

## **ASSET PURCHASE AGREEMENT**

**This ASSET PURCHASE AGREEMENT** ("Agreement") is entered into this 1<sup>st</sup> day of September, 2016, between **HGN MUSIC & EDUCATION FOUNDATION**, a non-profit corporation organized under the laws of the Texas ("Seller"), and **CENTRO CRISTIANO LA UNCIÓN DE DIOS, INC.**, a non-profit corporation organized under the laws of the State of Texas ("Buyer").

**WHEREAS**, Seller is the licensee of Station KXAX-LP, Facility No. 191837, a non-commercial low-power FM station that serves Shepherd, Texas (the "Station"); and

**WHEREAS**, Buyer and Seller desire to assign the license for the Station and certain other assets for a payment equal to the price specified below, and Buyer desires to acquire all of Seller's rights and interests in and to the Station's license and assets used in conjunction with the operation of the Station, subject to the prior approval of the FCC and as provided in this Agreement.

**NOW, THEREFORE**, in consideration of the mutual promises hereinafter set forth, the parties hereby agree as follows:

1. **Purchase and Sale.** Subject to the prior consent of the FCC and to the terms and conditions of this Agreement, Seller agrees to sell, transfer, assign, and deliver to Buyer, and Buyer agrees to purchase and receive as assignee, all of Seller's right, title, and interest in and to (i) the license for the Station; (ii) the equipment used and useful in conjunction with the operation of the Station including but not limited to the equipment listed in Schedule A; and (iii) the transmitter site used in conjunction with the operation of the Station.

The Station license and its equipment and lease shall be free and clear of any and all liens and encumbrances. The equipment is being accepted "as is, where is," with no additional representations and warranties. Buyer acknowledges that (i) the Station's license authorization is a "secondary authorization" and has limited interference protection against a full power station, which could require the FCC license for the Station to be surrendered or canceled. No consideration is being paid in conjunction with the assignment of the ownership of these assets. Seller will be responsible for all brokerage fees incurred in conjunction with this transaction.

2. **Allocation of Purchase Price.** The Purchase Price shall be allocated entirely to the license being purchased herein.

3. **FCC Application.** The parties agree to proceed as expeditiously as possible, and in any event, no later than five (5) business days after the execution hereof, to prepare and file an assignment application (FCC Form 314) (the "Assignment Application"), requesting FCC consent to the transaction herein contemplated. Each party shall be responsible for its own expenses incurred in the preparation and filing of the Assignment Application. Should any objections to the Assignment Application be filed, the parties will cooperate in responding thereto. Each will each bear its own expenses with respect to such responses.

4. **Seller's Warranties, Representations, and Covenants.** Seller warrants, represents,

and covenants to Buyer as follows:

a. Seller is a duly organized not-for-profit corporation organized under the laws of the State of Texas, and is a validly existing corporation in good standing and with the power and authority to execute, deliver, and perform its obligations arising under this Agreement. Seller is authorized to do business in the State of Texas.

b. Compliance with the terms of this Agreement does not conflict with or result in a breach of any of the terms, conditions, or provisions of Seller's operating agreement or any other corporate documents or any license, judgment, order, injunction, decree, law, regulation, rule, or ruling of any arbitrator, court or other governmental authority to which Seller is subject, or result in a breach of any other agreement, lease, contract, or other commitment to which Seller or its principals, or any of its property is subject. The Agreement constitutes the valid and binding obligation of Seller and is enforceable in accordance with its terms.

c. There is not now any litigation, whether judicial, administrative or otherwise, suit (at law or equity), arbitration, proceeding, governmental proceeding, pending, or to the knowledge of the Seller threatened, against Seller or its principals or the Station which relates to the Station or which might affect the ability of Buyer to construct or operate the Station. Should any such litigation commence or be threatened against Seller or its principals after the date of this Agreement, Seller will promptly and in no event later than fifteen (15) calendar days after becoming aware of it but at least ten (10) business days before a response is due in the litigation, notify Buyer. Seller knows of no reason why the Assignment Application would not be approved by the FCC.

d. No statement made by Seller herein or in documents referenced herein contains any untrue statement of a material fact or omits a material fact necessary to make the statement not misleading.

e. Seller represents that it has made no agreement with any broker or finder in connection with the transaction contemplated hereunder, and no other person is entitled to any commission or finder's fee by reason of any agreement with Seller in connection with this Agreement.

f. Seller agrees to cooperate with Buyer in the filing of any modification application (FCC Form 318) for modification of the Station to specify a new transmitter site (a "Modification Application") as may be requested by Buyer prior to Closing. All costs and expenses incurred by Seller in conjunction with the preparation and filing of such Modification Application shall be the responsibility of Buyer.

6. Buyer's Warranties, Representations, and Covenants.

Buyer represents, warrants, and covenants now and as of the Closing Date as follows:

a. Buyer is a duly organized not-for-profit corporation organized under the laws of the State of Texas, and is a validly existing corporation in good standing and with the power and

authority to execute, deliver, and perform its obligations arising under this Agreement.

b. Compliance with the terms of this Agreement does not conflict with or result in a breach of any of the terms, conditions or provisions of Buyer's articles of incorporation, by-laws or any other corporate documents, or any license, judgment, order, injunction, decree, law, regulation, rule, or ruling of any arbitrator, court or other governmental authority to which Buyer is subject, or result in a breach of any other agreement, lease, contract, or other commitment to which Buyer or its principals, or any of its property, is subject. The Agreement constitutes the valid and binding obligation of Buyer and is enforceable in accordance with its terms.

c. There is not now any litigation, whether judicial, administrative or otherwise, suit (at law or equity), arbitration, proceeding, governmental proceeding, pending, or to the knowledge of the Buyer threatened, against Buyer or its principals or the Station which relates to the Station or which might affect the ability of Buyer to construct or operate the Station. Should any such litigation commence or be threatened against Buyer or its principals after the date of this Agreement, Buyer will promptly and in no event later than fifteen (15) calendar days after becoming aware of it but at least ten (10) business days before a response is due in the litigation, notify Seller.

d. Buyer is legally and otherwise qualified to acquire the Station. Except for the consent of the FCC, no other consent of any kind not yet obtained is required for Buyer to make or carry out the terms of this Agreement. This Agreement constitutes the valid and binding obligation of Buyer and is enforceable in accordance with its terms.

e. Buyer acknowledges that (i) it has performed its own due diligence investigation of the Station Assets and its current engineering specifications and the power and coverage limitations expected for the Station, and (ii) that he has been made aware of the rules and policies of the FCC, and that he is accepting the Station with full knowledge of that information. Buyer acknowledges that he is aware that Buyer is required to acquire rights to a transmitter site or space on an existing tower in order to continue operation of the Station. Buyer agrees that following Closing, all responsibility to modify the Station, and operate the Station in a timely and legal manner, shall be the sole responsibility of Buyer, and that any difficulty or failure on the part of Buyer to satisfy such modifications any other construction requirement contained in the any future construction permit or in any other law or regulation (whether local, state, or federal) shall in no manner constitute breach of the representations or warranties contained in this Agreement or affect Buyer's obligations under this Agreement.

f. Buyer will not take any action or refrain from taking any action between the date of this Agreement and the Closing which would render Buyer unqualified to become the permittee of the Station.

7. Closing. Closing shall be held not later than ten (10) business days after the FCC's consent to the Assignment Application has been granted, unless there is a petition to deny or informal objection filed against the assignment, in which case Closing shall occur at such time as the transaction becomes a final order. For the purpose of this Agreement, such consent shall be deemed "Final" when the Assignment Application or any decision granting it is no longer

subject to timely FCC or judicial review or reconsideration.

8. Conditions to Buyer's Performance. The obligations of Buyer hereunder are subject to the following conditions:

a. The representations and warranties of Seller contained in this Agreement shall be true and correct at the Closing as though made at and as of such time, and all of the obligations and covenants of Seller to be performed, on or prior to the Closing pursuant to the terms of this Agreement shall have been duly performed, and Seller shall have delivered to Buyer a certificate signed by a member of Seller to that effect dated as of the Closing along with copies of resolutions adopted by Seller's members authorizing the transactions contemplated in this Agreement.

b. On the Closing Date, Seller shall be the holder of the Station, in full force and effect and unimpaired by any acts or omissions of Seller or its employees or agents. The FCC shall have issued an order giving its consent to the assignment of the Station, without any conditions materially adverse to Buyer.

c. Seller shall have taken all appropriate corporate action approving this Agreement and adopting Seller's obligations hereunder.

d. No litigation, action, suit, judgment, investigation, proceeding, or decision of any kind shall have been instituted, threatened, or released before any forum, court or governmental body, department or agency of any kind concerning the Seller or the Station which might result in any material adverse change in the construction and operation of the Station.

9. Conditions to Seller's Performance. The obligations of Seller hereunder are subject to the following conditions:

a. the representations and warranties of Buyer contained in this Agreement shall be true and correct at the Closing as though made at and as of such time, and all of the obligations of Buyer to be performed, on or prior to the Closing pursuant to the terms of this Agreement shall have been duly performed and Buyer shall have delivered to Seller a certificate signed by an officer of Buyer to that effect dated as of the Closing along with copies of resolutions adopted by Buyer's directors authorizing the transactions contemplated in this Agreement.

b. the FCC shall have issued an order giving its consent to the assignment of the Station, to Buyer without any conditions materially adverse to Seller.

c. all payments which are due and payable hereunder by Buyer shall have been made in accordance with the terms of this Agreement.

10. Seller's Performance at Closing. At the Closing, Seller will execute and deliver or cause to be delivered to Buyer:

a. an assignment of the Station authorizations together with such instruments of conveyance as Buyer may reasonably require to effectuate the assignment of the Station's assets being sold to Buyer;

b. a certificate of Seller's President to the effect that Seller's performance under this Agreement has been duly authorized and all actions taken by Seller at Closing have been duly authorized as valid corporate actions, and that neither the execution of this Agreement nor the consummation thereof has violated or will violate any contract or commitment to which Seller is subject, and that Seller is not in default with respect to its performance of any provision in this Agreement, and that all of the documents delivered at Closing are valid and binding upon Seller in accordance with their terms;

c. a resolution of Seller's Directors authorizing the execution, delivery, and performance of this Agreement; and

d. such other documents as Buyer shall reasonably request in order to place Buyer in actual possession and control of the Station.

11. Buyer's Performance at Closing. At the Closing, Buyer will deliver or cause to be delivered to Seller:

a. a document authorizing the release to Seller of the Purchase Price by Escrow Agent;

b. a certificate of Buyer's President to the effect that Buyer's performance under this Agreement has been duly authorized and all actions taken by Buyer at Closing have been duly authorized as valid corporate actions and that neither the execution of this Agreement nor the consummation thereof has violated or will violate any contract or commitment to which Buyer is subject, and that Buyer is not in default with respect to its performance of any provision in this Agreement, and that all of the documents delivered at Closing are valid and binding upon Buyer in accordance with their terms;

c. a resolution of Buyer's directors authorizing the execution, performance, and delivery of this Agreement; and

d. such other documents as Seller shall reasonably request in order to consummate the transactions contemplated by this Agreement.

12. Survival of Warranties. All representations, warranties, and covenants made by the parties to this Agreement shall be deemed made for the purpose of inducing the other to enter into this Agreement. They shall expire, except as provided to the contrary herein, one (1) year after the Closing. During that period, they shall remain in full force and effect regardless of any investigation made by either party and shall not be deemed merged into any document or instrument executed or delivered at Closing.

13. Assignment. This Agreement shall be binding upon and inure to the benefit of the

parties hereto, their heirs, successors and assigns. Neither party may assign its rights hereunder without the prior written consent of the other party.

14. Default.

a. In the event of a material breach of its obligations and/or representations under the Agreement by Seller, not cured within ten (10) business days after written notice to that effect from Buyer, Buyer shall have the rights to:

(i) terminate the Agreement, and to initiate suit to recover damages for such breach; and

(ii) bring an action specifically to enforce the terms of this Agreement by decree, it being agreed by the parties that the Station is unique and not readily available in the open market, and Seller hereby further agrees to waive any and all defenses against any such action for specific performance based on the ground that there is an adequate remedy for money damages available.

b. In the event of a material breach by Buyer of any of its representations and obligations hereunder, not cured within ten (10) business days of written notice from Seller, Seller shall have the right to terminate this Agreement, and to initiate suit to recover damages for such breach.

15. Termination. In addition to the other grounds for termination specified in this Agreement, a party may terminate this Agreement upon twenty (20) calendar days' prior written notice to the other party, provided that the terminating party is not in material default at the time of said termination, upon the occurrence of any of the following events:

a. at the election of either party, if the Assignment Application is at any time designated for evidentiary hearing by the FCC; or

b. at the election of either party, if consent to the Assignment Application is denied by the FCC, and the order of denial becomes Final, as defined in Paragraph 7; or

c. at the election of either party, if the assignment hereunder is not consummated on or before the first annual anniversary of this Agreement.

16. No Negotiations or Agreements with Other Parties. Seller shall not enter into any negotiation with any party or give any option or enter into any agreement with any party other than Buyer to sell, assign, transfer, give or dispose of any of the assets to be conveyed hereunder with any party other than Buyer nor negotiate for or enter into any local marketing or time brokerage or joint sales agreement.

17. Joint Covenants. Buyer and Seller jointly represent and covenant to each other as follows:

a. If any event should occur, either within or without the control of any party hereto, which would prevent fulfillment of the conditions upon the obligations of any party hereto to consummate the transactions contemplated by this Agreement, the parties hereto will use their reasonable best efforts to cure the event as expeditiously as possible.

b. The parties shall each keep confidential all information obtained by it with respect to the other in connection with this Agreement (except information independently learned or acquired by the party or otherwise made public by other sources) If the transactions contemplated hereby are not consummated for any reason, each shall return to the other, without retaining a copy thereof, any confidential schedules, documents or other written information obtained from the other in connection with this Agreement and the transactions contemplated hereby.

c. The parties shall cooperate fully and in good faith with each other in taking any actions or foregoing any actions, including actions to obtain the required consent of any governmental instrumentality or any third party, necessary or helpful to accomplish the transactions contemplated by this Agreement. If the consent of any governmental instrumentality contains any condition, the party upon which such condition is imposed shall use its best, diligent, and good faith efforts to comply therewith before the Closing.

d. The parties shall each act and refrain from acting, as the case may be, so that each of their respective representations and warranties set forth herein shall be true on and as of the Closing, and each shall use its best good faith efforts to ensure that the transactions contemplated hereby shall be consummated.

e. The parties shall cooperate and take such actions, and execute such other documents, at Closing or subsequently, as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement.

#### 18. Miscellaneous.

a. 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.

b. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Texas without regard to conflict of laws provisions.

c. The headings of the paragraphs of this Agreement are for convenience of reference only and do not constitute a part hereof of this Agreement or in any way modify, interpret, or construe the intent of the parties.

d. This Agreement, together with the Exhibits and Schedules hereto, contain all of the terms agreed to between the parties with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements and understandings, whether oral or written, with respect to the conveyance of assets hereunder. The Agreement may not be amended or modified in any manner except by written document executed by the party against whom enforcement of such amendment or modification is sought.

e. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

f. If any lawsuit is instituted to enforce any party's rights under this Agreement, the prevailing party shall be reimbursed by the other party for all reasonable expenses incurred thereby, including reasonable attorneys' fees.

g. Any notices or other communications contemplated by this Agreement shall be in writing and shall be considered to have been duly given when personally delivered or by overnight courier or deposited into first class certified U.S. mail, postage prepaid, return receipt requested:

(i) If to the Seller, to:

HGN Music & Education Foundation  
3590 State Highway 146 S  
Livingston, TX 77351-5782

(ii) If to the Buyer, to:

Centro Cristiano La Uncion De Dios Inc.  
2124 Hwy 190 W  
Livingston, TX 77351

h. Time shall be of the essence in this Agreement and the performance of each and every provision hereof.

i. If any term or provision of this Agreement or its application shall, to any extent, is 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*, that nothing in this provision shall impair a party's rights pursuant to Sections 14 or 15 hereof.

j. 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 Livingston, Texas. No party shall oppose or assert a defense against such litigation in said courts on the grounds that the court lacks personal jurisdiction.

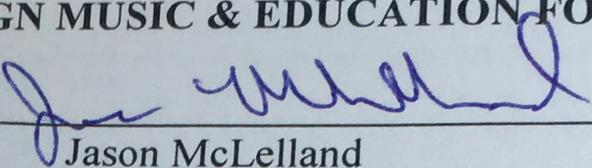
k. Buyer and Seller, and their respective employees, agents, and representatives,

shall each keep confidential all information obtained with respect to the other in connection with the negotiation and performance of this Agreement, except where such information is known or available through other lawful sources or where its disclosure is required in accordance with applicable law. If the transactions 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 information, including all financial information, obtained from the other in connection with this Agreement and the transactions contemplated hereby, and shall forever preserve the confidentiality of such information. The parties recognize that a breach of this covenant of confidentiality may cause substantial, irreparable harm to the other's business and therefore agree that injunctive relief would be appropriate to enforce any breach of this covenant.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be  
dated on the day and year first above written.

Seller:

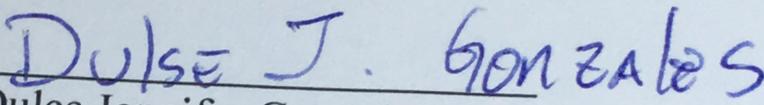
**HGN MUSIC & EDUCATION FOUNDATION**

By: 

Jason McLelland  
President

Buyer:

**CENTRO CRISTIANO LA UNCION DE DIOS  
INC.**

By: 

Dulce Jennifer Gonzalez  
President

Schedule A