

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of February 5, 2015, between Southern Broadcast Media LLC, ("Buyer"), and Truth Broadcasting Corporation, ("Seller").

WHEREAS, Seller holds the authorizations for Station WEGO-AM 980, Winston Salem, NC (the "Station"), issued by the Federal Communications Commission (the "FCC"); and

WHEREAS, subject to the terms and conditions set forth herein, Seller desires to assign the Station's FCC authorizations and sell substantially all of the assets used and useful in connection with the Station and Buyer desires to purchase and accept such authorizations and assets.

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

1. Station Assets. Seller agrees assign, transfer, convey and deliver to Buyer, and Buyer shall acquire from Seller, all of the right, title, and interest of Seller in and to certain assets, properties, interests and rights of Seller, tangible and intangible, which are used in the operation of the Station (the "Station Assets"), including the following:

(a) all licenses, permits and other authorizations or other governmental authority with respect to the Station held by Seller (the "Licenses");

(b) the transmitter, antenna, transmission line, and other tangible personal property of the Seller used in the operation of the Station (the "Tangible Personal Property"), listed on Schedule 1(b); and

(c) all intangible property of the Station ("Intangible Property") listed in Schedule 1(c).

2. Purchase Price. The purchase price to be paid for the Station Assets will be One hundred and sixty four thousand Dollars (\$164,000.00), as adjusted pursuant to Section 5 hereof (the "Purchase Price"). Buyer shall pay to Seller in cash or other immediately available funds the Purchase Price, the first installment of which shall be due upon the execution and delivery of this Agreement at the amount of Two Thousand Dollars (\$2,000.00) and shall be referred to herein as the "Deposit". The other installment shall be due and payable on the Closing Date. Should this Agreement be terminated prior to the Closing for any reason other than an uncured default of the Buyer, the Deposit shall be returned to Buyer as set forth in Section 20 below.

3. Assumption of Obligations. On the Closing Date, Buyer shall assume all obligations arising from the business or operation of the Station after the Closing Date.

4. Prorations and Adjustments. All prepaid and deferred expenses arising from the conduct of the business and operations of the Station shall be prorated as of 11:59 p.m. of the Closing Date. The prorations and adjustments contemplated by this Section 5 shall be made to the extent practicable at the Closing, and to the extent not made at the Closing shall be made within thirty (30) calendar days after the Closing Date.

5. Closing. Subject to satisfaction or waiver of the conditions set forth herein, consummation of the sale of the Station Assets under this Agreement (the “Closing”) shall occur on a date (the “Closing Date”) mutually agreed upon by the parties which date shall be within forty-five (45) business days after the grant of FCC Consent (as defined below) having become a Final Order (as defined below), unless the requirement of a Final Order is waived by Buyer, in which case the Closing shall occur after the grant of FCC Consent upon notice by Buyer to Seller of Buyer’s waiver of the Final Order requirement.

6. FCC Consent. The Closing is subject to and conditioned upon prior FCC consent (the “FCC Consent”) to the assignment of the FCC Licenses to Buyer, and, unless waived by Buyer, the FCC Consent having become a Final Order. “Final Order” means an action by the FCC as to which: (a) no request for stay by the FCC is pending, no such stay is in effect, and any deadline for filing a request for any such stay has passed; (b) no appeal, petition for rehearing or reconsideration, or application for review is pending before the FCC and the deadline for filing any such appeal, petition or application has passed; (c) the FCC has not initiated reconsideration or review on its own motion and the time in which such reconsideration or review is permitted has passed; and (d) no appeal to a court, or request for stay by a court, of the FCC’s action is pending or in effect, and the deadline for filing any such appeal or request has passed.

7. FCC Application. Within five (5) business days of the date of this Agreement, Seller and Buyer shall file an application with the FCC (the “FCC Application”) requesting the FCC Consent. Seller and Buyer shall diligently prosecute the FCC Application and otherwise use their best efforts to obtain the FCC Consent as soon as practicable.

8. Buyer’s Representations and Warranties. Buyer makes the following representations and warranties to Seller:

(a) Buyer is duly organized, validly existing and in good standing under the laws of the State of North Carolina. Buyer has the requisite power and authority to execute and deliver this Agreement and to comply with the terms, conditions and provisions hereof.

(b) The execution, delivery and performance of this Agreement by Buyer have been duly authorized and approved by all necessary corporate action of Buyer. This Agreement is a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except (i) as may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally, and (ii) as such enforceability is subject to general principles of equity.

(c) 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.

(d) 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, and the rules, regulations, and policies of the FCC.

(e) There are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations pending against, or, to Buyer's knowledge, threatened against, Buyer relating to or affecting this Agreement or the transactions contemplated hereby.

9. Seller's Representations and Warranties. Seller makes the following representations and warranties to Buyer:

(a) Seller is duly organized, validly existing and in good standing under the laws of the State of North Carolina. Seller has the requisite power and authority to execute and deliver this Agreement and to comply with the terms, conditions and provisions hereof.

(b) The execution, delivery and performance of this Agreement by Seller have been duly authorized and approved by all necessary corporate action of Seller. This Agreement is a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except (i) as may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally, and (ii) as such enforceability is subject to general principles of equity.

(c) The Licenses are held by Seller, and have been issued for the full terms customarily issued to radio stations in the State of North Carolina. The Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There are no applications, complaints, investigations or proceedings pending or, to the knowledge of Seller, threatened before the FCC relating to the operation of the Station other than those affecting the broadcasting industry generally. Seller is not subject to any outstanding judgment or order of the FCC relating to the Station. Seller has operated and is operating in material compliance with all laws, regulations and governmental orders applicable to the operation of the Station.

(d) Seller has good and valid title to all Tangible Personal Property listed in Schedule 1(b), free and clear of all liens and encumbrances, except for liens for taxes not yet due and payable and for which Buyer receives a credit pursuant to Section 5 hereof ("Permitted Liens"), and except for the security interests, if any, which will be released on or before Closing. All of the items of Tangible Personal Property are of types, kinds and/or designs in accordance with standard industry practices and are in good operating condition and repair.

(e) No insolvency proceedings of any character, including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or any of the Station Assets, are pending or, to Seller's knowledge, threatened, and Seller has not made any assignment for the benefit of creditors or taken any action which would constitute the basis for the institution of such insolvency proceedings.

(f) 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.

(g) There are no suits, arbitration, administrative charges or other legal proceedings, claims or governmental investigations pending, or, to Seller's knowledge, threatened against Seller relating to or affecting this Agreement or the transactions contemplated hereby.

10. Buyer's General Covenants. Buyer covenants and agrees that between the date hereof and the Closing, Buyer shall:

(a) maintain its qualifications to be the licensee of the Station as set forth in Section 9 above;

(b) take necessary steps as required to be able to pay the Purchase Price and otherwise consummate this transaction; and

(c) notify the Seller promptly of any event, circumstance or occurrence which will interfere with the prompt consummation of this transaction at Closing.

11. Seller's General Covenants. Seller covenants and agrees that between the date hereof and the Closing, Seller shall:

(a) operate the Station in the ordinary course of business consistent with past practice;

(b) not directly or indirectly, including by dissolution, liquidation, merger or otherwise, sell, lease or dispose of any of the Station Assets unless those assets are replaced with assets of equal or greater value;

(c) maintain the Tangible Personal Property in its current condition (reasonable wear and tear in ordinary usage excepted); and

(d) furnish Buyer with reasonable access to the Real Property and the books and records of the Station.

12. Joint Covenants. Seller and Buyer hereby covenant and agree that between the date hereof and the Closing they shall cooperate fully with each other in taking any commercially reasonable actions (including to obtain the required consent of any governmental instrumentality or any third party) necessary to accomplish the transactions contemplated by this Agreement, including, but not limited to, the prompt satisfaction of any condition to the Closing set forth herein.

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

- (a) 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 the Closing shall have been complied with or performed in all material respects.
- (b) The FCC Consent shall have been obtained and shall be in full force and effect, and no court, administrative or governmental order prohibiting the Closing shall be in effect.
- (c) Buyer shall have made each of the deliveries contemplated by Section 16 hereof or otherwise reasonably required by this Agreement.

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

- (a) 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 the Closing shall have been complied with or performed in all material respects.
- (b) The FCC Consent shall have been obtained, shall be in full force and effect and shall have become a Final Order, and no court or governmental order prohibiting the Closing shall be in effect.
- (c) All security interests pertaining to the Station Assets shall be released of record and there shall be no liens in respect of such assets, except Permitted Encumbrances.
- (d) Seller shall have made each of the deliveries contemplated by Section 16 hereof or otherwise reasonably required by this Agreement.

15. Closing Deliveries. At the Closing, Seller shall deliver or cause to be delivered to Buyer: such bills of sale, documents of title and other instruments of conveyance, assignment and transfer as may reasonably be requested by Buyer to convey, transfer and assign the Station Assets to Buyer, free and clear of liens, except for Permitted Liens. Seller shall also deliver the landlord's written consent to assignment of the Real Property Lease to Buyer. At the Closing, Buyer shall deliver or cause to be delivered to Seller such documents and instruments of assumption as may reasonably be requested by Seller for Buyer to assume the Real Property Lease. Buyer shall also deliver the Purchase Price, less the Deposit, as adjusted pursuant to Section 5 hereof.

16. Survival. The covenants, agreements, representations and warranties in this Agreement shall expire at Closing and be of no further force or effect, with the exception of: (i) the indemnification obligations of Seller and Buyer under Section 18 hereof with respect to Claims

(as defined below) made by third parties against Buyer or Seller, as applicable, shall survive for two (2) years; (ii) those Claims made under Section 18 that relate to Buyer's Damages or Seller's Damages (as defined below), as applicable, for which timely written notice is given by the indemnified party to the indemnifying party prior to expiration of this survival period, shall survive until resolved.

17. Indemnification. From and after the Closing, Seller shall defend, indemnify and hold harmless Buyer from and against losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Buyer's Damages") incurred by Buyer arising out of or resulting from: (a) any failure by Seller to perform any covenant or agreement contained in this Agreement, or any other breach or default by Seller under this Agreement; and (b) the operation of the Station before the Closing. From and after the Closing, Buyer shall defend, indemnify and hold harmless Seller from and against losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Seller's Damages") incurred by Seller arising out of or resulting from: (y) any failure by Buyer to perform any covenant or agreement contained in this Agreement, or any other any breach or default by Buyer under this Agreement; and (z) the operation of the Station after the Closing. 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 on the part of the indemnifying party (a "Claim"), but a failure to give such notice or a delay in giving 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.

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

- (a) by mutual written consent of Seller and Buyer;
- (b) by written notice of Seller to Buyer if Buyer breaches in any material respect any of its representations or warranties or other terms of this Agreement, 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 (as defined below);
- (c) by written notice of Buyer to Seller if Seller breaches in any material respect any of its representations or warranties or other terms of this Agreement, 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;
- (d) by written notice of Seller to Buyer, or Buyer to Seller, if the Closing shall not have been consummated on or before the date which is nine (9) months after the execution of this Agreement, and if the party giving notice is not then in default hereunder; or

- (e) by written notice of Buyer to Seller, if due to a weather related cause, force majeure, or other cause beyond the control of Seller, a material portion of the Station Assets are damaged or destroyed and Seller elects not to repair or replace such damaged or destroyed Station Assets prior to Closing Date.

The term “Cure Period” as used herein means a period commencing on the date that a party receives from the other party written notice of breach or default hereunder and continuing for twenty (20) days thereafter.

19. Damages upon Termination. 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. Upon termination under Section 19 (a), (c), (d), or (e), this Agreement shall be deemed null and void and the Deposit shall be returned to Buyer and neither party will have any further liability or obligation to the other. Upon termination under Section 19(b), due to default of the Buyer, this Agreement shall be deemed null and void and Seller shall be entitled to retain the Deposit as liquidated damages and its exclusive remedy. If this Agreement is terminated pursuant to Section 19(c) due to the default of Seller, the Buyer may, as an alternative to return of the Deposit, bring an action for specific performance, Seller hereby acknowledging that the Station Assets are of a special, unique and extraordinary character, and that monetary damages would not be sufficient to compensate Buyer under such circumstances.

20. 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 filing fees with respect to the FCC Application shall be paid equally by Seller and Buyer.

21. Assignment. Neither party may assign any of its rights or obligations under this Agreement, without the express prior written consent of the non-assigning party.

22. Amendments. No amendment to, or 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 or amendment is sought.

23. 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.

24. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of North Carolina applicable to contracts made and to be fully performed within such State, without giving effect to the choice of law provisions thereof that may require the application of the laws of any other state.

25. Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, 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 to such other address as any party may request by written notice):

If to Seller: Truth Broadcasting Corp
4405 Providence Lane, Suite D
Winston Salem, NC 27106
Attention: Michael Carbone, C.O.O.

with a copy to: Davina S. Sashkin, Esq.
Fletcher, Heald & Hildreth, PLC
1300 17th St N., 11th Floor
Arlington, VA 22209

If to Buyer: Southern Broadcast Media, LLC
626 N. Trade St.
Winston-Salem, NC 27101
Attention: Richard Miller, Member

with a copy to: Jonathan R. Markman, Esq.
Fletcher, Heald & Hildreth, PLC
1300 17th St N., 11th Floor
Arlington, VA 22209

26. 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.

27. 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.

28. 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 such construction would alter the fundamental purposes of this Agreement.

29. 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.

30. Attorneys' Fees. In the event of a dispute relating to this Agreement involving the interpretation or enforcement of the terms of this Agreement, resulting in litigation brought by either party, the prevailing party in such litigation shall be entitled, in addition to other relief ordered by the Court, to reasonable attorneys' fees and costs.

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

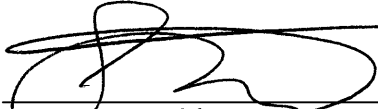
32. Rebroadcast Permission. If requested by the parties, Buyer and Seller will execute a separate rebroadcast agreement at a later date. In that agreement, Buyer would grant Seller, or any affiliates or entities related to Seller, the right to rebroadcast the signal of the Station on FM translator station W247AL, High Point, NC (FCC Facility ID No. 142287), provided that such broadcast is otherwise compliant with FCC rules. Such permission would continue for the length of time necessary to satisfy the requirements of the FCC AM Revitalization Window '250-Mile' Modification Window for said translator.

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

SELLER:

TRUTH BROADCASTING CORPORATION

By: 
Name: STU EPPERSON, JR.
Title: PRESIDENT, CEO

BUYER:

SOUTHERN BROADCAST MEDIA, LLC

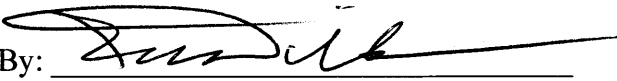
By: 
Name: Richard Miller
Title: Member

Table of Schedules

- 1(b) List of Tangible Personal Property [transmitter, board, office equipment, etc.]
- 1(c) List of Intangible Property [call signs, jingles, webs URLs, etc]

Schedule 1(b)

List of Tangible Personal Property

Antenna (type to be specified)
Transmission line, approximately 250 feet
Transmitter 1.3kw (to be specified)
Barix Pair (unit 500 two direction)
Electronics Storage rack

Schedule 1(c)

Intangible Property

Intellectual Property Rights on Logo
Option to control website www.eagle980.com
Call sign WEGO