

## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("**Agreement**") is made as of the 14<sup>th</sup> day of July, 2014, by and among **Selby Gospel Broadcasting Corporation**, a Minnesota non-profit corporation ("**Seller**"), and Praise Broadcasting, a Minnesota non-profit Corporation ("**Buyer**"). Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in Article 14 of this Agreement.

### RECITALS

**WHEREAS**, Seller owns and operates radio station KNOF(FM), 95.3 MHz, Channel 237, St. Paul, MN (FIN 59624) (the "**Station**");

**WHEREAS**, Seller is the holder of the licenses and authorizations issued by the Federal Communications Commission (the "**FCC**") for the operation of the Station; and

**WHEREAS**, subject to the terms and conditions of this Agreement, Seller desires to sell and Buyer desires to purchase certain of Seller's assets used in the operation of the Station, including the FCC Licenses (as defined below).

### AGREEMENT

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein and other good and valuable consideration, the Parties hereby agree as follows:

#### ARTICLE 1 ASSETS

**1.1 Assets.** On the terms and subject to the conditions set forth in this Agreement, on the Closing Date (as defined below) Seller shall sell, assign, transfer, convey and deliver, free and clear of all Liens, other than Permitted Liens, the following assets, property and rights of Seller (collectively, the "**Assets**"), to Buyer:

(a) all licenses, permits and other authorizations issued to Seller by the FCC relating to the Station, including those licenses, permits and other authorizations listed on Schedule 1.1(a) attached hereto, together with renewals or modifications thereof between the date hereof and the Closing Date (collectively, the "**FCC Licenses**");

(b) all transmitters, antennas, cables, broadcast equipment, transmission equipment, receivers, and spare parts used in the operation of the Station, at the Tower Lease (as defined in sub-section (c) below) location, including the property listed on Schedule 1.1(b), together with replacements thereof and additions thereto made between the date of such Schedule and the Closing Date (collectively, the "**Personal Property**");

(c) that certain Broadcast Agreement for Site Access and Use, dated September 21, 2012 by and between Seller and Broadcast Services, Inc. ("**BSI**") (the "**Tower Lease**");

(d) the call sign "KNOF(FM)" of the Station (the "**Station Intellectual Property**");

(e) a copy or original of the Station's public inspection file, filings with the FCC relating to the Station, all records required by the FCC to be kept by the Station, all records relating to the Personal Property and the Tower Lease, and any technical information, engineering data, logs, and, to the extent transferable, rights under manufacturers' warranties as they exist at the Closing and related to the Assets;

(f) all Permits of Seller (other than FCC Licenses) used to operate the Station and conduct the business of the Station, to the extent transferable; and

(g) all goodwill associated with the Assets and the business of the Station.

**1.2 Excluded Assets.** The assets of Seller not specifically referenced in Section 1.1 of this Agreement or the schedules hereto shall not be transferred to Buyer and all title and interest thereto shall remain with Seller (collectively, the "**Excluded Assets**"). By way of example and not limitation, the Excluded Assets include specifically all of Seller's assets currently located on the Campus of North Central University, Minneapolis, Minnesota, and currently located at Seller's original operating location at 1347 Selby Avenue, St. Paul, Minnesota.

**1.3 Assumption of Only Certain Obligations.** On the Closing Date, Buyer shall assume and agree to pay or perform when due only the liabilities or obligations of Seller under the Tower Lease to the extent such liabilities or obligations first accrue or are first required to be satisfied, discharged or performed after the Closing Date, but excluding in all cases any liability arising directly or indirectly from any breach or default under the Tower Lease occurring on or prior to the Closing Date (after giving effect to such exclusion, the "**Assumed Tower Lease Liabilities**").

**1.4 Excluded Liabilities.** Except for the Assumed Tower Lease Liabilities, Buyer shall not and do not assume or agree to become liable for or successor to any Liabilities of or relating to Seller, the Station, or any of Seller's Affiliates (collectively, the "**Excluded Liabilities**"). All Excluded Liabilities shall be and remain the sole obligation of the Seller, and Buyer shall not be obligated in any respect therefor. Following the Closing, Seller shall continue to pay and perform the Excluded Liabilities as they may become due.

**1.5 Allocation.** After the Closing, Buyer may, at its election, select and retain a firm to conduct an appraisal of the Assets and to prepare a proposed allocation of the Purchase Price among the Assets for tax and financial accounting purposes. Buyer shall be responsible for the cost of such appraisal and allocation. Buyer shall deliver the appraisal and the proposed allocation to Seller as soon as practicable and in any event within 120 days following Closing. If Seller notifies Buyer in writing that it objects to one of more items reflected in the proposed allocation, Seller and Buyer shall negotiate in good faith to resolve such dispute. If the parties are unable to resolve the dispute within 30 days of Seller's notice, such dispute shall be referred to an agreed upon arbitrator, and the decision of the arbitrator shall be binding upon all Parties. Buyer and Seller (i) shall execute and file all Tax returns and prepare all financial statements, returns and other instruments in a manner consistent with the allocation of the Purchase Price

among the Assets as determined pursuant to this Section 1.5, and (ii) shall cooperate with each other in the timely filing, consistent with such allocation, of Form 8594 with the IRS.

## ARTICLE 2 PURCHASE PRICE

### 2.1 *Purchase Price and Adjustment.*

(a) The purchase price for the Assets shall be Five Million Dollars (\$5,000,000) (the “**Purchase Price**”). On the Closing Date, Buyer shall pay the Seller Four Million Seven Hundred Fifty Thousand Dollars (\$4,750,000).

(b) Deposit. On the date hereof, Buyer shall provide by wire transfer of immediately available funds for deposit into escrow with U.S. Bank National Association (the “**Escrow Agent**”) the sum of \$250,000 (the “**Escrow Amount**”) pursuant to the terms of an Escrow Agreement (the “**Escrow Agreement**”) among Buyer, Seller, and Escrow Agent in the form attached hereto as Exhibit B, executed on the date hereof and incorporated herein by reference. The terms of the Escrow Agreement shall provide for the treatment of the Escrow Amount in the event the Closing does not occur under certain circumstances as well as in the event a Closing does occur.

(c) Pre-Closing Treatment of the Escrow Amount. The Escrow Amount shall be released to (1) Seller in the event this Agreement is terminated by Seller pursuant to Section 11.1(a)(i) or Section 11.1(c); or (2) Buyer in the event this Agreement is terminated by any Party for any other reason. In the event of any termination of this Agreement, the Parties shall promptly execute joint written instructions to the Escrow Agent authorizing release of the Escrow Amount in accordance with this subsection.

(d) Post Closing Escrow. In the event of a Closing, \$150,000 of the Escrow Amount shall be released to Seller as part of the Purchase Price and \$100,000 of the Escrow Amount shall be retained by the Escrow Agent as part of the Purchase Price, but subject to the terms and conditions of the Escrow Agreement. The Escrow Amount shall be available to any Buyer Indemnified Parties to satisfy any Loss or Losses to which a Buyer Indemnified Party is entitled under Article 10 (Indemnification), in accordance with the terms of the Escrow Agreement. On the date that is twelve (12) months following the Closing Date (the “**Escrow Termination Date**”), the remaining balance of the Escrow Amount, together with all earnings in respect of that portion of the Escrow Amount that is being disbursed by the Escrow Agent as of that date, shall be paid to the Seller by wire transfer of immediately available funds to an account designated by Seller, less such Losses paid to any Buyer Indemnified Party and less the amount of any reasonable reserve for pending claims for Losses. Earnings on the Escrow Amount shall be reported under the name of the party to whom such interest is disbursed. All fees of the Escrow Agent shall be paid by Buyer.

## ARTICLE 3 CLOSING

3.1 *General Closing Procedures.* The consummation of the sale and purchase of the Assets pursuant to this Agreement (the “**Closing**”) shall take place on the second business day

following the satisfaction or waiver (subject to applicable Law) of the conditions set forth in Sections 8.1 and 8.2 (other than any such conditions which by their terms cannot be satisfied until the Closing Date, which shall be required to be so satisfied or waived) (the “**Closing Date**”) at a mutually agreeable location or by electronic exchange of signatures, with required deliveries and payments.

#### **ARTICLE 4**

#### **REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller hereby represents and warrants to Buyer that, subject to the specific terms herein and to the disclosures in the schedules referenced in this Article 4 (the “**Schedule of Exceptions**”), the following representations and warranties are true and correct as of the date of this Agreement:

**4.1 Organization and Standing; Capitalization.** Seller (i) is a non-profit corporation duly formed, validly existing and in good standing under the laws of the State of Minnesota and (ii) is qualified to do business in all jurisdictions required by Law. North Central University, a Minnesota non-profit corporation (“**NCU**”) is the sole member of Seller.

**4.2 Authorization and Binding Obligation.** Seller has all necessary corporate power and authority to enter into and perform its obligations under this Agreement and the Related Documents and to consummate the transactions contemplated hereby and thereby. This Agreement and the Related Documents have been, and each of the other documents contemplated hereby at or prior to Closing will be, duly executed and delivered by Seller and have been approved by all necessary corporate action. This Agreement constitutes (and each of the other Related Documents, when executed and delivered, will constitute) valid and binding obligations enforceable against Seller in accordance with their terms, except as may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors’ rights generally or the availability of equitable remedies.

**4.3 Absence of Conflicting Agreements; Consents.**

(a) Except for the FCC Consent, the execution, delivery and performance of this Agreement and the Related Documents by Seller do not and will not: (i) violate any provisions of the Organizational Documents of Seller; (ii) violate any applicable Law or Order; (iii) constitute a default or breach under, or accelerate or permit the acceleration of any performance required by, the terms of the Tower Lease or any other Contract to which the Seller is a party; and (iv) create any Lien upon any of the Assets.

(b) Except for the FCC Consent and the written consent of BSI to the assignment of the Tower Lease to Buyer (the “**BSI Consent**”), no approval or consent of, or notice or filing with, any Person or any Governmental Authority is or was required to be obtained by Seller for the authorization of this Agreement or the Related Documents or the execution, delivery, performance and consummation by Seller of the transactions contemplated by this Agreement and the Related Documents.

**4.4    *Litigation.*** There are no claims, litigation, arbitrations or other Proceedings that are pending, have been served, or have been threatened against Seller with respect to the Assets, the Seller, the Station or the transactions contemplated by this Agreement.

**4.5    *Station Licenses.***

(a)    Schedule 1.1(a) contains a true and complete list of the FCC Licenses used or held for use in connection with the operation of the Station as currently operated. Seller is the authorized legal holder such FCC Licenses. The Station and the facilities of the Station are being and have been operated at all times in compliance with the FCC Licenses, the Communications Act and all FCC rules and policies. The FCC Licenses are all of the FCC licenses, permits and authorizations required for the operation of the Station as presently operated.

(b)    Except for proceedings affecting the radio broadcasting industry generally, there are no applications, petitions, complaints, investigations, notices of violations, notice of apparent liabilities, pending license terminations, forfeitures, proceedings or other actions pending or threatened from or before the FCC relating to the Station or the FCC Licenses and Seller has not filed with the FCC any applications or petitions relating to the Station or the FCC Licenses which are pending before the FCC.

(c)    The Assets owned by Seller are in compliance with all rules and regulations of the Federal Aviation Administration applicable to the Station. Each antenna structure associated with the Station that is required to be registered with the FCC has been registered with the FCC. Schedule 4.5 contains a list of the antenna registration numbers for each tower owned or leased by Seller (and included in the Assets) that requires registration under the rules and regulations of the FCC. All reports and other filings required by the FCC with respect to the Station have been properly and timely filed.

(d)    The operation of the Station does not expose workers or others to levels of radio frequency radiation in excess of the “Radio Frequency Protection Guides” recommended in “American National Standard Safety Levels with Respect to Human Exposure to Radio Frequency Electromagnetic Fields 3 kHz to 300 GHz” (ANSI/IEEE C95.1 - 1992), issued by the American National Standards Institute, and renewal of the FCC Licenses would not constitute a “major action” within the meaning of Section 1.1301 *et seq.*, of the FCC’s rules.

(e)    All reports and statements that Seller is required to file with the FCC in respect of the Station have been filed, and all reporting requirements of the FCC have been complied with.

**4.6    *Contracts.*** The Tower Lease constitutes a legal, valid and binding obligation of the Seller and each counter-party thereto, and is enforceable by the Seller in accordance with its terms, except as limited by Laws affecting creditor’s rights or equitable principles generally. Except as disclosed on Schedule 4.6, neither the Seller nor any counter-party thereto is in any respect in default or breach under the Tower Lease, and no events have occurred that with the lapse of time, notice, or otherwise would constitute a default or breach under the Tower Lease.

**4.7 Compliance with Laws.** At all times prior the date hereof, Seller has complied with, and is not in violation of, any Laws or Orders. Seller has not received any notice asserting any noncompliance with any Law or Order relating to the Assets or in connection with the operation of the Station. There is no pending or, to Seller's Knowledge, threatened, investigation, audit, review or other examination of the Station, and Seller is not subject to any Order, agreement, memorandum of understanding or other regulatory enforcement action or proceeding with or by the FCC or any other Governmental Authority.

**4.8 Broker's Fees.** The Seller is represented by Phoenix Media Group, LLC as the Seller's consultant, Steven T. Moravec, President. Seller is solely responsible for all fees, commissions or other compensation owed to said representative.

**4.9 Insurance.** Seller maintains insurance policies or other arrangements with respect to the Station and the Assets consistent with industry practice, including coverage of all buildings, towers, antennas, dishes, transmission lines, transmitters and other Assets used in the operation of the Station.

**4.10 Property.** Seller has good and marketable title to the Assets free and clear of Liens, other than Permitted Liens. Seller owns and possesses valid leasehold interests in all leasehold estates comprising a part of the Tower Lease. All items of Personal Property are in good operating condition, ordinary wear and tear excepted and are suitable for the purpose for which such items are presently used. All equipment used in the day-to-day operations of the Station that is included in the Assets is in good operating condition and repair, subject only to ordinary wear and tear and routine maintenance, and is in conformity with all applicable Laws. All tangible Assets are in the possession or control of Seller.

**4.11 Intellectual Property.** The Seller is the owner of, with all right, title and interest in and to (free and clear of any Liens), or otherwise possesses, the right to use the Station Intellectual Property. No claims have been asserted or are, to Seller's knowledge, threatened by any Person (i) to the effect that the Seller or the Station (or its business) infringes on the intellectual property of any third party, (ii) against the use by the Seller of any Station Intellectual Property or (iii) challenging the ownership by the Seller, or the validity or effectiveness, of any Station Intellectual Property. Seller has not infringed at any time, and the business of the Station has not and does not infringe, any intellectual property of any Person. No Station Intellectual Property is subject to any outstanding decree, order, judgment or stipulation restricting in any manner the licensing thereof by the Seller. All Station Intellectual Property rights are valid and enforceable.

**4.12 Praise TBA.** Seller and Buyer are parties to that certain Time Brokerage Agreement dated June 1, 2009, as amended (the "**Praise TBA**"). The Parties agree to amend the Praise TBA to terminate by its terms on the Closing Date.

**4.13 Disclosure.** This Agreement does not and will not contain any untrue statement of material fact or omit to state a material fact required to be made in order to make the statements herein and therein not misleading in light of the circumstances in which they are made.

**ARTICLE 5**  
**REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer hereby represents and warrants to Seller, that, subject to the specific terms herein, the following representations and warranties are true and correct as of the date of this Agreement:

**5.1 *Organizational and Standing.*** Buyer (i) is a non-profit corporation duly formed, validly existing and in good standing under the laws of the State of Minnesota, and (ii) has all necessary power and authority to own, operate and lease the Assets and carry on the business of the Station.

**5.2 *Authorization and Binding Obligation.*** Buyer has all necessary power and authority to enter into and perform its obligations under this Agreement and the Related Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. This Agreement and the Related Documents have been, and each of the other documents contemplated hereby at or prior to Closing will be, duly executed and delivered by Buyer, and have been approved by all necessary corporate action of Buyer. This Agreement constitutes (and each of the Related Documents, when executed and delivered, will constitute) valid and binding obligations enforceable against Buyer in accordance with their terms, except as may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally or the availability of equitable remedies.

**5.3 *Absence of Conflicting Agreements or Required Consents.*** Except for the FCC Consent, the execution, delivery and performance of this Agreement by Buyer does not and will not: (i) violate any provision of Buyer's Organizational Documents; (ii) require the consent of any Governmental Authority or any Person; or (iii) violate any applicable Law or Order.

**5.4 *FCC Qualifications.*** Buyer is qualified under the Communications Act of 1934, as amended (the "*Communications Act*") and the rules and regulations of the FCC, including without limitation the multiple ownership rules, as in effect on the date hereof, to be an assignee of the FCC Licenses.

**5.5 *Disclosure.*** This Agreement does not and will not contain any untrue statement of material fact or omit to state a material fact required to be made in order to make the statements herein and therein not misleading in light of the circumstances in which they are made.

**5.6 *Financing.*** Buyer has sufficient financing to pay the Purchase Price on the Closing Date.

**ARTICLE 6**  
**GOVERNMENTAL CONSENTS**

**6.1 *FCC Application.***

(a) The assignment of the FCC Licenses as contemplated by this Agreement are subject to the prior consent and approval of the FCC. Subject to the provisions of the Praise

TBA, prior to Closing, Buyer shall not directly or indirectly control, supervise, direct, or attempt to control, supervise, or direct, the operation of the Station.

(b) As soon as practicable, and in any event within five business days following the the date of the execution of this Agreement, Buyer and Seller shall prepare and jointly file the FCC Application and the Parties shall use all commercially reasonable efforts to cause the FCC to accept the FCC Application for filing as soon as practicable after such filing. Buyer and Seller shall thereafter prosecute the FCC Application in good faith and with all reasonable diligence and otherwise use all commercially reasonable efforts to obtain the grant of the FCC Consent as expeditiously as practicable. Neither Party will take any action that it knows, or reasonably believes, would disqualify the FCC Application. Seller shall promptly enter into reasonable tolling or other arrangements with the FCC if necessary to resolve any complaints before the FCC relating to the Station in order to obtain the FCC Consent.

(c) Buyer shall bear the cost of the FCC filing fees for the FCC Application. Each Party shall bear its own costs and expenses (including the legal fees and disbursements of its counsel) in connection with the preparation of the portion of the FCC Application to be prepared by it and in connection with the processing and defense of the application.

## **ARTICLE 7 COVENANTS**

### **7.1 *Certain Covenants.***

(a) Affirmative Covenants of Seller. Between the date of this Agreement and the Closing Date:

(i) Seller shall promptly notify Buyer in writing if Seller has Knowledge prior to such Closing of: (1) any representations or warranties contained in Article 4 that are no longer true and correct in any material respect or of any fact or condition that would constitute a breach of any such representation or warranty as of the Closing, (2) the occurrence of any event that would require any changes or amendments to the schedules and exhibits attached to this Agreement, (3) the occurrence of any event that may make the satisfaction of the conditions in Article 8 impossible or unlikely, or (4) the occurrence of any other event that violates any covenants, conditions or agreements to be complied with or satisfied by Seller under this Agreement;

(ii) Seller will comply with all Laws applicable to Seller's use of the Assets and operate and maintain the Station in conformity with the FCC Licenses, the Communications Act, and the rules and regulations of the FCC;

(iii) Seller will maintain the Assets in customary repair, maintenance and condition, except for wear and tear incurred in the Ordinary Course of Business;

(iv) Seller will use all commercially reasonable efforts to maintain in full force and effect the FCC Licenses;

(v) Seller will maintain in full force and effect reasonable property damage and liability insurance on the Assets in at least the amount provided for by the policies currently maintained by Seller;

(vi) Seller shall conduct the business of the Station in the Ordinary Course of Business of the Station as currently conducted; and

(vii) Seller shall use all commercially reasonable efforts to cause the conditions set forth in Article 8 to be satisfied promptly.

(b) Negative Covenants of Seller. Between the date of this Agreement and the Closing Date, except with the prior written consent of Buyer:

(i) Seller will not (A) terminate, modify or amend the Tower Lease, or (B) take or fail to take any action that would cause a breach of the Tower Lease;

(ii) Seller will not create or permit any Lien on any of the Assets;

(iii) Seller will not sell, assign, lease or otherwise transfer or dispose of any of the Assets;

(iv) Seller will not modify or amend, or seek to modify or amend, any of the FCC Licenses except as necessary for Seller to be in compliance with the Communications Act; and

(v) Seller will not authorize or enter into an agreement to do any of the foregoing.

**7.2 Access.** Buyer shall have the right to conduct due diligence on all aspects of the Assets, the Seller, and the Station, including, but not limited to, regulatory issues such as FCC compliance, technical matters, review of contracts and leases, and review of any operational matters, claims or disputes related to the Station. Accordingly, between the date of this Agreement and the Closing Date, Seller will provide Buyer, their counsel, accountants, financial advisors, bankers or other financing parties, consultants, and other advisers and representatives, (i) copies of such books and records (other than NCU's or Selby's financial statements), including copies of the Tower Lease, environmental and engineering studies and reports, and other documents and contracts pertaining to the Assets or the Station, and (ii) access to Seller's properties, Assets and personnel as part of Buyer's due diligence review of the Assets and the Station; provided, however that Buyer and its consultants and agents shall not contact employees of Seller without Seller's prior approval.

**7.3 Exclusivity.** Neither Seller nor any of its owners, employees, officers or directors, or any agent or any representative thereof shall, during the period commencing on the date of this Agreement and ending with the earlier to occur of the Closing hereunder or the termination of this Agreement, directly or indirectly solicit, initiate or encourage offers from, negotiate, engage in discussions with or in any manner encourage, accept or actively consider any proposal of any other Person relating to (x) the acquisition of the business of the Station, Seller's issued and outstanding equity or ownership interests, or the Assets, or any merger, consolidation or

business combination involving any Person or that otherwise would prevent the consummation of the transactions contemplated hereby, or (y) the acquisition of the direct or indirect ownership interests of Seller.

**7.4 Confidentiality.** Each Party shall keep confidential all information obtained by it with respect to the other Parties in connection with this Agreement, except where such information is known through other lawful sources or where its disclosure is required in accordance with applicable Law, including requirements of the FCC pursuant to the FCC Applications, and provided that the Parties shall be free to disclose such information to their respective legal advisors, financial advisers, and accountants in connection with matters under this Agreement. If the transactions contemplated hereby are not consummated for any reason, Buyer and Seller shall return to each other, without retaining a copy thereof in any medium whatsoever, any schedules, documents or other written information, including all financial information, obtained from the other in connection with this Agreement and the transactions contemplated hereby.

**7.5 Further Assurances.** Seller and Buyer shall cooperate and take such actions, and execute such other documents, at the Closing or thereafter, as may be reasonably requested by the other in order to carry out the provisions and purposes of this Agreement, including, for example, promptly advising each other of all communications relevant to the transactions contemplated by this Agreement received from the FCC or other Governmental Authority after the date of this Agreement and furnishing each other with copies of all such written communications.

**7.6 Transition Efforts.** Beginning at the Closing, Seller and Buyer shall use commercially reasonable efforts to accomplish a timely, smooth, uninterrupted and organized transfer of the Assets.

**7.7 Press Releases.** Seller and Buyer agree that no public release or announcement concerning the transactions contemplated hereby shall be issued by any Party without the prior written consent of the other Parties, which consent shall not be unreasonably withheld, except as such release or announcement may be required by any Law, in which case the Party required to make the release or announcement shall, allow the other Parties reasonable time to comment on such release or announcement in advance of such issuance.

**7.8 Consents.** Seller shall use all commercially reasonable efforts to obtain all consents and approvals of Persons to the consummation of the transactions contemplated by this Agreement, all in a form acceptable to Buyer.

## ARTICLE 8 CONDITIONS PRECEDENT

**8.1 To Buyer's Obligations Regarding Closing.** The obligations of Buyer to complete the transactions contemplated by this Agreement are subject to the satisfaction or to the waiver by Buyer in their sole discretion (except for Sections 8.1(b) and 8.1(c) below, which may not be waived other than with respect to the requirement that the FCC Consent shall have

become a Final Order), at or prior to the Closing Date, of each of the following conditions (the “*Buyer’s Closing Conditions*”):

(a) Representations, Warranties and Covenants.

(i) All representations and warranties made by Seller shall be true and correct in all material respects on the Closing Date as if made on the Closing Date (except that any representations and warranties of Seller that are already qualified by materiality shall be true and correct in all respects).

(ii) All of the terms, covenants and conditions to be complied with or performed by Seller under this Agreement on or prior to the Closing Date shall have been complied with or performed by Seller in all material respects.

(b) No Order or Proceeding. No Order and no Proceeding shall have been instituted or threatened (and not subsequently dismissed, settled or otherwise terminated) which does or would (i) restrain, prohibit or invalidate the transactions contemplated by this Agreement, or (ii) impose material restrictions, limitations or conditions with respect to Buyer’s ownership of the Assets.

(c) FCC Consent. The FCC Consent shall have been obtained without the imposition of any condition materially adverse to Buyer or the Station, and such FCC Consent shall have become a Final Order; provided, however, that Buyer may waive finality in its sole discretion.

(d) Consents. Buyer shall have received the BSI Consent, in form and substance reasonably satisfactory to Buyer.

(e) Deliveries. Seller shall have made all deliveries required under Section 9.1.

(f) No Material Adverse Effect. There shall not have occurred a Material Adverse Effect since the date hereof.

(g) Release of Liens and Tax Clearance Certificates. Buyer shall have received evidence in form and substance reasonably satisfactory to it that all Liens, other than Permitted Liens, affecting the Assets have been terminated and released and shall have received a tax clearance certificate reasonably satisfactory to it.

(h) Good Standing Certificates. Buyer shall have received a certificate dated within three (3) days before the Closing Date from the Secretary of State of the State of Minnesota certifying that Seller is validly existing and in good standing under the laws of such state.

**8.2 To Seller’ Obligations.** The obligations of Seller hereunder to complete the transactions contemplated by this Agreement are subject to the satisfaction or to the waiver by Seller in its sole discretion (except for Sections 8.2(b) and (c) below, which may not be waived),

at or prior to the Closing Date, of each of the following conditions ("*Seller Closing Conditions*"):

(a) Representations, Warranties and Covenants.

(i) All representations and warranties made by Buyer in this Agreement shall be true and correct in all material respects on the Closing Date as if made on and as of that date.

(ii) All of the terms, covenants and conditions to be complied with or performed by Buyer under this Agreement on or prior to the Closing Date shall have been complied with or performed by Buyer in all material respects.

(b) No Order or Proceeding. No Order and no Proceeding shall have been instituted or threatened (and not subsequently dismissed, settled or otherwise terminated) which does or would restrain, prohibit or invalidate the transactions contemplated by this Agreement.

(c) FCC Consent. The FCC Consent shall have been obtained.

(d) Deliveries. Buyer shall have made all the deliveries required under Section 9.2 and shall have paid (or shall be prepared to pay at the time of Closing) the Purchase Price (less the Escrow Amount).

**ARTICLE 9 (modify)**  
**DOCUMENTS TO BE DELIVERED AT THE CLOSING**

**9.1 *Documents to be Delivered by Seller.*** At Closing, Seller shall deliver to Buyer the following items (all documents which by their terms are to be executed by Seller shall be duly executed by Seller):

(a) Copies of resolutions of the board of directors and member of Seller authorizing the execution, delivery and performance of this Agreement and the Related Documents and the consummation of the transactions contemplated hereby, and copies of Seller's Organizational Documents, certified on behalf of Seller by a duly authorized officer of Seller as being true, correct, in full force and effect and complete as of the Closing Date;

(b) A certificate for Seller, dated as of the Closing Date, executed by an officer of Seller, certifying on behalf of Seller that the closing conditions specified in Section 8.1(a) and 8.1(b) have been satisfied;

(c) Duly executed instruments of conveyance and transfer effecting the sale, transfer, assignment and conveyance of the Assets to Buyer as contemplated herein, including the following:

(i) assignment of the FCC Licenses, in the form attached hereto as Exhibit C (the "*FCC License Assignment*")

(ii) a bill of sale from Seller, in the form attached hereto as Exhibit D (“*Bill of Sale*”);

(iii) assignments of Seller’s rights under the Tower Lease, in the form attached hereto as Exhibit E (“*Assignment/Assumption Agreement*”), along with an estoppel certificate, confirming the BSI Consent and the material terms and status of the Tower Lease, duly executed by BSI in the form attached hereto as Exhibit F (the “*Consent Estoppel*”);

(d) Duly executed UCC releases, lien terminations, or other similar documents or instruments required to transfer the Assets free and clear of Liens, other than Permitted Liens, along with evidence in form and substance satisfactory to Buyer that all such Liens affecting the Assets have been terminated and released;

(e) Physical possession of the tangible Assets to Buyer, and keys and security access codes to access such Assets. Seller shall also make available to Buyer all books and records of Seller relating to or reasonably required for the operation of the business of the Station; and

(f) Such other documents, information, certificates and materials as may be reasonably required by Buyer.

**9.2 Documents to be Delivered by Buyer.** At Closing, Buyer shall deliver to Seller the following items (all documents which by their terms are to be executed by Buyer, shall be duly executed by Buyer):

(a) Copies of resolutions of Buyer authorizing the execution, delivery and performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby, and copies of Buyer’s Organizational Documents, in each case certified on behalf of Buyer by a duly authorized officer of Buyer as being true, correct, in full force and effect and complete as of the Closing Date;

(b) A certificate for Buyer, dated as of the Closing Date, executed on behalf of Buyer by duly authorized representatives of Buyer, certifying that the closing conditions specified in Sections 8.2(a) and 8.2(b) have been satisfied;

(c) The Assignment/Assumption Agreement;

(d) A certificate of good standing or existence of Buyer dated within three (3) days of the Closing Date; and

(e) Such other documents, information, certificates and materials as may be required by this Agreement.

## ARTICLE 10 INDEMNIFICATION

**10.1 Seller Indemnities.** Seller (the “*Seller Indemnifying Party*”) shall indemnify, defend, and hold harmless Buyer and its Affiliates (collectively, the “*Buyer Indemnified*”

*Parties*”) from and against, and reimburse it for, all claims, damages, liabilities, losses, judgments, fines, penalties, costs and expenses, including interest, penalties, court costs and reasonable attorneys’ fees and expenses (each, a “*Loss*” and together, “*Losses*”), resulting from, related to, or in connection with:

(a) Any breach or misrepresentation by Seller of any of its representations or warranties in this Agreement or in any Related Documents;

(b) Any breach, misrepresentation, or other violation by Seller of any of its covenants or agreements in this Agreement or in any Related Documents;

(c) Any third-party claims brought against Buyer or its Affiliates to the extent attributable to the operation of the Station or Seller’s business prior to the Closing; and

(d) Any Excluded Liabilities.

To the extent a claim for indemnification is or may be based on both Section 10.1(a) and either of Sections 10.1(c) or (d), the indemnification claim shall be made pursuant to Section 10.1(c) or (d), as appropriate, unless Buyer specifically provide otherwise in the notice of claim.

**10.2 Buyer’s Indemnities.** Buyer, jointly and severally (the “*Buyer Indemnifying Parties*”) shall indemnify, defend and hold harmless Seller and its Affiliates, and their respective shareholders, directors, officers, employees, and representatives (collectively, the “*Seller Indemnified Parties*”) from and against, and reimburse them for, all Losses resulting from:

(a) Any breach, misrepresentation, or other violation by Buyer of any of their representations or warranties in this Agreement or in any Related Documents;

(b) Any breach, misrepresentation, or other violation by Buyer of any of its covenants or agreements in this Agreement or in any Related Documents;

(c) Any third-party claims brought against Seller or its Affiliates to the extent attributable to Buyer’s operation of the Station or use of the Assets following the Closing; or

(d) Any Assumed Tower Lease Liabilities.

**10.3 Procedure for Indemnification.** The procedure for indemnification shall be as follows:

(a) The Party seeking indemnification under this Article 10 (the “*Claimant*”) shall give notice to the Party from whom indemnification is sought (the “*Indemnitor*”) of any claim or liability that might result in an indemnified Loss (an “*Indemnified Claim*”), specifying in reasonable detail (i) the factual basis for and circumstances surrounding the Indemnified Claim; and (ii) the amount of the potential Loss pursuant to the Indemnified Claim if then known. If the Indemnified Claim relates to a Proceeding filed by a third party against Claimant, notice shall be given by Claimant as soon as practical, but in all events within fifteen (15) business days after Claimant learns of the Proceeding or written notice of the Proceeding is

given to Claimant. In all other circumstances, notice shall be given by Claimant as soon as practical, but in all events within twenty (20) business days after Claimant becomes aware of the facts giving rise to the potential Loss. Notwithstanding the foregoing sentences, should the Claimant fail to notify the Indemnitor in the time required above, the Indemnitor shall only be relieved of its obligations pursuant to this Article 10 to the extent the Indemnitor is materially prejudiced by such delay or failure to timely give notice of an Indemnified Claim or potential Loss.

(b) The Claimant shall make available to Indemnitor and/or its authorized representatives the information relied upon by the Claimant to substantiate the Indemnified Claim or Loss and shall make available any information or documentation in Claimant's possession, custody or control that is or may be helpful in defending or responding to the Indemnified Claim or Loss.

(c) The Indemnitor shall have thirty (30) days after receipt of the indemnification notice referred to in sub-section (a) to notify the Claimant in writing that it elects to conduct and control the defense of any such Indemnified Claim; *provided, however*, such thirty (30) day period shall be reduced to such shorter period of time set forth in the applicable indemnification notice if the Indemnified Claim or Loss is based upon a third-party claim requiring a response in fewer than thirty (30) days.

(d) If the Indemnitor does not advise the Claimant of its intent to conduct and control the defense of the Indemnified Claim or Proceeding within the time period specified above, the Claimant shall have the right to defend, contest, settle, or compromise such Indemnified Claim or Proceeding. If the Indemnitor properly advises the Claimant that it will conduct and control the defense of the Indemnified Claim or Proceeding, the Indemnitor shall have the right to undertake, conduct, defend, and control, through counsel of its own choosing and at its sole expense, the conduct, defense, and settlement of the Indemnified Claim or Proceeding, and the Claimant shall cooperate with the Indemnitor in connection therewith; *provided, however*, that: (i) the Indemnitor shall not consent to the imposition of any injunction against the Claimant without the prior written consent of the Claimant; (ii) the Indemnitor shall permit the Claimant to participate in such conduct or settlement through counsel chosen by the Claimant, but the fees and expenses of such counsel shall be borne by the Claimant; (iii) the Indemnitor shall promptly reimburse the Claimant for the full amount of any indemnified Loss or indemnified portion of any Loss resulting from the Indemnified Claim or Proceeding and all reasonable expenses related to such indemnified Loss incurred by the Claimant, except fees and expenses of counsel for the Claimant in the event that Indemnitor has conducted or controlled the Proceeding; and (iv) no Indemnitor may, without the prior written consent of the Claimant, settle or compromise, or consent to the entry of any judgment in connection with, any Proceeding with respect to the Indemnified Claim unless (A) such settlement or compromise involves only the payment of money; (B) there is no finding or admission of liability, any violation of any Law or any violation of the rights of any Person by the Claimant; and (C) the Indemnitor obtains an unconditional release of each Claimant from all Indemnified Claims and potential Loss arising out of Indemnified Claim or Proceeding related thereto.

#### 10.4 *Limitations.*

(a) Except in the case of fraud or intentional misrepresentation, the Indemnitor shall only be required to indemnify the Claimant under this Article 10 for breaches of representations or warranties by the Seller Indemnifying Party or Buyer Indemnifying Parties, as the case may be, pursuant to Section 10.1(a) (with respect to Buyer Indemnified Parties) or Section 10.2(a) (with respect to the Seller Indemnified Parties) if the aggregate amount of all Losses relating to claims for breaches of representations or warranties of the Seller Indemnifying Party or Buyer Indemnifying Parties, as the case may be, pursuant to Section 10.1(a) (with respect to Buyer Indemnified Parties) or Section 10.2(a) (with respect to the Seller Indemnified Parties) exceeds Twenty-Five Thousand Dollars (\$25,000) (the “*Basket*”), after which the Claimant shall be entitled to recover, and the Seller Indemnifying Party or Buyer Indemnifying Parties, as the case may be, shall be obligated for, all Losses in excess of Twenty-Five Thousand Dollars (\$25,000); provided that the foregoing limitation shall not apply to Losses relating to a breach by the Seller Indemnifying Party of its representations or warranties in Section 4.1 (Organization and Standing; Capitalization), Section 4.2 (Authorization and Binding Obligation), Section 4.3 (Absence of Conflicting Agreements; Consents), Section 4.5 (Station Licenses), Section 4.8 (Broker’s Fees), and the first two sentences of Section 4.10 (Property).

(b) Except in the case of fraud or intentional misrepresentation, (i) the maximum aggregate liability of the Seller Indemnifying Party pursuant to Section 10.1(a) for any claim or claims for Losses for breaches of representations or warranties shall not exceed One Million Dollars (\$1,000,000) (the “*Cap*”), and (ii) the maximum aggregate liability of Buyer Indemnifying Parties pursuant to Section 10.2(a) for any claim or claims for Losses for breaches of representations or warranties shall not exceed the Cap; *provided, however*, that the Cap for any claim or claims for Losses relating to a breach by the Seller Indemnifying Party of its representations or warranties in Section 4.1 (Organization and Standing; Capitalization), Section 4.2 (Authorization and Binding Obligation), Section 4.3 (Absence of Conflicting Agreements; Consents); Section 4.5 (Station Licenses), Section 4.8 (Broker’s Fees), and the first two sentences of Section 4.10 (Property), shall be an amount equal to the Purchase Price.

**10.5 *Survival.*** All representations and warranties contained in this Agreement shall survive for a period of twelve (12) months after the Closing Date and thereafter such representations and warranties shall expire, except that (i) any representation or warranty with respect to which an indemnification notice has been delivered for a breach thereof prior to the expiration of such twelve (12) month period shall survive as to such claim until such claim is resolved; (ii) the representations and warranties set forth in Section 4.1 (Organization and Standing; Capitalization), Section 4.2 (Authorization and Binding Obligation), Section 4.3 (Absence of Conflicting Agreements; Consents); Section 4.5 (Station Licenses), Section 4.8 (Broker’s Fees) and the first two sentences of Section 4.10 (Property), shall survive for the applicable statute of limitations applicable to the matters subject to such respective representations and warranties, respectively, plus ten (10) business days. Each covenant and agreement contained in this Agreement shall survive the Closing and be enforceable in accordance with its terms until such covenant or agreement has been fully performed.

**10.6 *Exclusive Remedies following the Closing.*** Buyer and Seller acknowledge and agree that the foregoing indemnification provisions in this Article 10 shall, except as provided in

Section 10.8 (Specific Performance) and except in the case of (i) fraud or intentional misrepresentation, or (ii) the breach of any covenant or condition of this Agreement to be performed after Closing, be the exclusive remedy of Buyer and Seller with respect to Losses after such Closing relating to the transactions contemplated by this Agreement; *provided, however*, that notwithstanding the foregoing any Party may pursue injunctive relief following the Closing to enforce covenants in the Agreement that survive such Closing and are supportable under applicable Law.

**10.7 General.** Notwithstanding anything contained in this Agreement to the contrary, no Party will be entitled to lost profits, punitive damages or other special or consequential damages regardless of the theory of recovery.

**10.8 Specific Performance.** Seller agrees and acknowledges that in the event of Seller's failure to perform its obligation to consummate the transaction contemplated hereby, Buyer shall be entitled to specific performance of the terms of this Agreement and of Seller's obligation to consummate the transaction contemplated hereby; provided, however that such action for specific performance shall not be deemed to limit or preclude Buyer's right to any other remedy that may be available at law or in equity, including refund of the Escrow Amount. 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 hereby expressly acknowledges and agrees that the Assets include unique property that cannot be readily obtained on the open market.

**10.9 Liquidated Damages.** Notwithstanding anything herein to the contrary, Seller hereby agrees that in the event that Buyer defaults under this Agreement and the termination of this Agreement by Seller pursuant to Sections 11.1(a)(i) or 11.1(c), Seller agrees to accept the Escrow Amount as its sole and exclusive remedy for any resulting damages, and Seller hereby expressly waives the right to bring an action against Buyer for any other damages arising under this Agreement.

## **ARTICLE 11 TERMINATION RIGHTS**

### **11.1 Termination.**

(a) This Agreement may be terminated by either Buyer or Seller upon written notice to the other Party, if:

(i) the other Party is in material breach of this Agreement and such breach has been neither cured or agreed to be cured in a manner reasonably acceptable to the non-breaching Party within the cure period allowed under subsection (e) below nor waived by the Party giving such termination notice, provided that the Party seeking to terminate is not in material breach of this Agreement;

(ii) a court of competent jurisdiction or Governmental Authority shall have issued an Order or taken any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such Order, or other action shall have become final and nonappealable;

(iii) the Closing shall have not occurred by the date which is one year after the date of this Agreement; or

(b) This Agreement may be terminated by mutual written consent of Buyer and Seller.

(c) Seller may terminate this Agreement by written notice to Buyer in the event that Buyer fails to close on the transactions contemplated by this Agreement when all Buyer's Closing Conditions have been satisfied in full (or would be satisfied with delivery at Closing) or waived by Buyer.

(d) Buyer may terminate this Agreement by written notice to Seller in the event that Seller fails to close on the transactions contemplated by this Agreement when all Seller Closing Conditions have been satisfied in full (or would be satisfied with delivery at Closing) or waived by Seller.

(e) If either Party believes the other to be in breach or default of this Agreement, the non-defaulting Party shall, prior to exercising its right to terminate under Section 11.1(a)(i), provide the defaulting Party with notice specifying in reasonable detail the nature of such breach or default. The defaulting Party shall have fifteen (15) days from receipt of such notice to cure such default or if such default is not capable of being cured in fifteen days of such notice, the defaulting Party shall have agreed to cure such default in a manner reasonably acceptable to the non-breaching Party.

**11.2 *Effects of Termination.*** If this Agreement is terminated under this Article 11, this Agreement shall become null and void and of no further force and effect, except for the following provisions: 2.1(c) (Pre-Closing Treatment of the Escrow Amount), 7.4 (Confidentiality), 7.7 (Press Releases), 11.1 (Termination), 11.2 (Effects of Termination), and the provisions in Article 13 (Other Provisions) and Article 14 (Definitions) that by their terms would survive termination. Nothing in this Section 11.2 shall be deemed to release any Party from liability for fraud or a willful breach by such Party of any term or provision of this Agreement.

## **ARTICLE 12 OTHER AGREEMENTS**

**12.1 *Access to Books and Records and Records Retention.*** From and after the Closing Date, Seller and Buyer shall, with respect to the Station, (i) each provide the other (at the requesting Party's sole cost and expense for out-of-pocket expenses paid to other Persons) with such assistance as may reasonably be requested by any of them in connection with the preparation of any Tax Return, audit or other examination by any Taxing authority, or Proceeding related to Liability for Taxes; and (ii) each retain for a period of ten (10) years and provide the other with any records or other information that may be necessary for such Tax Return, audit or examination, Proceeding, or determination. Without limiting the generality of the foregoing, Buyer and Seller each shall retain, until the applicable statutes of limitations (including any extensions thereof) have expired, copies of all Tax Returns, supporting work

schedules and other records or information that may be relevant to such returns for all Tax periods or portions thereof ending before or including the Closing Date and shall not destroy or otherwise dispose of any such records without first providing the other Party with a reasonable opportunity to review and copy the same.

## ARTICLE 13 OTHER PROVISIONS

**13.1 *Transfer Taxes and Expenses.*** Except as provided otherwise in this Agreement, all Transfer Taxes imposed on this transaction shall be paid by Buyer. Except as otherwise provided in in this Section and except as otherwise provided elsewhere in this Agreement, each Party shall be solely responsible for and shall pay all other costs and expenses (including attorney and accounting fees) incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement.

**13.2 *Benefit and Assignment.*** This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns. None of the Parties may assign their rights or delegate their obligations under this Agreement without the prior written consent of the other Parties, except that Buyer may assign the Agreement in whole or in part to one or more of their Affiliates, provided that they shall not be released thereby. Except as expressly provided in this Agreement, this Agreement is not intended to, nor shall it, create any rights in any person other than the Parties, the Buyer Indemnified Parties and the Seller Indemnified Parties. Additional Documents. The Parties agree to execute, acknowledge and deliver, before, at or after the Closing Date, such further instruments and documents as may be reasonably required to implement, consummate and effectuate the terms of this Agreement.

**13.3 *Entire Agreement; Schedules; Amendment; Waiver.*** This Agreement and the exhibits and schedules hereto and thereto and the Related Documents embody the entire agreement and understanding of the Parties hereto relating to the matters provided for herein and supersede any and all prior agreements, arrangements and understandings relating to the matters provided for herein. No amendment, 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, amendment or consent is sought. No failure or delay on the part of Buyer or Seller in exercising any right or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power.

**13.4 *Headings.*** The headings set forth in this Agreement are for convenience only and shall not control or affect the meaning or construction of the provisions of this Agreement.

**13.5 *Computation of Time.*** If after making computations of time provided for in this Agreement, a time for action or notice falls on Saturday, Sunday or a federal holiday, then such time shall be extended to the next business day.

**13.6 Governing Law.** The construction and performance of this Agreement shall be governed by the laws of the State of Minnesota without regard to any choice or conflicts of law provision or rule (whether of the State of Minnesota or any other jurisdiction).

**13.7 Venue.** Each of the Parties hereby irrevocably submits to the exclusive jurisdiction of the Courts of the State of Minnesota sitting in Hennepin or Ramsey Counties or in the absence of jurisdiction, of any federal court sitting in Hennepin or Ramsey Counties in the State of Minnesota with respect to any action or proceeding arising out of or relating to this Agreement; agrees that all claims with respect to any such action or proceeding may be heard and determined in such respective courts; and waives any objection, including, any objection to the laying of venue or based on the grounds of *forum non conveniens*, which it may now or hereafter have to the bringing of such action or proceeding in such respective jurisdictions. Each of the Parties irrevocably consents to the service of any and all process in any such action or proceeding brought in the such Courts of the State of Minnesota or in the absence of jurisdiction, such federal courts, by the delivery of copies of such process to the Party at its address specified for notices to be given hereunder, or by certified mail directed to such address. ***Each Party represents to the other Parties that this waiver is given voluntarily and with full knowledge and understanding of its legal effect after consultation with legal counsel.***

**13.8 Attorneys' Fees.** In the event of any dispute between the Parties to this Agreement, Seller or Buyer, as the case may be, shall reimburse the prevailing Party for its reasonable attorneys' fees and other costs incurred in enforcing its rights or exercising its remedies under this Agreement. Such right of reimbursement shall be in addition to any other right or remedy that the prevailing Party may have under this Agreement.

**13.9 Severability.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

**13.10 Notices.** Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be addressed to the following addresses or to such other address as any Party may request:

If to Seller: Paul A. Freitag  
910 Elliot Avenue South  
Minneapolis, MN 55404  
Telephone: 612-343-4400

with a copy to: Thomas F. Hutchinson  
Eastlund, Solstad, Cade, Hutchinson & Ysebaert, Ltd.  
4200 County Road 42 West  
Savage, MN 55378  
Telephone: 952-894-6400

If to any Buyer:                      Praise Broadcasting  
402 Pike Street E.  
Osakis, MN 56360  
Attention: David McIver  
Telephone: 320-859-3000

with a copy to:                      Howse & Thompson, P.A.  
3189 Fernbrook Lane  
Plymouth, MN 55447  
Attention: Craig Howse  
Telephone: 763-577-0150

Any such notice, demand or request shall be deemed to have been duly delivered and received (i) on the date of personal delivery, (ii) on the date of receipt if mailed by registered or certified mail, postage prepaid and return receipt requested, or (iii) on the date of delivery if sent by an overnight delivery service.

**13.11 No Recourse.** This Agreement may only be enforced against, and any claim or cause of action based upon, arising out of, or related to this Agreement or the transactions contemplated hereby may only be brought against, the entities that are expressly named as parties hereto and then only with respect to the specific obligations set forth herein with respect to such party.

**13.12 Casualty.** The risk of loss to any of the Assets on or prior to the Closing Date shall be upon Seller. If, prior to Closing, any material portion of the Assets subject to such Closing shall be damaged or destroyed by fire or other casualty (collectively, "*Casualty*"), the Buyer may terminate this Agreement with no further obligation to Seller, and the Escrow Amount shall be returned to Buyer or, at Buyer's option, Buyer may proceed with the Closing, provided that the Seller shall (at the Closing) assign to Buyer all of Seller's rights in and to any insurance proceeds which may become available as a result of the Casualty at issue, including without limitation any proceeds of business interruption insurance, and Seller shall remain obligated to pay any deductible relating to the claim, but Seller shall otherwise have no obligation to make any further payments hereunder.

**13.13 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.

**13.14 Facsimile or PDF Signatures.** The Parties agree that transmission to the other Party of this Agreement with its facsimile or electronic "pdf" signature shall bind the Party transmitting this Agreement thereby in the same manner as if such Party's original signature had been delivered. Without limiting the foregoing, each Party who transmits this Agreement with its facsimile or "pdf" signature covenants to deliver the original thereof to the other Party as soon as possible thereafter.

**13.16 Effect of Praise TBA.** Notwithstanding anything contained herein to the contrary, neither Party shall be deemed to have breached any of its representations, warranties, covenants, or agreements contained herein or to have failed to satisfy any condition precedent to the obligation of the other Party to perform under this Agreement (nor shall either Party have any liability or responsibility to the other in respect of any such representations, warranties, covenants, agreements, or conditions precedent), in each case to the extent the inaccuracy of any such representations, the breach of any such warranty, covenant, or agreement, or the inability to satisfy any such condition precedent arises out of or otherwise directly relates to (i) any action taken by or under the authorization of the other Party (or any of its respective officers, directors, employees, agents, or representatives) in connection with the other Party's performance of its rights or obligations under the Praise TBA, or (ii) the failure of the other Party to perform any of its obligations under the Praise TBA, unless such obligations are otherwise required under this Agreement.

## **ARTICLE 14 DEFINITIONS**

**14.1 Defined Terms.** Unless otherwise stated in this Agreement, the following terms when used herein shall have the meanings assigned to them below (such meanings to be equally applicable to both the singular and plural forms of the terms defined).

**"Affiliate"** shall mean, with respect to any specified Person, another Person that directly or indirectly controls, is controlled by, or is under common control with such specified Person.

**"Agreement"** shall have the meaning set forth in the preamble to this Agreement.

**"Assets"** shall have the meaning set forth in Section 1.1.

**"Tower Lease"** shall have the meaning set forth in Section 1.1(c).

**"Assumed Tower Lease Liabilities"** shall have the meaning set forth in Section 1.3.

**"Basket"** shall have the meaning set forth in Section 10.

**"Buyer"** shall have the meaning set forth in the preamble to this Agreement.

**"Claimant"** shall have the meaning set forth in Section 10.3(a).

**"Closing"** and **"Closing Date"** shall have the meaning set forth in Section 3.1.

**"Code"** shall mean the Internal Revenue Code of 1986, as amended, and the regulations thereunder, or any subsequent legislative enactment thereof, as in effect from time to time.

**"Communications Act"** shall have the meaning set forth in Section 5.4.

**"Contracts"** shall mean all contracts, agreements, leases, non-governmental licenses, employment agreements, commitments, understandings, options, rights and interests, written or oral, including any amendments, extensions, supplements and other modifications thereto.

***“Excluded Assets”*** shall have the meaning set forth in Section 1.2.

***“Excluded Liabilities”*** shall have the meaning set forth in Section 1.4.

***“FCC”*** shall have the meaning set forth in the recitals to this Agreement.

***“FCC Application”*** shall mean the application or applications that Seller and Buyer must file with the FCC requesting its consent to the assignment of the FCC Licenses from Seller to Buyer.

***“FCC Consent”*** shall mean the action or actions by the FCC granting or approving the FCC Applications.

***“FCC Licenses”*** shall have the meaning set forth in Section 1.1(a).

***“Final Order”*** shall mean a final, non-appealable Order of the FCC or its staff that is no longer subject to administrative or judicial action, review, rehearing or appeal.

***“Governmental Authority”*** shall mean any: (a) nation, state, county, city, town, village, district, or other recognized jurisdiction of any nature; (b) federal, state, local, municipal, foreign, or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal); (d) multi-national organization or body; or (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature.

***“Indemnified Claim”*** shall have the meaning set forth in Section 10.3(a).

***“Indemnitor”*** shall have the meaning set forth in Section 10.3(a).

***“Knowledge”*** shall mean (i) in the case of Seller, the actual knowledge of Paul A. Freitag and (ii) in the case of Buyer, the actual knowledge of David McIver.

***“Law”*** shall mean any national, federal, state, local or other law, statute, rule, regulation, ordinance, code, policy, Order, decree, judgment, consent, settlement agreement or other governmental requirement enacted, promulgated, entered into, agreed to or imposed by any Governmental Authority.

***“Liabilities”*** shall mean any liability or obligation of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise and whether or not the same is required to be accrued on the financial statements of any Person or is disclosed on any Schedule to this Agreement.

***“Liens”*** shall mean mortgages, deeds of trust, liens, security interests, pledges, collateral assignments, condition sales agreements, encumbrances, claims or other defects of title, but shall not include liens for current taxes not yet due and payable.

**“Loss”** or **“Losses”** shall have the meaning set forth in Section 10.1.

**“Material Adverse Effect”** shall mean any event, transaction, condition, change or effect that (individually or in the aggregate with all other such events, transactions, conditions, changes or effects) has had or would reasonably be expected to have a material adverse effect on the Assets or the business of the Station; *provided, however*, that for purposes of determining whether any Material Adverse Effect shall have occurred, there shall be excluded and disregarded any event, transaction, condition, change or effect resulting from or relating to (i) general business or economic conditions, or conditions generally affecting the radio broadcasting industry which do not disproportionately impact the business of the Station, (ii) the compliance with the terms of, or the taking of any action expressly required by, this Agreement, and (iii) acts of terrorism or military action or the threat thereof.

**“NCU”** shall have the meaning set forth in Section 4.1 of this Agreement.

**“Order”** shall mean any award, decision, injunction, decree, judgment, order, ruling, subpoena, or verdict entered, issued, made, or rendered by any court, administrative agency, or other Governmental Authority or by any arbitrator.

**“Ordinary Course of Business”** shall mean an action taken by a Person will be deemed to have been taken in the “Ordinary Course of Business” only if such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of such Person.

**“Organizational Documents”** means the articles of incorporation, articles of organization, certificate of organization, or similar organizational documents, including any certificate of designation for any capital stock, as amended to date, and the bylaws, operating agreement, and other similar organizational documents, as amended to date, of an entity.

**“Party”** or **“Parties”** shall refer to one or more parties to the Agreement.

**“Permit”** shall mean any permit, franchise, certificate, consent, clearance, waiver, notification, authorization, approval, registration or license granted by or obtained from any Governmental Authority in accordance with applicable Law, other than the FCC Licenses.

**“Permitted Liens”** shall mean encumbrances for taxes, assessments, levies, fees or governmental charges on the Personal Property if the same shall not at the time be delinquent or are contested by appropriate proceedings.

**“Person”** shall mean an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

**“Personal Property”** shall have the meaning set forth in Section 1.1(b).

**“Praise TBA”** shall mean the Time Brokerage Agreement, as referred to in Section 4.12.

***“Proceeding”*** shall mean any action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority or arbitrator.

***“Purchase Price”*** shall have the meaning set forth in 2.1(a).

***“Related Documents”*** shall mean the FCC License Assignment, Bill of Sale, the Assignment/Assumption Agreement, the Transition Lease, and any other written agreement executed by Seller, Buyer or any of their respective Affiliates, as applicable, in connection with the any Closing hereunder.

***“Schedule of Exceptions”*** shall have the meaning set forth in Article 4.

***“Seller”*** shall have the meaning set forth in the preamble to this Agreement.

***“Station”*** shall have the meaning set forth in the recitals to this Agreement.

***“Station Intellectual Property”*** shall have the meaning set forth in Section 1.1(d).

***“Tax”*** shall mean all federal, state, local and foreign taxes including, without limitation, income, gains, transfer, unemployment, withholding, payroll, social security, real property, personal property, excise, sales, use and franchise taxes, levies, assessments, imposts, duties, licenses and registration fees and charges of any nature whatsoever, including interest, penalties and additions with respect thereto and any interest in respect of such additions or penalties.

***“Tax Return”*** shall mean any return, filing, report, declaration, questionnaire or other document required to be filed for any period with any taxing authority (whether domestic or foreign) in connection with any Taxes (whether or not payment is required to be made with respect to such document).

***“Transfer Taxes”*** shall mean all United States federal, state, local or foreign sales, use, transfer, real property transfer, mortgage recording, stamp duty, value-added or similar taxes, costs, or fees that may be imposed in connection with the transfer of the Assets, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties, including without limitation sales tax payable in connection with the transaction contemplated under the laws of the state of Minnesota.

[signature pages follow]

**IN WITNESS WHEREOF**, the Parties hereto have caused this Asset Purchase Agreement to be duly executed as of the date first written above.

**“Seller”**

**SELBY GOSPEL BROADCASTING  
CORPORATION**

By: Paul A. Freitag  
Name: Paul A. Freitag  
Its: President

**“Buyer”**

**Praise Broadcasting**

By: David McIver  
Name: David McIver  
Its: President