

## **PURCHASE AGREEMENT**

THIS PURCHASE AGREEMENT (this “Agreement”) is made as of this 15th day of March, by and between J. L. Brewer Broadcasting of Cleveland, LLC, a Tennessee limited liability company (“Seller”), and Family Worship Center Church, Inc., a Louisiana not-for-profit corporation (“Buyer”).

### **Recitals**

A. Seller has entered into an Asset Purchase Agreement (the “Acquisition Agreement”) with Walter Hooper, WAYB, Inc., and Radio 970, Incorporated (collectively, “Hooper”) under which Seller will acquire Station WAYB-FM, Graysville, Tennessee (the “Station”), as well as other radio stations owned by Hooper, all of which (including the Station) are currently being operated under a local marketing agreement (the “LMA”) with Seller.

B. Subject to the terms and conditions set forth herein, and subject to the prior approval of the Federal Communications Commission (the “FCC”), Buyer desires to acquire the Station Assets (defined below).

### **Agreement**

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

## **ARTICLE 1: PURCHASE OF ASSETS**

1.1 Station Assets. On the terms and subject to the conditions hereof, on the Closing Date (defined below), Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller all of the assets, properties, interests and rights of Seller of whatsoever kind and nature, real and personal, tangible and intangible, which are used exclusively in the operation of the Station and described in this Section 1.1, but excluding the Excluded Assets as hereafter defined (the “Station Assets”):

(a) all licenses, permits and other authorizations which are issued to Seller or Hooper by the FCC with respect to the Station (the “FCC Licenses”) *and* described on Schedule 1.1(a), including any renewals or modifications thereof between the date hereof and Closing;

(b) all equipment, electrical devices, antennas, cables, tools, hardware, office furniture and fixtures, office materials and supplies, inventory, spare parts and other tangible personal property of every kind and description which are used exclusively in the operation of the Station *and* listed on Schedule 1.1(b), except as may be consumed or used up between the date hereof and Closing in the ordinary course of business (the “Tangible Personal Property”);

(c) the lease agreements listed in Schedule 1.1(c) (the “Real Property Lease”);

(d) all files, documents, records, and books of account (or copies thereof) relating exclusively to the operation of the Station as Seller may acquire from Hooper, including the Station’s local public file, technical information and engineering data and logs, but excluding records relating to Excluded Assets (defined below);

(e) all intellectual property used exclusively in the operation of the Station, including the Station’s call letters; and

(f) Seller shall also assign, to the extent assignable, all of its rights, claims and warranty rights to Buyer that Seller has under the Acquisition Agreement with Hooper, but only insofar that the same relate to or concern the operation of the Station, the Station's assets, or this Agreement.

The Station Assets shall be transferred to Buyer free and clear of liens, claims and encumbrances (“Liens”) except for (i) Assumed Obligations (defined in Section 2.1), (ii) liens for taxes not yet due and payable and for which Buyer receives a credit pursuant to Section 3.3, and (iii) in the case of the real property subject to the Real Property Lease, such liens, easements, rights of way, building and use restrictions, exceptions, reservations and limitations that do not in any material respect detract from the value of the property subject thereto or impair the use thereof in the ordinary course of the business of the Station (collectively, “Permitted Liens”)

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the following assets along with all rights, title and interest therein (the “Excluded Assets”):

(a) all cash, cash equivalents, accounts, accounts receivable, and deposit accounts of Seller attributable to its operations under the LMA, including without limitation certificates of deposit, marketable securities, asset or money market accounts and all such similar accounts or investments;

(b) all tangible and intangible personal property of Seller consumed in the ordinary course of business of Seller under the LMA between the date of this Agreement and Closing;

(c) Seller’s name, minute books, charter documents and such other books and record as pertain to the organization, existence or capitalization of Seller, financial records pertinent to Seller’s operations of the Station under the LMA, Seller’s tax records and any other records not mentioned specifically in Section 1.1(e) above;

(d) contracts of insurance, and all insurance proceeds or claims made thereunder except to the extent that the insurance proceeds are required to be paid over to Buyer pursuant to Section 16.1;

(e) any pension, profit sharing or other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller;

(f) Seller's rights, claims and warranty rights that Seller has under the Acquisition Agreement with Hooper to the extent that the same do not relate to or concern the Station, the Station's Assets, or this Agreement; and

(g) the other assets, rights or interests of Seller not exclusively used in the operation of the Station.

## **ARTICLE 2: ASSUMPTION OF OBLIGATIONS**

2.1 Assumed Obligations. On the Closing Date, Buyer shall assume the obligations (the “Assumed Obligations”) arising after Closing under the Real Property Lease.

2.2 Retained Obligations. Buyer does not assume or agree to discharge or perform and will not be deemed by reason of the execution and delivery of this Agreement or any agreement, instrument or document delivered pursuant to or in connection with this Agreement or otherwise by reason of the consummation of the transactions contemplated hereby, to have assumed or to have agreed to discharge or perform, any liabilities, obligations or commitments of Seller or Hooper of any nature whatsoever whether accrued, absolute, contingent or otherwise and whether or not disclosed to Buyer, other than the Assumed Obligations.

### **ARTICLE 3: PURCHASE PRICE**

3.1 Purchase Price. In consideration for the sale of the Station Assets, Buyer shall at Closing (defined below) deliver to Seller an aggregate purchase price of Eight Hundred Thousand Dollars (\$800,000.00) consisting of (a) a Fifty Thousand Dollar (\$50,000.00) escrow deposit (the “Deposit”) in cash, which will be held and administered by Media Services Group, Inc. (the “Escrow Agent”) under an escrow agreement of even date (the “Escrow Agreement”); (b) a cash payment by wire transfer of federal funds at Closing to an account designated by Seller in the amount of Fifty Thousand Dollars (\$50,000.00), subject to the adjustments and prorations described in Section 3.3 below; and (c) the delivery at Closing of a promissory note executed by Buyer in favor of Seller, in the form of Exhibit 1 hereto (the “Promissory Note”) in the principal amount of \$700,000.00 (together, the “Purchase Price”). The Promissory Note shall be secured by a first lien in favor of Seller on all of the assets of the Station, including the proceeds of any disposition of the FCC Licenses, as provided in a security agreement in the form of Exhibit 2 hereto (the “Security Agreement”), also to be delivered to Seller at Closing.

3.2 Deposit. At Closing, the Deposit and all accrued interest thereon shall be applied to the Purchase Price. If this Agreement is terminated by Seller due to Buyer’s failure to consummate the Closing on the Closing Date or if this Agreement is otherwise terminated by Seller pursuant to Section 15.1(c), the Deposit and any interest accrued thereon shall be held in escrow for disbursement pursuant to Section 15.3. If this Agreement is terminated for any other

reason, the Deposit and any interest accrued thereon shall be disbursed to Buyer without prejudice, in the event of termination by Seller pursuant to Section 15(b).

3.3 Prorations and Adjustments. If this Agreement closes on other than the first or last day of any month, amounts payable to Seller by Buyer pursuant to the Programming Agreement for the then current month under the Programming Agreement shall be prorated as of the Closing Date. Buyer shall be entitled to a \$11,500.00 credit against the Purchase Price for the purchase of a new Crown Transmitter.

3.4 Allocation. The Purchase Price shall be allocated among the Station Assets in a manner as agreed between the parties prior to Closing, with Seller delivering to Buyer its proposed allocation schedule no later than ten (10) days prior to Closing. Seller and Buyer agree to use the allocations determined pursuant to this Section 3.4 for all tax purposes.

#### **ARTICLE 4: CLOSING**

The consummation of the sale and purchase of the Station Assets (the “Closing”) shall occur at 10:00 a.m. on a designated date (the “Closing Date”) no later than five (5) business days after all of the conditions to Closing specified in Article 11 hereof have been satisfied. Closing shall take place at Seller’s offices in Chattanooga, Tennessee, or, at the parties’ option, may take place through an exchange of documents by facsimile and overnight courier.

#### **ARTICLE 5: GOVERNMENTAL CONSENTS**

Closing is subject to publication by the FCC of public notice (as defined in 47 CFR § 1.4(b)(4)) of the FCC’s consent to the assignment of the FCC Licenses to Buyer (the “FCC Consent”), and the FCC Consent becoming final and unappealable, and no longer subject to reconsideration or review, under the FCC’s rules and applicable statutes (a “Final Order”).

5.1 FCC Application. Buyer will cooperate with Seller in the filing with the FCC of an application for assignment of the FCC Licenses from Hooper to Buyer (the “FCC Application”) and, simultaneously, the assignment of the other radio stations owned by Hooper to Seller (the “Hooper Applications”). Buyer and Seller shall diligently prosecute the FCC Application and otherwise use their best efforts to obtain the FCC Consent as soon as possible.

Seller shall use its best efforts to secure speedy FCC approval of the Hooper Applications.

5.2 General. Buyer and Seller shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement, the FCC Application, the Hooper Applications, or the transactions contemplated hereby. Buyer and Seller shall furnish each other with such information and assistance as such the other may reasonably request in connection with their preparation of any governmental filing hereunder. If Buyer or Seller becomes aware of any fact relating to it which would prevent or delay the FCC Consent, or consent to the Hooper Applications, it shall promptly notify the other thereof and use its reasonable best efforts to remove such impediment.

## **ARTICLE 6: REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer hereby makes the following representations and warranties to Seller:

6.1 Organization and Standing. Buyer is duly organized, validly existing and in good standing under the laws of the State of Louisiana and, before the Closing Date, will be qualified to do business in the State of Tennessee. Buyer has the requisite power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (collectively, the “Buyer Ancillary Agreements”), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

6.2 Authorization. The execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements by Buyer have been duly authorized and approved by all necessary action of Buyer and do not require any further authorization or consent of Buyer. This Agreement is, and each Buyer Ancillary Agreement when executed and delivered by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable in accordance with its respective terms, except in each case 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).

6.3 No Conflicts. Neither the execution and delivery by Buyer of this Agreement and the Buyer Ancillary Agreements or the consummation by Buyer of any of the transactions contemplated hereby or thereby nor compliance by Buyer with or fulfillment by Buyer of the terms, conditions and provisions hereof or thereof will: (i) conflict with any organizational documents of Buyer or any law, judgment, order or decree to which Buyer is subject; or (ii) require the approval, consent, authorization or act of, or the making by Buyer of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, except the FCC Consent.

6.4 Qualification. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Act of 1934, as amended (the "Communications Act") and the rules, regulations and policies of the FCC. There are no facts that would, under existing law and the existing rules, regulations, policies and procedures of the FCC, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Station. There is no action, suit or proceeding pending or threatened against Buyer which questions the legality or propriety of the transactions contemplated by this Agreement or could materially adversely affect Buyer's ability to perform its obligations hereunder or under the Buyer Ancillary Agreements. Buyer will have available on the Closing Date sufficient funds to enable it to consummate the transactions contemplated hereby.

6.5 Financial Statements. Any financial reports provided by Buyer to Seller were prepared in the ordinary course of Buyer's business and to Buyer's knowledge are true and correct.

6.6 Brokers. Except for a commission due to Media Services Group, Inc., which is the responsibility of Seller, no broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyer or any party acting on Buyer's behalf.

## **ARTICLE 7: REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller makes the following representations and warranties to Buyer:

7.1 Organization. Seller is duly organized, validly existing, in good standing and is qualified to do business under the laws of the State of Tennessee. Seller has the requisite power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by Seller pursuant hereto (collectively, the “Seller Ancillary Agreements”), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

7.2 Authorization. The execution, delivery and performance of this Agreement and the Seller Ancillary Agreements have been duly authorized and approved by all necessary action of Seller and do not require any further authorization or consent of Seller. This Agreement is, and each Seller Ancillary Agreement when executed and delivered by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its respective terms, except in each case 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).

7.3 No Conflicts. Neither the execution and delivery by Seller of this Agreement and the Seller Ancillary Agreements or the consummation by Seller of any of the transactions contemplated hereby or thereby nor compliance by Seller with or fulfillment by Seller of the terms, conditions and provisions hereof or thereof will: (i) conflict with any organizational documents of Seller or any law, judgment, order, or decree or contract to which Seller is subject; or (ii) require the approval, consent, authorization or act of, or the making by Seller of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, or any other person or any governmental agencies or units other than the FCC who, as a condition to closing, must issue the FCC Consent.



7.4 FCC Licenses. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. As of the Closing Date, there is no pending action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability), and there is not now issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture against Hooper with respect to the Station.

7.5 Taxes. To Seller's knowledge after due inquiry, Hooper has paid all taxes pertinent to the Station which have become due pursuant to federal, state and county income, excise and property tax laws.

7.6 Personal Property. Schedule 1.1(b) contains a list of all material items of Tangible Personal Property included in the Station Assets. As of the Closing Date, Seller will cause title to the Tangible Personal Property to be conveyed to Buyer free and clear of Liens arising by or through Seller. All of such items of Tangible Personal Property are suitable for the uses for which intended, free from any known defects except such minor defects that do not interfere with the continued use thereof.

7.7 Real Property Lease. Schedule 1.1(d) includes a description of the Real Property Lease included in the Station Assets. As of the Closing Date, the real property subject to the Real Property Lease is not subject to any suit for condemnation or other taking by any public authority.

7.8 Environmental. To Seller's knowledge, no hazardous or toxic substance or waste regulated under any applicable environmental, health or safety law has been generated, stored, transported or released on, in, from or to the real property subject to the Real Property Lease. To Seller's knowledge, there are no asbestos materials, PCBs or underground storage tanks located on the real property subject to the Real Property Lease.

7.9 Compliance with Law. As of the Closing Date, there have not been any material violations of any laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or

orders of any court or of any foreign, federal, state, municipal or other governmental authority which are applicable to the operation of the Station, including laws and regulations relating to land use and zoning. As of the Closing Date, there is no action, suit or proceeding pending or threatened against the Station, Hooper or Seller in any court or administrative agency in respect of the Station (except those affecting the broadcasting industry generally).

7.10 Brokers. Except for the commission due to Media Services Group, Inc., which is the sole responsibility of Seller, no broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller or any party acting on Seller's behalf.

7.11 Prepaid Advertising. There are and, on the Closing Date, will be no prepaid advertising commitments or any non-governmental broadcasting commitments related to the broadcast of radio commercials on the Station arising by or through Seller and/or Hooper.

7.12 Qualifications; Assignment. Seller shall have no liability hereunder for the breach of any representation or warranty contained in this Agreement or any certificate bringing forward such representation and warranty as of the Closing Date to the extent that such breach is caused or attributable, in whole or in part, to any actions, inactions, or activities of Buyer. To the extent that any representation or warranty made by Seller under this Agreement, or any certificate related hereto is occasioned by the breach of any representation, warranty or covenant of Hooper to Seller, to the fullest extent assignable, Seller shall assign to Buyer the Seller's right to pursue a claim against Hooper for breach of any such representation, warranty or covenant, but only insofar and to the extent as it relates to damages sustained by Buyer so that Buyer may assert a pass-through claim against Hooper.

## **ARTICLE 8: COVENANTS OF SELLER**

Seller covenants and agrees with respect to the Station that, between the date hereof and Closing, except as permitted by this Agreement or with the prior written consent of Buyer, which shall not be unreasonably withheld, Seller shall:

8.1 to the extent permitted under the LMA, but subject to the Programming Agreement (defined below), operate the Station in the ordinary course of business consistent with past practice and in all material respects in accordance with FCC rules and regulations and with all other applicable laws, regulations, rules and orders;

8.2 enforce, to the extent required, those covenants in the Acquisition Agreement which proscribe Hooper from, except in the ordinary course of business in accordance with past practice, selling, leasing or otherwise disposing of any of the Station Assets, or creating, assuming or permitting to exist any Liens upon the Station Assets, except for Permitted Liens;

8.3 furnish Buyer with such information relating to the Station Assets in Seller's possession that Buyer may reasonably request, at Seller's expense;

8.4 at Seller's expense obtain and deliver to Buyer all UCC, judgment and state and federal tax lien search reports (showing searches in the name of Seller, Hooper and the call letters of the Station) necessary to assure that no Liens are filed or recorded against the Station Assets in the public records of Tennessee and the counties where the Station Assets are located (the "Lien Search Reports") or, if recorded, are to be released as of the Closing Date. The Lien Search Reports shall be dated as of a date within thirty (30) days prior to the Closing and shall be delivered to Buyer at Closing.

#### **ARTICLE 9: OTHER COVENANTS**

Buyer and Seller hereby covenant and agree that:

9.1 Cooperation Subject to express limitations contained elsewhere herein, each party (i) shall cooperate fully with one another in taking any reasonable actions (including without limitation, reasonable actions to obtain the required consent of any governmental instrumentality or any third party) necessary or helpful to accomplish the transactions contemplated by this Agreement, including but not limited to the prompt satisfaction of any condition to Closing set forth herein, and (ii) shall not take any action that conflicts with its obligations hereunder or that causes its representations and warranties to become untrue in any material respect.

9.2 Control of Stations. Except as provided in the Programming Agreement between the parties of even date herewith (the “Programming Agreement”), Buyer shall not, directly or indirectly, control the operations of the Station prior to Closing. Such operations, including complete control and supervision of all programs, employees and policies, shall remain the sole responsibility of Hooper up to the Closing Date.

9.3 Non-Competition Agreement. Buyer will execute and deliver to Seller at Closing a Non-Competition Agreement in the form of Exhibit 3 hereto.

#### **ARTICLE 10: CONDITIONS OF CLOSING BY BUYER**

The obligations of Buyer hereunder are, at its option, subject to satisfaction, at or prior to Closing, of each of the following conditions:

10.1 Representations, Warranties and Covenants. The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and the covenants and agreements to be complied with and performed by Seller at or prior to Closing shall have been complied with or performed in all material respects. Buyer shall have received a certificate dated as of the Closing Date from Seller, to the effect that the conditions set forth in this Section have been satisfied.

10.2 FCC Consent. The FCC Consent shall have been granted and, at Buyer’s election, shall have become a Final Order.

10.3 The Lien Search Reports shall show no Liens on the Station Assets other than Permitted Liens or Liens to be discharged at Closing.

#### **ARTICLE 11: CONDITIONS OF CLOSING BY SELLER**

The obligations of Seller hereunder are, at its option, subject to satisfaction, at or prior to Closing, of each of the following conditions:

11.1 Representations, Warranties and Covenants. The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and

the covenants and agreements to be complied with and performed by Buyer at or prior to Closing shall have been complied with or performed in all material respects. Seller shall have received a certificate dated as of the Closing Date from Buyer, to the effect that the conditions set forth in this Section have been satisfied.

11.2 FCC Consent. The FCC Consent shall have been obtained.

11.3 Acquisition Agreement. The Acquisition Agreement shall be in good standing, shall not be subject to termination under its terms, and Seller shall not have been advised by or be aware of any impediment by Hooper to closing under such agreement.

11.4 The Hooper Applications. The Hooper Applications shall have been approved by the FCC, and such approval shall have become a Final Order.

11.5 The Programming Agreement. There shall be no default by Buyer under the terms of the Programming Agreement.

11.6 The Non-Competition Agreement. Buyer shall have executed and delivered the Non-Competition Agreement.

## **ARTICLE 12: EXPENSES**

Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement, except that (i) all recordation, transfer and documentary taxes, fees and charges shall be paid by Buyer; (ii) the cost of the Lien Search Reports shall be paid by Seller; (iii) any sales taxes due on the transaction shall be paid by Seller; and (iv) all FCC filing fees shall be paid equally by Buyer and Seller.

### **ARTICLE 13: DOCUMENTS TO BE DELIVERED AT CLOSING**

- 13.1 Seller's Documents. At Closing, Seller shall deliver or cause to be delivered to Buyer:
- (a) certified copies of resolutions authorizing its execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby; and a certificate of good standing of Seller issued by the Secretary of State of Tennessee dated within thirty (30) days prior to the Closing Date;
  - (b) the certificate described in Section 10.1;
  - (c) the Lien Search Reports;
  - (d) one or more certificates, dated the Closing Date, from Hooper and Seller certifying to Buyer that the Real Property Lease is in full force and effect, has been assigned by Hooper to Seller and by Seller to Buyer and that no event has occurred as of the Closing Date which, with notice, the lapse of time, or both constitute or give rise to an Event of Default under said Real Property; and
  - (e) such bills of sale, assignments, documents of title and other instruments of conveyance, assignment and transfer, executed by Hooper or Seller (as dictated by convenience) as may be necessary to convey, transfer and assign the Station Assets to Buyer, free and clear of Liens, except for Permitted Liens.
- 13.2 Buyer's Documents. At Closing, Buyer shall deliver or cause to be delivered to Seller:

- (a) certified copies of resolutions authorizing its execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby; a good standing certificate for Buyer issued by the Secretary of State of

Louisiana; and a certificate from the Secretary of State of Tennessee attesting to Buyer's authority to conduct business in that state;

- (b) the certificate described in Section 11.1;
- (c) such documents and instruments of assumption as may be necessary to assume the Assumed Obligations;
- (d) a wire transfer of the cash portion of the Purchase Price (\$50,000.00);
- (e) instructions to the Escrow Agent to release the Deposit to Seller;
- (f) the Promissory Note, duly executed by Buyer;
- (g) the Security Agreement, duly executed by Buyer; and
- (h) the Non-Competition Agreement, duly executed by Buyer.

#### **ARTICLE 14: SURVIVAL; INDEMNIFICATION**

14.1 Survival. The covenants, agreements, representations and warranties in this Agreement shall survive Closing for a period of one (1) year from the Closing Date whereupon they shall expire and be of no further force or effect, except those under this Article 14 that relate to Damages (defined below) for which written notice is given by the indemnified party to the indemnifying party prior to the expiration, which shall survive until resolved.

##### 14.2 Indemnification.

(a) From and after the Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or resulting from: (i) any breach or default by Seller under this Agreement; (ii) the Retained Obligations; or (iii) the business or operation of the Stations before Closing (except by Buyer under the Programming Agreement); provided, however, that (y) Seller shall have no liability to Buyer hereunder until, and only to the extent that, Buyer's aggregate Damages exceed \$10,000 and (z) the maximum liability of Seller hereunder shall be \$100,000, plus an amount equal to the

damages, if any, caused by Seller's breach of its representations and warranties contained in Sections 7.1, 7.2, 7.3, 7.4, 7.6 and 7.9 of this Agreement.

(b) From and after the Closing, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or resulting from: (i) any breach or default by Buyer under this Agreement; (ii) the Assumed Obligations; or (iii) the business or operation of the Stations after Closing; provided, however, that (y) Buyer shall have no liability to Seller hereunder until, and only to the extent that, Seller's aggregate Damages exceed \$10,000 and (z) the maximum liability of Buyer hereunder shall be \$100,000 plus an amount equal to the damages, if any, caused by Buyer's breach of its representations and warranties contained in Sections 6.1 and 6.2 and/or Buyer's failure to pay the principal and interest on its Promissory Note issued to Seller at Closing.

14.3 Procedures. The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder against the indemnifying party (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's right to indemnification and the indemnifying party's obligation to indemnify as set forth in this Agreement, except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced. The obligations and liabilities of the parties with respect to any Claim shall be subject to the following additional terms and conditions:

(a) The indemnifying party shall have the right to undertake, by counsel or other representatives of its own choosing, the defense or opposition to such Claim.

(b) In the event that the indemnifying party shall elect not to undertake such defense or opposition, or, within twenty (20) days after written notice (which shall include sufficient description of background information explaining the basis for such Claim) of any such Claim from the indemnified party, the indemnifying party shall fail to undertake to defend or oppose, the indemnified party (upon further written notice to the indemnifying party) shall have the right



to undertake the defense, opposition, compromise or settlement of such Claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the indemnifying party (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

(c) 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 as an unconditional term thereof the giving by the claimant or the plaintiff 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 or other representatives concerning such Claim and the indemnifying party and the indemnified party and their respective counsel or other representatives shall cooperate in good faith with respect to such Claim.

(d) All claims not disputed shall be paid by the indemnifying party within thirty (30) days after receiving notice of the Claim. "Disputed Claims" shall mean claims for Damages by an indemnified party which the indemnifying party objects to in writing within thirty (30) days after receiving notice of the Claim. In the event there is a Disputed Claim with respect to any Damages, the indemnifying party shall be required to pay the indemnified party the amount of such Damages for which the indemnifying party has, pursuant to a final determination, been found liable within ten (10) days after there is a final determination with respect to such Disputed Claim. A final determination of a Disputed Claim shall be (i) a judgment of any court determining the validity of a Disputed Claim, if no appeal is pending from such judgment and if the time to appeal therefrom has elapsed; (ii) an award of any arbitration determining the validity

of such disputed claim, if there is not pending any motion to set aside such award and if the time within which to move to set aside such award has elapsed; (iii) a written termination of the dispute with respect to such claim signed by the parties thereto or their attorneys; (iv) a written acknowledgment of the indemnifying party that it no longer disputes the validity of such claim; or (v) such other evidence of final determination of a disputed claim as shall be acceptable to the parties. No undertaking of defense or opposition to a Claim shall be construed as an acknowledgment by such party that it is liable to the party claiming indemnification with respect to the Claim at issue or other similar Claims.

## **ARTICLE 15: TERMINATION**

15.1 Termination. This Agreement may be terminated at any time prior to Closing as follows:

- (a) by mutual written consent of Buyer and Seller;
- (b) by written notice of Buyer to Seller if Seller (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by them on the Closing Date; or (ii) Seller otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements herein contained and such breach or default is not cured within the Cure Period (defined below);
- (c) by written notice of Seller to Buyer if Buyer (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by it on the Closing Date; or (ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements herein contained, or contained in the Programming Agreement, and such breach or default is not cured within the Cure Period (defined below);
- (d) by written notice of Buyer to Seller, or by Seller to Buyer, if the FCC dismisses or denies the FCC Application or the Hooper Application;
- (e) by written notice of Seller to Buyer, or of Buyer to Seller, if the Closing shall not

have been consummated within twelve (12) months after the date of execution of this Agreement; or

(f) by Buyer pursuant to Section 16.1(a) hereof (Risk of Loss).

The term “Cure Period” as used herein means a period commencing the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) thirty (30) days thereafter or (ii) the Closing Date; provided, however, that if the breach or default cannot reasonably be cured within such period but can be cured before the Closing Date, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date. Except as set forth below, the termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Article 12 (Expenses) shall survive any termination of this Agreement.

15.2 Remedies. The parties recognize that if either party defaults (“the Breaching Party”) under this Agreement such that a party terminates this Agreement, monetary damages alone will not be adequate to compensate the non-breaching party (“Non-Breaching Party”) for its injury. Such Non-Breaching Party shall therefore be entitled to obtain specific performance of the terms of this Agreement in lieu of, and not in addition to, any other remedies, including but not limited to monetary damages, that may be available to it. If any action is brought by the Non-Breaching Party to enforce this Agreement, the Breaching Party shall waive the defense that there is an adequate remedy at law. In the event of a default by the Breaching Party which results in the filing of a lawsuit for damages, specific performance, or other remedy, the Non-Breaching Party shall be entitled to reimbursement by the Breaching Party of reasonable legal fees and expenses incurred by the Non-Breaching Party, provided that the Non-Breaching Party is successful in such lawsuit.

15.3 Disposition of Deposit. If Seller terminates this Agreement due to Buyer’s breach of its obligations, or if this Agreement is otherwise terminated by Seller pursuant to Section

15.1(c), then, at Seller's election, the Deposit and any interest accrued thereon shall be paid to Seller. If, but only if, Seller elects to proceed under this section, it is agreed and understood that the amount of the Deposit and all interest accrued thereon shall be considered as Buyer's and Seller's reasonable estimate of actual damages and not a penalty. Notwithstanding the foregoing, Seller may determine that its damages due to a Buyer breach exceed \$50,000, in which event Buyer may elect to pursue any remedies in law or equity against Buyer. If Buyer terminates this Agreement pursuant to Section 15.1(c) due to a default of Seller which is within the control of Seller but not cured within the time, if any, provided for the cure thereof, then Buyer shall, in addition to recovering the escrow deposit and all interest accrued thereon, shall have a right to pursue to any claims against Seller for damages in addition to any right which the Seller may have to seek specific performance. Both Seller and Buyer hereby agree to waive, in connection with any claim which it may assert against the other pursuant to this Agreement, or otherwise at law or in equity, any claim for punitive, exemplary or consequential damages.

#### **ARTICLE 16: MISCELLANEOUS PROVISIONS**

16.1 Risk of Loss. Seller shall bear the risk of all damage to, loss of or destruction of any of the Station Assets between the date of this Agreement and the Closing Date. If any material portion of the Station Assets shall suffer any material damage or destruction prior to the Closing Date, Seller shall promptly notify Buyer in writing of such damage or destruction, shall promptly take all necessary steps to restore, repair or replace such assets at its sole expense, and shall advise Buyer in writing of the estimated cost to complete such restoration, repair or replacement and all amounts actually paid as of the date of the estimate. Seller may extend the Closing Date for a period not exceeding 90 days to accomplish such restoration, repair or replacement, but is not required to do so. If such restoration, repair or replacement is not accomplished prior to the Closing Date, as the same may be extended as provided herein, Buyer may, at its option:

- (a) terminate this Agreement upon written notice to Seller; or
- (b) Receive all insurance proceeds payable to Seller, or other sums due to Seller

under the risk of loss provisions of the Acquisition Agreement, close under this Agreement and thereafter complete such restoration, repair or replacement at its sole expense; provided, however, Seller shall have no further liabilities with respect to such damage or destruction after payment to Buyer of such insurance proceeds and, to the fullest extent assignable, any claims related thereto for the recovery of proceeds payable thereon by such insurer or any third-party other than Seller and any affiliate of Seller.

16.2 Further Assurances. After the Closing, Seller shall from time to time, at the request of and without further cost or expense to Buyer, execute and deliver such other instruments of conveyance and transfer and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby to vest in Buyer good title to the Station Assets, and Buyer shall from time to time, at the request of and without further cost or expense to Seller, execute and deliver such other instruments and take such other actions as may reasonably be requested in order more effectively to relieve Seller of any obligations being assumed by Buyer hereunder.

16.3 Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto. With respect to any permitted assignment, the parties shall take all such actions as are reasonably necessary to effectuate such assignment, including but not limited to cooperating in any appropriate filings with the FCC or other governmental authorities. All covenants, agreements, statements, representations, warranties and indemnities in this Agreement by and on behalf of any of the parties hereto shall bind and inure to the benefit of their respective successors and permitted assigns of the parties hereto.

16.4 Amendments. No amendment, waiver of compliance with any provision or condition hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of any waiver, amendment, change, extension or discharge is sought.

16.5 Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

16.6 Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Tennessee without giving effect to the choice of law provisions thereof.

16.7 Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, including by facsimile, and shall be deemed to have been received on the date of personal delivery, on the third day after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid and return receipt requested, on the day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery or when delivered by facsimile transmission, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Buyer:	Family Worship Center Church, Inc. 8919 World Ministry Avenue P. O. Box 262550 Baton Rouge, LA (70826-2550 – P.O. Box) (70810 – Street) Attention: Linda Westbrook Facsimile: 225-769-2244
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If to Seller:	J. L. Brewer Broadcasting of Cleveland, LLC Brewer Broadcasting Corp. 1305 Carter Street Chattanooga, TN 37402 Attention: James L. Brewer Facsimile: 423-266-2335
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with copies (which shall not constitute notice) to:	Fletcher, Heald & Hildreth 1300 North 17 <sup>th</sup> Street, 11 <sup>th</sup> Floor Arlington, VA 22209-3801 Attention: Harry C. Martin, Esquire Facsimile: (703) 812-0486
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16.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

16.9 No Third Party Beneficiaries. Nothing herein expressed or implied is

intended or shall be construed to confer upon or give to any person or entity other than the parties hereto and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

16.10 Severability. The parties agree that if one or more provisions contained in this Agreement shall be deemed or held to be invalid, illegal or unenforceable in any respect under any applicable law, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted, and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby unless the survival of the remaining provisions contained in this Agreement would not provide, in all material respects, the practical benefits to be obtained by each of the parties pursuant to this Agreement.

16.11 Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties hereto and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein. This Agreement does not supersede any confidentiality agreement relating to the Station.

[SIGNATURE PAGE FOLLOWS]

**SIGNATURE PAGE TO PURCHASE AGREEMENT**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

SELLER:

J. L. BREWER BROADCASTING OF CLEVELAND,  
LLC

By: \_\_\_\_\_  
James L. Brewer, Manager

BUYER:

FAMILY WORSHIP CENTER CHURCH, INC.

By: \_\_\_\_\_  
Jimmy Swaggart, President



### **Schedules**

- 1.1(a) - FCC Licenses
- 1.1(b) - Tangible Personal Property
- 1.1(d) - Real Property Leases

### **Exhibits**

- 1. -Promissory Note
- 2. -Security Agreement
- 3. -Non-Competition Agreement

**Schedule 1.1(a)**

**FCC Licenses**

**Station Equipment Being Sold**

1. Broadcasting tower with utility building, guy line, and anchors located on William Jones' leasehold property along Leggett Road west of Sale Creek, Tennessee.
2. List of equipment:
  - 160' Rohn 45 G Tower
  - Continental 2.5 KW Transmitter with Exciter
  - 1.5" RF Transmission Line
  - 4 bay SWR Directional Antenna
  - (2) 4' Marti STL Dish
  - 2 Marti STL-10 Receivers
  - 2 Marti STL-10 Transmitters with Combiner
  - 1 Equipment Rack
  - ½" STL Transmission Line
  - Small Utility Building
  - Transmitter Building
  - Sine Systems Remote Control
  - CRL Audio Processor

**Real Property Leases**

1. Lease dated September 25, 1997, between William Jones, as Lessor, and Walter E. Hooper, III, as Lessee, covering approximately 8.8 acres, more or less, along Leggett Road west of Sale Creek, Tennessee.

**EXHIBIT 1**

**PROMISSORY NOTE**

## PROMISSORY NOTE

\$700,000.00

\_\_\_\_\_, 2002

**FOR VALUE RECEIVED**, the undersigned, Family Worship Center Church, Inc. (“Maker”), hereby irrevocably and unconditionally promises to pay to the order of J. L. Brewer Broadcasting of Cleveland, L.L.C. (“Payee”), in immediately available funds, the principal amount of Seven Hundred Thousand Dollars (\$700,000) with interest thereon, or on so much thereof as is from time to time outstanding and unpaid, at rates determined in accordance with the provisions of this Note. Payments of principal and interest are to be made as follows:

1. Fifty Thousand Dollars (\$50,000) to be paid on or before the sixtieth (60<sup>th</sup>) day after the date of this Promissory Note;
2. Five Thousand Dollars (\$5,000) to be paid monthly for the first twelve (12) months beginning on the first month after the date of this Promissory Note;
3. Seven Thousand Five Hundred (\$7,500) to be paid monthly for the thirteenth (13<sup>th</sup>) through thirty-sixth (36<sup>th</sup>) months after the date of this Promissory Note;
4. Ten Thousand Dollars (\$10,000) to be paid monthly for the thirty-seventh (37<sup>th</sup>) through fifty-ninth (59<sup>th</sup>) months after the date of this Promissory Note;
5. All unpaid principal and all accrued and unpaid interest shall be paid on the sixtieth (60<sup>th</sup>) monthly anniversary of the date of this Promissory Note.

Subject to the default rate provisions of this Note hereinafter set forth, the unpaid principal balance due under the provisions of the Note shall bear interest at the prime interest rate as published in the *Wall Street Journal* on the adjustment dates. The adjustment dates shall be July 1, October 1, January 1, April 1 of each successive year until the Note is satisfied in full. The initial interest rate shall be \_\_\_\_\_ percent per annum. Within ten (10) days of the adjustment date, the Payee shall notify the Maker, by certified mail, of the adjustment to the interest rate which shall be in accordance with the prime rate as published in the *Wall Street*

*Journal* on the adjustment dates. Provided further that the Maker, at its option, may notify the Payee by certified mail of the interest rate adjustment within ten (10) days of the adjustment date. If neither party notifies the other party of an adjustment in the interest rate, then the interest rate shall remain the same as per the previous quarter and can only be adjusted again on the next following adjustment date.

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

This Note evidences a portion of the purchase price for certain assets related to radio broadcast station WAYB-FM, Graysville, Tennessee (the "Station") sold pursuant to an Asset Purchase Agreement between the Maker and the Payee, dated March 13, 2002. Maker's obligations hereunder shall be secured by a Security Agreement in favor of Payee of even date herewith.

Any one or more of the following events shall constitute default under this Note, whereupon subject only to limitations arising under the rules, regulations and policies of the FCC or any other law, the holder of this Note may elect to exercise any or all rights, powers and remedies afforded hereunder and all other documents related hereto and by law, including, without limitation, the right to accelerate the maturity of this Note and declare all amounts owing in respect to this Note to be due and payable in full:

- (a) if the Maker shall fail to pay any payment or installment within thirty (30) days after the date due and payable hereunder; or
- (b) if there shall be an Event of Default under the Security Agreement.

In the event the Payee declares the Note in default, interest shall accrue at a rate of

interest equal to the Index Rate then in effect as published in the Tennessee Administrative Digest plus four percent (4%) (400 basis points). No delay or omission on the part of the Payee in exercising any right hereunder shall operate as a waiver of such right or of any other right of such Payee, nor shall any delay, omission or waiver on any one or more occasions be deemed a bar to or waiver of the same or any other right on any future occasion. The Maker waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note, assent to any extension or postponement of the time of payment or any other indulgence.

If Payee under this Note retains an attorney in connection with any such default or to collect, enforce or defend this Note, or if the Maker sues any holder in connection with this Note or any such papers and does not prevail, then the Maker agrees to pay to each such holder, in addition to principal and interest, all reasonable costs and expenses incurred by such holder in attempting to collect this Note, including reasonable attorneys' fees.

This Note shall be construed under the laws of the State of Tennessee, but not its conflict of laws principles.

The Maker hereby declares, represents, and warrants that the indebtedness evidenced by this Note is made in a commercial transaction for business purposes.

IN WITNESS WHEREOF, the undersigned has caused this Note to be signed in its company name by the duly authorized president as of the date and year first above written.

FAMILY WORSHIP CENTER CHURCH, INC.

By: \_\_\_\_\_  
Jimmy Swaggart, President

Attest



## **EXHIBIT 2**

### **SECURITY AGREEMENT**

## SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made as of this \_\_\_\_ day of \_\_\_\_\_, 2002, by and between Family Worship Center Church, Inc., a Louisiana not-for-profit corporation ("**Debtor**"); and J. L. Brewer Broadcasting of Cleveland, LLC, a Tennessee limited liability company (the "**Secured Party**").

### WITNESSETH

WHEREAS, Debtor has acquired from Secured Party the tangible and intangible personal property, including the licenses issued by the Federal Communications Commission ("**FCC**") used or useful in the operation of radio station WAYB-FM, Graysville, Tennessee (the "**Station**") at closing under certain that Purchase Agreement ("**Purchase Agreement**") dated March 15, 2002;

WHEREAS, under the Purchase Agreement, Secured Party has accepted from Debtor as partial payment of the Purchase Price (as defined in the Purchase Agreement) that certain Promissory Note, dated on like date herewith, in favor of Secured Party, in the principal amount of Seven Hundred Thousand Dollars (\$700,000.00) (the "**Note**");

WHEREAS, as a condition to Secured Party's accepting the Note, Debtor has agreed to execute and deliver this Agreement granting to Secured Party a continuing security interest in and to the Collateral (as hereinafter defined) to secure its obligations under the Note; and

WHEREAS, Debtor has duly authorized the execution, delivery and performance of this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce Secured Party to accept the Note as partial payment from Debtor under the Purchase Agreement, and as security for the prompt and full payment of the principal, interest and other amounts owing under the Note and this Agreement:

## **ARTICLE 1** **SECURITY INTEREST**

SECTION 1.1. Grant of Security Interest. Debtor hereby grant to Secured Party a security interest in all of the following property that is used or held exclusively for use in the operation of the Station, whether now or hereafter existing or acquired (the "**Property**"):

(a) all equipment in all of its forms owned by Debtor, wherever located in the State of Tennessee, which Debtor either acquired from Secured Party or which are used or held for use exclusively in the operation of the Station (including, without limitation, all machinery, tools, furniture, studio equipment, transmitters and antennas), and all parts thereof, and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor (any and all of the foregoing being the "**Equipment**");

(b) all contracts (including programming contracts), contract rights, documents, instruments, and general intangibles acquired by Debtor from or through the Secured Party or used or held by Debtor exclusively for use in the operation of the Station (including, without limitation, all of Debtor's rights under all present and future authorizations, permits, licenses and other rights for the operation and ownership of the Station (including licenses and permits issued by the FCC (the "**Licenses**") to the extent (and only during such time as it is lawful to grant and enforce a security interest therein)); any and all proceeds from the sale of the Licenses; and all rights of Debtor now or hereafter existing in and to all security agreements, guaranties, leases and other contracts securing or otherwise relating to any such contracts, contract rights, documents, instruments, and general intangibles (any and all such contracts, contract rights, documents, instruments and general intangibles being the "**Intangibles**" and any and all such security agreements, guaranties, leases and other contracts being the "**Related Contracts**");

(c) all intellectual property which was either acquired by Debtor from or through Secured Party or which are used or held for use by Debtor exclusively in the operation of the Station, including call letters, logos, and websites;

(d) all books, records, writings, databases, information and other property either acquired by Debtor from or through Secured Party or used or held for use by Debtor exclusively in the operation of the Station and evidencing, embodying, incorporating or referring to, any of the foregoing in this Section 1.1;

(e) all of other property and rights of every kind and description and interests therein that were either acquired by Debtor from or through Secured Party or are used or held for use by Debtor exclusively for use in the operation of the Station;

(f) all payments under insurance (whether or not Secured Party is the loss payee thereof), or any indemnity, warranty or guarantee, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral; and

(g) all proceeds (both cash proceeds and non-cash proceeds) of the foregoing described types and/or items of property or assets (together, the items of Property listed in these subsections (a)-(g) are referred to as the "**Collateral**").

**SECTION 1.2 Excluded Assets.** Nothing in Section 1.2 is intended to encumber any properties or assets of the Debtor which were not acquired by Debtor from or through Secured Party or are not held or used exclusively in the operation of the Station.

**SECTION 1.3 Security for Indebtedness.** This Agreement secures the payment in full of all obligations (monetary or otherwise) of Debtor now or hereafter existing under the Note and under this Agreement, whether for principal, interest, costs, fees or collection expenses, including reasonable attorneys' fees.

SECTION 1.4. Continuing Security Interest; Transfer of Note. This Agreement shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until payment in full of the Indebtedness; (b) be binding upon Debtor, its permitted successors, transferees and assigns; and (c) inure, together with the rights and remedies of Secured Party hereunder, to the benefit of Secured Party, its successors, transferees and assigns. Secured Party may assign, pledge or otherwise transfer (in whole or in part) this Agreement and the Note (subject to the limitations herein and therein) to any other person or entity. Upon the payment of the Indebtedness, the security interest granted herein shall terminate and all rights to the Collateral shall revert to Debtor. Upon any such termination, Secured Party will, at Debtor's sole expense, execute and deliver to Debtor such documents as Debtor shall reasonably request to evidence such termination.

SECTION 1.5 Debtor Remains Liable. Anything herein to the contrary notwithstanding (a) Debtor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein, and shall perform all of its duties and obligations under such contracts and agreements to the same extent as if this Agreement had not been executed; (b) the exercise by Secured Party of any of its rights hereunder shall not release Debtor from any of its duties or obligations under any such contracts or agreements included in the Collateral; and (c) Secured Party shall have no obligation or liability under any such contracts or agreements included in the Collateral by reason of this Agreement, nor shall Secured Party be obligated to perform any of the obligations or duties of Debtor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

## **ARTICLE 2 REPRESENTATIONS AND WARRANTIES**

SECTION 2.1 Representations and Warranties. Debtor represents and warrants to Secured Party as set forth in this Article:

2.1.1 all material representations and warranties made to Secured Party by Debtor in the Note and this Agreement are accurate and will continue to be accurate so long as any of the Indebtedness remains outstanding;

2.1.2 Debtor is duly organized, validly existing and in good standing under the laws of the State of Louisiana; and is authorized to do business in the State of Tennessee;

2.1.3 the execution, delivery and performance of the terms of this Agreement by Debtor have been duly authorized by Debtor and are not in contravention in any material respect of any applicable law or of any order, indenture, agreement or undertaking to which it is a party or by which it, or the Collateral is bound;

2.1.4 the Collateral is now and at all times during the effectiveness of this Agreement will continue to be lawfully owned by Debtor, free from any material adverse lien, security interest, assignment, or encumbrance incurred by Debtor except (a) those existing prior to Closing under the Purchase Agreement, or (b) later-incurred encumbrances or liens that are subordinate to the security interests created under this Agreement (together, (a) and (b), the

"Permitted Liens"); Debtor shall defend the Collateral, without demand by the Secured Party, against any and all claims and demands of all parties at any time claiming the same or any interest therein, and Debtor agrees to indemnify and hold the Secured Party harmless from and against any such claims and demands;

2.1.5 the Secured Party shall receive from Debtor, without demand or notice, prompt and full payment of all Indebtedness owed to the Secured Party, when and as the same may become due and payable (whether by acceleration, extension, renewal or otherwise);

2.1.6 all of the Collateral of Debtor relating to the operation of the Station is located in the State of Tennessee; the place(s) of business and chief executive office of Debtor and the office(s) where Debtor keeps its records are located at the address set forth in Section 6.1 below; Debtor has not been known by any legal name different from the one set forth on the signature page hereto;

2.1.7 Debtor has and will retain exclusive possession and control of the Collateral so long as any of the Indebtedness remains unpaid;

2.1.8 this Agreement creates a valid security interest in the Collateral (other than the license issued by the FCC to the extent the Debtor is prohibited by the rules, regulations and policies of the FCC from granting security interests therein), securing the payment of the Indebtedness, and all financing statements and other documents necessary or desirable to perfect and protect such security interest have been duly executed by Debtor and are enforceable against it in accordance with the terms of this Agreement, the laws of Tennessee and of the financing statements and documents themselves;

2.1.9 Debtor is in compliance in all material respects with the requirements of all applicable laws, rules, regulations and orders of every governmental authority, the non-compliance with which could reasonably be expected to have a materially adverse effect on the value of the Collateral or the worth of the Collateral as collateral security; and

2.1.10 Debtor has filed all U.S., state, local and other tax returns required to be filed and has paid or made provision for payment of all taxes due pursuant thereto. Debtor will pay when due all taxes, assessments and similar levies including franchise and sales taxes imposed on Debtor or the Collateral and/or any other of its property.

### **ARTICLE 3 COVENANTS**

**SECTION 3.1 Affirmative Covenants.** Until payment in full of the Indebtedness Debtor covenants and agrees that, unless Secured Party shall otherwise consent in writing, it shall:

3.1.1 keep all the Collateral, including the Equipment, at the premises of the Station;

3.1.2 maintain its books and financial records in accordance with generally accepted accounting principles consistently applied, and, following the occurrence of an Event of Default and for so long as the same shall continue, provide Secured Party statements of revenues and expenses at the conclusion of each of Debtor's fiscal years;

3.1.3 maintain, with financially sound and reputable insurers, casualty and liability insurance with respect to the Station and the Collateral as is customary in the broadcast industry for radio stations having a value of \$800,000.00. Debtor shall cause such insurance policies to contain a loss payable clause to the Secured Party and shall deliver copies of such policies to the Secured Party. All such policies shall provide for thirty (30) days' written minimum cancellation or lapse notice to the Secured Party. In the event the Secured Party shall have exercised its rights to declare a default hereunder pursuant to Section IV hereof, subject to the rights of the Secured Party, any sums received by the Secured Party in payment of losses under said policies may, at the Secured Party's option, be applied on the account of the Indebtedness, and the Secured Party may act as attorney-in-fact for Debtor in obtaining, adjusting, settling, and canceling such insurance and endorsing any drafts or checks issued in respect thereof;

3.1.4 pay or cause to be paid before delinquent all taxes, assessments and charges of any type on, or against, Debtor or the Collateral unless such taxes are disputed in good faith by Debtor through appropriate proceedings and paid or bonded (if permitted under applicable law) prior to the time that any tax foreclosure proceedings could be initiated against all or any portion of the Collateral;

3.1.5 operate the Station in material compliance with all applicable laws, regulations, orders, ordinances, rules, licenses, insurance policies and permits which may now or hereafter be applicable thereto including all applicable laws, rules and regulations relating to toxic or hazardous substances;

3.1.6 promptly and fully notify the Secured Party of (a) any Event of Default, (b) any other material breach of this Agreement, (c) any litigation that could have a material adverse effect on the Collateral or on the ability of Debtor to repay the Indebtedness, (d) any material loss of Collateral by fire, theft or otherwise, (e) any change of location of the Collateral, and (f) any change in the name or trade name of Debtor;

3.1.7 Debtor shall cause the Station and the Equipment to be operated, maintained in normal working order, ordinary wear and tear excepted; and promptly furnish to Secured Party a statement respecting any material loss or damage to any of the Equipment; and

3.1.8 Debtor, from time to time at its own expense, shall promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Secured Party may request, in order to perfect, preserve and protect any security interest granted hereby or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, Debtor will (g) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices as may be necessary or as Secured

Party may request, in order to perfect and preserve the security interests and other rights granted or purported to be granted to Secured Party hereby; and (b) furnish to Secured Party, from time to time, but not more frequently than once each calendar year at Secured Party's reasonable request, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Secured Party may reasonably request, all in reasonable detail. With respect to the foregoing and the grant of the security interest hereunder, Debtor hereby authorizes Secured Party to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of Debtor where permitted by law. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

3.1 Negative Covenants. Until payment in full of the Indebtedness, Debtor covenants and agrees that, unless Secured Party shall otherwise consent in writing (whose consent will not be unreasonably withheld with respect to Sections 3.1.1 and 3.1.2, it shall not:

3.1.1 sell, transfer, dispose of, lease, assign, or encumber, directly or indirectly, the Collateral or the Station (except through a pro forma application on FCC form 316), any material interest therein, or create or suffer to exist any lien or other charge or encumbrance upon or with respect to any of the Collateral to, except for the Permitted Liens;

3.1.2 assign its FCC licenses for the Station or change its control or ownership except through a pro forma transaction approved on FCC Form 316;

3.1.3 in any material respect, impair or permit the impairment of the value or collectibility of the Collateral, or waste or destroy any material part thereof; or

## ARTICLE 4 DEFAULT AND REMEDIES UPON DEFAULT

SECTION 4.1 Events of Default. Debtor shall be in default under this Agreement upon the occurrence of any one or more of the following events or conditions (each an "**Event of Default**"):

4.1.1 Debtor fails to make a payment of principal or interest under the Note within thirty (30) days after the date due under the Note, with no notice of such nonpayment being required of Secured Party under the Note or under this Agreement;

4.1.2 Debtor fails to comply in any material respect with any of its covenants or agreements under the Note (except with respect to payments, which is covered in Section 4.1.1 above) or this Agreement, or any representation or warranty of Debtor in this Agreement is untrue in any material respect when made, and, in either case such failure or condition is not cured within 30 calendar days after Secured Party gives Debtor written notice thereof (or, if such failure or condition can be cured but not within such time period and Debtor is diligently attempting to cure, then the cure period will be 90 days);

4.1.3 Debtor shall not (a) sell, transfer or assign the FCC Licenses, authorizations and permits necessary for the operation of the Station without the express written consent of Secured Party, (b) violate the non-competition agreement of even date herewith between Debtor and Secured Party, or (c) enter into a local marketing agreement, time brokerage agreement or similar agreement with a third-party with respect to the Station without the express written consent of Secured Party.

4.1.4 any final judgment, settlement, or order for the payment of money not covered by insurance in excess of \$50,000.00 shall be rendered against Debtor and remain unsatisfied for a period of 90 days;

4.1.5 Debtor shall (a) become insolvent or admit in writing its inability to pay, debts as they become due; (b) apply for, or consent to, the appointment of a trustee, receiver, sequestrator or other custodian for Debtor, or the Collateral, or make a general assignment for the benefit of creditors; (c) in the absence of such application or consent, permit or suffer to exist the appointment of a trustee, receiver, sequestrator or other custodian for Debtor or the Collateral, and such trustee, receiver, sequestrator or other custodian shall not be discharged within 60 days, provided that Debtor hereby expressly authorizes Secured Party to appear in any court conducting any relevant proceeding during such 60-day period to preserve, protect and defend its rights under this Agreement and the Note; or (d) permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law, or any dissolution, winding up or liquidation proceeding in respect of Debtor, and, if any such case or proceeding is not commenced by Debtor, such case or proceeding shall be consented to by Debtor or shall result in the entry of an order for relief or shall remain for 60 days undismissed or unstayed, provided that Debtor hereby expressly authorizes Secured Party to appear in any court conducting any such case or proceeding during such 60-day period to preserve, protect and defend its rights under this Agreement and the Note; or

4.1.6 the FCC shall revoke, terminate or refuse to renew any material licenses for the Station.

SECTION 4.2 Remedies. If an Event of Default shall occur under Section 4.1 hereof, the Secured Party, subject to Section 4.6, if applicable, and the approval of the FCC where such approval may be required, (a) may, at its option, declare all or any part of the unpaid and accrued Indebtedness, whether then due or not, immediately due and payable without further presentment or notice to Debtor of protest, dishonor, or default, and (b) shall have and may exercise any and all of the rights and remedies provided or available under the Uniform Commercial Code and this Agreement, including, without limitation, the right to (i) require Debtor to assemble the Collateral and make it available to the Secured Party; (ii) take possession of Collateral or portions thereof without judicial process, if this can be done without breach of the peace; (iii) dispose of the Collateral or portions thereof at public or private sale on any terms (for cash, on credit or for future delivery) as is commercially reasonable; and/or (iv) take such actions as it deems necessary to secure the appointment of a receiver or trustee for the Collateral. Debtor



hereby consents to the appointment of such a receiver or trustee under the terms of this Section 4.2. Secured Party may also obtain the entry of an order or judgment for such injunctive and/or further or additional relief, whether at law, in equity, or otherwise, as may be appropriate to specifically enforce Debtor's duties and obligations and/or the Secured Party's rights and remedies hereunder. Debtor shall remain liable for any deficiency resulting from a sale of the Collateral and shall pay such deficiency forthwith on demand. The Secured Party shall have the right at any public or private sale of the Collateral to purchase the whole or any part of the Collateral so sold and may use the Indebtedness as consideration to purchase the Collateral on sale. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if written notice is mailed to Debtor at least seven (7) days before the time of such sale or disposition. Secured Party shall not be obligated to make any sale regardless of notice having been given. The Secured Party shall have no duty or obligation whatsoever to pay any taxes or other charges with respect to, or to insure, Collateral in its possession, and risk of accidental loss or damage shall at all times be on Debtor. After an Event of Default, subject to Section 6.7, the Secured Party shall have the right, but is not required, to use or otherwise operate any Collateral in its possession until said Collateral is sold pursuant to the terms hereof.

SECTION 4.3 Procedures. After an Event Default, Secured Party may, subject to Section 6.7 in respect of the licenses of the Station, in addition to the other rights and remedies provided for herein or otherwise available to it, require Debtor to, and Debtor hereby agrees that it will, at Debtor's expense and upon request of Secured Party, take all actions necessary or advisable to (i) cooperate with Secured Party and/or a court-appointed receiver or trustee in effecting the transfer of the Station to Secured Party or another transferee acceptable to the FCC or (ii) sell the Station at public or private sale for cash, on credit or for future delivery. After an Event of Default, if requested to do so by Secured Party and/or a court-appointed receiver, Debtor shall use its best efforts to sell the Station for the best available price and, in furtherance of such efforts, Debtor shall (i) hire one or more brokers to solicit buyers, (ii) cause such information and materials regarding the Station to be compiled as is customarily prepared or as is needed under the circumstances, and (iii) make available to prospective purchasers such information (including any information compiled in accordance with clause (ii)) as is customary or as is needed under the circumstances. The proceeds of any sale of the Collateral shall be paid to Secured Party, with any surplus over the Indebtedness paid over to Debtor.

SECTION 4.4 Indemnification. Debtor agrees to indemnify Secured Party from and against any and all claims, losses and liabilities arising out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement).

SECTION 4.5 Expenses. After an Event of Default, Debtor, upon demand, will pay to Secured Party the amount of any and all reasonable expenses, including the reasonable fees and disbursements of its counsel, accountants, and other advisors, including brokers, which Secured Party may incur in connection with (i) the sale of, collection from, or other realization upon, any of the Collateral or (ii) the exercise or enforcement of any of the rights of Secured Party hereunder.

SECTION 4.6 Certain Time Limitations. In the case of a default under any one or more of Sections 4.1.1, 4.1.2, 4.1.3 and/or 4.1.4, Secured Party shall not exercise the remedies provided under Section 4.2 and/or 4.3 unless at least thirty (30) days has elapsed from the issuance of a default notice sent to Debtor in accordance with the provisions of Section 6.1

## **ARTICLE 5 ADDITIONAL RIGHTS OF SECURED PARTY**

SECTION 5.1 Inspection. The Secured Party and its agents shall have the right to inspect the Collateral during normal business hours upon reasonable prior notice to Debtor.

SECTION 5.2 Assignment of Debtor's Rights. During the continuance of any Event of Default, and subject to Section 6.7, the Secured Party shall have all of the rights, powers, and remedies of Debtor with respect to the Collateral, including but not limited to the right of stoppage in transit, all guaranties and other contracts of suretyship, any unpaid seller's liens, statutory liens, artisans' liens, the power to collect or compromise the Collateral, to receive and give acquittance for any payment thereof, and, generally, to deal with the Collateral as though Secured party were the absolute owner.

SECTION 5.3 Performance of Debtor's Duties. During the continuance of any Event of Default, if Debtor shall fail to perform when due any term of this Agreement, the Secured Party may perform the same in behalf of Debtor and for Debtor's account and any money expended in so doing shall be chargeable to Debtor and secured by the Collateral and shall bear interest at the rate of two percent (2%) per annum in excess of the rate charged, from time to time, on the Indebtedness.

## **ARTICLE 6 MISCELLANEOUS**

SECTION 6.1 Notice. Any notice to Debtor or the Secured Party required or permitted by this Agreement shall be sufficient if hand delivered to such party, or if sent by facsimile, telegram or by certified mail, postage prepaid, to the address or fax number which appears below:

To Secured Party:

J. L. Brewer Broadcasting of Cleveland, LLC  
1305 Carter Street  
Chattanooga, TN 37402  
Attention: James L. Brewer  
Facsimile: (423) 266-2335

with a copy to (which shall not constitute notice to Secured Party):

Harry C. Martin, Esquire  
Fletcher, Heald & Hildreth, P.L.C.  
1300 N. 17th Street, 11th Floor  
Arlington, VA 22209  
Fax: (703) 812-0486

To Debtor:

Family Worship Center Church, Inc.  
8919 World Ministry Avenue  
PO Box 262550  
Baton Rouge, LA 70826-2550  
Attention: Linda Westbrook  
Facsimile: (225) 769-2244

SECTION 6.2 Waiver. No delay or failure on the part of the Secured Party to exercise any power, right, or remedy shall operate as a waiver thereof and such powers, rights, and remedies shall be deemed continuous and concurrent; nor shall a partial exercise preclude full exercise thereof; and no power, right, or remedy of the Secured Party shall be deemed abridged or modified by any course of conduct and no waiver, estoppel or other preclusion thereof shall be predicated on any such course of conduct; and no waiver whatsoever or modification of the terms hereof shall be valid unless in writing signed by the Secured Party and then only to the extent therein set forth.

SECTION 6.3 Binding Obligation. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and each of their respective successors or assigns.

SECTION 6.4 Severability. In the event any one or more of the provisions contained in the Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

SECTION 6.5 Entire Agreement. The entire Agreement between Debtor and the Secured Party as to the subject matter hereof is set forth herein. Any and all prior understandings, negotiations, representations, statements, and agreements as to the subject matter hereof are superseded in their entirety hereby.

SECTION 6.6 Governing Law. This Agreement shall be interpreted in accordance with and governed by the laws (not including principles of conflict of laws) of the State of Tennessee, except to the extent that the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of Tennessee.

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SECTION 6.7 FCC. Notwithstanding anything to the contrary contained in this Agreement, or any other document between Debtor and Secured Party, Secured Party will not take any action that would constitute or result in any assignment of an FCC license or any transfer of control of Debtor or the Station if such assignment of license or transfer of control would require under then existing law (including the rules and regulations of the FCC), the prior approval of the FCC, without first obtaining such approval of the FCC. Debtor agrees to take any action which Secured Party may request in order to enable Secured Party to obtain and enjoy the full rights and benefits granted to Secured Party by this Agreement including specifically, at Debtor's own cost and expense, the use of its best efforts to assist in obtaining approval of the FCC for any action or transaction contemplated by this Agreement which is then required by law, and specifically, without limitation, upon request following the occurrence of an Event of Default, to prepare, sign and file (or cause to be prepared, signed and filed) with the FCC any portion of any application or applications for consent to the assignment of license or transfer of control required to be signed by the Debtor and necessary or appropriate under the FCC's rules and regulations for approval of any sale or transfer of any of the assets of Debtor or any transfer of control of any FCC license or the Station.

SECTION 6.8 Waiver of Notice. **DEBTOR WAIVES ALL RIGHTS OF NOTICE AND HEARING OF ANY KIND PRIOR TO THE EXERCISE BY SECURED PARTY OF ITS RIGHTS FROM AND AFTER THE OCCURRENCE OF ANY EVENT OF DEFAULT TO REPOSSESS THE COLLATERAL WITH JUDICIAL PROCESS OR TO REPLEVY, ATTACH OR LEVY UPON THE COLLATERAL. DEBTOR WAIVES THE POSTING OF ANY BOND OTHERWISE REQUIRED OF SECURED PARTY IN CONNECTION WITH ANY JUDICIAL PROCESS OR PROCEEDING TO OBTAIN POSSESSION OF, REPLEVY, ATTACH OR LEVY UPON THE COLLATERAL OR OTHER SECURITY FOR THE SECURED OBLIGATIONS, TO ENFORCE ANY JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF SECURED PARTY, OR TO ENFORCE BY SPECIFIC PERFORMANCE, TEMPORARY RESTRAINING ORDER OR PRELIMINARY OR PERMANENT INJUNCTION THIS AGREEMENT, THE NOTE OR THE GUARANTEE.**

SECTION 6.9 Forum Selection and Consent to Jurisdiction. Any litigation based hereon, or arising out of, under, or in connection with, this Agreement, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of Secured Party or Debtor shall be brought and maintained exclusively in the or in the United States District Court for the Eastern District of Tennessee; provided, however, that any suit seeking enforcement against any collateral or other property may be brought, at Secured Party's option, in the courts of any jurisdiction where such collateral or other property may be found. Debtor hereby expressly and irrevocably submits to the jurisdiction of the United States District Court for the Eastern District of Tennessee for the purpose of any such litigation as set forth above and irrevocably agrees to be bound by any judgment rendered thereby in connection with such litigation. Debtor further irrevocably consents to the service of process by registered mail, postage prepaid, or by personal service within or without the State of Tennessee. Debtor hereby expressly and irrevocably waives, to the fullest extent permitted by law, any objection which it may have or hereafter may have to the laying of venue of any such litigation brought in any such court referred to above and any claim that any such litigation has been brought in an inconvenient forum. To the extent that

Debtor has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution or otherwise) with respect to it or its property, Debtor hereby irrevocably waives such immunity in respect of its secured obligations under this Agreement.

**SECTION 6.10 Waiver of Jury Trial. DEBTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT. DEBTOR ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR SECURED PARTY ACCEPTING THE NOTE.**

IN WITNESS WHEREOF, the undersigned have signed this Security Agreement as of the date set forth in the first paragraph of the first page.

FAMILY WORSHIP CENTER CHURCH, INC.

By: \_\_\_\_\_  
Jimmy Swaggart, President

J. L. BREWER BROADCASTING  
OF CLEVELAND, LLC

By \_\_\_\_\_  
James L. Brewer, Manager

**EXHIBIT 3**

**NONCOMPETITION AGREEMENT**

## NON-COMPETITION AGREEMENT

THIS NON-COMPETITION AGREEMENT (this "Agreement") is made as of \_\_\_\_\_, 2002, by and between J. L. Brewer Broadcasting of Cleveland, LLC, a Tennessee limited liability company ("Seller") and Family Worship Center Church, Inc. a Louisiana not-for-profit corporation ("Buyer").

### W I T N E S S E T H:

WHEREAS, pursuant to a Purchase Agreement (the "Purchase Agreement") dated \_\_\_\_\_, 2002, Buyer has purchased from Seller the Station Assets (as defined in the Purchase Agreement) used and useful in the operation of Station WAYB-FM, Graysville, Tennessee (the "Station"); and

WHEREAS, at Seller's request, Buyer has agreed to forego its right to compete with Seller, subject to the conditions of this Agreement;

NOW, THEREFORE, in consideration of the agreements contained herein and in the Purchase Agreement, the sufficiency and adequacy of the consideration being acknowledged, it is mutually stipulated, covenanted and agreed by and between the parties as follows:

#### Section 1. Non-Compete Agreement.

(a) Buyer covenants and agrees on behalf of itself and its successors and assigns who may hereafter own, hold or acquire the FCC licenses, authorizations and permits necessary to operate the Station (collectively, with the Buyer, the "Obligated Parties") that, the Obligated Parties for a period of five (5) years after the date of this Agreement, it shall not (i) Compete (as defined below) with Seller or Seller's Affiliates (as hereinafter defined) or (ii) solicit or induce any person who is an employee of Seller or a Seller Affiliate to terminate his or her employment with Seller or Seller's Affiliates to become an employee or independent contractor of an Obligated Party.

(b) To "Compete" with Buyer means to, directly or indirectly, (i) sell time to advertisers or their agents for the broadcast of commercial radio advertisements (i.e., non-religious) for broadcast on the Station or (ii) allow the Station to be used for the broadcast of commercial radio advertisements (i.e., non-religious)

(c) Each restriction or covenant contained in this Section 1 is severable. If the time period, geographical area specified, or any of the substantive provisions in any Section of this Agreement should be adjudicated as unreasonable in any proceeding, then the time period shall be reduced by such number of months or years, the geographical area shall be reduced by the elimination of such portion thereof, or the substance shall be reduced in scope, or a combination of the foregoing, so that each such restriction or covenant may be enforced for such time period, in such geographical area and to the extent as is adjudicated to be reasonable.

Section 2. Payment. There is no separate consideration being paid by Seller to induce Buyer to enter into this Agreement. It is acknowledged and agreed by Buyer that its execution of this Agreement is in fulfillment of the overall terms and conditions pursuant to the Asset Purchase Agreement under which it is acquiring the Station from Seller.

Section 3. Remedies. In the event Buyer defaults under any provision of this Agreement, including but not limited to Section 12 below, then and in that event, Seller shall be entitled to injunctive relief. Buyer expressly acknowledges and agrees that any breach of this Agreement is likely to result in an injury of a nature which would justify the entry of an injunction and a temporary restraining order to restrain such breach, and that Seller shall be entitled, if it so elects, to institute and prosecute proceedings in any court of competent jurisdiction or to enjoin Buyer from activities in violation of this Agreement.

Section 4. Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the parties hereto, and their respective heirs, representatives, successors and assigns.

Section 5. Amendments; Waivers. The terms, covenants, representations, warranties and conditions of this Agreement may be changed, amended, modified, waived, discharged or terminated only by a written instrument executed by the party waiving compliance. The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later date to enforce the same. No waiver by any party of any condition or the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

Section 6. Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (which shall include notice by facsimile transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by facsimile communications equipment, delivered by such equipment, addressed as set forth below:

(a) if to Seller, then to: J. L. Brewer Broadcasting of Cleveland, LLC  
1305 Carter Street  
Chattanooga, TN 37402  
Attention: James L. Brewer  
Facsimile: 423-266-2335

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

Fletcher, Heald & Hildreth  
1300 North 17<sup>th</sup> Street, 11<sup>th</sup> Floor  
Arlington, VA 22209-3801  
Attention: Harry C. Martin, Esquire  
Facsimile: (703) 812-0486



(b) if to Buyer, then to: Family Worship Center Church, Inc.  
8919 World Ministry Avenue  
Baton Rouge, LA 70826-2550  
Attention: Linda Westbrook  
Facsimile: 225-769-2244

Section 7. Captions. The captions of Sections of this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

Section 8 Entire Agreement. This Agreement constitutes the full and entire understanding and agreement between the parties with regard to its subject matter and supersedes all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to its subject matter. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof.

Section 9 Execution; Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

Section 10. Gender and Number. Where appropriate to the context, pronouns or other terms expressed in one number or gender will be deemed to include all other numbers or genders. The word "person" will include one or more individuals, corporations, firms, partnerships, entities or associations. The use of a word in one tense will include the other tenses, where appropriate to the context.

Section 11. Third-Party Beneficiaries. This Agreement is intended to benefit the parties to this Agreement, their successors and assigns. No other person, entity, enterprise or association is an intended or incidental beneficiary of this Agreement.

Section 12. Agreement Binding on Successors. Buyer will not assign or transfer the Station, except through a pro forma transaction subject to processing on FCC Form 316, to an entity which does not agree, in connection with such assignment or transfer, to assume all of Buyer's obligations under this Agreement.

Section 13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee applicable to agreements made and to be performed in such jurisdiction, without giving effect to any conflicts of laws principles thereof.

IN WITNESS WHEREOF, the parties have caused this Non-Competition Agreement to be executed on their behalf on the date first above written.

SELLER:

J. L. BREWER BROADCASTING OF  
CLEVELAND, LLC

By: \_\_\_\_\_  
James L. Brewer, Manager

BUYER:

FAMILY WORSHIP CENTER CHURCH, INC.

By: \_\_\_\_\_  
Jimmy Swaggart, President