

## **ASSET PURCHASE AGREEMENT**

THIS AGREEMENT, entered into as of this 27 day of July 2006, by and between Advance Ministries, Inc. d/b/a New Life Christian School ("Seller") and Donald F. Hendren.

### **WITNESSETH:**

WHEREAS, Seller is the owner, operator, and licensee of translator station K246AE, at Lake Havasu City, Arizona, K256AA and K264AB at Kingman, Arizona.

WHEREAS, Buyer desires to acquire certain assets and rights used, useful or intended to be used, in the business and operation of translators K246AE, K256AA and K264AB, and to secure an assignment of the licenses and other authorizations issued by the Federal Communications Commission ("FCC") for the operation of translators K246AE, K256AA and K264AB, 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 (10<sup>th</sup>) nor later than the forty-fifth (45<sup>th</sup>) business day after the FCC provides Notice that it has approved and granted the assignment of translators K246AE, K256AA and K264AB licenses; provided, however, that, in the event of any post-granted 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 (10<sup>th</sup>) business day after the Commission's consent and approval has become a Final Order, as defined below.

(b) **Final Order** means an Order of the FCC granting its consent and approval to the assignment of translators K246AE, K256AA and K264AB 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 translators K246AE, K256AA and K264AB, including but not limited to all FCC Licenses and Authorizations associated with translators K246AE, K256AA and K264AB, subject to the necessary approvals for assignment, as hereinafter set forth; and equipment as listed on "**Exhibit A**", attached herto 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 Seventy-Five Thousand Dollars (\$75,000.00). Said consideration shall be paid as follows:

a. Buyer shall pay to Seller the Sum of Thirty-Seven Thousand Five Hundred Dollars (\$37,500) down payment (50%); and Thirty-Seven Thousand Five Hundred Dollars (\$37,500) before date of Closing (50%).

**4. PRORATIONS AND ADJUSTMENTS**

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 translators K246AE, K256AA and K264AB 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 prepaid 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 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.

**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 translators K246AE, K256AA and K264AB 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 Buyers 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 required FCC Filing Fee.

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, Seller will continue to provide program material to be aired on translators K246AE, K256AA and K264AB and Seller shall retain control of the station at all times, to the extent required by FCC regulations.

10. **SECTION 73.1150 STATEMENT:** Both the Seller and Buyer agree that the Seller has retained no rights of reversion of translators K246AE, K256AA and K264AB license, no right to the reassignment of translators K246AE, K256AA and K264AB licenses in the future, and has not reserved the right to use the facilities of translators K246AE, K256AA and K264AB 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 translators K246AE, K256AA and K264AB with any applicable local, state or federal (including FCC) statute, rules of 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 translators K246AE, K256AA and K264AB which would have a material adverse effect on the operation of translators K246AE, K256AA and K264AB.

12. **HAZARDOUS MATERIALS:** No hazardous or toxic materials (as hereinafter defined) exist in any structure located on, or exist on or under the surface of, any of the real property or equipment to be conveyed to or leased by Buyer. For purposes of this Agreement, "hazardous, toxic or toxic material" shall mean waste, substances, materials, smoke, gas, pollutants, contaminants, asbestos or asbestos related products, PCB's, petroleum, crude oil (or any fraction or distillate thereof) or particular matter designated as hazardous, toxic or dangerous, or requiring special handling, treatment or storage whether or not designated

hazardous, toxic or dangerous under any environmental laws. For purposes of this Agreement "environmental law" shall be interpreted to mean the Comprehensive Environmental Response Compensation and Liability Act, any successor to such law, and/or any other applicable federal, state, or local environmental, health or safety law, rule or regulation concerning the treating, producing, handling, storing, releasing, spilling, leaking, pumping, pouring, emitting, or dumping of any waste, substance, materials, smoke, gas or particulate matter or imposing liability or standards in connection therewith.

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

a. Seller has full power and authority to enter into this Agreement, is the holder of translators K246AE, K256AA and K264AB license and associated authorities, and has good and marketable title to all assets conveyed pursuant to this Agreement. Seller hereby represents that all of translators K246AE, K256AA and K264AB 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 translators K246AE, K256AA and K264AB 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, and will comply with the requirements of Section 13 herein ("Hazardous Materials"). 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.

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

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

**15. FCC QUALIFICATIONS:**

(a) Seller is qualified under the Communications Act of 1934, as amended, to assign the translators K246AE, K256AA and K264AB 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 translators K246AE, K256AA, K264AB 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.

**16. 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 translators K246AE, K256AA, K264AB 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 translators K246AE, K256AA, and K264AB licenses and related assets from Seller to Buyer.

17. **BUYER'S PERFORMANCE AT CLOSING:** On the Closing Date at the Closing Place, Buyer shall deliver to Seller a cashier's or certified check in the amount of Thirty-Seven Thousand Dollars Five Hundred Dollars (\$37,500.00), which represents the total portion of the purchase price due at Closing.

18. **RISK OF LOSS:** The risk of loss, damage or destruction to the equipment between the date of this Agreement and the Closing Date shall be borne by Seller. However, nothing herein shall relieve the Seller of the obligation, at Closing, to convey to Buyer a valid, effective FCC license without material restrictions thereon.

19. **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.

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

21. **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 translators K246AE, K256AA and K264AB 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) If any claim or liability shall be asserted against the Buyer which would give rise to a claim by the Buyer against the Seller for indemnification under the provisions of this Paragraph, the Buyer shall promptly notify the Seller in writing of the same and the Seller shall, at its own expense, defend any such action.

22. **BROKER:** No broker or finder was involved in 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. **TRANSFER OF TRANSLATOR LICENSE:** Upon the execution of this Agreement, Seller shall immediately prepare, at Buyers expense, an FCC Form 345 license assignment application required by this Agreement to assign translators K246AE, K256AA and K264AB licenses to Buyer.

26. **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.

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

If to Seller: Faron Eckelbarger  
Advance Ministries, Inc.  
510 N. Acoma Blvd.  
Lake Havasu City, AZ 86403

If to Buyer: Donald F. Hendren  
1612 Country Club Drive  
Bullhead City, AZ 86442

With a copy to:

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

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:  
**DONALD F. HENDREN**

By: Donald F. Hendren

SELLER:  
**ADVANCE MINISTRIES, INC.**

By: Faron Eckelbarger  
Faron Eckelbarger

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT A

The following material assets listed herewith, and referenced in Paragraph 2. of the Asset Purchase Agreement, are a part of this agreement.

### Item/Description

#### K246AE

- 1 Scala CA2CP Directional, Circular Polarized Transmit antenna 50 Ohm
- 80 Feet Approximate 7/8 or 1/2 Helix Coaxial Cable with connectors and jumpers
- 1 Television Technologies Corporation XLFM10 FM Translator 10 Watts 50 Ohm
- 1 Henry Radio Model 100D-95 Base Station Power Amplifier 10 Watts in to 100 Watts out
- 1 Tait 75 Amp 12 VDC Switching Power Supply
- 1 Scala, 10 Element, Yagi, Broadband, Receive Antenna with either
- 40 Feet Approximately, 1/2 inch Helix 50 Ohm or RG 6/U 75 Ohm Cable

#### K256AA

- 1 Scata CA2CP Directional, Circular Polarized Transmit antenna 75 Ohm
- 160 Feet Approximate 1/2 Aluminum, Jacketed Coaxial Cable 75 Ohm with connectors and jumpers
- 1 BEXT model LEX25 Agile FM Exciter 50 Ohm
- 1 Innovonics Model 630 Agile FM Receiver 75 Ohm Serial 106
- 1 Henry Radio Model 100D-95 Base Station Power Amplifier 10 Watts in to 100 Watts out serial 34-20418
- 1 Astron 50 Amp 12 VDC Base Power Supply
- 1 Scala 75 Ohm to 50 Ohm Impedence changer
- 1 Scala, 10 Element, Yagi, Broadband, Receive Antenna 75 Ohm with
- 160 Feet Approximate 1/2 aluminum, Jacketed Coaxial Cable 75 Ohm with connectors

#### K264AB

- 1 Scala CA2CP Directional, Circular Polarized Transmit antenna 75 Ohm
- 160 Feet Approximate 1/2 Aluminum, Jacketed Coaxial Cable 75 Ohm with connectors and jumpers
- 1 Television Technologies Corporation Model XLFM-10 FM Translator 10 Watts, 75 Ohm

\*\* Receive input is shared from previous receive antenna.