending, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered, against any party hereto which: (A) would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; (B) questions the validity or legality of any transaction contemplated hereby; or (C) seeks to enjoin any transaction contemplated hereby; and

(vii) There shall not be any Liens on the EB Assets.

(b) The performance of the obligations of EB hereunder is subject to the satisfaction of each of the following express conditions precedent:

(i) VSS shall have performed and complied in all material respects with all the agreements, obligations and covenants required by this Agreement to be performed or complied with by VSS prior to or as of the Closing Date;

(ii) The representations and warranties of VSS set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

10. **Closing Deliveries.**

(a) At the Closing, EB will execute and deliver to VSS the following, each of which shall be in form and substance satisfactory to BBN and its counsel:

(i) A Bill of Sale in a form acceptable to VSS and other instruments of transfer and conveyance, dated the Closing Date, in form and substance so as to effectively and legally transfer and assign to VSS the EB Assets and effectively vest in VSS good and marketable title to the EB Assets;

(ii) An Assignment and Assumption of the EB Authorizations;

(iii) An Assignment and Assumption of the EB Station Lease;

(iv) Consents to assignment and an estoppel certificate from the landlord;

(v) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as VSS shall reasonably request, each in form and substance satisfactory to VSS and its counsel.



11. **Indemnification.**

(a) The several representations and warranties of EB and VSS contained in or made pursuant to this Agreement shall expire on the date that is one (1) year after the Closing Date. Each party agrees to indemnify the other for any post-closing breach of such representations, warranties and covenants.

12. **Termination.**

(a) This Agreement may be terminated by either VSS or EB, if the party seeking to terminate is not in default or breach of any of its material obligations under this Agreement, upon written notice to the other upon the occurrence of any of the following: (i) if, on or prior to the Closing Date, the other party breaches any of its material obligations contained herein, and such breach is not cured by the earlier of the Closing Date or thirty (30) days after receipt of the notice of breach from the non-breaching party; or (ii) if any of the Assignment Applications are designated for hearing or denied by Final Order; or (iii) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing of this Agreement; or (iv) if the Closing has not occurred within one year of the date the Assignment Applications are filed with the FCC.

13. **Programming Agreement.** Upon execution of this agreement and prior to Closing, VSS and EB shall, at the option of VSS, enter into a mutually agreeable Programming Agreement which shall provide VSS the right to program up to 168 hours per week of the programming on EB Station. Said Programming Agreement shall be modeled after similar agreements of this nature used in the broadcast industry and comply with all policies and rules of the FCC for such agreements.

14. **Specific Performance.** The parties acknowledge that the EB Station are unique assets not readily available on the open market and that in the event that EB, with respect to the EB Station, fails to perform its obligation to consummate the transaction contemplated hereby, irreparable harm may occur to the other party as to which money damages alone will not be adequate to compensate such party for its injury. The parties therefore agree and acknowledge that in the event of a failure by either VSS or EB to perform its obligation to convey the assets in connection with the consummation of the transaction contemplated hereby, the opposing party shall be entitled to specific performance of the terms of this Agreement.

15. **Notices.** All notices, elections and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery (or refusal thereof), or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):



If to EB, to:

Edgewater Broadcasting, Inc.
Attn: Steven Atkin
P.O. Box 5725
Twin Falls, Idaho 83303
Phone No. 208.733.3551
Email: steve@worldradiolink.com

If to VSS, to:

VSS Catholic Communications, Inc.
Attn: James M. Carroll
5829 N. 60th Street
Omaha, Nebraska 68104
Phone No. 402.699.9977
Email: jimc@kvss.com

With copies to:

J. Dominic Monahan
Luvaas Cobb
777 High Street, Ste. 300
Eugene, OR 97440
Phone No. 541.484.9200
Email: dmonahan@luvaascobb.com

16. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Nebraska, without giving effect to the choice of law principles thereof.

17. **Partial Invalidity.** Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any provision contained herein shall, for any reason, be held to be invalid or unenforceable, such provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remainder of such provision or any other provisions hereof, unless such a construction would be unreasonable.

18. **Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

19. **Expenses.** Except as otherwise set forth in this Section, each party hereto 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.



20. **Risk of Loss.** The risk of any loss, taking, condemnation, damage or destruction of or to any of the EB Assets related to the EB Station (each, an "*Event of Loss*") on or prior to the Closing Date shall be upon the party then owning such assets and the risk of any Event of Loss subsequent to the Closing Date shall be upon the party acquiring such assets.

21. **Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may voluntarily or involuntarily assign its interest or delegate its duties under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed.


22. **Entire Agreement.** This Agreement, and the Exhibits and Schedules attached hereto, supersede all prior agreements and understandings between the parties with respect to the subject matter hereof and may not be changed or terminated orally, and no attempted change, amendment, or waiver of any of the provisions hereof shall be binding unless in writing and signed by both parties.

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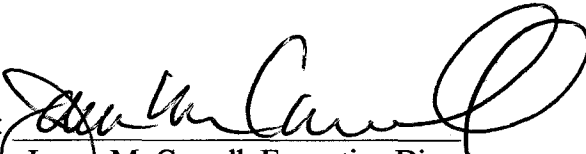
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IN WITNESS WHEREOF, the parties hereto have executed this Asset Exchange Agreement as of the day and year first above written.

EDGEWATER BROADCASTING, INC.

By: 
Clark Parrish, President

VSS CATHOLIC COMMUNICATIONS, INC.

By: 
James M. Carroll, Executive Director



Schedule 1

KBTK FM, (FIN: 90676), Grand Island, Nebraska

Equipment List

- 1) Armstrong 1300 Solid State Transmitter with a FM30B Exciter
- 2) Voriss VP8 Processor
- 3) DaySequerra M2A-FM Modulation Monitor
- 4) WIT Easi-8 Remote Control
- 5) Dasdec EAS - Digital Alert Systems
- 6) Tascam CD 01 Upro - CD player
- 7) Broadcast Tools - 4 Channel Switcher - 4.1 III
- 8) 1 - Furman Surge Strip
- 9) UPS for Small Equipment
- 10) Behringer MS16 Monitors
- 11) FMA 707 - 3 Bay Armstrong TX Antenna
- 12) 7/8" Andrew Coaxial with 7/8" EIA Connectors
- 13) Rigid 7/8" Inside Building
- 14) Rack with Rack Blanks
- 15) 1 - Linksys 16 Port Switch
- 16) 1 - Outside EAS Antenna (Inexpensive)
- 17) 2 - Rack Shelves
- 18) 1 - Linksys Router
- 19) File Folder with All Manuals and Warranty Cards
- 20) Box of Spare Parts
- 21) Extra Cables and Grounding Supplies



Schedule 2

EB Authorization

**Current FCC License
KBTK FM,
(FIN: 90676),
Grand Island, Nebraska
See FCC Database**

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Schedule 3

EB Station Lease

KBTK FM,
(FIN: 90676),
Grand Island, Nebraska

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