

## **ASSET PURCHASE AGREEMENT**

THIS ASSET PURCHASE AGREEMENT (this "Agreement"), made this 17th day of August, 2010, by and between Horizon Christian Fellowship, a California not-for-profit corporation ("Seller"), and Pines Broadcasting, Inc., an Arkansas corporation ("Buyer").

### **W I T N E S S E T H:**

WHEREAS, Seller is the holder of a license issued by the Federal Communications Commission ("FCC" or "Commission") for FM translator station[s] (hereinafter referred to as "Station"):

K223BM, Warren AR (FCC Fac. ID No. 150849;

WHEREAS, Seller desires to sell Station and related assets to Buyer, under the terms and conditions stated herein;

WHEREAS, Buyer desires to purchase Station and related assets, under the terms and conditions stated herein; and

WHEREAS, consummation of this Agreement is subject to the prior approval of the FCC.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, it is hereby agreed as follows:

1. Subject to the prior approval of the FCC, which shall be obtained by its grant of the Assignment Application (defined below), Seller agrees to sell, transfer, assign, convey, and deliver to Buyer, and Buyer agrees to purchase: (a) the FCC authorizations for the Station (the "FCC License"), (b) transmission equipment and related items of tangible personal property owned by Seller and used or useful in the operation of Station, including the equipment listed in

Exhibit A (the “Equipment”); (c) all goodwill and rights which Seller has in the frequency and call letters of Station (the “Intangibles”). All assets to be conveyed shall be free and clear of any security interests, mortgages, or other encumbrances. Any Equipment listed in Exhibit A not located at tower site shall be shipped to a location agreeable to Buyer and Seller at the Seller’s expense at or before the Closing as defined below.

2. In consideration for the assets to be conveyed by Seller to Buyer, Buyer shall pay to Seller the total sum of Six Thousand Dollars (\$6,000.00) (the “Purchase Price”), which shall be paid as follows:

a. Upon execution of this Agreement, Buyer shall pay [10% of the Purchase Price]Six Hundred Dollars (\$600.00) to Seller, by wire transfer, which shall constitute the Down Payment.

b. Buyer shall pay to Seller at Closing, by wire transfer, the additional sum of Five Thousand Four Hundred Dollars (\$5,400.00);

c. In the event the transaction does not close due to an uncured breach by Buyer, Seller shall retain the Down Payment as liquidated damages, which shall serve as Seller’s sole remedy.

d. In the event the transaction does not close due to an uncured breach by Seller or due to the fault of neither Seller nor Buyer, Seller shall promptly return the Down Payment to Buyer. Buyer shall be entitled to specific performance as its sole remedy for an uncured breach by Seller.

4. Seller hereby warrants and covenants that: (a) Seller holds a valid authorization from the FCC to operate Station, that there are no outstanding unsatisfied FCC citations or cease and desist orders against Station, and that any such FCC citations or orders subsequently issued

shall be satisfied prior to closing; (b) Seller is aware of no ongoing investigation of Seller or the Station by the FCC or by any other federal or state governmental agency, or of any conditions at the Station which are in violation of any FCC Rule or policy; (c) Seller is aware of no litigation, proceeding, or investigation whatsoever, pending or threatened, against or relating to Seller, its business, or the property to be transferred hereunder and that it knows of no reason why the FCC would not find it qualified to assign its license; (d) as of the Closing Date, the Equipment shall be in the same or equivalent condition as at the date hereof, wear and tear and ordinary usage excepted; (e) Seller has, or will have as of the Closing Date, good and marketable title to all assets being sold herein; (f) the Station has been silent since March 16, 2010 and Seller currently holds a Special Temporary Authority for the Station to remain silent through November 26, 2010; (g) Seller will deliver the Station at closing free and clear of all debts, liens, or other encumbrances; (h) Seller has full power and authority to enter into and perform this Agreement, the execution and delivery of this Agreement and the performance of all obligations hereunder shall have been duly authorized, and this Agreement constitutes a valid and binding agreement of the Seller, enforceable in accordance with its terms; (i) to the best of Seller's knowledge, Seller has filed all forms and reports with the FCC which are required to be filed with respect to the Station, including any required requests for silence authorizations; and (j) Seller indemnifies and holds Buyer harmless from any and all claims of trade creditors, judgment creditors, lien holders, purported owners, or any other person making a claim by or through Seller or asserting any claim on the assets purchased under this Agreement.

5 Buyer hereby warrants and covenants that: (a) Buyer is legally, financially, and otherwise qualified to become the licensee of the Station; (b) Buyer knows of no reason why the FCC would not approve its acquisition of the Station's license; (c) Buyer has full power and

authority to enter into and perform this Agreement; (d) the execution and delivery of this Agreement and the performance of all obligations hereunder has been duly authorized and this Agreement constitutes a valid and binding agreement of Buyer, enforceable in accordance with its terms; and (e) Buyer indemnifies and holds Seller harmless from any and all claims having to do with Buyer's operation of the Station subsequent to the Closing Date.

6 Seller and Buyer agree to engage their own counsel and pay their own legal fees associated with the preparation of this Agreement and the preparation and filing of the required assignment application. Filing fees, if any, attributable to the Assignment Application will be paid by Buyer. The parties shall otherwise bear their respective expenses incident to the contemplated transaction. Buyer represents to Seller that no brokers or finders have been employed by Buyer who would be entitled to a fee by reason of such a transaction. Seller indemnifies and holds Buyer harmless with respect to any brokerage or finders' fees attributable to Seller's arrangements with brokers or finders.

7. The parties hereto agree to join in the submission of an application on FCC Form 345 seeking Commission consent to the assignment of the Station's license from Seller to Buyer (the "Assignment Application") within five (5) business days from the date of this Agreement, and to cooperate fully and diligently in the prosecution of the Assignment Application.

8. Taxes, insurance, transmitter site rent, electric utilities [as applicable] and other Station expenses shall be prorated as of the Closing Date, and Seller shall be entitled to a closing credit for any prepaid expenses.

9. Time is of the essence of this Agreement. If the FCC has refused or failed to grant the Assignment Application within nine (9) months of the date of filing of the application for assignment thereof, either party may terminate this Agreement by giving the other party ten (10)

days' prior written notice of such intent by overnight national courier service, provided that the FCC has not granted its consent to Station's license assignment within such 10-day period, and provided further that the party seeking cancellation is not in material breach of this Agreement.

10. Closing shall take place by an exchange of documents by fax, e-mail and overnight courier service, with a wire transfer of the remainder of the Purchase Price, within ten (10) days subsequent to the date of grant of the Assignment Application. At Closing, Seller will deliver to Buyer: (a) an Assignment of FCC License; and (b) a Bill of Sale covering the Equipment and Intangibles. At Closing, Buyer will: (x) deliver to Seller its counterpart of the foregoing documents, and (y) pay the remainder of the Purchase Price as provided in Section 2 (b).

11. Prior to Closing, Seller shall have complete control over the property and operation of Station. After closing, Buyer shall have complete control of Station, and Seller shall retain no reversionary interest in the license or assets of Station.

12. At or after Closing, the parties shall cooperate in allocating the purchase price among the assets being conveyed and completing the tax schedule associated with the conveyance of those assets.

13. Notices which are to be sent by either party pursuant to the terms of this Agreement shall effective as of the first business day after they are sent by overnight national courier service as follows:

If to Buyer, to:

Jimmy Sledge  
Pines Broadcasting, Inc.  
1255 N. Myrtle  
Warren, AR 71671

If to Seller, to:

John A. Laudadio, CFO  
Horizon Christian Fellowship  
210 N University Drive, Suite 404  
Coral Springs, FL 33071

with a copy, which shall not constitute notice, to

Harry C. Martin  
Fletcher, Heald & Hildreth, P.L.C.  
1300 North 17<sup>th</sup> Street  
11<sup>th</sup> Floor  
Arlington, VA 22209  
(703) 812-0415

14. This Agreement may be terminated by either party in the event of a default or breach of warranty by the other party, or under Section 9 if the FCC does not timely approve the Assignment Application. Additionally, Buyer may terminate this Agreement under Section 15.

15. Risk of loss or damage to any of the Equipment shall remain with Seller up to the Closing Date, at which point Buyer shall assume such risk of loss. Should any damage to the Station occur prior to the Closing Date, Buyer may elect to postpone closing until the earlier of (a) ninety (90) days from the date of the damage, or (b) such time as repairs or equipment replacements (including, if necessary, a change in transmitter sites) are made to Buyer's reasonable satisfaction. If such repairs or equipment replacements are not completed within 90 days after damages to the Station occur, Buyer may elect to terminate this agreement, at which point Seller will promptly return the Down Payment. Alternatively, Buyer may, subject to Seller's supervision and control, reconstruct the Station at its own expense and close under the terms of this Agreement provided such closing is completed within 90 days after the date the damages occurred. In the event Buyer pays for reconstruction of the Station at its own expense, Buyer may deduct the reasonable costs of such reconstruction from the Purchase Price.

16. This document constitutes the entire understanding and agreement between the parties hereto with respect to its subject matter and shall be amended only by written agreement signed by both parties. This document shall be binding on the heirs, successors, and assigns of the parties hereto and shall be construed under the laws of the State of Arkansas.

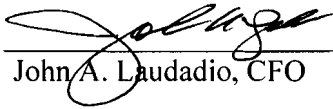
17. This Agreement may be executed in counterpart copies. When exchanged, such executed counterpart copies shall together have the same force and effect as a single executed Agreement.

*[Signature page follows]*

**Signature Page to Asset Purchase Agreement**

IN WITNESS WHEREOF, the parties hereto have hereunto set our hands and seals on  
the date first above written.

**HORIZON CHRISTIAN FELLOWSHIP**

By:   
John A. Laudadio, CFO

**PINES BROADCASTING, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_



**Signature Page to Asset Purchase Agreement**

IN WITNESS WHEREOF, the parties hereto have hereunto set our hands and seals on  
the date first above written.

**HORIZON CHRISTIAN FELLOWSHIP**

By: \_\_\_\_\_  
Michael MacIntosh, President

**[BUYER]**

By: Jimmy Sledge  
Title: President

## **Exhibit A—Equipment List**

## EQUIPMENT LIST: WARREN, AR

SC-11-A GP-FM Omnidirectional Vertically Polarized Groundplane FM Antenna 103.7 mHz

SC-11-A L-EMRN-HRMS0 Broadband FM Monitoring Log-Periodic Antenna

CROWN-EMEN-01 250-watt Transmitter with Integrated Audio Processor and Stereo Generation  
Logicon Model 210 FM Receiver

Midline Volume Products WRK-405A 32.24 Space (24") 32" Deep Stand Alone Rack with Rear  
Door, Black Finish

Power Electronics PWS125-1500RM 1440 V.A 13.0 Watt Rack Mount UPS Series S Protective

Power M/S Rack Mount AC Power Distribution Eight Recept Outlets 300W Percept One RJ