

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, dated as of September 20, 2010 (the Agreement), by and between Shadowlawn Association, Inc., (the Seller), and Family Christian Broadcasting Network, Inc. (the Buyer).

### WITNESSETH:

WHEREAS, Seller is the licensee of broadcast station WSRX (FM), Naples, Florida (FCC Facility ID No. 59831) (the Station); and

WHEREAS, on the terms and subject to the conditions described herein, including, but not limited to, the prior approval of the FCC to the assignment of the licenses issued by the FCC for the Station from Seller to Buyer, Seller desires to sell, and Buyer desires to purchase, the 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:

1. **Sale of Assets.**

(a) On the Closing Date (as hereinafter defined), Seller shall sell, assign and transfer to Buyer, and Buyer shall purchase, assume and receive from Seller, all of Seller's right, title, and interest in and to the following assets (the Assets) (but excluding the Excluded Assets described in subparagraph (c) below):

(i) All of the licenses, construction permits, applications and other authorizations (collectively, the Licenses), issued by or filed with the FCC and any other federal, state or local governmental authorities to Seller in connection with the conduct of the business and the full on-air operations of the Station including, without limitation, those set forth on Schedule 1 hereto;

(ii) The tangible personal property used in the operation of the Station as set forth on Schedule 2 hereto (the Tangible Personal Property);

(iii) All of the Seller's right, title and interest in and to the real property identified on Schedule 3 hereto (hereinafter collectively the Real Property);

(iv) All Such of Seller's rights in and to the contracts and agreements (the Assigned Contracts) identified in Schedule 4 hereto;

(v) All Such of Seller's rights in and to call sign WSRX (FM) and the other intangible assets used or held for use in the operation of the Station (the Intangible Assets) identified in Schedule 5 hereto;

(vi) All logs, books, files, data, software, FCC and other governmental applications, equipment manuals and warranties, and other records relating to the broadcast operations of the Station.

(b) The Assets shall be transferred to Buyer free and clear of all debts, security interests, mortgages, claims, and other liens, liabilities and encumbrances of every kind and nature (the Liens). Except as expressly set forth herein, Buyer is not agreeing to, and shall not, assume any liability, obligation, undertaking, expense or agreement of Seller of any kind. All of such liabilities and obligations shall be referred to herein as the Retained Liabilities. Buyer shall agree to assume obligations under the Assigned Contracts which accrue after the Closing (the Assumed Liabilities).

(c) The following assets and associated liabilities relating to the business of the Station shall be retained by Seller and shall not be sold, assigned or transferred to Buyer (the Excluded Assets):

(i) Cash on hand and in banks (or their equivalents), deposits, pre-paid expenses, and taxes arising out of the operation of the Station prior to Closing; and

(ii) Seller's financial and corporate records.

## 2. Purchase Price.

(a) Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale of the Assets, the Buyer shall pay to Seller the sum of **Two Million Dollars (\$2,000,000.00)** (the Purchase Price).

(b) The parties agree to prorate all expenses arising out of the operation of the Station which are 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, employee wages, payroll taxes, power and utilities charges, FCC regulatory fees, real and personal property taxes, security deposits (to the extent any such deposit is assigned to the benefit of Buyer 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, with final settlement and payment to be made within thirty (30) days after the Closing Date.

(c) The parties agree that all grant funds and "Sharathon" funds received after the date of closing or after Buyer assumes control of the Station shall be the property of the Buyer.

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, Buyer and Seller shall execute, file and prosecute an application with the FCC (the Assignment Application) requesting its consent to the assignment, from Seller to Buyer, of the Station's FCC Licenses (the FCC Consent). Buyer and Seller shall take all commercially reasonable steps to

cooperate with each other and with the FCC to secure such FCC Consent 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) fixed by Buyer which shall be the later of November 1, 2010, or five (5) business days after FCC approval. The Closing shall be held at such place as mutually agreed upon by the parties or by counterparts.

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

(a) Seller is a not-for profit corporation, duly organized, validly existing and in good standing under the laws of the State of Florida. Seller has all necessary 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 Seller and no other proceedings on the part of Seller are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Seller and 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.

(b) The execution, delivery and performance of this Agreement by Seller will not (i) conflict with or result in any breach of the articles of incorporation or by-laws of Seller; (ii) result in a default under or conflict with any of the terms, conditions or provisions of any agreement or other instrument or obligation binding upon Seller, except as to which requisite waivers or consents have been obtained and delivered to Buyer; (iii) violate any law, statute, rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency and 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 FCC Consent.

(c) **Schedule 2** hereto contains a list of all tangible personal property and assets owned or leased by Seller used in the operation of the Station that will be transferred to Buyer pursuant to this Agreement. Seller owns and has, or will have on the Closing Date, good and marketable title to all such property. To Seller's knowledge, the Tangible Personal Property (i) is in good working condition and repair as reasonably ascertained by Buyer's technical staff, ordinary wear and tear excepted; (ii) has been maintained in a manner consistent with standards of good engineering practice; and (iii) has been operated in material compliance with the Communications Laws (as defined below).

(d) (1) Schedule 3 hereto contains a list of all of Seller's interests, including ownership, licenses, leasehold interests, easements and rights in and agreements with respect to the Real Property.

(2) Seller has not received any notice of any appropriation, condemnation or like proceeding, or of any violation of any applicable zoning law, regulation or other law, order, regulation or requirement affecting the Real Property or the improvements thereon, or of the need for any material repair, remedy, construction, alteration or installation with respect to the Real Property or improvements thereon, or any material change in the means or methods of conducting operations thereon.

(3) Seller holds the Real Property in fee simple absolute free and clear of all Liens or other encumbrances of any nature whatsoever, Seller has delivered to Buyer a true and complete copy of its deed of title to the Real Property.

(4) All towers, guy anchors, and buildings and other improvements included in the Assets are located entirely on the Real Property. Seller has full legal and practical access to the Real Property, including to the towers located on the Real Property.

(e) Schedule 1 hereto contains a true and complete list of the FCC Licenses and all other licenses, permits or other authorizations from governmental or regulatory authorities that are required for the lawful conduct of the business and operations of the Station in the manner and to the full extent it is presently operated. Licensee is the authorized legal holder of the FCC Licenses identified on Schedule 1 hereto, none of which is subject to any restrictions or conditions that would limit in any respect the broadcast operations of the Station, except such conditions as are stated on the face thereof. The FCC Licenses are validly issued and are in full force and effect, unimpaired by any act or omission of Seller. Seller is in compliance in material compliance with all applicable federal, state and local laws, rules and regulations, including, without limitation, the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC (collectively, the Communications Laws). Other than proceedings affecting the radio broadcasting industry generally, and any proceeding identified on Schedule 1 hereto, (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 such FCC Licenses; and (ii) 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 either the Station or Seller with respect to the Station.

(f) Seller has, or will have on the Closing Date, valid and enforceable leasehold interests (if any) in and to the Real Property, free and clear of all liens, mortgages, pledges, covenants, easements, restrictions, encroachments, charges, and

other claims and encumbrances of any nature other than as set forth in the lease agreements granting such leasehold interests.

(g) Schedule 4 contains a list of all Assigned Contracts. Seller has delivered to Buyer copies of all contracts relating to Station operations. The Assigned Contracts constitute valid and binding obligations of Seller and, to the best of Seller's knowledge, are in full force and effect as of the date hereof.

(g) Schedule 5 contains a list of all Intangible Property used in the operation of the Station, including, without limitation, call signs, warranties or guaranties on equipment, licensing rights, and software licenses. Seller has delivered to Buyer copies of all documents, if any, establishing rights, licenses or other authority. There is not pending or, to the best of Seller's knowledge, threatened any proceeding or litigation affecting or with respect to the Intangible Property.

(h) Seller has duly, timely and in the required manner filed all federal, state, local and foreign income, franchise, sales, use, property, excise, payroll and other tax returns and forms required to be filed, and has paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies and losses required to be paid.

(i) No insolvency proceedings of any character, including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or any of the Assets, are pending or, to the best of 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.

(j) To Seller's knowledge, no hazardous or toxic substance or waste regulated under any applicable environmental health or safety law has been generated, stored, transported or released on, in, from or to the Real Property. To Seller's knowledge, Seller has complied in all material respects with all environmental, health and safety law applicable to the Station.

(k) The Station is insured to a commercially reasonable degree against loss, damage, or injury.

(l) Seller has not engaged the services of, and knows of, no broker, finder, or intermediary who has been involved in the transactions provided for in this Agreement or who might be entitled to a fee or commission upon the consummation of such transactions.

(m) Seller is not subject to any order, writ, injunction, judgment, arbitration decision or decree having binding effect and affecting the business of the Station or the Assets. To Seller's knowledge, there is no litigation, proceeding or governmental investigation pending or to the knowledge of Seller, threatened, in any court, arbitration

board, administrative agency, or tribunal against or relating to the Seller or the Station or that could affect any of the Assets or prevent or materially impede the consummation by Seller of the transactions contemplated by this Agreement. Seller, with respect to the Station, has complied in all material respects with all laws, regulations, orders or decrees applicable to Seller with respect to the Station.

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

(a) Buyer is a not-for profit corporation organized, validly existing and in good standing under the laws of the State of Florida, and has the requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted.

(b) Buyer has the 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 Buyer and no other proceedings on the part of Buyer are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Buyer and constitutes the legal, valid and binding agreement of Buyer 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.

(c) The execution, delivery and performance of this Agreement by Buyer will not (i) conflict with or result in any breach of the articles of incorporation or by-laws of Buyer; (ii) result in a default under or conflict with any of the terms, conditions or provisions of any agreement or other instrument or obligation binding upon Buyer, except as to which requisite waivers or consents have been obtained and delivered to Seller; (iii) violate any law, statute, rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency and which is applicable to Buyer; or (iv) require the consent or approval of any governmental authority or other third party other than the FCC Consent and Buyer's lenders' consent, which shall not be unreasonably withheld.

(d) Buyer has not engaged the services of, and knows of, no broker, finder, or intermediary who has been involved in the transactions provided for in this Agreement or who might be entitled to a fee or commission upon the consummation of such transactions

(e) Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Act of 1934, as amended

(the Communications Act) and the rules, regulations and policies of the FCC. To the best of Buyer's knowledge, there are no facts that would, under existing law and the existing rules, regulations, policies and procedures of the FCC, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Station. No waiver of any FCC rule or policy with respect to Buyer, its business or operations, is necessary for the FCC Consent to be obtained. Buyer either has or will have available on the Closing Date sufficient funds available to enable it to consummate the transactions contemplated hereby.

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

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

(a) Seller shall render accurate on and as of the Closing Date the representations and warranties made by it in this Agreement.

(b) Seller shall operate the Station only in the ordinary course of business and in accordance with past practice.

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

(d) Seller shall maintain the Tangible Personal Property included in the Assets 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.

(e) Seller shall maintain its existing insurance policies on the Station and the Station Assets.

(f) Seller shall comply in all respects with the Contracts to be Assigned.

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

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

(i) Buyer 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 Buyer prior to or as of the Closing Date;

(ii) The representations and warranties of Buyer 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) The FCC Consent shall have been given;

(iv) 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: (1) would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; (2) questions the validity or legality of any transaction contemplated hereby; or (3) seeks to enjoin any transaction contemplated hereby; and

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

(i) Seller 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 Seller prior to or as of the Closing Date;

(ii) The representations and warranties of Seller 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) The FCC Consent shall have been given;

(iv) 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 which: (1) would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; (2) questions the validity or legality of any transaction contemplated hereby; or (3) seeks to enjoin any transaction contemplated hereby;

10. **Closing Deliveries.**

(a) At the Closing, Seller will execute and deliver to Buyer the following:

(i) A Bill of Sale;

(ii) An Assignment of FCC Licenses;



(iii) An Assignment and Assumption of the Assigned Contracts, including any Real Property leases (if any);

(iv) Documents in the customary form and with the customary warranty deed in the State of Florida transferring title to the Real Property (if any) in fee simple absolute to Buyer;

(v) A certificate of officer of Seller, certifying the fulfillment representations and warranties; and

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

(b) Prior to or at the Closing, Buyer will execute and deliver to Seller the following, each of which shall be in form and substance satisfactory to Seller and its counsel:

(i) The Purchase Price;

(ii) An Assignment of FCC Licenses;

(iii) An Assignment and Assumption of the Assigned Contracts;

(iv) A certificate of officer of Buyer, certifying the fulfillment representations and warranties; and

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

#### 11. **Indemnification.**

(a) Following the Closing, Seller shall indemnify, defend and hold harmless Buyer with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including, without limitation, interest, penalties, court costs and reasonable attorneys' fees) (the "Damages") asserted against, resulting from, imposed upon or incurred by Buyer directly or indirectly relating to or arising out of: (i) the breach by Seller of any of its representations or warranties, or failure by Seller to perform any of its covenants, conditions or agreements set forth in this Agreement; (ii) any and all claims, liabilities

and obligations of any nature, absolute or contingent, relating to Seller's ownership of the Station prior to the Closing; and (iii) the Retained Liabilities and Excluded Assets.

(b) Following the Closing, Buyer shall indemnify, defend and hold harmless Seller with respect to any and all Damages asserted against, resulting from, imposed upon or incurred by Seller directly or indirectly relating to or arising out of: (i) the breach by Buyer of any of its representations, warranties, or failure by Buyer to perform any of its covenants, conditions or agreements set forth in this Agreement; (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership of the Station subsequent to the Closing, except with respect to Retained Liabilities and Excluded Assets; and (iii) the Assigned Liabilities.

(c) The several representations and warranties of Seller and Buyer contained in or made pursuant to this Agreement shall be deemed to have been made on the date of this Agreement and on the Closing Date, shall survive the Closing Date for a period of one (1) year following the Closing Date.

12. **Termination.**

(a) This Agreement may be terminated by either Buyer or Seller, 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 the Assignment Application is denied by the initial FCC grant; 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 execution date of this Agreement.

13. **Remedies. Specific Performance.** The parties recognize that remedy by both shall be specific performance of the terms of this Agreement in lieu of, and not in lieu of and not in addition to, any other remedies, including, but not limited to, monetary damages, that may be available to it. If any action is brought by the either party to enforce this Agreement, the winning party shall be entitled to reimbursement by the other of reasonable legal fees and expenses incurred.

14. **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):

(a) If to Seller:

Shadowlawn Association, Inc.  
c/o Praise Enterprise-Naples, LLC  
Attn: J.D. Mallory, President  
3805 The Lord's Way  
Naples, FL 34114

(b) If to Buyer:

Family Christian Broadcasting Network, Inc.  
Attn: Fred W. Mundie, Jr., Esq.  
993 N. Collier Blvd.  
Marco Island, FL 34145

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

16. **Expenses.** Each party shall pay its own expenses.

17. **Risk of Loss.** The risk of any loss, taking, condemnation, damage or destruction of or to any of the Assets or the Station (each, an "Event of Loss") on or prior to the Closing Date shall be upon Seller and the risk of any Event of Loss subsequent to the Closing Date shall be upon Buyer.

18. **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 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.

19. **Entire Agreement.** This Agreement, and the exhibits 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 amendment or waiver of any of the provisions hereof shall be binding unless in writing and signed by both parties.

20. **Control of Station.** Between the date of this Agreement and the Closing, Buyer shall not, directly or indirectly, control, supervise or direct the operations of the Station. Such operations shall be the sole responsibility of Seller.

21. **Confidentiality.** Buyer and Seller shall each keep confidential all information obtained by it with respect to the other in connection with this Agreement, and if the transactions contemplated hereby are not consummated for any reason, each shall return to the other, without retaining a copy thereof, any schedules, documents or other written information, including all

financial information, obtained from the other in connection with this Agreement and the transactions contemplated hereby, except where such information is known or available through other lawful sources or where such party is advised by counsel that its disclosure is required in accordance with applicable law.

22. **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.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]  
[SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT]

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

SELLER:

Shadowlawn Association, Inc.

By: 

J.D. Mallory, President

BUYER:

Family Christian Broadcasting Network,  
Inc.

By: 

Timothy Neptune,

President

**SCHEDULE 1**

**FCC LICENSES**

**SCHEDULE 2**

**TANGIBLE PERSONAL PROPERTY**

See list attached hereto.

**SCHEDULE 3**

**REAL PROPERTY**

**SCHEDULE 4**

**ASSIGNED CONTRACTS**



**SCHEDULE 5**

**INTANGIBLE ASSETS**