

PURCHASE AND SALE AGREEMENT
OF
RADIO BROADCAST FREQUENCY 1040

THIS AGREEMENT is made this ____ day of _____ of 2005 between **PACIFIC STAR BROADCASTING, INC.**, a Georgia Corporation (hereinafter referred to as the "Purchaser") and **CHRIST IN YOU THE HOPE OF GLORY CHURCH, INC.**, a Georgia Corporation (hereinafter referred to as the "Seller").

RECITALS

- A. Seller is the owner of a radio broadcasting license of the radio broadcast frequency of 1040, WPBS (hereinafter referred to as the "Station") issued by the Federal Communications Commission (the "FCC").
- B. Seller is the owner of that certain real property lying and being in Land Lots _____ of the _____ District of _____ County, Georgia, and being more particularly described in Exhibit "____" attached hereto and made a part hereof by reference (hereinafter referred to as the "Real Property").
- C. Purchaser desires to acquire the Real Property and the FCC license Station and all the properties, assets, permits, contracts and other rights of Seller of every kind and description, tangible and intangible, wherever situated, that are associated with the Station (hereinafter collectively referred to as the "Property").
- D. Seller is willing to convey, sell and transfer the Property and all other such properties, assets, and rights used or useful in connection with the operation of the Station to Purchaser subject to the prior approval of the FCC.

In consideration of the matters described above, and of the mutual benefits and obligations set forth in this Agreement, the parties hereto, intending to be legally bound, do hereby agree as follows:

Seller's Initials _____

Purchaser's Initials _____

TERMS OF THE TRANSACTION

PRICE

The Purchaser agrees to purchase from Seller based upon the following allocation of values:

- \$112,500 EARNEST MONEY received by John Pierce & Company, LLC as of the date of this Agreement, to be credited towards the Total Purchase Price;
- \$2,137,500 TWO MILLION, ONE HUNDRED THIRTY-SEVEN THOUSAND, FIVE HUNDRED and NO/100 DOLLARS shall be due at Closing;
- \$2,250,000** TWO MILLION, TWO HUNDRED FIFTY THOUSAND and NO/100 DOLLARS shall be the **TOTAL PURCHASE PRICE**;

ARTICLE I DEFINITIONS AND CLOSING STIPULATIONS

- 1.1 Closing Date.** The final consummation of the transaction contemplated under this Agreement (the "Closing"), subject to all conditions precedent being satisfied, shall take place within thirty (30) days after FCC approval of the assignment of the license from Seller to Purchaser.
- 1.2 Assets.** FCC licenses and permits for radio broadcast frequency 1040 and any and all other properties, assets, contracts and other rights of Seller of every kind and description, tangible and intangible, wherever situated, that are associated with the license and operation of the radio broadcast frequency 1040 shall hereinafter be referred to as the "Assets."
- 1.3 Property.** The Assets and the Real Property.
- 1.4 Notice to Creditors.** The parties hereby waive the requirements of O.C.G.A. 11-6-101 et seq. (Georgia Bulk Sales Act). Seller makes no representations and affidavits that are being relied upon by Purchaser with regard to compliance with Georgia's Bulk Sales Laws and Purchaser assumes all risk and liability in connection therewith.
- 1.5 Due Diligence.** The Seller, or through Seller's employees and agents, shall deliver to Purchaser, or any designee directed by Purchaser, true and correct copies, containing no material omissions or misrepresentations, of the following to the extent such documents, schedules or information exist and are in the possession of Seller: (i) all vendor, customer and other material contracts (including all leases and inter-company agreements), (ii) a schedule of all current

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Purchaser's Initials _____

indebtedness and other liabilities associated with the Business, (v) the books and records of the Business for the prior month before closing, (iii) a schedule of all equipment and other fixtures used in connection with the Business, (iv) organizational documents of selling entity, as applicable (e.g., articles of incorporation, partnership agreements, etc.), (v) schedule of current insurance coverage and description of all claims made in the prior three years, (vi) copies of all governmental and third-party permits, authorization, licenses, approvals, certifications, consents, etc. (including without limitation zoning and occupancy permits, inspection certificates and liquor license) held by the Seller, (vii) service contracts and equipment leases, (viii) time brokerage or advertisement agreements as soon as practical following the execution of this Agreement, but in no event later than three (3) business days thereafter. In addition, Purchaser and Purchaser's agents and designees shall have full access, during reasonable hours and under reasonable circumstances, to the books and records and any and all other contracts, agreements, arrangements, documents, or information as Purchaser may reasonably require to assess the condition and value of the Business.

1.6 Documents to be Delivered by Seller at Closing. At the Closing, Seller shall deliver or cause to be delivered to Purchaser the following documents which shall have been duly executed by the appropriate parties as indicated thereon;

- a. All necessary corporate documentation authorizing Seller to convey the Assets, including the necessary Corporate Resolutions;
- b. Memorandum of Sale;
- c. An affidavit of Seller that all covenants and warranties of this Agreement are true as of the date of Closing
- d. Bill of Sale conveying the assets;
- e. A Compliance Agreement; and
- f. All other documents reasonably required to consummate the transaction contemplated hereby, in form and content reasonably satisfactory to Seller and Purchaser and its respective counsel.

1.7 License and Permits. Purchaser and Seller shall cooperate in good faith to obtain, for the benefit of Purchaser, any and all necessary licenses and permits as required by the FCC for the operation of the Station. Such forms and documents shall be provided by the Seller at the Closing with pertinent transfer information inscribed for signatures by both parties.

Seller's Initials _____

Purchaser's Initials _____

- 1.8 **Preliminary Agreement.** Purchaser and Seller acknowledge that this agreement is a preliminary agreement and that such legal documents as may be necessary to carry out the terms of this Agreement shall be executed and delivered by Purchaser and Seller at the time the sale is consummated.

ARTICLE II SELLER'S REPRESENTATIONS AND WARRANTIES

Except as otherwise noted herein:

- 2.1 **Seller's Authority.** The transaction contemplated hereby has been unanimously approved by the shareholders and directors of Seller and evidence of such authority reasonably satisfactory in form and content to Purchaser will be provided by Seller at Closing.
- 2.2 **Title to Assets.** Seller specially warrants and represents that such FCC license has been validly issued to Seller and is not subject to revocation except for cause, and that it is in full compliance with the terms of its issuance and with all statutes, rules, regulations and practices of the FCC or any other public authority. No proceedings are pending or threatened towards the revocation or adverse modification of such license, nor is there any basis for such proceedings. Such license constitutes the only permission necessary from any public authority to enable Seller to conduct its broadcasting business as presently conducted and contemplated. Seller further covenants that it has good and marketable title to all the Property and at Closing Seller will have full power and authority to transfer good and marketable title to all the Property to Purchaser.
- 2.3 **Executory Contracts.** The attached Exhibit "A" incorporated herein by this reference, is an accurate and complete list of all Executory Contracts to which Seller is a party or which obligates Seller (the "Executory Contracts") setting forth the names and business addresses of all parties, the subject of such contract, the expiration date and all provisions for cancellation.
- 2.4 **Laws, Ordinances and Regulations.** The radio broadcast frequency 1040 has been, and shall continue through Closing, to be operated and conducted in compliance with all applicable FCC laws, ordinances, rules and regulations, including, but not limited to, any and all local laws, ordinances, rules and regulations, if any.
- 2.5 **No Undisclosed Liens.** None of the Assets are or will, at Closing, be subject to a security agreement, pledge or other consensual lien or limitation of Seller's title.

Seller's Initials _____

Purchaser's Initials _____

- 2.6 **Suits, Claims, Investigations, Proceedings, etc.** There are no suits, proceedings, administrative claims, investigations or claims pending or threatened against the Seller, the Assets, or the license or any permits associated with the radio broadcast frequency 1040, whether or not disputed, which will affect either (i) Seller's performance hereof; (ii) the title to the Property; or (iii) the operation of the Station.
- 2.7 **Profit Sharing, Stock Options and Pension Plans.** Seller has no profit sharing plan, including a 401(k) which gives rise to participants having a claim or interest in the Property being acquired by Purchaser.
- 2.8 **Date of Representations and Warranties.** Each of the representations and warranties contained herein will be true on and as of the signing of this Agreement and also on the Closing date as though made on such date.
- 2.9 **Truth and Completeness of Statements.** To Sellers knowledge, information and belief, no representation or warranty of Seller herein, contains any untrue statement.
- 2.10 **Employment Contracts.** Seller has no employment contracts or collective bargaining agreements with any person or entity.

ARTICLE IV COVENANTS OF SELLER

- 4.1 **Conduct of Business.** Pending Closing of the transaction contemplated by this Agreement, Seller will continue to conduct his or her radio station business and operation of the Station in its ordinary course consistent with past practices.
- 4.2 **Maintenance of the Station.** Until the Date of Closing, Seller agrees to maintain his or her radio station business by making best efforts to:
- a. maintain and preserve its business organizations, employees and relationships with suppliers, customers and others whose involvement with Seller is reasonably required in the operation of the radio station;
 - b. inform Purchaser of all material matters relating to the Property and/or the radio broadcast frequency 1040; and
 - c. Pending the Closing, Seller shall operate the Station in the normal course of business, in accordance with all existing standards, practices and procedures, and shall maintain the Station in its current condition. From and after the date of this Agreement, Seller shall not, without the prior written consent of

Seller's Initials _____

Purchaser's Initials _____

Purchaser, enter into any new time brokerage agreements, leases, or advertising contracts with third parties unless such, agreements, leases, or contracts may be terminated immediately upon notice; and

d. not, without Purchaser's consent, further encumber any of the Property.

- 4.3 Payment of Judgments, Liens, Etc.** To the extent that there are judgments, liens, security interests or other encumbrances that are unpaid as of Closing, which affect Seller's title to the Assets to be sold to and purchased by Purchaser hereunder, or the right to sell same, Seller shall cause all such claims to be paid at Closing. Seller shall provide documentation that is satisfactory to the compliance with this Section.

ARTICLE V COVENANTS OF SELLER AND PURCHASER

- 5.1 Prorated Items.** At closing, all prorations related to the Real Property and the operation of the Station shall be done as of closing between Seller and Purchaser.
- 5.2 Utilities.** All utilities related to Seller's operation of the Business from the Premises (the "Utilities") shall be transferred to Purchaser. Seller shall cooperate in good faith with Purchaser to facilitate the transfer of the Utilities to Purchaser. Purchaser shall pay all expenses related to transfer or assignment of the Utilities.
- 5.3 FCC Filing.** All necessary documents for the approval and assignment of the FCC license shall be completed and filed in a timely manner.

ARTICLE VI TERMINATION AND LIMITATIONS ON LIABILITY

- 6.1 No Assumption of Liabilities.** It is acknowledged by the parties hereto that Purchaser shall not and does not by the execution of this Agreement or by the performance of its obligations hereunder, assume or agree to pay any liabilities or obligations of Seller other than those specified and provided for herein. Purchaser shall not, except as otherwise provided for in this Agreement, be responsible under any circumstances for Seller's accounts payable, or for any obligations or liabilities of the Business or to purchase any property from Seller subject to any obligation of Seller to any other person and Seller agrees to hold Purchaser harmless from all claims arising therefrom.
- 6.2 Costs and Expenses.** Each party shall pay its own legal, accounting and other costs and expenses incurred respectively by such party incurred (a) prior to the

Seller's Initials _____

Purchaser's Initials _____

Date of Closing; or (b) in connection with this Agreement and the transactions contemplated hereby.

- 6.3 Risk of Loss and Insurance.** Until the Date of Closing, the risk of loss with respect to the Property shall be borne by Seller and Seller shall keep the Property fully insured from all perils for the actual replacement cost thereof. In the event of loss, damage or destruction of a material portion of the Property to be purchased by Purchaser, Purchaser may, at its option, elect either (i) not to close the transaction contemplated hereby and to terminate this Agreement by written notice of such effect given not more than ten (10) days after Purchaser is given written notice of such loss, damage or destruction and no party shall have any further rights or obligations hereunder; or (ii) close the transaction contemplated hereby without adjustment to the Purchase Price and receive the Closing Documents required herein from Seller irrespective of such damage or destruction. The Purchase Price for any Assets damaged by casualty from and after the date of this Agreement but prior to Closing shall be as determined by Seller's insurer and Purchaser shall receive both the damaged Assets and the insurance proceeds payable by the insurance company. Purchaser shall be entitled to all insurance proceeds covering Seller's interest in the leasehold improvements and to the non-inventory Assets.

ARTICLE VII CONDITIONS TO CLOSING

Purchaser's Conditions Precedent. The following shall be conditions precedent to the obligations of Purchaser to close:

- a. FCC has approved the assignment of the license from Seller to Purchaser;
- b. Each of the representations and warranties of Seller contained in this Agreement shall be true, correct and complete at the time of Closing;
- c. Each of the covenants, agreements and undertakings of Seller contained in this Agreement, except for those calling for performance after the Closing, shall have been fully performed and complied with at or prior to Closing; and
- d. There shall have been no materially adverse change in the condition of the Property prior to the Closing which would materially alter Purchaser's anticipated operation of the Station;

Seller's Initials _____

Purchaser's Initials _____

ARTICLE VIII
MISCELLANEOUS PROVISIONS

- 8.1 Entire Agreement; Amendment.** This Agreement and the instruments referred to herein constitute the entire Agreement among the parties hereto with respect to the Acquisition, and supersedes any prior discussions and agreements. This Agreement may not be modified or amended except by written instrument signed by the parties.
- 8.2 Waiver.** Any party may waive compliance by the other party with any provision of this Agreement by an instrument in writing signed by or on behalf of such party. Any waiver by either party of any breach of any term or condition of this Agreement shall not operate as a waiver of any other breach of such terms or conditions or of any other term or condition, nor shall any failure to enforce such provisions hereof operate as a waiver of such provision or of any other provision hereof, nor constitute nor be deemed a waiver or release of any other rights, in law or in equity, or claim which either party may have against the other party for anything arising out of, connected with or based upon this Agreement.
- 8.3 Parties.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, representatives, heirs and assigns.
- 8.4 Brokerage.** Upon the closing contemplated hereby, John Pierce & Company, LLC ("Brokers") shall have earned, and Seller shall pay to Brokers, a real estate sales commission per a separate agreement between Seller and Brokers. Seller and Purchaser both acknowledge and agree that no real estate agent or broker (other than the Brokers named above and any other broker or agent with whom Brokers have agreed to share the commission to be paid to Broker) is entitled to receive any commission or other compensation relating to the transaction contemplated by this Agreement. Seller shall indemnify and hold harmless the Purchaser from and against any claim for any real estate sales commission, finder's fee, consulting fee, or other compensation (including the commission due Brokers in this paragraph) in connection with the sale contemplated hereby and arising out of any act or agreement of Seller.
- 8.5 Legal Representation.** **KIM & WOO, LLC** represents the Purchaser, **PACIFIC STAR BROADCASTING, INC.**, in this transaction for the sale of the radio broadcast frequency 1040. Seller has been advised to seek independent counsel prior to signing this or any other agreement pertaining to this transaction. **KIM & WOO, LLC** has not and does not represent Seller in any part of this transaction.

Seller's Initials _____

Purchaser's Initials _____

- 8.6** **Notices.** All notices permitted, required or desired to be given hereunder shall be made in writing and deemed given when delivered personally or mailed by United States Mail, registered or certified, or by nationally recognized overnight delivery service, addressed as follows:

SELLER:

PURCHASER:

**6171 Neely Farm Drive
Norcross, GA 30092**
With copy to:

John S. Woo, Esq.
Kim & Woo, LLC
3950 Shackleford Rd.
Suite 425
Duluth, GA 30096

(678) 638 – 0110 TEL
(678) 638 – 0115 FAX

- 8.7** **Execution and Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and it shall not be necessary in making proof of this Agreement to produce or account for more than one signed counterpart.
- 8.8** **Time.** Time is of the essence with respect to all obligations hereunder.
- 8.9** **Governing Law.** This Agreement has been executed in and shall be governed by and construed in accordance with the laws of the State of Georgia.
- 8.10** **Assignment.** Neither Seller nor Purchaser shall have the right to assign its rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

SPECIAL STIPULATIONS

The following stipulations shall control if in conflict with any of the foregoing provisions:

- (1) **Inspection Period.** Purchaser shall have fourteen (14) days from the execution of this Agreement to investigate all aspects of the radio broadcast frequency 1040 and the business operations of Seller including, but not limited to, the contracts, leases and restrictions on use in order to assess the

Seller's Initials _____

Purchaser's Initials _____

feasibility of the transaction contemplated herein (the "Inspection Period"). In the event Purchaser decides to terminate this Agreement within the Inspection Period, by written notice on or before the last day of said Inspection Period before 5:00 pm, Eastern Standard Time, this Agreement shall become null and void, the Earnest Money shall be returned to Purchaser within five days of written notice of termination and both parties shall have no further obligations or liabilities to each other.

IN WITNESS WHEREOF, the parties hereto have executed this Purchase and Sale Agreement this _____ day of _____, 2005.

SELLER:	PURCHASER:
CHRIST IN YOU THE HOPE OF	PACIFIC STAR BROADCASTING,
GLORY CHURCH, INC.	INC.

_____	_____
BY: FRANKLIN WALDEN, SR.	BY: CHARLES S. KIM
Title: President	Title: President

Seller's Initials_____	Purchaser's Initials_____
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