

## **ASSET PURCHASE AGREEMENT**

**THIS AGREEMENT**, dated as of the 30th day of October, 2012, by and between New Life Evangelistic Center, Inc., a Missouri nonprofit corporation ("Seller"); and Catholic Radio Network, Inc., a Missouri non-profit corporation (hereinafter "CRN" or "Buyer"):

**WHEREAS**, Seller is the licensee and operator of non-commercial educational FM Broadcast Station KNLM, 91.9 MHz, Marshfield, Missouri, FCC Facility ID # 76946 ("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. All of Seller's right, title and interest to the license granted by the Commission for the Station granted by the Federal Communications Commission ("FCC") on January 25, 2005, File No. BRH-20040930ARY, to be renewed by the FCC in an application on FCC Form 303-S to be filed on or before October 1, 2012, through and including its expiration on February 1, 2021, as listed on Schedule A attached hereto and incorporated by reference herein (the "FCC Licenses");

b. All of Seller's right, title and interest in and to the tangible personal property owned by it and used or useful in the operation of the Station as is set forth in Schedule B attached hereto and incorporated by reference herein (the "Tangible Personal Property");

c. Seller and Buyer will enter into a "Transmitter Site Use Agreement" to permit Buyer's ingress and egress to the Station's transmitter site, transmitter building and broadcast tower, in the form attached hereto as Schedule C, which is incorporated by reference herein.

d. Any and all logs pertaining to the Station's operations, the "public file" required by 47 C.F.R. §73.3527 to be maintained for the Station, and other records relating to the Station and its operations maintained by the Seller, but excluding any records or documents of Seller that may be proprietary or confidential and which are not necessary for the operation of the Station; and

e. All goodwill associated with the Station acquired on or before the Closing Date.

2. **Consideration.** As the total 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 ONE HUNDRED TWELVE THOUSAND DOLLARS (\$112,000.00) in lawful money of the United States of America, in the following manner:

a. Within three (3) business days of the date hereof Buyer shall have deposited into escrow with Dennis J. Kelly, a member of the District of Columbia Bar ("Escrow Agent"), the sum of FIFTEEN THOUSAND DOLLARS (\$15,000.00) (the "Escrow Deposit") pursuant to an Escrow Agreement, a true copy of which is appended hereto as Schedule D and incorporated herein by reference. The Escrow Deposit will be deposited in Escrow Agent's IOLTA Trust Account in PNC Bank, National Association, Washington, DC, and will be non-interest bearing. Buyer shall be entitled to the return of the Escrow Deposit in the event that the transactions called for pursuant to this Agreement are not consummated through no fault of Buyer.

b. At closing, Escrow Agent shall release the Escrow Deposit to Seller, and simultaneously therewith Buyer shall pay to the Seller in cash or such cash equivalent as Seller may reasonably request NINETY-SEVEN THOUSAND DOLLARS (\$97,000.00), plus or minus any prorations or adjustments permitted hereunder.

c. All taxes and assessments, utility bills and other ongoing costs of usual operation of the Station shall be prorated to the date of Closing, and the total purchase price shall be adjusted upward or downward as the case may be. All sales or use taxes, transfer taxes, and similar taxes and fees incurred up to the date of Closing, together with any costs of recordation, filing fees or the like, and taxes incurred subsequent to the Closing Date, shall be allocated between Buyer and Seller and paid according to legal requirements and prevailing practice in the State of Missouri. Station KNLM is exempt from the payment of FCC annual regulatory fees pursuant to 47 CFR §1.1162(e).

3. **Cash; Accounts and Donations Receivable; Excluded Assets.** It is specifically agreed and understood that any cash on hand at the Station as of the Closing Date shall be retained by the Seller. Further, Seller shall retain any bank accounts, cash equivalents and securities and other investments owned by Seller as of the Closing Date. All accounts receivable of the Station and notes receivable in favor of Seller in existence as of the Closing Date shall be the property of the Seller. Seller is solely responsible for collecting its own receivables. Further, any donations and pledges of gifts of money to Seller in existence as of the Closing Date shall be the property of Seller. Moreover, the Sale Assets shall not include Seller's books and records pertaining to corporate organization, taxation, employee pension, and other benefit plans, or accounts receivable. In addition, any and all of Seller's assets, be they real or personal property, not specifically listed in Schedules A, B or C, are excluded from this transaction.

4. **No Liabilities Assumed Other Than Those Expressly Disclosed.** The Sale Assets shall be delivered to Buyer at the Closing free and clear of all encumbrances. Buyer shall not assume, pay or discharge any debts or obligations of Seller with respect to the Station. Any and all liabilities pertaining to the Station which are incurred by or on behalf of the Station subsequent to the Closing Date may only be incurred by the Buyer and shall be discharged by the Buyer. Buyer agrees to hold Seller harmless with respect to any liabilities incurred by Buyer subsequent to closing.

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 within five (5) business days of the date hereof. 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. Buyer's portion of the Application shall demonstrate that Buyer is a non-profit corporation and will contain a showing that it is non-feeable. In the event that the Commission assesses an application fee upon the Application, then such fee shall be paid promptly by Buyer.

6. **Closing Date.** For purposes of this Agreement, the Closing Date shall be a weekday not later than the tenth (10<sup>th</sup>) calendar day after the date upon which the action of the Commission or its staff acting pursuant to delegated authority granting consent to the assignment of license of the Station from Seller to Buyer has become final and no longer subject to administrative or judicial action, review, rehearing or appeal. Closing shall take place through wire transfer and courier delivery of closing documents, or at a place and time as is mutually satisfactory to the parties, not later than 5:00 p.m. Central Standard Time on the last day for Closing under this paragraph.

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 corporation duly organized and validly existing under the laws of the State of Missouri. 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 have been

duly executed and delivered by Seller and constitute 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 Assignment 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 and complete list of the Licenses. 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 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 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 Licenses are in full force and effect, and the conduct of the business and operations of the Station is in accordance therewith in all material respects. 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. 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 have been paid.

e. *Real Estate.* Schedule C, the Transmitter Site Use Agreement, contains a complete and accurate description of the Real Estate (including street address, owner and Seller's use), including but not limited to a true and complete legal description of the Real Estate. Seller is the owner of the Real Estate and can freely enter into said Transmitter Site Use Agreement with Buyer; there are no liens or judgments against said real property that would adversely affect Buyer's ability to broadcast from said real property.

f. *Title and Condition of Tangible Personal Property.* Schedule B lists all material items or groups of items of Tangible Personal Property. Except as described in Schedule B, 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. Each item of Tangible Personal Property is available for immediate use in the business and operations of the Station. All items of equipment included in the Tangible Personal Property is sold "as-is" with no warranty with the exception of any manufacturer's warranty (i) are in good operating condition, normal wear and tear excepted, and have been maintained in a commercially reasonable manner, and (ii) will permit the Station and any auxiliary broadcast facilities related to the Station to operate in substantial accordance with the terms of the FCC Licenses and the rules and regulations of the FCC, and with all other applicable federal, state, and local statutes, ordinances, rules, and regulations.

g. *Consents.* Except for the FCC Consent described in paragraph 5 above, and the consent of Seller's lenders, no consent, approval, permit, or authorization of, or declaration to or filing with any governmental or regulatory authority, or any other third Party is 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. *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.

i. *Personnel.*

(1) *Termination of Employees.* Seller represents and warrants that it will terminate or reassign all of the Station's employees on or before the Closing Date.

(2) *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.

(3) *Labor Relations.* Seller is not a Party to or subject to any collective bargaining agreements with respect to 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.

j. *Taxes.* Seller has filed or caused to be filed all federal income tax returns and all other federal, state, county, local, or city tax returns which are required to be filed, and it has paid or caused to be paid all taxes shown on those returns or on any tax assessment received by it to the extent that such taxes have become due, or has set aside on its books adequate reserves (segregated to the extent required by generally accepted accounting principles) with respect thereto. To Seller's knowledge, there are no governmental investigations or other legal, administrative, or tax proceedings pursuant to which Seller is or could be made liable for any taxes, penalties, interest, or other charges, the liability for which could extend to Buyer as transferee of the business of the Station, and no event has occurred that would impose on Buyer any transferee liability for any taxes, penalties, or interest due or to become due from Seller.

k. *Claims and Legal Actions.* Except for any routine investigations or rulemaking proceedings generally affecting the broadcasting industry, 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 Assets or the business or operations of the Station particular, but without limiting the generality of the foregoing and, except as set forth on Schedule G, 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.

1. *Environmental Matters.*

(1) To Seller's knowledge, 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.

(2) To Seller's knowledge, Seller has no liability relating to its ownership and operation of the Station (and there is no basis related to the past or present operations of the Station by Seller for any present or future charge, complaint, action, suit, proceeding, hearing, investigation, claim, or demand against Seller giving rise to any such liability) under any law, rule, or regulation of any federal, state, or local government (or agency thereof) concerning release or threatened release of hazardous substances, public health and safety, or pollution or protection of the environment.

(3) To Seller's knowledge, Seller has no liability relating to its ownership and operation of the Station (and Seller has not handled or disposed of any substance, arranged for the disposal of any substance, or owned and operated any property or facility relating to the Station in any manner that could form the basis for any present or future charge, complaint, action, suit, proceeding, hearing, investigation, claim, or demand against Seller) under the common law or pursuant to any statute giving rise to any such liability for damage to any site, location, or body of water (surface of subsurface) or for illness or personal injury.

o. *Compliance with Laws.* Seller has complied in all material respects with the 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.

p. *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.

q. *Broker.* Seller is solely responsible for the payment of all brokerage commissions, finder's fees and/or other such fees and costs which may be due as the result of this transaction.

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 duly organized and validly existing under the laws of the State of Missouri. 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 constitute 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 pursuant 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 affect 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. Both the FCC Form 314 application and the FCC Form 303-S application described above shall have been granted without material condition, the Station's license shall have a new expiration date of February 1, 2021, and 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. Seller shall be the holder of the FCC License for the Station and there shall not have been any modification of any FCC License that would have a materially adverse effect on the Station or the conduct of its business and operations. No proceeding shall be pending or threatened the effect of which would be to revoke, cancel, fail to renew, suspend, or modify adversely the FCC License.

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. The Transmitter Site Use Agreement, fully executed by Seller;

iii. An assignment of Seller's rights in the Commission license for the Station, as well as any other existing authorizations relative to the Station;

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 Licenses of the Station, including any damage, destruction, or loss affecting any material assets used in the conduct of the business of the Station; 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;

e. Buyer shall execute the "Transmitter Site Use Agreement" and assume the Assumed Contracts, if any; and

f. 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 license of the Station from Seller to Buyer shall not have been granted by September 1, 2013, 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 KNLM is the only FM Broadcast Station authorized by the Commission to operate at Marshfield, Missouri. 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 materially breached this Agreement, Buyer shall give written notice to Seller, and Seller shall have ten (10) business days in which to cure such breach.

15. **Buyer's Default; Liquidated Damages.** Where Seller has a claim that Buyer has breached this Agreement, Seller shall give written notice to Buyer, and Buyer shall have ten (10) business days in which to cure such breach, provided, however, that no such notice shall be required nor cure opportunity afforded for Buyer's inability or unwillingness to tender the full purchase price on the Closing Date upon the occurrence of all conditions precedent. Should said breach remain uncured upon the end of said ten business day period, Buyer shall be in default. At that point, Seller may terminate this Agreement and, at its sole option, elect liquidated damages by sending written notice to Buyer and Escrow Agent, whereupon the Escrow Agent shall pay FIFTEEN THOUSAND DOLLARS (\$15,000.00) of the Escrowed Funds to Seller as a "break-up fee". Upon the payment of the "break-up fee" to Seller in this event, this Agreement shall be null and void and shall be of no further force and effect. In the event that Seller elects liquidated damages, Seller shall have no cause of action at law or in equity against Buyer. In the event that Seller terminates this Agreement in accordance herewith, then 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. Should the Station, or any of the Sale Assets which are material to the operation of the Station, be substantially damaged or destroyed and is not replaced or repaired as of the Closing Date, 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 for such arbitration shall be shared equally by Seller and Buyer.

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

assessed by the State of Missouri upon the sale of the Sale Assets from Seller to Buyer shall be paid according to legal requirements and prevailing practice in the State of Missouri. Thereafter, all such taxes applicable to the Station shall be the sole responsibility of the Buyer.

18. **Reserved.**

19. **Laws.** The Station is, to the best of Seller's knowledge, in substantial compliance with all applicable federal, state and local laws, ordinances and regulations, including those relating to prices, wages, hours, discrimination of employment, collective bargaining and the payment and withholding of taxes. There is no litigation, proceeding, complaint, or investigation of any nature pending or, to the knowledge of Seller, threatened against the Station, Seller, or any director or officer of Seller which is likely to materially or adversely affect the Station or the Sale Assets, or the licenses to be assigned hereunder, nor is there any judicial, administrative or other proceeding, including without limitation, any governmental investigation, pending, or to the knowledge of the Seller, threatened, which is likely to result in the revocation, modification or suspension of the licenses of the Station to be assigned to Buyer, or any administrative sanction which is likely to materially and adversely affect the Station and/or the Sale Assets to be assigned hereunder. Seller agrees to comply with all provisions of the Missouri state "Bulk Sales Law" to the extent they are applicable to this transaction.

20. **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.

21. **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. Nothing contained in the foregoing provision shall preclude Seller and Buyer from entering into a "Local Marketing Agreement" which adheres to the rules, regulations, case law and policies of the FCC. 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; provided that nothing contained in this paragraph shall preclude any officer or employee of Seller from serving as a management employee of the Station under the direction and control of Buyer. 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

g. Become a party to any cash, trade or barter agreement for the sale of air time requiring announcements to be made over the Station subsequent to the Closing Date.

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

23. **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

shall have the right to assign all of its rights, duties and obligations hereunder to a corporation, partnership or limited liability company owned by or under common control with Buyer, so long as such assignment does not materially delay FCC approval of this transaction. In that event, Buyer shall remain jointly and severally liable for any duties or obligations not delegated.

24. **Governing Law and Choice of Forum.** This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri without regard to that state's rule concerning conflict of laws. The forum for any disputes arising hereunder shall be the state or federal courts having jurisdiction over Webster County, Missouri.

25. **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 shareholder 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 "Indemnitee"), the Indemnitee shall promptly give the other party (the "Indemnitor") notice of such claim. Under no circumstance shall any claim for indemnification hereunder arise until the aggregate amount of all such claims exceeds the sum of \$10,000.

26. **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.

27. **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:

Rev. Lawrence W. Rice, Jr.  
New Life Evangelistic Center, Inc.  
1411 Locust Street  
St. Louis, MO 63103

with a copy to:

Donald E. Martin, Esquire  
Donald E. Martin, P.C.  
Post Office Box 8433  
Falls Church, VA 22041

If to Buyer:

Mr. James O'Laughlin, President  
Catholic Radio Network, Inc.  
201 North Industrial Park Road  
Excelsior Springs, MO 64024

with a copy to:

Dennis J. Kelly, Esquire  
Law Office of Dennis J. Kelly  
Post Office Box 41177  
Washington, DC 20018

28. **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.

29. **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.

30. **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.

31. **Confidentiality.** All information and materials furnished to or obtained by Buyer and Seller and their respective agents and representatives concerning the Station, the Sale Assets and the parties' respective businesses shall be held in confidence pending the closing of the transactions contemplated herein (except to the extent necessary to implement the Time Brokerage Agreement, if any, or as required by law), and if closing does not occur for any reason, will be returned to the party providing such information and material and shall not be used by the recipient or any entity under their reasonable control. Nothing contained in this paragraph shall preclude Buyer from using information and materials received from Seller that is not proprietary to Seller in any fundraising presentation or solicitation prior to the Closing Date which does not present a competitive threat to Seller's business at the Station. Notwithstanding any other provision hereof, this covenant of confidentiality shall survive the expiration and/or termination (for any cause) of this Agreement.

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SIGNATURES APPEAR ON FOLLOWING PAGE]

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

SELLER

NEW LIFE EVANGELISTIC CENTER, INC.

By \_\_\_\_\_  
Rev. Lawrence W. Rice, Jr.  
President

BUYER

CATHOLIC RADIO NETWORK, INC.

By \_\_\_\_\_  
James O'Laughlin  
President

**SCHEDULE A**

**LICENSES**

KNLM, Marshfield, Missouri, FCC Facility ID #76946.

**SCHEDULE B**

**PERSONAL PROPERTY**

- BE FM3C Transmitter
- BE FM100C Exciter
- Patriot PRT-310 Satellite Dish
- Syne Systems RFC-1B
- Syne Systems RP-8
- Bogen TP30D FM Tuner
- Sam RR-962-W Weather Radio
- Dayton AF852 Receiver
- Sage EAS ENDEC
- Orban 2200 - Digital Optomod
- Inovonics 530 FM Modulation Analyzer
- 7' Rail Rack
- Andrew RG-319A/U HJ7-50 Coax, Approx. 76 Meter
- Shively Labs 6813 Antenna

**SCHEDULE C**

**SITE USE AGREEMENT**

**(Attached)**

**SCHEDULE D**

**ESCROW AGREEMENT**

**(Attached)**