

ASSET PURCHASE AND SALE AGREEMENT

EXHIBITS AND SCHEDULES

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ASSET PURCHASE AND SALE AGREEMENT

Exhibit A

INVENTORY

See attached inventory list, which together with equipment acquired by the Seller in conjunction with the construction of the Station after the effective date of this Agreement, shall comprise the complete inventory list.

Transmitter - Crown FM500 s/n: A135748
Omega Audio Processor s/n: 100
Comstream Sat receiver s/n: 0580007337
Sage EAS ENDEC s/n: D12147
Receiver for LP1 s/n: 03260935
Receiver for LP2 s/n: 03260940
Burk Wiring interface panel s/n: unknown
Burk Command relay panel s/n: unknown
Burk VRC2500 s/n: unknown

6' Cabinet

Transmitter readings when I left:

RF pwr 238 watts
SWR 1.19
ALC 3.42
PA Volts 31.3
PA Amps 9.68
PA Temp 33.9
DC Supp 71.0

Building temp 78 deg

Receiver Eb = 12.5

LP1 station KDES 104.7
LP2 station KCLB 93.7

Site phone - 760-343-4812
Phone company - Verizon 800-483-5000
Order number I2613979

Gate combo - 1220

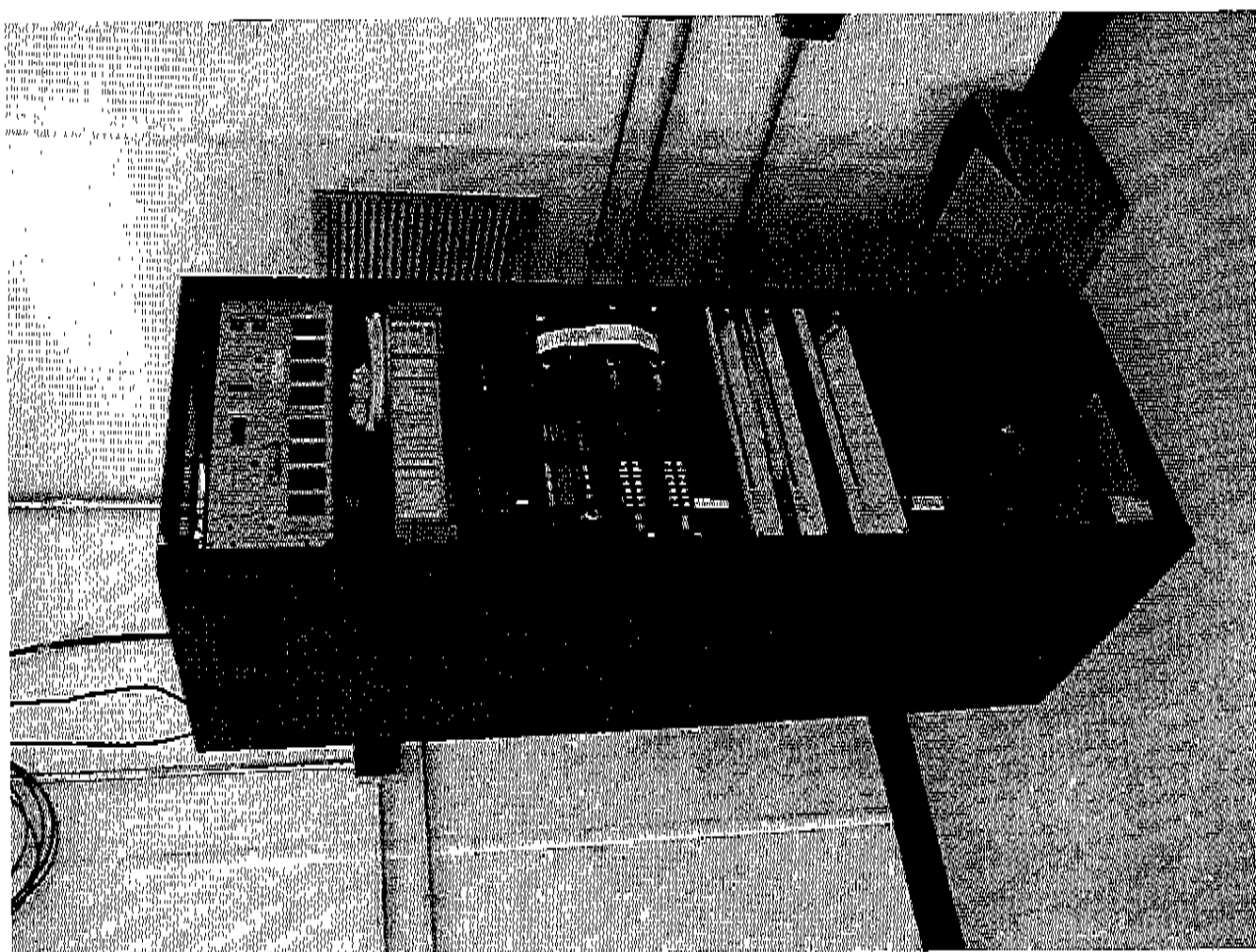
1/5/2004

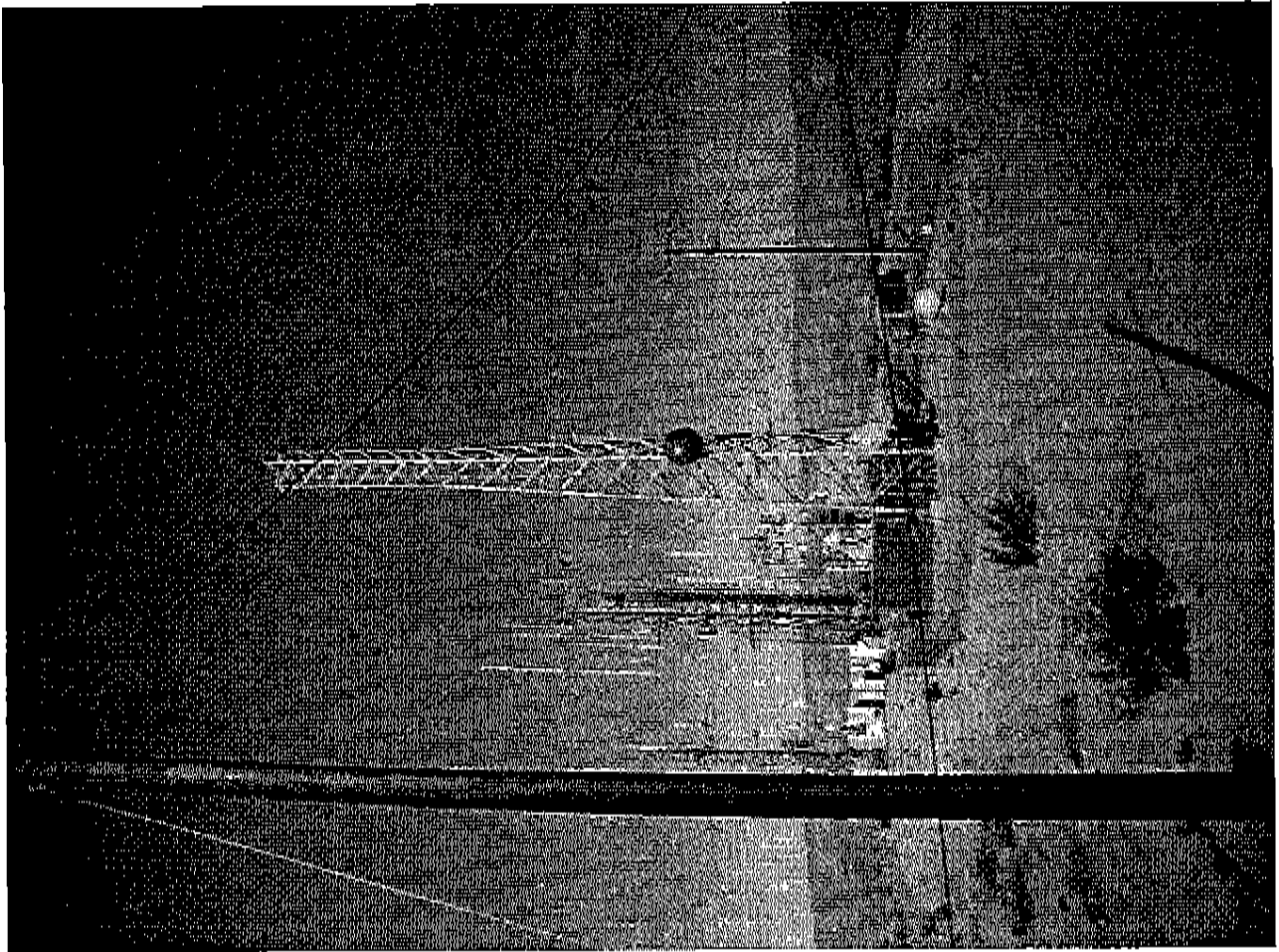
Satellite azimuth - 143 deg Magnetic
Satellite elevation - 48 degrees
Satellite polarization - -19.76 deg

Meter 1 - RF power (601*)
Meter 2 - PA Volts (602*)
Meter 3 - PA Temp (603*)

Relay 1- TX Off (201*) TX On (201#)
Transmitter set to turn off with loss of audio for 30 seconds

Steve Vogt
SVI Communications
636-586-8697





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Exhibit B

TOWER SITE LEASE

See attached tower site lease with American Tower Corporation and the approval of ATC to the assumption/assignment of the lease to Family Worship Center Church, Inc.

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Exhibit C

FCC LICENSES

See attached FM Broadcast Station Construction Permit BPED-19970725MH and any and all licenses and authorizations issued in conjunction with the operation of the Station.



United States of America
FEDERAL COMMUNICATIONS COMMISSION
FM BROADCAST STATION CONSTRUCTION PERMIT

Authorizing Official:

Official Mailing Address:

SHEPHERD COMMUNICATIONS INC
33011 STONEBROOK DRIVE
WARREN OR 97053

Brian J. Butler
Supervisory Engineer
Audio Division
Media Bureau

Facility ID: 87604

Call Sign: 970725MH

Permit File Number: BPED-19970725MH

Grant Date: February 11, 2003

This permit expires 3:00 a.m.
local time, 36 months after the
grant date specified above.

Subject to the provisions of the Communications Act of 1934, as amended, subsequent acts and treaties, and all regulations heretofore or hereafter made by this Commission, and further subject to the conditions set forth in this permit, the permittee is hereby authorized to construct the radio transmitting apparatus herein described. Installation and adjustment of equipment not specifically set forth herein shall be in accordance with representations contained in the permittee's application for construction permit except for such modifications as are presently permitted, without application, by the Commission's Rules.

Commission rules which became effective on February 16, 1999, have a bearing on this construction permit. See Report & Order, Streamlining of Mass Media Applications, MM Docket No. 98-43, 13 FCC RCD 23056, Para. 77-90 (November 25, 1998); 63 Fed. Reg. 70039 (December 18, 1998). Pursuant to these rules, this construction permit will be subject to automatic forfeiture unless construction is complete and an application for license to cover is filed prior to expiration. See Section 73.3598.

Equipment and program tests shall be conducted only pursuant to Sections 73.1610 and 73.1620 of the Commission's Rules.

Name of Permittee: SHEPHERD COMMUNICATIONS INC

Station Location: CA-COACHELLA

Frequency (MHz): 90.9

Channel: 215

Class: A

Hours of Operation: Unlimited

Call Sign: 970725MH

Permit No.: BPED-19970725MH

Transmitter: Type Accepted. See Sections 73.1660, 73.1665 and 73.1670 of the Commission's Rules.

Transmitter output power: As required to achieve authorized ERP.

Antenna type: Directional

Antenna Coordinates: North Latitude: 33 deg 52 min 03 sec

West Longitude: 116 deg 25 min 58 sec

	Horizontally Polarized Antenna	Vertically Polarized Antenna
Effective radiated power in the Horizontal Plane (kW):	.230	.230
Height of radiation center above ground (Meters):	16	16
Height of radiation center above mean sea level (Meters):	498	498
Height of radiation center above average terrain (Meters):	190	190

Antenna structure registration number: 1045214

Overall height of antenna structure above ground (including obstruction lighting if any) see the registration for this antenna structure.

Special operating conditions or restrictions:

- 1 BEFORE PROGRAM TESTS ARE AUTHORIZED, permittee shall submit the results of a complete proof-of-performance to establish the horizontal plane radiation patterns for both the horizontally and vertically polarized radiation components. This proof-of-performance may be accomplished using the complete full size antenna, or individual bays therefrom, mounted on a supporting structure of identical dimensions and configuration as the proposed structure, including all braces, ladders, conduits, coaxial lines, and other appurtenances; or using a carefully manufactured scale model of the entire antenna, or individual bays therefrom, mounted on an equally scaled model of the proposed supporting structure, including all appurtenances. Engineering exhibits should include a description of the antenna testing facilities and equipment employed, including appropriate photographs or sketches and a description of the testing procedures, including scale factor, measurements frequency, and equipment calibration.
- 2 BEFORE PROGRAM TESTS ARE AUTHORIZED, permittee shall submit an affidavit from a licensed surveyor to establish that the directional antenna has been oriented at the proper azimuth.
- 3 BEFORE PROGRAM TESTS ARE AUTHORIZED, permittee/licensee shall submit an affidavit that the installation of the directional antenna system was overseen by a qualified engineer. This affidavit shall include a certification by the engineer that the antenna was installed pursuant to the manufacturer's instructions and list the qualifications of the certifying engineer.

Call sign: 970725MH

Permit No.: SPED-19970725MH

Special operating conditions or restrictions:

- 4 The relative field strength of neither the measured horizontally nor vertically polarized radiation component shall exceed at any azimuth the value indicated on the composite radiation pattern authorized by this construction permit.

A relative field strength of 1.0 on the composite radiation pattern herein authorized corresponds to the following effective radiated power:

0.23 kilowatts.

Principal minima and their associated effective radiated power limits:

100 - 110 degrees True: 138 watts
260 - 280 degrees True: 7.4 watts.

- 5 The permittee/licensee in coordination with other users of the site must reduce power or cease operation as necessary to protect persons having access to the site, tower or antenna from radiofrequency electromagnetic fields in excess of FCC guidelines.

*** END OF AUTHORIZATION ***

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Exhibit D

LOCAL MARKETING AGREEMENT/TIME BROKERAGE AGREEMENT

See attached copy of the Local Marketing Agreement/Time Brokerage Agreement in effect between the Buyer and the Seller.

**LOCAL MARKETING AGREEMENT
(TIME BROKERAGE AGREEMENT)**

between

Shepherd Communications, Inc. (Permittee)

and

Family Worship Center Church, Inc. (Broker)

in regards to

**Radio Station
KPSH (FM) Coachella, California**

Local Marketing Agreement/Time Brokerage Agreement

This LOCAL MARKETING AGREEMENT/TIME BROKERAGE AGREEMENT (the "Agreement") is made and entered into this 1st day of December 2003, by and between Shepherd Communications, Inc. (the "Permittee"), a California nonprofit corporation and Family Worship Center Church, Inc. (the "Broker"), a Louisiana nonprofit corporation.

WHEREAS, the Permittee is the holder of FM Broadcast Station Construction Permit BPED-19970725MH (the "CP") issued by the Federal Communications Commission (the "FCC") authorizing the Permittee's construction of non-commercial radio station KPSH (FM) to be licensed to Coachella, California (the "Station") and;

WHEREAS, the Permittee intends to promptly construct the Station in accordance with the terms of the CP and upon completion of the construction will have available broadcasting time on the Station and;

WHEREAS, the Broker desires to avail itself of time on the Station for the broadcast of programming;

NOW, THEREFORE, in consideration of the above premises and the covenants and agreements contained herein, the Permittee and the Broker agree as follows:

1. Air Time and Transmission Service. The Permittee agrees to make air time and transmission services available to the Broker upon commencement of broadcasting on the Station (the "Commencement Date") and to broadcast on the Station, or cause to be broadcast, the Broker's programs (the "Programming"). The Programming is described in Exhibit A hereto. The compensation to be paid to the Permittee is set forth in Exhibit B hereto.

2. Origination Point. The Programming shall originate from the Broker's studio or such other points as the Broker may specify, provided that it shall be delivered to the transmitter site of the Station at the Broker's expense.

3. Payments. The Broker will make monthly payments to the Permittee (the "Monthly Fee") in accordance with the terms specified in Exhibit B hereto. In addition, the Broker will reimburse the Permittee for reasonable, customary and usual operating expenses of the Station (the "Permittee's Operating Expenses") as specified in Exhibit B hereto. The failure of the Permittee to demand or insist upon prompt payment in accordance herewith shall not constitute a waiver of its right to do so. The Broker shall receive a payment credit for any Programming not broadcast by the Station, which credit shall be the Broker's sole remedy for the Permittee's failure for any reason to broadcast the Broker's programming, such credit to be determined by multiplying the Permittee's Operating Expenses by the ratio of the amount of time preempted or not accepted to the total number of hours of Programming each month.

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4. Term. The term of the Agreement shall begin on the Commencement Date and end on the earliest of: (i) two (2) years from the Commencement Date unless extended by the written mutual consent of the Buyer and Permittee; (ii) in the event of a sale of the Station to the Broker, upon the Closing of the sale; or (iii) in the event an assignment application in regard to the sale of the Station has not been granted by the FCC within one (1) year from the date of filing unless extended by the written mutual consent of the Buyer and Permittee; or (iv) upon any other termination event described herein.

5. Programming. The Broker shall furnish or cause to be furnished the Programming which shall be in accordance with the rules, regulations and policies of the FCC, including, without limitation, the FCC's rules, regulations and policies pertaining to plugola/payola, lotteries, station identification and political programming. All programming and promotional material or announcements shall (i) comply with all applicable federal, state and local regulations and policies, (ii) be produced in accordance with generally accepted quality standards consistent with the Permittee's practices, and (iii) comply with Permittee's Guidelines, a copy of which is attached hereto as Exhibit C. The Programming shall be the property of the Broker, and the rights to authorize its use, in any manner and in any media whatsoever, shall be vested solely in the Broker. The Broker shall include in the Programming it delivers for broadcast by the Station announcements at the beginning of each hour of such Programming that identifies the Station by call sign and City of License, as well as any other announcements required by the rules of the FCC. The Broker agrees that, if in the sole judgment of the Permittee or the Permittee's General Manager, the Broker does not comply with the standards set forth in this Paragraph or in Exhibit C, the Permittee may suspend or cancel any Programming not in compliance.

6. Programming Revenues. From and after the Commencement Date, the Broker shall retain all revenues from the Programming it delivers to the Station for broadcast, subject to compliance with all applicable governmental laws and regulations. The Permittee shall retain the revenue from the sale of any programs on the Station not produced or delivered to it by the Broker.

7. Broker's Right of Access. The Broker and the Broker's employees and agents shall at all times be afforded reasonable access to the Permittee's facilities in order to perform their duties in connection with the transmission of the Programming over the facilities of the Station. The Broker shall have the right to install at the Permittee's and/or the Broker's premises, and to maintain throughout the term of the Agreement, at the Broker's expense, any microwave studio/transmitter relay equipment, satellite dishes, telephone lines, transmitter remote control, monitoring devices or any other equipment necessary for the transmission of the Programming on the Station. In the event of termination of the Agreement, any equipment the Broker installs at the Broker's expense, shall remain the property of the Broker, and the Broker shall have thirty (30) days to remove it at the Broker's expense. The Broker shall reimburse the Permittee for any

Local Marketing Agreement/Time Brokerage Agreement

damage to the Station caused by the removal of such equipment. The Permittee and the Broker shall take all steps reasonably necessary to prepare and file any applications with the FCC to effectuate such transmission. No radio transmission apparatus requiring a license from the FCC shall be operated unless and until a license or other authorization has been obtained from the FCC or such operation is otherwise authorized under the FCC's Rules and Regulations.

8. Facilities of the Station. Throughout the term of the Agreement the Permittee shall make the facilities of the Station available to the Broker for operation and broadcast with the maximum authorized facilities twenty-four (24) hours a day, seven (7) days a week, except for down time occasioned by routine maintenance not to exceed two (2) hours each on Sunday mornings between the hours of 12:00 midnight and 9:00am, and except for such programs and announcements prepared by and broadcast by the Permittee in order to meet local needs and issues for up to two hours a week on Sunday mornings between the hours of 6:00am and 10:00am. To the extent possible, any maintenance work to be performed by the Permittee involving the operation of the Station at less than full power shall be scheduled upon at least forty-eight (48) hours prior notice with the approval of the Broker.

9. Responsibility for Employees and Expenses. The Broker shall employ and be responsible for the salaries, taxes, insurance and related costs for all personnel used in the production of the Programming (including board operators and programming staff). The Permittee shall provide and be responsible for personnel necessary for compliance with the FCC's main studio staffing requirements (including, without limitation, the General Manager and at least one additional employee) (the "Permittee's Staff"). The Permittee shall be responsible solely for the salaries, taxes, insurance and related costs for the Permittee's Staff and no other personnel. The Permittee shall also be responsible for certain expenses related to the broadcast transmission facilities owned by the Permittee, including, but not limited to the telephones used by the Permittee's Staff, insurance on the Permittee's facilities, property taxes and income taxes relating to its earnings from this transaction and from other sources if any. The Broker shall pay for all telephones necessary to its operation and utilized in and associated with the production and broadcast of the Programming, for all fees to ASCAP, BMI and SESAC, and for any other copyright fees attributable to its Programming.

10. Permittee's Operation of the Station. Notwithstanding anything to the contrary contained herein, the Permittee shall have full authority, control and power over the operation of the Station during the period of the Agreement. The Permittee shall provide and pay the expenses for its General Manager, who shall report solely to and be accountable solely to the Permittee and who shall direct the day-to-day operation of the Station. The Permittee shall retain control, said control to be reasonably exercised, over the policies, programming and operation of the Station, including, without limitation, the right to decide whether to accept or reject any Programming, the right to preempt any Programming in order to broadcast a program deemed by

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the Permittee to be of greater national, regional or local importance, and the right to take any other actions necessary for compliance with the laws of the United States, the laws of the State of California, the rules, regulations and policies of the FCC (including, without limitation, the prohibition on unauthorized transfers of control), and the rules, regulations and policies of other local, state or federal government authorities, including, without limitation, the U.S. Federal Trade Commission and the U.S. Department of Justice. The Permittee shall at all times be solely responsible for meeting all of the FCC's requirements with respect to public service programming, for maintaining the public inspection file and the logs of the Station, for ascertaining community needs, interests and concerns, and for the preparation of quarterly issues/programs lists. The Permittee shall at all times be solely responsible for compliance with the FCC's main studio rules and policies. The Broker shall, upon request by the Permittee, provide the Permittee with information with respect to such of the Broker's programs which are responsive to public needs and interests so as to assist the Permittee in the preparation of required programming reports and will provide upon request other information to enable the Permittee to prepare other records, including, but not limited to, its record keeping in connection with public inspection file requirements and reports and logs required by the FCC or other local, state or federal governmental agencies.

11. Special Events. The Permittee reserves the right, in its discretion, to preempt any of the broadcasts of the Programming, and to use part or all of the time contracted for herein by the Broker for the broadcast of special events of importance to its community. In all such cases, the Permittee shall use its best efforts to give the Broker reasonable notice of its intention to preempt any Programming, and, in the event of such preemption, the Broker shall receive a payment credit for the broadcast so omitted pursuant to the terms of Paragraph 3 hereof.

12. Force Majeure. Any failure or impairment of facilities or any delay or interruption in the broadcast of Programming, or failure at any time to furnish facilities, in whole or in part, for broadcasting, due to acts of God, strikes or threats thereof, force majeure or causes beyond the control of the Permittee, shall not constitute a breach of the Agreement; and the Permittee shall not be liable to the Broker.

13. Broker Compliance with Law. The Broker agrees that, throughout the term of the Agreement, it shall comply with all applicable laws, rules, regulations and policies in the conduct of its business, and the Broker acknowledges that the Permittee has not urged, counseled or advised the use of any unfair business practice.

14. Permittee Compliance with Law. The Permittee agrees that, throughout the term of the Agreement, it shall comply with all applicable laws, rules, regulations and policies in the conduct of its business, and the Permittee acknowledges that the Broker has not urged, counseled or advised the use of any unfair business practice.

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15. Indemnification/Insurance. The Broker shall indemnify and hold the Permittee and its stockholders, directors, officers, agents, employees, successors and assigns harmless against any and all liabilities (and associated costs including but not limited to reasonable attorney fees, costs of any legal action and appeals associated therewith) for libel, slander, illegal competition or unfair trade practices, infringement of trade marks, trade names or program titles, violation of the right of privacy and infringement of copyrights and proprietary rights and other liabilities resulting from or relating to the broadcast of Programming, and from any act or omission of any kind whatsoever by the Broker, its agents, representatives and employees, save and except the Permittee's staff. The Permittee agrees to indemnify and to hold the Broker and its agents, employees, successors, and assigns and its stockholders, directors, and officers, harmless against any and all liabilities (and associated costs including but not limited to reasonable attorney fees, costs of any legal action and appeals associated therewith) arising out of (i) material broadcast by the Permittee other than the Programming and/or (ii) liabilities of the type described in the first sentence of this Paragraph that are assessed as a result of the Permittee's alteration of any and/or all of the Programming prior to broadcast by the Permittee. The Broker's and the Permittee's obligations to hold each other harmless against the liabilities specified above shall survive any termination of the Agreement until the expiration of all applicable statutes of limitation.

16. Events of Default: Cure Periods and Remedies.

16.1. Events of Default. The following shall, after the expiration of the applicable cure periods, constitute Events of Default under the Agreement:

16.1.1. Non-Payment. The Broker's failure to timely pay the compensation and reimbursements provided for in Exhibit B hereof;

16.1.2. Default in Covenants or Adverse Legal Action. The default by either party hereto in the material observance or performance of any material covenant, condition or agreement contained herein, or if either party shall (a) make a general assignment for the benefit of creditors, or (b) file or have filed against it a petition for bankruptcy, for reorganization or an arrangement of creditors or for the appointment of a receiver, trustee or similar creditors' representative for the property or assets of such party under any federal or state insolvency law, which, if filed against such party, has not been dismissed or discharged within thirty (30) days thereof. Further, specifically and without limitation, if the Permittee's successors and assigns, including, without limitation, any assignee of the FCC CP or licenses of the Station, except if such successor or assignee is the Broker or the Broker's permitted assignee, refuse to abide by or terminate the Agreement during the term of the Agreement, such event shall constitute a breach by the Permittee.

16.1.3. Breach of Representation. If any material representation or

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warranty made herein by either party hereto, or in any certificate or document furnished by either party to the other pursuant to the provisions hereof, shall prove to have been false or misleading in any material respect as of the time made or furnished.

16.2. Cure Periods. An Event of Default shall not be deemed to have occurred until twenty (20) days after the non-defaulting party has provided the defaulting party with written notice specifying the event or events that if not cured would constitute an Event of Default and specifying the actions necessary to cure within such period, except that in the Event of Default pursuant to Paragraph 16.1.1 hereof, an Event of Default shall not be deemed to have occurred until five (5) days after the Permittee has provided the Broker with written notice advising that the Broker has failed to timely pay the Monthly Fee and/or the Operating Expense Payment specified in Exhibit B. The twenty (20) day period (but not the five (5) day non-payment period) may be extended for a reasonable period of time if the defaulting party is acting in good faith to cure and such delay is not materially adverse to the other party. The Permittee shall not be required to allow or to extend any cure period if it reasonably believes that conduct by the Broker threatens loss of the FCC CP or licenses for the Station.

16.3. Termination Upon Default. Upon the occurrence of an Event of Default, the non-defaulting party may terminate the Agreement provided that it is not also in material default hereunder. If the Broker has defaulted in the performance of its obligations, the Permittee shall be under no further obligation to make available to the Broker any further broadcast time or broadcast transmission facilities and may seek such remedies at law and/or equity as are available, including, without limitation, declaring immediately due and payable any and all amounts accrued or payable to the Permittee up to the date of termination which have not been paid. If the Permittee has defaulted in the performance of its obligations hereunder, the Broker may seek such remedies at law and/or equity as are available, including seeking specific performance of the Agreement, provided that any transfer of control of the Station that requires FCC consent shall not occur, by court order or otherwise, without obtaining prior FCC consent.

16.4. Liabilities Upon Termination. Upon termination of the Agreement for any reason other than purchase of the Station by the Broker, the Broker shall be responsible for all liabilities, debts and obligations of the Broker accrued from the purchase of air time and transmission services including, without limitation, accounts payable, but not for the Permittee's federal, state and local income tax liabilities associated with the Broker's payments to the Permittee as provided for herein. In addition, upon termination each party shall return to the other any equipment or property owned by the other party, in substantially the same condition as such equipment existed on the date of the Agreement, ordinary wear and tear excepted.

17. Broker Termination Option. The Broker may elect to terminate the Agreement at any time during the term hereof in the event that the Permittee preempts the Programming during

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fifteen percent (15%) or more of the total hours of operation of the Station during any calendar month. In the event the Broker elects to terminate the Agreement pursuant to this provision, it shall give the Permittee notice of such election at least fifteen (15) days prior to the termination date. Upon termination, all sums owing to the Permittee as of the termination date shall be paid; and neither party shall have further liability to the other except as may be provided by Paragraphs 15 and 16.4 hereof.

18. Governmental Action. In the event that a federal, state or local governmental authority designates a hearing with respect to the continuation, revocation or renewal of any permit, license or authorization held by the Permittee for the operation of the Station, issues a Notice of Apparent Liability or takes any other action assessing a forfeiture against the Permittee relating to the Agreement, orders the termination of the Agreement or the curtailment in any manner material to the provision of Programming by the Broker hereunder, and/or determines that other similar time brokerage agreements, in whole or in part, are contrary to public or Governmental policy, the Permittee and the Broker shall attempt to reform or modify this agreement so as to comply with the authority's laws, rules, or policies while remaining consistent with the fundamental business arrangement between the parties. Failing satisfaction of the governmental authority or maintenance of the fundamental business arrangement, the Permittee and/or the Broker may, each at its own option, seek administrative or judicial relief from such order(s), in which event the other party shall cooperate with the moving party, provided that the moving party shall be responsible for all legal fees and associated costs incurred in such proceedings. Alternatively, if after an unsuccessful attempt at reformation or modification, neither party wishes to seek further relief, or if immediate termination is required to preserve the FCC permits or licenses, either party may notify the other that it will terminate the Agreement pursuant to this Paragraph 18. If the FCC designates the renewal application of the Station for a hearing or issues a Notice of Apparent Liability or takes other action assessing a forfeiture against the Permittee for any dereliction attributable solely to the Permittee, the Permittee shall be responsible for its expenses incurred as a consequence of the FCC proceeding; provided, however, that the Broker shall cooperate and comply with any reasonable request of the Permittee to assemble and provide to the FCC any required information relating to the Broker's performance under the Agreement. In the event the FCC designates a renewal application of the Station for hearing or issues a Notice of Apparent Liability or other document assessing a forfeiture against the Permittee for dereliction attributable solely to the Broker, including because of the content of programming material provided by the Broker, the Broker shall be responsible for reimbursing the Permittee for the amount of any forfeiture and all reasonable related costs and expenses attributable to the hearing procedure and shall fully cooperate with the Permittee in defending the CP or License. In the event the FCC designates a renewal application of the Station for hearing or issues a Notice of Apparent Liability or takes other action assessing a forfeiture against the Permittee solely as a consequence of the existence and/or the terms and conditions of the Agreement or for dereliction attributable to both parties, the parties shall share

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equally all expenses attributable to the hearing procedure and shall cooperate in defending the CP or License and/or seeking reconsideration or review of the forfeiture. In the event of termination pursuant to this Paragraph 18, the Broker shall pay to the Permittee compensation due but unpaid as of the date of termination as may be permitted by the FCC, and the Permittee shall reasonably cooperate with the Broker to the extent permitted to enable the Broker to fulfill programming contracts then outstanding, in which event the Permittee shall receive as compensation for the carriage of such programming that which otherwise would have been paid to the Broker thereunder. Thereafter, neither party shall have any liability to the other except as may be provided by Paragraph 16 hereof.

19. Representations and Warranties.

19.1. Mutual Representations and Warranties. The Permittee and the Broker each represent to the other as follows:

19.1.1. Legal Authority. Each party represents that it is legally qualified, empowered and able to enter into the Agreement and to conduct business in the State of California and that the execution, delivery and performance hereof will not constitute a breach or violation of any agreement, contract, governmental decree or order, or other obligation to which that party is subject or by which it is bound.

19.1.2. Facilities. The facilities of the Station owned by the Permittee shall be maintained by the Permittee. The facilities shall be operated, in all material respects, in accordance with the maximum facilities permitted by the FCC authorizations for the Station and with good engineering standards necessary to deliver a high quality technical signal to the area served by the Station, and shall comply with all applicable laws and regulations, including the requirements of the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC promulgated thereunder.

19.1.3. Insurance. Except as otherwise provided in Paragraph 15, each party shall, with respect to assets owned and maintained by it, to its employees, and to its operations related to the Station, maintain in full force and effect throughout the term of the Agreement insurance with responsible and reputable insurance companies or associations covering such risks (including workmen's compensation coverage for the Permittee's Staff and the Broker's employees engaged in providing programming and related services for the Station, if required by law; fire and other risks insured against by extended coverage; public liability insurance; insurance for claims against personal injury or death or property damage; and such other insurance as may be applicable) and in such amounts and on such terms as is conventionally carried by broadcasters operating radio stations with facilities comparable to those of the Station. Any insurance proceeds received by the Permittee in respect of damaged

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property shall be used to repair or replace such property so that the operation of the Station conforms to the Agreement.

19.2. Permittee's Representations, Warranties and Covenants. The Permittee hereby further represents, warrants and covenants:

19.2.1. Authorizations. The Permittee owns and/or holds all material construction permits, licenses and other permits and authorizations necessary for the operation of the Station (including authorizations issued by the FCC), and such permits, licenses and authorizations will be in full force and effect for the entire term of the Agreement, unimpaired by any acts or omissions of the Permittee, its principals, employees or agents. To the Permittee's knowledge, there is not now pending or threatened any action by the FCC or other party to revoke, cancel, suspend, refuse to renew or modify adversely any such permits, licenses or authorizations. To the Permittee's knowledge, no event has occurred that allows, or, after notice or lapse of time or both would allow, the revocation or termination of such permits, licenses or authorizations or the imposition of any restriction thereon of such a nature that may limit the operation of the Station as presently authorized. The Permittee has no reason to believe that any such permit, license or authorization will not be renewed during the term of the Agreement in its ordinary course. To its knowledge, the Permittee is not in violation of any statute, ordinance, rule, regulation, order or decree of any federal, state, local or foreign governmental agency, court or authority having jurisdiction over it or over any part of its operation or assets, which violation would have a material adverse effect on the Permittee or its assets or on its ability to perform its obligations under the Agreement.

19.2.2. Filings. All material reports and applications required to be filed with the FCC (including ownership reports) or any other governmental agency, department or body in respect to the Station have been, and in the future will be, filed in a timely manner and are and will be true and complete and accurately present the information contained therein in all material respects. All such reports and documents, to the extent required to be kept in the public record file of the Station, are and will be kept in such file. Upon request by the Permittee, the Broker shall provide in a timely manner any information in its possession which will enable the Permittee to prepare, file and maintain the records and reports required by the FCC.

19.2.3. Title to Properties. The Permittee will throughout the term hereof have and maintain good and marketable title to all of the assets and properties used in the operation of the Station, free and clear of any liens, claims or security interests that would affect adversely the Permittee's performance hereunder or the business and operation of the Broker permitted hereby. The Permittee will not dispose of, transfer, assign or pledge any such asset, except with the prior written consent of the Broker, if such action would adversely affect the Permittee's performance hereunder or the business and operation of the Broker permitted hereby.

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19.2.4. Payment of Obligations. The Permittee shall not incur any debt, obligation or liability relating to the Station without the prior written consent of the Broker if such undertaking would adversely affect the Permittee's performance hereunder or the business and operation of the Broker permitted hereby. The Permittee shall pay in a timely fashion all of its debts, assessments and obligations, including, without limitation, tax liabilities and payments attributable to the operation of the Station, as they come due from and after the effective date of the Agreement.

19.2.5. Broadcast Obligations. The Permittee has no agreement, contract, commitment or understanding to broadcast any programs on the Station on or after the Commencement Date, and the Permittee shall not incur any such obligation without the prior written consent of the Broker.

19.2.6. Certification Pursuant to Note 2(i)(3) to Section 73.3555 of the FCC's Rules. The Permittee certifies that it maintains, and will maintain for the term of the Agreement, ultimate control over the Station's facilities, including specifically control over the Station's finances, personnel and programming.

19.3. Broker's Representations, Warranties and Covenants. The Broker hereby further represents, warrants and covenants:

19.3.1. Certification Pursuant to Sections 73.3555 and 73.3556. The Broker certifies that the Agreement complies with the provisions of Sections 73.3555(a) and (c) of the FCC's rules and is and shall remain in compliance with Subparagraphs (a)(1) and (e)(1) of 47 CFR Section 73.3555 and 47 CFR Section 73.3556 concerning time brokerage agreements and duplicated programming.

19.3.2. Compliance with Applicable Laws. The Broker's performance of its obligations under the Agreement and its furnishing of Programming will be in compliance with, and will not violate, any applicable laws or any applicable rules, regulations, policies or orders of the FCC or any other governmental agency.

19.3.3. Title to Properties. The Broker will not dispose of or transfer any asset of the Permittee including equipment substitutions and/or replacements unless such substitution and/or replacement is of equal or greater value, except with the prior written consent of the Permittee.

20. Publicity. Neither the Permittee nor the Broker shall issue any press release or otherwise make any public statement with respect to the transactions contemplated hereby except as may be required by law or regulation or as agreed to by both of them. This paragraph shall

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not be construed to prevent the Broker from publicizing the fact that it is providing programming services to the Station, provided, however, that in holding itself out to third parties, the Broker shall not represent, suggest or otherwise give the impression that it has or will have any ownership of, control over, or connection with the operation of the Station, other than with respect to the provision of programming as permitted herein.

21. Modification and Waiver. No modification or waiver of any provision of the Agreement shall in any event be effective unless the same shall be in writing and signed by the party adversely affected by the waiver or modification, and then such waiver or modification shall be effective only in the specific instance and for the purpose for which given.

22. No Waiver; Remedies Cumulative. No failure or delay on the part of the Permittee or the Broker in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Permittee and the Broker herein provided are cumulative and are not exclusive of any right or remedy, which it may otherwise have.

23. Construction. Except to the extent governed by federal law, the Agreement shall be construed in accordance with the laws of the State of California applicable to transactions conducted entirely within that state. The obligations of the parties hereto are subject to all federal, state or municipal laws or regulations now or hereafter in force and to the rules, regulations and policies of the FCC and all other governmental bodies or authorities presently or hereafter to be constituted.

24. Headings. The headings contained in the Agreement are included for convenience only and no such heading shall in any way alter the meaning of any provision.

25. Benefit and Assignment. No party hereto shall assign the Agreement, in whole or in part, without the prior written consent of the other party. The Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, including any permitted assignee of the Station's FCC CP or licenses.

26. Notices. All notices, requests, demands and other communications permitted or required hereunder shall be in writing, and either (i) delivered in person, (ii) sent by express mail or other overnight delivery service providing receipt of delivery, (iii) mailed by certified or registered mail, postage prepaid, return receipt requested or (iv) sent by telex, telegraph or other facsimile transmission as follows:

Local Marketing Agreement/Time Brokerage Agreement

If to the Broker, addressed or delivered in person to:

Family Worship Center Church, Inc.
8919 World Ministry Avenue
Baton Rouge, LA 70810

To the Attention of: Jimmy Swaggart

Facsimile Number (225) 769-2244

If to the Permittee, addressed or delivered in person to:

Shepherd Communications, Inc.
33011 Stonebrook Drive
Warren, OR 97053

To the Attention of: Tim Bronleewe

Facsimile Number (503) 543-4604

27. Entire Agreement. The Agreement embodies the entire agreement between the parties; there are no other agreements, representations, warranties or understandings, oral or written, between them with respect to the subject matter hereof and Exhibits attached thereto. No alteration, modification or change of the Agreement shall be valid unless by like written instrument signed by the party against which enforcement is sought.

28. Severability. If any term of the Agreement is illegal or unenforceable at law or in equity, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Any illegal or unenforceable term shall be deemed to be void and of no force and effect only to the minimum extent necessary to bring such term within the provisions of applicable law and such term, as so modified, and the balance of the Agreement shall then be fully enforceable.

29. Counterparts. The Agreement may be executed in any number of counterparts with the same effect as if the signature to each counterpart were on the same instrument, and all such counterparts shall be deemed one and the same Agreement.

[SIGNATURE PAGE FOLLOWS]

Local Marketing Agreement/Time Brokerage Agreement

[SIGNATURE PAGE TO LMA/TBA]

IN WITNESS WHEREOF, the parties hereto have executed the Agreement effective as of the day and year aforesaid.

PERMITTEE:

Shepherd Communications, Inc.

By: _____
Tim Bronleewe, President

BROKER:

Family Worship Center Church, Inc.

By: _____
Jimmy Swaggart, President

Local Marketing Agreement/Time Brokerage Agreement

[SIGNATURE PAGE TO LMA/TBA]

IN WITNESS WHEREOF, the parties hereto have executed the Agreement effective as of the day and year aforesaid.

PERMITTEE:

Shepherd Communications, Inc.

By: 

Tim Bronleewe, President

BROKER:

Family Worship Center Church, Inc.

By: _____

Jimmy Swaggart, President

Local Marketing Agreement/Time Brokerage Agreement

EXHIBITS AND SCHEDULES

Exhibit A	Broker's Programming
Exhibit B	Compensation
Exhibit C	Programming Guidelines

Local Marketing Agreement/Time Brokerage Agreement

Exhibit A

BROKER'S PROGRAMMING

The Broker's Programming will be a religious-oriented entertainment format, which may include news and information, and shall include a reasonable amount of programming responsive to community needs, interests, and issues, as ascertained by the Permittee and by the Broker. Programming may include public service announcements and information. The Permittee shall broadcast the Broker's Programming over the Station for up to twenty-four (24) hours a day, seven (7) days a week, except as otherwise provided in the Agreement.

Local Marketing Agreement/Time Brokerage Agreement

Exhibit B

COMPENSATION

(1) Operating Expense Reimbursement

On a monthly basis, the Broker agrees to reimburse the Permittee for the required continuing reasonable, customary and usual operating expenses of the Station which the Permittee incurs, specifically: (i) the utility costs in regard to operation of the Station, (ii) the tower site lease expense, (iii) the cost of routine equipment repairs not covered by the Permittee's insurance, and (iv) the costs related to operation of the local studio including telephone service, all of such expenses being referred to as "Permittee's Operating Expenses" and such payment being referred to as the "Operating Expense Payment" and such reimbursement to be made in cash or by check within ten (10) business days of receipt by the Broker from the Permittee of a written account (each, a "Monthly Expense Report") of the Permittee's Operating Expenses for such Month. Payments of all amounts due under this provision for any partial Month of the Agreement shall be prorated on a daily basis. For purposes of the Agreement a "Month" shall mean a calendar month. The Permittee agrees to provide the Broker such records, receipts, copies of contracts and other information and documentation as the Broker may reasonably request in order to enable it to verify the Permittee's Monthly Expense Reports.

(2) Monthly Fee

During the term of the Agreement on a monthly basis beginning on the first day of the month following execution of the Agreement by both the Permittee and the Broker, the Broker shall pay to the Permittee Seven Thousand Dollars (\$7,000) in cash, except that on each of the sixth (6th) month and the twelfth (12th) month following execution of the Agreement, the Broker shall pay to the Permittee Seventy Five Thousand Dollars (\$75,000).

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Exhibit C

PROGRAMMING OBLIGATIONS

The Broker shall take care to observe and exercise reasonable diligence and warrants that it shall comply with the following guidelines in the preparation, production and broadcasting of programs on the Station:

1. **All Programming.** The Broker's programming will comply with all FCC Rules and Regulations, and the Permittee has the right to preempt any programming the Permittee believes does not comply with FCC Rules and Regulations.

2. **No Plugola or Payola.** No commercial messages (plugs) or undue references shall be made in programming presented over the Station to any business venture, profit making activity or other interest (other than noncommercial announcements for bona fide charities, church activities or other public service activities) in which the Broker is directly or indirectly interested without the same having been approved in advance by the Manager of the Station.

3. **No Gambling.** Any form of gambling on a program is prohibited. This provision shall not prohibit the broadcast of information concerning state-operated lotteries or other contests that are lotteries but are not in violation of state or federal law.

4. **Required Announcements.** The Broker shall broadcast (i) an announcement in a form satisfactory to the Permittee at the beginning of each hour to identify the Station, and (ii) any other announcements required by applicable law or the policies of the Station.

5. **No Illegal Announcements.** No announcements or promotions prohibited by law of any lottery or game shall be broadcast over the Station.

6. **Licensee Discretion Paramount.** In accordance with the Permittee's responsibility under the Communications Act of 1934, as amended, and the rules and regulations of the FCC, the Permittee reserves the right to reject or terminate any programming proposed to be presented or being presented over the Station which is in conflict with the policies of the Station or which, in the Permittee's judgment would not serve the public interest.

7. **Programming Prohibitions.** The Broker shall not broadcast any of the following programs or announcements:

- (a) **False Claims.** False or unwarranted claims for any product or service.
- (b) **Unfair Imitation.** Infringements of anyone's rights through plagiarism or

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unfair imitation of either program ideas or copy or any other unfair competition.

(c) Profanity. Any programs or announcements that are slanderous, obscene, profane, indecent, vulgar, repulsive or offensive, either in theme or in treatment.

(d) Unauthorized Testimonials. Any testimonials which cannot be authenticated, with the exception of testimonials of a religious nature, in which no product is endorsed.

(e) Description of Bodily Functions. Any descriptions of internal bodily functions or symptomatic results of internal disturbances, and any references to matters which are not considered acceptable topics in social groups.

The Permittee may waive any of the foregoing regulations and restrictions in specific instances, if, in its opinion, broadcasting in the public interest is served.

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Exhibit E

PROMISSORY NOTE

\$ _____, 2004

FOR VALUE RECEIVED, the undersigned, Family Worship Center Church, Inc. ("Maker"), hereby irrevocably and unconditionally promises to pay to the order of Shepherd Communications, Inc. or its assigns ("Payee"), in immediately available funds, the principal amount of _____ (\$ _____) with interest accrued on the unpaid balance at the annual rate of seven percent (7%) and monthly payments of principal and interest in the amount of Seven Thousand Dollars (\$7,000) commencing on the first day of _____, 2004, and thereafter on the first day of each and every subsequent month until full payment of all principal and interest has been made and received by the Payee.

All payments on this Note shall be applied first in payment of accrued interest and any remainder in payment of principal. The Maker may prepay this Note in whole or in part, without premium or penalty. Any partial prepayments of this Note shall first be applied to principal due on the Note at the time payment is made and the balance shall be applied to accrued interest.

This Note evidences a portion of the purchase price for certain assets related to Radio Station KPSH (FM) licensed to Coachella, California (the "Station") sold pursuant to an Asset Purchase and Sale Agreement between the Maker and the Payee, dated December 2, 2003.

Any one or more of the following shall constitute a Default:

- 1) the failure of the Maker to pay the principal and interest payments in full on or before each due date;
- 2) the filings of bankruptcy proceedings involving the Maker as a Debtor;
- 3) the application for appointment of a receiver for the Maker;
- 4) the making of a general assignment for the benefit of the Maker's creditors;
- 5) the insolvency of the Maker;
- 6) the sale, transfer, assignment or any other disposition of any assets pledged as security for the payment of the Note, or if there is a default in any Security Agreement which secures this Note;

ASSET PURCHASE AND SALE AGREEMENT

7) the abandonment of the FCC Licenses or operation of the Station or the commencement on an FCC proceeding for the revocation of the Station's license;

8) the Maker entering into a contract or other agreement to assignment or transfer of control of the FCC Licenses (other than to an entity under the voting control of Maker) without the written consent of Payee.

On or at any time after the occurrence of any Default, if Maker has failed to cure the Default within twenty (20) days after notice, the Payee may, at its option, declare all obligations under this Note and any other obligations of the Maker to the Payee immediately due and payable and may proceed to enforce payment and exercise any and all of the rights and remedies provided at law or in equity and remedies under the Uniform Commercial Code, as well as other rights and remedies, and Maker further agrees to indemnify and repay the Payee any attorney's fees incurred.

If any one or more of the provisions of this Note are determined to be unenforceable, in whole or in part, for any reason, the remaining provisions shall remain fully operative.

No renewal or extension of the Note, delay in enforcing any right of the Payee under this Note, or assignment by Maker of this Note shall affect the liability of the Maker. All rights of the Payee under this Note are cumulative and may be exercised concurrently or consecutively at the Payee's option.

This Note shall be construed in accordance with the laws of the State of California.

Signed this _____ day of _____, 2004, at Baton Rouge, Louisiana.

Maker:

Family Worship Center Church, Inc.

By: _____
Jimmy Swaggart, President

ASSET PURCHASE AND SALE AGREEMENT

Exhibit F

SECURITY AGREEMENT

Security Agreement

THIS SECURITY AGREEMENT made and entered into as of this ____ day of _____, 2004 by and between the

DEBTOR: FAMILY WORSHIP CENTER CHURCH, INC., a Louisiana nonprofit corporation, with an address of 8919 World Ministry Avenue, Baton Rouge, Louisiana 70810; and

SECURED PARTY: SHEPHERD COMMUNICATIONS, INC., a California nonprofit corporation, with an address of 33011 Stonebrook Drive, Warren, Oregon 97053.

All capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in that certain Asset Purchase and Sale Agreement dated the 2nd day of December 2003 by and between Debtor and Secured Party (the "Agreement").

WITNESSETH

WHEREAS, pursuant to the Asset Purchase and Sale Agreement, Debtor has as of the date hereof acquired from Secured Party the assets, including but not limited to all of the Federal Communications Commission (the "FCC") authorizations, which are used and useful in the operation of Radio Station KPSH (FM) Coachella, California (the "Station");

WHEREAS, in connection with its purchase of the Station, Debtor has, on the date hereof, issued a Promissory Note in the amount of _____ Thousand Dollars (\$_____) (the "Note") to Secured Party; and

WHEREAS, Debtor has agreed to execute this Security Agreement to secure its performance and payment obligations under the Note.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Grant of Security Interest.

For value received, and in order to secure Debtor's obligations under the Note, Debtor grants to Secured Party a security interest in the following described property:

ASSET PURCHASE AND SALE AGREEMENT

a) all of Debtor's property, both tangible and intangible, used in the operation of Radio Station KPSH (FM) including the assets at its tower/transmitter location and the Station's studio/office and all accessions, additions, substitutions and/or replacements thereto or therefore whether said property is now owned or hereinafter acquired;

b) all of Debtor's equipment, fixtures, towers, transmitters and all other tangible personal property used by Debtor in the operation of the Station as listed on Exhibit A of the Asset Purchase and Sale Agreement between Debtor and Secured Party;

c) any and all proceeds of the transfer or assignment of the FCC Authorizations for KPSH (FM), or any of the other assets of the Station; and

d) any proceeds received by Debtor from the sale or transfer of any of the other items of Collateral.

For purposes of this Security Agreement, the foregoing property shall be referred to as the "Collateral." The parties acknowledge that the FCC currently does not permit the creation of security interests in the FCC Licenses themselves, but the parties intend that the security interest created hereby shall attach to the proceeds of the FCC Licenses. If, as a result of a change in the law, creditors are permitted to obtain valid security interests in licenses and other authorizations issued by the FCC, the security interest created hereby shall automatically attach to the FCC Licenses themselves and the FCC Licenses shall be deemed included as part of the "Collateral" for the purposes of this Agreement.

2. Representations, Warranties and Covenants of Debtor.

Debtor represents, warrants and covenants that:

a) Debtor will purchase and own all of the Collateral outright, with free and clear title thereto.

b) Debtor has not granted and will not grant any prior liens, encumbrances or security interests with respect to the Collateral.

c) The Collateral shall not be wasted or allowed to deteriorate except for ordinary wear and tear occasioned by its intended primary use and loss or damage due to casualty.

d) Until this Security Agreement is terminated, Debtor shall insure the Collateral against expected risks to which it is exposed in such amounts, with such companies, under such policies, and in such form, all as shall be reasonably satisfactory to Secured Party. Such policies shall include Secured Party as a named insured to the extent of its interest.

e) Debtor shall pay or cause to be paid when due all principal and interest under the Note, as well as all material obligations of Debtor relating to the Station and perform

ASSET PURCHASE AND SALE AGREEMENT

or cause to be performed each of its material obligations relating to the Station when performable.

f) Debtor shall join Secured Party in executing and, at Debtor's expense, filing and re-filing under the Uniform Commercial Code such financing statements and other such documents as appropriate in the offices of the Secretary of State of California and Riverside County and the Secretary of State of Louisiana and East Baton Rouge Parish.

3. Attachment.

The security interest granted in this Security Agreement will attach to the Collateral on the date hereof.

4. Keep Collateral in Good Repair.

Debtor hereby warrants, covenants, and agrees that it will keep the Collateral in good order and repair and will not waste or destroy any part of the Collateral or will not, without the prior written consent of Secured Party, sell, contract to sell, lease, encumber, or dispose of the Collateral or any interest in the Collateral until this Security Agreement and all obligations secured hereunder have been fully satisfied and a written Release hereof has been executed by Secured Party.

5. Right to Inspect Collateral.

Secured Party has the right to examine and inspect the Collateral at any reasonable time.

6. Payment of Taxes.

Debtor will pay all taxes and assessments on the Collateral and will insure the Collateral for the benefit of Secured Party against such casualties and in such amounts as Secured Party shall reasonably require, with insurance companies acceptable to Secured Party.

7. Grant of Security Interest in Replacements.

Debtor hereby grants to Secured Party a security interest in and to all proceeds, increases, substitutions, replacements, additions, and accessions to the Collateral.

8. Events of Default.

Anyone or more of the following shall constitute a Default hereunder:

a) If Debtor shall fail to perform any material covenant, condition or provision of this Security Agreement or the Asset Purchase and Sale Agreement, and such failure is not cured within the period of time specified in paragraph 9 hereof.

ASSET PURCHASE AND SALE AGREEMENT

b) If Debtor is in Default in payment of any installment under the Note, and such failure is not cured within the period of time specified in the Note.

c) If Debtor fails to pay the final balance under the Note on the date it is due.

d) If Debtor shall fail to comply with a final order or decree, no longer subject to administrative or judicial reconsideration or review, of any federal state, municipal or other governmental authority relating to the Collateral.

e) If the Collateral is levied upon by virtue of an execution issued upon any judgment or legal process, unless Debtor posts a bond for the amount claimed.

f) If Debtor grants any prior lien or encumbrance with respect to the Collateral apart from the lien created by this Security Agreement.

g) If Debtor sells, assigns, leases (conditionally or otherwise) or otherwise transfers or disposes of any of the Collateral without Secured Party's written consent.

h) If any statement, representation or warranty of Debtor herein contained is untrue in any material respect.

i) If voluntary or involuntary bankruptcy proceedings are commenced by or against Debtor.

j) If Debtor abandons the FCC Licenses or operation of the Station or the FCC commences proceedings for the revocation of the Station license.

k) If Debtor assigns or transfers the FCC Licenses to any person or entity other than to an entity under the voting control of Debtor, or contracts or otherwise agrees to do so, without the written consent of Secured Party.

9. Remedies on Default.

Upon the occurrence of any default, Debtor shall have twenty (20) days after notice of such default to cure such default. If such default is not cured within such grace period and Secured Party is not then in material default under the terms of the Asset Purchase and Sale Agreement, it shall become an "Event of Default." Upon an Event of Default, Secured Party shall have all of the rights, powers and remedies set forth in this Agreement, together with the rights and remedies of a secured party under the Uniform Commercial Code of the jurisdictions where the Collateral is located, including without limitation, the right to sell, lease or otherwise dispose of any or all of the Collateral, and to take possession of the Collateral, and for that purpose Secured Party may enter peaceably any premises on which the Collateral or any part thereof may be situated and remove the same therefrom and Debtor shall not resist or interfere with such action. Secured Party may require Debtor to assemble its Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably

ASSET PURCHASE AND SALE AGREEMENT

convenient to both parties. Debtor hereby agrees that the transmitter site and studio site of the Station are places reasonably convenient to it to assemble the Collateral. Secured Party shall send to Debtor reasonable advance notice of the time and place of any public sale or reasonable advance notice of the time after which any private sale or any other disposition thereof is to be made. The requirement of sending reasonable advance notice shall be met if such notice is mailed, postage prepaid, to Debtor at least twenty (20) days before the time of the sale or disposition.

10. Sale of Collateral and Assignment of FCC Licenses.

a) Debtor recognizes that the Collateral may not be readily marketable. Accordingly, Debtor consents to use by Secured Party of whatever means Secured Party may reasonably consider necessary or advisable to sell any or all of the Collateral at any time or times after an Event of Default, including but not restricted to the giving of an option to purchase any or all of the Collateral to any party and the extending of credit to any purchaser of such Collateral. Secured Party may sell any or all of the Collateral or commit itself to sale without limiting the amount sold to the amount of indebtedness secured thereby, plus costs of collection. Because it may be unlikely that any party would become interested in purchasing the Collateral as a result of the giving of any notice of public sale, Debtor agrees that any such sale or sales may be private and without competitive bidding.

b) Upon the occurrence of an Event of Default, Secured Party may apply to any court of competent jurisdiction for the appointment of a receiver for the benefit of the creditors of Debtor. In such receivership application, Secured Party shall only need to prove to the court that an Event of Default shall have occurred and be continuing, and Debtor agrees not to object to the appointment of a receiver or otherwise oppose such application. In the event that the court grants the application for receivership, such receiver shall be instructed immediately to seek from the FCC consent to an involuntary transfer of control of Debtor. Subject to the receipt of such prior FCC approval, the receiver shall exercise all rights of ownership over the Collateral, including, without limitation, the power to operate the Station in such manner as it deems appropriate and to dispose of the Station's FCC Licenses and the Collateral in any manner lawful in any jurisdiction in which his or her appointment is confirmed, including the power to conduct a public or private sale of the FCC Licenses and the Collateral. Secured Party may bid at any such public or private sale.

c) Upon the occurrence of an Event of Default, upon the request of Secured Party, Debtor shall join with the successful bidder or other purchaser at a foreclosure sale regarding the Collateral in seeking from the FCC all applicable prior consent to the assignment of the FCC Licenses to such bidder or other purchasers. In that regard, Debtor agrees to execute and deliver all applications, certificates, instruments, assignments and other documents and papers that may be required to obtain any necessary FCC consent as expeditiously as practicable. Debtor acknowledges that since the consent of the FCC is required before any assignment of the FCC Licenses can be consummated, a failure to obtain such FCC consent will materially impair the security which Debtor agreed to provide to Secured Party in order to induce acceptance of the

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Note. Accordingly, notwithstanding anything herein to the contrary, Debtor agrees and consents that, in addition to any other rights or remedies which Secured Party may have at law or in equity, Secured Party shall be entitled to temporary and permanent injunctive relief, including specific performance, and that should Secured Party file suit to compel Debtor's cooperation or to restrain Debtor's breach, Debtor shall not contest the propriety of or need for such relief.

d) All proceeds of any sale and assignment conducted pursuant to this Security Agreement shall be subject to the lien created by this Security Agreement, and shall be applied as follows:

FIRST: To the payment of the balance then due under the Note.

SECOND: To the payment of all reasonable and actual expenses incurred by Secured party in connection with such sale, including, but not limited to, the expenses of taking, advertising, processing, preparing and storing the Collateral to be sold, all court costs and reasonable fees of counsel to Secured party in connection therewith, and to the repayment of all advances made by Secured Party hereunder for the account of Debtor and the payment of all costs and expenses paid or incurred by Secured Party in connection with the exercise of any right or remedy hereunder, to the extent that such advances, costs and expenses shall not theretofore have been reimbursed to Secured Party by Debtor.

THIRD: In the case of any surplus remaining after the application of the proceeds of the sale of Collateral as aforesaid, to Debtor, its successors, heirs, legal representatives or permitted assignees, or as a court of competent jurisdiction may direct.

11. Sale of Station.

Notwithstanding any other provision of this Security Agreement, the principal balance of the Note and all accrued interest shall be due and payable at the closing on the sale of the Station by Debtor to a third party (except for a *pro forma* transfer of control or application that can be approved by the FCC on Form 316). In the event of a *pro forma* transfer, the new entity shall execute and deliver to Secured Party, a security agreement, become an obligor on the Note, and shall also execute and deliver to Secured Party such other documents as may be requested by Secured Party to secure repayment of the Note. In the case of any other transfer or assignment of the Station, such transfer or assignment shall not occur without the written consent of Secured Party, if the amount to be received by Debtor at the closing is less than the outstanding principal balance and accrued interest due to Secured Party under the Note. If the amount to be received by Debtor is more than that owed to Secured Party, Debtor agrees to notify the purchaser of the Station and, if there is one, the closing agent of the Note and the balance due thereon and Seller's security interest, and have such amounts withheld at closing, and paid directly to Secured Party. Debtor further agrees to give written notice to Secured Party at the time an

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assignment or transfer of control application is filed at the FCC and written notice of the scheduled closing date.

12. Notices.

All notices, demands or requests required or permitted hereunder shall be in writing. Any notice given by either party to the other may be given by (a) by deposit such notice in the United States Mail, postage prepaid, certified, addressed to each party at the address set forth below, or (b) by facsimile (fax) to the fax number deemed given (a) upon the fifth (5th) day deposit in the mail, or (b) if given by fax, upon the third (3rd) business day following dispatch and mailing. Any party may change his or its address or fax number for receiving notice by giving notice to the other party in the manner herein provided, but such must be actually received. All such notices shall be addressed as follows, until changed as provided hereunder:

If to Debtor: Reverend Jimmy Swaggart, President
Family Worship Center Church, Inc.
8919 World Ministry Avenue
Baton Rouge, Louisiana 70810

Facsimile Number (225) 769-2244

If to Secured Party: Mr. Tim Bronleewe
Shepherd Communications, Inc.
33011 Stonebrook Drive
Warren, OR 97053

Facsimile Number (503) 543-4604

13. Governing Law.

This Security Agreement shall be governed by and construed under and in accordance with the Uniform Commercial Code and other applicable laws of the State of California.

14. Binding Agreement.

This Security Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Security Agreement.

15. Counterparts.

This Security Agreement may be executed in one or more counterparts, but all such counterparts, when combined shall constitute one and the same agreement.

16. Entire Agreement.

ASSET PURCHASE AND SALE AGREEMENT

This Security Agreement and the Note contain the entire agreement and understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior oral or written agreements, commitments or understandings with respect to the matters provided for herein. This Security Agreement may not be changed orally, but only by an instrument in writing signed by the party against whom enforcement of any change is sought. In case anyone or more of the provisions contained in this Security Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity illegality, or unenforceability shall not affect any other provision of this Security Agreement and this Security Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

Signed and executed this _____ of _____, 2004.

FAMILY WORSHIP CENTER CHURCH, INC.

Jimmy Swaggart, President

SHEPHERD COMMUNICATIONS, INC.

Tim Bronleewe, President