

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement ("Agreement") is made and entered into as of the date of the last signatory hereto, by and among The Messinger Family Trust, Charles Stewart, First Baptist Church of Proctorville, Estate of Freddie McClellan, Rebecca Moore, Ms. Ilene Tackett, Pinnacle Park, and The Claude Messinger & Maybelle Messinger Family Trust (collectively "Sellers"), Tri-State Family Broadcasting, Inc. ("Company") and Word of God Fellowship, Inc., dba Daystar Television Network of Dallas, TX ("Buyer").

WHEREAS, Sellers are the owners of all of the issued and outstanding shares of Company; and

WHEREAS, Company is the licensee of Television Station WTSF, Channel 61, Ashland, Kentucky, and the permittee of Digital Television Station WTSF-DT, Channel 44, Ashland, Kentucky ("Stations"); and

WHEREAS, Buyer desires to purchase from Sellers, and Sellers desire to sell to Buyer, the aggregate of Two Thousand One Hundred Thirty-Four (2,134) shares of Voting Stock of the Company, and Four Thousand Eight Hundred Eighty (4,880) shares of Non-Voting Stock of the Company, representing one hundred percent (100%) of all of the issued and outstanding stock of the Company; and

WHEREAS, the transactions contemplated herein require the prior consent and approval of the Federal Communications Commission ("FCC");

NOW, THEREFORE, in consideration of the mutual covenants, agreements and representations contained in this Agreement, all of the parties, intending to be legally bound, agree as follows:

ARTICLE 1

Definitions

1. Definitions. Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

(a) "Closing Date" or "Closing" means a date to be designated by Buyer at its option which shall be not later than the tenth (10th) day after the FCC provides Notice or Notices that it has approved and granted the transfer of control of the Company from Sellers to Buyer, or such approval has become a Final Order, as defined below.

(b) "Final Order" or "Finality" means an order of the FCC or its delegated authority granting its consent and approval of the transfer of control of the Company from Sellers to Buyer, which is no longer subject to rehearing, reconsideration or review by the FCC, or to a request for stay, an appeal or review by any court under the Communications Act of 1934, as amended, or the Rules and Regulations of the FCC.

ARTICLE 2

Purchase and Sale

2.1 Purchase and Sale of Shares. The number of Shares of the Company which are currently issued and outstanding are set forth below.

<u>Shareholder</u>	<u>Shares Issued</u>
The Messinger Family Trust	448 Voting Shares
The Claude and Maybelle Messinger Family Trust	602 Voting Shares

Charles Stewart	420 Voting Shares
First Baptist Church of Proctorville	200 Voting Shares
Estate of Freddie McClellan	200 Voting Shares
Rebecca Moore	150 Voting Shares
Ms. Ilene Tackett	114 Voting Shares
Pinnacle Park	3,427 Non-Voting Shares
Claude Messinger & Maybelle Messinger Family Trust	1,453 Non-Voting Shares

Subject to the terms and conditions of this Agreement, and upon the execution of this Agreement and the prior approval of the FCC, Sellers will sell, transfer and deliver to Buyer, and Buyer will purchase from Sellers all of the above-listed Shares of Voting Stock and Non-Voting Stock, representing one hundred percent (100%) of the issued and outstanding Shares of the Company.

2.2 Consideration for the Shares. The aggregate consideration for the Shares shall be Five Million Sixty Thousand Dollars (\$5,060,000.00)("Purchase Price"), payable as follows:

(a) Within three (3) business days after the execution of this Agreement, Buyer will place the sum of One Hundred Fifty Five Thousand Dollars (\$155,000.00) in an Escrow Account with Daniel King, III, Attorney at Law, 1200 Bath Avenue, Ashland, Kentucky, as Escrow Agent, pursuant to an Escrow Agreement between the parties and the Escrow Agent. At Closing the Escrow Account will be paid to Sellers as part of the Purchase Price. Interest accrued on the Escrow Account shall be for the benefit of the Buyer.

(b) At Closing, as consideration for Four Thousand Two Hundred Ninety-Six (4,296) shares, Buyer shall pay to Sellers the sum of Three Million One Hundred Thousand Dollars

(\$3,100,000.00), including the Escrow Account, plus or minus any adjustments which may be required or permitted under this Agreement and certain of Sellers shall donate to Buyer Two Thousand Seven Hundred Eighteen (2,718) shares, having an aggregate value of One Million Nine Hundred Sixty Thousand Dollars (\$1,960,000.00). At least two (2) business days prior to the Closing, Sellers and/or Company shall provide Buyer with instructions with respect to the accounts and banking institutions to which the Purchase Price is to be paid.

ARTICLE 3

Governmental Consents and Conduct Prior to Closing

3.1 FCC Consent. It is specifically understood and agreed that the consummation of this Agreement shall be subject to the prior consent of the FCC. Upon the execution of this Agreement, Sellers and Buyer will proceed to expeditiously prepare and file with the FCC the requisite application to secure such consent to the transfer of control of the Company from Sellers to Buyer, together with such other instruments and documents as may be required. Each party shall bear its own expenses in such matter, and all filing and other fees shall be divided equally between Sellers and Buyer. The parties further agree to tender the application to the FCC within ten (10) days of the date of execution of this Agreement, and thereafter to prosecute said application with diligence, and to cooperate with each other and to use their best efforts to obtain the requisite consent and approval promptly, and to carry out the provisions of this Agreement.

3.2 Legal Notice. Upon the filing of the transfer of control application with the FCC, Sellers and Company shall take the necessary steps to provide such Legal Notice concerning the filing as is required by the FCC Rules.

3.3 Management and Control. Between the date of this Agreement and the Closing Date, Buyer shall not control the management of the Company or control the operation of Stations, but such control of the Company and operation of Stations shall be the responsibility of Sellers. It is further understood and agreed that, effective on the Closing Date and thereafter, Sellers shall have no control over, nor right to intervene or participate in, the management of the Company or operation of Stations.

3.4 Section 73.1150 Statement. Both Sellers and Buyer agree that the Sellers have retained no rights of reversion in either the Stations or the management and ownership of the Company, no right to reassignment of the Stations' licenses or the management and control of the Company in the future and have not reserved the right to use the facilities of the Stations in the future for any period whatsoever.

3.5 Maintenance of Confidences. Until after the Closing, Buyer and Sellers agree to keep confidential all information they receive or have received during the course of the negotiations in connection with the transaction contemplated herein, or relating to the business operations of the other party, provided that either party may disclose such information to its professional advisors, agents and any financial institution which it may be dealing with in connection with the proposed financing of the transactions contemplated herein, or as required by law. In the event that the transaction contemplated hereby is not consummated for any reason, both parties shall promptly return to the other all financial documents, business materials and related documents acquired from the other party with respect to the transactions contemplated herein, including the Company and Stations and the associated assets and intangibles, and provide to each other the names and addresses of any and all persons, firms or entities who have viewed or received information with respect to the proposed transfer of control of the Company, together with a meaningful description of the materials viewed or received by them.

3.6 Access. Until Closing, Sellers shall allow Buyer, its officers, employees, and

representatives full and complete access to all of the offices, properties, books and records (financial and otherwise) of the Company, provided, however that such access shall not unreasonably disrupt the operation of the Stations, or the business and operation of the Company.

3.7 Operation. Until Closing, Sellers shall cause Stations to operate in the same manner as presently operated, with the same level of sales and promotion. Sellers shall maintain records of operation, including, but not limited to, records of sales, lists of clients, records of promotions, and such logs as are required by the FCC.

ARTICLE 4

Representations and Warranties

4.1 Representations and Warranties of Sellers and Company. The Sellers and Company represent and warrant to the Buyer as follows:

(a) Organization and Standing. The Company is a corporation organized, existing and in good standing under the laws of the State of West Virginia, and has all requisite power and authority (corporate and otherwise) to own, lease and operate its properties and assets and to carry on its business as it is currently conducted.

(b) Conflicting Agreements/Required Consents. The execution, delivery and performance of this Agreement by Sellers (i) does not require the consent of any third party, other than the FCC; (ii) will not violate any provisions of the Company's Articles of Incorporation or Bylaws; (iii) will not violate any applicable law of any governmental authority to which the Company is subject or by which it or its assets are bound; (iv) will not conflict with the terms, conditions or provisions of any agreement to which the Company is now subject; and (v) will not result in the creation of any new encumbrance on any of the Company's assets.

(c) Articles of Incorporation and Bylaws. At Closing, Sellers shall deliver to Buyer accurate and complete copies of the Articles of Incorporation and Bylaws of the Company in effect on the date of this Agreement, all books and records, including the minutes of corporate meetings, relating to Company's internal corporate organization, and all accounting books and records.

(d) Capitalization. The total authorized capital stock of Company consists of Two Thousand, One Hundred Thirty Four (2,134) Voting Shares, all of which are issued, outstanding, and fully paid and nonassessable, and Four Thousand, Eight Hundred Eighty (4,880) Non-Voting Shares, all of which are issued, outstanding and fully paid and nonassessable.

(e) Title to Shares. Sellers are the full and lawful owners of 100% of the issued and outstanding Shares of Company, free and clear of all liens, pledges, encumbrances, agreements or claims on the part of any person or entity, and Sellers have good and marketable title to the Shares. The transfer of the Shares being sold to Buyer shall vest Buyer with good and marketable title to the Shares, free and clear of all liens, pledges, encumbrances, agreements or claims on the part of any person or entity. Sellers further agree that, as of the Closing, all current stock pledges and mortgages, if any, shall be satisfied so that title to the Shares shall transfer free and clear.

(f) FCC Compliance. Schedule A hereto consists of copies of all of Company's FCC Licenses and other Authorizations. The Company is in substantial compliance with all material terms of Stations' FCC Licenses and other Authorizations, has filed all material reports required by the FCC to be filed, and has paid all FCC regulatory fees to date. Sellers and Company shall keep all FCC Licenses and other Authorizations in full force and effect until Closing. The Company hereby warrants that as of January 1, 2003, it has met all FCC requirements with regard to digital television broadcasting ("dtv"), and Buyer expressly consents and agrees that any new requirements made by the FCC for dtv after January 1, 2003, shall be the sole responsibility of, and at the sole expense of the buyer.

(g) Assets. The Company has, or will have as of the Closing Date, good and marketable title to the assets of the Company, and such assets shall be free and clear of all liens, pledges, encumbrances, agreements or claims. The assets shall be in good operating order, reasonable wear and tear excepted.

(h) Adverse Proceedings. To Sellers' and Company's knowledge, there are no adverse proceedings pending or threatened against Company.

(i) Directors and Officers. The present officers and directors of the Company are set forth on the attached Schedule B. Such persons will be the officers and directors of Company as of the Closing Date, and the written resignations of such officers and directors shall be delivered to Buyer at Closing concurrently with the delivery of the certificates representing the Company's Shares being transferred from Sellers to Buyer.

(j) Compliance with Laws.

(i) Sellers and Company have complied in all material respects with all laws, rules, and regulations of all federal, state, and local governments (and all agencies thereof) concerning the environment, public health and safety, and employee health and safety, and no charge, complaint, action, suit, proceeding, hearing, investigation, claim, demand or notice has been filed or commenced against Sellers or the Stations alleging any failure to comply with any such law, rule or regulation.

(ii) Sellers and Company have no knowledge of any liability relating to ownership and operation of the Stations (and there is no basis related to the past or present operations, properties, or facilities of the Stations by Sellers or Company for any present or future charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand against Sellers or Company giving rise to any such liability) under the Comprehensive Environmental Response, Compensation and

Liability Act, the Resource Conservation and Recovery Act, the Federal Pollution Control Act, the Clean Air Act, the Safe Drinking Water Act, the Toxic Substances Control Act, the Refuse Act, the Emergency Planning Community Right-to-Know Act, or the Occupational Safety and Health Act (each as amended), or any other law, rule or regulation of any federal, state, or local government (or agency thereof) concerning release or threatened release of hazardous substances, public or employee health, safety, or pollution or protection of the environment.

(iii) Sellers and Company have no knowledge of any liability relating to their ownership and operation of the Stations (and there is no basis for any present or future charge, complaint, action, suit, proceeding, hearing, investigation, claim, or demand, under common law or pursuant to any statute, against Sellers or Company giving rise to any such liability) arising out of Sellers' or Company's handling, disposal or arranging for disposal of any substance.

(iv) Sellers and Company have no knowledge of any liability relating to their ownership and operation of the Stations (and there is no basis for any present or future charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand under common law or pursuant to a statute, against Sellers or Company giving rise to any such liability) for any illness or personal injury to any employee.

(v) To the best of Sellers' and Company's knowledge, all properties and equipment used in the business of the Stations are and have been free of asbestos, and all transformers used in the operations of the Stations are free of PCBs.

(vi) To the best of Sellers' and Company's knowledge, no pollutant, contaminant, industrial, hazardous, or toxic material or waste is located on the tower sites.

(k) Balance Sheet. Sellers have provided Buyer with the Company's most recent balance sheet, dated December 31, 2002 ("Balance Sheet"), demonstrating the Company's

assets and liabilities. Sellers further represent and warrant the said balance sheet will remain substantially true and correct, except as otherwise specified herein, up until the Closing, and that the Company will have no other undisclosed assets or liabilities. Without limiting the generality of the foregoing, Sellers represent and warrant that, at Closing, all current normal operating trade receivables will be greater than all current normal operating trade and employee liabilities. In the event the liabilities are greater than current trade receivables, this difference will be adjusted from the cash amount of the purchase price.

(l) Sellers represent that by Closing all local, state and federal employment taxes will have been paid current to the Closing Date.

(m) Sellers represent that, at Closing, there will be no notes or loans to or from entities affiliated with Company, or any of the officers, directors, shareholders, employees or agents thereof.

(n) Sellers shall be responsible for the preparation and filing of Federal and state tax returns for the fiscal year ended September 30, 2002, and the payment of any taxes associated therewith.

(o) Sellers shall be responsible for any personal, capital gains taxes incurred by Sellers by virtue of the transaction contemplated hereby.

4.2 Representations and Warranties of Buyer. The Buyer represents and warrants to the Sellers as follows:

(a) Organization and Standing. The Buyer is a non-profit corporation organized, existing and in good standing under the laws of the State of Georgia, is, or will be by Closing, qualified to do business in Kentucky, if required, and has all requisite power and authority (corporate and otherwise) to enter into this Agreement, to own, lease and operate the assets and to carry on the

business being purchased, and to fulfill its obligations under this Agreement.

(b) ~~Conflicting Agreements/Required Consents~~. The execution, delivery and performance of this Agreement by Buyer (i) does not require the consent of any third party other than the FCC; (ii) will not violate any provisions of Buyer's Articles of Incorporation or Bylaws; (iii) will not violate any applicable law of any governmental authority by which it or its assets are bound; (iv) will not conflict with the terms, conditions or provisions of any agreement to which the Buyer is subject.

(c) Buyer has been fully authorized to enter into this Agreement.

(d) Buyer will retain the following employees for a period of at least two (2) years following the Closing Date at their current rate of pay or higher: Gertrude Tackett, Randy Fleming, Ellen Keaton, and Virgil Adkins.

(e) Buyer will continue to sell airtime to local ministries.

(f) For a period of two (2) years following the Closing Date, Buyer will continue to broadcast the local Tri-State *Celebration* program, although the times of broadcast will be at the discretion of the Buyer.

(g) For a period of two (2) years following the Closing Date, Buyer will continue to broadcast the local *From The Heart* program, although the times of broadcast will be at the discretion of the Buyer.

(h) Buyer will continue to operate Stations with a Christian programming format.

(i) Buyer shall be responsible for any corporate tax liabilities of the Company following the Closing provided Buyer's actions caused such tax liability. Buyer will also be responsible for the annual IRS 1120 filing in 2003 and thereafter.

ARTICLE 5

Closing Conditions, Closing Documents (Buyer)

5.1 Conditions.

(a) All of the material terms, covenants and conditions to be complied with and performed by Buyer will have been complied with or performed in all material respects.

(b) No suit, action, claim or governmental proceeding shall be pending against, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against any party which would make it unlawful to effect the transactions contemplated by this Agreement in accordance with its terms.

5.2 Documents. At Closing, Buyer shall deliver to Sellers:

(a) The Purchase Price specified in Article 2.2(b);

(b) Such other instruments and documents as Sellers may reasonably request in connection with the consummation of the contemplated transactions.

ARTICLE 6

Closing Conditions, Closing Documents (Sellers)

6.1 Conditions.

(a) All of the material terms, covenants and conditions to be complied with and performed by Sellers or the Company will have been complied with or performed in all material respects.

(b) No suit, action, claim or governmental proceeding shall be pending seeking to restrain this Agreement or consummation of the transactions contemplated by it, or which would have a material adverse effect on the future operation of the Stations. No order, decree or judgment of any

court, agency or other governmental authority shall have been rendered against any party which would render it unlawful to effect the transactions contemplated by this Agreement in accordance with their terms.

6.2 Documents. At Closing, Sellers shall deliver to Buyer:

- (a) Stock certificates or stock powers to effect the transfer of the Shares provided for by this Agreement;
- (b) The corporate documents described in Article 4.1(c);
- (c) Resignations of the officers and directors of Company;
- (d) Such other instruments and documents as Buyer may reasonably request in connection with the consummation of the contemplated transactions;
- (e) All operational and other records kept in the normal course of business.

ARTICLE 7

Indemnification

7.1 Sellers' and Buyer's Indemnities. Sellers and Buyer shall each indemnify, defend and hold harmless the other, from all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, including interest, penalties, court costs and reasonable attorneys' fees and expenses, asserted against, imposed upon or incurred by either party, directly or indirectly, with respect to (a) any material misrepresentation or breach of warranty or covenant by the other party, and (b) any failure by either party to perform any of its obligations under this Agreement.

ARTICLE 8

Other Provisions

8.1 Survival. The representations, warranties, covenants, indemnities and agreements contained in this Agreement are and will be deemed and construed to be continuing representations, warranties and covenants, indemnities and agreements, and will survive the Closing for a period of one (1) year or for such periods of time which the Closing Documents establish for the performance of the obligations of the parties which are to be performed following Closing.

8.2 Assignment. This Agreement will be binding upon and inure to the benefit of the parties and their successors. No party may assign any of its rights or obligations under this Agreement without the written consent of the other, which consent will not be unreasonably withheld or denied.

8.3 Default and Termination.

(a) In the event of a material default by Buyer of any term of this Agreement, which default is not cured within ten (10) days written notice of such default, Sellers shall have the right to terminate this Agreement, and to demand payment to them of the Escrow Deposit.

(b) In the event of a material default by Sellers of any term of this Agreement, which default is not cured within ten (10) days written notice of such default, Buyer may elect to terminate this Agreement and receive a return of the Escrow Deposit, or seek to specifically enforce this Agreement. In the event Buyer seeks to specifically enforce this Agreement, Sellers hereby waive any claim that there is an adequate remedy at law.

(c) If there is not a Final Order consenting to and approving the transfer of control of Company and a Closing in accordance with the terms of this Agreement within twelve (12) months from the date of execution of this Agreement, either party, not then in default, may, upon ten (10) days written notice to the other, terminate this Agreement. In such event, Buyer shall be entitled to a return of the Escrow Deposit; provided, however, that the failure to obtain approval was not as a result of any action or failure to act on the part of the Buyer.

8.4 Notices. All notices and other communications shall be in writing and shall be deemed to have been duly given if delivered by a recognized overnight courier (such as Federal Express) or mailed by registered mail, postage prepaid, as follows:

If to Sellers or Company:

with a copy (which shall not constitute notice) to:

Alan C. Campbell, Esq.
Irwin, Campbell & Tannenwald, P.C.
1730 Rhode Island Avenue, N.W.
Washington, DC 20036

If to Buyer:

Word of God Fellowship, Inc.
4201 Pool Road
Colleyville, TX 76034
Attn: Rev. Marcus Lamb

with a copy (which shall not constitute notice) to:

Robert L. Olender, Esq.
Koerner & Olender, P.C.
5809 Nicholson Lane
Suite 124
North Bethesda, MD 20852

8.5 Entire Agreement. This Agreement sets forth the entire agreement and understanding between the parties with respect to the subject matter hereof, and supersede any prior

negotiations, agreements, understandings or arrangements between the parties with respect to the subject matter.

8.6 Amendments. The provisions of this Agreement may be amended, terminated or waived only by an instrument in writing executed by all of the parties or by the party granting a waiver.

8.7 No Waiver. To the extent permitted by law, the failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right to enforce that provision or any other provision of this Agreement at any time thereafter.

8.8 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect its meaning or interpretation.

8.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.10. Compliance With FCC Requirements. The parties agree that the provisions of this Agreement are subject to all applicable requirements under the Communications Act of 1934, as amended (the "Communications Act"), and the rules, regulations and policies of the FCC promulgated thereunder ("FCC Rules"). The parties agree that all actions undertaken pursuant to this Agreement or otherwise on behalf of the Company shall be in full compliance with the requirements of the Communications Act and the FCC Rules, and the parties shall take no action with respect to the Company which would be in violation thereof, nor, consistent with the above, will any of the parties take any action or fail to take such action, as the case may be, that could jeopardize the FCC authorizations and licenses held by the Company. Each party agrees to execute on behalf of itself, and to cooperate in the filing and prosecution of, all applications and other documents which in the opinion of counsel are necessary to obtain FCC or other governmental approval of any transactions contemplated by this Agreement or any actions otherwise properly taken on behalf of Company.

8.11 Reformation of Agreement. If any provision of this Agreement is deemed contrary to the Communications Act or FCC Rules, or is otherwise ruled unenforceable, the parties mutually agree to reform this Agreement to modify or delete such provision, exercising their best good faith efforts to insure that such modification, while removing the legal infirmity, conforms as closely as possible to the parties' original intention.

8.12 Broker. Sellers and Buyer agree that there has been no broker in connection with this transaction. Sellers and Buyer shall each hold the other harmless from and against any claims by brokers or middlemen alleging a commission due and owing in connection with this transaction.

8.13 Consent to Jurisdiction. Sellers and Buyer agree that in the event any dispute arises concerning the terms or performance of this Agreement, such matters shall be resolved in the appropriate Kentucky court, and that this Agreement shall be construed and enforced in accordance

with the laws of the State of Kentucky, without regard to its conflicts of laws doctrines.

8.14 Effective Date. This Agreement shall not be effective until it has been signed by all parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date indicated below.

SELLERS:

THE MESSINGER FAMILY TRUST

Date: _____

By: _____

CHARLES STEWART

Date: _____

By: _____

FIRST BAPTIST CHURCH OF PROCTORVILLE

Date: _____

By: _____

ESTATE OF FREDDIE MCCLELLAN

Date: _____

By: _____

REBECCA MOORE

Date: _____

MS. ILENE TACKETT

Date: _____

PINNACLE PARK

Date: _____ By: _____

THE CLAUDE MESSINGER & MAYBELLE
MESSINGER FAMILY TRUST

Date: _____ By: _____

BUYER:
WORD OF GOD FELLOWSHIP, INC. DBA
DAYSTAR TELEVISION NETWORK OF DALLAS

Date: _____ By: _____