

738-3482 - Keith Reising

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Agreement") is entered into by and among Good Samaritan Educational Radio, Inc., an Indiana corporation (the "Seller"), and Spirit Educational Radio, Inc., an Indiana corporation ("Buyer"), on this ___ day of November, 2004.

Recitals

Seller currently holds a valid construction permit issued by the Federal Communications Commission ("FCC") for FM Broadcast Station WXVW, authorized to Oolitic, Indiana (the "Station");

Buyer, subject to prior approval by the FCC, wishes to acquire the Station and construction permit from the Seller, and Seller wishes to sell the Station to Buyer and assign the construction permit to Buyer.

Wherefore, the Parties, in consideration of the mutual agreements below and intending to be bound, agree as follows:

1. Closing. Consummation of the transactions contemplated by this Agreement (the "Closing") shall take place at a location to be agreed upon by the parties within ten business days of the time that the FCC action approving the proposed assignment of the construction permit becomes a Final Order, no longer subject to administrative or judicial appeal ("Final Order"), or, at the option of Buyer, after the initial issuance of the authorization approving the proposed assignment of the construction permit.

2. Sale of Assets. Seller agrees, subject to prior approval of the FCC, to assign all of its rights, title and interests, free and clear of all liens or other encumbrances, in all of the tangible, intangible, real, personal, or mixed assets of Seller used and useful in the operation of the Station and in the construction permit and other authorizations issued by the FCC for operation of the

Station (the "Assets"), as set forth in the inventory attached hereto as Schedule 1. The Assets shall also include the Station's access road, transmitter site land, and a 200-foot PyRod erected tower, as set forth in Schedule 1, provided, however, that all checking accounts of Seller and other bank accounts controlled by Seller shall not be included in the Assets.

3. Consideration for Assets. Buyer shall pay to Seller at Closing, in cash, check or wire transfer the sum of Forty Five Thousand Dollars (\$45,000).

4. Allocation. The parties hereto shall report the transactions contemplated by this Agreement for federal and state tax purposes in the following manner:

See Schedule 2

and agree to consistently report such allocations for all federal, state and local income tax purposes, and to timely file all reports required by the Internal Revenue Code concerning the purchase price allocation.

5. FCC Applications. The Parties agree to cooperate in the preparation and filing of an application requesting FCC approval of the sale contemplated herein (the "FCC Application") within ten (10) business days after this Agreement is executed by the last-signing party. Seller and Buyer agree to co-operate in the expeditious prosecution of the FCC Application and promptly to prepare and provide to the FCC all amendments, further information, or documents as may be required or requested by the FCC or as may be appropriate in an effort to expedite the approval by the FCC of the FCC Application; provided, however, that in the event the FCC Application has been designated for hearing, either Buyer or Seller may elect to terminate this Agreement, and provided further, that neither party shall be required to file or prosecute any

petition for reconsideration or judicial review of denial of the FCC Application. Seller and Buyer each will be responsible for its own legal fees and expenses.

6. Seller's Representations and Warranties.

A. Seller warrants that it is a corporation duly organized and validly existing under the laws of the state of Indiana as set forth above, and that Seller has full power and authority to enter into this Agreement and to perform the transactions contemplated herein. This Agreement has been duly approved by the Seller, including by the Board Members of Seller, and this Agreement constitutes the Seller's valid and binding obligation enforceable in accordance with its terms.

B. Seller warrants that it holds the construction permit for the Station issued by the FCC, that that is in full force and effect and unimpaired by any acts or omissions of Seller, its employees or agents, and that Seller knows of no outstanding proceeding, inquiry or investigation, or other factors, that could result in revocation or modification of the construction permit or the imposition by the FCC of any fine, forfeiture or other penalty. Seller has filed in a timely manner all reports and other documents required by the FCC to be filed, and it has paid all regulatory fees, if any, when due.

C. Seller is not insolvent. Upon and immediately after giving effect to consummation of the transactions contemplated by this Agreement, Seller will (i) be solvent, (ii) be able to pay its debts as they mature, (iii) have sufficient capital to carry on its business and any business in which it is about to engage, and (iv) have assets the present fair salable value of which is greater than the amount of its fixed and contingent liabilities.

D. Seller has timely filed all federal, state, county, local, and other excise, franchise, property, severance, payroll, income, capital stock, sales and use, and other tax returns for all fiscal years ended on or before the end of its most recently completed fiscal year, and for any periods thereafter for which returns are due, and all such returns are true and correct in all respects. Seller has timely paid all taxes which have become due or have been assessed against it. Seller has made all withholding payments of tax required to be made under all tax laws. All tax liabilities to which the properties of Seller may have been subjected have been discharged, except for taxes assessed but not yet payable.

E. Seller is not in default under, breach or violation of any lease, license, permit, or other agreement or instrument to which Seller is a party, to which the Assets are subject or which constitutes part of the Assets, as defined herein.

F. The Assets are subject to no lien or other encumbrance, except as disclosed in Schedule 3. Seller has good and marketable title to all of the Assets, and upon Closing, Buyer will acquire good and marketable title to all of the Assets, free and clear of all liens and other encumbrances.

G. The Assets are in good operating condition and repair, subject only to ordinary wear and tear.

H. Environmental Matters

1. During Seller's ownership, lease or use of property owned, leased, or used by it (the "Property"), (a) the Property is not being and has not been used for the storage, treatment, generation, transportation, processing, handling, burial or disposal of any hazardous substance in violation of any laws; (b) no release of a hazardous substance has occurred on or

about the Property in quantities which individually or in the aggregate would require reporting to any governmental authority; (c) no underground storage tanks are or have been located on the Property; (d) there are not and have not been any hazardous substances in concentrations which exceed amounts permitted by applicable laws on the Property; (e) all environmental permits and authorizations necessary to the continued use of the Property and the operation of the facilities located thereon have been obtained, are being complied with, and all fees and assessments in association therewith have been timely paid; (f) the property is not being and has not been used as a site for burial of sanitary waste or other non-hazardous waste; (g) the off-site transportation, storage, treatment, recycling, or disposal of hazardous substances and non-hazardous substances existing on, generated on, or removed from the Property have been and are in compliance with applicable laws; (h) no Environmental Event has occurred with respect to the Property, and (i) there are no capital improvements requiring any expenditures by Seller in order to comply with any current environmental laws. To Seller's best knowledge, each of clauses (a) through (i) of the immediately preceding sentence is true with respect to the Property during periods other than when it was owned, leased, or used by Seller, and with respect to properties adjacent to the Property.

2. For purpose of this paragraph, "hazardous substance" means, without limitation, (a) any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulations, polychlorinated biphenyls, benzene, petroleum and petroleum products, methane, or (b) hazardous materials, hazardous wastes, biomedical wastes, hazardous or toxic substances or related materials defined as such in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601 *et*

seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901 *et seq.*), or any other environmental laws.

3. For purposes of this paragraph, "Environmental Event" means and includes, without limitation, the spill, discharge, leakage, pumpage, drainage, pourage, interment, emission, emptying, injecting, escaping, dumping, disposing, migration or other release of any kind of contaminant or substance in any form in quantities which may cause a threat or actual injury to human health, the environment, or plant or animal life. "Environmental Event" shall include any claim, remedial and/or abatement or removal response, remedial investigations, feasibility studies, environmental studies, notice of violation, notice of deficiency, administrative proceeding, enforcement proceeding, consent or compliance order arising out of an Environmental Event. An Environmental Event exists regardless of whether the conduct was intended or unintended, or legal or illegal at the time the conduct was committed or thereafter.

I. There are no third party consents required for performance of Seller's obligations pursuant to this Agreement, except FCC consent.

7. Buyer's Representations and Warranties.

A. Buyer warrants that it is a corporation duly organized and validly existing under the laws of the State of Indiana, and has full power and authority to enter into this Agreement and perform the transactions contemplated herein. This Agreement has been duly approved by the Buyer's Board Member and constitutes its valid and binding obligation enforceable in accordance with its terms.

B. Buyer has no knowledge after due inquiry of any facts concerning Buyer or any other person with an "attributable interest" in Buyer (as such term is defined under FCC Rules) which,

under present law (including the Communications Act of 1934, as amended) and FCC Rules would (i) disqualify Buyer from owning the Station upon consummation of the transactions contemplated by this Agreement, or (ii) raise a substantial and material question of fact (within the meaning of Section 309(a) of the Communications Act) respecting Buyer's qualifications.

8. Inspection. Buyer and its Board Member, attorneys, accountants, and authorized representatives shall continue to have the right, during normal business hours, to inspect Seller's assets, properties, books and records, and to consult with Seller's officers, Board Member, employees, suppliers, customers, creditors, agents, attorneys, and accountants concerning Seller's assets, properties, ownership and operation, as long as such access is not unreasonably disruptive to Seller. Buyer agrees to maintain all information it learns from such inspections in confidence and will not disclose such information except to its officers, Board Member, employees, attorneys, accountants, creditors, prospective lenders and their attorneys, and other authorized representatives unless such information is or becomes public knowledge through no fault of Buyer.

9. Seller's Obligations Pending Closing.

A. Seller's Operations. Seller shall not take or fail to take any action which would cause or permit any representation or warranty of Seller contained in this Agreement to be untrue, inaccurate, or incomplete as of the Closing. Seller shall continue to hold the construction permit in accordance with the Communications Act, FCC Rules, and all other applicable laws. Seller shall maintain insurance on all of its properties of such kinds and in such amounts as is customary in the type of business in which it is engaged, but not less than the greatest amount carried by it at any time since January 1, 2003. Seller shall not enter into any new contracts or

any new agreements for services with a term extending, or which might reasonably be expected to extend, past the date of Closing without the prior written consent of Buyer.

B. Real Property Survey and Title Insurance. Within thirty (30) days of the execution of this Agreement, Seller shall provide to Buyer a survey of all real property included in the Assets, together with a commitment to provide title insurance from a reputable title insurance company.

A title insurance policy in sufficient amount to cover the value of the real property as agreed upon by the parties pursuant to the allocation of assets as described in this Agreement shall be delivered to Buyer at Closing.

Para 9B may be amended. KR - 01-21-05

10. Conditions Precedent to Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction of the following conditions, or to the waiver thereof by Buyer at or before Closing:

A. Satisfactory Engineering, Financial and Environmental Report. Buyer may, at its sole expense, within forty-five (45) days after the execution of this Agreement, conduct a Phase One Environmental Inspection. Buyer shall have a period of sixty (60) days after the date of the execution of this Agreement in which to determine whether the report on the Phase One Environmental inspection is satisfactory and to notify Seller of its determination. In the event that the Phase One Environmental inspection report is not satisfactory to Buyer, notwithstanding any other termination provisions contained in this Agreement, Buyer may terminate this Agreement without any further obligation to perform pursuant to the terms hereof. Provided, however, that Buyer shall provide Seller with a period of thirty (30) days in which to cure any deficiencies found to the reasonable satisfaction of Buyer. If such deficiencies are not cured within the thirty (30) day period, Buyer may terminate this Agreement without any further

obligation to perform pursuant to the terms of this Agreement. Should Buyer fail to notify Seller that it is dissatisfied with the Phase One Environmental inspection report within sixty (60) days of the date of the execution of this Agreement, Buyer shall be deemed to have found the report satisfactory;

B. Notices and Consents. Any notices, approvals, or consents required to be obtained by Seller in order to consummate the transactions contemplated by this Agreement, including the FCC consent to the assignment of the construction permit shall have been obtained, and the FCC consent to the assignment of the construction permit shall have become a Final Order; provided, however, that the requirement that the FCC consent shall have become a Final Order may be waived by Buyer in its sole discretion;

C. License Assignment. Seller shall deliver to Buyer assignment of construction permit in form and substance satisfactory to Buyer;

D. Title Insurance Policy. Seller shall deliver to Buyer a title insurance policy in sufficient amount to cover the value of the real property as agreed upon by the parties pursuant to the allocation of assets as described in this Agreement;

E. Satisfaction of Encumbrances. With respect to any liens or encumbrances against the Assets, Seller shall have caused (i) the indebtedness or liabilities underlying such encumbrances to have been paid or otherwise satisfied in full, (ii) the encumbrances to have been released of record or Buyer shall have received originally executed releases thereof in recordable form acceptable to Buyer, and (iii) good and marketable title to the Assets free and clear of all encumbrances to be tendered to Buyer;

F. Conveyances. Seller shall have executed and delivered to Buyer such deeds, bills of sale, endorsements, assignments and other instruments of conveyance and transfer as may be necessary to vest in Buyer good and marketable title to Seller's Assets;

G. Resolutions. Seller shall have delivered to Buyer copies of resolutions, certified as of the date of Closing by the President and Secretary of Seller, as duly adopted by its Board Members approving this Agreement and consummation of the transactions contemplated hereby, including the sale to Buyer of substantially all of Seller's Assets relating to the Station, and approving and authorizing Seller's execution and delivery of, and performance of its obligations under, this Agreement;

H. Other. All other items required to be delivered hereunder or as may be reasonably requested by Buyer to facilitate Closing, and shall have been delivered to Buyer in form and substance reasonably satisfactory to Buyer.

11. Conditions Precedent to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction of the following conditions, or to the waiver thereof by Seller at or before Closing:

A. Resolutions. Buyer shall have delivered to Seller copies of resolutions, as duly adopted by its Board Member approving this Agreement, and consummation of the transactions contemplated hereby, and approving and authorizing Buyer's execution and delivery of, and performance of its obligations under, this Agreement; and

B. Required Consents. Any approvals required under any laws, including FCC Rules, to be obtained by Buyer in order to legally consummate the transactions contemplated by this

Agreement, including FCC consent to the proposed assignment of construction permit, shall have been obtained.

C. Tender of Purchase Price. At Closing, Buyer shall have tendered to Seller the purchase price specified in Paragraph 3.

D. Other. All other items required to be delivered hereunder or as may be reasonably requested by Seller to facilitate Closing, and shall have been delivered to Seller in form and substance reasonably satisfactory to Seller:

12. Termination. This Agreement may be terminated and the transactions contemplated hereby abandoned:

A. By mutual consent of Buyer and Seller, at any time before Closing;

B. By Buyer, on the one hand, or Seller on the other hand, if the terminating party is not in material breach of any of its obligations hereunder, including the terminating party's satisfaction of demonstrable ability to satisfy at Closing or waiver by the non-terminating party of conditions within the terminating party's control to satisfy, in Paragraph 10 if Seller is the terminating party, or in Paragraph 11 if Buyer is the terminating party, and the transactions contemplated by this Agreement have not been consummated at Closing.

C. By Buyer or Seller if the FCC has not granted its consent to the proposed assignment of license by July 1, 2005.

13. Effect of Termination. In the event of the termination and abandonment of this Agreement pursuant to the immediately foregoing paragraph, this Agreement shall become void and have no effect, without liability on the part of any party, except as otherwise provided in this Agreement. Seller and Buyer also acknowledge that the subject matter of this transaction is

unique and that at Buyer's option, the Buyer shall have a right to seek specific performance of the terms of this Agreement.

14. Waiver. Except for the obligation to obtain FCC consent to the proposed assignment of construction permit, and subject to the requirements of any applicable law, any of the terms or conditions of this Agreement may be waived in writing at any time by the party which is entitled to the benefit thereof. The failure of any party at any time or times to require the performance of any provision hereof shall in no manner affect the right to enforce the same. No waiver by any party of any condition, or of the breach of any provision of this Agreement in one or more instances shall be deemed or construed as a further or continuing waiver of any such condition or breach or a waiver of any other condition or the breach of any other provision.

15. Press Releases. Aside from the public notice required by the terms of the FCC's Rules and containing only such information as required by the FCC's Rules, no press release, publicity, or public statement shall be made by Buyer without the prior approval of Seller, which approval shall not be unreasonably withheld.

16. Survival. All representations and warranties contained in this Agreement shall survive Closing, and all covenants and agreements contained in this Agreement shall survive Closing in accordance with their terms.

17. Assignment of Agreement. Neither Seller nor Buyer shall have the right to assign its rights under this Agreement without the prior written consent of the other party, which shall not be unreasonably withheld; provided, however, they each shall remain liable for performance of the terms herein; and provided further, that Buyer may assign its rights under this Agreement to an entity to be controlled by David C. Kelster and/or his immediate family members without

Seller's consent, provided all the terms and conditions herein are assumed in writing by such Assignee(s), with a copy of such assumption delivered to Seller.

18. Successors and Assigns. This Agreement shall bind, inure to the benefit of, and be enforceable by the parties hereto and their respective successors and permitted assigns.

19. Entire Agreement. This Agreement represents the entire agreement and understanding by the Parties and may be amended only by an instrument in writing executed by both Parties.

20. Governing Law. The construction and performance of this Agreement will be governed by the Internal laws of the State of Indiana, without reference to conflicts of laws provisions.

21. Notice. Any notice, demand or request required or permitted under the terms of this Agreement shall be in writing and shall be considered duly delivered and received on the date of personal delivery or on the date set forth on a return receipt, to the following addressees, or as later modified in writing:

As to the Seller:

Mr. Keith Reising
Good Samaritan Educational Radio, Inc.
1680 Highway 62 NE
Corydon, Indiana 47112

As to the Buyer:

Mr. David C. Keister
President
Sprit Educational Radio, Inc.
P.O. Box 1970
60 North Wayne Street
Martinsville, Indiana 46151

with a copy, which shall not constitute notice, to:

Frank R. Jazzo, Esquire
Fletcher, Heald & Hildreth, P.L.C.
1300 N. 17th Street
Eleventh Floor
Arlington, Virginia 22209

22. ~~Counterpart Signatures.~~ This Agreement may be signed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same document

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, effective as of the date first written hereinabove.

SELLER:

GOOD SAMARITAN EDUCATIONAL RADIO, INC.

Date: Jan. 21-2005

By: Keith Reising
Keith Reising, Board Member

SPIRIT EDUCATIONAL RADIO, INC.

Date: 1-26-05

By: David C. Keister
David C. Keister, Chairman

Schedule 1

Inventory of Assets

1. Access Road (see attached legal description)
2. Transmitter site land (see attached legal description)
3. One (1) PyRöd 200-foot erected tower

Schedule 2

Asset Allocation

Schedule 3

Liens and Encumbrances