

# **ASSET PURCHASE AGREEMENT**

This Asset Purchase Agreement ("Agreement") is entered into this 7th day of May, 2002, by and between Hi-Line Radio Fellowship, Inc. ("Buyer") and Palmetto Radio Group, Inc. ("Seller").

Seller is a business corporation authorized and existing under the laws of the state of South Carolina. Seller is permittee of a Construction Permit ("Permit") for a one-thousand Watt AM radio station to broadcast at 1450 kilohertz, licensed to Lockwood, Montana, issued by the Federal Communications Commission ("FCC").

Buyer is a not-for-profit corporation authorized and existing under the laws of the State of Montana. Buyer is the owner and operator of several FM radio stations and translators.

This Agreement is entered into for the purpose of transferring ownership of Seller's Permit to Buyer. It is mutually understood that the purchase contemplated by this Agreement is subject to the approval of the FCC.

Buyer and Seller agree as follows:

## **ARTICLE I. – PURCHASE AND SALE OF PERMIT.**

Assets to be Transferred: For the consideration set forth herein Buyer agrees to buy and Seller agrees to convey to Buyer the FCC Construction Permit (Originally known by FCC File #20000201AHS, modified by FCC File #20001023ABZ, Facility ID #'s 122530 and 129384) currently owned by Seller. Upon Closing of this transaction, Seller shall retain no interest in the Permit.

No Assumption of Liabilities: Seller shall convey the Permit to Buyer free and clear of any and all liens and/or encumbrances. Buyer shall assume no liabilities or obligations of the Seller.

Purchase Price and Terms of Payment: The Purchase Price ("Price") shall be \$125,000 (One-Hundred and Twenty-Five Thousand Dollars) to be paid as follows:

1. \$5,000 (Five-Thousand Dollars) Earnest Money, which is to be placed in escrow within five business days of the signing of this Agreement. This escrow payment is to be released to Seller at Closing.
2. \$120,000 (One-Hundred-and-Twenty Thousand Dollars) to be paid by wire transfer or certified check at closing.

## **ARTICLE II. – REPRESENTATIONS OF SELLER.**

Organization, Standing, and Authority: The Seller is a duly organized, validly existing business corporation, in good standing under the laws of the State of South Carolina. Seller has requisite power and authority to enter into and fulfill its obligations under this Agreement.

Authorization and Binding Obligation: The execution, delivery and performance of this Agreement have been duly authorized by the Seller. This Agreement has been duly executed and delivered by Seller and constitutes a legal and binding obligation of the Seller.

FCC Permit Transfer: Seller has no knowledge of any facts which would disqualify Seller in any way as an assignee of the Permit. Seller further warrants that the execution and performance of this Agreement does not require the consent of a third party, and does not conflict with the governing documents of the Seller.

### **ARTICLE III. – REPRESENTATIONS OF BUYER.**

Organization, Standing, and Authority: The Buyer is a duly organized, validly existing not-for-profit corporation, in good standing under the laws of the State of Montana. Buyer has requisite power and authority to enter into and fulfill its obligations under this Agreement.

Authorization and Binding Obligation: The execution, delivery and performance of this Agreement have been duly authorized by the Buyer. This Agreement has been duly executed and delivered by Buyer and constitutes a legal and binding obligation of the Buyer.

In a special meeting held May 2, 2002, a majority of the Board of Directors of the Buyer met and approved the transaction contemplated by this Agreement, and authorized Roger Lonnquist to act on behalf of the Buyer as its agent, with authority to bind the Buyer's Corporation, and to sign documents necessary to complete the transaction.

### **ARTICLE IV. – FCC APPROVAL.**

FCC Transfer Application: Within five business days of the signing of this Agreement, Buyer and Seller shall file an application with the Federal Communications Commission requesting the FCC's approval of the transaction contemplated by this Agreement, and to arrange for any Public Notice of the FCC filing as may be required by FCC Rules.

Buyer and Seller shall each be responsible for 50% of the FCC filing fee associated with the Application. The Buyer shall pay the fee in full at the time of the filing of the Application, and shall receive an appropriate credit for the payment at Closing.

Buyer and Seller agree to work cooperatively and diligently to prosecute the Application in order to bring it to approval by the FCC.

### **ARTICLE V. – CLOSING.**

Time and Place of Closing: The Closing shall take place any time after the FCC approval becomes a Final Order, as mutually agreed upon by Buyer and Seller, but no later than 90 days after the FCC's Final Order becomes effective.

Closing may take place at any location within the United States mutually agreed upon by Buyer and Seller. Buyer and Seller may agree to make deliveries required by this Agreement via an overnight courier.

Seller's Deliveries at Closing: At the Closing, Seller shall deliver to the Buyer:

1. FCC Assignment of the Construction Permit to the Buyer;
2. A Bill of Sale certifying the completion of the Agreement
3. The FCC Construction Permit



Buyer's Deliveries at Closing: At the Closing, Buyer shall deliver to Seller:

1. The balance of the Purchase Price as shown in Article I.;
2. A release of the escrow deposit as shown in Article I.

## **ARTICLE VI. - FEES AND EXPENSES.**

Brokerage Fees: Any brokerage fees generated by this transaction shall be the sole responsibility of the Seller.

Other Fees & Expenses: Except for the FCC Filing Fee described previously, which shall be borne equally by the Buyer and Seller, each party is solely responsible for its own expenses associated with the transaction contemplated by this Agreement.

Seller shall be solely liable for any fees, taxes, or expenses relative to the Permit prior to Closing, and Buyer shall be solely responsible for such fees after Closing.

## **ARTICLE VII. - TERMINATION.**

Termination by Mutual Agreement: This Agreement may be terminated at any time prior to Closing by the mutual consent of the Buyer and Seller.

Termination by Seller: Seller may terminate this Agreement if there has been a material breach or misrepresentation by Buyer of its covenants, or failure to perform its obligations under this Agreement, and Buyer has not cured such breach or failure to perform within 30 days of written notice thereof. In the event of any termination, written notice setting forth the reasons shall be given by Seller to Buyer.

Termination by Buyer: Buyer may terminate this Agreement if there has been a material breach or misrepresentation by Seller of its covenants, or failure to perform its obligations under this Agreement, and Seller has not cured such breach or failure to perform within 30 days of written notice thereof. In the event of any termination, written notice setting forth the reasons shall be given by Buyer to Seller.

Escrow Deposit: In the event of termination of this Agreement by Seller due to the failure of Buyer to perform its obligation under this Agreement, the escrow deposit and any accrued interest shall be paid as liquidated damages to the Seller.

In the event of termination of this Agreement by Buyer due to the failure of the Seller to perform its obligations under this Agreement, the escrow deposit and any accrued interest shall be returned to the Buyer.

In the event of Closing of this transaction, the escrow deposit shall be paid to Seller as described in Article I., with any accrued interest paid to the Buyer.

## **ARTICLE VIII - MISCELLANEOUS PROVISIONS.**

Notification: All notices or communications made under this Agreement shall be made in writing and shall be forwarded to each party by U.S. mail or by courier to the following addresses:

If to Buyer: Roger Lonnquist  
Hi-Line Radio Fellowship, Inc.

P.O. Box 4218  
Helena, MT. 59604-4218

If to Seller: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Entire Agreement: This Agreement constitutes the entire agreement between Buyer and Seller. Any amendments or revisions of this Agreement must be made in writing, and executed by both Buyer and Seller.

Assignment: The rights and interests of Buyer and Seller may not be assigned to any person or entity without the prior express written consent of the other party.

**IN WITNESS WHEREOF**, each of the parties hereto has caused this Agreement to be executed on the date first written above.

**SELLER:**

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

Name: \_\_\_\_\_

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

**BUYER:**

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

Roger Lonnquist  
2<sup>nd</sup> Vice-Chairman  
Hi-Line Radio Fellowship, Inc.



**ARTICLE VIII - MISCELLANEOUS PROVISIONS.**

**Notification:** All notices or communications made under this Agreement shall be made in writing and shall be forwarded to each party by U.S. mail or by courier to the following addresses:

If to Buyer: Roger Lonquist  
Hi-Line Radio Fellowship, Inc.  
P.O. Box 4218  
Helena, MT. 59604-4218

If to Seller: Edward F. Seeger  
Palmetto Radio Group, LLC  
1311 Chuck Dawley Blvd.  
Suite 202  
Mount Pleasant, SC 29464

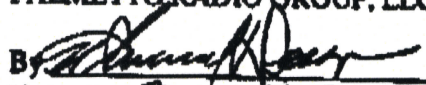
Kathleen Victory  
Fletcher, Heald and Hildreth  
1300 N 17<sup>th</sup> Street  
11<sup>th</sup> Floor  
Arlington, VA 22209

**Entire Agreement:** This Agreement constitutes the entire agreement between Buyer and Seller. Any amendments or revisions of this Agreement must be made in writing, and executed by both Buyer and Seller.

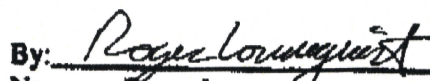
**Assignment:** The rights and interests of Buyer and Seller may not be assigned to any person or entity without the prior express written consent of the other party.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on the date first written above.

**SELLER:**  
PALMETTO RADIO GROUP, LLC

By:   
Name: EDWARD F. SEEGER  
Title: REG. IDENT

**BUYER:**  
HI-LINE RADIO FELLOWSHIP, INC.

By:   
Name: Roger Lonquist  
Title: 2<sup>nd</sup> Vice-Chairman

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