

ASSET PURCHASE AGREEMENT

THIS AGREEMENT, dated as of the 19th day of November, 2019, by and between Capital Area Career Center, and/or affiliates (hereinafter "CACC" or "Seller"); and Covenant Network, a Missouri non-profit corporation (hereinafter "CN" or "Buyer"):

WHEREAS, CACC is the licensee and operator of FM Broadcast Station WQNA, 88.3 MHz, Springfield, Illinois, FCC Facility ID #8603 (the "Station"), including all government authorizations and tangible and intangible personal property used, useful and associated with the Station; and

WHEREAS, the Seller desires to sell and the Buyer desires to purchase the assets, authorizations and goodwill of the Station in order to serve the public interest, convenience and necessity; and

WHEREAS, the grant by the Federal Communications Commission ("Commission" or "FCC") of an application on FCC Form 314 for Commission consent for assignment of license of the Station (which application will contain this Agreement), is an express condition precedent to the obligation of the Buyer to consummate this Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

1. **Assets to Be Sold.** In consideration for the payments and other good and valuable consideration stated in the paragraphs below, and upon the terms and conditions set forth herein, on the Closing Date, Seller shall sell, assign, transfer, convey and deliver to Buyer free and clear of all liens, claims, encumbrances, security interests, charges and restrictions, except as specifically stated in paragraphs 3 and 4 below, all of the assets described as follows (hereinafter "the Sale Assets"):

a. The license for the Station as issued by the FCC in File No. BLH-20020919ABA, granted October 29, 2002, as most recently renewed by the FCC on November 23, 2012 in File No. BRH-20120731ALB for an eight-year term to expire on December 1, 2020, together with any modifications thereof.

b. All items of personal property exclusively used by the Station related to the transmission of its broadcast signal, including but not limited to the FM transmitter, antenna,

related RF transmission equipment and cables, monitoring equipment, but not including the tower (including guy wires, lighting systems and other appurtenances);

c. An assignment and assumption of the existing transmitter site use agreement for the Station's licensed transmitter site, Antenna Structure Registration Number 1009399, located at the intersection of Toronto Road and Interstate 55, Springfield, Illinois;

d. All records pertaining to the Station required by the FCC to be maintained by CACC, including the Station's 47 C.F.R. §73.3527 "Public File"; and

e. The call letters "WQNA" and any related intellectual property of the Station.

2. Consideration. As the consideration for Seller's sale to Buyer of all of the Sale Assets listed in the preceding paragraph, Buyer shall pay to Seller a purchase price of FORTY THOUSAND DOLLARS (~~\$40,000.00~~), to be paid as follows: (a) within five (5) business days of the date hereof, Buyer will deliver by business check to Seller, the sum of FOUR THOUSAND DOLLARS (~~\$4,000.00~~) as a deposit which is refundable to Buyer only in the event that the transactions contemplated by this Agreement are not consummated through no fault of the Buyer; and (b) on the Closing Date as defined below, Escrow Agent will release the Deposit and pay and deliver it to the order of Seller upon instructions to be jointly delivered to him by Seller and Buyer, and Buyer will pay and deliver to the order of Seller by wire transfer or cashier's check the cash sum of THIRTY-SIX THOUSAND DOLLARS (~~\$36,000.00~~) on the Closing Date (as defined below). The purchase price shall be adjusted upward or downward in accordance with the following: all taxes and assessments, utility bills and other ongoing costs of usual operation of the Station shall be prorated to the date of Closing. Seller shall pay sales or use taxes, transfer taxes, and similar taxes and fees incurred up to the date of Closing; Buyer will pay any costs of recordation, filing fees or the like, and taxes incurred subsequent to the Closing Date.

3. Excluded Assets. This transaction excludes: (1) all cash, notes, accounts receivable and pledges and donations receivable of CACC; (2) the Station's studio and office equipment and furnishings and any assets owned by CACC devoted to any other station owned by it; and (3) any other mutually-agreed upon assets that appear on an exhibit to be attached to the Contract. CN will change the format of the Station and will

not broadcast any programming which is the property of CACC or its parent or affiliated organizations unless authorized through a separate written agreement. No sale or conveyance of real estate is contemplated by this Agreement.

4. **No Liabilities Assumed.** The parties hereto agree and understand that this Agreement is for a sale and purchase of the Sale Assets free and clear of any liens or other encumbrances as of the Closing Date. There are no contracts, leases and/or understandings of any kind (including but not limited to programming) to be assigned by Seller and assumed by Buyer. Therefore, Buyer does not assume, pay or discharge any debts or obligations of Seller with respect to the Station. Buyer agrees to hold Seller harmless with respect to any liabilities incurred by Buyer subsequent to closing. The Buyer will not hire any of Seller's employees at the Station.

5. **Commission Consent.**

It is understood and agreed by all parties that the prior written consent of the Commission to an application on FCC Form 314 for consent to the voluntary assignment of the licenses of the Station (the "Application") is required before consummation of this Agreement can occur. The Application shall be filed as soon after the date hereof as is practicable. Except as otherwise provided herein, each party shall pay its own legal fees and other expenses incurred with the preparation and execution of this Agreement and the Application.

6. **Closing Date.** The parties hereto agree and understand that this transaction may not be consummated unless and until the FCC shall have granted its consent to the FCC Form 314 application described in the preceding section. Assuming FCC consent shall have been received, the closing shall take place no later than 5:00 p.m. Central Time on June 30, 2020. It is contemplated that the actions of the parties required to effectuate the Closing will be performed by mail, and/or electronically (i.e., via bank wire transfer, e-mail and/or telephonic facsimile) and/or courier service.

7. **Time of the Essence.** Time is of the essence in the completion of this Agreement and the consummation thereof.

8. **Seller's Representations and Warranties.** Seller hereby represents and warrants each of the following, the truth and accuracy of which has induced Buyer to enter into this Agreement:

a. *Organization, Standing and Authority.* Seller is a not-for-profit corporation duly organized and validly existing under the laws of the State of Illinois, and is validly authorized to do business as a not-for-profit corporation in Illinois. Seller has all requisite corporate power and authority (i) to own, lease, and use the Sale Assets as now owned, leased, and used, (ii) to conduct the business and operations of the Station as now conducted, and (iii) to execute and deliver this Agreement and the documents contemplated hereby and thereby, and to perform and comply with all of the terms, covenants, and conditions to be performed and complied with by Seller hereunder and thereunder. Seller is not a participant in any joint venture or partnership with any other person or entity with respect to any part of the operations of the Station or any of the Sale Assets.

b. *Authorization and Binding Obligation.* The execution, delivery, and performance of this Agreement by Seller have been duly authorized by all necessary actions on the part of Seller and its owners. This Agreement has been duly executed and delivered by Seller and constitutes the legal, valid, and binding obligations of Seller, enforceable against it in accordance with their respective terms except as the enforceability of this Agreement and the may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally, and by judicial discretion in the enforcement of equitable remedies.

c. *Absence of Conflicting Agreements.* Subject to obtaining the FCC's consent to the Application, the execution, delivery, and performance by Seller of this Agreement and the documents contemplated hereby and thereby (with or without the giving of notice, the lapse of time, or both): (i) do not require the consent of any third Parties; (ii) will not conflict with any provision of the organizational documents of Seller; (iii) will not conflict with, result in a breach of, or constitute a default under, any applicable law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; (iv) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license, or permit to which Seller is a Party or by which Seller may be bound; and (v) will not create any claim, liability, mortgage, lien, pledge, condition, charge, or encumbrance of any nature whatsoever upon any of the Sale Assets.

d. *Governmental Licenses.* **Schedule A** includes a true copy of the Station's FCC Licenses as currently in existence. Seller has delivered to Buyer true and complete copies of the FCC Licenses (including any amendments and other modifications thereto). Seller is the authorized legal holder of the FCC Licenses. To the best of Seller's knowledge, the FCC Licenses listed on **Schedule A** comprise all of the licenses, permits, and other authorizations required from any governmental or regulatory authority for the lawful conduct of the business and operations of the Station in the manner and to the full extent they are now conducted, and none of the FCC Licenses are subject to any restriction or condition not disclosed therein that would limit the full operation of the Station as now operated. To Seller's knowledge, the FCC Licenses are in full force and effect. Seller has no reason to believe that any of the Licenses would not be renewed by the FCC or other granting authority in the ordinary course. The Station has not been off the air for more than 29 consecutive days at any one time during the current license term. To Seller's knowledge, there are no FCC enforcement proceedings or investigations ongoing pertaining to the Station and Seller has no knowledge of or reason to believe that any such proceedings or investigations are pending or threatened against the Station. To Seller's knowledge, all of the Station's regulatory fees, if any, have been paid, and Seller is in "green light" status at the FCC.

e. *Transmitter Site Use Agreement.* No real property is being sold hereunder; the Station occupies its transmitter site pursuant to a Transmitter Site Use Agreement, a true copy of said Agreement is attached hereto as Exhibit B. As noted throughout this Agreement, Buyer's obligations to perform hereunder are expressly conditioned upon the landlord of the WQNA transmitter site granting its consent to the assignment of the License Agreement from Seller to Buyer.

f. *Title and Condition of Tangible Personal Property.* Schedule C lists all material items or groups of items of Tangible Personal Property. Except as described in Schedule C, Seller owns and has good title to each item of Tangible Personal Property, and on the Closing Date, none of the Tangible Personal Property owned by Seller will be subject to any security interest, mortgage, pledge, conditional sales agreement, or other lien or encumbrance. Buyer will accept said items "as is, where is".

g. *Consents.* Except for the FCC Consent and landlord consent described in paragraph 5 above ("Consents"), no third-party consents are required (i) to consummate this

Agreement and the transactions contemplated hereby, or (ii) to permit Seller to assign or transfer the Assets to Buyer.

h. *Intangibles.* No intangible personal property other than the Station's FCC Licenses and its call letters are being sold hereunder.

i. *Reports.* All material reports, and statements that Seller is currently required to file with the FCC or with any other governmental agency with respect to the Station have been or will be filed as of the Closing Date, and all reporting requirements of the FCC and other governmental authorities having jurisdiction over Seller with respect to the Station have been or will be, as of the Closing Date, complied with in all material respects. All of such reports and statements are or will be, as of the Closing Date, substantially complete and correct as filed.

j. *Personnel.*

(1) *Employee Benefits and Compensation.* Seller shall be solely responsible for compliance with all obligations imposed by federal and state law with regard to Seller's employees. Buyer expressly refuses to assume any liability or obligation of Seller under any employee benefit plans or arrangements which may be in existence as of the Closing Date relative to the Station's employees. With respect to any such employee benefit plans which may exist, Seller is not aware of the existence of any governmental audit or examination of any of such plans or arrangements. No action, suit or claim with respect to any of such plans or arrangements (other than routine claims for benefits) is pending or, to Seller's knowledge, threatened.

(2) *Labor Relations.* Seller is not a Party to or subject to any collective bargaining agreements with respect to the Station. Seller has no written or oral contracts of employment with any employee of the Station. Seller has complied in all material respects with all laws, rules, and regulations relating to the employment of labor, including, without limitation, those related to wages, hours, collective bargaining, occupational safety, discrimination, and the payment of social security and other payroll related taxes, and it has not received any notice alleging that it has failed to comply in any material respect with any such laws, rules, or regulations. No controversies, disputes, or proceedings are pending or, to the best of Seller's knowledge, threatened, between Seller and any employee (singly or collectively) of the Station. No labor

union or other collective bargaining representative represents or, to Seller's knowledge, claims to represent any of the employees of the Station. To Seller's knowledge, there is no union campaign being conducted to solicit cards from employees to authorize a union to request a National Labor Relations Board certification election with respect to any employees at the Station.

(3) *Continuation of Employment.* As Buyer is buying the physical assets and FCC Licenses of the Station only, it is under no obligation to offer continued employment to employees of the Seller subsequent to the Closing.

k. *Claims and Legal Actions.* Except for any routine investigations or rulemaking proceedings generally affecting the broadcasting industry, or as set forth more completely on Schedule E, Seller has no knowledge of any other claim, legal action, counterclaim, suit, arbitration, governmental investigation or other legal, administrative, or tax proceeding, nor any order, decree or judgment, in progress or pending, or to Seller's knowledge threatened, against or relating to Seller with respect to its ownership or operation of the Station or otherwise relating to the Sale Assets or the business or operations of the Station particular, but without limiting the generality of the foregoing and, except as set forth on said Schedule E, Seller has no knowledge of any applications, complaints or proceedings pending or, to the best of Seller's knowledge, threatened (i) before the FCC relating to the business or operations of the Station other than rule making proceedings which affect the radio industry generally, (ii) before any federal or state agency relating to the business or operations of the Station involving charges of illegal discrimination under any federal or state employment laws or regulations, or (iii) before any federal, state, or local agency relating to the business or operations of the Station involving zoning issues under any federal, state, or local zoning law, rule, or regulation.

l. *Environmental Matters.* To Seller's knowledge, in connection with the operation of the Station, Seller has complied in all material respects with all laws, rules, and regulations of all federal, state, and local governments (and all agencies thereof) concerning the environment, public health and safety, and employee health and safety, and no charge, complaint, action, suit, proceeding, hearing, investigation, claim, demand, or notice has been filed or commenced against Seller in connection with its ownership or operation of the

Station alleging any failure to comply with any such law, rule, or regulation.

m. *Compliance with Laws.* Seller has complied in all material respects with the FCC Licenses and all federal, state, and local laws, rules, regulations, and ordinances applicable or relating to the ownership and operation of the Station. To the Seller's knowledge, neither the ownership, nor use of the properties of the Station, nor the conduct of the business or operations of the Station conflicts with the rights of any other person or entity.

n. *Full Disclosure.* No representation or warranty made by Seller in this Agreement or in any certificate, document, or other instrument furnished or to be furnished by Seller pursuant hereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact required to make any statement made herein or therein not misleading. There are no contingent or undisclosed liabilities; and in the event that there are any contingent or undisclosed liabilities, Seller will be solely liable for any and all of them.

o. *Broker.* Other than Brian Byrnes of Paramount Media Advisors, LLC, Chicago, Illinois, who has advised Seller in connection with this transaction, there are no brokers or individuals to whom a brokerage commission, finder's fee and/or costs would be owed with respect to the transactions contemplated by this Letter of Intent.

9. **Buyer's Representations and Warranties.** Buyer represents and warrants to Seller, the truth and accuracy of each of the following being expressly material to Seller's execution of this Agreement, as follows:

a. *Organization, Standing and Authority.* Buyer is a non-profit corporation incorporated, duly organized and validly existing under the laws of the State of Missouri and is authorized to transact business in the state of Illinois as a "foreign" corporation. Buyer has all requisite corporate power and authority (i) to own, lease, and use the Sale Assets as now owned, leased, and used, (ii) to conduct the operations of the Station, and (iii) to execute and deliver this Agreement and the documents contemplated hereby and thereby, and to perform and comply with all of the terms, covenants, and conditions to be performed and complied with by Buyer hereunder and thereunder.

b. *Authorization and Binding Obligation.* The execution, delivery, and performance of this Agreement by Buyer have been duly authorized by all necessary actions on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and constitutes the legal, valid, and binding obligations of Buyer, enforceable against Buyer in accordance with its respective terms except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

c. *Absence of Conflicting Agreements.* Subject to obtaining the Consents, the execution, delivery, and performance by Buyer of this Agreement and the documents contemplated hereby and thereby (with or without the giving of notice, the lapse of time, or both): (i) do not require the consent of any third Party; (ii) will not conflict with the Articles of Incorporation or By-laws of Buyer; (iii) will not conflict with, result in a breach of, or constitute a default under, any law, judgment, order, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality; or (iv) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license, or permit to which Buyer is a Party or by which Buyer may be bound, such that Buyer could not acquire or operate the Sale Assets.

d. *Broker.* Neither Buyer nor any person acting on Buyer's behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement.

e. *Qualification.* Buyer is legally and financially qualified, including but not limited to the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC to acquire the Station and to timely consummate all of the transactions called for herein, and no waiver will be necessary under the rules, regulations and policies of the FCC for Buyer to acquire the Station.

f. *Full Disclosure.* No representation or warranty made by Buyer in this Agreement or in any certificate, document, or other instrument furnished or to be furnished by Buyer pursuant hereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact and required to make any statement made herein or therein not misleading.

g. *Claims and Legal Actions.* There is currently no litigation pending or to the knowledge of Buyer, threatened, against or relating to Buyer that would prevent or materially impede the consummation of the transactions contemplated by this Agreement, nor does Buyer know of any basis, including performance of Buyer's obligations set forth herein, for such litigation. Buyer is not subject to any order, judgment, writ, injunction or decree of any court or governmental agency or entity which could have a material adverse effect on its ability to consummate the transactions contemplated herein.

10. Conditions Precedent to Buyer's Obligation to Close.

The obligations of Buyer under this Agreement are, at its election, subject to the fulfillment on or prior to the Closing Date of each of the following conditions precedent. The parties agree and understand that Buyer's decision to enter into and perform under the terms of this Agreement has been materially premised upon the fulfillment of each of the following conditions, and Seller agrees that all of them are material:

a. The FCC Form 314 application described in Section 5 above be granted, and that Seller shall have complied with any conditions imposed on it by the FCC Consent to the extent required under the terms of this Agreement.

b. That, subject to Buyer's sole discretion exercised in good faith and with due diligence, one of the following circumstances has occurred: (1) The consent of the landlord to the assignment and assumption of the transmitter site use agreement described in paragraph 1.b above has been received; (2) Buyer has entered into a new lease, license or transmitter site use agreement with the owner of the Station's currently authorized transmitter site; or (3) Buyer has obtained a construction permit from the FCC to relocate the Station's transmitter site to a new location, and has either acquired the new transmitter site real estate in fee simple absolute or has entered into a lease, license or transmitter site use agreement with the owner of said new transmitter site.

c. That all representations and warranties of the Seller contained in this Agreement shall be true and complete in all material respects at and as of the Closing Date as though made at and as of that time except to the extent that breaches of the representations and warranties of Seller materially adversely affect the Station taken as a whole.

d. That Seller shall have performed and complied in all material respects with all covenants, agreements, and

conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

e. Seller shall have made or stand willing to make all the deliveries to Buyer at Closing, which shall include various instruments and documents, all of which shall be in a form reasonably satisfactory to Buyer and its counsel, to wit:

i. One or more bills of sale for all the tangible personal property to be sold under this Agreement;

ii. An assignment of Seller's rights in the FCC Licenses for the Station;

iii. An agreement for assignment and assumption of the Station's Transmitter Site Use Agreement;

iv. A "Closing Certificate" of Seller certifying the truth and accuracy of the representations and warranties made by Seller in this Agreement; and

v. Any other closing document or instrument reasonably requested by Buyer or its counsel which may be needed to effectuate all of the transactions called for by this Agreement.

f. Between the date of this Agreement and the Closing Date, there shall have been no material adverse change in the Tangible Personal Property, Real Property or FCC Licenses of the Station, including any damage, destruction, or loss affecting any material assets used in the conduct of the business of the Station. A material environmental problem at the Real Property shall constitute a material adverse change hereunder; and

g. 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.

11. Conditions Precedent to Seller's Obligations. The obligations of Seller under this Agreement are, at its election, subject to the satisfaction on or prior to the Closing Date of each of the following conditions precedent:

a. That the FCC Form 314 application described in paragraph 5 above be granted;

b. All of the representations and warranties made by Buyer herein shall be in all material respects true and correct as of the Closing Date;

c. Buyer shall pay the consideration in the manner prescribed in paragraph 2 above;

d. Buyer shall provide to Seller a "Closing Certificate" certifying the truth and accuracy of Buyer's representations and warranties made in this Agreement; and

e. There shall have been no material breach by Buyer in the performance of any of its covenants or agreements contained herein.

12. **Mutual Cooperation.** The parties agree and pledge to each other total mutual cooperation to achieve approval by the Commission of the Application, including but not limited to prosecuting the Application in good faith and in due diligence so as to achieve grant and finality thereof as expeditiously as practicable, and to take no action to delay or defeat approval.

13. **Termination.**

a. In the event that Commission approval of the assignment of the FCC Licenses of the Station from Seller to Buyer shall not have been granted by June 30, 2020, either party shall have the right to unilaterally terminate this agreement by giving written notice to the other party of its intention to do so, provided, however, that the party seeking to so terminate is not itself in material breach hereof. Upon such notice, this Agreement shall have no further force and effect.

b. If the Commission designates the application contemplated by this Agreement for hearing, either party shall have the option of terminating this Agreement by notice to the other party prior to the commencement of the hearing if the terminating party shall not be in default under the provisions of this Agreement; provided that the terminating party shall not be entitled to terminate this Agreement if the hearing results from or was caused by (i) any failure on the part of such party to furnish or make available to the Commission information required to be supplied by such party, or (ii) the willful furnishing by such party of incorrect, inaccurate or incomplete information to the Commission, or (iii) a protest resulting from

the solicitation of such protest by the party seeking to terminate this Agreement.

14. **Seller's Default; Specific Performance.** It is agreed and understood that the Sale Assets are unique, as Station WQNA is one of only four primary non-commercial educational FM broadcast stations authorized by the Commission to operate at Springfield, Illinois. Therefore, in the event of Seller's breach of this Agreement which is the result of Seller's refusal to sell the Station to Buyer despite Buyer being ready, willing and able to close, Buyer may and shall be entitled to seek the equitable remedy of specific performance to enforce Seller's obligations hereunder to sell the Station to Buyer. Accordingly, Seller waives any defense to such action in equity that Buyer has an adequate remedy at law. In other situations where Buyer has a claim that Seller has breached this Agreement (for example, should certain tangible assets not be in condition comparable to that during the period immediately prior to execution of this Agreement), Buyer shall give written notice to Seller, and Seller shall have ten (10) Business Days in which to cure such breach. In the event Buyer elects to pursue specific performance against Seller, then specific performance shall be Buyer's sole remedy under this Agreement.

15. **Buyer's Default; Liquidated Damages.** In the event that Buyer has failed to perform pursuant to the terms and conditions of this Agreement, despite the FCC having granted its consent and all other conditions precedent having been met (in other words, where the Seller is not at fault), Seller shall be entitled to the payment of the Deposit as its sole and complete liquidated damages. Upon said payment, this Agreement shall be null and void and of no further force and effect; Seller will have no other remedy at law or in equity against the Buyer. In such an event, Seller shall be free to sell the Sale Assets and assign the license of the Station (subject to prior written Commission approval) to any other party of its choosing.

16. **Risk of Loss; Set-off.** Seller shall bear all risk of loss in connection with the Station prior to the Closing Date. In the event that prior to the Closing Date the Station, or any of the Sale Assets which are material to the operation of the Station, be substantially damaged or destroyed and not replaced or promptly repaired, then Buyer at its sole option may agree to consummate its purchase of the Station upon an agreement of set-off or credit for such damaged or destroyed Sale Assets having been reached; if Seller and Buyer cannot agree as to an appropriate set-off or credit for such damaged or destroyed assets, Seller and Buyer shall submit the dispute to the nearest

office of the American Arbitration Association for resolution. The cost of such arbitration shall be equally shared by Buyer and Seller.

17. **Taxes.** Seller shall be solely responsible for any and all taxes applicable to the Station until and including the Closing Date. The sales, use and/or transfer taxes, if any, assessed by the State of Illinois upon the sale of the Sale Assets from Seller to Buyer shall be paid by Buyer. Thereafter, all such taxes applicable to the Station shall be the sole responsibility of the Buyer.

18. **Allocations.** On or before the Closing Date, the parties hereto will attempt to reach allocations as to the purchase price consistent with the federal Internal Revenue Code and the rules and regulations of the Internal Revenue Service, and will jointly prepare IRS Form 8594 at the Closing or as soon thereafter as is practicable. Any allocations not mutually agreed upon by Buyer and Seller by the Closing Date shall be resolved by the parties within sixty (60) days of the Closing Documents. In the event the parties are unable to agree upon all allocations by the 60th day following the Closing Date, then the allocation of the disputed items shall be determined by an accountant acceptable to both parties or, if they cannot agree on a single accountant, then by a panel of three accountants, one selected by each of Buyer and Seller and the third selected by their respective accountants. The cost of such dispute resolution shall be equally shared by Buyer and Seller.

19. **Bankruptcy; Contingent or Undisclosed Liabilities.** Seller is not in bankruptcy. Seller warrants that it has no contingent or undisclosed liabilities which will or may affect Buyer's title in the Sale Assets. The parties agree that Buyer is not liable for any contingent or undisclosed liabilities of Seller.

20. **Interference with Operations.** From the date hereof onward until the Closing Date, Buyer shall not attempt to interfere with the operations of Seller and the Station; however, Buyer shall be permitted a reasonable opportunity to review books and records of the Station and to inspect the physical condition of the Sale Assets. Upon the Closing Date, and thereafter, Seller shall make no attempt to control the Station, incur any debts or obligations against the Station, or otherwise interfere in the operations of the Station. However, and notwithstanding any provision in this Agreement, prior to the Closing Seller may not, without the prior written consent of the Buyer, such consent not to be unreasonably withheld:

a. Make any substantial change in the business of the Station, except such changes as are unlikely to have any material adverse impact upon the Sale Assets;

b. Sell, lease, transfer or otherwise dispose of any Sale Asset without obtaining a suitable replacement acceptable to Buyer before the Closing Date, provided that any replacement item which improves the inventory of Sale Assets shall result in an upward adjustment of the purchase price by the actual cost of such item;

c. Mortgage, pledge or encumber any Sale Asset;

d. Waive or agree to waive any rights of material value relating to the Sale Assets or allow to lapse or fail to keep in force any license, permit, authorization or other right relating to the Station;

e. Except in the ordinary course of business, make or permit any amendment or termination of any material contract, agreement or license included in the Sale Assets;

f. Enter into any agreement with any employee binding Seller and/or Buyer to utilize said employee's services in connection with the Station other than an employment agreement terminable at will; or

21. **Public Notices.** Seller shall prepare and give at its expense all public notices as are required pursuant to 47 C.F.R. §73.3580.

22. **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns. An assignment shall not relieve the parties of their obligations to guarantee the prompt performance of any and all of their respective obligations thereunder. Buyer may assign its rights hereunder to any legally and financially qualified person or entity that it may choose, subject to approval of the Seller which shall not unreasonably be withheld.

23. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois; the forum for any disputes arising hereunder shall be the courts of Sangamon County, Illinois.

24. Indemnification.

a. *By Seller.* Seller shall indemnify, defend and save Buyer, its affiliates, successors and assigns, harmless against and from all liabilities, claims, losses, damages, cost and expenses (including reasonable attorney's fees) resulting from (i) the conduct of business and operations by Seller of the Sale Assets prior to the Closing Date, (ii) any misrepresentation or breach of warranty, representation or covenant contained in this Agreement by Seller, (iii) any claims or actions brought by any member of Seller against Buyer as a result of or in connection with this transaction, (iv) any claim or action of any kind by or on behalf of any employee or former employee of Seller or the unlawful conduct of any such employee, and (v) all actions, suits, proceedings, demands, damages, assessments, judgments, costs, reasonable attorney's fees on any appeal, and expenses incident to any of the foregoing or incident to any enforcement by Buyer of any covenant of agreement on the part of Seller set forth in this Agreement.

b. *By Buyer.* Buyer will defend and save Seller, its affiliates, successors and assigns harmless against and from all liabilities, claims, losses, damages, costs and expenses (including reasonable attorney's fees) resulting from (i) any misrepresentation or breach of warranty, representation or covenant by Buyer contained in this Agreement, (ii) the conduct of business and operations by Buyer of the Sale Assets following the Closing Date and (iii) any claims or actions brought by any principal of Buyer against Seller as a result of or in connection with this transaction, and (iv) all actions, suits, proceedings, demands, damages, assessments, judgments, costs, reasonable attorney's fees (including reasonable attorney's fees on any appeal) and expenses incident to any of the foregoing or incident to any enforcement by Seller of any covenant or agreement on the part of Buyer set forth in this Agreement.

c. *Claims Pursuant to Indemnities.* If any claim covered by the foregoing indemnities is asserted against any other indemnified party (the "Indemnatee"), the Indemnatee shall promptly give the other party (the "Indemnitor") notice of such claim.

25. Headings. The headings of the paragraphs of this Agreement are for the convenience of the parties only, and do not in any way modify, interpret or construe the meaning of the provisions hereof.

26. **Notices.** All notices required or permitted to be given hereunder shall be in writing and copies shall be effective when sent by registered or certified mail, postage and fees prepaid, addressed as follows:

If to Seller:

Ms. Jodi Ferriell, Director
Capital Area Career Center
2201 Toronto Road
Springfield, IL 62707
E-mail:

If to Buyer:

John Anthony Holman, President
Covenant Network
4424 Hampton Avenue
St. Louis, MO 63109
E-mail: tony@covenantnet.net

with a copy to:

Dennis J. Kelly, Esquire
Law Office of Dennis J. Kelly
Post Office Box 41177
Washington, DC 20018-0577
E-mail: dkellyfcclaw1@comcast.net

27. **Survival of Representations, Warranties and Covenants.** The parties agree that the representations, warranties and covenants made by them herein shall survive the Closing Date for a period of one (1) year subsequent to the Closing Date.

28. **Entire Agreement.** The foregoing constitutes the entire and whole agreement of the parties, and may not be modified, amended or changed in any way unless in writing signed by all parties hereto. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or any part hereof, or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

29. **Counterparts.** This Agreement may be signed in one or more counterparts, each of which shall be considered an original

counterpart, and shall become a binding Agreement when the parties shall have each executed one counterpart.

30. **Severability.** The event that any of the provisions contained in this Agreement is held to be invalid, illegal or unenforceable shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had not been contained herein.

31. **Confidentiality.** Subject to the requirements of applicable law (including FCC rules requiring the filing of this Agreement as part of the Application), Buyer and Seller shall each keep confidential all information obtained by them with respect to the other party hereto in connection with this Agreement and the negotiations preceding this Agreement, and will use such information solely in connection with the transactions contemplated by this Agreement, and if the transactions contemplated hereby are not consummated for any reason, each shall return to each other party hereto, without retaining a copy thereof, any schedules, documents or other written information obtained from such other party in connection with this Agreement and the transactions contemplated hereby. Notwithstanding the foregoing, no party shall be required to keep confidential or return any information which is: (i) known or available through other lawful sources, not bound by a confidentiality agreement with the disclosing party; (ii) or becomes publicly known through no fault of the receiving party or its agents; (iii) required to be disclosed pursuant to an order or request of a judicial or governmental authority (provided the party other than the disclosing party is given reasonable prior notice of the order or request and the purpose of the disclosure); or (iv) developed by the receiving party independently of the disclosure by the disclosing party. Nothing contained herein shall preclude Buyer from discussing the Station or this Agreement with its legal, accounting and engineering counsel as well as present or potential donors, benefactors, or sponsors.

32. **Construction of Agreement.** This Agreement is the product of negotiation and preparation by, between and among Buyer and Seller and their respective attorneys. Accordingly, the parties hereto acknowledge and agree that this Agreement shall not be deemed prepared or drafted by one party or another, or the attorneys for one party or another, and shall be construed accordingly.

33. **Section 73.1150 Statement.** Both the Seller and the Buyer agree that Seller has retained no rights of reversion of

the FCC Licenses for the Station, no right to the reassignment of the FCC Licenses for the Station in the future, and have not reserved the right to use the facilities of the Station in the future for any reason whatsoever.

34. **Waiver**. Unless otherwise specifically agreed by the parties in writing to the contrary, (i) the failure of either party at any time to require performance by the other of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (ii) no waiver by either party of any default by the other shall be taken or held to be a waiver by such party of any preceding or subsequent default; (iii) no extension of time granted by either party for the performance of any obligation or act by the other party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder; and (iv) no waiver shall be effective against any party unless it is in writing signed by that party.

35. **Schedules and Exhibits**. All schedules, exhibits and riders attached to this Agreement shall be deemed part of this Agreement and incorporated herein, where applicable, as if full set forth herein.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT AS OF THE DAY AND YEAR FIRST WRITTEN ABOVE.

SELLER

CAPITAL AREA CAREER CENTER

By Jodi Ferriell
Name: Jodi Ferriell
Title: Director

BUYER

COVENANT NETWORK

By John Anthony Holman
John Anthony Holman
President

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT AS OF THE DAY AND YEAR FIRST WRITTEN ABOVE.

SELLER

CAPITAL AREA CAREER CENTER

By Jodi Ferriell
Name: Jodi Ferriell
Title: Director

BUYER

COVENANT NETWORK

By John Anthony Selman
John Anthony Selman
President

WQNA(FM) APA Schedules

Schedule A	FCC Licenses
Schedule B	Transmitter Site Use Agreement
Schedule C	Tangible Personal Property
Schedule D	Excluded Assets
Schedule E	Claims and Legal Actions