

**ASSET PURCHASE AGREEMENT**  
**(WUDT-CD)**

This **ASSET PURCHASE AGREEMENT** (the “Agreement”) is entered into as of this 20<sup>th</sup> day of November, 2012 (the “Effective Date”) by and between Word of God Fellowship, Inc., a Georgia not-for-profit corporation (“Seller”), and LocusPoint Networks, LLC, a Delaware limited liability company (“Buyer”) (each a “Party” and, collectively, the “Parties”).

**RECITALS**

**WHEREAS**, Seller is the licensee of WUDT-CD, a Class A television station licensed to Detroit, Michigan, and currently operating via digital facilities on UHF Channel 23, FCC Facility ID No. 70421 (the “Station”);

**WHEREAS**, Seller holds licenses and authorizations from the Federal Communications Commission (“FCC”) for the operation of the Station, and Seller owns or leases all other assets used in connection with the operation of the Station; and

**WHEREAS**, on the terms and conditions described herein, Seller desires to sell, and Buyer desires to purchase, substantially all of the assets owned or leased by Seller and used in connection with the operation of the Station, except for the Excluded Assets;

**NOW, THEREFORE**, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree to the following terms and conditions:

**ARTICLE 1: SALE AND PURCHASE**

1.1 **Station Assets**. Subject to the terms and conditions herein contained, Seller shall grant, convey, sell, assign, transfer and deliver to Buyer on the Closing Date all assets, properties, interest and rights of Seller used or useful in connection with the conduct of the business and the operation of the Station, but excluding the Excluded Assets (collectively, the “Station Assets”). The Station Assets shall include, without limitation but excluding the Excluded Assets, the following:

(a) **Licenses and Authorizations**. All licenses, authorizations, permits and approvals issued or pending with respect to the Station by (i) the FCC (the “FCC Authorizations”); (ii) the Federal Aviation Administration (“FAA”); and (iii) any other federal, state or local governmental authorities in connection with the conduct of the business and operation of the Station, as set forth on Schedule 1.1(a) attached hereto.

(b) **Tangible Personal Property**. All currently existing machinery and equipment, studio and production equipment, towers, transmitters, antennas, furniture, fixtures, computers, software, inventory, and other tangible personal property (including associated

manufacturer and vendor warranties) used or useful in connection with the conduct of the business and operation of the Station, including, without limitation, the personal property listed and described on Schedule 1.1(b) attached hereto, and any additions and improvements thereto prior to the Closing Date (collectively, the “Tangible Personal Property”).

(c) **Real Property.** All right, title and interest of Seller in any real property and leasehold interests in real property (including any and all interests that Seller may hold in site license agreements, ground leases for the use of a transmitter, and antenna site and/or studio lease agreements for the studio location) used or useful in connection with the conduct of the business and operation of the Station, each of which is listed and described on Schedule 1.1(c) attached hereto, along with all of Seller’s rights (including leasehold rights) to the buildings, improvements and fixtures, rights of way, easements, privileges and appurtenances thereto and any additions or improvements thereto prior to the Closing Date (collectively, the “Real Property”). Each such lease, license or sublease in the Real Property shall be referred to herein individually as a “Real Property Lease” and collectively as the “Real Property Leases.”

(d) **Contracts.** All contracts and agreements used or useful in connection with the conduct of the business and operation of the Station, including contracts and agreements to allow the use of broadcast spectrum to provide ancillary services, that are listed and described on Schedule 1.1(d) (collectively, the “Assumed Contracts”).

(e) **Intangible Property.** All slogans, trademarks, service marks, trade names, copyrights, logos, domain names, the unrestricted right to use on a non-exclusive basis the content located and publicly accessible from such domain names and the “visitor” email databases for those sites, and other designated intangible property used or useful in connection with the conduct of the business and operation of the Station (collectively, the “Intangible Property”), including, without limitation, the Intangible Property listed and described on Schedule 1.1(e) attached hereto.

(f) **Files and Records.** The Station’s public inspection file, filings with the FCC relating to the Station, and such other technical information, engineering data, books and records that relate to the Station and Station Assets being conveyed hereunder; all sales and promotional literature, manuals and data, sales and purchase correspondence; and all advertiser lists, lists of present and former suppliers, and lists of present and former customers that related to the Station and Station Assets.

(g) **Claims.** Any and all claims and rights against third parties if and to the extent that they relate to the Station or Station Assets, including, without limitation, all rights under manufacturer and vendor warranties.

(h) **Prepaid Items.** All deposits, reserves, prepaid expenses, and prepaid taxes relating to the Station and Station Assets pro-rated as of Closing.

(i) **Call Letters.** All of Seller’s rights and interests to the use of the call letters of the Station as call letters or as part of a trade name.

1.2 **Excluded Assets.** The following shall be excluded from the Station Assets and retained by Seller (collectively, the “Excluded Assets”):

(a) **Cash.** All cash, cash equivalents or similar investments such as certificates of deposit, treasury bills and other marketable securities on hand and/or in banks and deposits of Seller.

(b) **Accounts Receivable.** All accounts receivable of Seller arising from the operation of Station prior to Closing which are outstanding and uncollected as of such Closing (collectively, the “Accounts Receivable”).

(c) **Insurance.** Any insurance policies, intercompany accounts, promissory notes, amounts due from employees, bonds, letters of credit, or other similar items; any cash surrender value in regard thereto of Seller; and any proceeds from insurance claims made by Seller relating to property or equipment included in Station Assets that have been repaired, replaced or restored by Seller prior to Closing Date.

(d) **Benefit Plans.** Any pension, profit-sharing or cash or deferred (Section 401(k)) plans and trusts and assets thereof, or any other employee benefit plan or arrangement, and the assets thereof.

(e) **Tax Refunds.** Any interest in and to any refunds of federal, state or local franchise, income or other taxes of Seller for taxes incurred and actually paid by Seller prior to Closing.

(f) **Personal Property.** All program inventories, vehicles and intangible personal property other than that listed on Schedule 1.1(e), including that property described on Schedule 1.2(f) attached hereto, and all tangible and intangible personal property of Seller disposed of or consumed in the ordinary course of business prior to Closing.

(g) **Books and Records.** All donor lists and records, the financial records, account books and general ledgers, and all corporate records (including organizational documents) of Seller, including tax returns and transfer books.

(h) **Employees.** The employees of the Station and of Seller.

(i) **Contracts.** Any contracts or agreements not listed on Schedule 1.1(d).

1.3 **Liabilities.** The Station Assets shall be transferred by Seller to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements, equipment leases, and other liens, liabilities and encumbrances of every kind and nature (“Liens”), other than for taxes not yet due and payable, Liens that will be discharged prior to Closing, and Buyer’s obligations to perform on and after the Closing Date the obligations arising under the Real Property Leases, Assumed Contracts and other Station Assets of the Station (“Permitted Liens”). Buyer shall assume and undertake to pay, discharge and perform all obligations and liabilities relating to the Real Property Leases, Assumed Contracts and other

Station Assets arising or occurring after Closing. Buyer shall not assume (i) any obligations or liabilities under the Real Property Leases, Assumed Contracts or other Station Assets relating to the period prior to Closing; (ii) any obligations or liabilities of Seller which are unrelated to the Station Assets; (iii) any obligations or liabilities relating to employees of Seller; (iv) any obligations or liabilities relating to the Excluded Assets; (v) any federal, state or local franchise, income or other taxes of Seller; or (vi) any other obligations or liabilities of Seller, including obligations or liabilities arising from Seller's failure to obtain any required license, permit, or other authorization to conduct the operation of the Station.

**1.4 Purchase Price; Escrow; Payment.**

(a) **Purchase Price.** The purchase price to be paid for the Station Assets will be Four Million Five Hundred Thousand Dollars (\$4,500,000) (the "Purchase Price"), subject to the adjustments described below. Seller and the Buyer agree to use the Purchase Price as the basis for the filing of all returns and reports concerning the transaction contemplated herein, including all federal, state, and local tax returns.

(b) **Escrow Deposit.** Concurrently with the execution and delivery of this Agreement, Buyer will deposit 10% of the Purchase Price (*i.e.*, Four Hundred Fifty Thousand Dollars (\$450,000)) (the "Escrow Amount") into escrow. The Escrow Amount shall be held in an interest-bearing account and disbursed by BNY Mellon, as escrow agent (the "Escrow Agent"), pursuant to the terms of a Deposit Escrow Agreement in the form attached hereto as Exhibit A (the "Escrow Agreement").

(c) **Payment at Closing.** At Closing, (i) the Parties shall cause the Escrow Amount to be paid to Seller and all interest on the Escrow Amount to be paid to Buyer pursuant to the terms of the Escrow Agreement and (ii) Buyer shall pay to Seller Four Million Fifty Thousand Dollars (\$4,050,000) of the Purchase Price. All payments to Seller or to Buyer shall be made by wire transfer of immediately available funds to an account designated by the Party receiving payment, or at such Party's option, by certified check of immediately available funds.

(d) **Adjustment.** All operating income and expenses (including taxes and assessments, rental payments under leases assumed by Buyer, taxes, utility bills and other ongoing revenue or costs of usual operation of Station) shall be prorated as of 12:01 a.m. on the Closing Date and an adjustment to the Purchase Price shall be made as set forth in this subsection to reflect the principle that all such income and expenses attributable to the operation of the Station before the Closing Date shall be for the account of Seller, and all income and expenses attributable to the operation of the Station on or after the Closing Date shall be for the account of Buyer. For purposes of making the adjustments pursuant to this Section, Buyer shall prepare and deliver a list to Seller within forty-five (45) days following the Closing Date, or such earlier or later date as shall be mutually agreed to by Seller and Buyer ("Adjustment List"). The Adjustment List shall set forth each prorated income or expense item and include the net adjustment ("Adjustment") to be made to the Purchase Price as a result thereof. If the Adjustment is a credit to Buyer, then Seller shall promptly pay the Adjustment amount to Buyer. If the Adjustment is a charge to the account of Buyer, then Buyer shall promptly pay the Adjustment amount to Seller. In the event that Seller disagrees with the Adjustment amount

determined by Buyer or with any other matter arising out of this subsection, and Buyer and Seller cannot resolve the dispute themselves within sixty (60) days, Buyer and Seller will refer the matters under dispute to an independent certified public accounting firm mutually agreeable to Buyer and Seller, whose decision shall be final and whose fees and expenses with respect to each such matter shall be paid by the Party that does not prevail on the matter.

## **ARTICLE 2: FCC CONSENT; CLOSING**

2.1 **FCC Consent; Assignment Application.** Seller and Buyer shall execute, file, and vigorously prosecute the appropriate application to the FCC (the “Assignment Application”) requesting the FCC’s consent ( “FCC Consent”) to the assignment from Seller to Buyer of the FCC Authorizations pertaining to the Station. The Assignment Application shall be filed not later than ten (10) business days after the date of the execution of this Agreement

(a) Buyer shall reimburse Seller for one-half of the FCC filing fee paid in connection with the Assignment Application. Buyer and Seller shall be responsible for all of its other costs with respect to the preparation, filing and prosecution of the Assignment Application; *provided, however*, that neither Buyer nor Seller shall be required to pay consideration to any third party to obtain FCC Consent.

(b) Buyer and Seller shall cooperate in good faith to diligently prosecute the Assignment Application and otherwise use their reasonable best efforts to obtain the FCC Consent as soon as possible; *provided, however*, that neither Party shall be required to appear at any trial-type hearing or to participate in a judicial appeal. Buyer and Seller shall oppose any petitions to deny or other objection filed with respect to an Assignment Application to the extent such petition or objection relates to such Party. Neither Buyer nor Seller shall take any intentional action that would, or intentionally fail to take such action the failure of which to take would, reasonably be expected to have the effect of preventing or materially delaying the receipt of FCC Consent.

(c) Buyer and Seller shall (i) keep each other informed in all material respects and on a reasonably timely basis of any material communication received by such Party from, or given by such Party to, the FCC with respect to this Agreement, the Station, the Assignment Application, or the transaction contemplated hereby; (ii) notify each other of all documents filed with or received from the FCC with respect to this Agreement, the Station, the Assignment Application, or the transaction contemplated hereby, and provide each other with copies of all such documents; (iii) furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of the Assignment Application; and (iv) cooperate in all respects with each other in connection with this Agreement, the Station, the Assignment Application, or the transaction contemplated hereby and in connection with any investigation or other inquiry by or before the FCC related to the foregoing. Buyer and Seller shall have the right to review in advance, and to the extent practicable each will consult with the other on, all information relating to the other Party that appears in any filing made with, or written materials submitted to, the FCC with respect to this Agreement, the Station, the Assignment Application, or the transaction contemplated hereby.

2.2 **Closing.** The consummation of the transaction contemplated in this Agreement (referred to herein as the “Closing”) shall occur on a date (such date referred to herein as the “Closing Date”) that is no more than ten (10) business days following the date (a) on which the FCC Consent shall have become a Final Order unless such requirement shall have been waived by Buyer in its sole discretion and (b) the other conditions to Closing set forth in Article 7 and Article 8 hereof shall have either been waived or satisfied. Seller and Buyer agree to cooperate to the extent necessary to obtain the FCC’s extension of the effectiveness of the FCC Consent as may be required. For purposes of this Agreement, the term “Final Order” means action by the FCC consenting to an Assignment Application, *provided* that such consent shall not have been reversed, stayed, enjoined, set aside, annulled, or suspended, and with respect to which consent no timely request for stay, petition for rehearing, petition for reconsideration, application for review, or notice of appeal is pending, and as to which the times for filing any such request, petition, application, notice, or appeal, or for reconsideration or review by the FCC on its own motion, shall have expired. The Closing shall be held at the offices of Buyer’s counsel or by exchange of documents via email, or as Seller and Buyer may agree.

### **ARTICLE 3: REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller makes representations and warranties set forth below to Buyer. For the purposes of this Agreement, all reference to the “Knowledge” of Seller, shall mean the actual knowledge of the president and chief financial officer of Seller and the general manager and chief engineer of the Station (or persons holding similar positions) after due inquiry.

3.1 **Organization and Authorization.** Seller is a corporation duly organized, validly existing, and in good standing under the laws of its state or organization and is qualified to do business in the state in which the Station is located. Seller has the power and authority to execute and deliver this Agreement and to consummate the transaction contemplated hereby. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby on Seller's part have been duly and validly authorized by Seller, and no other proceedings on the part of Seller are necessary to authorize the execution and delivery of, or the performance of Seller's obligations under, this Agreement, or to consummate the transaction contemplated hereby. This Agreement has been duly and validly executed and delivered by Seller. This Agreement constitutes the legal, valid, and binding obligation of Seller enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

3.2 **No Defaults.** The execution, delivery, and performance of this Agreement by Seller will not (a) constitute a violation of, or conflict with, Seller's articles of incorporation or bylaws, or other organizational documents; (b) result in a default (or give rise to any right of termination, cancellation, or acceleration) under, or conflict with, any of the terms, conditions, or provisions of any note, bond, mortgage, indenture, agreement, lease, or other instrument or obligation relating to the business of the Station and to which Seller or any of the Station Assets may be subject; (c) violate any statute, regulation, order, injunction, or decree of any federal, state, or local governmental authority or agency which is applicable to Seller or any of the Station Assets; (d) result in the creation or imposition of any Lien, charge, or encumbrance of

any nature whatsoever upon any of the Station Assets, other than Permitted Liens or the Liens arising in favor of Buyer from this Agreement; or (e) require the consent or approval of any governmental authority, lending institution, or other third party other than the FCC Consent, except as otherwise noted in Schedule 3.2 hereto. Seller has not entered into any agreement with any third party related to the Station's FCC Authorizations, including agreements for the sale, transfer, or assignment of the FCC Authorization or any interest therein.

3.3 **Tangible Personal Property.** Schedule 1.1(b) hereto contains a list of all Tangible Personal Property owned by Seller that is used or useful in the conduct of the business and operations of the Station in the manner and to the full extent the Station is presently operated. Seller owns and has, and will have on the Closing Date, good and marketable title to the Tangible Personal Property. Each material item of Tangible Personal Property (a) is in good condition and repair, ordinary wear and tear excepted; (b) has been maintained in a manner substantially consistent with generally accepted standards of good engineering practice; and (c) is operating in full compliance, in all material respects, with the FCC Authorizations and rules and regulations of the FCC and FAA.

3.4 **Real Property.** Seller holds no fee simple ownership interests in real property used in the operation of the Station, except to the extent set forth in Schedule 1.1(c). Seller holds valid leasehold (or license) interests for the studios and offices, transmitter site and any STL relay sites used or useful in the conduct of the business and operations of the Station. All such Real Property Leases are listed on Schedule 1.1(c) hereto. The Real Property Leases set forth on Schedule 1.1(c) are all of the interests in Real Property used in connection with the operation of the Station in the manner in which it is being operated. To the Knowledge of Seller, there is no pending condemnation or similar proceeding affecting the Real Property which is subject to the Real Property Leases. Subject to obtaining applicable lessor consents, Seller has the full legal power and authority to assign its rights under the Real Property Leases to Buyer. To Seller's Knowledge, Seller's present use of the premises leased in the Real Property Leases ("Leased Premises") is in compliance with all applicable zoning codes or other laws. To Seller's Knowledge, the Leased Premises have vehicular access and are served by all utilities which are required for adequate operation of the Station. All permanent certificates of occupancy and other consents and approvals required to be obtained by Seller for use of the Leased Premises from any governmental authority, association or board with jurisdiction over the Leased Premises has been issued and is in full force and effect.

3.5 **FCC Authorizations and Other Licenses.** Schedule 1.1(a) hereto contains a true and complete list of the FCC Authorizations and all other licenses, permits, or other authorizations from governmental or regulatory authorities that are required for the lawful conduct of the business and operations of the Station in the manner and to the full extent that the Station is presently operated. The FCC Authorizations and other licenses are valid, in full force and effect, unimpaired by any act or omission of Seller, and not subject to any liens, liabilities, pledges, encumbrances, or claims of any kind. Seller lawfully holds, and is the sole holder of, each of the FCC Authorizations and the other licenses, permits, and authorizations listed on Schedule 1.1(a), none of which is subject to any restrictions or conditions that would limit in any material respect the operations of the Station, other than (a) as may be set forth on the faces of

such FCC Authorizations and other licenses or (b) as may be applicable to substantial segments of the television broadcasting industry. Seller is operating the Station in compliance with the FCC Authorizations, the Communications Act of 1934, as amended, and all regulations and published policies of the FCC (the “Communications Laws”). To Seller’s Knowledge, the Station is not transmitting or receiving any objectionable interference to or from any other station. There is not now pending, or, to Seller’s Knowledge, threatened, any action by or before the FCC to revoke, cancel, rescind, modify, or refuse to renew any of the FCC Authorizations, and Seller has not received any notice of, and has no Knowledge of, any pending, issued, or outstanding order by or before the FCC, or of any investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against either the Station or Seller, except as set forth in Schedule 1.1(a). All material reports and filings required to be filed with the FCC by Seller with respect to the operation of the Station have been timely filed, and all such reports and filings are substantially accurate and complete in all material respects. Seller maintains a public inspection file for the Station and, as of the date of filing of the Assignment Application, such file substantially complies with the Communications Laws in all material respects.

3.6 **Broadcast Tower.** Except as otherwise noted in Schedule 3.6 hereto, Seller has no Knowledge that the Station’s tower is not (a) obstruction marked; (b) lighted; and (c) properly registered with the FCC to the extent required by, and in accordance with, the Communications Laws and the rules and regulations of the FAA. The operations of the Station do not exceed permissible levels of exposure to non-ionizing electromagnetic radiofrequency radiation specified in the Communications Laws. To Seller’s Knowledge, all of the towers, guy anchors, guy wires, cables, driveways, parking lots, ground systems, transmitting equipment, buildings and other improvements relating to the Station’s operations are located entirely on and wholly within the lot limits and metes and bounds of the property on which the Station’s tower is situated and do not encroach on any adjoining premises.

3.7 **Title Documents.** The instruments to be executed by Seller and delivered to Buyer at Closing, conveying the Station Assets to Buyer, will transfer good and marketable title to the Station Assets, free and clear of all Liens other than Permitted Liens.

3.8 **Employees.** Seller is not a party or subject to any collective bargaining agreements with respect to the Station. Seller, in the operation of the Station, has complied in all material respects with all applicable laws, rules and regulations relating to the employment of labor, including those related to wages, hours, collective bargaining, occupational safety, discrimination, and the payment of social security and other payroll-related taxes, and it has not received any notice alleging that it has failed to comply in any material respect with any such laws, rules or regulations. No labor union or other collective bargaining representative represents or, to the Knowledge of Seller, claims to represent any of the employees of the Station. To the Knowledge of Seller, there is no effort being made to organize the employees or any group of employees of the Station for purposes of collective bargaining. Seller acknowledges and agrees that Buyer shall have no obligation to offer employment to any employee of Seller or the Station or any post-closing liability with respect to any such employee or for any such employee’s benefits of any kind or nature, except to the extent that Buyer shall



offer employment to any such employee and then only from and after the time at which such offer shall have been extended to, and accepted by, such employee and subject to the terms and conditions thereof.

3.9 **Brokers.** Other than Patrick Communications, which represents Seller and whose broker fees with respect to the Station will be paid by Seller, there is no broker or finder or other person who, as a result of any agreement, understanding, or action on the part of Seller, would have any valid claim for a commission or a brokerage fee in connection with the sale of the Station pursuant to this Agreement.

3.10 **Litigation; Compliance with Law.** Except as set forth in Schedule 3.10, (a) Seller is not subject to any order, writ, injunction, judgment, arbitration, decision, or decree having a binding effect and affecting the business of the Station or the Station Assets or which restrains or enjoins, or purports to restrain or enjoin, or could reasonably be expected to restrain or enjoin, the transaction contemplated hereby, and to Seller's Knowledge no such proceeding is pending; (b) there is no material litigation pending by or against, or, to Seller's Knowledge, threatened against, Seller which relates to the Station or which could materially and adversely affect any of the Station Assets; (c) Seller, with respect to the Station, has complied in all material respects with all applicable laws, regulations, orders, or decrees, including the Communications Laws; (d) the present uses by Seller of the Station Assets do not violate any laws, regulations, orders, or decrees, including the Communications Laws, in any material respect; and (e) Seller has no Knowledge of any basis for any claim for compensation or damage or other relief from any violation of the foregoing.

3.11 **Approvals and Consents.** Except as described in Schedule 3.11 hereto, the execution, delivery and performance by Seller of this Agreement and the consummation of the transaction contemplated herein will not require any consent, permit, license or approval of any person, entity or government or regulatory authority other than the FCC Consent. Schedule 3.11 also specifies which Assumed Contracts and/or Real Property Leases require (a) notice to, or consent from, a third-party counterparty to Seller for the consummation of the transaction contemplated herein, or (b) other actions to be taken by Buyer or Seller to assign the Assumed Contracts or Real Property Leases from Seller to Buyer or to prevent the consummation of the transaction contemplated herein from resulting in a breach of such Assumed Contracts ("Required Consents").

3.12 **Insurance.** All of the material Station Assets of the Station that are insurable are insured against loss, injury, or damage to the full extent of their replacement value.

3.13 **Environmental Matters.** (a) Seller has not, in connection with its business or assets, generated, used, transported, treated, stored, released or disposed of, or to its Knowledge, has suffered or knowingly permitted anyone else to generate, use transport, treat, store, release or dispose of any Hazardous Substance (as defined below) in violation of any applicable environmental law; (b) there has not been any generation, use, transportation, treatment, storage, release or disposal of any Hazardous Substance in connection with the conduct of Seller's business which has created or might reasonably be expected to create any material liability under any applicable environmental law or which would require reporting to or notification of any

governmental entity; (c) to the Knowledge of Seller, no asbestos or polychlorinated biphenyl or underground storage tank is contained in or located at any facility used in connection with its business; and (d) any Hazardous Substance handled or dealt with in any way in connection with Seller's business has been and is being handled or dealt with in all material respects in compliance with all applicable environmental laws. To Seller's Knowledge, Seller and the Station are in compliance in all material respects with all environmental, health and safety laws applicable to the Leased Real Property and Station Assets. There is no action, suit or proceeding pending or, to Seller's Knowledge, threatened against Seller or the Station that asserts that Seller or the Station have violated any environmental, health or safety laws applicable to the Real Property or Station Assets. "Hazardous Substance" means substances that are defined or listed in, or otherwise classified pursuant to, any applicable laws as "hazardous substances," "hazardous materials," "hazardous wastes" or "toxic substances," or any other formulation of any applicable environmental law intended to define, list or classify substances by reason of deleterious properties such as ignitibility, corrosiveness, reactivity, radioactivity, carcinogenicity, reproductive toxicity and petroleum and drilling fluids, produced waters and other wastes associated with the exploration, development, or production of crude oil, natural gas or geothermal energy.

3.14 **Taxes.** Seller has duly, timely, and in the required manner filed all federal, state, and local income, franchise, sales, use, property, excise, payroll, and other tax returns and forms required to be filed, and has paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies, and losses required to be paid. To Seller's Knowledge, no event has occurred which could impose upon Buyer any liability for any taxes, penalties, or interest due or to become due from Seller or in relation to any Station Assets from any taxing authority that accrued and were due for payment prior to the Closing Date.

3.15 **Accuracy of Representations and Statements.** No representation or warranty made by Seller in this Agreement, and no statement made in any certificate, document, exhibit, or schedule furnished or to be furnished by Seller in connection with the transaction herein contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to Buyer in the circumstance under which such representation, warranty, or statement was made.

3.16 **Performance of Real Property Leases and Assumed Contracts.** To Seller's Knowledge, Seller has fully and timely performed all of its obligations pursuant to each of the Real Property Leases and the Assumed Contracts and is not in default or breach of any such agreements. Seller has not received notice from any party to any Real Property Lease or Assumed Contract that such party contends that Seller is in default or breach under any Real Property Lease or Assumed Contract. Each of the Real Property Leases and Assumed Contracts is in full force and effect and, to the Knowledge of Seller, there has not been, and is not, any default or breach under any Real Property Lease or Assumed Contract by the other party to any Real Property Lease or Assumed Contract. Except as set forth in Schedules 1.1(c) attached hereto, there have been no modifications, extensions, or amendments of any of the Real Property Leases or Assumed Contracts, whether oral or written, except as may be contemplated by this

Agreement. Seller has not been notified by any other party to any Real Property Lease or Assumed Contract that such party has a present intent to terminate or not to renew any Real Property Lease or Assumed Contract. None of the Real Property Leases and Assumed Contracts included in the Station Assets has as the other party an entity controlled by any of Seller's owners.

3.17 **Sufficiency of Assets.** The Station Assets are sufficient for the conduct of the business and the operation of the Station as presently operated by Seller.

3.18 **Intellectual Property.** Seller owns or possesses, has valid licenses for, or is an authorized user of all Intangible Property set forth in Schedule 1.1(e), Computer Software, Information Technology, and any other intellectual property reasonably necessary to carry on the Station's business as it is currently being operated by Seller. Seller has not received any notice of infringement of or conflict, nor has any Knowledge of any basis for any such claim, with asserted rights of others with respect to any such intellectual property. To Seller's Knowledge, no third party infringes the Intangible Property of Seller. As used herein, "Computer Software" means all computer software and databases (including source code, object code and all related documentation), and "Information Technology" means rights for use of the computers, Computer Software, firmware, middleware, servers, workstations, routers, hubs, switches, intra-office data communications lines, and all other information technology equipment and elements, and associated documentation, in each case, which are reasonably necessary for the operation of the Station, if any.

3.19 **Absence of Insolvency.** No insolvency proceedings of any character including without limitation, bankruptcy, receivership, reorganization, composition or arrangements with creditors, voluntary or involuntary, affecting Seller or any of the Station Assets, are pending or, to the best Knowledge of Seller, threatened, and Seller has made no assignment for the benefit of creditors, nor taken any action with a view to, or which would constitute the basis for the institution of, any such insolvency proceedings.

#### **ARTICLE 4: REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer makes the following representations and warranties to Seller, but solely with respect to the transaction contemplated by this Agreement:

4.1 **Organization and Standing.** Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Delaware, and, at Closing, will be qualified to do business in the state in which the Station is located.

4.2 **Authorization.** Buyer has the power and authority to execute and deliver this Agreement, and to consummate the transaction contemplated hereby. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly and validly authorized by Buyer, and no other proceedings on the part of Buyer are necessary to authorize the execution and delivery of, or the performance of Buyer's obligations under this Agreement, or to consummate the transaction contemplated hereby. This Agreement has been duly and validly executed and delivered by Buyer. This Agreement constitutes the legal, valid,

and binding agreement of Buyer enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

4.3 **No Defaults.** The execution, delivery, and performance of this Agreement by Buyer will not (a) conflict with or result in any breach of any provision of the articles of organization, operating agreement, or other similar organizational documents of Buyer; (b) result in a default (or give rise to any right of termination, cancellation, or acceleration) under, or conflict with, any of the terms, conditions, or provisions of any note, bond, mortgage, indenture, agreement, lease, or other instrument or obligation relating to Buyer or its business, except for such defaults (or rights of termination, cancellation, or acceleration) or conflicts as to which requisite waivers or consents have been obtained and delivered to Seller; (c) violate any statute, regulation, order, injunction, or decree of any federal, state, or local governmental authority or agency which is applicable to Buyer; or (d) require the consent or approval of any governmental authority, lending institution, or other third party other than the FCC Consent.

4.4 **Buyer's Qualification.** Upon satisfaction of the conditions precedent to Closing set forth in Article 7 and Article 8 below, Buyer will be legally, financially, and technically qualified to acquire, and to become the FCC licensee of the Station and to perform its obligations under this Agreement.

4.5 **Litigation.** Buyer is not subject to any order, writ, injunction, judgment, arbitration, decision, or decree having a binding effect and affecting the business of Buyer or which restrains or enjoins, or purports to restrain or enjoin, or could reasonably be expected to restrain or enjoin, the transaction contemplated hereby, and no such proceeding is pending. There is no material litigation pending by or against, or, to the knowledge of Buyer, threatened against Buyer, that would prevent or materially impede the consummation by Buyer of the transaction contemplated by this Agreement.

4.6 **Brokers.** Other than Patrick Communications, who represents Seller and whose broker fees will be paid by Seller, there is no broker or finder or other person who, as a result of any agreement, understanding, or action on the part of Seller, would have any valid claim for a commission or a brokerage fee in connection with the transaction contemplated by this Agreement.

4.7 **Accuracy of Representations and Statements.** No representation or warranty made by Buyer in this Agreement, and no statement made in any certificate, document, exhibit, or schedule furnished or to be furnished by Buyer in connection with the transaction herein contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to Seller in the circumstance under which such representation, warranty, or statement was made.

## **ARTICLE 5: COVENANTS OF SELLER**

The following terms of this Article 5 shall apply to Seller from the Effective Date until the completion of Closing (except as otherwise specified).

5.1 **Station Documents.** The records, files and other documents kept in connection with the Station shall be maintained by Seller in the usual and ordinary manner consistent with standard broadcast industry practice. Seller shall maintain the Station's physical and online public inspection files in accordance with the Communications Laws, including requirements related to (a) which documents shall be included in such physical and electronic public inspection files, (b) by when such documents must be added to such files, and (c) with respect to the Station's physical public inspection file, where it must be located and when and in what manner the Seller must provide access to the public to such file.

5.2 **Maintenance of Equipment.** Seller shall maintain the Tangible Personal Property included in the Station Assets in accordance with standards of good engineering practice and will replace any of such property which shall be worn out, lost, stolen, or destroyed with like property of substantially equivalent kind and value.

5.3 **FCC Compliance.** Seller shall continue to operate and maintain the Station in accordance in all material respects with the terms of the FCC Authorizations and in material compliance with all applicable laws, including Communications Laws. Seller shall maintain the FCC Authorizations in full force and effect and shall take all actions necessary to so maintain them, including but not limited to the timely filing and prosecution of any renewal applications or other submissions to the FCC.. Seller promptly will deliver to Buyer (a) after filing, copies of any material reports, applications, or responses to the FCC in connection with the Station filed after the Effective Date and (b) copies of any material communications from the FCC, or directed to the FCC by a third party, in connection with the Station that are received by Seller or of which Seller becomes aware after the Effective Date. Except as expressly permitted or required herein, Seller will not file any application with the FCC requesting authority to modify the Station's facilities without Buyer's prior written consent, and Seller shall take all actions necessary to keep the FCC Authorizations, including all material permits and applications pending before the FCC, valid and in full force and effect.

5.4 **Operation of Station in Ordinary Course.** In all respects, except as disclosed in advance in writing to, and approved by, Buyer or as expressly permitted or required herein, Seller shall operate the Station in the ordinary course of business and in accordance with past practice, and shall pay and perform all of its respective obligations with respect to the Station (including those required under the Assumed Contracts and Real Property Leases) in the ordinary course and as such obligations become due. Seller shall not alter its accounting practices in any manner that would impact upon the calculation of broadcast cash flow or EBITDA for the Station.

5.5 **Insurance.** Seller shall maintain in full force and effect through the Closing Date adequate property damage, liability, and other insurance with respect to the Station Assets.

5.6 **Solicitation; Disposition of Assets.** For as long as this Agreement shall be in effect, neither Seller, nor any of their respective principals, directors, officers, agents, or representatives, shall hold any communications, discussions or negotiations with, and shall not, directly or indirectly, solicit, initiate, encourage, induce, or entertain any inquiries or proposals from, discuss or negotiate with, provide any nonpublic information to, or consider the merits of, any inquiries or proposals from any person (other than Buyer) relating to any business combination transaction, purchase or acquisition involving the Station. Seller shall not, without the prior written consent of Buyer, sell, lease, or transfer, or agree to sell, lease, or transfer, any of the Station Assets without replacement thereof with an asset of equivalent kind, condition, and value that satisfies industry standards for such assets, nor create any new Lien on the Station Assets other than Permitted Liens and Liens arising pursuant to, and in accordance with, the terms of this Agreement.

5.7 **Compliance with Law.** Seller shall comply in all material respects with all federal, state, and local laws, rules and regulations, including the Communications Laws, in connection with the operation of its Station.

5.8 **Access to Facilities, Files and Records.** At the request of Buyer, Seller shall from time to time give to, or cause to be given to, Buyer full access during normal business hours to its Station Assets, and all accounts, books, insurance policies, licenses, agreements, contracts and equipment with respect to the Station; *provided, however*, that all such access shall be scheduled in a manner reasonably acceptable to that Seller.

5.9 **Representations and Warranties.** Seller shall give detailed written notice to Buyer promptly upon learning of the occurrence of any event that would cause or constitute a breach, or that would have caused a breach had such event occurred or been known to Seller prior to the Effective Date, of any of the representations or warranties contained in this Agreement. Seller shall use commercially reasonable efforts to promptly cure any such breach. Updates provided by Seller to comply with the covenant in this Section 5.9 will not have any impact on Buyer's conditions to Closing set forth in Article 8 or serve to limit Buyer's right to indemnification hereunder.

5.10 **Consummation of Agreement.** Seller shall use all commercially reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement, and to cause the transaction contemplated by this Agreement to be fully carried out.

5.11 **Class A Status.** Seller shall, and shall take all actions necessary to, maintain the Class A status of the primary FCC Authorization of the Station.

## **ARTICLE 6: COVENANTS OF BUYER**

Buyer covenants and agrees to Seller solely in connection with the transaction contemplated herein that from the Effective Date until the completion of Closing:

6.1 **Representations and Warranties.** Buyer shall give detailed written notice to Seller promptly upon learning of the occurrence of any event that would cause or constitute a breach or would have caused a breach had such event occurred or been known to Buyer prior to the date hereof, of any of the representations and warranties of Buyer contained in this Agreement. Buyer shall use commercially reasonable efforts to cure any such breach. Updates provided by Buyer to comply with the covenant in this Section 6.1 will not have any impact on Seller's conditions to Closing pursuant to Article 7 or serve to limit the right of Seller to indemnification hereunder.

6.2 **Consummation of Agreement.** Buyer shall use all commercially reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement, and to cause the transaction contemplated by this Agreement to be fully carried out.

## **ARTICLE 7: CONDITIONS TO THE OBLIGATIONS OF SELLER**

With respect to the transaction contemplated under this Agreement, the obligations of Seller to consummate hereunder are subject to the fulfillment of the following conditions prior to or on the Closing Date, unless waived in writing by Seller.

### **7.1 Representations, Warranties and Covenants.**

(a) Each of the representations and warranties of Buyer contained in this Agreement was true and correct as of the date when made and is deemed to be made again on and as of the Closing Date and is then true and correct.

(b) Buyer shall have performed and complied with each and every covenant and agreement required by this Agreement in connection with Station to be performed or complied with by it prior to or on the Closing Date.

7.2 **Proceedings.** Neither Seller nor Buyer is subject to any restraining order or injunction (or similar action) and no action is pending which would restrain or prohibit the consummation of the transaction contemplated hereby.

7.3 **FCC Authorizations.** The FCC Consent with respect to the Assignment Application has been issued by the FCC.

7.4 **Deliveries.** Buyer has complied with each and every one of its obligations set forth in Section 9.2.

## **ARTICLE 8: CONDITIONS TO THE OBLIGATIONS OF BUYER**

With respect to the transaction contemplated under this Agreement, the obligations of Buyer to consummate hereunder are subject to the fulfillment of the following conditions prior to or on the Closing Date, unless waiver by Seller in writing.

**8.1 Representations, Warranties and Covenants.**

(a) Each of the representations and warranties of Seller contained in this Agreement was true and correct as of the date when made and is deemed to be made again on and as of the Closing Date and is then true and correct.

(b) Seller shall have performed and complied with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

**8.2 Proceedings.** Neither Seller nor Buyer is subject to any restraining order or injunction (or similar action) and no action is pending which would restrain or prohibit the consummation of the transaction contemplated hereby.

**8.3 Class A Standing of the Station.** The FCC shall have not have issued any letter of inquiry, “show cause” order or other notice of any kind concerning the Seller’s or the Station’s compliance with FCC rules and policies applicable to Class A TV licensees.

**8.4 FCC Authorizations.** The FCC Consent has been issued by the FCC and shall have become a Final Order.

**8.5 Absence of Any Material Adverse Change.** There shall have been no material adverse change in the Station Assets, or in the business, operations or condition of the Station.

**8.6 Deliveries.** Seller has complied with each and every one of the obligations set forth in Section 9.1.

**8.7 Required Consents.** Seller shall have obtained and delivered to Buyer all of the Required Consents, if any, described in Schedule 3.11.

**8.8 Liens.** No Liens (other than Permitted Liens) shall exist or have been filed or recorded against the Station Assets in the public records of the Secretary of State of Seller’s state of incorporation or in any other jurisdiction in which the Station Assets are located. Duly executed UCC releases, mortgage terminations or other similar documents or instruments required to transfer the Station Assets free and clear of Liens (other than Permitted Liens) shall have been delivered by Seller.

**ARTICLE 9: ITEMS TO BE DELIVERED AT CLOSING**

**9.1 Deliveries by Seller.** At Closing, Seller shall deliver to Buyer, duly executed by Seller or such other signatory as may be required by the nature of the document, the following:

(a) 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 0 have been satisfied;



(b) a bill of sale sufficient to sell, convey, transfer and assign the personal property and all other assets included in the Station Assets for the Station (other than the FCC Authorizations, Assumed Real Property Leases and Contracts) to Buyer free and clear of any Liens, in a form reasonably acceptable to Buyer (the “Bill of Sale”);

(c) an Assignment and Assumption Agreement sufficient to sell, convey, transfer and assign the Assumed Contracts to Buyer free and clear of any Liens (other than Permitted Liens), in a form reasonably acceptable to Buyer and which document will include a reference noting the indemnification obligations of the Parties under this Agreement (the “Assignment and Assumption Agreement”);

(d) an Assignment and Assumption Agreement sufficient to assign the FCC Authorizations applicable to the Station (including the Station’s call letters) to Buyer, in a form reasonably acceptable to Buyer (the “FCC Authorizations Assignment and Assumption Agreement”);

(e) assignments of any Real Property Leases in a form reasonably acceptable to Buyer, which document(s) will include a reference noting the indemnification obligations of the Parties under this Agreement (each a “Lease Assignment and Assumption Agreement”);

(f) the Required Consents described in Schedule 3.11;

(g) estoppel certificates executed by the lessor with respect to any Real Property Leases in a form reasonably satisfactory to Buyer, confirming the terms of such lease and that Seller is not in default under, or in breach of, such lease and such other customary matters reasonably requested by Buyer;

(h) executed releases, in suitable form for filing and otherwise in form and substance reasonably satisfactory to Buyer, of any security interests granted in the Station Assets as security for payment of loans and other obligations and of any other Liens (other than Permitted Liens); and

(i) certified copies of appropriate resolutions, duly adopted, which shall be in full force and effect at the time of Closing, authorizing the execution, delivery and performance by Seller of this Agreement, and the consummation of the transaction contemplated hereby related to the Station.

9.2 **Deliveries by Buyer.** At Closing, Buyer shall deliver to Seller, duly executed by Buyer or such other signatory as may be required by the nature of the document:

(a) a certificate for Buyer, dated as of the Closing Date, executed by an officer or other authorized representative of Buyer, certifying on behalf of Buyer that the closing conditions specified in Section 7.1 have been satisfied;

(b) the payment of the Purchase Price;

(c) the Bill of Sale;

- (d) the Assignment and Assumption Agreement;
- (e) the FCC Authorizations Assignment and Assumption Agreement;
- (f) the Lease Assignment and Assumption Agreements; and
- (g) certified copies of resolutions, duly adopted, which shall be in full force and effect at the time of Closing, authorizing the execution, delivery and performance by Buyer of this Agreement, and the consummation of the transaction contemplated hereby.

## **ARTICLE 10: SURVIVAL AND INDEMNITY**

The rights and obligations of Buyer and Seller under this Agreement shall be subject to the following terms and conditions:

10.1 **Survival of Representations and Warranties.** Except as stated below, the representations and warranties of Buyer and Seller contained in this Agreement shall survive Closing for two (2) years from the Closing Date. Except as stated below, neither Seller nor Buyer shall have any liability whatsoever with respect to any representation or warranty unless a claim is made hereunder or an action at law or in equity is commenced prior to expiration of the 2-year survival period for such representation or warranty. Buyer's obligations under Section 10.2(c) with respect to any Real Property Lease for which Seller remains liable to the Landlord after Buyer's assumption thereof, shall continue for two (2) years from the end of its term and Seller may commence an action at law or in equity any time within said two (2) year period.

### **10.2 General Agreement to Indemnify.**

(a) Seller on the one hand, and Buyer on the other hand, shall indemnify, defend and hold harmless each other and any employee, representative, agent, director, officer, affiliate or permitted assign of each other (each, an "Indemnified Party") from and against any and all claims, claims, actions, suits, proceedings, liabilities, obligations, losses and damages, amounts paid in settlement, diminution of value, interest, costs and expenses (including reasonable attorneys' fees, court costs and other out-of-pocket expenses incurred in investigating, preparing or defending the foregoing) (collectively, "Losses") asserted against, incurred or suffered by any Indemnified Party as a result of, arising out of or relating to: (i) the failure of any representation or warranty of the Indemnifying Party made in the Agreement to have been true and correct when made or as of the Closing Date for the Station as though such representation or warranty were made at and as of the Closing Date or (ii) the breach by the Indemnifying Party of any covenant or agreement of such Party contained in this Agreement or any collateral agreement to the extent not waived by the other Party hereto. The term "Losses" is expressly limited to such Party's actual out-of-pocket costs and expenses and does not and shall not include consequential or punitive damages unless paid in satisfaction of a Third Party Claim. Purchase Price Adjustments made pursuant to Section 1.4(d) of this Agreement shall not be included in any calculation of Party's total "Losses" for purposes of meeting the Loss threshold provided in Section 10.4.

(b) Seller further agrees to indemnify and hold harmless Buyer and any other Indemnified Party of Buyer from and against any Losses asserted against, incurred or suffered by Buyer or any other Indemnified Party of Buyer arising out of, resulting from, or relating to the operation of the Station and ownership of the Station Assets prior to Closing.

(c) Buyer further agrees to indemnify and hold harmless Seller and any other Indemnified Party of Seller from and against any Losses asserted against, incurred or suffered by Seller or any other Indemnified Party of Seller arising out of, resulting from, or relating to the operations of the Station and the Station Assets after Closing.

### **10.3 General Procedures for Indemnification.**

(a) The Indemnified Party seeking indemnification under this Agreement shall promptly notify in writing the Party or Parties from whom indemnification is sought (the “Indemnifying Party”) of the assertion and basis of any claim, or the commencement and basis of any action, suit or proceeding by any third party in respect of which indemnity may be sought hereunder (a “Third Party Claim”) and will give the Indemnifying Party such information with respect thereto as the Indemnifying Party may reasonably request, but failure to give such notice shall not relieve the Indemnifying Party of any liability hereunder (unless the Indemnifying Party has suffered material prejudice by such failure). The Indemnifying Party shall have the right, but not the obligation, exercisable by written notice to the Indemnified Party within thirty (30) days of receipt of notice from the Indemnified Party of the commencement of a Third Party Claim, to assume the defense and control the settlement of such Third Party Claim that involves (and continues to involve) solely money damages; *provided, however*, that prior to assuming any claim defense, the Indemnifying Party must show the Indemnified Party that they have the financial ability to pay out any potential monetary claim before they are allowed to assume its defense. Failure by the Indemnifying Party to so notify the Indemnified Party shall be deemed a waiver by the Indemnifying Party of its right to assume the defense of such claim.

(b) Whether or not the Indemnifying Party chooses to defend or prosecute any Third Party Claim, the Parties hereto shall cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials and appeals, as may be reasonably requested in connection therewith.

(c) The Indemnifying Party or the Indemnified Party, as the case may be, shall have the right to participate in (but not control), at its own expense, the defense of any Third Party Claim that the other is defending, as provided in this Agreement.

(d) The Indemnifying Party, if it has assumed the defense of any Third Party Claim as provided in this Agreement, shall not consent to, or enter into, any compromise or settlement of, or consent to the entry of any judgment arising from, any such Third Party Claim (which compromise, settlement, or judgment (i) commits the Indemnified Party to take, or to forbear to take, any action or (ii) does not provide for a complete release by such third party of the Indemnified Party) without the Indemnified Party’s prior written consent. If the conditions

set forth herein are met but the Indemnified Party refused to settle any Third Party Claim, the Indemnifying Party may tender the settlement amount and be relieved of further liability.

(e) The Indemnifying Party shall not be entitled to require that any action be brought against any other person before action is brought against it hereunder by the Indemnified Party, but shall be subrogated to any right of action to the extent that it has paid or successfully defended against any Third Party Claim.

10.4 **Limitations.** Neither Party shall be required to indemnify the other Party under this Article 10 unless (a) written notice of a claim under this Article 10 was received by an Indemnifying Party within two (2) years following Closing related to the Indemnified Party or with respect to any Real Property Lease for which Seller remains liable to the Landlord after Buyer's assumption thereof, within two (2) years from the end of the term of such Real Property Lease, as the case may be, and (b) the aggregate claim for Losses exceeds Twenty Five Thousand Dollars (\$25,000), after which the Indemnified Party shall be entitled to recover only such portion of the Losses that exceed such amount. In calculating the amount of Losses to Buyer or Seller under Section 10.2 above, such Losses shall be reduced by any recovery from any third party (including insurance proceeds) as a result of the facts or circumstances giving rise to the Losses. The limitations set forth in this Section shall not apply to Third Party Claims against a Party entitled to indemnification under Sections 10.2(b) or 10.2(c).

10.5 **Exclusive Remedy.** The right to indemnification, defense, hold harmless, payment or reimbursement provided in this Article 10 will be the exclusive remedy of any Party with respect to Losses after Closing with respect to the transaction contemplated by this Agreement.

## **ARTICLE 11: TERMINATION**

11.1 **Termination.** This Agreement may be terminated at any time by Buyer or by Seller prior to Closing, as set forth below:

- (a) by the mutual written consent of Buyer and Seller;
- (b) by written notice of Seller to Buyer if Buyer (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by Buyer on or before the Closing Date in any material respect; (ii) breaches in any material respect any of Buyer's representations or warranties relevant to the Station; or (iii) defaults in any material respect in the performance of any of Buyer's covenants or agreements under this Agreement relevant to the Station; and in any of which events (i)-(iii) such breach or default is not cured by Buyer within the Cure Period (as defined below), if applicable;
- (c) by written notice of Buyer to Seller if Seller (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by Seller on or before the Closing Date in any material respect; (ii) breaches in any material respect any of Seller's representations or warranties; or (iii) defaults in any material respect in the performance of any

of Seller's covenants or agreements under this Agreement; and in any of which events (i)-(iii) such breach or default is not cured by Seller within the Cure Period, if applicable;

(d) by Buyer with respect to the transaction contemplated hereunder (i) if the FCC issues a "show cause" order or other notice informing Seller that it must show cause as to why the Station's primary FCC Authorization should not be downgraded from a Class A television license to a low-power television license; (ii) if the Buyer determines in its reasonable discretion that the Station does not meet the requirements to hold and to retain the Class A status of its primary FCC Authorization, including compliance with such operating requirements associated with Class A stations, such as studio maintenance, obligations imposed by Part 73 of the FCC's rules, equal employment opportunities requirements under the FCC's rules, and other requirements imposed by the Communications Laws; or (ii) as provided in Section 12.6;

(e) by Buyer upon thirty (30) days advanced notice if (i) Class A television stations become ineligible to participate in the broadcast incentive auction required to be undertaken by the FCC pursuant to the Middle Class Tax Relief and Job Creation Act of 2012, or (ii) the FCC or the United States Congress takes action that substantially reduces or adversely affects the eligibility of Class A television stations to participate in such auctions;

(f) by written notice of Buyer to Seller, or Seller to Buyer, if the FCC Consent related to the Assignment Application has not been issued within twelve (12) months of the filing date for the Assignment Application; and

(g) by written notice of Seller to Buyer, or Buyer to Seller (i) if Closing has not been consummated by February 28, 2014; (ii) if, for any reason, the FCC denies or dismisses the Assignment Application and the time for reconsideration or court review under the Communications Laws with respect to such denial or dismissal has expired and there is not then pending with respect thereto a timely filed petition for reconsideration or request for review; or (iii) if, for any reason, the Assignment Application is designated for an evidentiary hearing, provided, however, that the right to terminate this Agreement under this subsection shall not be available to any Party whose breach of this Agreement has been the cause of, or resulted in, the failure of Closing to occur on or before such date.

**11.2 Cure Period.** The term "Cure Period" as used herein means a period commencing with the date that Buyer or Seller receives from the other Party written notice of breach or default hereunder and continuing until thirty (30) days thereafter; *provided, however*, that if the breach or default cannot reasonably be cured within such period but can be cured before the Closing Date, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date. Except as set forth below, the termination of this Agreement with respect to the transaction contemplated hereunder shall not relieve the Buyer or Seller of any liability for breach or default under this Agreement prior to the date of such termination.

**11.3 Liability; Right to Terminate.** A termination of this Agreement shall not relieve any Party hereto of any liability for which it otherwise would be subject. Notwithstanding anything in this Agreement to the contrary, no Party that is in material breach of this Agreement

shall be entitled to terminate this Agreement except with the written consent of the other Party. If this Agreement is terminated by Buyer pursuant to Section 11.1(c) or Section 11.1(d), or if the FCC does not approve the Assignment Application for any reason not related to the qualifications of Buyer to be an FCC licensee, then Seller shall promptly refund to Buyer any payments made by Buyer to Seller pursuant to this Agreement.

**11.4 Payment of Escrow Amount.**

(a) **Buyer's Default.** Upon a termination of the Agreement by Seller pursuant to Section 11.1(b) above due to a breach by Buyer of any of its material obligations under this Agreement, Seller's sole remedy shall be delivery of the Escrow Amount, including all interest earned thereon, from the Escrow Agent, as liquidated damages. Seller and Buyer acknowledge that these liquidated damages are reasonable in light of the anticipated harm that would be caused by Buyer's breach of any of its material obligations under this Agreement and the difficulty of ascertaining damages and proof of loss and that these damages are not a penalty.

(b) **Other Termination.** Upon a termination of the Agreement by either party pursuant to any provision of the Agreement other than Section 11.1(b), Buyer shall be entitled to the return of the Escrow Amount, including all interest earned thereon. In lieu of terminating the transaction contemplated hereunder related upon a default by Seller pursuant to Section 11.1(c), Buyer may seek specific performance as provided in Section 12.8 below.

**ARTICLE 12: MISCELLANEOUS**

12.1 **Governing Law.** The construction and interpretation of this Agreement shall at all times and in all respects be governed by the laws of the State of Delaware (exclusive of those relating to conflicts of laws). Any action at law, suit in equity or judicial proceeding arising directly, indirectly, or otherwise in connection with, out of, related to or from this Agreement, or any provision hereof, shall be litigated only in the federal or state courts of the State of Delaware. The Parties hereby consent to the personal and subject matter jurisdiction of such courts and waive any right to transfer or change the venue of any litigation between them.

12.2 **Expenses; Taxes.** Each Party hereto shall bear all of its expenses incurred in connection with the transaction contemplated by this Agreement, including without limitation, accounting, engineering and legal fees incurred in connection herewith; *provided, however*, that Seller and Buyer shall share equally (a) all filing fees, including but not limited to FCC filing fees required to be paid in connection with the Assignment Application as set forth in Section 2.1(a) and (b) all state or local sales, use, stamp or transfer taxes and other similar taxes payable in connection with consummation of the transaction.

12.3 **Entire Agreement; Amendment; No Waiver.** This Agreement, including the schedules and exhibits hereto, contain the entire agreement and understanding by and between the Parties, and no other representations, promises, agreements, or understanding, written or oral, not contained herein shall be of any force or effect. The Parties agree and acknowledge that the Letter of Intent, executed on September 19, 2012, between LPN and Daystar Television Network, of which Seller is a wholly-owned subsidiary ("LOI"), is superseded and replaced by

this Agreement and shall terminate on the Effective Date without survival of any provisions except the non-disclosure obligations set forth in paragraph 15 of the LOI. This Agreement may only be amended in a writing signed by all of the Parties. No oral agreement shall have any effect. No failure or delay in exercising any right hereunder shall be deemed or construed to be a waiver of such right, either prospectively or in the particular instance. This Agreement has been prepared by all of the Parties hereto, and no inference of ambiguity against the drafter of a document therefore applies against any Party hereto.

12.4 **Confidentiality.** Except for information about the Station and the Station Assets acquired by Buyer at Closing and 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 Assignment Application, Buyer and Seller shall keep confidential all information obtained by it with respect to the other Party in connection with this Agreement. If the transaction contemplated herein is not consummated for any reason, Buyer and Seller shall return to each other or destroy, 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 transaction contemplated hereby.

12.5 **Public Announcements.**

(a) Prior to the Closing Date, no Party shall, without the approval of the other Parties hereto, make any press release or other public announcement concerning the transaction contemplated by this Agreement, except (i) to announce that the transaction has been entered into and (ii) as and to the extent that such Party shall be so obligated by law, in which case such Party shall give advance notice to the other Party and the Parties shall use their best efforts to cause a mutually agreeable release or announcement to be issued.

(b) Notwithstanding the foregoing, the Parties acknowledge that the rules and regulations of the FCC require that local public notice of the transaction contemplated by this Agreement be made by Seller after the Assignment Application has been filed with the FCC and that a copy of this Agreement shall be included as a material part of the Assignment Application, which will be made available for public inspection at the Station and in the FCC's records. The form and substance of the required public notices, to the extent not dictated by the Communications Laws, shall be mutually agreed upon by Seller and Buyer.

12.6 **Risk of Loss.** The risk of loss to any of the Station Assets on or prior to the Closing Date shall be upon Seller. Seller shall use all commercially reasonable efforts to repair or replace any damaged or lost Station Assets; *provided, however*, that in the event that any Station Asset or Station Assets incur damages which are expected to exceed Fifty Thousand Dollars (\$50,000) to repair or any Station Asset or Station Assets having a fair market value of Fifty Thousand Dollars (\$50,000), or more, is lost as of the date otherwise scheduled for Closing, then Buyer may, at its option, upon prior written notice to Seller, either (a) postpone Closing for a period of up to sixty (60) days while Seller shall repair or replace such Station Asset or Station Assets; (b) elect to close the transaction contemplated herein with the Station Asset or Station Assets in their damaged or lost condition, in which case Seller shall assign to Buyer all proceeds

of insurance on such damaged or lost Station Asset or Station Assets, and Buyer shall have the responsibility to repair or replace the damaged or lost Station Asset or Station Assets; or (c) if such damage or loss exceeds Three Hundred Thousand Dollars (\$300,000), may terminate this Agreement with respect to Seller and Station without penalty upon written notice to Seller. Should Station (y) not operate for a period of ten (10) consecutive days or more or (z) not operate with its full, FCC-licensed facilities for a period of thirty (30) consecutive days, Buyer may elect to terminate this Agreement without penalty upon giving written notice thereof to Seller.

12.7 **Successors and Assigns.** Except as otherwise expressly provided herein, this Agreement shall be binding upon and inure to the benefit of the Parties hereto, and their respective representatives, successors and assigns. Seller may not assign this Agreement or any part hereof without the prior written consent of Buyer in Buyer's sole discretion and any attempted assignment without such consent shall be void. Buyer may not assign this Agreement or any part hereof without the prior written consent of Seller, which shall not be withheld unreasonably, *provided, however*, that Buyer may assign its rights or obligations under this Agreement without Seller's consent in whole or in part to a wholly owned subsidiary of Buyer. In the event of any assignment of this Agreement, the assignee shall enter into a written agreement accepting joint and several liability for all obligations under this Agreement.

12.8 **Specific Performance.** Seller acknowledges that the Station is a unique asset not readily obtainable on the open market and that, in the event that Seller fails to perform its obligation to consummate the transaction contemplated hereby, money damages alone will not be adequate to compensate Buyer for its injury. Therefore, 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. If any action is brought by Buyer against Seller to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law, and the prevailing party in litigation shall be entitled to receive from the non-prevailing party all court costs, attorney's fees and other out-of-pocket expenses incurred by the prevailing party in enforcing or defending its rights under this provision.

12.9 **Notices.** All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (which shall include notice by facsimile transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by facsimile communications equipment, delivered by such equipment, addressed as set forth below:

If to either Seller, then to:

Marcus Lamb  
Daystar Television Network  
3901 Highway 121 South  
Bedford, TX 76021



Tel.: (817) 571-1229

Fax: (817) 571-0239

and to (which shall not constitute notice):

Robert L. Olender  
Koerner & Olender, P.C.  
11913 Grey Hollow Court  
North Bethesda, MD 20852  
Tel.: (301) 468-3336  
Fax.: (301) 468-3343

If to Buyer, then to:

Ravi Potharlanka  
LocusPoint Networks, LLC  
Pleasanton Corporate Commons  
6200 Stoneridge Mall Road, Suite 300  
Pleasanton, CA 94588  
Tel.: (415) 307-3528  
Fax: (925) 399-6001

and to (which shall not constitute notice):

Jonathan V. Cohen  
Wilkinson Barker Knauer, LLP  
2300 N Street, NW, Suite 700,  
Washington, DC 20037  
Tel.: (202) 383-3416  
Fax: (202) 783-5851

Any Party may change the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice.

**12.10 Further Assurances.** From time to time prior to, on and after the Closing Date for either Station, each Party hereto will execute all such instruments and take all such actions as any other Party shall reasonably request, without payment of further consideration, in connection with carrying out and effectuating the intent and purpose of the transaction contemplated by this Agreement, including without limitation the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered on a Closing Date, and any and all actions which may reasonably be necessary to complete the transaction contemplated hereby. The Parties shall cooperate fully with each other and with their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement.

12.11 **Partial Invalidity.** Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any provision contained herein, or its application to any particular circumstance shall, for any reason, be held to be invalid or unenforceable by a court of competent jurisdiction, such provision or such application shall be ineffective to the extent of such invalidity or unenforceability in such jurisdiction, without invalidating the remainder of such provision or any other provisions hereof, or its application in any other circumstance, unless such a construction would be unreasonable, and without invalidating such provision or its application in any other jurisdiction.

12.12 **Facsimile; Counterparts.** This Agreement may be executed by facsimile or email transmission and in counterparts, each of which shall constitute an original but together will constitute a single document.


*[remainder of this page intentionally left blank]*

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT  
(WUDT-CD)

**IN WITNESS WHEREOF**, the Parties have duly executed this Agreement as of the date first above written.

**WORD OF GOD FELLOWSHIP, INC.**

By: \_\_\_\_\_



Name: Marcus D. Lamb

Title: President

**LOCUSPOINT NETWORKS, LLC**

By: \_\_\_\_\_

Name: Ravi Potharlanka

Title: President and Chief Financial Officer

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT  
(WUDT-CD)

**IN WITNESS WHEREOF**, the Parties have duly executed this Agreement as of the date first above written.

**WORD OF GOD FELLOWSHIP, INC.**

By: \_\_\_\_\_  
Name: Marcus D. Lamb  
Title: President

**LOCUSPOINT NETWORKS, LLC**

By: \_\_\_\_\_  
Name: Ravi Potharlanka  
Title: President and Chief Financial Officer

**EXHIBITS**

Exhibit A      Escrow Agreement

**SCHEDULES**

1.1(a)      FCC & Other Governmental Authorizations  
1.1(b)      Tangible Personal Property  
1.1(c)      Real Property  
1.1(d)      Assumed Contracts  
1.1(e)      Intangible Property  
1.2(f)      Excluded Personal Property  
3.2          Governmental Consents (other than FCC Consent)  
3.6          Broadcast Tower  
3.10        Exceptions regarding Litigation/Compliance with Law  
3.11        Required Consents