

## ASSET PURCHASE AGREEMENT

**THIS AGREEMENT** (hereinafter "Agreement" or "APA"), is made and entered into this 31st day of March, 2006, by and between Believer's Broadcasting Corporation, an Illinois non-profit corporation ("Seller") and Christian Television Network, Inc., an Illinois non-profit corporation ("Buyer").

### WITNESSETH

**WHEREAS**, Seller is the owner, operator, and licensee of full power analog television station WTJR, licensed to Quincy, Illinois, Fac. Id. No. 4593 and operating on channel 16 (the "Station"), under authority of license issued by the Federal Communication Commission (the "FCC"), for the term ending December 1, 2013, FCC File No. BLCT-19981123KE (the "License") and holds a construction permit to construct and operate full power digital facilities for WTJR on channel 32, FCC File No. BPCDT-19991018AB (the "Permit"); and

**WHEREAS**, Seller desires to sell and Buyer desires to buy the property, assets and rights belonging to or used or held for use in the business and operation of the Station pursuant to the terms and conditions stated herein; and

**WHEREAS**, the sale and purchase of the Station, as contemplated by this Agreement, is subject to and conditioned upon the consent of the FCC to the terms and conditions stated herein and the assignment of the License and Permit;

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

1. **Assets Sold and Purchased.** On the date of the Closing (defined below) of this Agreement, as provided for in Section 5 below (the "Closing Date"), Seller will cause to be sold, transferred, assigned and conveyed to Buyer, by appropriate instruments, and Buyer will purchase, subject to the terms and conditions set forth herein, all of Seller's right, title and interest in all the assets, real, personal, tangible and intangible, good will, contract rights and licenses of Seller used and/or held for use in the operation of the Station, as same exist on the date of Closing (collectively the "Assets"): (except as otherwise provided herein) including, without limitation, the following assets and properties

1.1 **Licenses and Authorizations.** The License, Permit and all other FCC licenses and authorizations issued to Seller for the operation of the Station, including without limitation the license for WMG470, a TV Studio to Transmitter Link and the license for WMG471, a TV Intercity Relay, all as set forth in **Exhibit 1.1** hereto (the "FCC Licenses"), and any and all other licenses, rights, permits and authorizations issued to Seller by any other governmental or regulatory agency which are used or useful in connection with the operation of the Station.

1.2 **Personal Property.** Except for those assets described in Section 2 hereof, all the fixed and tangible personal assets owned by Seller and used or held for use in the operation of the Station, including, but not limited to, the assets listed and described in **Exhibit 1.2** hereto, together with replacements thereof and improvements and additions made between the date hereof and the Closing Date (collectively the "Personal Property"), all free and clear of all liens, claims, security instruments and encumbrances of any kind whatsoever, except for those permitted encumbrances expressly assumed herein by Buyer as described in **Exhibit 1.2.1** hereto.

1.3 **Contracts.**

(a) The contracts and agreements listed and described in **Exhibit 1.3** attached hereto which are to be in effect on the Closing Date, except those which may have been unilaterally canceled by a party other than Seller (the "Contracts"); provided that legal rights, if any, accruing to Seller by virtue of any such unilateral cancellation by a party other than Seller, shall be assigned by Seller to Buyer on the Closing Date. To the extent that the assignment of any contract listed in **Exhibit 1.3** may require the consent of a third party, Seller will use all commercially reasonable efforts to secure such consent, and Buyer shall reasonably cooperate with Seller in obtaining such consents. In the event that Seller is unable to secure such consent, Buyer will not be required to assume performance pursuant to such contract or agreement. The contracts listed in **Exhibit 1.3** shall include contracts, whether written or oral, for the sale of broadcast time on the Station in effect as of the Closing Date; provided however, that Buyer will not assume any contracts for the sale of broadcast time for which payment is due in whole or in part in service or merchandise ("Trade Deals") entered into on or prior to the date of this Agreement and whose term extends beyond the Closing Date. Seller will not enter into any such Trade Deals after the date of this Agreement without the prior written consent of Buyer.

(b) Buyer acknowledges that Seller is presently operating and until Closing will continue to operate the Station under a verbal month-to-month tower site lease. Buyer has separately negotiated a tower site lease (the "Tower Lease") for the same premises to be effective on the date of Closing, a copy of which is attached hereto as **Exhibit 1.3.1**.

(c) A studio lease (the "Studio Lease") for premises owned by Seller to be leased to Buyer, a copy of which is attached hereto as **Exhibit 1.3.2**, to be executed at Closing.

(d) Without limiting the foregoing, the Contracts include all of the Station's or Seller's rights to carriage on local cable company systems, as same exist on the Closing Date. The Station is presently carried on the cable systems and channels listed and included on **Exhibit 1.3.3**.

1.4 **Real Property.** The real property described in **Exhibit 1.4**, together with all of Seller's interest in any improvements, fixtures, servitudes, rights of

way, and other rights or interest relating to such property, including without limitation the building thereon that houses the Station's transmitting and other equipment (the "Real Property").

1.5 **Call Letters and Promotional Assets.** All of Seller's right, title and interest in and to the use of the call letters WTJR, and to any slogans, jingles, trade marks, trade names, service marks, logos, copyrights or similar materials or rights used or held for use in the operation of the Station.

1.6 **Books and Records.** All Seller's books and records relating to the operation of the Station through the Closing Date, including, but not limited to, Seller's donor mailing list (as updated and current on the Closing Date), all program, operating and maintenance logs maintained in connection with the Station, whether or not required by the FCC; engineering or consultant reports, data or analyses pertaining to the Station; the Station Public File; copies of any accounts receivable and accounts payable ledgers which are kept by or for Seller in connection with the business of the Station; and copies of any other bookkeeping or accounting data in the possession of Seller relating to the business of the Station through the Closing Date, but excluding records relating to the Excluded Assets (defined below). Seller shall be entitled to retain the original or copies of all bookkeeping accounts, including ledgers, account cards and all written information on accounts receivable and accounts payable.

1.7 **Intangible Assets.** The goodwill and all other intangible assets used or useful in the operation of the Station (the "Intangible Assets").

2. **Excluded Assets.** Notwithstanding anything to the contrary herein, the Assets shall not include the following assets or any right, title and interest therein (the "Excluded Assets"): the assets listed in **Exhibit 2.0**, the Seller's corporate records, all records not related to the operation of the Station, duplicate copies of records of the Station, the Seller's cash and cash equivalents, and the Seller's accounts receivable generated prior to the Closing Date.

3. **Purchase Price.** The total purchase price for all of the Assets sold and purchased, as described in Section 1 above, shall be TWO MILLION ONE HUNDRED THOUSAND DOLLARS (\$2,100,000) (the "Purchase Price"), which shall be paid by Buyer to Seller by certified or cashier's check, or by electronic funds transfer, on the Closing Date.

3.1 **Assumed Liabilities.** The Buyer at the Closing shall assume only (i) liabilities accruing after the Closing Date under the Contracts listed in **Exhibit 1.3**; and (ii) the liabilities accruing subsequent to the Closing under the Studio Lease.

3.2 **Excluded Liabilities.** Buyer does not assume and shall not be obligated to pay, perform, or discharge any of Seller's obligations, liabilities, agreements, or commitments not specifically assumed by Buyer (the "Excluded Liabilities"), and the indemnification obligations set forth in Section 10 hereof shall apply in the event of any

loss, liability, damage or expense (including reasonable attorney's fees) incurred by Buyer arising out of Seller's failure to pay, perform or discharge any of the Excluded Liabilities. Without limiting the generality of the foregoing, the Excluded Liabilities shall include, and Buyer shall not assume or be liable for (i) any liability, claim or obligation, contingent or otherwise, of or against Buyer arising out of the business or operation of the Station or the Assets prior to the Closing Date; (ii) any liability or obligation under any contracts not specifically assumed by Buyer under the terms of this Agreement or relating to a breach prior to the Closing Date under any such contracts; (iii) any liability or obligation for any federal, state, or local income or other taxes or fees; (iv) any liability or obligation with respect to the Excluded Assets; (v) any liability or obligation to any employee or former employee of Seller or Station attributable to any period of time on or through the Closing Date (including accrued vacation and holiday pay and allowances); (vi) any severance or other liability arising out of the termination of any employee of Seller or Station; (vii) any duty, obligation or liability related to any employee benefit, pension, 401(k) or other similar plan, agreement or arrangement provided to employees of Seller or Station, and none of such plans shall be assumed by Buyer; (viii) any liability or obligation of Seller arising out of any litigation, proceeding or claim by any person or entity relating to the business or operation of Station prior to the Closing Date, whether or not such litigation, proceeding, or claim is pending, threatened or asserted before, on, or after the Closing Date; and (vix) frequency discounts, rebates or allowances to advertisers (or their agencies) which are based on broadcasts prior to the Closing Date.

3.3 **Payment of Liabilities by Seller.** Seller shall pay, perform, discharge and settle (i) all of the material liabilities at Closing which at such time, or with the passage of time, would result in an encumbrance on any of the Assets; and (ii) all other liabilities in the ordinary course of business and on a timely basis (except for liabilities being disputed by Seller in good faith and by appropriate proceedings), and Seller shall deliver the Assets to Buyer at Closing free and clear of liabilities, liens, or encumbrances. Seller shall pay the final salaries of each of the employees of the Seller for monies due them to and including the Closing Date.

3.4 **Allocation.** After Closing, Buyer and Seller will allocate the Purchase Price in accordance with the respective fair market values of the Assets and the goodwill being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended. Buyer and Seller shall file, to the extent required, federal and other tax returns reflecting the allocation made pursuant to this Section.

4. **Escrow Deposit.** Upon execution and delivery of this Agreement, Buyer shall deposit the amount of ONE-HUNDRED FIVE THOUSAND DOLLARS (\$105,000) (the "Escrow Deposit") with Hardy, Carey, Chautin & Balkin, LLP ("Escrow Agent") pursuant to the terms of a written escrow agreement in the form attached hereto as **Exhibit 4.0** (the "Escrow Agreement"). The Escrow Agreement shall be signed by Seller, Buyer, and Escrow Agent simultaneously with the execution of this Agreement. At Closing, Seller and Buyer shall join in causing the Escrow Deposit to be applied to the

Purchase Price and remitted to Seller. Interest accrued on the Escrow Deposit shall be disbursed to Buyer. If this Agreement is terminated by Seller pursuant to Section 18.3 as a result of a material breach or default by Buyer, the Escrow Deposit and any interest accrued thereon shall be disbursed to Seller and credited as payment of liquidated damages under such section. If this Agreement is terminated for any other reason, the Escrow Deposit and any interest accrued thereon shall be disbursed to Buyer. The parties shall each instruct the Escrow Agent to disburse the Escrow Deposit and all interest thereon to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement. Any failure by Buyer to make the Escrow Deposit constitutes a material default as to which no cure period applies, entitling Seller to immediately terminate this Agreement.

5. **Closing of the Agreement.**

**5.1 Closing Date.**

(a) The consummation of the sale and purchase of the Assets provided for in this Agreement (the "Closing") shall take place at a mutually agreed upon location, or by the exchange of signed documents via facsimile or overnight courier, within ten (10) business days after the FCC approval (by initial order) of the assignment of the FCC Licenses to Buyer in accordance with Section 15 (the "Closing Date"), unless the parties mutually agree in writing to an earlier place, time and date, in any event, subject to satisfaction or waiver of all other conditions to Closing set forth herein.

(b) If Closing occurs prior to such FCC approval becoming Final (defined below), and prior to becoming Final such FCC approval is reversed or otherwise set aside, and there is a Final order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Licenses to Seller, then the purchase and sale of the Assets shall be rescinded. In such event, Buyer shall reconvey to Seller the Assets, and Seller shall repay to Buyer the Purchase Price and reassume the contracts and leases assigned and assumed at Closing. Any such rescission shall be consummated on a mutually agreeable date within thirty days of such Final order (or, if earlier, within the time required by such order). In connection therewith, Buyer and Seller shall each execute such documents (including execution by Buyer of instruments of conveyance of the Assets to Seller and execution by Seller of instruments of assumption of the contracts and leases assigned and assumed at Closing) and make such payments (including repayment by Seller to Buyer of the Purchase Price) as are necessary to give effect to such rescission.

(c) For purposes of this Agreement, the word "Final" shall mean action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended, with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending, and as to which the time for filing any such request, petition, appeal,

certiorari or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated

5.2 **Conveyance of Real Property.** Within thirty (30) days from the date hereof, Buyer shall order and obtain a preliminary title commitment issued by a title insurance company (the "Title Company") agreeing to issue to Buyer an ALTA Form B owner's extended coverage insurance policy, insuring Buyer's title to the Real Property. Buyer shall, within thirty (30) days after receipt of such preliminary title commitment, furnish Seller with written notice of all objections, if any, to Seller's title. Seller shall have reasonable time after receipt of written notice but prior to the Closing Date within which to take any reasonable steps to remove any objections to title raised by Buyer. At Closing, Seller shall deliver to Buyer: (i) an affidavit of Seller which shall be sufficient to cause the Title Company to affirmatively insure against the existence of outstanding rights which could form the basis for mechanic's or materialman's liens, unrecorded easements, or claims of parties in possession; (ii) a survey of the Real Property which shall be sufficient to cause the Title Company to delete any "survey exception" from the title insurance policy; and (iii) a non-foreign affidavit providing that Seller is not an alien subject to the withholding provisions of Section 1445(b)(2) of the Internal Revenue Code. Buyer shall pay the premium for the title insurance policy.

6. **Construction of Digital Facilities.**

(a) Seller and Buyer each acknowledge that under present FCC regulations and policies, the Station's full-power digital facilities, as specified in the Permit, must be fully constructed and operational, and a license application for same filed, by July 1, 2006 (the "Construction Deadline") to avoid a loss of interference protection to the Station's digital coverage area specified in the Permit. Seller has determined that Buyer's services would expedite construction of the Station's digital television facilities (the "DTV Facilities"). To that end, subject to Seller's control and supervision, Buyer shall build out the DTV Facilities at its expense, including procuring and installing the broadcast equipment necessary or appropriate for such construction, and assisting with such construction in compliance with the Permit, the Communications Act of 1934, as amended, and the rules and regulations of the FCC.

(b) With respect to the DTV Facilities, Buyer and Seller also agree as follows:

(i) full ownership of the equipment purchased and installed by Seller (the "DTV Equipment") in connection with the construction of the DTV Facilities shall remain with Buyer, and Seller shall have no interest therein;

(ii) Buyer hereby leases the DTV Equipment to Seller for a term commencing upon installation thereof and ending upon Closing; Seller shall use the DTV Equipment only in the ordinary course of the Station's business, and shall provide Buyer access to the DTV Equipment at all reasonable times;

(iii) in the event that this Agreement is terminated without a Closing, regardless of the reason therefor, Seller shall be obligated and hereby agrees to pay Buyer, the full cost expended by Buyer as of the termination date in purchasing and installing the DTV Equipment, and filing the digital license application (the "Digital Construction Costs"). Buyer shall provide Seller with invoices and other supporting documentation reasonably requested by Seller to evidence the Digital Construction Costs. Payment for the Digital Construction Costs shall be made in full within twelve (12) months of the termination date, at a six percent (6%) annual interest rate. On the termination date, Seller agrees to execute a promissory note setting forth such terms, as set forth on **Exhibit 6.0** attached hereto, and to execute such other documents necessary to securitize the amount owed and obtain necessary insurance against the loss of the equipment; and

(c) Seller shall maintain adequate casualty and liability insurance coverage for any potential loss or damage during the construction of the DTV Facilities, and shall name Buyer as an additional insured on such policies of insurance; and

(d) in the event that the Closing will not take place until after the Construction Deadline, and construction cannot be completed by the Construction Deadline because of circumstances beyond Seller's or Buyer's control, Seller agrees, subject to Buyer's review to seek an extension of the Construction Deadline from the FCC by filing same prior to the Construction Deadline, at Seller's expense. Seller's failure to seek an extension as required hereunder shall constitute a material breach of this Agreement. In the event of such material breach, Buyer shall have the right to terminate this Agreement, and if Buyer elects to so terminate, Buyer shall be entitled to a return of the Escrow Deposit and all accrued interest.

7. **Non-Compete Agreement.** The parties hereto recognize that Seller and its principal, Kenneth Geisendorfer ("Geisendorfer"), have operated the Station for a number of years and that Seller and Geisendorfer are familiar with the television broadcasting business in the Quincy, Illinois area. Therefore, as in integral part of this Agreement, Seller and Geisendorfer agree to execute at Closing the Non-Competition Agreement attached hereto as **Exhibit 7.0**. The Non-Competition Agreement shall not apply to the Seller's radio broadcasting business.

8. **Seller's Representations, Warranties and Covenants.** Seller makes the following representations, warranties, and covenants, each of which shall be deemed to be a separate representation, warranty, and covenant, all of which have been made for the purpose of inducing Buyer to join in and execute this Agreement, and in reliance on which Buyer has entered into this Agreement:

8.1 **Organization.** Seller is now and will be on the Closing Date, a corporation duly organized, existing and in good standing under the laws of the State of Illinois. The execution, delivery and consummation of this Agreement and the transactions contemplated herein have been duly authorized by Seller's Board of Directors and/or shareholders and no further authorization, approval or consent is

required. The execution, delivery and consummation of this Agreement will not conflict with any provision of the By-Laws or Articles of Incorporation of Seller. This Agreement is a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

8.2 **Licenses and Authorizations.** Seller holds the FCC Licenses and the Permit necessary for or used in connection with the operation of the Station, and the FCC Licenses and Permit are valid and existing and in full force and effect in every material respect for the purpose of operating the Station. The FCC License for the Station will expire on December 1, 2013. The Permit will expire on July 1, 2006, unless extended. Until the Permit expiration date or any extension thereof, the Station shall operate minimum powered digital facilities pursuant to valid special temporary authority issued by the FCC. At present, the Station's digital operations are authorized and conducted pursuant to authorization BDSTA-20030106AAM, as extended by BEDSTA-20060309ADI (the "Digital STA"), which expires July 1, 2006. Seller shall timely request appropriate extensions of the Digital STA. Except for proceedings of general applicability or specific applicability to this market, (i) no application, action or proceeding is pending for the modification of the FCC License, Permit or any of such permits or authorizations, and (ii) no application, action or proceeding is pending or threatened that may result in the revocation, modification, non-renewal or suspension of the FCC License, Permit or any such other FCC Licenses. The Station is licensed as a full power television station under Part 73 of the FCC's rules. Seller has filed appropriate elections and certifications for the Station's digital channel with the FCC, including (i) a certification that the Station will operate digital facilities on channel 32 after the digital transition is complete, (ii) a certification that Seller will build the DTV Facilities in accordance with the Permit by the July 1, 2006 deadline, and (iii) an election of channel 32 as the Station's channel to be used for digital operations after the digital transition is complete. The FCC has tentatively approved channel 32 as the Station's digital channel. Seller has not entered into any settlement or other agreement with other television licensees regarding use of channel 32. Seller has not entered into any agreement leasing or otherwise permitting use of any of the Station's digital capacity. Seller has not realized income from ancillary use of its digital capacity, and has not submitted and is not in arrears in remitting any portion of such income to the FCC for ancillary use.

8.3 **Personal Property.**

(a) On the Closing Date, Seller will convey good and marketable title to all the Personal Property, free and clear of all liens, pledges and encumbrances whatsoever. The assets listed on **Exhibit 1.2**, together with all improvements, replacements and additions thereto from the date hereof to the Closing Date, constitute all the tangible personal property owned by Seller used or held for use in the operation of the Station and necessary to operate the Station in accordance with the

Station Licenses. The Personal Property is transferrable by Seller by its sole act and deed and no consent on the part of any other person is necessary to validate the transfer thereof to Buyer, except as otherwise expressly contemplated by this Agreement.

(b) The Station's transmitting and studio equipment included in the Personal Property is operating in accordance with the terms and conditions of the Station FCC License, all underlying construction permits, and the rules and regulations of the FCC, except for any violation which does not have a material adverse effect on the business of the Station. To Seller's knowledge, the Station's transmitting and studio equipment included in the Personal Property is in good operating condition and repair and is not in need of imminent repair or replacement.

8.4 **Real Property.** The Real Property described in **Exhibit 1.4** and the property to be leased to Buyer hereunder (the "Leased Premises") are all real property owned or leased by Seller now used or held for use in the operation of the Station. On the Closing Date, Seller shall convey good and marketable title to the Real Property in fee simple absolute, free and clear of all liens, mortgages, and encumbrances whatsoever except for the lien of real estate taxes not yet due and payable and easements and other rights or restrictions of record, imperfections of title, encumbrances, none of which materially detracts from or interferes with the use or operation of the Real Property for the purpose for which it is presently being used by the Seller. There are no pending or, to the best of Seller's knowledge, contemplated condemnation or eminent domain proceedings that may affect the Real Property or the Leased Premises. To the best of Seller's knowledge, Seller's use and occupancy of the Real Property and the Leased Premises comply in all material respects with all regulations, codes, ordinances, and statutes of all applicable governmental authorities. Seller has not assigned its leasehold rights in the Leased Premises to any third party, is not in default under the verbal agreement for tower space for the Station, and has not received any notice from the lessor under such agreement that an event of default has occurred.

8.5 **Condition of Transmission Equipment.** All transmission equipment and other broadcast equipment to be transferred to Buyer hereunder is in the condition described in Section 8.3(b).

8.6 **Zoning.** Seller's use of the Real Property and Leased Premises is not in violation of any zoning regulations, ordinances, orders or requirements of any state or local governmental authority. To Seller's knowledge, all necessary occupancy and other certificates and permits for the lawful use and occupancy of the Real Property and Leased Premises have been issued.

8.7 **Employment Contracts.** No employee of the Station has a contract of employment not terminable at will.

8.8 **Contracts.** True and complete copies of all contracts and agreements listed on **Exhibit 1.3** have been furnished to Buyer. All provisions of the Contracts have been complied with by Seller and no material default in respect to any

duties or obligations required to be performed thereunder has occurred. There are not any agreements, contracts, understandings or commitments which restrict or inhibit the right of Seller to enter into this Agreement, to make the representations and warranties provided herein, or to consummate any of the transactions contemplated hereby, except for the need to obtain the FCC consent and except for third party consent to assign certain of the Contracts.

8.9 **Insolvency Proceedings.** No insolvency proceedings of any kind including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement of creditors, voluntary or involuntary, affecting the Seller or the Assets are pending or, to Seller's knowledge, threatened, and Seller has made no assignment for the benefit of creditors, or taken any action with a view to, or which would constitute the basis for, the institution of any such insolvency proceedings.

8.10 **Litigation.** No judgment is presently pending against Seller with respect to the Station or the Assets and, except for proceedings of general applicability or specific applicability to this market, there is no litigation, proceeding or investigation by or before the FCC or by or before any other person, firm or governmental agency pending, or, to the knowledge of Seller, threatened with respect to the Station or the Assets which might result in any material adverse change in the operation of the Station or would have a material adverse effect on the right, title or interest of Seller in the Assets or would have a material adverse effect on the ownership, use or possession of the Station or the Assets by Buyer or which may question the validity of any action taken or to be taken pursuant to or in connection with any of the provisions of this Agreement.

8.11 **Insurance.** Seller maintains in force fire, casualty and liability insurance as specified in **Exhibit 8.11** in respect to the Assets and the business and operations of the Station, such insurance is sufficient to fully cover any fire, casualty or liability losses and Seller will maintain or cause to be maintained such presently existing insurance in force until the Closing.

8.12 **Disposal of Assets.** Between the date hereof and the Closing Date, Seller will not sell or agree to sell or otherwise dispose of the Assets to be conveyed pursuant to this Agreement other than in the ordinary course of business and only as such assets are replaced, prior to the Closing Date, by other assets of substantially equal or greater value and utility. Any such disposition of the Assets shall only be after consultation with and approval of Buyer.

8.13 **No Infringement.** To Seller's knowledge, the operations of the Station do not infringe, and no one has asserted that such operations infringe, upon any copyright, patent, trademark, trade name, service mark, or other similar right of any other party.

8.14 **Compliance with Labor Laws.** Seller has, in the conduct of the affairs of the Station, complied in all material respects with all applicable laws, rules and regulations relating to the employment of labor, including those related to wages, hours,

equal employment opportunity, collective bargaining, pension, welfare benefit plans, and the payment of social security and similar taxes.

8.15 **No Unions.** No employee of the Station is represented by a union or other collective bargaining unit, no application for recognition as a collective bargaining unit has been filed with the NLRB, and, to Seller's knowledge, there has been no concerted effort to unionize any of the Station's employees. To Seller's knowledge, there are no material controversies pending or threatened between Seller or any of the Station's employees, and Seller is not aware of any facts that could reasonably result in any such controversy. Seller has never maintained or contributed to any pension plan (including, but not limited to, any single or multi-employer pension plan within the meaning of ERISA, as amended) with respect to any of the Station's current or former employees.

8.16 **No Breach.** The execution and performance of this Agreement will not violate any order, rule, judgment, or decree to which Seller is subject or breach any contract, agreement, or other commitment to which Seller is a party or by which Seller is bound, except for the need to obtain the FCC consent and except for third party consent to assign certain of the Contracts.

8.17 **Administrative Violations.** Between the date hereof and the Closing Date, if Seller receives an administrative or other order relating to any violation of the rules and regulations of the FCC, or of any other federal, state or local regulatory or administrative body, including rules regarding the employment of labor and equal employment opportunity, it will promptly notify Buyer of such order and use reasonable efforts to remove or correct such violations in the ordinary course of business and will be responsible for the cost of removing same, including the payment of any fines or back pay that may be assessed for any such violation, and Seller will indemnify and hold Buyer harmless with respect to any and all such violations occurring prior to the Closing Date. As of the date hereof, Seller is not aware of any such pending investigations concerning such violations.

8.18 **Taxes.** Seller has, in respect of the Station's business, paid and discharged all taxes, assessments, excises and other levies relative to the Assets being sold, which have become payable.

8.19 **Operations Pending Closing.** Between the date hereof and the Closing Date, Seller shall ensure that the Station is operated in the normal and usual manner in accordance in all material respects with the rules, regulations and policies of the FCC. No increase shall be made in the compensation payable or to become payable to any employee or agent of the Station other than in the ordinary course of business consistent with Seller's past practice. No employment contract shall be entered into by Seller or on behalf of the Station which would legally bind the Buyer following the Closing, unless the same is terminable at will. No other contract, lease or agreement which have a term extending beyond the Closing Date shall be entered into by Seller or on behalf of the Station, without the prior written consent of Buyer. Seller shall promptly

provide a copy to Buyer of any filing by Seller with the FCC, or the receipt of any correspondence or notice from the FCC, with respect to the Station.

8.20 **Adverse Developments.** Seller shall promptly notify Buyer, in writing, of any materially adverse developments with respect to the business or operations of the Station.

8.21 **Access.** Between the date hereof and the Closing Date, upon reasonable notice, Seller will give Buyer or representatives of Buyer reasonable access during normal business hours to the Assets and furnish Buyer with all documents and copies of documents and information concerning the Assets and the business and affairs of the Station as Buyer may reasonably request; provided, however, that no investigation made by or on behalf of Buyer shall affect Seller's representations, warranties and covenants hereunder.

8.22 **Environmental Protection.** To Seller's knowledge: (i) except as consistent with applicable Environmental Laws, no Hazardous Substances are present on or below the surface of the Real Property or Leased Premises and such property has not previously been used for the manufacture, refining, treatment, storage, or disposal of any Hazardous Substances; (ii) none of the soil, ground water, or surface water of the Real Property or Leased Premises is contaminated by any Hazardous Substance and there is no reasonable potential for such contamination from neighboring real estate; and (iii) no Hazardous Substances have been omitted, discharged or released from the Real Property or Leased Premises, directly or indirectly, into the atmosphere or any body of ground water. To Seller's knowledge, neither Seller nor any present or former owner or operator of the Real Property or Leased Premises is liable for clean up or response costs with respect to the admission, discharge or release of any Hazardous Substance or for any other matter arising under the Environmental Laws due to its ownership or operation of the Real Property or Leased Premises. No "underground storage tanks" as that term is defined in regulations promulgated by the EPA are used in the operation of the Station or are located, to Seller's knowledge, on the Real Property or Leased Premises. As used herein, the term "Environmental Laws" means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601 et seq.) the Hazardous Materials Transportation Act (42 U.S.C. §1802 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), the Toxic Substances Control Act (15 U.S.C. §260-1 et seq.), the Clean Air Act (42 U.S.C. §7901 et seq.), the National Environmental Policy Act (42 U.S.C. §4231, et seq.), the Refuse Act (33 U.S.C. §407, et seq.), the Safe Drinking Water Act (42 U.S.C. §300(f) et seq.), the Occupational Safety and Health Act (29 U.S.C. §651 et seq.), and all rules, regulations, codes, ordinances and guidance documents promulgated or published thereunder, and the provisions of any licenses, permits, orders and decrees issued pursuant to any of the foregoing. The term "Hazardous Substance" as used herein means any pollutant, contaminant, or hazardous or toxic substance, waste or material as those or similar terms are defined in the Environmental Laws or listed as such by the EPA.

9. **Buyer's Representations and Warranties.** Buyer hereby makes the following representations, warranties and covenants each of which shall be deemed to be a separate representation, warranty and covenant, all of which have been made for the purpose of inducing Seller to join in and execute this Agreement, and in reliance on which Seller has entered into this Agreement:

9.1 **Corporate Existence.** Buyer is now and will be at the time of the Closing, a non-profit corporation duly organized, existing and in good standing under the laws of the State of Illinois.

9.2 **Corporate Authorization.** The execution, delivery and consummation of this Agreement and the transactions contemplated herein has been duly authorized by the Board of Directors of Buyer and no further authorization, approval or consent is required. This Agreement is a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

9.3 **No Breach.** The execution, delivery and consummation of this Agreement will not conflict with any provision of the By-Laws or Articles of Incorporation of Buyer.

9.4 **Buyer Qualified.** Buyer is legally, financially and otherwise qualified to acquire and operate the Purchased Assets consistent with the Communications Act of 1934, as amended, and the rules and regulations of the Federal Communications Commission ("FCC"). To Buyer's knowledge, no circumstances exist which reasonably could support a conclusion by the FCC that Buyer lacks the requisite qualifications to acquire and operate the Station.

9.5 **No Conflict.** Neither the execution or delivery of this Agreement nor compliance with the terms of this Agreement will (i) conflict with any order, judgment, injunction, award or decree of any governmental body, administrative agency or court, or any agreement, lease or commitment, to which Buyer is a party or by which Buyer is bound, or (ii) constitute a violation by Buyer of any law or regulation applicable to it, except for the need to obtain the FCC consent.

9.6 **Litigation.** There is no claim, litigation, proceeding or governmental investigation pending or threatened, or any judgment, order, injunction or decree outstanding, against Buyer and Buyer does not know of any valid basis for future claims, litigations, proceedings or investigations against Buyer that might materially and adversely affect its ability to consummate the transactions contemplated by this Agreement.

9.7 **Insolvency Proceedings.** NO insolvency proceedings of any kind including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement of creditors, voluntary or involuntary, affecting the Buyer or any of its assets or properties are pending or, to Buyer's knowledge, threatened, and Buyer has made no assignment for the benefit of creditors, or taken any action with a view to, or which would constitute the basis for, the institution of any such insolvency proceedings.

10. **Indemnification.**

10.1 **Buyer's Right to Indemnification.** Seller undertakes and agrees to indemnify and hold Buyer harmless against any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorney's fees, incurred or assumed by Buyer arising from the breach, misrepresentation, or other violation by Seller of any of the covenants, warranties or representations contained in this Agreement, and for and against (i) all liabilities of Seller not assumed by Buyer pursuant to this Agreement, (ii) all liens, charges, or encumbrances on the Assets transferred hereunder not specifically excepted herein, and (iii) all liabilities of Seller accruing prior to Closing under the contracts, leases, and agreements assigned to Buyer hereunder. The foregoing indemnity is intended by the Seller to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs, and expenses with respect to any and all of the specific matters in this indemnity set forth which exceed in the aggregate \$5,000.

10.2 **Seller's Right to Indemnification.** Buyer undertakes and agrees to indemnify and hold Seller harmless against any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorney's fees, incurred or assumed by Seller arising from breach, misrepresentation, or other violation by Buyer of any of the covenants, warranties or representations contained in this Agreement, and for and against (i) all liabilities of Buyer, (ii) any and all liabilities or obligations accruing after the Closing Date under the contracts, leases, and agreements assumed by Buyer hereunder and (iii) any actions by Buyer after Closing. The foregoing indemnity is intended by the Buyer to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs, and expenses with respect to any and all of the specific matters in this indemnity set forth which exceed in the aggregate \$5,000.

10.3 **Procedure.**

(a) If any claim or proceeding covered by the foregoing agreements to indemnify and hold harmless shall arise, the party who seeks indemnification shall give written notice thereof to the other party promptly describing in reasonable detail the nature and basis of the claim and the party from whom indemnification is sought shall have the right to employ counsel to defend against any such claim or proceeding or to compromise, settle or otherwise dispose of the same, if the indemnifying party deems it advisable to do so, all at the expense of the indemnifying party. The parties will fully cooperate in any such action, making available to each other books or records for the defense of any such claim or proceeding. If a party from whom indemnification is sought does not furnish a written acknowledgment of its undertaking to defend or settle such

claim or proceeding in a timely manner, the party seeking indemnification shall be free to dispose of the matter, at the expense of the indemnifying party, in any reasonable way which it deems in its best interest (subject to the right of the indemnifying party to assume the defense of or opposition to such claim at any time prior to settlement, compromise or final determination thereof).

(b) Anything herein to the contrary notwithstanding:

(i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the claim;

(ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such claim; and

(iii) in the event that the indemnifying party undertakes defense of or opposition to any claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel concerning such claim and the indemnifying party and the indemnified party and their respective counsel shall cooperate in good faith with respect to such claim.

11. **Survival of Representations and Warranties.** The several representations and warranties of the parties contained herein shall survive the Closing for a period of twelve (12) months, at which point they shall be of no further force and effect; provided, however, that all warranties as to corporate authority and as to leasehold title shall survive for such maximum period as permitted by law.

12. **Actions Pending Closing.** Pending the Closing of this Agreement, Seller will:

12.1 **Access:**

(a) Give Buyer and its representatives access in accordance with Section 8.21 of this Agreement, all subject to the confidentiality restriction of Section 8.33 hereof. Buyer agrees to take no action which would interfere with the normal business or operation of the Station; and

(b) Upon reasonable notice, give Buyer and its representatives reasonable access to the Station's studios and studio equipment included in the Assets and the right to inspect the Station's transmitting tower and equipment included in the Assets.

(c) Coordinate with Buyer to facilitate construction of the DTV Facilities specified in the Permit in accordance with Section 6 of this Agreement, including access to and on the tower for installation purposes.

12.2 **Compliance with Laws.** Comply in all material respects with all applicable federal, state and local laws, ordinances and regulations including, but not limited to, the Communications Act of 1934 and the rules and regulations of the FCC.

12.3 **Continuing Maintenance.** Maintain the Personal Property in normal operating repair and efficiency; provided, that, such items of property may be replaced with similar property of similar value in accordance with Section 8.12 of this Agreement.

12.4 **Insurance.** Maintain in full force and effect through the Closing Date adequate property damage, liability and other insurance for the Assets providing coverage against such risks in at least the amounts specified in **Exhibit 8.11**.

12.5 **Notification.** Give detailed written notice to Buyer promptly upon the occurrence of any event that would cause or constitute a breach of Seller's representations or warranties contained in this Agreement or in any exhibit referred to by it.

13. **Conditions Precedent to Buyer's Obligations to Close.** The obligation of Buyer to consummate the Closing under this Agreement is subject to the satisfaction, or to Buyer's written waiver, on or before the Closing, of each of the following conditions:

13.1 **Representations and Warranties True and Correct.** The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, except for changes permitted or contemplated by the terms of this Agreement, and all of the agreements of Seller to be performed on or prior to the Closing pursuant to the terms of this Agreement shall have been duly performed in all material respects. Such facts shall be evidenced by a certificate to that effect, delivered at Closing, and signed by an authorized officer of Seller.

13.2 **Tower Lease.** Buyer shall have obtained the signature of the Tower Lease lessor on the Tower Lease attached hereto as **Exhibit 1.3.1**.

13.3 **FCC Consent.** The FCC shall have consented to the assignment of the FCC Licenses from Seller to Buyer.

13.4 **No Injunction.** There shall not be in effect an injunction or restraining order issued by a court of competent jurisdiction in any action or proceeding against the consummation of the sale of the Assets contemplated by this Agreement.

13.5 **Closing Documents.** At Closing, Seller shall deliver to Buyer all the closing documents specified in Section 16.1, which documents shall be duly executed.

13.9 **Legal Matters.** All legal matters relating to the Closing shall be reasonably satisfactory to counsel to the Buyer.

14. **Conditions Precedent to Seller's Obligations to Close.** The obligation of Seller to consummate the Closing under this Agreement is subject to the satisfaction, or to Seller's written waiver, on or before the Closing, of each of the following conditions:

14.1 **Payments.** All payments which are due and payable by Buyer under this Agreement on or before the Closing Date shall have been paid in accordance with the terms of this Agreement.

14.2 **Representations and Warranties True and Correct.** The representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, except for changes permitted or contemplated by the terms of this Agreement, and all of the agreements of Buyer to be performed on or prior to the Closing pursuant to the terms of this Agreement shall have been duly performed in all material respects. Such facts shall be evidenced by a certificate to that effect, delivered at Closing, and signed by an authorized officer of Buyer.

14.3 **Consents.** Seller shall have duly received, without any conditions materially adverse to it, all consents and approvals under any agreement to which Seller is a party, and under any statute, necessary for (i) consummation of the sale of the Assets to Buyer and (ii) Buyer to acquire control of the Station.

14.4 **FCC Consent.** The FCC shall have consented to the assignment of the FCC Licenses from Seller to Buyer.

14.5 **No Injunction.** There shall not be in effect an injunction or restraining order issued by a court of competent jurisdiction in any action or proceeding against the consummation of the sale of the Assets contemplated by this Agreement.

14.6 **Legal Matters.** All legal matters relating to the Closing shall be reasonably satisfactory to counsel to the Seller.

15. **FCC Approval and Application**

15.1 **Condition of FCC Consent.** Consummation of the Closing is subject to and conditioned upon receipt from the FCC of its consent in writing to the assignment to Buyer of the FCC License, Permit and other FCC Licenses to be transferred to Buyer hereunder.

15.2 **Application for Consent.** The parties to this Agreement agree to proceed as expeditiously as practicable to file or cause to be filed an application requesting FCC consent to the assignment of the License, Permit and other FCC Licenses, as contemplated by this Agreement (the "Assignment Application"). The parties agree that the Assignment Application shall be duly filed with the FCC not later than three (3) business days after the date of this Agreement, and that such application shall be prosecuted in good faith and with due diligence. The failure of either party to timely file or diligently prosecute its portion of the Assignment Application shall be deemed a material breach of this Agreement. Buyer and Seller each agree to pay one-half (1/2) of the filing fee for the Assignment Application. Buyer and Seller shall notify each other of all documents filed with or received from the FCC with respect to the Assignment Application. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of the Assignment Application.

15.3 **Absence of Commission Consent.** If the initial FCC consent granting the Assignment Application is not secured within eight (8) months after the date of this Agreement, then this Agreement may be terminated at the option of either party upon written notice to the other; provided, however, that neither party may terminate this Agreement if (a) such party is in default hereunder, (b) if a delay in any decision or determination by the Commission respecting the Assignment Application has been caused or materially contributed to by any failure of such party to furnish, file or make available information within its control or caused by the willful furnishing by such party of incorrect, inaccurate or incomplete information to the Commission, or caused by any action taken by such party for the purposes of delaying any decision or determination respecting the Assignment Application. In the event the FCC freezes processing of or the filing of assignment applications in general at any time after the execution of this Agreement, the eight (8) month period specified herein shall be tolled during the period of such freeze. Upon termination pursuant to this Paragraph, the parties shall be released and discharged of all obligations hereunder and the Escrow Deposit, together with accrued interest, shall be returned to the Buyer.

15.4 **Designation for Hearing.** The time for FCC consent provided in Section 15.3 notwithstanding, either party may terminate this Agreement upon written notice to the other, if, for any reason, the Assignment Application is designated for hearing by the FCC. Upon termination pursuant to this Paragraph, the parties shall be released and discharged of all obligations hereunder and the Escrow Deposit, together with accrued interest, shall be returned to the Buyer.

15.5 **Control of Station Pending Closing.** This Agreement shall not be consummated until after the FCC has given its written consent thereto, and between the date of this Agreement and the Closing Date, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct the operation of the Station. Such operation shall be the sole responsibility of Seller.

16. **Closing Documents.** On the Closing Date:

16.1 Seller shall deliver to Buyer:

(a) An assignment transferring all of the interests of Seller in and to the Station License, Permit, other FCC Licenses, call letters, pending applications and all other licenses, permits, and authorizations issued by any other regulatory bodies which are used or held for use in the operation of the Station;

(b) A bill of sale conveying to Buyer all of the Personal Property and Assets in a form usual and customary in the State of Illinois, and the results of a UCC-1 Lien Search on the Assets conducted no more than four (4) business days of the Closing in the state of Seller's incorporation;

(c) One or more assignments, together with all obtained consents, assigning to Buyer all of the Contracts;

(d) The Studio Lease, signed by Seller;

(e) The certificate, dated as of the Closing Date, described in Section 13.1;

(f) A Certificate, dated as of the Closing Date, of a duly authorized officer certifying that all necessary corporate or other action by Seller has been taken to approve this Agreement and to authorize the consummation of the transactions described herein;

(g) A certificate of good standing with respect to Seller issued by the Secretary of State of Illinois;

(h) The books, records and files referred to in Section 1.6 hereof;

(i) Joint written instructions to be provided to Escrow Agent for the release of the Escrow Deposit;

(j) A Closing Memorandum, setting forth the details of the Closing and any agreed to changes or deviations from this Agreement;

(k) A Warranty Deed for the Real Property, and an Act of Sale for same, as required by Illinois law; and

(l) A written statement acknowledging the receipt by Seller of the Purchase Price.

16.2 Buyer shall deliver to Seller:

- hereof;
- (a) The Purchase Price, in the form provided for in Section 3
- Section 14.2;
- (b) The certificate, dated as of the Closing date, described in
- (c) A certificate, dated as of the Closing date, of a duly authorized officer of Buyer certifying that all necessary corporate or other action by Buyer has been taken to approve this Agreement and to authorize the consummation of the transactions described herein
- (d) A certificate of good standing with respect to Buyer issued by the Secretary of State of Illinois;
- (e) Joint written instructions to be provided to Escrow Agent for the release of the Escrow Deposit;
- (f) A Closing Memorandum, setting forth the details of the Closing and any agreed to changes or deviations from this Agreement;
- (g) The Studio Lease, signed by Buyer;
- (h) A written statement acknowledging the receipt by Buyer of the Assets; and
- (i) A document or documents assuming the Contracts executed by Buyer.

17. **Prorations.**

17.1 **Apportionment of Income and Expense.** Seller shall be entitled to all income received, payable or arising from pre-Closing, and shall be responsible for all expenses arising out of, the operations of the Station through the close of business on the Closing Date. All prepaid and deferred income and expenses relating to the Assets and arising from the operation of the Station shall be prorated between Buyer and Seller in accordance with generally accepted principles as of 12:00 midnight on the Closing Date. Such prorations (the "Prorations") shall include without limitation:

- (a) Advance payments received from advertisers prior to or on the Closing Date for services to be rendered in whole or in part on or after the Closing Date;
- (b) Prepaid expenses and deposits arising from payments made for goods or services prior to the Closing Date where all or part of the goods or services

have not been received or used at the Closing Date (for example, rents or utilities paid in advance for a rental period extending beyond the Closing Date);

(c) Liabilities, customarily accrued, arising from expenses incurred but unpaid as of the Closing Date;

(d) Personal and real property taxes and utility charges related to the Station or in respect of any of the Assets; and

(e) Deposits and unearned prepayments received by Seller in connection with any agreement assumed by Buyer.

17.2 **Determination and Payment.** Prorations shall be made and paid, insofar as feasible, on the Closing Date and shall be paid by separate check and not by way of adjustment to the purchase price. As to Prorations that cannot be made on the Closing Date, within sixty (60) days after the Closing Date, the parties shall determine and agree upon all such Prorations and promptly thereafter Buyer shall pay to Seller or Seller shall pay to Buyer, as the case may be, the net amount due. .

18. **Default and Remedies.**

18.1 **Material Breaches.** A party shall be deemed to be in default under this Agreement only if such party has materially breached or failed to perform its obligations hereunder, and no non-material breaches or failures shall be grounds for declaring a party to be in default, postponing the Closing, or terminating this Agreement.

18.2 **Opportunity to Cure.** If either party believes the other to be in default hereunder, the former party shall promptly provide the other with written notice specifying in reasonable detail the nature of such default. If the default has not been cured by the earlier of (i) five (5) business days after the scheduled Closing date, or (ii) within twenty (20) days after delivery of that notice (or such additional reasonable time as the circumstances may warrant provided the party in default undertakes diligent, good faith efforts to cure the default within such twenty (20) day period and continue such efforts thereafter), then the party giving such notice may exercise the remedies available to such party pursuant to this Section, subject to the right of the other party to contest such action through appropriate proceedings.

18.3 **Seller's Remedies.** Buyer recognizes that if this transaction is not consummated as a result of Buyer's default, Seller would be entitled to compensation, the extent of which is extremely difficult and impractical to ascertain. To avoid this problem, the parties agree that if Seller terminates this Agreement due to the default of Buyer, Seller, provided that Seller is not in default and has otherwise complied with Seller's obligations under this Agreement, shall be entitled to liquidated damages in the amount of One-Hundred Five Thousand Dollars (\$105,000). The parties agree that this sum shall constitute liquidated damages and shall be in lieu of any other relief to which Seller might otherwise be entitled due to Buyer's wrongful failure to consummate the

transaction. Buyer and Seller agree that, only in the event of Buyer's material default under this Section 18 which causes this transaction not to be consummated, the Escrow Deposit shall represent the \$105,000.00 in liquidated damages. Buyer further agrees that, only in such instance, it will join with Seller in instructing the Escrow Agent to disburse such funds to Seller.

18.4 **Buyer's Remedies.** Seller agrees that the purchased Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, notwithstanding the provisions of Section 18.2, Buyer shall have the right specifically to enforce Seller's performance under this Agreement, and Seller agrees to and does waive the defense in any such suit that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy. Buyer shall have the right to terminate this Agreement as a result of Seller's material default in lieu of seeking specific performance (if not cured within the cure periods set forth in Section 18.2). In the event Buyer elects to terminate this Agreement as a result of Seller's default instead of seeking specific performance, Buyer shall be entitled to a return of the Escrow Deposit, together with all accrued interest and to seek any and all other forms of relief, including a suit for damages arising out of Seller's default.

19. **Damage.** The risk of loss or damage to the Assets shall be upon Seller at all times prior to Closing and Buyer shall bear the risk of loss or damage thereafter. In the event of such loss or damage, Seller shall promptly notify Buyer thereof and repair, replace or restore any such damaged property to its former condition as soon as possible after its loss and prior to the Closing Date. If damage has occurred and such relief or restoration of any such damage has not been completed prior to the Closing Date, Buyer may, at its option:

(a) elect to consummate the Closing in which event Seller shall pay to Buyer the costs of such repairs, replacements or restoration as is required to restore the property to its former condition and against such obligation shall assign to Buyer all of Seller's rights under any applicable insurance policies. Buyer shall in such event submit to Seller an itemized list of the costs of such repairs, replacements or restoration. If the parties are unable to agree upon the costs of such repairs, the matter shall be referred to a qualified consulting communications engineer mutually acceptable to Seller and Buyer who is a member of the Association of Federal Communications Consulting Engineers, whose decision as to the costs shall be final, and whose fees and expenses shall be shared equally by Seller and Buyer; or

(b) elect to postpone the Closing Date for a period of up to ninety (90) days, with prior consent of the FCC if necessary, to permit Seller to make such repairs, replacements, or restoration as is required to restore the property to its former condition. If after the expiration of the extension period granted by Buyer the property has not been adequately repaired, replaced or restored, Buyer may terminate this Agreement, and the Escrow Deposit and all accrued interest shall be returned to Buyer. If the parties disagree

as to whether the property has been adequately repaired, replaced or restored, the matter shall be referred to a mutually-acceptable qualified consulting communications engineer, who is a member of the Association of Federal Communications Consulting Engineers, whose decision shall be final, and whose fees and expenses shall be shared equally by Seller and Buyer.

20. **Failure of Broadcast Transmission.** If regular broadcast transmissions by the Station in the normal and usual manner are interrupted or discontinued, for more than twenty-four (24) hours in a single occurrence, or if the Station is operated at less than eighty percent (80%) of its licensed operating or effective radiated power, as the case may be, Seller shall give prompt written notice thereof to Buyer. If prior to Closing, except for any DTV signal operating under an STA, the Station is off the air or operating at power outside the tolerance permitted by the FCC's rules (a "Broadcast Interruption"), then Seller shall use commercially reasonable efforts to return the Station to the air (or to tolerance) as promptly as practicable in the ordinary course of business. Notwithstanding anything herein to the contrary, if on the day otherwise scheduled for Closing, there is a Broadcast Interruption of the Station that has a material adverse effect on the Station, then Closing shall be postponed until the date five (5) business days after the Station returns to the air or to tolerance in all material respects.

21. **Brokerage.** Buyer represents that it has engaged no broker in connection with this transaction, and agrees to indemnify and hold Seller harmless against any claim from any broker based upon any agreement, arrangement, or understanding alleged to have been made by Buyer. Seller has engaged the services of CobbCorp as Broker, and is solely responsible for the payment of the brokerage commission due CobbCorp or any broker engaged by Seller. Seller further agrees to indemnify and hold Buyer harmless against any claim from any broker based upon any agreement, arrangement or understanding made or alleged to have been made by Seller.

22. **Notices.** Any notice required hereunder shall be in writing and any payment, notice or other communication shall be deemed given on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, or on the third day after mailing by U.S. certified mail, postage prepaid, with return receipt requested, and addressed as follows (or to any other address as any party may request by written notice):

- (a) If to Buyer: Christian Television Network, Inc.  
Attn: Robert D'Andrea  
6922 142<sup>nd</sup> Avenue  
Clearwater, Florida 33758  
Facsimile: (727) 535-4722

with copy to (which shall not constitute notice):

Joseph C. Chautin, III  
Hardy, Carey, Chautin & Balkin, LLP

110 Veterans Memorial Blvd, Ste. 300  
Metairie, Louisiana 70005  
Facsimile: 504-830-4659

(b) If to Seller: Believer's Broadcasting Corporation  
220 N. 6<sup>th</sup> Street  
Quincy, Illinois 62301  
Attention: Ken Geisendorfer  
Facsimile:

with copy to (which shall not constitute notice):

Wiley Rein & Fielding, LLP  
1776 K Street, NW  
Washington, D.C. 20006  
Attention: Dorann Bunkin  
Facsimile: (202) 719-7049

23. **Entire Agreement.** This Agreement constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof, and supersedes any prior agreements between the parties and contains all of the terms agreed upon with respect to the subject matter hereof. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement. This Agreement may not be altered or amended except by an instrument in writing signed by the party against whom enforcement of any such change is sought.

24. **Counterparts.** This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument.

25. **Headings.** The headings of the paragraphs of this Agreement are for convenience only and in no way modify, interpret or construe the meaning of specific provisions of the Agreement.

26. **Exhibits.** The Exhibits to this Agreement are a material part hereof.

27. **Severability.** In case any one or more of the provisions contained in this Agreement should be found to be invalid, illegal or unenforceable in any material respect by a court or governmental authority, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

28. **Choice of Laws.** This Agreement is to be construed and governed by the laws of the State of Illinois, except for the choice of law rules utilized in that state.

29. **Bulk Sales.** Seller will indemnify and hold Buyer harmless against any cost or expense as a result of Seller's failure to comply with the provisions of any bulk sales or fraudulent conveyance statutes.

30. **Benefit; Assignment.** This Agreement shall enure to the benefit and be binding upon the parties hereto and their respective successors and assigns. Neither party may assign its rights and obligations hereunder without the other party's written consent, except that Seller may do so by way of liquidating distribution. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns.

31. **Fees and Expenses.** Except as specifically otherwise provided herein, Buyer and Seller shall each pay its own costs and expenses relating to the execution and delivery of this Agreement and the consummation of all transactions contemplated hereby.

32. **Public Announcements.** Prior to Closing, no party hereto shall make or shall authorize any other person to make any public announcement relating to any aspect of the transactions described herein without having first consulted with the other party concerning the requirement for, and timing and content of, such public announcement and having received their prior written consent thereto. Notwithstanding the foregoing, actions relative to obtaining approvals and like matters shall be permissible and Buyer may make all disclosures in its judgment necessary to obtain financing for purposes of carrying out the transactions described in this Agreement.

33. **Confidentiality.** Each party and its counsel, accountants, engineers and other representatives shall hold in confidence all data and information obtained regarding the other party and the Station's business and properties, except for public record information, and if the transactions provided for in this Agreement are not consummated as contemplated, shall continue to hold such non-public information in confidence and return all information and documents without retaining any copies thereof, and further Buyer (and its representatives) shall not directly or indirectly disclose to anyone or use in competition with the Station any data and information obtained in connection with this proposed purchase, or induce or attempt to persuade any of Seller's employees not to be employed by, or to terminate their employment with Seller at anytime.

34. **Assurances.** After Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

Believer's Broadcasting Corporation

Christian Television Network, Inc.

\_\_\_\_\_  
Kenneth Geisendorfer, Secretary

  
Robert D'Andrea, President

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

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