

## **ASSET PURCHASE AGREEMENT**

THIS AGREEMENT, entered into as of this 17<sup>th</sup> day of September, 2007, by and between Holcomb International Ministries ("Seller") and Fourthstream Media, Inc. ("Buyer");

### **WITNESSETH:**

WHEREAS, Seller is the owner, operator, and licensee of FM Translator Station K238AN at Ames, Iowa; and

WHEREAS, Buyer desires to acquire certain assets and rights used, useful or intended to be used, in the business and operation of K238AN, and to secure an assignment of the licenses and other authorizations issued by the Federal Communications Commission ("FCC") for the operation of K238AN, and Seller desires to sell, assign, transfer and convey the same to Buyer pursuant to the terms and conditions set forth below:

NOW, THEREFORE, in consideration of the mutual covenants herein contained, receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

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 which shall not be earlier than the tenth (10th) business day after the FCC provides Notice that it has approved and granted the assignment of the K238AN license; provided, however, that, in the event of any pre-grant protest of the Application, either Seller or Buyer shall have the option to extend the Closing Date to a date not later than the tenth (10th) business day after the Commission's consent and approval has become a Final Order, as defined below. Should Closing occur prior to the Commission's consent becoming a Final Order, the parties shall execute an Unwind Agreement at Closing which would require the transaction to be reversed, and the purchase consideration refunded in full, should the initial approval be rescinded.

(b) **Final Order** means an Order of the FCC granting its consent and approval to the assignment of the K238AN licenses and authorizations from Seller 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, or the Rules and Regulations of the FCC.

2. **SALE AND TRANSFER OF ASSETS:** On the Closing Date, Seller agrees to sell and shall sell, transfer, assign, convey and deliver to the Buyer good and marketable title, free and clear of all liens, encumbrances, taxes, claims, options,

liabilities, commitment, charges, restrictions, and other obligations of whatsoever nature, certain assets of K238AN, including but not limited to all FCC Licenses and Authorizations associated with K238AN, subject to the necessary approvals for assignment, as hereinafter set forth; and equipment as listed on "Exhibit A", attached hereto and incorporated herein.

3. **PURCHASE PRICE, METHOD OF PAYMENT AND TERMS:** The total consideration to be paid by Buyer to Seller pursuant to this Agreement is One Dollar (\$ \$1). Said consideration shall be paid as follows: With a check from Fourthstream Media Inc.

4. **PRORATIONS AND ADJUSTMENTS: ASSUMED CONTRACTS**

a. All insurance premiums, taxes, assessments, excises, payroll, sales commissions, rents, utility and telephone charges, accumulated vacation time, sick leave, other employee benefits and all other liabilities, expenses or charges to the Seller with respect to K238AN shall be prorated as of the Closing Date, and those items accruing prior to the Closing Date shall be paid when due by the Seller and those accruing thereafter shall be paid when due by the Buyer.

b. All insurance premiums, taxes, rents, deposits, payments on contracts to be assigned to Buyer, or other items and expenses which have been pre-paid by Seller shall be prorated as of the Closing Date and Seller shall be credited for any payments made on obligations assumed by Buyer which will accrue prior to the Closing Date but which have not been paid by Seller prior to the Closing Date shall also be prorated as of the Closing Date and credited to Buyer. The net amount of these prorations shall either be added to or subtracted from the purchase price due Seller on the Closing Date.

c. No expense, debt or liability of Seller, of any nature whatsoever, shall be assumed by Buyer unless said assumption is set forth in this Agreement, or in any separate written agreements executed by both Buyer and Seller. Attached hereto as "Exhibit B" is a list of all contracts and agreements relating to the operation of K238AN that Buyer agrees to assume at Closing. Prior to Closing, both the Seller and Buyer agree to take all actions that are necessary to obtain any consents necessary for the assumption of such obligations so that such matters may be effectuated at or before the Closing. However, should any such contract not be validly assigned and Buyer not receive the full benefit of all of Seller's rights under it, Buyer shall assume Seller's liabilities only to the extent Buyer obtains such rights and benefits.

5. **TERMINATION:** This Agreement may be terminated at the option of either party upon written notice to the other party if a Final Order consenting to the assignment of the K238AN FCC License(s) has not been obtained within twelve (12) months after the date on which the application is filed with the FCC, provided however, that neither party may terminate this Agreement if that party is in default hereunder, or if a delay in any decision or determination by the FCC respecting the application has been caused or materially contributed to (i) by any failure of the terminating party to furnish, file or make available to the FCC information within its control; (ii) by the willful furnishing by the terminating party of incorrect, inaccurate, or incomplete information to the FCC, or (iii) by any other action taken by the terminating party for the purpose of delaying the FCC's decision or determination respecting the application.

6. **TRANSFER OF ASSETS:** Seller, on the Closing Date at the Closing Place, will sell, transfer, convey, assign and deliver to Buyer the assets, business rights, privileges and immunities of Seller referenced in Section 2, above, including those assets listed on "Exhibit A" attached hereto.

7. **CONSENT OF THE FCC:** It is specifically understood and agreed that the consummation of this Agreement shall be subject to the prior consent of the FCC without conditions materially adverse to the Buyer. Upon the execution of this Agreement, Seller and Buyer will, at their mutual expense, proceed to expeditiously prepare and file with the FCC the requisite Assignment Application to secure such consent, together with such other necessary instruments and documents as may be required. The parties further agree to tender the said Application to the FCC within fifteen (15) 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. At the time the FCC License Assignment Application is filed, Buyer shall pay the FCC Filing Fee of One Hundred Thirty Dollars (\$130.00).

8. **LEGAL NOTICE:** Upon the filing of the license transfer application, Seller shall be responsible for, and shall take the necessary steps, to provide such Legal Notice concerning the filing as is required by the FCC Rules.

9. **POSSESSION AND CONTROL OF STATION:** Between the date of this Agreement and the Closing Date, Buyer shall not control the operation of K238AN, but such operation shall be the responsibility of Seller.

10. **SECTION 73.1150 STATEMENT:** Both the Seller and Buyer agree that the Seller has retained no rights of reversion of the K238AN license, no right to the reassignment of the K238AN license in the future, and has not reserved the right to use

the facilities of K238AN in the future for any reason whatsoever.

**11. COMPLIANCE WITH LAWS:** Seller has not received any notice asserting noncompliance by it in connection with the business or operation of the business of K238AN with any applicable local, state or federal (including FCC) statute, rule or regulation. Seller is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency or other governmental authority or any other tribunal duly authorized to resolve disputes in any respect material to the transactions contemplated hereby. There are no applications, complaints or proceedings pending or, to the best of Seller's knowledge, threatened before the FCC relating to the business and operations of K238AN which would have a material adverse effect on the operation of K238AN.

**12. COVENANTS, REPRESENTATIONS, WARRANTIES AND INSURANCE:**

(a). Seller has full power and authority to enter into this Agreement, is the holder of the K238AN license and associated authorities, and has good and marketable title to all assets conveyed pursuant to this Agreement. Seller agrees to maintain adequate insurance on the assets subject to this Agreement between the date hereof and the Closing Date. Seller hereby represents that all of the K238AN FCC licenses and authorizations are now, and on the Closing Date, will be in full force and effect, and that there is no action pending before the FCC to revoke, cancel, modify or rescind any of the K238AN licenses and authorizations. Unless Buyer and Seller otherwise acknowledge in writing at the time this Agreement is executed, Seller further represents and warrants that at Closing those assets listed on "Exhibit A" attached hereto will be in good operating condition, not in need of repair or replacement, and will meet all technical criteria specifications outlined in the FCC's rules and regulations. Immediately prior to Closing, Buyer shall have the right of reinspection of the purchased assets to ensure that all such assets remain in the possession of Seller with no material deterioration in the condition thereof since the execution of this Agreement. Buyer may require Seller to repair or replace any missing or broken assets prior to Closing, or the Seller may accommodate Buyer in any other manner satisfactory to Buyer.

(b). Buyer has full power and authority to enter into this Agreement and has correctly represented its financial standing to consummate this Agreement.

**13. EXPIRATION OF REPRESENTATIONS AND WARRANTIES:** The representations and warranties of Seller contained herein shall expire one (1) year after the Closing.

**14. FCC QUALIFICATIONS:**

(a) Seller is qualified under the Communications Act of 1934, as amended, to assign the K238AN FCC license and authorizations to Buyer.

(b) Seller does not know of any facts relating to Seller which would cause the FCC to deny its consent to the assignment of the K238AN license and authorizations to Buyer, and should any such facts come to Seller's attention, Seller shall promptly notify Buyer thereof and use his reasonable best efforts and take such steps as may be reasonably necessary to remove any such impediment to the Assignment.

**15. SELLER'S PERFORMANCE AT CLOSING:** On the Closing Date at the Closing Place, Seller shall execute and deliver or cause to be delivered to Buyer the following:

(a) An Assignment to Buyer of the FCC Licenses for K238AN, together with any and all other related authorizations.

(b) One or more Bills of Sale assigning, transferring and conveying to Buyer free and clear title to all of the Personal Tangible Assets to be acquired by Buyer pursuant to the terms of this Agreement.

(c) Such other assignments, bills of sale or other instruments as may be required to effectuate this Agreement and the assignment of the K238AN license and related assets and contract rights from Seller to Buyer.

**16. BUYER'S PERFORMANCE AT CLOSING:** On the Closing Date at the Closing Place, Buyer shall deliver to Seller one or more cashier's or certified checks, or one or more wire transfers, totalling One Dollar (\$1), which represents the total purchase consideration due at Closing.

**17. RISK OF LOSS:** The risk of loss, damage or destruction to any of the property or assets to be transferred to Buyer hereunder from fire or other casualty or cause shall be borne by Seller at all times up to the close of business on the Closing Date. In the event of any such loss, damage or destruction, the proceeds of any claim for any loss, payable under any insurance policy with respect thereto, shall be used to repair, replace, or restore any such property to its former condition. However, in the event that the property is not completely repaired, replaced or restored on or before the Closing Date, the parties may agree to postpone the Closing. If circumstances referenced above require postponement of the Closing for a period of 60 days or more, the parties may agree to rescind this Agreement.

**18. BENEFIT:** The parties hereto understand and agree that this Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and

assigns.

**19. OTHER DOCUMENTS:** The parties shall execute such other documents as may be necessary and desirable to the implementation and consummation of this Agreement.

**20. INDEMNIFICATION:**

(a) It is understood and agreed that the Buyer does not assume and shall not be obligated to pay any liabilities of Seller under the terms of this Agreement or otherwise and shall not be obligated to perform any obligations which arise subsequent to the Closing Date or as herein provided. Seller hereby agrees to indemnify and hold Buyer, its successors and assigns, harmless from and against the following:

(i) Any and all claims, liabilities and obligations of every kind and description, contingent or otherwise, arising from or related to the operation of K238AN prior to the close of business on the Closing Date, including, but not limited to, any and all claims, liabilities and obligations arising or required to be performed prior to the close of business on the Closing Date under any contract or instrument assumed by Buyer hereunder.

(ii) Any and all damages or deficiency resulting from any misrepresentations, breach of warranty or covenant, or nonfulfillment of any agreement or obligation on the part of Seller under this Agreement, or from any misrepresentation in or omission from any certificate or other instrument furnished to the Buyer pursuant to this Agreement or in connection with any of the transactions contemplated hereby.

(iii) Any and all actions, suits, proceedings, damages, assessments, judgments, costs and expenses, including reasonable attorneys' fees incident to any of the foregoing provisions.

(b) Buyer hereby agrees to indemnify and hold Seller harmless from and against any claims, liabilities and obligations of every kind and description arising from or related to the operation of K238AN after the Closing Date.

(c) If any claim or liability shall be asserted against the Buyer or Seller which would give rise to a claim by the other party for indemnification under the provisions of this Paragraph, the Parties shall promptly notify the other in writing of the same and the faulting party shall, at its own expense, defend any such action.

**22. BROKER:** The Seller and Buyer agree that no Broker was involved in this

transaction, and neither party is required to pay and brokerage fees or commissions as a result of the approval and consummation of this transaction.

**23. ATTACHMENTS:** All Attachments to this Agreement shall be deemed part of this Agreement and incorporated herein, where applicable, as if fully set forth herein. If any provision in any Attachment conflicts with or is not consistent with the provisions of this Agreement, the terms of this Agreement shall govern.

**24. NO INCONSISTENT ACTIONS.** Neither the Seller nor the Buyer shall take any action which is materially inconsistent with its obligations under this Agreement.

**25. ENTIRE AGREEMENT:** This Agreement is the only Agreement between the parties hereto and contains all of the terms and conditions agreed upon with respect to the subject matter hereof. No alteration, modification or change of this Agreement shall be valid unless by like instrument.

**26. NOTICES:** All necessary notices required under this Agreement shall be sent first-class mail, postage pre-paid, to the following:

If to Seller: Charles K. Holcomb, President  
Holcomb International Ministries  
3633 70th Street  
Urbandale, IA 50322

If to Buyer: David L. Nadler, President  
Fourthstream Media, Inc.  
33349 335th Street  
Waukee, IA 50263

With a copy to: Cary S. Tepper  
Booth, Freret, Imlay & Tepper, P.C.  
7900 Wisconsin Avenue, N.W.  
Suite 304  
Bethesda, MD 20814-3628

**28. GOVERNING LAW:** This Agreement shall be construed and enforced in accordance with the laws of the State of Iowa.

**29. COUNTERPARTS:** This Agreement may be executed in counterparts.

**30. HEADINGS:** The headings of the Paragraphs of this Agreement are inserted as a matter of convenience and for reference purposes only, and in no way

define, limit or describe the scope of this Agreement nor the Intent of any Paragraph hereof.

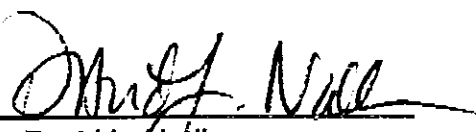
IN WITNESS HEREOF, the parties hereto have hereunto set their hands and seals.

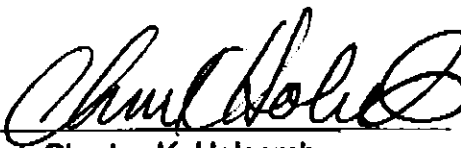
BUYER:

SELLER:

FOURTHSTREAM MEDIA, INC.

HOLCOMB INTERNATIONAL  
MINISTRIES

By:   
David L. Nadler  
President

By:   
Charles K. Holcomb  
President

Date: 9/17/07

Date: 9/17/07



**Exhibit A****Equipment List for Ames 95.5 FM**

Fanfare FT1AP Broadcast FM Receiver	1330.00
RVR TEX-30-LCD Stereo Transmitter/Exciter	1535.00
Receiver Antenna	350.00
Armstrong FMA-707-2 2 Bay low power FM Antenna	1174.22
Custom Rackmount Cabinet & Brackets	320.00
Rackmount Shelf	47.00
Broadcast Tools SS2.1TERMIII Audio Switcher	161.00
2-1/2" Steel bare pipe	215.84
Zero Surge 1RM15W	335.00
Circuitwerkes SUB03 tone decoder	379.00
Circuitwerkes SEN6 subaudible encoder	359.00

*Total* 6206.06

**FOURTHSTREAM WILL ASSUME RENTAL CONTRACT FOR BROADCAST SITE:**

**UNIVERSITY TOWER APARTMENTS IN AMES**

**3 year term from 4/5/05 – 4/5/08 and then goes to month-to-month**

**300.00/month**

**FOURTHSTREAM WILL TRANSFER CURRENT INSURANCE POLICY:**

**CSB Insurance Group**

**Policy # 3X2-19-42**

**Renewal effective: 4/4/07**

**552.00/yearly**

**This is the extent of assumed contracts and policies.**