

## ASSET PURCHASE AGREEMENT

**THIS AGREEMENT** (hereinafter "Agreement" or "APA"), is made and entered into this 15<sup>th</sup> day of November, 2011, by and between Faith Assembly of God of Summerville, a South Carolina non-profit corporation ("Seller") and Christian Television Network of South Carolina, Inc., a South Carolina non-profit corporation ("Buyer").

### WITNESSETH

**WHEREAS**, Seller is the owner of Class A digital television station WLCN-CD, Fac. Id. No. 55203 (the "Station") under authority of license issued by the Federal Communication Commission (the "FCC"), FCC File No. BLDTA-20090616AAY issued on July 1, 2009 (the "Station License"); and

**WHEREAS**, Seller desires to sell and Buyer desires to purchase the property, assets and rights belonging to or used or held for use in the business and operation of the Station pursuant to the terms and conditions stated herein; and

**WHEREAS**, assignment of the Station License as part of the sale, is subject to and conditioned upon the consent of the FCC to the terms and conditions stated herein and the assignment of the license; and

**NOW, THEREFORE**, in consideration of the premises and of the mutual covenants and agreements stated herein, the parties hereto agree as follows:

1. **Assets Sold and Purchased.** On the date of the consummation of the sale and purchase contemplated hereunder (the "Closing") of this Agreement, as provided for in Section 5 below (the "Closing Date"), Seller will cause to be sold, transferred, assigned and conveyed to Buyer, by appropriate instruments, and Buyer will purchase and assume, subject to the terms and conditions set forth herein, all of Seller's right, title and interest in all the assets, real, personal, tangible and intangible, good will, contract rights and licenses of Seller used and/or held for use in the operation of the Station as same exist on the date of Closing, free and clear of all liens, claims, security interests, instruments or encumbrances (collectively the "Assets") including, without limitation, the following assets and properties:

1.1 **License and Authorizations.** The Station License and all other FCC licenses and authorizations issued to Seller, and all applications filed by Seller that are pending at the FCC, related to the operation of the Station, all as set forth in **Exhibit 1.1** hereto (the "FCC Authorizations"), and any and all other licenses, rights, permits and authorizations issued to Seller by any other governmental or regulatory agency which are used or useful in connection with the operation of the Station.

1.2 **Personal Property.** All the fixed and tangible personal assets owned by Seller and used or held for use in the operation of the Station, along with any unexpired warranties, all as listed and described in **Exhibit 1.2** hereto, together with replacements thereof

and improvements and additions made between the date hereof and the Closing Date (collectively the "Personal Property").

### 1.3 Contracts.

(a) The programming contracts listed and described in **Exhibit 1.3** attached hereto, except those which may have been unilaterally canceled by a party other than Seller prior to the Closing Date (the "Programming Contracts"); provided that legal rights, if any, accruing to Seller by virtue of any such unilateral cancellation by a party other than Seller, shall be assigned by Seller to Buyer on the Closing Date. To the extent that the assignment of any Programming Contract listed in **Exhibit 1.3** may require the consent of a third party, Seller will use all commercially reasonable efforts to secure such consent. In the event that Seller is unable to secure such consent, Buyer will not be required to assume performance pursuant to such contract or agreement. The Programming Contracts listed in **Exhibit 1.3** may include contracts, whether written or oral, for the sale of broadcast time on the Station in effect as of the Closing Date; provided however, that Buyer will not assume any contracts for the sale of broadcast time for which payment is due in whole or in part in service or merchandise ("Trade Deals") entered into on or prior to the date of this Agreement and whose term extends beyond the Closing Date. Seller will not enter into any such Trade Deals after the date of this Agreement without the prior written consent of Buyer.

(b) All of Seller's rights to operate the Station transmitter and antenna at the Station tower site, which rights Seller holds pursuant to a long-term ground lease of Seller's owned real property for the construction and operation of a tower by a third-party tower owner (the "Tower Space Rights"). Seller has secured the agreement of the tower owner that, in exchange for Seller's voluntary amendment of its long-term ground lease to delete Seller's Tower Space Rights granted therein, the tower owner will negotiate and enter into a long term tower lease with Seller prior to or simultaneous with the Closing, which shall be fully assignable to Buyer without conditions at Closing. Seller shall consult with and include Buyer in all aspects of the negotiation of such tower lease rights for the Station. To the extent the tower lease contains a term requiring payment of rent or other fees, such amounts shall be credited against and represent a deduction by Buyer from the monthly rent due under the Studio Lease referred to in Section 1.3(c) below for a period of ten (10) years, or such shorter period if the Studio Lease or tower lease is terminated earlier.

(c) A studio and associated land use lease on mutually agreeable terms (the "Studio Lease") for the premises described therein that are owned by Seller and currently used for the Station's studios, which shall be finalized prior to the Closing, but which shall include as material terms a monthly rental amount of \$7,000 and be inclusive of all utility, phone, electricity, internet and any common area charges.

(d) All of the Station's or Seller's rights to carriage on local cable, satellite or telephone companies, including those arising from contractual arrangements or retransmission consent agreements (the "Carriage Agreements"), as listed on **Exhibit 1.3.3**. To the extent that the assignment of the Carriage Agreements may require the consent of a third party, it shall be a condition of Closing that such consent is obtained without changes materially

adverse to Buyer, and that either before or as part of the closing Seller shall fulfill all past due obligations under said agreement.

1.4 **Call Letters and Promotional Assets.** All of Seller's right, title and interest in and to the use of the call letters WLCN-CD, and to any slogans, jingles, trade marks, trade names, service marks, logos, copyrights or similar materials or rights used or held for use in the operation of the Station.

1.5 **Records.** All Seller's records relating to the operation of the Station through the Closing Date, including, but not limited to, all program, operating and maintenance logs maintained in connection with the Station, whether or not required by the FCC; engineering or consultant reports, data or analyses pertaining to the Station facilities; the Station Public File; copies of any accounts receivable and accounts payable ledgers which are kept by or for Seller in connection with the business of the Station; and copies of any other bookkeeping or accounting data in the possession of Seller relating to the business of the Station through the Closing Date, but excluding records relating to the Excluded Assets (defined below). Seller shall be entitled to retain the original or copies of all bookkeeping accounts, including ledgers, account cards and all written information on accounts receivable and accounts payable.

1.6 **Intangible Assets.** The goodwill and all other intangible assets used or useful in the operation of the Station facilities (the "Intangible Assets").

2. **Excluded Assets.** Any property of Seller not defined as an Asset herein or included on an exhibit to Section 1 hereof is excluded from this transaction (the "Excluded Assets").

3. **Purchase Price.** The total purchase price for all of the Assets sold and purchased, as described in Section 1 above, shall be ONE MILLION NINE-HUNDRED FIFTY THOUSAND DOLLARS (\$1,950,000) (the "Purchase Price"), subject to agreed upon pro-rations or other adjustments set forth in this Agreement, which shall be paid by Buyer to Seller by certified or cashiers check, or by electronic funds transfer, in immediately payable funds on the Closing Date.

3.1 **Assumed Liabilities.** The Buyer at the Closing shall assume only those liabilities accruing after the Closing Date under the Programming Contracts, or Carriage Agreements.

3.2 **Excluded Liabilities.** Buyer does not assume and shall not be obligated to pay, perform, or discharge any of Seller's obligations, liabilities, agreements, or commitments not specifically assumed by Buyer (the "Excluded Liabilities"), and the indemnification obligations set forth in Section 10 hereof shall apply in the event of any loss, liability, damage or expense (including reasonable attorney's fees) incurred by Buyer arising out of Seller's failure to pay, perform or discharge any of the Excluded Liabilities. Without limiting the generality of the foregoing, the Excluded Liabilities shall include, and Buyer shall not assume or be liable for (i) any liability, claim or obligation, contingent or otherwise, of or against Buyer arising out of the business or operation of the Station or the Assets prior to the Closing

Date; (ii) any liability or obligation under any contracts not specifically assumed by Buyer under the terms of this Agreement or relating to a breach prior to the Closing Date under any such contracts; (iii) any liability, claim or obligation under the contracts assumed by Buyer hereunder accruing before the Closing Date; (iv) any liability or obligation for any federal, state, or local income or other taxes or fees; (v) any liability or obligation with respect to the Excluded Assets; (vi) any liability or obligation to any employee or former employee of Seller or Station attributable to any period of time on or through the Closing Date (including accrued vacation and holiday pay and allowances); (vii) any severance or other liability arising out of the termination of any employee of Seller or Station; (viii) any duty, obligation or liability related to any employee benefit, pension, 401(k) or other similar plan, agreement or arrangement provided to employees of Seller or Station, and none of such plans shall be assumed by Buyer; (vix) any liability or obligation of Seller arising out of any litigation, proceeding or claim by any person or entity relating to the business or operation of the Station prior to the Closing Date, whether or not such litigation, proceeding, or claim is pending, threatened or asserted before, on, or after the Closing Date; and (x) frequency discounts, rebates or allowances to advertisers (or their agencies) which are based on broadcasts prior to the Closing Date.

3.3 **Payment of Liabilities by Seller.** Seller shall pay, perform, discharge and settle (i) all of the material liabilities at Closing which at such time, or with the passage of time, would result in an encumbrance on any of the Assets; and (ii) all other liabilities in the ordinary course of business and on a timely basis (except for liabilities being disputed by Seller in good faith and by appropriate proceedings), and Seller shall deliver the Assets to Buyer at Closing free and clear of liabilities, liens, or encumbrances. Seller shall pay the final salaries of each of the employees of the Seller for monies due them to and including the Closing Date.

4. **Escrow Deposit.** Within five (5) business days of the execution and delivery of this Agreement, Buyer shall deposit the amount of ONE HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$195,000) (the "Escrow Deposit") with Hardy, Carey, Chautin & Balkin, LLP ("Escrow Agent") pursuant to the terms of a written escrow agreement in the form attached hereto as **Exhibit 4** (the "Escrow Agreement"). The Escrow Agreement shall be signed by Seller, Buyer, and Escrow Agent simultaneously with the execution of this Agreement. At Closing, Seller and Buyer shall join in causing the Escrow Deposit to be applied to the Purchase Price and remitted to Seller. Any interest accrued on the Escrow Deposit shall be disbursed to Buyer. If this Agreement is not consummated because of Buyer's default, the Escrow Deposit and any interest accrued thereon shall be disbursed in accordance with the order of the arbitrator pursuant to the arbitration procedures set forth herein. If this Agreement is terminated for any other reason, the Escrow Deposit and any interest accrued thereon shall be disbursed to Buyer. The parties shall each instruct the Escrow Agent to disburse the Escrow Deposit and all interest thereon to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement. Any failure by Buyer to make the Escrow Deposit constitutes a material default as to which no cure period applies, entitling Seller to immediately terminate this Agreement as its sole and exclusive remedy.

## 5. **Closing of the Agreement.**

### 5.1 **Closing Date**

(a) The Closing shall take place by the exchange of signed documents via facsimile, electronic mail or overnight courier, within ten (10) business days after the FCC approval of the assignment of the FCC Authorizations to Buyer in accordance with Section 15 has become Final (as defined in Section 5.1(c)) (the "Closing Date"), unless Buyer, in its sole discretion, elects to close at an earlier time and date, in any event, subject to satisfaction or waiver of all other conditions to Closing set forth herein.

(b) If Closing occurs prior to such FCC approval becoming Final (defined below), and prior to becoming Final such FCC approval is reversed or otherwise set aside, and there is a Final order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Licenses to Seller, then the purchase and sale of the Assets shall be rescinded. In such event, Buyer shall reconvey to Seller the Assets, and Seller shall repay to Buyer the Purchase Price and reassume the contracts and leases assigned and assumed at Closing. Any such rescission shall be consummated on a mutually agreeable date within thirty days of such Final order (or, if earlier, within the time required by such order). In connection therewith, Buyer and Seller shall each execute such documents (including execution by Buyer of instruments of conveyance of the Assets to Seller and execution by Seller of instruments of assumption of the contracts and leases assigned and assumed at Closing) and make such payments (including repayment by Seller to Buyer of the Purchase Price) as are necessary to give effect to such rescission.

(c) For purposes of this Agreement, the word "Final" shall mean action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended, with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending, and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated.

6. **Noncompete Agreement.** As a condition of closing, Seller agrees to execute a noncompete agreement with Buyer for the maximum period allowed under South Carolina law pursuant to which Seller agrees not to compete with Buyer's operation of WLCN-CD within the coverage areas of the Station (the "Noncompete Agreement").

7. **Reserved.**

8. **Seller's Representations, Warranties and Covenants.** Seller makes the following representations, warranties, and covenants, each of which shall be deemed to be a separate representation, warranty, and covenant, all of which have been made for the purpose of inducing Buyer to join in and execute this Agreement, and in reliance on which Buyer has entered into this Agreement:

8.1 **Organization.** Seller is now and will be on the Closing Date, a non-profit corporation in good standing under the laws of the state of South Carolina. The execution, delivery and consummation of this Agreement and the transactions contemplated herein have

been duly authorized by the board of directors of Seller, and no further authorization, approval or consent is required. The execution, delivery and consummation of this Agreement will not conflict with any provision of the by-laws or articles of incorporation of Seller. This Agreement is a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

8.2 **Licenses and Authorizations.** On the Closing Date, Seller will hold the Station License, and all other FCC licenses, authorizations or approvals necessary for or used in connection with the operation of the Station. The Station License will be valid and existing and in full force and effect in every material respect for the purpose of operating the Station. The Station License will expire on December 1, 2012. Except for proceedings of general applicability or specific applicability to this market (i) no application, action or proceeding is pending for the modification of the Station License and (ii) no application, action or proceeding is pending or threatened that may result in the revocation, modification, non-renewal or suspension of the Station License or other authorizations. The Station is licensed as a digital Class A television station under Part 73, Subpart J of the FCC's rules, and has and continues to maintain Class A eligibility by operating for a minimum of eighteen (18) hours per day and producing, on average, at least three (3) hours per week of programming within the Station's market area. Seller has not entered into any agreement leasing or otherwise permitting use of any of the Station's excess digital capacity that cannot be terminated or will expire as of the Closing Date. Seller has not realized income from ancillary use of its digital capacity, and has not submitted and is not in arrears in remitting any portion of such income to the FCC for such ancillary channel use. Seller has timely filed all material reports or other materials with the FCC as required by the FCC's rules, regulations and policies. Seller has not received from the FCC any notice of inquiry, violation, apparent liability, or investigation related to the Station.

8.3 **Personal Property.**

(a) Seller holds and will convey at Closing good and marketable title to all the Personal Property, free and clear of all liens, pledges and encumbrances whatsoever. The assets listed on **Exhibit 1.2**, together with all improvements, replacements and additions thereto from the date hereof to the Closing Date, (i) constitute all the tangible personal property owned by Seller used or held for use in the operation of the Station and necessary to operate the Station in accordance with the Station License, and (2) are in good operating condition, normal wear and tear excepted. The Personal Property is transferrable by Seller by its sole act and deed and no consent on the part of any other person is necessary to validate the transfer thereof to Buyer, except as otherwise expressly contemplated by this Agreement.

(b) On the Closing Date, the Station's transmitting and master control equipment included in the Personal Property is operating in accordance with the terms and conditions of the Station License, all underlying construction permits, and the rules and regulations of the FCC, except for any violation which does not have a material adverse effect on the business of the Station.

8.4 **Leased Premises.** The Tower Space Rights described in **Exhibit 1.3** are for all of the tower and ground space that is presently used or held for use in the operation of the Station. There are no pending or, to the best of Seller's knowledge, contemplated condemnation or eminent domain proceedings that may affect the Tower Space Rights or Seller's negotiation with the tower owner for post-Closing tower lease rights. To the best of Seller's knowledge, Seller's use and occupancy of the Station tower complies in all material respects with all regulations, codes, ordinances, and statutes of all applicable governmental authorities.

8.5 **Contracts.** True and complete copies of all contracts and agreements listed on **Exhibits 1.3 and 1.3.3** have been furnished to Buyer. All provisions of such contracts have been complied with by Seller and no material default in respect to any duties or obligations required to be performed thereunder has occurred. There are not any agreements, contracts, understandings or commitments which restrict or inhibit the right of Seller to enter into this Agreement, to make the representations and warranties provided herein, or to consummate any of the transactions contemplated hereby, except for the need to obtain the FCC consent and except for any third party consents to assign certain of the contracts. For any contracts not assumed by Buyer, Seller shall be responsible for taking all actions, before or after Closing, to terminate same, including without limitation any costs and payments associated therewith.

8.6 **Litigation.** No judgment is presently pending against Seller with respect to the Station or the Assets and, except for proceedings of general applicability or specific applicability to this market, or as identified in **Exhibit 8.6** attached hereto, there is no litigation, proceeding or investigation by or before the FCC or by or before any other person, firm or governmental agency pending, or, to the knowledge of Seller, threatened with respect to the Station or the Assets which might result in any material adverse change in the operation of the Station or would have a material adverse effect on the right, title or interest of Seller in the Assets or the ownership, use or possession of the Station or the Assets by Buyer, or which may question the validity of any action taken or to be taken pursuant to or in connection with any of the provisions of this Agreement.

8.7 **Insurance.** Seller maintains in force fire, casualty and liability insurance in respect to the Assets and the business and operations of the Station. Such insurance is sufficient to fully cover any fire, casualty or liability losses and Seller will maintain or cause to be maintained such presently existing insurance in force until the Closing.

8.8 **Disposal of Assets.** Between the date hereof and the Closing Date, Seller will not sell or agree to sell or otherwise dispose of the Assets to be conveyed pursuant to this Agreement other than in the ordinary course of business and only as such assets are replaced, prior to the Closing Date, by other assets of substantially equal or greater value and utility. Any such disposition of the Assets shall only be after consultation with and approval of Buyer, which shall not be unreasonably withheld.

8.9 **No Infringement.** To Seller's knowledge, the operations of the Station do not infringe, and no one has asserted that such operations infringe, upon any copyright, patent, trademark, trade name, service mark, or other similar right of any other party.

8.10 **Compliance with Labor Laws.** Seller has, in the conduct of the affairs of the Station, complied in all material respects with all applicable laws, rules and regulations relating to the employment of labor, including those related to wages, hours, equal employment opportunity, collective bargaining, pension, welfare benefit plans, and the payment of social security and similar taxes.

8.11 **Employees.** Seller agrees to permit Buyer to interview some or all of the Station's employees prior to or after the Closing Date for purposes of employment with Buyer after the Closing. Notwithstanding Seller's consent granted herein, Buyer shall have no obligation to hire any of the Station's employees in connection with the proposed transaction.

8.12 **No Unions.** No employee of the Station is represented by a union or other collective bargaining unit, no application for recognition as a collective bargaining unit has been filed with the Nation Labor Relations Board, and, to Seller's knowledge, there has been no concerted effort to unionize any of the Station's employees. To Seller's knowledge, there are no material controversies pending or threatened between Seller or any of the Station's employees, and Seller is not aware of any facts that could reasonably result in any such controversy. Seller has never maintained or contributed to any pension plan (including, but not limited to, any single or multi-employer pension plan within the meaning of ERISA, as amended) with respect to any of the Station's current or former employees.

8.13 **No Breach.** The execution and performance of this Agreement will not violate any order, rule, judgment, or decree to which Seller is subject or breach any contract, agreement, or other commitment to which Seller is a party or by which Seller is bound, except for the need to obtain the FCC consent and except for any third party consents to assign certain of the contracts.

8.14 **Administrative Violations.** Between the date hereof and the Closing Date, if Seller receives an administrative or other order relating to any violation of the rules and regulations of the FCC, or of any other federal, state or local regulatory or administrative body, including rules regarding the employment of labor and equal employment opportunity, it will promptly notify Buyer of such order and use reasonable efforts to remove or correct such violations in the ordinary course of business and will be responsible for the cost of removing same, including the payment of any fines or back pay that may be assessed for any such violation, and Seller will indemnify and hold Buyer harmless with respect to any and all such violations occurring prior to the Closing Date.

8.15 **Taxes.** Seller has, in respect of the Station's business, paid and discharged all taxes, assessments, excises and other levies relative to the Assets being sold, which have become payable.

8.16 **Operations Pending Closing.** Between the date hereof and the Closing Date, Seller shall ensure that the Station is operated in the normal and usual manner in accordance in all material respects with the rules, regulations and policies of the FCC. No increase shall be made in the compensation payable or to become payable to any employee or

agent of the Station other than in the ordinary course of business consistent with Seller's past practice. No employment contract shall be entered into by Seller or on behalf of the Station which would legally bind the Buyer following the Closing, unless the same is terminable at will. No other contract, lease or agreement which have a term extending beyond the Closing Date shall be entered into by Seller or on behalf of the Station, without the prior written consent of Buyer. Seller shall promptly provide a copy to Buyer of any filing by Seller with the FCC, or the receipt of any correspondence or notice from the FCC, with respect to the Station.

8.17 **Adverse Developments.** Prior to the Closing Date, Seller shall promptly notify Buyer, in writing, of any materially adverse developments with respect to the business or operations of the Station.

8.18 **Access.** Between the date hereof and the Closing Date, upon reasonable notice, Seller will give Buyer or representatives of Buyer reasonable access during normal business hours to the Assets and furnish Buyer with all documents and copies of documents and information concerning the Assets and the business and affairs of the Station as Buyer may reasonably request; provided, however, that no investigation made by or on behalf of Buyer shall affect Seller's representations, warranties and covenants hereunder.

8.19 **Environmental Protection.** To Seller's knowledge: (i) except as consistent with applicable Environmental Laws, no Hazardous Substances are present on or below the surface of the Station tower or Studio Lease premises (the "Leased Premises") and such property has not previously been used for the manufacture, refining, treatment, storage, or disposal of any Hazardous Substances; (ii) none of the soil, ground water, or surface water of the Leased Premises is contaminated by any Hazardous Substance and there is no reasonable potential for such contamination from neighboring real estate; and (iii) no Hazardous Substances have been omitted, discharged or released from the Leased Premises, directly or indirectly, into the atmosphere or any body of ground water. To Seller's knowledge, neither Seller nor any present or former owner or operator of the Leased Premises is liable for clean up or response costs with respect to the admission, discharge or release of any Hazardous Substance or for any other matter arising under the Environmental Laws due to its ownership or operation of the Leased Premises. No "underground storage tanks" as that term is defined in regulations promulgated by the EPA are used in the operation of the Station or are located, to Seller's knowledge, on the Leased Premises. As used herein, the term "Environmental Laws" means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601 et seq.) the Hazardous Materials Transportation Act (42 U.S.C. §1802 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), the Toxic Substances Control Act (15 U.S.C. §260-1 et seq.), the Clean Air Act (42 U.S.C. §7901 et seq.), the National Environmental Policy Act (42 U.S.C. §4231, et seq.), the Refuse Act (33 U.S.C. §407, et seq.), the Safe Drinking Water Act (42 U.S.C. §300(f) et seq.), the Occupational Safety and Health Act (29 U.S.C. §651 et seq.), and all rules, regulations, codes, ordinances and guidance documents promulgated or published thereunder, and the provisions of any licenses, permits, orders and decrees issued pursuant to any of the foregoing. The term "Hazardous Substance" as used herein means any pollutant, contaminant, or hazardous or toxic substance, waste or material as those or similar terms are defined in the Environmental Laws or listed as such by the EPA.

8.20. **Station Tower.** To the best of Seller's knowledge, the Station's tower:

(i) is properly painted, lighted, fenced, and maintained in compliance with the FCC and FAA guidelines applicable to it,

(ii) the current placement and operation of all equipment on the Station's tower does not cause human exposure to levels of radiofrequency radiation in excess of the limits set by the FCC, and

(iii) is not located in an officially designated wilderness area or wildlife preserve, does not affect threatened or endangered species or designated critical habitats listed on the U.S. Government's list of endangered and threatened species or identified by the U.S. Fish and Wildlife Service, is not located on or is itself an Historic Property listed in or eligible for listing in the National Register of Historic Places, including properties of religious and cultural importance to an Indian tribe or Native Hawaiian organization that meet the National Register of Historic Places' criteria, does not affect districts, sites, buildings, structures or objects significant in American history, architecture, archeology, engineering or culture that are listed in the National Register of Historic Places, does not affect Indian religious sites, and is not located in a flood plain,

(iv) is not now and has not been in the past the subject of a pending environmental review or related proceeding before the FCC involving compliance with Section 106 of the National Historic Preservation Act ("Section 106"), or otherwise undergone or been the subject of a Section 106 review,

(v) has not previously been determined by the FCC to have an effect on one or more historic properties.

Seller is not now in receipt of and has not previously received a written or electronic notification that the FCC is in receipt of a complaint from a member of the public, a South Carolina Historical Preservation Officer, Tribal Historical Preservation Officer, or the Advisory Council on Historic Preservation, that the Station's tower or any antenna for an FCC-licensed operation affixed to the Station's tower has an adverse effect on one or more historic properties.

9. **Buyer's Representations and Warranties.** Buyer hereby makes the following representations, warranties and covenants each of which shall be deemed to be a separate representation, warranty and covenant, all of which have been made for the purpose of inducing Seller to join in and execute this Agreement, and in reliance on which Seller has entered into this Agreement:

9.1 **Corporate Existence.** Buyer is a South Carolina non-profit corporation duly organized, existing, and in good standing.

9.2 **Corporate Authorization.** The execution, delivery and consummation of this Agreement and the transactions contemplated herein has been duly authorized by the Board

of Directors of Buyer and no further authorization, approval or consent is required. This Agreement is a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

9.3 **No Breach.** The execution, delivery and consummation of this Agreement will not conflict with any provision of the By-Laws or Articles of Incorporation of Buyer.

9.4 **Buyer Qualified.** Buyer is legally, financially and otherwise qualified to acquire and operate the Purchased Assets. This qualification is consistent with the Communications Act of 1934, as amended, and the rules and regulations of the Federal Communications Commission ("FCC"). To Buyer's knowledge, no circumstances exist which reasonably could support a conclusion by the FCC that Buyer lacks the requisite qualifications to acquire and operate the Station.

9.5 **No Conflict.** Neither the execution or delivery of this Agreement nor compliance with the terms of this Agreement will (i) conflict with any order, judgment, injunction, award or decree of any governmental body, administrative agency or court, or any agreement, lease or commitment, to which Buyer is a party or by which Buyer is bound, or (ii) constitute a violation by Buyer of any law or regulation applicable to it, except for the need to obtain the FCC consent.

9.6 **Litigation.** There is no claim, litigation, proceeding or governmental investigation pending or threatened, or any judgment, order, injunction or decree outstanding, against Buyer and Buyer does not know of any valid basis for future claims, litigations, proceedings or investigations against Buyer that might materially and adversely affect its ability to consummate the transactions contemplated by this Agreement.

9.7 **Insolvency Proceedings.** No insolvency proceedings of any kind including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement of creditors, voluntary or involuntary, affecting the Buyer or any of its assets or properties are pending or, to Buyer's knowledge, threatened, and Buyer has made no assignment for the benefit of creditors, or taken any action with a view to, or which would constitute the basis for, the institution of any such insolvency proceedings.

## 10. **Indemnification.**

10.1 **Buyer's Right to Indemnification.** Seller undertakes and agrees to indemnify and hold Buyer harmless against any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorney's fees, incurred or assumed by Buyer arising from the breach, misrepresentation, or other violation by Seller of any of the covenants, warranties or representations contained in this Agreement, and for and against (i) all liabilities of Seller not assumed by Buyer pursuant to this Agreement, (ii) all liens, charges, or encumbrances

on the Assets transferred hereunder not specifically excepted herein, and (iii) all liabilities of Seller accruing prior to Closing under the contracts, leases, and agreements assigned to Buyer hereunder. The foregoing indemnity is intended by the Seller to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs, and expenses with respect to any and all of the specific matters in this indemnity set forth which exceed in the aggregate \$5,000. Notwithstanding the above, Seller's liability to Buyer for indemnification shall not include any indirect, consequential, punitive or exemplary damages to Buyer, specifically including any "lost profits" or business interruption damages incurred by Buyer.

10.2 **Seller's Right to Indemnification.** Buyer undertakes and agrees to indemnify and hold Seller harmless against any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorney's fees, incurred or assumed by Seller arising from breach, misrepresentation, or other violation by Buyer of any of the covenants, warranties or representations contained in this Agreement, and for and against (i) all liabilities of Buyer, (ii) any and all liabilities or obligations accruing after the Closing Date under the contracts, leases, and agreements assumed by Buyer hereunder and (iii) any actions by Buyer after Closing. The foregoing indemnity is intended by the Buyer to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs, and expenses with respect to any and all of the specific matters in this indemnity set forth which exceed in the aggregate \$5,000. Notwithstanding the above, Buyer's liability to Seller for indemnification shall not include any indirect, consequential, punitive or exemplary damages to Seller, specifically including any "lost profits" or business interruption damages incurred by Seller.

### 10.3 **Procedure.**

(a) If any claim or proceeding covered by the foregoing agreements to indemnify and hold harmless shall arise, the party who seeks indemnification shall give written notice thereof to the other party promptly describing in reasonable detail the nature and basis of the claim and the party from whom indemnification is sought shall have the right to employ counsel to defend against any such claim or proceeding or to compromise, settle or otherwise dispose of the same, if the indemnifying party deems it advisable to do so, all at the expense of the indemnifying party. The parties will fully cooperate in any such action, making available to each other books or records for the defense of any such claim or proceeding. If a party from whom indemnification is sought does not furnish a written acknowledgment of its undertaking to defend or settle such claim or proceeding in a timely manner, the party seeking indemnification shall be free to dispose of the matter, at the expense of the indemnifying party, in any reasonable way which it deems in its best interest (subject to the right of the indemnifying party to assume the defense of or opposition to such claim at any time prior to settlement, compromise or final determination thereof).

(b) Anything herein to the contrary notwithstanding:

(i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the claim;

(ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such claim; and

(iii) in the event that the indemnifying party undertakes defense of or opposition to any claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel concerning such claim and the indemnifying party and the indemnified party and their respective counsel shall cooperate in good faith with respect to such claim.

11. **Survival of Representations and Warranties.** The several representations and warranties of the parties contained herein shall survive the Closing for a period of twelve (12) months, at which point they shall be of no further force and effect; provided, however, that all warranties as to corporate authority and those related to the ownership of real property shall survive for such maximum period as permitted by law.

12. **Actions Pending Closing.** Pending the Closing of this Agreement, Seller will:

12.1 **Access.** Give Buyer and its representatives access in accordance with Section 8.18 of this Agreement. Buyer agrees to take no action which would interfere with the normal business or operation of the Station.

12.2 **Compliance with Laws.** Comply in all material respects with all applicable federal, state and local laws, ordinances and regulations including, but not limited to, the Communications Act of 1934 and the rules and regulations of the FCC.

12.3 **Continuing Maintenance.** Maintain the Personal Property in normal operating repair and efficiency; provided, that, such items of property may be replaced with similar property of similar value in accordance with Section 8.8 of this Agreement.

12.4 **Insurance.** Maintain in full force and effect through the Closing Date adequate property damage, liability and other insurance for the Assets as required by Section 8.7 of this Agreement.

12.5 **Notification.** Give detailed written notice to Buyer promptly upon the occurrence of any event that would cause or constitute a breach of Seller's representations or warranties contained in this Agreement or in any exhibit referred to by it.

12.6 **Tower Lease Negotiation.** Negotiate, with Buyer's consent, post-Closing tower lease rights for the Station that are assignable to Buyer without conditions.

13. **Conditions Precedent to Buyer's Obligations to Close.** The obligation of Buyer to consummate the Closing under this Agreement is subject to the satisfaction, or to Buyer's written waiver, on or before the Closing, of each of the following conditions:

13.1 **Representations and Warranties True and Correct.** The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, except for changes permitted or contemplated by the terms of this Agreement, and all of the agreements of Seller to be performed on or prior to the Closing pursuant to the terms of this Agreement shall have been duly performed in all material respects. Such facts shall be evidenced by a certificate to that effect, delivered at Closing, and signed by an authorized officer of Seller.

13.2 **FCC Consent.** The FCC shall have consented to the assignment of the FCC Authorizations from Seller to Buyer without any conditions materially adverse to Buyer, and such consent shall have become Final.

13.3 **No Injunction.** There shall not be in effect an injunction or restraining order issued by a court of competent jurisdiction in any action or proceeding against the consummation of the sale of the Assets contemplated by this Agreement.

13.4 **Closing Documents.** Seller shall deliver to Buyer at the Closing all the closing documents specified in Section 16.1, which documents shall be duly executed.

13.5 **Third-Party Consents.** Seller shall have obtained written consents to the assignment of the Programming Contracts and Carriage Agreements from Seller to Buyer, and Seller shall have entered into a tower lease with the tower owner on terms acceptable to Buyer that is assignable to Buyer without conditions.

13.6 **Class A Status.** The Station shall continue to meet the qualifications for Class-A status, and remain licensed as a Class-A station by the FCC, and no proceeding to revoke such status shall be pending or threatened.

14. **Conditions Precedent to Seller's Obligations to Close.** The obligation of Seller to consummate the Closing under this Agreement is subject to the satisfaction, or to Seller's written waiver, on or before the Closing, of each of the following conditions:

14.1 **Payments.** All payments which are due and payable by Buyer under this Agreement on or before the Closing Date shall have been paid in accordance with the terms of this Agreement.

14.2 **Representations and Warranties True and Correct.** The representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, except for changes permitted or contemplated by the terms of this Agreement, and all of the agreements of Buyer to be performed on or prior to the Closing pursuant to the terms of this Agreement shall have been duly performed in all material respects. Such facts shall be evidenced by a certificate to that effect, delivered at Closing, and signed by an authorized officer of Buyer.

14.3 **FCC Consent.** The FCC shall have consented to the assignment of the FCC Authorizations from Seller to Buyer.

14.4 **No Injunction.** There shall not be in effect an injunction or restraining order issued by a court of competent jurisdiction in any action or proceeding against the consummation of the sale of the Assets contemplated by this Agreement.

15. **FCC Approval and Application**

15.1 **Condition of FCC Consent.** Consummation of the Closing is subject to and conditioned upon receipt from the FCC of its consent in writing to the assignment to Buyer of the FCC Authorizations to be transferred to Buyer hereunder.

15.2 **Application for Consent.** The parties to this Agreement agree to proceed as expeditiously as practicable to file or cause to be filed an application requesting FCC consent to the assignment of the FCC Authorizations, as contemplated by this Agreement (the "Assignment Application"). The parties agree that the Assignment Application shall be duly filed with the FCC not later than five (5) business days after the date of this Agreement, and that such application shall be prosecuted in good faith and with due diligence. The failure of either party to timely file or diligently prosecute its portion of the Assignment Application shall be deemed a material breach of this Agreement. Seller shall pay the filing fee for the Assignment Application. Buyer and Seller shall notify each other of all documents filed with or received from the FCC with respect to the Assignment Application. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of the Assignment Application.

15.3 **Absence of Commission Consent.** If the initial FCC consent granting the Assignment Application is not secured within eight (8) months after acceptance for filing by the FCC of the Assignment Application, then this Agreement may be terminated at the option of either party upon written notice to the other; provided, however, that neither party may terminate this Agreement if (a) such party is in default hereunder, (b) if a delay in any decision or determination by the Commission respecting the Assignment Application has been caused or materially contributed to by any failure of such party to furnish, file or make available information within its control or caused by the willful furnishing by such party of incorrect, inaccurate or incomplete information to the Commission, or caused by any action taken by such party for the purposes of delaying any decision or determination respecting the Assignment Application. In the event the FCC freezes processing of or the filing of assignment applications in general at any time after the execution of this Agreement, the eight (8) month period specified herein shall be tolled during the period of such freeze. Upon termination pursuant to this Paragraph, the parties shall be released and discharged of all obligations hereunder and the Escrow Deposit, together with accrued interest, shall be returned to the Buyer.

15.4 **Designation for Hearing.** The time for FCC consent provided in Section 15.3 notwithstanding, either party may terminate this Agreement upon written notice to the other, if, for any reason, the Assignment Application is designated for hearing by the FCC, provided, however, that such termination shall not negate the provisions of this Agreement permitting legal recourse by one party against the other related to the reason cited by the FCC for hearing designation.

15.5 **Control of Station Pending Closing.** This Agreement shall not be consummated until after the FCC has given its written consent thereto, and between the date of this Agreement and the Closing Date, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct the operation of the Station. Such operation shall be the sole responsibility of Seller.

16. **Closing Documents.** On the Closing Date:

16.1 Seller shall deliver to Buyer:

(a) An assignment transferring all of the interests of Seller in and to the FCC Authorizations, Station call letters, pending applications and all other licenses, permits, and authorizations issued by any other regulatory bodies which are used or held for use in the operation of the Station;

(b) A bill of sale conveying to Buyer all of the Personal Property in a form usual and customary in the State of South Carolina, and the results of a UCC-1 Lien Search on the Assets conducted no more than ten (10) business days prior to the Closing in the state of Seller's incorporation;

(c) One or more assignments, together with all obtained consents, assigning to Buyer all of the agreements identified in **Exhibit 1.3 and 1.3.2**, and an assignment of the tower lease from Seller to Buyer;

(d) The certificate, dated as of the Closing Date, described in Section 13.1;

(e) A Certificate, dated as of the Closing Date, of a duly authorized officer certifying that all necessary corporate or other action by Seller has been taken to approve this Agreement and to authorize the consummation of the transactions described herein;

(f) The records and files referred to in Section 1.6 hereof;

(g) The Noncompete Agreement referred to in Section 6 hereof;

(h) A settlement statement setting forth the amounts due after adjustments and pro-rations, and wire instructions for disbursement of funds to Seller;

(i) Any approval required of Seller's bank related to the Studio Lease;

(j) The Studio Lease identified in **Exhibit 1.3.2**;

(k) Joint written instructions to be provided to Escrow Agent for the release of the Escrow Deposit.

16.2 Buyer shall deliver to Seller:

- (a) The Purchase Price, in the form provided for in Section 3 hereof;
- (b) The certificate, dated as of the Closing date, described in Section 14.2;
- (c) A certificate, dated as of the Closing date, of a duly authorized officer of Buyer certifying that all necessary corporate or other action by Buyer has been taken to approve this Agreement and to authorize the consummation of the transactions described herein
- (d) A certificate of good standing with respect to Buyer issued by the Secretary of State of South Carolina;
- (e) Joint written instructions to be provided to Escrow Agent for the release of the Escrow Deposit;
- (f) A countersigned settlement statement, Noncompete Agreement, and Studio Lease;
- (g) A document or documents assuming the lease/license agreements identified in **Exhibit 1.3**, as well as the tower lease, executed by Buyer.

17. **Pro-rations.**

17.1 **Apportionment of Income and Expense.** Seller shall be entitled to all income received, payable or arising from pre-Closing, and shall be responsible for all expenses arising out of, the operations of the Station through the close of business on the Closing Date. All prepaid and deferred income and expenses relating to the Assets and arising from the operation of the Station shall be prorated between Buyer and Seller in accordance with generally accepted principles as of 12:00 midnight on the Closing Date. Such prorations (the "Prorations") shall include without limitation:

- (a) Advance payments received from advertisers or programmers prior to or on the Closing Date for services to be rendered in whole or in part on or after the Closing Date;
- (b) Prepaid expenses and deposits arising from payments made for goods or services prior to the Closing Date where all or part of the goods or services have not been received or used at the Closing Date (for example, rents or utilities paid in advance for a rental period extending beyond the Closing Date);
- (c) Liabilities, customarily accrued, arising from expenses incurred but unpaid as of the Closing Date;

(d) Personal and real property taxes and utility charges related to the Station or in respect of any of the Assets; and

(e) Deposits and unearned prepayments received by Seller in connection with any agreement assumed by Buyer.

17.2 **Determination and Payment.** Prorations shall be made and paid, insofar as feasible, on the Closing Date and shall be paid by separate check and not by way of adjustment to the purchase price. As to Prorations that cannot be made on the Closing Date, within sixty (60) days after the Closing Date, the parties shall determine and agree upon all such Prorations and promptly thereafter Buyer shall pay to Seller or Seller shall pay to Buyer, as the case may be, the net amount due.

18. **Default and Remedies.**

18.1 **Material Breaches.** A party shall be deemed to be in default under this Agreement only if such party has materially breached or failed to perform its obligations hereunder, and no non-material breaches or failures shall be grounds for declaring a party to be in default, postponing the Closing, or terminating this Agreement.

18.2 **Opportunity to Cure.** If either party believes the other to be in default hereunder, the former party shall promptly provide the other with written notice specifying in reasonable detail the nature of such default. If the default has not been cured by the earlier of (i) five (5) business days after the scheduled Closing Date, or (ii) within twenty (20) days after delivery of that notice (or such additional reasonable time as the circumstances may warrant provided the party in default undertakes diligent, good faith efforts to cure the default within such twenty (20) day period and continue such efforts thereafter), then the party giving such notice may exercise the remedies available to such party pursuant to this Section 18, subject to the right of the other party to contest such action through appropriate proceedings.

18.3 **Arbitration.** Seller and Buyer each agree that any dispute arising out of the terms, conditions and obligations of the parties under this Agreement shall be resolved by binding Christian arbitration, pursuant to the procedures outlined in **Exhibit 18.3** attached hereto. Buyer and Seller further agree that such dispute resolution shall be in lieu of any other recourse or relief to which either might otherwise be entitled.

19. **Damage.** The risk of loss or damage to the Assets shall be upon Seller at all times prior to Closing and Buyer shall bear the risk of loss or damage thereafter. In the event of such loss or damage, Seller shall promptly notify Buyer thereof and repair, replace or restore any such damaged property to its former condition as soon as possible after its loss and prior to the Closing Date. If damage has occurred and such relief or restoration of any such damage has not been completed prior to the Closing Date, Buyer may, at its option:

(a) elect to consummate the Closing in which event Seller shall pay to Buyer the costs of such repairs, replacements or restoration as is required to restore the property to its former condition and against such obligation shall assign to Buyer all of Seller's rights under any

applicable insurance policies. Buyer shall in such event submit to Seller an itemized list of the costs of such repairs, replacements or restoration. If the parties are unable to agree upon the costs of such repairs, the matter shall be referred to a qualified consulting communications engineer mutually acceptable to Seller and Buyer who is a member of the Association of Federal Communications Consulting Engineers, whose decision as to the costs shall be final, and whose fees and expenses shall be shared equally by Seller and Buyer; or

(b) elect to postpone the Closing Date for a period of up to ninety (90) days, with prior consent of the FCC if necessary, to permit Seller to make such repairs, replacements, or restoration as is required to restore the property to its former condition. If after the expiration of the extension period granted by Buyer the property has not been adequately repaired, replaced or restored, Buyer may terminate this Agreement, and the Escrow Deposit and all accrued interest shall be returned to Buyer. If the parties disagree as to whether the property has been adequately repaired, replaced or restored, the matter shall be referred to a mutually-acceptable qualified consulting communications engineer, who is a member of the Association of Federal Communications Consulting Engineers, whose decision shall be final, and whose fees and expenses shall be shared equally by Seller and Buyer.

20. **Failure of Broadcast Transmission.** If regular broadcast transmissions by the Station in the normal and usual manner are interrupted or discontinued, for more than twenty-four (24) hours in a single occurrence, or if the Station is operated at less than eighty percent (80%) of its licensed operating or effective radiated power, as the case may be, Seller shall give prompt written notice thereof to Buyer. If prior to Closing, the Station is off the air or operating at power outside the tolerance permitted by the FCC's rules (a "Broadcast Interruption"), then Seller shall notify Buyer and use commercially reasonable efforts to return the Station to the air (or to tolerance) as promptly as practicable in the ordinary course of business. Notwithstanding anything herein to the contrary, if on the day otherwise scheduled for Closing, there is a Broadcast Interruption of the Station that has a material adverse effect on the Station, then Closing shall be postponed until the date five (5) business days after the Station returns to the air or to tolerance in all material respects.

21. **Brokerage.** Buyer and Seller each represent to the other that neither has engaged a broker in connection with this transaction, and each agrees to indemnify and hold the other harmless against any claim from any broker based upon any agreement, arrangement, or understanding alleged to have been made with Buyer or Seller.

22. **Notices.** Any notice required hereunder shall be in writing and any payment, notice or other communication shall be deemed given on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, or on the third day after mailing by U.S. certified mail, postage prepaid, with return receipt requested, and addressed as follows (or to any other address as any party may request by written notice):

(a) If to Buyer: Christian Television Network, Inc.  
Attn: Robert D'Andrea  
6922 142<sup>nd</sup> Avenue

Clearwater, Florida 33758  
Facsimile: (727) 535-4722

If to Seller: Faith Assembly of God of Summerville  
Attn: Larry Burgbacher  
337 Farmington Road  
Summerville, SC 29483  
Facsimile:

23. **Entire Agreement.** This Agreement constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof, and supersedes any prior agreements between the parties and contains all of the terms agreed upon with respect to the subject matter hereof. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement. This Agreement may not be altered or amended except by an instrument in writing signed by the party against whom enforcement of any such change is sought.

24. **Counterparts.** This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument.

25. **Headings.** The headings of the paragraphs of this Agreement are for convenience only and in no way modify, interpret or construe the meaning of specific provisions of the Agreement.

26. **Exhibits.** The Exhibits to this Agreement are a material part hereof.

27. **Severability.** In case any one or more of the provisions contained in this Agreement should be found to be invalid, illegal or unenforceable in any material respect by a court or governmental authority, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

28. **Choice of Laws and Venue.** This Agreement is to be construed and governed by the laws of the State of South Carolina.

29. **Bulk Sales.** Seller will indemnify and hold Buyer harmless against any cost or expense as a result of Seller's failure to comply with the provisions of any bulk sales or fraudulent conveyance statutes.

30. **Benefit; Assignment.** This Agreement shall enure to the benefit and be binding upon the parties hereto and their respective successors and assigns. Neither party may assign its rights and obligations hereunder without the other party's written consent. Nothing in this Agreement, expressed or implied, is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns.

31. **Fees and Expenses.** Except as specifically otherwise provided herein, Buyer and Seller shall each pay their own costs and expenses relating to the execution and delivery of this Agreement and the consummation of all transactions contemplated hereby.

32. **Public Announcements.** Prior to Closing, no party hereto shall make or shall authorize any other person to make any public announcement relating to any aspect of the transactions described herein without having first consulted with the other party concerning the requirement for, and timing and content of, such public announcement and having received their prior written consent thereto. Notwithstanding the foregoing, actions relative to obtaining approvals and like matters shall be permissible and Buyer may make all disclosures in its judgment necessary to obtain financing for purposes of carrying out the transactions described in this Agreement.

33. **Confidentiality.** Each party and its counsel, accountants, engineers and other representatives shall hold in confidence all data and information obtained regarding the other party and the Station's business and properties, except for public record information, and if the transactions provided for in this Agreement are not consummated as contemplated, shall continue to hold such non-public information in confidence and return all information and documents without retaining any copies thereof, and further Buyer (and its representatives) shall not directly or indirectly disclose to anyone or use in competition with the Station any data and information obtained in connection with this proposed purchase, or induce or attempt to persuade any of Seller's employees not to be employed by, or to terminate their employment with Seller at anytime.

34. **Assurances.** After Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

Christian Television Network of  
South Carolina, Inc.

---

By: Robert D'Andrea  
Title: President

Faith Assembly of God of Summerville

---

By: Larry Burchbacher  
Title: President

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

Christian Television Network of  
South Carolina, Inc.

  
By: Robert D'Andrea  
Title: President

Faith Assembly of God of Summerville

\_\_\_\_\_  
By: Larry Burgbacher  
Title: President

## **Exhibits**

- 1.1 FCC Authorizations
- 1.2 Personal Property
- 1.3 Programming Contracts
- 1.3.3 Carriage Agreements
- 4 Escrow Agreement
- 18.3 Arbitration Procedures

Exhibit 1.1

FCC Authorizations

<i>Call Letters</i>	<i>FCC File Number</i>	<i>Expiration Date</i>
WLCN-CD	BLDTA-20090616AAY	12/1/2012

Exhibit 4  
Escrow Agreement

## **ESCROW AGREEMENT**

AGREEMENT this 15<sup>th</sup> day of November, 2011 by and between Faith Assembly of God of Summerville, a South Carolina non-profit corporation ("Seller"), Christian Television Network of South Carolina, Inc., a South Carolina non-profit corporation ("Buyer") and Hardy, Carey, Chautin, & Balkin, LLP, a Louisiana limited liability partnership ("Escrow Agent").

**WHEREAS**, the parties, other than the Escrow Agent, have this date entered into an Asset Purchase Agreement with respect to certain of the assets of the Seller (the "APA");

**WHEREAS**, the APA provides for the payment of certain funds to an Escrow Agent to be held by the Escrow Agent and thereafter disposed of in accordance with the APA and an Escrow Agreement;

**WHEREAS**, Escrow Agent has received and reviewed a copy of the APA;

**WHEREAS**, the parties desire to agree upon the rights, liabilities and obligations of the Buyer, the Seller and the Escrow Agent with respect to the funds to be placed in escrow and for their disposition;

**WHEREAS**, all terms used herein shall have the same meaning as such terms have in the APA; and

**WHEREAS**, in the event of a conflict between the provisions of this Agreement and the provisions of the APA, this Agreement shall prevail;

**NOW, THEREFORE**, in consideration of the foregoing premises and the mutual promises and covenants hereinafter contained, the parties do enter this Agreement ("Escrow Agreement"), intending it to be as contemplated in the APA and a binding Agreement.

1. Pursuant to Section 4 of the APA, the Buyer has or will deliver to the Escrow Agent the sum of ONE-HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$195,000) ("Escrow Deposit"). The Escrow Deposit shall be payable only as set forth herein and in the APA and after compliance with the terms hereof concerning notice and disposition of the Escrow Deposit.

2. The Escrow Agent agrees to accept and hold the Escrow Deposit in an interest bearing escrow account in a federally insured bank, and in federally insured bank accounts and shall only dispose of the Escrow Deposit in accordance with the terms of this Escrow Agreement and the APA.

3. If the Closing occurs, then, as provided in the APA, the Escrow Deposit shall be deemed part of the Purchase Price paid by the Buyer to the Seller, and shall be delivered to Seller at the Closing. Interest on the Escrow Deposit shall be paid to Buyer at the Closing.

4. If the Closing of the APA shall fail to occur due to the default of either party or as a result of a dispute between the parties, Escrow Agent shall hold the Escrow Deposit until (a) the parties resolve the dispute by mutual agreement or agree that any dispute cannot be resolved, and thereafter jointly provide a written instruction to the Escrow Agent for distribution of the Escrow Deposit consistent with the APA or (b) the rights of the parties with respect to the Escrow Deposit have been adjudicated in accordance with the APA.

5. Escrow Agent will not charge Seller or Buyer any fees charged by the bank related to the Escrow Account or any agent fee for administering the account. Seller and Buyer shall each pay one-half of any other expenses incurred by the Escrow Agent, including any attorneys' fees and disbursements and other costs and expenses incurred by the Escrow Agent in connection with the administration of any other provisions of this Agreement. Seller and Buyer expressly acknowledge that Escrow Agent is also FCC counsel to each of them, and each hereby waives any conflict arising therefrom or presented thereby.

6. To induce the Escrow Agent to act hereunder, the parties hereto agree that:

(a) The Escrow Agent shall not be under any duty to give the Escrow Deposit held by it hereunder any greater degree of care than it gives its own similar property.

(b) This Escrow Agreement expressly sets forth all the duties of the Escrow Agent with respect to any and all matters pertinent hereto. No implied duties or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent shall not be bound by the provisions of any agreement among other parties hereto except this Escrow Agreement, unless consented to by it in writing.

(c) The Escrow Agent shall not be liable, except for its own willful misconduct, and/or gross negligence and, except with respect to claims based upon such willful misconduct and/or gross negligence that are successfully asserted against it or with respect to the fees for which Escrow Agent has agreed to be responsible in section 5 hereof, the other parties hereto shall jointly and severally indemnify and hold harmless the Escrow Agent and its partners, agents, servants and employees and professional advisors from and against any and all losses, liabilities, claims, actions, damages, and expenses, including reasonable attorney's fees and disbursements, arising out of and in connection with this Escrow Agreement.

(d) The Escrow Agent shall be entitled to rely upon any certified order, judgment or decree, and any certification, demand, notice, instrument or other writing delivered to it hereunder without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity or the service thereof, and shall be fully protected in acting in accordance therewith. The Escrow Agent may act in reliance upon any instrument or signature believed by it to be genuine and may assume that any person purporting to give notice or receipt or advice or make any statement or execute any document in connection with the provisions hereof has been duly authorized to do so. The Escrow Agent shall not have any responsibility with respect to the form, execution, sufficiency or validity of any such document.

(e) The Escrow Agent makes no representation as to the validity, value, genuineness or the collectibility of any funds, security or other documents or instrument held by or delivered to it and except as provided in subparagraph (c) above shall not be liable for making or failing to make any investment decision.

(f) The Escrow Agent may at any time resign as such by delivering the Escrow Deposit to any successor escrow agent jointly designated by the Seller and the Buyer in writing. If the Seller and the Buyer shall have failed to agree on the designation of a successor escrow agent within 60 days of receipt of notice from the Escrow Agent that it wishes to resign, then the Escrow Agent may designate a successor escrow agent, whereupon the Escrow Agent shall be discharged of and from any and all further obligations arising out of or in connection with this Escrow Agreement. The resignation of the Escrow Agent shall take effect on the earlier of (i) the appointment of a successor or (ii) the day which is 60 days after the date of delivery of its written notice of resignation to the other parties hereto. If at that time the Escrow Agent has not received a designation of a successor escrow agent, the Escrow Agent's sole responsibility after that time shall be to safe-keep the Escrow Deposit until the designation of a successor escrow agent of which it has notice or a joint written disposition instruction by the Seller and Buyer or its receipt of a certified copy of a final unappealable judgment, order or decree of a court of competent jurisdiction, relieving it or disposing of the Escrow Deposit.

(g) If for any reason the Escrow Agent in good faith is in doubt as to what action it is required to take or what its rights and duties are hereunder, the Escrow Agent shall be entitled to deposit the Escrow Deposit in the 22<sup>nd</sup> Judicial District Court for Parish of St. Tammany, Louisiana pursuant to the procedure provided for in such jurisdiction, and upon compliance with such procedure and notification to the other parties hereto of such action, shall be deemed to have resigned as Escrow Agent.

(h) This Escrow Agreement shall be binding upon and enure solely to the benefit of the parties hereto and their respective permitted successors and assigns, and their respective heirs, administrators and representatives and shall not be enforceable by or inure to the benefit of any third party except as provided in paragraph (f) with respect to a resignation of the Escrow Agent and designation of a new Escrow Agent. No party may assign any of its rights or obligations under this Escrow Agreement without the written consent of the other parties. This Escrow Agreement shall be construed with and governed by the substantive laws of the State of Missouri applicable to agreements made and to be performed wholly within such State.

(i) This Agreement represents the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements or understandings with respect thereto except for the APA. In case of any conflict between this Agreement and the APA, this Agreement shall control.

(j) This Escrow Agreement may be modified only by writing signed by all of the parties hereto, and no waiver hereunder shall be effective unless in a writing specifically so denominated and signed by the party to be charged.

7. All notices and other communications required or permitted to be given under this Agreement shall be in writing with copies to all other parties, and shall be deemed to be duly given when received by the addressee by letter, confirmed by prepaid registered or certified mail, or e-mail, to the following physical or email addresses as the parties may from time to time specify by like notice:

(a) If to Buyer: Christian Television Network of South Carolina, Inc.  
Attn: Robert D'Andrea  
6922 142<sup>nd</sup> Avenue  
Clearwater, Florida 33758  
Facsimile: (727) 535-4722

(b) If to Seller: Faith Assembly of God of Summerville.  
Attn: Larry Burgbacher  
337 Farmington Road  
Summerville, SC 29483  
Facsimile:

(c) If to Escrow Agent:

Joseph C. Chautin, III  
Hardy, Carey, Chautin & Balkin, LLP  
1080 West Causeway Approach  
Mandeville, Louisiana 70471

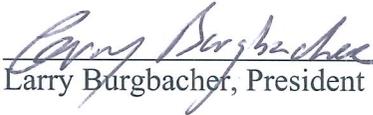
or to such other address as the party to receive such notice shall have last designated by written notice to the other parties.

8. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Escrow Agreement by their respective officers duly authorized to execute the same as of the day and year first above written.

SELLER: Faith Assembly of God of Summerville

By:   
Larry Burgbacher, President

BUYER: Christian Television Network of South Carolina, Inc.

By: \_\_\_\_\_  
Robert D'Andrea, President

ESCROW AGENT: Hardy, Carey, Chautin & Balkin, LLP

BY: \_\_\_\_\_  
Joseph C. Chautin, III, Partner

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Escrow Agreement by their respective officers duly authorized to execute the same as of the day and year first above written.

SELLER: Faith Assembly of God of Summerville

By: \_\_\_\_\_  
Larry Burgbacher, President

BUYER: Christian Television Network of South Carolina, Inc.

By:   
Robert D'Andrea, President

ESCROW AGENT: Hardy, Carey, Chautin & Balkin, LLP

BY: \_\_\_\_\_  
Joseph C. Chautin, III, Partner

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Escrow Agreement by their respective officers duly authorized to execute the same as of the day and year first above written.

**SELLER:** Faith Assembly of God of Summerville

By: \_\_\_\_\_  
Larry Burgbacher, President

**BUYER:** Christian Television Network of South Carolina, Inc.

By: \_\_\_\_\_  
Robert D'Andrea, President

**ESCROW AGENT:** Hardy, Carey, Chautin & Balkin, LLP

BY:   
Joseph C. Chautin, III, Partner

## Exhibit 18.3

### Arbitration Procedures

#### SECTION I - PROCEDURES FOR CHRISTIAN ARBITRATION

The parties must, prior to the selection of arbitrators, agree to the scope of the matters to be considered by the arbitrators. If the scope of the dispute for arbitration cannot be agreed upon by the parties, the scope shall be determined by the arbitrators.

#### SECTION II - SUBMISSION TO ARBITRATION

The parties having agreed to submit disputes to arbitration, and to waive any legal right to take the dispute to a court of law, will refer and submit any and all disputes, differences, and controversies whatsoever within the agreed scope of arbitration to a panel of three arbitrators, to be selected as follows:

- a. All arbitrators must be persons with one or more of the following qualifications (i) substantial experience in television broadcast management or (ii) an accountant or attorney with substantial experience in performing professional services for television licensees
- b. Each party shall submit a list of three proposed arbitrators to the other party, and the other party will choose one of the three proposed arbitrators to serve on a panel.
- c. The third arbitrator will be selected by mutual agreement of the other two arbitrators.
- d. In selecting the arbitrators, each party will act in good faith in choosing arbitrators who have no prior knowledge of the facts leading up to the dispute, are not related to or close friends with the selecting party, have no current, recent nor anticipated business relationship with the selecting party,". and who will act impartially and with fundamental fairness.
- e. The non-selecting party has the right to object to an arbitrator selected by the other party on one of the grounds set forth above, or such similar facts or bases which may show potential bias or a reasonable apprehension of unfairness in which case the selecting party shall select another arbitrator
- f. No arbitrator may be employed by, or under the authority of, either party or any other arbitrator.
- g. The arbitrators will be selected as soon as possible but no later than 30 days after the parties have agreed to the scope of the arbitration.

h. The arbitration will be held at a neutral site agreed to by the arbitrators. Should there be any dispute about the selection of arbitrators, a court of competent jurisdiction shall resolve the dispute.

3. The arbitrators shall, subject to the provisions of these procedures, arbitrate the dispute according to the terms of these procedures.

4. Each party may be represented by counsel throughout the process at the party's own expense. Discovery will be allowed as needed, as determined in the discretion of the arbitrators. Formal rules of evidence shall not apply.

### SECTION III - TERMS AND CONDITIONS OF ARBITRATION

5. The arbitrators shall have full power to make such regulations and to give such orders and directions as they shall deem expedient in respect to a determination of the matters and differences referred to them.

6. The arbitrators shall hold the arbitration hearing as soon as possible, but no later than thirty (30) days after selection of the third arbitrator.

7. At the request of a party, a stenographic record of the proceedings may be made at that party's expense. All proceedings are closed to the media and any other individuals not directly involved in the proceedings.

8. The length of the hearing shall be determined by the arbitrators in their discretion.

9. There will be no post hearing briefs.

10. The arbitrators are to make and publish their award, in writing, signed by each of them concerning the matters referred, to be delivered to the parties no later than 48 hours from the conclusion of the hearing, unless otherwise agreed by the parties. The arbitrators may, in their discretion, furnish an opinion.

### SECTION IV - CONDUCT AND RULES OF HEARING

11. The arbitrators may, in their absolute discretion, receive and consider any evidence they deem relevant to the dispute, whether written or oral, without regard to any formal rules of evidence.

12. The parties and their respective witnesses must each, when required by the arbitrators, attend and submit to examination and cross-examination under oath as to all or any of the matters referred to in the proceedings, and to produce and deposit with the arbitrators all or any evidence within his, her or its possession or control concerning such matters.

13. All presentations shall be controlled by the arbitrators. Any disputes regarding procedure shall be decided solely by the arbitrators.

## SECTION V - DUTIES OF ARBITRATORS

14. The arbitrators are to receive all evidence, consider such evidence in an impartial manner, and render a decision which is fair to all parties.

15. The arbitrators have full power to order mutual releases to be executed by the parties, and either of the parties failing, such orders shall have the effect of a release, and may be duly acknowledged as such.

16. In the event that either party or a witness for either party shall fail to attend the arbitration hearing, after such written notice to such party as the arbitrators shall deem reasonable, the arbitrators may proceed in the absence of such party or witnesses without further notice.

## SECTION VI - DECISION OF ARBITRATORS

17. Except as otherwise provided herein, the decision of the arbitrators is to be kept confidential by all parties.

## SECTION VII – MISCELLANEOUS

18. No party is to unreasonably delay or otherwise prevent or impede the arbitration proceedings. No party will involve the news media in the dispute in any way. No party shall publicize the dispute in any way to anyone not a party to the proceedings, except as permitted by the arbitrators, and except that a party may disclose the proceedings of this arbitration to legal counsel, accountants, insurance carriers, and as otherwise required by law.

19. Each party must pay its own costs and expenses related to the arbitration, including any fees for the arbitrators or the site.