

ASSET PURCHASE AGREEMENT

This Agreement is made and entered into by and between Airwaves for Jesus, Inc. ("Purchaser"), a Florida not-for-profit corporation, having a mailing address at 557 Wedgewood Way, Naples, FL 34119 and Toccoa Falls College, Inc. ("Seller"), a Georgia not-for-profit corporation, having its mailing address at Falls Road, Toccoa Falls, Georgia 30598, under the following terms and conditions:

A. Seller is the sole holder of licenses from the Federal Communications Commission authorizing the operation of noncommercial educational FM Broadcast Stations WJYO, Facility ID Number 67215, Fort Myers, Florida, and WBIY, Facility ID Number 86109, La Belle, Florida (herein "Stations").

B. Seller desires to sell and Purchaser desires to purchase substantially all of the assets used or useful in the operation of the Stations, including the FCC Licenses, and to obtain assignments of all leases, contracts, and agreements that Purchaser deems necessary for the operation of the Stations.

C. The assignment of the FCC Licenses to Purchaser requires the prior consent of the FCC.

Now, therefore, based on the above and in consideration of the promises and covenants set forth in this Agreement, the parties hereby agree as follows:

1. **Definitions.** Unless otherwise specifically provided in this Agreement, the following terms shall have the meanings indicated below:

(a) "Assignment Application" means the application prepared and filed by Seller and Purchaser with the FCC requesting that agency's unconditional written consent to the assignment of the FCC Licenses to Purchaser.

(b) "FCC" means the Federal Communications Commission.

(c) "Contracts" means all of Seller's contracts, leases, or other agreements deemed by Purchaser to be necessary to the operation of the Stations or leases, contracts, or other agreements otherwise associated with the Stations or the Assets as set forth in Exhibit A.

(d) "FCC Licenses" means the licenses from the Federal Communications Commission authorizing the operation of WJYO on the frequency 91.5 MHz, and WBIY on the frequency 88.3 MHz, as listed in Exhibit B.

(e) "Final Order" means action by the FCC or its delegated authority granting its consent and approval to the Assignment Application, which action is not reversed, stayed, enjoined, or set aside, and with respect to which no timely requests or petitions for stay, reconsideration, review, rehearing, or notice of appeal are pending, and as to

which the time for filing any such request, petition, or notice of appeal, or for review by the FCC on its own motion, has expired.

2. **Assets to be Sold.** Subject to the terms of this Agreement, Seller hereby agrees to sell, convey, transfer, assign, and deliver to Purchaser and Purchaser hereby agrees to acquire and accept from Seller all (except as specifically excluded in this Section 2) of the assets relating to the operation of the Stations (the "Assets"). The Assets include:

(a) All licenses, permits, and authorizations relating to the use and operation of the Stations, including, without limitation, the FCC Licenses, subject to prior FCC consent to the assignment of the FCC Licenses to Purchaser;

(b) All fixtures, equipment, furniture, fixed assets, and other tangible assets relating to the use and operation of the Stations, an inventory of which is attached as Exhibit C, and any additions thereto or substitutions therefor;

(c) All of Seller's Contracts;

(d) All telephone numbers, files, and records relating to the business and operation of the Stations, including, without limitation, all items in Seller's possession in the Stations' FCC Public Inspection File; and

(e) All other permits, licenses, or authorizations, if any, issued by any regulatory agency that are used or are useful in the operation of the Stations.

All of Seller's cash on hand, deposits, accounts receivable, and any assets used by any of Seller's stations other than WJYO and WIBY are specifically excluded from the Assets.

3. **Assumption of Liabilities.** Except for those liabilities expressly assumed in Section 2 of this Agreement, Purchaser is not assuming any obligation to pay for any of the debts, liabilities, or obligations of Seller, whether known or unknown, now or hereafter existing, accrued or contingent, or arising out of or related to the Assets, Seller's business, or the consummation of the transactions contemplated in this Agreement.

4. **Purchase Price.** The purchase price ("Purchase Price") for all the Assets shall be FIVE HUNDRED THOUSAND DOLLARS (\$500,000), which shall be paid by Purchaser to Seller in cash at the Closing, as provided in Section 13 below. Seller acknowledges that it has received from Purchaser FIFTY THOUSAND DOLLARS (\$50,000) as an installment deposit toward the Purchase Price (the "Deposit"). The Seller will hold the Deposit pending the Closing, in an interest bearing account. If the purchase of the Assets closes as provided in Section 11, the Deposit, together with all interest accrued thereon, will be applied to the cash payment of the Purchase Price. Seller shall pay all sales and use taxes, if any, arising as a result of this transaction. If, after having made good faith efforts to do so, Purchaser, within 30 days following the date of this Agreement, has been unable to secure financing for the purchase of Stations, Purchaser shall so notify Seller in writing, and Seller shall return the Deposit to

Purchaser and the obligations of the parties hereunder shall terminate. However, should no notice be received by Seller within the 30 day period, and in the event the Closing does not occur as provided in Section 13 as a result of Purchaser's breach of its obligations under this Agreement, Seller shall retain the Deposit, and any accrued interest, as liquidated damages caused by Purchaser's breach. In the event the Closing does not or will not occur for any other reason, including, without limitation, the failure of any condition provided in Sections 10 below, Seller shall return the Deposit in full to Purchaser within five (5) days after Purchaser's written request for the return of the Deposit.

5. **Application for FCC Approval.** Seller and Purchaser shall file with the FCC an Assignment Application within 10 days following the execution of this Agreement. Seller and Purchaser recognize that the FCC has temporarily "frozen" the electronic filing of such applications; and, in view of this, they will jointly prepare the Assignment Application on paper, request a waiver of the freeze, and file the Assignment Application. Seller and Purchaser will take all steps necessary for the expeditious and successful prosecution of the Assignment Application. The parties agree that they shall promptly and timely file any amendments necessary to obtain a grant of the Assignment Application and/or other information required by the FCC. Unless finality has been waived by the Purchaser pursuant to Section 13 of this Agreement, in the event that the FCC fails to issue a Final Order granting its consent to the assignment of the FCC Licenses on or before June 30, 2004, either Seller or Purchaser may terminate this Agreement upon five (5) days' written notice to the other; *provided, however*, that the party giving notice of termination may not be in default under the terms of this Agreement. In the event of such termination, Seller shall return the Deposit (provided in Section 4) to Purchaser within five (5) days after the effective date of such termination.

6. **Representations and Warranties of Seller.** Seller represents and warrants to Purchaser as follows:

(a) Toccoa Falls College, Inc., is a not-for-profit corporation duly organized, existing and in good standing under the laws of the State of Georgia, and is duly authorized to carry on its business under the laws of the State of Florida and to own and lease its Assets as and in the places where such Assets are now owned, leased or operated.

(b) Seller has good marketable title to all of the assets or Assets to be transferred and assigned to Purchaser pursuant to this Agreement (sometimes collectively referred to as the "Assets") subject to no mortgage, conditional sales agreement, charges, liens, or encumbrances other than as specifically set forth herein.

(c) Seller is a tax-exempt not-for-profit corporation; as a result it has no tax liability to Florida. Notwithstanding the foregoing, Seller will hold Purchaser harmless from any liability that may arise as a result of the imposition of taxes on Stations or Seller.

(d) There are no legal, quasi-judicial or administrative actions, suits or proceedings of any kind or nature now pending or to the knowledge of Seller, threatened before any court or

administrative body in any manner involving Seller or any of the Assets, or which may adversely affect the power or authority of Seller to carry out the transactions to be performed by Seller hereunder, except as may be set forth herein.

(e) Seller is not a party to any written or oral (i) contract not made in the ordinary course of business, (ii) employment contract which is not terminable without cost or other liability to Seller, or any successor, upon notice of thirty (30) days or less, (iii) contract with any labor union, (iv) bonus, pension, profit-sharing, retirement, share purchase, hospitalization insurance or similar plan providing employee benefits, (v) lease or sublease with respect to any property, real or personal, whether as lessor or lessee, (vi) advertising contract or contract for public relations services, (vii) continuing contract for the purchase of materials, supplies or equipment, or (viii) contract continuing for a period of more than thirty (30) days or which is not terminable without cost or other liability to Seller or its successors, all except as may be listed on Exhibit A, attached hereto. The Contracts listed in Exhibit A and to be assigned to Purchaser are freely assignable, or if consent of the contracting party to the assignment is required, Seller will obtain such consent prior to the Closing.

(f) Seller has in all material respects performed all obligations required to be performed by it to date and is not in default in any material respect under any of the contracts, agreements, leases or other documents to which it is a party.

(g) The consummation of the transactions contemplated by this Agreement and compliance with the provisions hereof will not, to the knowledge of Seller, conflict with or result in a breach of the terms, conditions or provisions of, or constitute a breach or default under, any provision of law, any order of any court or other agency of government, the charter or bylaws of Seller or any note, debenture, mortgage, loan agreement or other instrument to which Seller is a party, or by which it is bound, or result in the creation or imposition of any lien, charge or encumbrance of any kind whatsoever on any property or assets to be transferred to Purchaser or its designee pursuant to this Agreement.

(h) The Board of Trustees of Seller has approved this Agreement and the transactions contemplated herein and have authorized the execution and delivery hereof by Seller.

7. **Covenants of Seller.** Seller represents and covenants to Purchaser that during and pending completion of the sale of Assets contemplated hereby and as of closing that:

(a) Each and every covenant, representation and warranty set forth in Section 6 hereof shall be true and correct.

(b) Seller will maintain Seller's corporate existence at all times up to and including the Closing Date as a not-for-profit corporation in good standing under the laws of the State of Georgia qualified to do business in Florida.

(c) Seller will afford Purchaser, its representatives, agents and employees, at all reasonable times, upon reasonable notice, access and facilities to use, for the purpose of inspection and examination thereof, all of the Assets of Seller which are the subject of this Agreement, and will do everything reasonably necessary to enable Purchaser to make a complete examination of said Assets of Seller and the condition thereof.

(d) Seller will ensure that none of the Assets are mortgaged, pledged or subject to any lien or other encumbrance as of the Closing, and will be conveyed free and clear of all liens and encumbrances, except as otherwise provided for herein.

(e) Seller will keep all of its insurable Assets insured in accordance with present practice, and Seller will maintain, preserve and keep all improvements on Seller's property and all equipment, machinery and other personal property constituting a part of the Assets in a good working condition and state of repair, reasonable wear and tear excepted.

8. **Representations, Warranties and Covenants True as of Closing Date.** All of the representations and warranties herein contained in Sections 6 and 7 hereof shall be true and correct as though made on and as of the Closing Date and shall not have been breached from and after the date hereof through and including such date, and all such representations and warranties shall survive the Closing Date.

9. **Purchaser's Warranties and Representations.** Purchaser hereby makes the following warranties and representations, each of which shall survive the Closing:

(a) Purchaser is now and at the Closing will be a not-for-profit corporation duly organized under the laws of the State of Florida, and is now and at the Closing will be qualified to acquire, own and operate the Stations under the laws of the State of Florida, and under the FCC's rules and regulations.

(b) Purchaser is now and at the Closing will be financially, legally, technically, and otherwise qualified under all applicable statutes, rules and policies, to become the licensee of the Stations.

(c) There is no litigation, proceeding, or governmental investigation pending or, to the best of Purchaser's knowledge, threatened in any court, arbitration board, administrative agency, or tribunal against or relating to Purchaser or its principals that would prevent or materially affect the consummation of the purchase of the Assets by Purchaser.

(d) No representation or warranty of Purchaser as set forth in this Agreement contains any untrue statement of a material fact or omits a material fact that would make any statement in this Agreement misleading.

10. **Conditions Precedent to Purchaser's Obligation to Close.** The obligation of Purchaser to complete the Closing under this Agreement is subject to the fulfillment, prior to or at the Closing, of each of the following conditions, any one or more of which may be waived by Purchaser, it being understood that Seller shall do everything within its power to cause such conditions to be accomplished:

(a) Seller's Obligations On or Prior to the Closing Date:

(i) Bill of Sale - Seller shall have delivered to Purchaser a Bill of Sale for all assets to be transferred by Seller hereunder, other documents of transfer of title, and any other documents reasonably necessary in connection with the transfer, which documents shall warrant title to Purchaser and shall in all respects be in such form as may be reasonably required by Purchaser or its counsel.

(ii) Act of God - There shall not have been any fire, accident or other casualty or any labor disturbance, civil commotion, riot, act of God or the public enemy, or any change in the business or property of Seller, which would have a material adverse effect on the conduct of the business of Seller is not being conducted, or which would interfere with the use by Purchaser in the conduct of the business.

(iii) Instruments of Transfer - Seller shall deliver to Purchaser on the date of the Closing a copy of each instrument of authorization for the operation of the Stations, which instruments shall contain no materially adverse condition or restriction, and under which

instruments the FCC's rules shall permit the operation of the Stations.

(iv) Corporate Approvals of Sale and Ownership of Property - Seller shall have furnished to Purchaser evidence to the reasonable satisfaction of Purchaser or its counsel of:

(1) Proper corporate action on the part of Seller authorizing or ratifying the execution of this Agreement and the consummation of the transactions contemplated hereby.

(2) Ownership by Seller of the Assets to be transferred by Seller, free of any mortgage, conditional sales agreement, charge, lien, encumbrance or security interest.

(b) Other Conditions Precedent

(1) FCC Approval. The FCC shall have released an Order granting the Assignment Application without conditions materially adverse to the Stations or the Seller and the Order shall have become a Final Order by June 30, 2004, unless Purchaser has waived finality pursuant to Section 13 of this Agreement.

(2) Donor List. Seller shall have delivered at Closing to Purchaser a copy of its list of donors whose addresses are located within 35 miles of the transmitter sites of Stations WJYO and WBIY.

(3) Assignment of Tower Leases. Seller shall have delivered at Closing to Purchaser, in form reasonably acceptable to Purchaser, assignments of the leases for the towers on which Stations' antennas are located.

(4) Opinion of Counsel. Seller shall have delivered at Closing to Purchaser an opinion of Seller's general counsel in the form attached as Exhibit D as to the legal matters covered in Section 6 of this Agreement.

11. **Conditions Precedent to Seller's Obligation to Close.** The obligation of Seller to complete the Closing under this Agreement is subject to the fulfillment, prior to or at the Closing, of each of the following conditions, any one or more of which may be waived by Seller:

(a) The FCC shall have released an Order granting the Assignment Application without conditions materially adverse to the Stations or the Seller and the Order shall have become a Final Order by June 30, 2004, unless Purchaser has waived finality pursuant to Section 13 of this Agreement.

(b) Purchaser shall have delivered to Seller at the Closing a certificate signed by the President of Purchaser and dated as of the Closing to the effect that the representations and warranties made by Purchaser herein shall be true and correct on the Closing Date as if made on the Closing Date.

(c) Purchaser shall furnish to Seller resolutions of the Board of Directors of Purchaser, approving the transactions contemplated by this Agreement and certified by the Secretary of Purchaser.

(d) Purchaser shall have assumed all Contracts with any necessary consents (or Purchaser shall have entered into new leases or contracts to replace and supersede the Contracts such that Seller will have no post-Closing liability from the Contracts so replaced or superceded).

(e) Purchaser shall have delivered the balance of the Purchase Price to Seller in accordance with the provisions of this Agreement.

In the event this Agreement is terminated as a result of any failure of any condition set forth in this Section 11, Seller shall return the Deposit, with accrued interest, to Purchaser within five (5) days after the effective date of such termination.

12. **Employees.** Seller acknowledges that Purchaser is not agreeing to hire and has no obligation to hire or maintain any present employees of Seller.

13. **Closing.** Within ten (10) days after the date the FCC's consent to the assignment of the FCC Licenses to Purchaser has become a Final Order, a closing (the "Closing") shall take place at the offices of Purchaser's counsel, or such other place as shall be mutually agreeable to Seller and Purchaser, or by exchange of documents by courier and facsimile; *provided, however*, that Purchaser may, at its option, elect to waive finality, in which event the Closing shall be held at any time after the FCC has granted the application for its consent upon fifteen (15) days' written notice by Purchaser to Seller. At the Closing Purchaser will deliver to Seller the cash payment representing the Purchase Price in immediately available funds (less the Deposit, which shall be applied to the Purchase Price) and Seller will deliver all bills of sale, and other documents necessary or appropriate for the transfer of the Assets to Purchaser. In addition, Seller will execute and deliver a written assignment of all Contracts, which Purchaser shall assume.

14. **Expenses.** Purchaser and Seller shall be responsible for their own costs and expenses incurred by them in connection with this transaction.

15. **Control of Stations.** During the time period between the execution of this Agreement and the date of the Closing, the Stations shall remain solely under the control of Seller. Purchaser shall have the right to inspect the premises and to inspect the books and records pertaining to the Stations at reasonable times and under reasonable circumstance for the purpose of ensuring Seller's compliance with its warranties and representations under this Agreement. Seller shall retain no right of reversion or retention of any interest in Stations post-Closing.

16. **Indemnification.**

(a) Seller shall, and it hereby does agree to, indemnify and defend and hold Purchaser harmless from and against (i) any and all liabilities, obligations, assessments, suits, actions, proceedings, claims or demands asserted against Purchaser, arising from or in any way connected with the Assets or rights to be acquired or purchased by Purchaser from Seller pursuant to this Agreement on account or by reason of any such matter or incident thereto arising prior to the Closing, and (ii) any and all losses, claims, damages and liabilities incurred by Purchaser (or its designee) by reason of the fact that any representation or warranty of Seller or anything contained in this Agreement or the schedules annexed hereto, should prove to be untrue, or by reason of Seller's failure to discharge fully and faithfully its obligations hereunder, in each case only to the extent arising prior to the Closing Date. Purchaser's right to indemnity under this paragraph shall be in addition to, and shall in no way limit, any other right or remedy which Purchaser may have under this Agreement.

(b) Purchaser shall, and it hereby does agree to, indemnify and defend and hold Seller harmless from and against (i) any and all liabilities, obligations, assessments, suits, actions, proceedings, claims or demands asserted against Seller, arising from or in any way connected with the Assets or rights to be acquired or purchased by Purchaser from Seller pursuant to this Agreement on account or by reason of any such matter or incident thereto arising after the Closing, and (ii) any and all losses, claims, damages and liabilities incurred by Seller (or its designee) by reason of the fact that any representation or warranty of Purchaser or anything contained in this Agreement or the schedules annexed hereto, should prove to be untrue, or by reason of Purchaser's failure to discharge fully and faithfully its obligations hereunder, in each case only to the extent arising after the Closing. Seller's right to indemnity under this paragraph shall be in addition to, and shall in no way limit, any other right or remedy which Seller may have under this Agreement.

(c) In all matters arising under the provisions of paragraphs 16 (a) and (b), the party indemnifying the other shall, upon demonstration to the other's reasonable satisfaction of the indemnifying party's continuing financial ability to defend, and respond in damages if unsuccessful, have the right to defend, with competent counsel, any claims, at its, or their sole cost and expense. Each party shall provide the other with notice of any claim(s) interposed within five (5) days of the date of receipt of said claim(s) and shall cooperate with the other regarding the defense thereof.

17. **Public Notice.** Seller shall not issue a news release or other announcement regarding this Agreement or the transaction contemplated under this Agreement (except for such notices as are required by section 73.3580 of the FCC's rules) without coordinating with, and receiving the approval of, Purchaser with respect to the information to be disclosed and the timing of such disclosure. The parties understand and agree that a copy of this Agreement must be filed with the FCC and a copy of this Agreement must be posted to the FCC's website as an attachment to the Assignment Application.

18. **Mutual Covenants.** Each of Purchaser and Seller hereby agree to use reasonable efforts to satisfy or cause the satisfaction of all the conditions precedent to the closing of the

transactions contemplated hereby, it being the intention and objective of each of Purchaser and Seller that the transactions contemplated hereby be consummated.

19. **Successors and Assigns.** Neither this Agreement, nor any of the rights and obligations created thereby, may be assigned by Seller or Purchaser without the written consent of the party not seeking to assign this Agreement. In the event of any permitted assignment, this Agreement, and all representations, warranties, and covenants contained herein, shall be binding upon and shall inure to the benefit of Purchaser and its successors and assigns and upon Seller and its respective successors and assigns.

20. **No Broker.** Each party represents to the other that it has not engaged a broker or any other person who would be entitled to any brokerage commissions or finder's fee in respect of the execution of this Agreement and/or the consummation of the transactions herein contemplated.

21. **Captions.** Section captions used herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

22. **Counterparts.** This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one instrument.

23. **Entire Agreement.** This Agreement contains the entire understanding of the parties with respect to the subject matter contained herein and supersedes all prior understandings or agreements.

24. **Waiver.** The waiver by either party to this Agreement of any breach of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any breach of any other provision of this Agreement.

25. **Survival of Representations, Warranties, and Covenants.** All representations, warranties, and covenants set forth in this Agreement shall survive the Closing and shall inure to the benefit of and be enforceable by each party.

26. **Severability.** If any provision of this Agreement is held unenforceable for any reason, the remainder of this Agreement shall remain in full force and effect.

27. **Governing Law.** This Agreement shall be governed in all respects by the laws of the State of Florida.

28. **Notices.** Any notice required by this Agreement shall be (a) sent by personal service, or (b) deposited in U.S. first-class mail, return receipt requested, to:

If to Seller: Toccoa Falls College, Inc.
Falls Road
Toccoa Falls, GA 30598

Attention: Mr. David Cornelius

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

Harry O. Hendry, Esq.
The Hendry Law Firm, P.A.
2242 Main Street P. O. Box 1509
Fort Myers, FL 33902

and

Gary S. Smithwick, Esq.
Smithwick & Belendiuk, P.C
5028 Wisconsin Avenue, N.W.
Suite 301
Washington, DC 20016

If to Purchaser:

Airwaves for Jesus, Inc.
557 Wedgewood Way
Naples, FL 34119
Attention: Art Ramos

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

John L. Stinziano, Esq.
5551 Ridgewood Drive
Suite 555
Naples, Florida 34108

[The next page is the Signature Page]

In witness whereof, Purchaser and Seller have executed this Agreement on the dates set forth below opposite their respective names.

TOCCOA FALLS COLLEGE, INC.

Date: 9-3-03

By: W. Wayne Gardner
Executive Vice President

AIRWAVES FOR JESUS, INC.

Date: 9-2-03

By: Art Ramos
President

Exhibit A

Contracts and Leases Assumed by Purchaser

Exhibit B

FCC Licenses to be Assigned

Main License for:

WJYO, Fort Myers, FL

which expires February 1, 2004.

WBIY, La Belle, FL

which expires February 1, 2004

Exhibit C

Personal Assets

See attached

Assets of Radio Stations WJYO and WBIY

MR-2 Cass Deck 00587
Technics CD Players 02090, 02091, 04195, 04208
Tascam MD-30 Mini disc
Sage Endec system 04193
Reel to Reel
LPB Board 04188
Digilink System 04189
JBL monitor speakers
Electrovoice mics 04206, 04207, 04209
Optimod 8100A 1338337
Marti STL Transmitter and antenna 202
Cart machine 01272
Back-up power supply
Technics receivers 04935, 04934
Harris FM 3.5 kw transmitter
Harris FM 5 kw transmitter
Inovonics receiver
Shively Antenna
Harris Antenna
Inovonics Stereo Generator 003
2 line phone
Brother facs machine
Paper shredder
File cabinet
Chair
Base units
Counter unit
Above counter units

Exhibit D

Opinion of Seller's General Counsel