

ASSET PURCHASE AGREEMENT

by and between

GERALD R. PROCTOR

and

JAMES M. LOUT
(“Sellers”);

and

ALELUYA CHRISTIAN BROADCASTING, INC.
(“Buyer”)

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (hereafter the "Agreement") is entered into this 31st day of December, 2007 by and between **GERALD R. PROCTOR** and **JAMES M. LOUT** ("Sellers"); and **ALELUYA CHRISTIAN BROADCASTING, INC.** ("Buyer").

WITNESSETH:

WHEREAS, Seller **GERALD R. PROCTOR** is the holder of the following FM translator licenses or construction permits: K278AU (FCC Facility ID No. 144116), College Station, Texas; K248BD, (FCC Facility ID No. 147130), Hemphill, Texas; K300BJ, (FCC Facility ID No. 147171), Hemphill, Texas; K251AM, (FCC Facility ID No. 147202), Jasper, Texas; K255AR, (FCC Facility ID No. 150789), Trinity, Texas; K275AS, (FCC Facility ID No. 150797), Trinity, Texas; and K272EB, (FCC Facility ID No. 147278), Woodville, Texas; and Seller **JAMES M. LOUT** is the licensee of FM translator K273AL, (FCC Facility ID No. 147307), Livingston, Texas; (hereafter the "Translators"), pursuant to licenses or construction permits issued by the Federal Communications Commission ("Commission" or "FCC"); and

WHEREAS, Buyer and Sellers have agreed that Sellers shall assign and transfer and Buyer shall acquire all rights, title and ownership to the Translators; and

WHEREAS, prior consent of the FCC must be obtained for the assignment of the Translators' licenses and authorizations from Sellers to Buyer.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

Section 1 **Purchase and Sale of Assets**

On the Closing Date, Sellers shall sell to Buyer, and Buyer shall purchase from Sellers all its assets used with or held for use with the Translators, including the licenses and permits used in conjunction with the operation of the Translators ("Assets"), free and clear of all debts, liens, leases, security interests, mortgages, trusts, claims, or other liabilities or encumbrances whatsoever. Such Assets shall include all rights and interests in and to: (i) the FCC licenses or construction permits for the Translators, (ii) any and all legal and engineering studies in Sellers' possession pertaining to the Translators' technical facilities; (iii) the equipment listed in Schedule 1.1; (iv) the oral lease agreement described in Schedule 1.2; and (iv) related goodwill. In the event that Buyer seeks to prosecute an application to the FCC for a modification of technical facilities of the Translators, Sellers will grant its consent as required by 47 C.F.R. 73.3517(a) for Buyer to file an application in its own name to make facility changes contingent upon approval and consummation of the assignment, or will file such application in its own name, at the option of the Buyer. Buyer will be solely responsible for any minor change filing fee(s) if required by the Commission.

Section 2

Purchase Price and Payment

The purchase price for the Assets shall be as listed in **Schedule 2.1**. The Purchase Price shall be paid at Closing, via cash, certified check, or same day wired funds.

Section 3

Date, Time and Place of Closing

3 . 1 . Date. Except as provided in Section 8.3 hereof, the consummation of the transactions contemplated hereby (the “Closing”) shall take place on the date ten (10) business days after the date that FCC Consent becomes a Final Order, *i.e.*, no longer subject to judicial or administrative appeal (the date set in accordance with this section referred to as the “Closing Date”).

3 . 2 . Time and Place. The Closing shall take place at such time, or in such other manner, mutually agreeable to the parties.

Section 4

Mutual Representations and Warranties

Sellers and Buyer represent and warrant to each other as follows:

4 . 1 . Authorization and Binding Obligation. Each of Sellers and Buyer has full power and authority to enter into this Agreement and the execution, delivery and performance of this Agreement and the transactions contemplated hereby are duly and validly authorized by all necessary action on its part. This Agreement constitutes legal, valid and binding obligations of each of Sellers and Buyer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4 . 2 . Absence of Conflicting Agreements or Required Consents. Except as set forth in Section 6.1 with respect to governmental consents, each of Sellers' and Buyer's execution, delivery and performance of this Agreement: (i) does not require the consent of any third party; (ii) will not materially violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority; (iii) will not, either alone or with the giving of notice or the passage of time or both, conflict with, constitute grounds for termination of, or result in a breach of the terms, conditions, or provisions of, or constitute a default under any agreement, instrument, trust instrument or permit individually or in the aggregate material to the transactions contemplated hereby and to which they are now subject; and (iv) will not result in the creation of any lien, charge or encumbrance on any of the Assets.

4 . 3 . Compliance With Laws. Sellers are authorized by the FCC to hold the Assets and are in material compliance with all laws, rules and regulations, including but not limited to all

applicable laws, regulations and policies of the FCC. Buyer is legally, financially and technically qualified under the Communications Act of 1934, as amended, and under the rules and regulations of the FCC (“Communications Laws”), to become the holder of the Assets.

Section 5 Covenants of Seller

5.1. Between the date hereof and the Closing Date, Sellers shall maintain the Assets in material conformity with the Communications Laws and in material conformity with all other material applicable laws, ordinances, regulations, rules and orders. Sellers shall not: create, assume or permit to exist, any mortgage, pledge, lien or other charge or encumbrance affecting any of the Assets; sell, assign, lease or otherwise transfer or dispose of any of the Assets; or waive any material right relating to any of the Assets.

Section 6 Governmental Consents

6.1. FCC Consent. The assignment of the licenses, permits, and other authorizations (the “Authorizations”) from Seller to Buyer as contemplated by this Agreement is subject to the prior consent and approval of the FCC without conditions materially adverse to Buyer of Sellers (the “FCC Consent”) with the filing of an application by Seller and Buyer seeking FCC Consent (the “FCC Application”) to be filed within fourteen (14) calendar days of the date of this Agreement. Thereafter the Buyer and Sellers shall each fully prosecute the FCC Application with all diligence and shall otherwise use their best efforts to obtain the grant of such application as expeditiously as practicable. If reconsideration or judicial review is sought with respect to the FCC Consent, Buyer and Sellers shall each vigorously oppose such efforts for reconsideration or judicial review by filing appropriate pleadings and submissions.

Section 7 Conditions Precedent to Buyer’s Obligation to Close

The obligation of Buyer to consummate the transactions set forth herein is subject to the satisfaction of each of the following conditions prior to Closing, any of which may be waived in writing by Buyer:

7.1. Representations, Warranties and Covenants.

- 7.1.1. All of Sellers' representations and warranties made in this Agreement, or in any Exhibit, Schedule, or certificate delivered pursuant hereto shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as if made on and as of that date.
- 7.1.2. All of the terms, covenants and conditions to be complied with and performed by Seller on or prior to the Closing Date shall have been complied with or performed by Seller in all material respects.

7.2. Governmental Consents. The FCC Consent provided for in Section 6.1 of this Agreement shall have been granted.

7.3. Governmental Authorizations. Sellers shall be the holder of the Authorizations, and there shall not have been any modification of any of such licenses, permits and other authorizations that has or could cause a material adverse effect on the Translators or the conduct of its business and operations.

7.4. Adverse Proceedings. No suit, action or governmental proceeding shall have been instituted against, and no order, decree, or judgment of any court, agency, or other governmental authority shall have been rendered against Sellers that would render it unlawful for Sellers, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

7.5. No Material Adverse Change. There shall not have been any material adverse change in the Assets.

7.6. Instruments of Conveyance and Transfer. Sellers shall have delivered to Buyer instruments in form and substance reasonably satisfactory to counsel to Buyer, effecting the sale, transfer, assignment and conveyance of Sellers' right, title and interest in and to the ownership of the Translators and the Assets to Buyer, including, without limitation, an assignment of all right, title and interest in and to the Authorizations to be assigned;

7.7. Other Acts. Sellers shall have performed any and all other acts that are necessary to place Buyer in the position of owning and controlling the Assets and operating the Translators, as provided for in this Agreement.

7.8. Simultaneous Closing: Provisions to the contrary notwithstanding, neither party shall have an obligation to close this transaction until the close of the Purchase by Buyer of KUZN (FM), Centerville, Texas from KUZN (FM), Inc. has been completed.

Section 8

Conditions Precedent to Seller's Obligations to Close

The obligation of Sellers to consummate the transactions set forth herein is subject to the satisfaction of each of the following conditions, any of which may be waived in writing by Sellers:

8.1. Payment of Purchase Price. On the Closing Date, Buyer shall pay the Purchase Price in accordance with Section 2 of this Agreement.

8.2. Governmental Consents. The FCC Consent provided for in Section 6.1 of this Agreement shall have been granted.

Section 9
Transfer Taxes, Fees, Expenses, Adjustments

Buyer shall pay the following fees, costs and expenses related to the consummation of this Agreement: (i) all customary federal, state and local sales and transfer taxes, if any, and any recording costs related to the sale of the Assets; and (ii) the cost of any filing or grant fees imposed by any governmental authority, including the FCC.

Section 10
Commissions or Finder's Fee

Buyer and Sellers mutually represent that there are no finders, consultants or brokers involved in this transaction and neither Sellers nor Buyer have agreed to pay any broker's commission or finder's fee in connection with the transactions contemplated by this Agreement.

Section 11
Risk of Loss

The risk of any loss, damage or destruction to any of the Assets from fire or other casualty or cause shall be borne by Sellers at all times prior to Closing.

Section 12
Specific Performance

Upon a breach by Sellers of the terms of this Agreement, Buyer may obtain specific performance of the terms of this Agreement without being required to prove actual damages or post a bond or furnish other security, and without being foreclosed from pursuing a claim of actual damages resulting from such breach. Buyer and Sellers hereby stipulate that the Translators are a unique property licensed to operate by the FCC and therefore specific performance is an appropriate remedy for Buyer.

Section 13
Miscellaneous Provisions

13.1. Attorney's Fees and Costs. Should any party default in the performance of any of the terms or conditions of this Agreement, which default results in the filing of a lawsuit or any action, the prevailing party in such lawsuit shall be entitled to reasonable attorneys' fees and costs as shall be determined by the court.

13.2. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Neither party may assign this Agreement without the written consent of the other except that Buyer may assign its rights hereunder to an entity that is controlled by or under common control with Buyer.

13.3. Governing Law. This Agreement shall be construed and enforced in accordance with the substantive laws of the State of Texas without reference to principles of conflicts of law in effect in such State. If any Section or provision of this Agreement is held to be invalid or unenforceable, all other Sections and provisions shall nevertheless continue in full force and effect.

13.4. No Waiver. Neither the acceptance nor the delivery of the Assets hereunder shall constitute a waiver of any covenant, representation, warranty, agreement, obligation, undertaking or indemnification of Buyer or Sellers contained in this Agreement, all of which shall, unless otherwise specifically provided, survive Closing in accordance with the terms of this Agreement.

13.5. Notices. Any notice, consent, waiver or other communication hereunder shall be sent by nationally recognized overnight air courier service or same day delivery service to the address specified below (or at such other address which party shall specify to the other party in accordance herewith):

If to Sellers:

Gerald R. Proctor
137 Magnolia Bend Drive
Livingston, Texas 77351

and

James M. Lout
765 Hemphill Street
Jasper, Texas 75951

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

The Law Office of Dan J. Alpert
2120 N. 21st Road
Arlington, VA 22201
Attn: Dan J. Alpert, Esq.

If to Buyer, to:

Aleluya Christian Broadcasting, Inc.
912 Curtis Street
Pasadena, Texas 77502
Attention: Ruben Villarreal

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

Laren Lynch Flick, Esq.
Pillsbury Winthrop Shaw Pittamn LLP
2300 N St., N.W.
Washington, DC 20037

Notice or other communication shall be deemed to have been given if sent by nationally recognized overnight air courier service on the next business day after being sent.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement to be effective as of the day first written above.

SELLERS:

GERALD R. PROCTOR


Gerald R. Proctor

JAMES M. LOUT

James M. Lout

BUYER:

ALELUYA CHRISTIAN BROADCASTING, INC.

BY: _____
Ruben Villarreal, Trustee

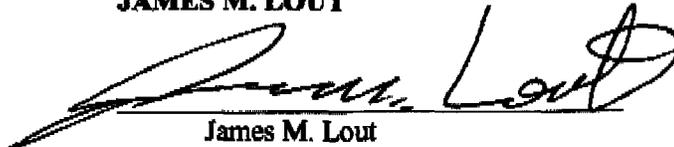
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SELLERS:

GERALD R. PROCTOR

Gerald R. Proctor

JAMES M. LOUT



James M. Lout

BUYER:

ALELUYA CHRISTIAN BROADCASTING, INC.

BY: _____
Ruben Villarreal, Trustee

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SELLERS:

GERALD R. PROCTOR

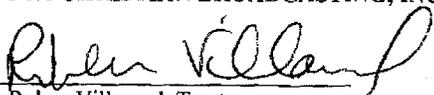
Gerald R. Proctor

JAMES M. LOUT

James M. Lout

BUYER:

ALELUYA CHRISTIAN BROADCASTING, INC.

BY: 
Ruben Villarreal, Trustee

Schedule 1.1
Inventory

K273AL, LIVINGSTON, TEXAS
EQUIPMENT INVENTORY
November 2, 2007

Translator Site Equipment

<u>Quantity</u>	<u>Description</u>
1	BEXT FM translator, Model XT300
1	BEXT FM Monitor/Receiver, Model AF210FM
400	Feet, 1-5/8" coaxial cable
1	BEXT 2-bay FM circularly polarized transmit antenna with power divider, Model TFC1K
1	Wade FM multi-element receive antenna
1	RCA monitor speaker

Schedule 1.2
Lease Agreement

An oral agreement with James Bergman for tower space, building space and electricity for K273AL. The rent (\$1,440) for the coming year starting December 1st will be paid by Mr. Lout to Mr. Bergman on December 1, 2007.

Schedule 2.1
Purchase Price

\$65,000 payable to Gerald R. Proctor
Plus
\$10,000 payable to James M. Lout