

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is entered into as of the 20th day of August, 2010, by and between **The Power Foundation, Inc.** ("Buyer") and **Cornerstone Community Radio, Inc.** ("Seller").

Background

WHEREAS, Seller holds a construction permit (the "Permit") issued by the Federal Communications Commission ("FCC") for radio station WEGN(FM), Kankakee, Illinois, Facility ID No. 171523, (the "Station"); and

WHEREAS, subject to FCC consent, Seller wishes to sell the Permit for the Station to Buyer, and Buyer wishes to purchase same from Seller.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, representations and covenants contained herein, the parties, intending to be bound legally, subject to the terms and conditions set forth herein agree as follows:

1. Assignment and Sale of Permit.

(a) Subject to the terms and conditions set forth in this Agreement, Seller agrees to convey, transfer, and assign to Buyer at the Closing (as defined in Section 3) all of Seller's right, title, and interest in and to the Permit for the Station (copies of which are annexed hereto in Schedule 1). There are no other assets relating to the Station being sold.

(b) As consideration for the Permit, Buyer shall pay seller Fifty Thousand dollars. (\$50,000.00), to be paid as described in Paragraph 4 below.

2. FCC Consent. Within five (5) business days of the execution of this Agreement, the parties shall file an application (the "Assignment Application") for FCC consent to the assignment of the Permit for the Station (the "FCC Consent"). Each party shall be responsible for its own costs relating to the preparation of the Assignment Application. Buyer and Seller agree to proceed expeditiously and with due diligence to use their best efforts to cooperate with each other in seeking the FCC's approval of the transaction contemplated herewith.

3. Closing. Within ten (10) business days after the FCC Consent, the parties shall consummate the transaction contemplated by this Agreement at a closing (the "Closing"), except in the event a third party shall have filed objections to or a petition to deny the Assignment Application, or a petition for reconsideration of the FCC's consent, in which case (a) the parties shall consummate the transaction with an appropriate agreement between them to unwind the assignment should the objections or petition be granted by the FCC or (b) the Buyer may, subject to the right of either party to terminate the Agreement under the terms of Paragraph 8(c), elect to insist that the FCC's consent become final, i.e. no longer subject to agency or judicial review. At the Closing, Seller shall deliver to Buyer an Assignment of Permit and any other documents of conveyance reasonably requested by Buyer and necessary to consummate the transaction contemplated by this Agreement. Buyer and Seller shall each deliver to the other a certificate executed by an officer or managing member of the respective companies certifying

that the representations and warranties of such party contained herein are true and correct as of the Closing Date, as if made on such date.

4. **Payments.** Payment to be made as follows: 1) \$15,000.00 within 5 days after the signing of this Agreement and the filing of the Assignment Application shall be paid to and held by the Seller. 2) An additional \$15,000.00 will be paid to the Seller at Closing. 3) The balance of \$20,000.00 will be paid to the Seller with 20 monthly payments of \$1,000.00 each with the first payment beginning 30 days after the Closing Date. (without interest) Should the FCC not approve the Assignment Application due to a fault of the Seller, then the Seller agrees to refund the \$15,000.00 deposit to the Buyer in a timely manner.

5. **Pre-Closing Covenants.** Should Buyer wish to modify the facilities of the Station prior to Closing, Seller will cooperate in the filing of such applications and provide written permission to Buyer for filing with the FCC, as necessary; however, Buyer shall be responsible for any legal and engineering costs associated with the preparation and filing of such applications. The Seller agrees that its engineering staff will assist the Buyer with the engineering portion of such a modification application without charging for their service. The Closing shall not be contingent upon or otherwise delayed by the filing, failure to file, pending status or grant of such applications. If an application filed pursuant to this paragraph becomes the subject of a complaint, petition to deny or informal objection, Buyer shall be solely responsible for all costs, fees and expenses associated with opposing such filing unless such objection is raised as a result of some matter or issue related to the Seller. The parties will cooperate fully with each other in fulfilling their respective obligations under this Agreement, including using their respective reasonable best efforts to obtain the required FCC Consent.

6. **Condition Precedent to Closing.** The parties acknowledge and agree that the FCC Consent to the assignment of the Permit from Seller to Buyer is a condition precedent to the Closing.

7. **Representations and Warranties.** Each party hereto expressly represents and warrants that it has the full power and authority to enter into and execute this Agreement. Subject only to the FCC Consent, there is no constraint upon either party's legal ability to perform its responsibilities hereunder. Seller represents and warrants to Buyer that no person or entity is entitled to any brokerage commissions or finder's fees in connection with the transaction contemplated by this Agreement as a result of any action taken by Seller. Buyer represents and warrants to Seller that no person or entity is entitled to any brokerage commissions or finder's fees in connection with the transaction contemplated by this Agreement as a result of any action taken by Buyer. Seller represents and warrants to Buyer that the Permit has been validly issued by the FCC, that it is in full force and effect, that it constitutes all of the authorizations issued by the FCC in connection with the Station and that it is not subject to any restriction or condition that would limit the operation of the Station. Seller further warrants that the authorizations shall be unencumbered in any way and shall be free and clear of all claims.

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

- (a) by mutual written consent of both the Buyer and Seller;

(b) by written notice from a party that is not then in material breach of this Agreement if the other party has failed to cure its material breach of any of its representations, warranties or covenants under this Agreement within ten (10) days after receipt of written notice of such breach from the party not in material breach; or

(c) by written notice of a party to the other party, if the Closing shall not have occurred by the 90th day from the filing of the Assignment Application, provided, however, that if the Closing shall not have occurred because the FCC Consent shall not have been granted, this Agreement may not be terminated by a party who materially contributed to the delay in the issuance of the FCC Consent.

9. Effect of Termination.

(a) If this Agreement is terminated by the parties pursuant to Section 8(a) or (c), then neither party shall have any further liability to the other, and this Agreement shall be deemed null and void and of no further force and effect.

(b) If this Agreement is terminated by Seller pursuant to Section 8(b), subject to Section 9(a) hereof, that party shall have all rights to pursue any remedy available to it for breach.

10. Miscellaneous.

(a) **Specific Performance.** The parties recognize that if Seller refuses to perform its obligations under this Agreement, monetary damages alone would not be adequate. Buyer shall therefore be entitled to obtain specific performance of this Agreement. If any action is brought by Buyer to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law and to interpose no opposition to the propriety of specific performance as a remedy. Buyer's right to seek specific performance shall be the sole remedies available to Buyer.

(b) **Notices.** All notices, demands, requests or other communication required or permitted hereunder shall be in writing and sent by overnight air courier service (charges prepaid), or personal delivery to the appropriate party at the address specified below (or to such other address which a party shall specify to the other party in writing):

If to Buyer:

John Robert McClure, Jr., President
The Power Foundation
185 Commerce Center
Greenville, SC 29615

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

A. Wray Fitch III
Gammon & Grange, P.C.
8280 Greensboro Drive, 7th Floor
McLean, VA 22102-4214

If to Seller:

Richard Van Zandt, President
Cornerstone Community Radio, Inc.
600 W. Mason Street
Springfield, IL 62702

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

J. Geoffrey Bentley
Bentley Law Office
2700 Copper Creek Road
Oak Hill, VA 20171

Each party may change its address for notice purposes by providing written notice in accordance with this Section.

(c) Assignment and Binding Effect. Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party, which shall not be unreasonably withheld.

(d) Governing Law. Except to the extent governed by federal law, this Agreement shall be governed, construed and enforced in accordance with the laws of the State of Illinois, without regard to the choice of law provisions thereof.

(e) Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

(f) Entire Agreement. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior negotiation, memoranda and agreements between the parties with respect to the subject matter hereof, and may not be altered, changed, modified or amended except by a written instrument signed by each of the parties hereto.

(g) No Waiver. No provision or condition 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.

(h) Other and Further Documents. The parties hereto agree to execute, acknowledge and deliver, before, at or after the Closing, such other and further instruments and documents as may be reasonably necessary to implement, consummate and effectuate the terms of this Agreement.

(i) Good Faith. All parties hereto shall act with reasonable diligence, and in good faith, in performing and discharging their respective duties and obligations hereunder.

(j) Headings and Cross References. Headings of the sections have been included for convenience of reference only and shall in no way limit or affect the meaning or interpretation of the specific provisions of this Agreement. All cross references to sections

herein shall mean the section of this Agreement unless otherwise stated or clearly required by the context.


(k) Litigation Expenses. If a formal legal proceeding is instituted by a party to enforce that party's rights under this Agreement, the prevailing party in the proceeding shall be reimbursed by the other party for all reasonable costs incurred thereby, including but not limited to reasonable attorney's fees.

(l) Expenses. Except as otherwise provided herein, each party shall be solely responsible for all fees and expenses incurred by it in connection with the transaction contemplated by this Agreement, including, without limitation, legal fees incurred in connection herewith.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above

BUYER:

THE POWER FOUNDATION, Inc.

By: 
John Robert McClure, Jr.
President

SELLER:

**CORNERSTONE COMMUNITY
RADIO, INC.**

By: 
Richard Van Zandt
President

**SCHEDULE 1
STATION PERMITS**

<u>Application</u>	<u>File Number</u>	<u>Expiration Date</u>
Construction Permit	BNPED-20071016AIQ	02/25/2011