

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made and entered into effective as of the 27th day of March, 2019, by and between the **PAULINO BERNAL EVANGELISM, INC.** (“Seller”) and **CENTRO CRISTIANO DE VIDA ETERNA**, a non-profit corporation organized under the laws of the State of Texas (“Buyer”).

Recitals

WHEREAS, Seller is the licensee of the following radio stations:

KVFM(FM), Facility No. 89853, Beeville, TX
KPMB(FM), Facility No. 88451, Plainview, TX
K201EP, Facility No. 90197, Hereford, TX
K201FA, Facility No. 91988, Freeport, TX
K207CM, Facility No. 89199, Red Bluff, CA
K208DK, Facility No. 91991, El Campo, TX
K209DB, Facility No. 91998, Edna, TX
K209DN, Facility No. 92055, McFarland, TX
K211DR, Facility No. 91997, Victoria, TX
K212FE, Facility No. 93364, Bay City, TX
K213CS, Facility No. 89661, Mineral Wells, TX
K216EI, Facility No. 91994, Louise, TX
K217DA, Facility No. 88908, Ridgecrest, TX
K218CO, Facility No. 89662, San Marcos, TX
K220GR, Facility No. 88906, Los Banos, CA
K220HF, Facility No. 91987, Port Lavaca, TX

(the “Stations”), which are authorized to operate pursuant to authorizations (the “Station Licenses”) issued by the Federal Communications Commission (“FCC”); and

WHEREAS, Buyer wishes to purchase, and Seller wish to sell and assign, all assets and licenses relating to the Station as set forth below, subject to the prior approval of the FCC and the other terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual benefits and covenants set forth below, the parties hereby agree as follows:

Section 1 **Purchase of Assets**

1.1 **Assets to be Assigned to Buyer.** On the Closing Date (as defined in Section 2.1 below), Seller shall sell and assign to Buyer, and Buyer shall purchase and assume from Seller,

all of the assets and licenses used or held for use in the operation of the Stations (the “Stations’ Assets”) including, but not limited to, the following:

(a) All of Seller’s rights and interests in and to the Station Licenses, including any auxiliary licenses associated with the Station Licenses;

(b) All tangible personal property (the “Tangible Personal Property”) owned by the Seller used or held for use in the operations of the Stations listed on Schedule 1.1(c).

(c) All of Seller’s right, title, and interest in and to intangible personal property (the “Intangible Personal Property”), including all copyrights, licenses (in addition to the Station Licenses), patents, trademarks, service marks, logos, trade names, copyrights, intellectual property, computer programs, data and data processing systems, websites and website content and accounts, domain names, twitter names, and accounts, and the Stations’ call signs, used in connection with the operations of the Stations and all goodwill associated therewith, including all registrations and applications for registration of any of the foregoing, and all other similar intangible rights and interests, including all set forth in Schedule 1.1(c); and

(d) Copies of all filings with the FCC and authorizations issued by the FCC relating to the Stations, and all books, files (including, without limitation, public files), records, and logs required by the FCC to be maintained in connection with the operation of the Stations.

1.2 **Excluded Assets**. The Stations’ Assets shall not include the following:

(a) the Seller’s cash, cash equivalents, and accounts receivable;

(b) any claims that Seller may have under any insurance policies or contracts and any other claims that Seller may have against third parties; and

(c) Seller’s internal books and records which do not relate to the ownership or operation of the Stations.

1.3 **Liabilities**. Except for obligations arising subsequent to the Effective Time (as defined in Section 1.5 below) under Contracts and Leases to be assumed (the “Assumed Liabilities”), Buyer expressly does not, and shall not, assume or be deemed to have assumed, under this Agreement or otherwise by reason of the transactions contemplated hereby, any liabilities, obligations, or commitments of Seller of any nature whatsoever.

1.4 **Purchase Price**. The price to be paid by Buyer for the Stations’ Assets shall be **SEVEN HUNDRED THOUSAND DOLLARS** (\$700,000.00.00), to be paid in cash as follows:

(a) The sum of Ten Thousand Dollars (\$10,000.00) (the “Down Payment”) be paid in cash upon execution of this Agreement;

(b) Forty Thousand Dollars (\$40,000.00) (the “Closing Payment”) shall be paid to Seller at Closing; and

(c) At Closing, Buyer shall execute a Promissory Note in the form attached hereto as Attachment A in the amount of Six Hundred and Fifty Thousand Dollars (\$650,000.00) which shall be paid in the amount of Fifty thousand Dollars (\$50,000.00) paid every three months until paid in full.

There is no Security Agreement associated with this Agreement.

1.5 **Adjustments.** Except as may be provided in any Time Brokerage Agreement ("TBA") entered into between the parties, the operation of the Stations and the income and normal operating expenses attributable thereto through 11:59:59 p.m. (Central Time) at the end of the Closing Date (the "Effective Time") shall be for the account of the Seller and thereafter for the account of the Buyer and, if any income or expense is properly allocable or credited, then it shall be allocated, charged, or prorated accordingly. Except as provided in any such TBA, expenses for goods or services received both before and after the Effective Time, power and utilities charges, frequency discounts, insurance premiums for any insurance policies being assigned to the Buyer, prepaid cash, time sales agreements, commissions, wages, vacation or sick days pursuant to Section 14.2 of this Agreement, payroll taxes, rents, and similar prepaid and deferred items (including, without limitation, accruals and deferrals under Contracts and Leases) shall be prorated between the Seller and the Buyer as of the Effective Time. At Closing, the parties shall make all known prorations and estimate any remaining prorations. Except as provided in such TBA, all special assessments and similar charges or liens imposed against any of the Assets in respect of any period of time through the Effective Time, whether payable in installments or otherwise, shall be the responsibility of the Seller and amounts payable with respect to such special assessments, charges or liens in respect of any period of time after the Effective Time shall be the responsibility of the Buyer and such charges shall be adjusted as required hereunder.

1.6 **Allocation.** The Purchase Price shall be allocated to the Stations' Assets in accordance with Schedule 1.6. Seller and Buyer shall use such allocation for tax, accounting, and all other purposes including the filing of their respective tax returns reflecting the allocation in accordance with requirements of Section 1060 of the Internal Revenue Code of 1986, as amended.

Section 2

Date, Time, and Place of Closing

The Closing Date shall be on the tenth (10th) business day grant of the Assignment Application shall have been issued and such grant shall have become a Final Order, and after all of the conditions precedent other than the deliveries to be made on the Closing Date have been satisfied or waived. The Closing shall be accomplished on the Closing Date by exchanging the closing documents required by this Agreement and such other closing documents as the parties may reasonably require in person, by mail or air courier.

Section 3 **Seller's Representations and Warranties**

Seller hereby represents and warrant to Buyer as follows:

3.1 **Organization, Authorization and Binding Obligation.** Seller is nonprofit corporation organized under the laws of the State of Texas and is duly qualified to transact business in Texas. Seller has full power and authority to own and operate the Stations and to carry on the business of the Stations as now being conducted, and as proposed to be conducted by it between the date hereof and the Closing Date. Seller has full power and authority to enter into and perform this Agreement and the transactions contemplated hereby. The execution, delivery, and performance of this Agreement by Seller have been duly and validly authorized by all necessary action on the part of Seller. This Agreement constitutes Seller's valid, legal, and binding obligation, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally, and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.2 **Absence of Conflicting Agreements or Required Consents.** Seller's execution, delivery, and performance of this Agreement (a) does not require the consent of any third party, except for the FCC Consent; (b) to the best of Seller's knowledge, will not violate any applicable law, judgment, order, injunction, decree, rule, regulation, or ruling of any governmental authority; (c) will not, either alone or with the giving of notice or the passage of time or both, conflict with, constitute grounds for termination of, or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any agreement, instrument, or permit to which Seller is subject and that is individually or in the aggregate material to the transactions contemplated hereby; (e) will not result in the creation of any lien, charge, or encumbrance on any of the Stations' Assets; and (d) will not in any way affect or violate the terms or conditions of, or result in the cancellation, modification, revocation, or suspension of any of the Station Licenses.

3.3 **Litigation.** There is no litigation or proceeding (or, to Seller's knowledge, investigation) pending or, to the best of its knowledge, threatened against either Seller in any federal, state, or local court, or before any administrative agency (including, without limitation, any proceeding which seeks the revocation or forfeiture of or opposes or challenges the renewal of any of the Station Licenses), which might have a material adverse effect upon the ability of the parties hereto to consummate the transactions contemplated in this Agreement or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken pursuant to or in connection with this Agreement.

3.4 **Liabilities.** There are no liens or encumbrances against the Stations' Assets. Seller has no knowledge of any circumstances, conditions, events, or arrangements relating specifically to Seller and not to the radio industry as a whole which may hereafter give rise to any liabilities on the part of any successor to the business of Seller in connection with the Stations.

3.5 **Station Licenses.** The Station Licenses are all of the authorizations required for the lawful conduct of the business and operation of the Stations. Seller is the authorized legal holder of all of the Station Licenses. None of the Station Licenses are subject to any restriction or condition which could limit the operation of the Stations with the facilities set forth in the Station Licenses except for restrictions and conditions applicable to the industry as a whole. The Station Licenses are in good standing and are in full force and effect. No proceedings are now pending before any governmental authority with respect to the Stations. Seller does not know of any facts relating to the Stations that could cause the FCC to deny its consent to the assignment of the Station Licenses to Buyer hereunder. Subject to the Communications Act of 1934 (the "Communications Act"), and the rules and regulations promulgated thereunder (the "FCC Rules and Regulations"), the Station Licenses are assignable from Seller to Buyer.

3.6 **Tangible Personal Property.** The Tangible Personal Property is being assigned "as is, where is" without any other warranty as to condition.

3.7 **Compliance With Laws.** Seller has not received any notice asserting any non-compliance in any material respect by it with any applicable statute, rule, or regulation (federal, state or local, or any agency thereof) having jurisdiction over it; Seller is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency, or other governmental authority; and to the best of Seller's knowledge, Seller is in compliance in all material respects with all laws, regulations, and governmental orders applicable to the conduct of the business and operation of the Stations, and its use of the Stations' Assets does not violate in any material respect any of such laws, regulations, or orders or the terms and conditions of the Station Licenses.

3.8 **Intangible Property.** The Seller has all right, title, and interest in and to all Intangible Property necessary or desirable in the conduct of the Stations as presently operated and as presently proposed to be operated. The Seller has not received notice of any claim against it involving any conflict or claim of conflict of any of the items listed on Schedule 1.1(e), and there is no basis for any such claim of conflict. Each item of Intangible Property owned or used by the Seller immediately before the Closing will be owned or available for use by the Buyer on identical terms and conditions immediately after the Closing. The Seller has taken all necessary and desirable action to maintain and protect each item of Intangible Property that it owns or uses. No service provided by the Seller or any programming or other material used, broadcast or disseminated by the Seller or the Stations, infringes on any copyright, patent, or trademark of any other party. The Seller has not received any notice of any claim of infringement of any third-party's copyright, patent, trademark, service mark, logotype, license, or other proprietary right, including the use of any call sign, slogan or logo by an broadcast station or cable systems in the marketing area of the Stations which may become confusing similar to the call sign, slogans and logos currently used by the Stations. The Seller owns or possesses adequate licenses or other rights to use all copyrights, patents, trademarks, service marks, trade names, logotypes, and other intangible rights used to operate the Stations.

3.9 **Bulk Sales.** Neither the sale and transfer of the Assets pursuant to this Agreement, nor Buyer's possession and use thereof from and after the Closing because of such sale and transfer, will be subject to any law pertaining to bulk sales or transfers or to the effectiveness of bulk sales

or transfers as against creditors of the Seller, or the imposition of any liability on Buyer for appraisal rights or other liability owing to the Seller.

3.10 **Tax Matters.** There are no deficiencies or notices of claims or assessments of federal, state, county or local income, excise, import or export taxes, interest or penalties by any federal, state, county, local or other taxing authority against Seller. Seller is not a party to any action for the collection of taxes, nor is Seller aware of any threatened or contemplated action for the collection of taxes from Seller which might impede the parties' ability to consummate the transactions contemplated in this Agreement.

3.11 **Brokers.** There is no broker or finder or other person who would have any valid claim through the Seller against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, the Seller.

3.12 **Disclosure.** No representation or warranty made by Seller in this Agreement, and no statement made by or on behalf of Seller in any certificate, document, exhibit, or schedule delivered or to be delivered in connection with the transactions contemplated by this Agreement, 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.

Section 4 **Buyer's Representations and Warranties**

Buyer represents and warrants to Seller as follows:

4.1 **Organization, Authorization, and Binding Obligation.** Buyer is a not-profit corporation organized under the laws of the State of Texas. Buyer has full power and authority to enter into and perform this Agreement and the transactions contemplated hereby. The execution, delivery, and performance of this Agreement by Buyer have been duly and validly authorized by all necessary action on its part. This Agreement constitutes Buyer's valid, legal, and binding obligation, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally, and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.2 **Absence of Conflicting Agreements or Required Consents.** Buyer's execution, delivery, and performance of this Agreement (a) do not require the consent of any third party, except for the FCC Consent; (b) will not violate any provision of Buyer's governing documents; (c) to the best of Buyer's knowledge, will not violate any applicable law, judgment, order, injunction, decree, rule, regulation, or ruling of any governmental authority; and (d) will not, either alone or with the giving of notice or the passage of time or both, conflict with, constitute grounds for termination of, or result in a breach of the terms, conditions, or provisions of, or

constitute a default under, any agreement, instrument or permit to which Buyer is subject and that is individually or in the aggregate material to the transactions contemplated hereby.

4.3 **Litigation.** There is no litigation, proceeding, or investigation pending or, to the best of its knowledge, threatened against Buyer in any federal, state or local court, or before any administrative agency, which might have a material adverse effect upon the ability of the parties hereto to consummate the transactions contemplated in this Agreement or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken pursuant to or in connection with this Agreement.

4.4 **FCC Qualifications.** Buyer has no knowledge of any facts which would, under present law (including the Communications Act of 1934, as amended) and present rules, regulations, and practices of the FCC, disqualify Buyer as an assignee of the Station Licenses or as an owner and/or operator of the Stations' Assets or which might delay the grant of the Assignment Application, and Buyer will not take, or unreasonably fail to take, any action which Buyer knows or has reason to know would cause such disqualification.

4.5 **Brokers.** There is no broker or finder or other person who would have any valid claim through the Buyer against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, the Buyer.

4.6 **FCC Licenses and Signals.** Seller acknowledges that the Stations currently are silent. Buyer acknowledges that (i) it has performed its own due diligence investigation of the Stations' Assets and its current engineering specifications and the power and coverage limitations expected for the Stations, and (ii) that it has been made aware of the rules and policies of the FCC, and that it is accepting the Stations with full knowledge of that information. Buyer agrees that following Closing, all responsibility to operate the Stations and to construct or restore operations of the Stations in a timely and legal manner shall be the sole responsibility of Buyer.

4.7 **Disclosure.** No representation or warranty made by Buyer in this Agreement, and no statement made by or on behalf of Buyer in any certificate, document, exhibit, or schedule delivered or to be delivered in connection with the transactions contemplated by this Agreement, 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.

Section 5

Pre-Closing Covenants

5.1 **Pre-Closing Covenants of Seller.** Between the date hereof and the Closing Date, except as contemplated by this Agreement or with the prior written consent of Buyer:

(a) **Affirmative Covenants.** The Stations currently are silent. Seller shall, except as provided in any TBA that may be entered into between the parties:

- (i) Maintain and preserve the Station Licenses without material change:
- (ii) Upon resumption of operations, carry on operations of the Stations and keep its books and accounts, records and files in the usual and ordinary manner in which the business of the Stations have been conducted in the past.
- (iii) Upon resumption of operations continue the Stations' broadcasts and conduct the business and operations of the Stations in the ordinary course and in accordance in all material respects with the Communications Act, the FCC Rules and Regulations, and any other applicable federal, state, or local rules and regulations. Upon receipt of notice of violation of any such laws, rules, and regulations, promptly notify Buyer of such notice and use its commercially reasonable best efforts to contest in good faith or to cure such violation prior to the Closing Date;
- (iv) Maintain all Tangible Personal Property in its present condition and repair, reasonable wear and tear excepted;
- (v) Preserve intact the Stations' Assets and maintain in effect the casualty and liability insurance on the Stations' Assets heretofore in force;
- (vi) Notify Buyer of any litigation or administrative proceeding pending or, to its knowledge, threatened which is likely to delay or otherwise interfere with Closing or otherwise adversely affect any of the Station Licenses; any material damage or destruction of any of the Stations' Assets; and any adverse change in the condition of the Stations which is likely to delay or otherwise interfere with Closing, or otherwise adversely affect any of the Station Licenses;
- (vii) Promptly give or cause to be given to the officers, employees, and representatives of the Buyer, at the request of the Buyer, full access to the Stations' studio and technical facilities, insurance policies, agreements, contracts, commitments which are to be assumed by Buyer or may impose any obligation on Buyer after the Closing, and such other information concerning the Seller, the Stations and the Assets as the Buyer may reasonably request, with any such investigation or examination by the Buyer in connection with the foregoing not in any way diminishing or obviating any representations or warranties of the Seller made in this Agreement, the Exhibits, Schedules and documents delivered pursuant to this Agreement;
- (viii) Fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement and use its best efforts to cause the transactions contemplated by this Agreement to be fully carried out; and

(b) Negative Covenants. Seller shall not:

- (i) Create, assume, or permit to exist any mortgage, pledge, lien or other charge or encumbrance or rights affecting any of the Stations' Assets, other than Permitted Liens;
- (ii) Sell, assign, lease, or otherwise transfer or dispose of any of the Stations' Assets outside the ordinary course of business;

(iii) Make any change in the Stations' buildings, leasehold improvements, or fixtures;

(v) Enter into, extend, or renew any trade or barter contracts;

(iv) Waive any material right relating to the Stations or the Stations' Assets;

(v) Agree to or participate in any minor modification or other filing with the FCC with respect to the Stations;

(vi) Except with the written consent of the Buyer, enter into, extend or renew, any Contracts or Leases that extend beyond, or cannot be cancelled effective as of the Closing Date;

(vii) Either itself or through any of its officers, directors, shareholders, employees, agents, or any other person or entity acting on Seller's behalf, directly or indirectly, solicit or initiate any offer from, or conduct any negotiations with, any person or entity other than Buyer or its assignee(s) concerning the direct or indirect acquisition of the Stations or the sale of all or a substantial portion of its air-time pursuant to a time brokerage agreement, or enter into any such transaction;

(viii) Cause or permit, by any act or failure to act, any of the Station Licenses to expire or be surrendered or adversely modified, or take any action which could cause the FCC or any other governmental authority to institute proceedings for the suspension, revocation, or adverse modification of any of the Station Licenses; or

(ix) Take any other action inconsistent with its obligations under this Agreement or which could hinder or delay the consummation of the transactions contemplated by this Agreement.

5.2 Pre-Closing Covenants with Regard to Buyer. Buyer shall have the right during the term of this Agreement to begin the installation of equipment for the Stations and to assist Seller in the restoration of the Stations to operating condition. Any and all equipment installed by Buyer shall remain the under the ownership of Buyer. In the event the Stations are restored in a sufficient manner prior to Closing to allow it to resume operations, Seller agrees to enter into a TBA for the presentation of programming on the Stations by Buyer prior to Closing. During the term of the TBA, the Stations shall continue to be managed by Seller, and Buyer shall reimburse Seller for any expenses (*i.e.*, utilities) incurred in conjunction with the operation of the Stations. Otherwise, between the date hereof and the Closing Date Buyer shall not directly or indirectly control, supervise, or direct the operations of the Stations. Such operations, including complete control and supervision of all Station programs, employees, policies, and finances shall be the sole responsibility of Seller.

During the pendency of the Assignment Application, Buyer shall have the right, at Buyer's expense, to file an application (FCC Form 301) for specification of a new transmitter site for any of the Stations.

Section 6 **FCC Consent**

6.1 **FCC Consent**. The assignment of the Station Licenses from Seller to Buyer as contemplated by this Agreement is subject to the prior consent and approval of the FCC (the "FCC Consent") pursuant to an application by Seller and Buyer (the "Assignment Application"). The Assignment Application shall be filed by Seller and Buyer within five (5) business days of the date of this Agreement and thereafter Buyer and Seller shall each fully prosecute the Assignment Application with all diligence and shall otherwise use their best efforts to obtain the grant of such application as expeditiously as practicable. The FCC filing fees for the Assignment Application shall be paid by Buyer.

6.2 **Final Order**. As used in this Agreement, the term "Final Order" means a written action or order issued by the FCC granting the FCC Consent that by lapse of time or otherwise is no longer subject to administrative or judicial reconsideration or review.

Section 7 **Conditions Precedent to Buyer's Obligations**

The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior to or at Closing, of each of the following conditions, any of which (except for the requirement that the FCC Consent to the Assignment Application has been granted) Buyer may waive in writing:

7.1 **Representations, Warranties, and Covenants**. All representations and warranties of Seller made in this Agreement, or in any exhibit, schedule, certificate, or other document delivered pursuant hereto, shall be true and correct on and as of the Closing Date with the same force and effect as if made on and as of that date, except for changes contemplated by this Agreement or changes that are not materially adverse (as determined by Buyer in its sole discretion) which arise after the date hereof in the ordinary course of the business of the Stations. All of the terms, covenants, and conditions to be complied with and performed by Seller on or prior to the Closing Date shall have been complied with or performed in all material respects.

7.2 **FCC Consent**. The FCC Consent shall have been granted and the FCC Consent shall have become a Final Order.

7.3 **Governmental Authorizations**. Seller shall be the holder of the Station Licenses, and there shall not have been any modification of any of the Station Licenses which could have a material adverse effect on the Stations. No proceeding shall be pending, the effect of which could be to revoke, cancel, fail to renew, suspend, or modify materially and adversely any of the Station Licenses or the transfer thereof to Buyer. Additionally, all statutory and other requirements for

the valid consummation by Buyer of the transactions contemplated by this Agreement shall have been fulfilled, and all authorizations, consents and approvals of all federal, state, local, and foreign governmental agencies and authorities required to be obtained in order to permit the consummation by Buyer of the transactions contemplated by this Agreement shall have been obtained.

7.4 **Seller Certificate.** The Seller shall have furnished the Buyer with a certificate, dated the Closing Date and duly executed by an officer or manager, as applicable, of Seller, to the effect that the conditions set forth in Section 7.1 have been satisfied;

7.5 **Adverse Proceedings.** No suit, action, or governmental proceeding shall have been instituted against, and no order, decree, or judgment of any court, agency, or other governmental authority shall have been rendered against, the parties or either of them which would render it unlawful, as of the Closing Date, to effectuate the transactions contemplated by this Agreement in accordance with its terms.

7.6 **Instruments of Conveyance and Transfer.** Seller shall have delivered to Buyer instruments in form and substance reasonably satisfactory to counsel to Buyer effecting the sale, transfer, assignment, and conveyance of Seller's right, title, and interest in and to the Stations' Assets to Buyer pursuant to the terms of this Agreement including, without limitation, the following:

(a) An assignment of all right, title, and interest in and to the Station Licenses to be assigned pursuant to Section 1.1(a) of this Agreement;

(b) A Bill of Sale for all of the Stations' Assets, including the Tangible Personal Property, to be conveyed pursuant hereto, pursuant to Section 1.1(b) of this Agreement;

(c) An assignment of all right, title, and interest in and to the Intangible Personal Property, including necessary registrations and applications for registration, pursuant to Section 1.1(c) of this Agreement;

(d) Further instruments and documents as Buyer may reasonably request to effect the transactions contemplated under this Agreement.

7.7 **FCC FRN Association.** At Closing, Seller shall notify the FCC of the closing of the transaction as to the Stations, and inform the FCC that the FCC FRN to be associated with the Station Licenses shall be that as specified by the Buyer.

7.8 **Discharge of Liens.** At Closing, Seller shall deliver to Buyer duly-executed termination statements and releases as are appropriate to convey the Stations' Assets by Seller to Buyer free and clear of all liens, security interests, litigation, and other encumbrances, except as specifically permitted by this Agreement or otherwise consented to by Buyer in writing.

Section 8

Conditions Precedent to Seller's Obligations

The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior to or at Closing, of each of the following conditions, any of which (except for the requirement that the FCC Consent to the Assignment Application has been granted) Seller may waive in writing:

8.1 **Representations, Warranties, and Covenants.** All representations and warranties of Buyer made in this Agreement, or in any exhibit, schedule, certificate, or other document delivered pursuant hereto, shall be true and correct on and as of the Closing Date with the same force and effect as if made on and as of that date, except for changes contemplated by this Agreement or changes that are not materially adverse (as determined by Seller in its sole discretion) which arise after the date hereof in the ordinary course of the business of the Stations. All of the terms, covenants, and conditions to be complied with and performed by Buyer on or prior to the Closing Date shall have been complied with or performed in all material respects.

8.2 **FCC Consent.** The FCC Consent shall have been granted.

8.3 **Payment of Purchase Price.** On the Closing Date, Buyer shall pay to Seller the Closing Payment in accordance with Section 1.4(b) of this Agreement.

8.4 **Buyer Certificate.** The Buyer shall have furnished the Seller with a certificate, dated the Closing Date and duly executed by an officer of Seller, to the effect that the conditions set forth in Section 8.1 have been satisfied.

8.5 **Adverse Proceedings.** No suit, action, or governmental proceeding shall have been instituted against, and no order, decree, or judgment of any court, agency, or other governmental authority shall have been rendered against, the parties or either of them which would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

Section 9

Transfer Taxes, Fees and Expenses

9.1 **Parties' Expenses.** Except as provided in Section 6.1 with regard to the FCC filing fee for the Assignment Application, each party shall pay all of its own legal, accounting, and other expenses which it incurs in connection with the transactions contemplated herein.

Section 10

Risk of Loss

The risk of loss or damage to the Assets shall be upon Seller at all times prior to Closing. In the event of material loss or damage, Seller shall promptly notify Buyer thereof and use its best efforts to repair, replace, or restore the lost or damaged property to its former condition as soon as

possible. In the event that any loss, damage, or destruction to the Assets has not been repaired, restored, and/or replaced prior to the Closing Date, the Closing shall nevertheless take place and Seller shall assign its rights to receive any insurance proceeds with respect to the damaged, lost, or destroyed assets to Buyer and, to the extent that the insurance proceeds so assigned are insufficient to cover all of the costs of repairing and/or replacing the assets that were damaged, lost, or destroyed, the Purchase Price shall be adjusted to cover such shortfall.

Section 11 **Termination Rights**

Without limiting the right of either party to terminate this Agreement as otherwise provided herein, this Agreement may be terminated, upon written notice, upon the occurrence of any of the following:

(a) By either Buyer or Seller for a material default in the observance or performance of any term or covenant hereunder or a material breach of any material term, representation, warranty, or covenant hereunder, by Buyer on the one hand or Seller on the other hand, which is not cured by the earlier of the Closing Date or within twenty (20) business days after written notice of the breach, provided that the terminating party is not then in material default or material breach.

(b) By either Buyer or Seller if the FCC denies the FCC Consent (and such denial is not the fault, directly or indirectly, of the terminating party) and such order becomes a Final Order.

(c) By Buyer if Closing has not occurred within one year of execution of this Agreement, provided that the Buyer is not then in material default or material breach.

Section 12 **Pre-Closing Remedies**

12.1 **Seller's Breach.** In the event of a material breach by Seller of any of its representations and obligations hereunder, which is not cured by the earlier of the Closing Date or within twenty (20) calendar days after written notice from Buyer, Buyer may bring an action to enforce the terms of this Agreement by decree of specific performance, it being agreed that the Stations' Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Seller agrees to waive the defense in any such action for decree of specific performance that Buyer has an adequate remedy at law, to cooperate fully in the filing of FCC applications and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy.

12.2 **Buyer's Breach.** In the event of a material breach or default by Buyer of any of its warranties, representations or covenants hereunder, which breach or default is not cured by the earlier of the Closing Date or within twenty (20) business days after written notice from Seller, Seller shall have the right to terminate this Agreement. In the event this Agreement is terminated

by Seller due to a default or breach by Buyer, Seller shall have the right to retain the Down Payment as liquidated damages (and not a penalty) and Seller shall have no other remedy at law or equity. In the event of termination of this Agreement due to default of Seller only, the Down Payment shall be returned to Buyer, and thereafter neither party shall have any obligation to the other, and this Agreement shall be null, void, and of no further force and effect.

Section 13 **Post-Closing Remedies**

13.1 **Seller's Indemnities.** For a period of one year after the Closing Date, Seller shall indemnify, defend and hold Buyer harmless from and against any and all losses, costs, liabilities, claims, actions, damages, and expenses (including reasonable legal fees and other expenses incident thereto) of every kind, nature or description, arising out of or in connection with (a) the breach of any representation, warranty, covenant, or agreement of Seller set forth in this Agreement (including the schedules hereto) or in any other document delivered to Buyer pursuant hereto; (b) any liability of Seller not assumed by Buyer herein; (c) a claim relating to the conduct of the business and operations of the Stations and the Stations' Assets prior to the Closing Date including, without limitation, any taxes, assessments or similar charges relating to the operation of the Stations accrued or attributable to periods prior to the Closing Date; or (d) any claims by any of Seller's employees arising out of their employment with Seller.

13.2 **Buyer's Indemnities.** For a period of one year after the Closing Date, Buyer shall indemnify, defend, and hold Seller harmless from and against any and all losses, costs, liabilities, claims, actions, damages, and expenses (including reasonable legal fees and other expenses incident thereto) of every kind, nature or description arising out of, or in connection with (a) the breach of any representation, warranty, covenant or agreement of Buyer set forth in this Agreement or in any other document delivered to Seller pursuant hereto; (b) any Assumed Liability; or (c) a claim relating to the conduct of the business and the operation of the Stations by Buyer on or after the Closing Date including, without limitation, any taxes, assessments or similar charges relating to the operation of the Stations accrued or attributable to periods on or after the Closing Date.

13.3 **Notice of Claim.** If any action, suit, or proceeding shall be commenced by a third party against Buyer or Seller, as the case may be, in respect of which Buyer or Seller proposes to seek indemnification from the other under this Section 13 (a "Third-Party Claim"), then such party shall promptly notify the party from whom indemnification is sought (hereinafter the "Indemnifying Party") to that effect. The Indemnifying Party shall have the right, at its own expense, to participate in or assume control of the defense of such Third-Party Claim, and the other party shall cooperate with all reasonable requests of the Indemnifying Party, subject to reimbursement for actual out-of-pocket expenses incurred as the result of a request by the Indemnifying Party. If the Indemnifying Party elects to assume control of the defense of a Third-Party Claim, then the other party shall have the right to participate in the defense of such claim at its own expense. If a Third-Party Claim requires immediate action, then the parties will make every effort to reach a decision with respect thereto as expeditiously as possible. If the Indemnifying Party does not elect to assume control or otherwise participate in the defense of any

Third-Party Claim, then it shall be bound by the results obtained by the other party with respect to such Third-Party Claim, but no settlement of a Third-Party Claim may be made by the Indemnifying Party without the written consent of the party being indemnified.

Section 14

Miscellaneous

14.1 **Survival of Representations and Warranties.** Other than as specifically provided in this Agreement, the representations and warranties in this Agreement shall survive Closing for a period of one (1) year from the Closing Date.

14.2 **Employees.** Prior to Closing, Seller shall terminate all of Seller's employees effective as of the date of Closing, and pay all termination and severance costs in connection with such termination.

14.3 **Assignment.** Neither party may assign this Agreement without the prior written consent of the other party hereto, provided that Buyer may assign its right to acquire the Stations to an affiliate of Buyer if such assignment does not delay the FCC Consent or otherwise delay Closing, the representations made by Buyer under this agreement are true with respect to the assignee, and Buyer gives Seller prior written notice thereof. No such assignment shall relieve Buyer of any obligation or liability under this Agreement. The rights and obligations of the parties hereunder shall inure to the benefit of, and shall be binding upon, each of the parties hereto and their respective successors and permitted assigns.

14.4 **Waiver of Jury Trial; Attorneys' Fees.** If, notwithstanding the provisions of Section 14, any lawsuit is filed to resolve an issue as to the interpretation or enforcement of this agreement and is not dismissed on the basis of Section 14, each party irrevocably waives trial by jury and the right thereto in any and all litigation in any court with respect to, in connection with, or arising out of this Agreement.

14.5 **Attorneys' Fees and Costs.** Should any party default in the performance of any of the terms or conditions of this Agreement, which default results in the filing of a lawsuit or any action, the prevailing party in such lawsuit shall be entitled to reasonable attorneys' fees and costs as shall be determined by the court.

14.6 **Notices.** All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be in writing and shall be sent by for next business day delivery by Federal Express or a similar nationally-recognized overnight courier service, with all charges prepaid, and shall be deemed to have been duly delivered and received on the next business day. All such notices, demands, and requests shall be addressed as follows:

If to Seller:

Paulino Bernal Evangelism
P.O. Box 252
McAllen, TX 78505

If to Buyer:

Centro Cristiano de Vida Eterna
8230 Antoine Dr.
Houston, TX 77088

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

Dan J. Alpert, Esq.
The Law Office of Dan J. Alpert
2120 21st Rd. N.
Arlington, VA 22201

or at such other address as either party shall specify by notice to the other.

14.7 **Multiple Counterparts.** This Agreement may be signed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. All of such counterpart signature pages shall be read as though all of the signers had signed a single signature page. This Agreement may be signed and exchanged by facsimile transmission or by a scanned PDF sent by email, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

14.8 **Entire Agreement.** This Agreement represents the entire understanding of the parties with respect to the subject matter hereof, supersedes all other and prior memoranda and agreements between the parties with respect to such subject matter and may not be modified or amended except by a written instrument signed by all of the parties hereto.

14.9 **Investigations.** No inspection or investigation made by or on behalf of Buyer, or Buyer's failure to make any inspection or investigation, shall affect Seller's representations, warranties, and covenants set forth in this Agreement, or be deemed to constitute a waiver of any of those representations, warranties, and covenants.

14.10 **Captions.** The section captions and headings in this Agreement are for convenience and reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

14.11 **No Waiver.** Unless otherwise specifically agreed to in writing to the contrary: (a) the failure of any party at any time to require performance by another party of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (b) no waiver by

any party of any default by another party shall be taken or held to be a waiver by such party of any other preceding or subsequent default; and (c) no extension of time granted by any party for the performance of any obligation or act by another party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

14.12 **Further Assurances.** From time to time at another party's request and without further consideration, a party shall execute and deliver such further instruments of conveyance, assignment, and transfer, and take such other actions as the requesting party may reasonably request, in order to more effectively convey and transfer any of the Stations' Assets.


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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

SELLER:

PAULINO BERNAL EVANGELISM, INC.

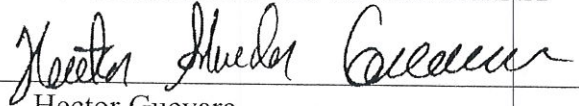
By: _____


Paulino Bernal
President

BUYER:

CENTRO CRISTIANO DE VIDA ETERNA

By: _____


Hector Guevara
President