

# **ASSET PURCHASE AGREEMENT**

*by and between*

**GERALD BENAVIDES (an Individual)**

*and*

**THE WORSHIP CENTER OF KINGSVILLE**

**for the Sale and Purchase of Channel K273BL, Facility No. 147357,  
File # BLFT-20070423AAC and Channel K226BA, Facility No. 145452,  
File # BLFT- 20070305AAB**

## **ASSET PURCHASE AGREEMENT**

THIS ASSET PURCHASE AGREEMENT ("Agreement") is made and entered into as of this 20th day of April, 2009 and between Gerald Benavides (an Individual) and The Worship Center of Kingsville (a State of Texas Non-profit corporation).

### **WITNESSETH**

**WHEREAS**, Seller holds certain licenses, permits and authorizations issued by the Federal Communications Commission (the "Commission") for Station K273BL, Beeville, TX, Facility Id. Number 147357, File No. *BLFT-20070423AAC*; and Station K226BA, Alice, TX, Facility Id. Number 145452, File No. *BLFT-20070305AAB*

**WHEREAS**, Seller owns and desires to sell and/or assign, and Buyer desires to purchase and/or assume certain assets, property and business used in the operation of the Stations (hereinafter, the "Stations"); and

**WHEREAS**, the assignment of the licenses and permits of the Stations are subject to the prior approval of the Commission.

**NOW, THEREFORE**, the parties, intending to be legally bound, agree as follows:

### **SECTION 1: ASSETS TO BE SOLD**

On the Closing Date, Seller shall sell, assign, transfer, convey, set over, and deliver to Buyer, and Buyer shall purchase and/or accept assignment of the following (hereinafter collectively the "Assets") free and clear of any security interests, claims, encumbrances, liens or liabilities.

1.1.1. **Authorizations**. All licenses, permits and authorizations issued or granted by the Commission for the operation of, or used in connection with the operation of the Stations and all applications filed with the Commission (hereinafter "Commission Authorizations") for the stations.

1.1.2 **Intangibles**. All right, title and interest of Seller in and the call signs

K273BL and K226BA (the "Intangibles");

1.1.3 **Business Records**. Copies of financial records, engineering, advertising reports, programming studies, consulting reports, computing software, marketing data, and business and personnel records relating solely to the business or operation of the Stations (hereinafter collectively "Business Records") or to assets or agreements purchased or assumed by Buyer; and

1.1.4 **Transmitter Site**. Seller's interest in the transmitter site approved by the FCC and specified for operation of the Stations. No permanent site lease has been executed and/or secured for either station, and Buyer is responsible for the negotiation of a lease for use of the site with the site owner.

1.1.5 **Transmission Equipment** No transmission equipment is included in the sale.

## **SECTION 2: PURCHASE PRICE**

2.1 **Purchase Price**. In consideration of Seller's performance of this Agreement, the total purchase price (the "Purchase Price") to be paid by Buyer shall be \$60,000.00 (Sixty Thousand Dollars). The Purchase Price shall be paid as follows:

(a) Seller acknowledges that the sum of Ten Thousand Dollars as earnest money is being paid to Seller upon execution of this Asset Purchase Agreement (the "Earnest Money Deposit").

(b) At Closing, Buyer shall pay in cash, or Certified Funds, or wire transfer to Sellers Bank Account, in U.S. currency, the amount of \$50,000.00 (Fifty Thousand Dollars) for a total purchase price of \$ 60,000.00 (Sixty Thousand Dollars).

## **SECTION 3: APPLICATION TO AND CONSENT BY COMMISSION**

3.1 **Commission Consent**. Buyer and Seller acknowledge that consummation of the purchase and sale provided for herein and the performance of the obligations of Seller and Buyer under this Agreement is subject to the Commission consent to the assignment of the Commission Authorizations from Seller to Buyer or Designee.

### **3.2 Application for Commission Consent.**

(a) Seller and Buyer agree to proceed expeditiously and with due diligence and in good faith and to use their best efforts and to cooperate with each other in seeking the Commission's approval of the transactions contemplated hereunder. Within five (5) business days after the date of this Agreement, each party shall have prepared its portion of the Assignment Application and all information, data, exhibits, resolutions, statements, and other materials necessary and proper in connection with such Assignment Application. Each party further agrees expeditiously to prepare Assignment Application amendments, and respond to oral or written inquiries within five days of such requests, and to answer pleadings in accordance with the provisions of the Commission's rules.

(b) Each party shall bear its own expenses incurred for the preparation, filing and prosecution of the Assignment Application. The parties agree that counsel for Buyer shall file the Assignment Application after receiving authorization to do so from the Seller. The parties also agree that seller is responsible for the cost of the filing fee.

(c) Each party agrees to comply with any condition imposed on it by the Commission, except that no party shall be required to comply with a condition that would have a material adverse effect upon it unless the condition was imposed as the result of a circumstances which constitutes a breach by that party of any of its representations, warranties, or covenants in this Agreement. Buyer and Seller shall oppose any efforts for reconsideration or judicial review of the grant by the Commission of the assignment application (but nothing in this Section shall limit any party's right to terminate this Agreement in accordance with the terms herewith).

## **SECTION 4: ASSUMPTIONS**

4.1 **Liabilities**. The Assets shall be sold and conveyed to Buyer free and clear of all liabilities (absolute or contingent), obligations, liens (including tax, mechanics' and material men's liens), pledges, conditional sales agreements, charges, mortgages, security interests, encumbrances and restrictions of any type or amount created or suffered by Seller prior to the Closing Date, whether existing now or in the future, except for Permitted Liens.

4.2 **Buyer's Assumed Obligations**. Buyer covenants and agrees to assume at Closing and discharge following the Closing all of the unperformed duties of the Seller accruing after the Closing Date with respect to the construction and operation of the Stations. Buyer shall assume such unperformed duties of Seller only to the extent that

such duties accrue after on or after Closing based on the operation of the Stations after the Closing Date. Except as specifically assumed by Buyer in this Agreement, Buyer is not agreeing to, and shall not, assume any other liability, obligation, undertaking, expense or agreement of Seller of any kind, absolute or contingent, known or unknown, and the execution and performance of this Agreement shall not render Buyer liable for any such liability, obligation, undertaking, expense or agreement ("Excluded Obligations").

4.3 **Seller's Liability.** Seller shall remain liable for, and covenants to pay, satisfy, or discharge when due, all Excluded Obligations and all liabilities, payments, obligations, and duties under the Agreements or other instruments transferred or assigned to Buyer hereunder, accruing prior to or by reason of events occurring prior to Closing.

## **SECTION 5: REPRESENTATIONS WARRANTIES AND COVENANTS OF SELLER**

5.1 **Seller's Best Knowledge.** "To the best of Seller's knowledge" shall mean the actual knowledge of Seller's principals with respect with subject matter.

### **5.2 Standing.**

5.2.1 Seller has the full power to own the assets and to carry on the business of the Stations.

5.2.2 Seller has the full power and authority to enter into this Agreement and to execute all of Seller's Closing Documents that require Seller's signature.

5.3 **Binding Effect of Agreement.** This Agreement constitutes a valid and binding obligation of Seller enforceable against Seller in accordance with the terms of this Agreement. Upon execution, the Seller's Closing Documents will constitute valid and binding obligations of Seller enforceable against Seller in accordance with their terms except as may be limited by laws affecting the enforcement of creditor's rights or equitable principles generally. The execution, delivery, and performance of this Agreement or any of the Closing Documents do not violate any contract provision or other commitment to which Seller or the Stations is a party or under which it or its property is bound, or any judgment or order, and will not result in the creation or imposition of any lien, charge, security interest, or encumbrance of any nature

whatsoever upon any of the Assets.

5.4 **Authorizations**. Seller is the authorized legal holder of all licenses, permits, and authorizations necessary to operate the business of the Stations lawfully as it is now being conducted, including, without limitation, all Commission Authorizations the Commission Authorizations are validly existing authorizations for the operation of the facilities described therein under the Communications Act of 1934, as amended. There is no action pending nor to Seller's knowledge, threatened, before the Commission or other body to revoke, refuse to renew, suspend or modify any of the Commission Authorizations, or any action which may result in the denial of any pending applications, the issuance of any cease and desist orders, or the imposition of any administrative sanctions whatsoever with respect to the Stations or its operation.

#### 5.5 **Litigation**.

5.5.1 **Litigation; Compliance With Law**. The Stations are in compliance in all material respects with all applicable federal, state and local laws, ordinances and regulations, including compliance with the Communications Act and all rules and regulations issued there under and is legally silent under issued Special Temporary Authority from the Commission. Except for proceedings affecting the broadcasting industry in general, there is no complaint, claim, litigation, investigation, or judicial, administrative, or other proceeding of any nature, including, without limitation, a grievance, arbitration, or insolvency or bankruptcy proceeding, pending, or to Seller's knowledge, threatened, against the Stations, Seller, or any of the Assets being sold or transferred to Buyer, including, without limitation, any proceeding which may (a) adversely affect the Assets or the Commission Authorizations or Other Authorizations to be assigned hereunder, or the operation of the Stations, or the ability of Buyer to own and operate the Stations, or the use, ownership, or operation of any of the Assets by Buyer, (b) restrain or enjoin the Closing or the consummation of the transactions contemplated hereby, or (c) result in the revocation, modification or suspension of the Commission Authorizations, or the issuance or imposition of any administrative sanction that might adversely affect the Assets or the Commission Authorizations, or the operation of the Stations or the ability of Buyer to own and operate the Stations or the use, ownership, or operation of any of the Assets by Buyer. In addition, to Seller's knowledge, no such litigation, investigation, or proceeding has been threatened which would result in a material adverse effect upon the Stations or its business, operations, prospects or conditions (financial or otherwise). Seller will give Buyer prompt notice of its discovery of any such basis or the institution or the threat of any such litigation, investigation, or proceeding. Seller is not in default in respect to any judgment, order, writ, injunction, decree, rule, or regulation of any applicable court or governmental body, which default could have a materially adverse effect on the Assets or the Stations.

5.5.2 **No Liabilities Attaching to Buyer.** Except as expressly provided in this Agreement, there are no liabilities of any kind or nature whatsoever of Seller that attach or will, after the consummation of the transaction contemplated hereby, attach to Buyer, including, without limitation, any liability for or arising out of: (a) employee withholding, (b) worker's compensation, or (c) unemployment compensation.

5.5.3 **No Untrue Statements or Omissions.** No representation or warranty made by Seller in this Agreement or any Schedule, exhibit, statement, certificate, or other document heretofore or hereafter furnished by Seller, or on its behalf, to Buyer and pursuant to this Agreement or in connection with the transactions contemplated hereby contains or will contain any knowingly untrue statement or knowingly omits to state a material fact necessary to make the statements contained therein not misleading. All representations and warranties of Seller set forth in this Agreement shall be true, complete and accurate in all material respects as of the Closing Date as if made on that date.

## **SECTION 6: WARRANTIES, REPRESENTATIONS AND COVENANTS OF BUYER**

Buyer covenants, represents, and warrants as follows:

6.1 **Organization and Standing.** Buyer is a corporation organized under the laws of the State of Texas, and is duly qualified to do business and be in good standing in the State of Texas.

6.2 **Authorization and Binding Obligation.** Buyer has all necessary power and authority to enter into this Agreement and all of Seller's Closing Documents that require Buyer's signature. The execution, delivery and performance of this Agreement (as of the date of execution of this Agreement and on the Closing Date) and the Buyer's Closing Documents (on the Closing Date) are or will be authorized by all necessary actions of Buyer. This Agreement constitutes a valid and binding obligation of Buyer enforceable against Buyer in accordance with the terms of this Agreement. Upon execution, the Buyer's Closing Documents will constitute valid and binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms.

6.3 **No Contravention.** The execution, delivery, and performance of this Agreement or any of the Closing Documents do not violate any contract provision or other commitment to which Buyer is a party or under which it or its property is bound, or any judgment or order, and, except as contemplated herein.

6.4 **Litigation**. Except for administrative rule making or other proceedings of general applicability to the broadcast industry, there is no litigation, proceeding, judgment, claim, action, investigation or complaint threatened against or affecting it which would affect Buyer's authority or ability to carry out this Agreement.

6.5 **Buyer's Qualifications**. There is no fact that would, under present law (including the Communications Act of 1934, as amended) and the present rules and regulations of the Commission that would disqualify Buyer from being the assignee of the Stations. Buyer is financially qualified, as that expression is defined by the FCC, to file the Assignment Application and to consummate the transaction contemplated herein.

6.6 **No Untrue Statements or Omissions**. No representation or warranty made by Buyer in this Agreement or any Schedule, exhibit, statement, certificate, or other document heretofore or hereafter furnished to Seller and pursuant to this Agreement or in connection with the transaction contemplated hereby contains or will contain any knowingly untrue statement or knowingly omits to state a material fact necessary to make the statement contained therein not misleading.

## **SECTION 7: CONDITIONS FOR CLOSING**

7.1 **Closing**. Closing shall take place within seven (7) calendar days after the FCC's grant of consent to the assignment of the Stations has become a Final Order, *i.e.*, no longer subject to administrative or judicial appeal.

7.2 **Conditions Precedent to Obligations of Buyer**. The obligations of the Buyer under this Agreement are subject to the satisfaction of each of the following express conditions precedent (provided that Buyer may, at its election, waive any of such conditions on the Closing Date, notwithstanding that such condition is not fulfilled) on the Closing Date:

7.2.1 Seller shall have delivered to Buyer the Seller's Closing Documents as described in Section 10.1 below.

7.2.2 Each of the Seller's representations and warranties contained in this Agreement or in any Schedule, certificate, or document delivered pursuant to the provisions hereof, or in connection with the transactions contemplated hereby, shall be true and correct in all material respects at and as of the Closing Date with the same force



and effect as if each such representation or warranty were made at and as of such time.

7.2.3 Seller shall have performed and complied in all material respects with all covenants, agreements and obligations required by this Agreement to be performed or complied with by it prior to the Closing Date and shall be in full compliance therewith on the Closing Date.

7.2.4 Seller shall be the holder of the Commission Authorization.

7.2.5 Seller shall have taken all internal and other actions necessary to consummate this transaction.

7.2.6 The Commission should have granted its consent to the assignment Application, and such consent shall be in full force and effect.

7.3 **Conditions Precedent to Obligations of Seller.** The performance of the obligations of the Seller under this Agreement is subject to the satisfaction of each of the following express conditions precedent, provided that the Seller may, at its election, waive any of such conditions at closing, notwithstanding that such condition is not fulfilled in the Closing Date:

7.3.1 Each of Buyer's representations and warranties contained in this Agreement or in any certificates or documents delivered, pursuant to the provisions hereof, or in connection with the transaction contemplated hereby, shall be true in all material respects at and as of Closing Date, as though each such representation or warranty was made at and as of such time, except in respect of such changes as are contemplated or permitted by this Agreement.

7.3.2 Buyer shall have performed all obligations set forth in Section 2 of this Agreement with respect to the payment of the purchase price, together with all covenants, agreements and obligations required by this Agreement to be performed or complied with by it prior to the closing date and shall be in full compliance therewith on the Closing Date.

7.3.3 Buyer shall have agreed in form reasonably acceptable to Seller to assume all obligations under the agreements assigned to buyer arising on after Closing.

7.3.4 The Commission shall have granted its consent to the assignment application, and such consent shall be in full force and effect.

**7.4 Failure of Conditions Precedent to Obligations of Buyer.** In case of the failure of any of the conditions precedent described in Section 7.2 hereof; and if Seller, after having received notice of such failure from Buyer and having had fifteen (15) calendar days has failed to cure same, Buyer shall have the right to terminate this Agreement without liability. In addition, if the failure of such condition precedent constitutes a material default by Seller, Buyer shall have the right, at its option, to exercise any or all of its rights or remedies for default provided in Section 12 hereof. Buyer shall not be deemed to have waived any failure by Seller to fulfill any of the conditions precedent described in Section 7.2 if Buyer does not have actual knowledge of such failure at the time of Closing.

**7.5 Failure of Conditions Precedent to Obligations of Seller.** In case of the failure of any of the conditions precedent described in Section 7.3 hereof, and if Buyer, after having received notice of such failure from Seller and having had a reasonable opportunity, has failed to cure the same, Seller shall have the right to terminate this Agreement without liability. In addition, if the failure of such condition precedent results from a material default by Buyer, Seller shall have the right, at its option, to exercise any or all of its rights or remedies for default provided in Section 12 hereof. Seller shall not be deemed to have waived any failure by Buyer to fulfill any of the conditions precedent described in Section 7.3 if Seller does not have actual knowledge of such failure at the time of Closing.

## **SECTION 8: OBLIGATIONS AT CLOSING**

**8.1 Closing Documents to be Delivered by Seller.** At the Closing, Seller shall deliver to Buyer the following ("Seller's Closing Documents"):

8.1.1 Executed Bills of Sale in form and substance reasonably satisfactory to Buyer transferring to Buyer all Tangible Personal Property to be transferred hereunder.

8.1.2 Executed Assignment/Assumption Agreements in form and substance reasonably satisfactory to Buyer assigning to Buyer the Agreements and Intangibles to be assigned hereunder.

8.1.3 Executed Assignment of Licenses in form and substance reasonably satisfactory to counsel for Buyer assigning the Commission

Authorizations to Buyer.

8.1.4 Certificates executed by Seller stating that (a) all of the representations and warranties of Seller set forth in this Agreement are in all material respects true, correct, and accurate as of the Closing Date, and (b) all covenants set forth in this Agreement to be performed by Seller on or prior to the Closing Date have been performed in all material respects.

8.1.5 Copies of all material Business Records as described in Section 1.1.5 hereof, but excluding those described in Section 1.2.6 hereof.

8.1.6 Possession and/or ownership of and all right, title and/or interest in and to the Assets.

8.2 **Closing Documents to be Delivered by Buyer.** At the Closing, in addition to the Purchase Price, Buyer shall deliver to Seller the following ("Buyer's Closing Documents"):

8.2.1 A certificate executed by Buyer's chief executive officer stating that: (a) all of the representations and warranties of Buyer set forth in this Agreement are in all material respects true, correct, and accurate as of the Closing Date, and (b) all covenants set forth in this Agreement to be performed by Buyer on or prior to the Closing Date have been performed in all material respects.

8.2.2 An Assignment/Assumption Agreement executed by Buyer, in form and substance reasonably satisfactory to Seller.

8.2.3 A certified copy executed by Buyer's chief executive officer of the resolutions of the Board of Directors of Buyer authorizing the execution, delivery and performance of this Agreement by Buyer and the consummation of the transactions provided for herein.

## **SECTION 9: BROKERAGE**

Seller and Buyer each represent and warrant to the other that it knows of no broker, finder, or intermediary who has been involved in the transactions provided for in this Agreement or who might be entitled to a fee or commission upon the consummation of such transactions. Buyer and Seller hereby agree to indemnify each other from and against any claim of any such obligation or liability by any person, and any expense incurred in defending against any such claim, including reasonable attorneys' fees, that

shall have resulted from any conduct, activity, or action taken, or allegedly taken, by the indemnifying party.

## **SECTION 10: INDEMNIFICATIONS**

10.1 **Breach of Seller's Agreements, Representations, and Warranties.** Seller shall reimburse Buyer for, and indemnify and hold harmless Buyer from and against, any loss, damage, liability, obligation, deficiency, claim, suit, cause of action, demand, judgment, or expense (including without being limited to, payments, fines, penalties, interest, taxes, assessments, reasonable attorneys' fees and accounting fees of any kind or nature), contingent or otherwise, arising out of or sustained by Seller which exceeds an aggregate of Five Thousand Dollars (\$5,000.00) by reason of:

(a) any breach of any warranty, representation, or agreement of Buyer contained under this Agreement or any certificate or other instrument furnished by Buyer pursuant to this Agreement or in connection with any of the transactions contemplated hereby;

(b) the operation of the Stations subsequent to Closing (including, but not limited to, any and all claims, liabilities and obligations arising or required to be performed on or after Closing under the Agreements);

(c) any transaction entered into by Buyer or arising in connection with the Stations or the operation of the Stations subsequent to the Closing;

(d) any and all liabilities or obligations of Seller expressly assumed by Buyer pursuant to this Agreement; or

(e) any and all actions, suits, or proceedings incident to any of the foregoing.

10.2 **Breach of Buyer's Agreements, Representations and Warranties.** Buyer shall reimburse Seller for, and indemnify and hold harmless Seller from and against, any loss, damage, liability, obligation, deficiency, claim, suit, cause of action, demand, judgment, or expense (including without being limited to, payments, fines, penalties, interest, taxes, assessments, reasonable attorneys' fees and accounting fees of any kind or nature), contingent or otherwise, arising out of or sustained by Seller which exceeds an aggregate of Five Thousand Dollars (\$5,000.00) by reason of:

(a) any breach of any warranty, representation, or agreement of Buyer contained under this Agreement or any certificate or other instrument furnished by Buyer pursuant to this Agreement or in connection with any of the transactions contemplated hereby;

(b) the operation of the Stations subsequent to Closing (including, but not limited to, any and all claims, liabilities and obligations arising or required to be performed

on or after Closing under the Agreements);

(c) any transaction entered into by Buyer or arising in connection with the Stations or the operation of the Stations subsequent to the Closing;

(d) any and all liabilities or obligations of Seller expressly assumed by Buyer pursuant to this Agreement; or

(e) any and all actions, suits, or proceedings incident to any of the foregoing.

10.3 **Notice of Claims.** All representations and warranties contained in this Agreement shall be deemed continuing representations and warranties and shall survive the Closing for a period of two (2) years. Any claim to indemnification in respect of a covenant or agreement shall be made before the expiration of the second anniversary of the Closing Date. Buyer and Seller agree to give prompt written notice to each other of any claim for indemnification under Sections 10.1 or 10.2 hereof ("Notice of Claim"), which amount is believed to be required to discharge the obligations of the indemnifying party resulting there from. Within ten (10) business days after having been given the Notice of Claim, the indemnifying party may deliver to the other party (i) a written notice of objection to the payment of such claim ("Notice of Objection"), which Notice of Objection shall set forth the basis for such objection; or (ii) a written notice that the indemnifying party intends to defend against such claim in good faith ("Notice of Intention to Defend"). If such a Notice of Intention to Defend is delivered, the indemnifying party shall have the right to hold in abeyance its claim for indemnification if and so long as such defense is conducted by the indemnifying party at the latter's expense in a manner effective to protect the indemnified party against such claim. If no Notice of Objection or Notice of Intention to Defend is given within the prescribed ten (10) business day period, the indemnifying party shall promptly pay to the indemnified party the amount set forth in the Notice of Claim. If the parties are unable to resolve any Notice of Claim and corresponding Notice of Objection, either party may take whatever action it deems reasonable, including without limitation, the filing of a claim, petition, or other pleading in a court of competent jurisdiction.

10.4 **Sole Remedy.** Except as provided to the contrary in this Agreement, the right to indemnification pursuant to this Section shall be the sole and exclusive remedy of each party in connection with any breach or other violation by the other party of its representations, warranties, or covenants contained in this Agreement.

## **SECTION 11: FEES AND EXPENSES**

Each party shall pay its own attorneys' fees and expenses which it initiates, creates, or incurs in connection with the negotiation, preparation and execution of this Agreement.

Seller shall pay the fee associated with the filing of an application before the Commission,

## **SECTION 12: DEFAULT AND TERMINATION**

12.1 **Termination.** This Agreement may be terminated prior to the Closing by either Buyer or Seller, if the party seeking to terminate is not in material default or breach of this Agreement, upon written notice to the other upon the occurrence of any of the following:

(a) if the other is in material breach or default of its respective covenants, agreements, or other obligations herein, or if any of its representations herein are not true and accurate in all material respects when made or when otherwise required by this Agreement to be true and accurate;

(b) if the Commission denies the Assignment Application or any part thereof or designates any part thereof for a trial-type hearing;

(c) if the grant of the Assignment Application by the Commission has not become a Final Order within nine (9) months after the Assignment Application is accepted for filing with the Commission (unless Buyer elects pursuant to Section 7.1 to waive the requirement of a Final Order, and a Closing has occurred); or

(d) on the Closing Date, Seller or Buyer, as the case may be, have failed to comply with any of the obligations of this agreement and is not cured at the time of closing.

12.2 **Default.** A party shall be in "default" under this Agreement if it makes any material misrepresentation to the other party in connection with this Agreement, or materially breaches or fails to perform any of its representations, warranties, or covenants contained in this Agreement. Non-material breaches or failures shall not be grounds for declaring a party to be in default, postponing the Closing, or terminating this Agreement. If either party believes the other to be in default hereunder, the former party shall provide the other with written notice specifying in reasonable detail the nature of such default. Except for monetary defaults, if the default is not curable or has not been cured within fifteen (15) calendar days after delivery of that notice (or such additional reasonable time as the circumstances may warrant provided the party in default undertakes diligent, good faith efforts to cure the default within such fifteen (15) calendar day period and continues such efforts thereafter), then the party giving such notice may terminate this Agreement and/or exercise the remedies available to such party pursuant to this Agreement, subject to the right of the other party to contest such action through appropriate proceedings. Notwithstanding the foregoing, in the event of monetary default, time shall be of the essence, and this Agreement may be terminated immediately.

12.3 Buyer recognizes that if the transaction contemplated by this Agreement is not consummated as a result of Buyer's default, Seller would be entitled to compensation, the extent of which is extremely difficult and impractical to ascertain. To avoid this problem, the parties agree that if this Agreement is not consummated due to the default of Buyer, Seller shall be entitled to receive as liquidated damages the Earnest Money Deposit including all interest earned thereon. The parties agree that such amount shall constitute liquidated damages and shall be in lieu of any other remedies to which Seller might otherwise be entitled due to Buyer's wrongful failure to consummate the transaction contemplated by this Agreement. Buyer and Seller acknowledge and agree that liquidated damage amount is reasonable in light of the anticipated harm which will be caused by Buyer's breach of this Agreement, the difficulty of proof of loss, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transaction to be consummated hereunder.

12.4 Seller agrees that the Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall have the right specifically to enforce Seller's performance under this Agreement, in addition to any other remedy to which it is entitled at law, and Seller agrees to waive the defense in any such suit that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy.

### **SECTION 13: SURVIVAL OF WARRANTIES**

13.1 All representations and warranties made by the parties in this Agreement shall be deemed made for the purpose of inducing the other to enter into this Agreement, and shall survive the Closing and remain operative and in full force and effect, for a period of two (2) years.

13.2 Neither the acceptance nor the delivery of property hereunder shall constitute a waiver of any covenant, representation, warranty, agreement, obligation, undertaking, or indemnification of Seller or Buyer contained in this Agreement, all of which shall, unless otherwise specifically provided, survive the Closing hereunder in accordance with the terms of this Agreement and shall be binding upon and inure to the benefit of all of the parties hereto, their heirs, legal representatives, successors and assigns.

### **SECTION 14: NOTICES**

14.1 All notices, requests, demands, waivers, consents and other communications required or permitted hereunder shall be in writing and be deemed effective upon receipt, whether in person (against receipt) to the party to be notified at the address set

out below or sent by registered or certified mail, or by express mail or courier, postage prepaid, return receipt requested, to the party to be notified, as follows:

If to Seller: Gerald Benavides 11737 Nelson Drive, Corpus Christi, TX 78410

If to Buyer: Rufino Sendejo - The Worship Center of Kingsville .  
P.O. Box 260715 Corpus Christi, TX 78426

Either party may change its address for notices by written notice to the other given pursuant to this Section. Any notice purportedly given by a means other than as provided in this Section shall be invalid and shall have no force or effect.

## **SECTION 15: MISCELLANEOUS**

15.1 **Headings.** The headings of the Sections of this Agreement are for convenience or reference only, and do not form a part thereof, and do not in any way modify, interpret or construe the meaning of the sections themselves or the intentions of the parties.

15.2 **Entire Agreement.** This Agreement and any other agreements entered into contemporaneously herewith set forth the entire agreement of the parties and are intended to supersede all prior negotiations, understandings, and agreements and cannot be altered, amended, changed or modified in any respect or particular unless each such alteration, amendment, change or modification shall have been agreed to by each of the parties hereto and reduced to writing in its entirety and signed and delivered by each party. No provision, condition or covenant of this Agreement shall be waived by either party hereto except by a written instrument delivered to the other party and signed by the party consenting to and to be charged with such waiver.

15.3 **Binding Effect and Assignment.** This Agreement shall be binding upon



and inure to the benefit of the parties hereto, and their respective successors and permitted assigns. Buyer may freely assign this Agreement to any corporation under common control of Buyer's principals, and upon the prior written consent of Seller, Buyer may assign any or all of the rights and benefits under this Agreement to any third party which is qualified to be a Commission licensee and which has the financial capacity to close this transaction. Should Buyer assign its rights to acquire the Stations it is acquiring hereunder, Buyer's assignee shall be entitled, without limitation, to (i) rely on all of the representation, warranties and covenants of Seller hereunder, and (ii) to the benefit of all indemnifications provided by Seller hereunder. Seller will cooperate with Buyer and execute any documents reasonably necessary to effectuate such assignment.

15.4 **Additional Documents.** The parties hereto agree to execute, acknowledge and deliver, at or after the Closing Date, such other and further instruments and documents as may be reasonably necessary to implement, consummate and effectuate the terms of this Agreement, the effective vesting in Buyer of title to the Assets, and/or the successful processing by the Commission of the application to be filed with it, as provided in Section 4.2.

15.5 **Counterparts.** This Agreement may be executed in one or more counterparts, all of which together shall comprise one and the same instrument.

15.6 **Legal Actions.** If either Seller or Buyer initiates any legal action or lawsuit against the other involving this Agreement, the prevailing party in such action or suit shall be entitled to receive reimbursement from the other party for all reasonable attorneys' fees and other costs and expenses incurred by the prevailing party in respect of that litigation, including any appeal, and such reimbursement may be included in the judgment or final order issued in such proceeding. Any award of damages following judicial remedy or arbitration as a result of the breach of this Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum rate of interest allowed by law.

15.7 **Governing Law.** The parties agree that this Agreement and the transaction herein contemplated shall be interpreted, construed, and enforced under and according to the laws of the State of Texas.

15.8 **Counsel.** Each party has had the opportunity to be represented by its own counsel in connection with the negotiation and preparation of this Agreement and, consequently, each party hereby waives the application of any rule of law to the effect

that any provision of this Agreement shall be reinterpreted or construed against the party who's drafted that provision.

15.9 **Time is of the Essence.** Time shall be of the essence in this Agreement and the performance of each and every provision hereof.

15.10 **Severability.** If any term or provision of this Agreement or its application shall, to any extent, be declared to be invalid or unenforceable, the remaining terms and provisions shall not be affected and shall remain in full force and effect and to such extent are severable; provided, however, neither party shall have any obligation to consummate the transactions contemplated by this Agreement if it is adversely affected in any respect whatsoever and regardless of immateriality by a determination that any term or provision of this Agreement or its application shall, to any extent, be invalid or unenforceable.

15.11 **Choice of Forum.** The parties agree that that the only and exclusive forum for any action brought to resolve any dispute arising out of this Agreement shall be the federal or state courts having jurisdiction over Nueces County, Texas. No party shall oppose or assert a defense against such litigation in said courts on the grounds that the court lacks personal jurisdiction.

15.12 **Confidentiality.** Buyer and Seller, and their respective employees, agents and representatives, shall keep all information obtained with respect to the other in connection with the negotiation and performance of this agreement. Except where such information is available through other lawful sources where disclosure is required in accordance with applicable law. If the transaction contemplated hereby are not consummated for any reason. Buyer and Seller and their respective employees, agents and representatives, shall return to the other, without retaining a copy thereof, any written Agreements and the transactions contemplated hereby, and shall forever preserve the confidentiality of such information. The parties recognize that a breach of covenant of confidentiality may cause substantial, irreparable harm to the other business and therefore agree that injunctive relief would be appropriate to enforce any breach of this covenant.

**(the remainder of this page is intentionally left blank)**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and executed by their proper officers thereunto duly authorized as of the day and year above written.

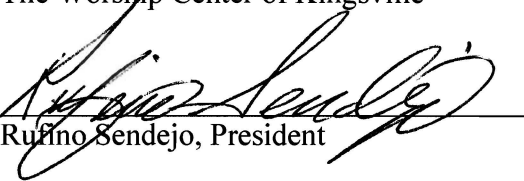
SELLER

Gerald Benavides

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BUYER

The Worship Center of Kingsville

  
Rufino Sendejo, President