

## ASSET PURCHASE AGREEMENT

This Agreement is made and entered into as of September 27, 2007, by and between THREE ANGELS BROADCASTING NETWORK, INC., an Illinois not-for-profit corporation ("Seller"), and CHURCHILL MEDIA, LLC, an Oregon Limited Liability Company ("Buyer").

### WITNESSETH:

WHEREAS, Seller is the owner and licensee of Low Power Television ("LPTV") broadcast station call sign K58DL and the related construction permit for Channel 51, Yakima, Washington (the "Station"); and

WHEREAS, Seller desires to sell and Buyer desires to purchase the assets used or useful in the operation of the Station and acquire the authorizations issued by the FCC for the operation of the Station; and

WHEREAS, the authorizations issued by the FCC may not be assigned to Buyer without the FCC's prior consent.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties intending to be legally bound, agree as follows:

1. **DEFINITIONS.** As used in this Agreement, the following terms shall have the following meanings:

1.1 **Act** means the Communications Act of 1934, as amended from time to time, and as found at 47 U.S.C. § 101 et seq.

1.2 **Assignment Application** means the application on FCC Form 345 or other necessary forms that Seller and Buyer shall join in and file with the Commission requesting its consent to the assignment of the Station's Licenses from Seller to Buyer.

1.3 **Assumed Contracts** means those contracts and agreements set forth on Attachment 1 hereto.

1.4 **Business Records** means all business records in the possession of Seller relating to the operation of the Station and not pertaining solely to Seller's internal operations, employee pension and other benefit plans and affairs (such as minute books, tax returns and the like), in whatever medium those records are stored, including but not limited to all books of account, customer lists, supplier lists, employee personnel files, local public records file materials, engineering data, sales materials, logs, programming records, consultants' reports, ratings reports, budgets, and financial reports and projections.

1.5 **Closing** means the consummation of the sale and assignment contemplated by this Agreement.

1.6 **Closing Date** means the date on which the Closing takes place.

1.7 **Construction Permit** means the authorizations issued by the FCC permitting Seller to modify the Station to operate on Channel 51 with call sign K51JG, FCC File No. BPTTL-20051103ADA.

1.8 **Final Order** means any Commission action that, by lapse of time or otherwise, is no longer subject to administrative or judicial review, reconsideration, appeal or stay.

1.9 **GAAP** means generally accepted accounting principles consistently applied.

1.10 **Intangible Property** means the goodwill (the "Goodwill") and other intangible assets used in the operation of the Station, including but not limited to universal resource locator addresses, magnetic media, and electronic data processing files, systems and programs.

1.11 **IRS** means the Internal Revenue Service.

1.12 **Purchased Assets** includes (a) the Station's Licenses; (b) the Station's Equipment; (c) the Assumed Contracts; (d) the Intangible Property; and (e) the Business Records and all other assets of Seller used or useful in the operation of the Station.

1.13 **Retained Assets** means (a) books and records that pertain solely to the organization, existence, taxation and capitalization of Seller, and Seller's employee pension and benefit plans; (b) Seller's cash and cash equivalents on hand or in banks, certificates of deposit, money market funds, securities, and similar type investments; (c) Seller's Accounts Receivable; (d) Seller's insurance policies in effect on the date of this Agreement or the Closing Date and premium refunds therefor; and (d) any and all assets owned by Seller not used or useful in connection with the Station, or used in the operation of other broadcast stations owned by Seller.

1.14 **Station's Equipment** means all the fixed and tangible personal property of Seller used or useful solely in the operation of the Station, including, without limitation, the property listed or described in **Attachment 2** together with all additions, modifications or replacements thereto made in the ordinary course of business between the date of this Agreement and the Closing Date. Without in any way limiting the foregoing, it is understood

and agreed that the Station's Equipment shall include all property provided by Seller to Buyer.

**1.15 Station's Licenses** means all licenses, permits and authorizations issued by the Commission, or any other local, state or federal regulatory agencies that are used in or necessary for the lawful operation of the Station and its associated broadcast auxiliary facilities, including, without limitation, those included, listed or described in Attachment 3, together with any renewals, extensions or modifications thereof and additions thereto made between the date of this Agreement and the Closing Date.

**1.16 Other Definitions**. Other capitalized terms used in this Agreement shall have the meanings ascribed to them herein. All accounting terms not specifically defined herein shall be construed in accordance with GAAP, except as otherwise provided herein.

**2. SALE OF ASSETS**. On the Closing Date, subject to the terms and conditions of this Agreement, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase, assume, and accept from Seller, all of the Purchased Assets, which shall be free of all liens, debts and encumbrances of any nature whatsoever, for the Purchase Price to be paid as provided in Section 3.

**3. PURCHASE PRICE AND METHOD OF PAYMENT**.

**3.1 Purchase Price and Method of Payment**. The total consideration for the Purchased Assets (the "Purchase Price") shall be the sum of Four Hundred Fifty Thousand Dollars (\$450,000), plus or minus the Prorations as provided in Section 6 hereof, which shall be paid by Buyer to Seller at the Closing by wire transfer of immediately available funds to an account designated by Seller.

**3.2 Escrow Deposit**. Buyer has placed into escrow Twenty-two Thousand Five Hundred Dollars (\$22,500) as a good faith deposit. The parties have entered into an Escrow Deposit Agreement dated September 27, 2007 (the "Escrow Agreement") with Commercial Escrow, Inc., Eugene, Oregon, a copy of which is attached as Attachment 4. The principal sum of this Escrow Deposit shall be disbursed to the Seller at Closing and shall be credited as a part of the Purchase Price. Any interest earned on the escrow account shall be credited to Buyer.

**3.3 Allocation**. Within ninety (90) days of Closing, the Purchase Price shall be allocated among the Purchased Assets. Buyer shall be responsible for the preparation of IRS Form 8594 and any other pertinent forms and shall deliver such forms to Seller in time to enable Seller to submit its income tax returns in a timely manner.

**4. CONSTRUCTION PERMIT**. As soon as practicable following execution of this Agreement, Seller will file with the Commission an application for a minor modification of the

Construction Permit attached hereto as Attachment 1. Such modification shall reflect approval by the Commission for the requirements of the Construction Permit to be carried out at an alternative tower site location, for which Buyer shall have signed a lease on or before December 15, 2007.

5. **SELLER'S LIABILITIES.** Buyer shall not assume any of Seller's liabilities, including without limitation, any liability under any single or multi-employer "employee pension benefit plan" as defined in ERISA or for taxes, except for liabilities accruing after Closing with respect to the Purchased Assets, subject to the provisions of this section. With respect to Assumed Contracts that require the consent of third parties for assignment, but for which the consent of such third parties has not been obtained as of the Closing Date, Buyer shall assume Seller's obligations to be performed under those Assumed Contracts only for the period after Closing during which Buyer receives the benefits to which Seller is currently entitled under such contracts.

6. **PRORATIONS.**

6.1 **Apportionment of Income and Expense.** Seller shall be entitled to all income attributable to, and for all expenses arising from, the operation of the Station until 12:01 a.m. on the Closing Date. Buyer shall be entitled to all income arising from, and shall be responsible for all expenses arising from, the operation of the Station after 12:01 a.m. on the Closing Date. All overlapping items of income or expense, including without limitation the following, shall be prorated or reimbursed, as the case may be, as of 12:01 a.m. on the Closing Date (the "Prorations"):

(a) Liabilities customarily accrued, arising from expenses incurred, but unpaid as of Closing (e.g., payroll, payroll taxes, and earned vacation time and sick leave of any employees of Seller who enter into Buyer's employ after Closing, rents, sales commissions, and fees for business and professional services);

(b) Taxes and utility charges related to the Station or in respect of any of the Purchased Assets;

(c) Deposits and unearned prepayments received by Seller in connection with any contract, lease, or other agreement assumed by Buyer;

(d) Buyer shall receive a credit against the Purchase Price for the amount by which the Trade Balance is negative for any Trade Agreement assumed by Buyer; and

(e) All other items normally prorated in the sale of the assets of a business and of a radio broadcast station in particular.

6.2 **Employee Compensation.** Seller shall pay all compensation owed to the Station's employees until 12:01 a.m. on the Closing Date, including compensation for accrued vacation and sick time. Buyer does not anticipate that it will hire any of Seller's employees.

6.3 **Determination and Payment.**

(a) **In General.** Adjustments or prorations, insofar as feasible shall be determined in accordance with GAAP and paid on the Closing Date based upon Seller's good-faith calculation delivered to Buyer no less than ten (10) days prior to the Closing Date and reasonably approved by Buyer, with final settlement and payment by the appropriate party occurring no later than sixty (60) days after the Closing Date, unless there is a dispute with respect thereto. If the parties are unable to agree on the prorations, the matter shall be referred to a firm of independent certified public accountants, mutually acceptable to Seller and Buyer, whose decision shall be final, and whose fees and expenses shall be paid one-half (1/2) by Seller and one-half (1/2) by Buyer.

(b) **Property Taxes.** If the amount of any tax, if any, to be prorated is not known on the Closing Date, such tax shall be apportioned on the basis of the most recent tax assessment. As soon as the new tax rate and valuation can be ascertained, there shall be a reapportionment and adjustment with respect to such tax even though that final proration and adjustment may take place more than sixty (60) days after the Closing Date.

7. **SELLER'S REPRESENTATIONS AND WARRANTIES.** Seller hereby makes the following representations and warranties, each of which shall be deemed to be a separate representation and warranty, and all of which have been made for the purpose of inducing Buyer to execute this Agreement, and in reliance on which Buyer has agreed to enter into this Agreement:

7.1 **Existence and Power.** Seller is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of Illinois, with full power to enter into and perform this Agreement. Seller has all requisite power and authority, licenses, permits and franchises to own or lease and operate the Station and carry on the Station's business as presently being conducted and to execute, deliver and perform this Agreement and consummate the transactions contemplated thereby.

7.2. **Binding Agreement.** This Agreement constitutes a legal, valid, and binding obligation of Seller, enforceable in accordance with its terms.

7.3 **No Violation.** None of (a) the execution, delivery and performance of this Agreement by Seller, (b) the consummation of the transactions contemplated hereby, or (c) Seller's compliance with the terms and conditions hereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms and conditions of,

constitute a default under, or violate, Seller's articles of incorporation, or bylaws, any judgment, decree, order, agreement, lease or other instrument to which Seller is a party or by which Seller is legally bound, or, to the best of Seller's knowledge, any law, rule, or regulation applicable to Seller or to the operation of the Station.

**7.4 Title to Purchased Assets.** Seller holds good and marketable title to all the Purchased Assets free and clear of all mortgages, deeds of trust, liens, pledges, collateral assignments, security interests, leases, easements, covenants, restrictions and encumbrances or other defects of title except (a) the lien of any real estate or personal property taxes that will not become due until after the Closing Date and that will be prorated between Seller and Buyer pursuant to Section 6; (b) liens securing payment of indebtedness to be fully paid by Seller on or prior to the Closing Date; and (c) as otherwise expressly provided in this Agreement.

**7.5 Licenses and Authorizations.** The Station's Licenses include all the Commission authorizations held by Seller with respect to the Station, and are all the authorizations used in or necessary for the lawful operation of the Station as presently operated by Seller. The Station's Licenses are in full force and effect and are unimpaired by any acts or omissions of Seller, Seller's employees or agents. There are no proceedings, complaints, or investigations pending or, to Seller's knowledge, threatened before or by the Commission relating to the business or operations of the Station. All employment reports and other documents materially required to be filed by Seller with the Commission have been timely filed; and all proofs of performance and measurements that are required to be made by Seller with respect to the Station's transmission facilities have been timely completed and are on file at the Station or will be provided to Buyer at Closing.

**7.6 Seller's Contracts.** Except as otherwise noted herein, the Contracts included, listed or described in Attachments 1 and 3 include all the contracts, leases, and agreements pertaining to the Station to which Seller is a party or by which Seller is legally bound. Such Contracts are all of the agreements required to conduct the business of the Station in the manner in which it is presently operated and in full compliance with all applicable laws and regulations. Each Contract is in full force and effect and is unimpaired by any acts or omissions of Seller, Seller's employees or agents or, to the best of Seller's knowledge, any other person. There has not occurred as to any Contract any material default by Seller, or to the knowledge of Seller, any event that, with the lapse of time or otherwise, could become a material default by Seller or by any other party thereto.

**7.7 Personal Property.** The assets listed in Attachment 2 are all of the fixed and tangible property used or useful in the operation of the Station and, except as specifically indicated therein, such property is in good operating condition and repair (reasonable wear and tear excepted) and is not in need of imminent repair or replacement.

7.8 Utilities. All utilities that are required for the full and complete use of the transmitter, antenna and feed line for the purposes for which they are presently being used by Seller, including, without limitation, electricity and similar systems, have been connected and are in working order.

7.9 Trademarks and Copyrights. The Intangible Property includes the Station's call signs, currently used to promote or identify the Station, which call signs are in good standing and uncontested. Seller has no knowledge of any infringement or unlawful or unauthorized use of the call signs by any broadcast or cable station in either Station's service area that may be confusingly similar to the call sign currently used by such Station. No one has asserted to Seller that the operations of the Station have infringed any copyright, patent, trademark, trade name, service mark, or other similar right of any third party.

7.10 Employees. Seller has, in the conduct of the affairs of the Station, complied in all material respects with all applicable laws, rules and regulations relating to the employment of labor, including those relating to wages, hours, equal employment opportunity, collective bargaining, pension and welfare benefit plans, and the payment of Social Security and similar taxes, and Seller is not liable for any arrears of wages or any tax penalties for failure to comply with any of the foregoing. There are no employee claims pending or threatened between Seller and any of its employees at the Station, and Seller is not aware of any facts that could reasonably result in any such claims.

7.11 Litigation. There is no judgment outstanding or litigation, action, suit, investigation or other proceeding pending or, to the best of Seller's knowledge, threatened or probable of assertion that may give rise to any material claim against any of the Purchased Assets or adversely affect Seller's ability to perform in accordance with the terms of this Agreement, and Seller is not aware of any facts that could reasonably result in any such proceeding.

7.12 Compliance with Law. Seller is not in violation of any statute, regulation or order of any governmental authority relating to the Purchased Assets, or the business or operations of the Station, and there is no outstanding complaint, citation or notice issued by any governmental authority asserting any noncompliance by Seller, in connection with the business or operations of the Station, with any such statute, regulation or order.

7.13 Insolvency Proceedings. No insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or the Purchased Assets are pending or threatened. Seller has not made an assignment for the benefit of creditors, or taken any action with a view to, or that would constitute a valid basis for, the institution of any such insolvency proceedings.

**7.14 Taxes.** Seller has, or by the Closing Date will have, paid and discharged all taxes, assessments, excises and other levies relating to the Purchased Assets that, if due and not paid, would interfere with Buyer's full enjoyment of the Purchased Assets after Closing, excepting such taxes, assessments, and other levies as will not be due until after the Closing Date and that are to be prorated between Seller and Buyer pursuant to **Section 6.**

**8. BUYER'S REPRESENTATIONS AND WARRANTIES.** Buyer hereby makes the following representations and warranties to Seller for the purpose of inducing Seller to enter into and perform this Agreement:

**8.1 Existence and Power.** Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Oregon, with full power under its articles of organization, corporate charter or operating agreement to enter into and perform this Agreement. Buyer has all requisite power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated thereby.

**8.2 Binding Agreement.** This Agreement has been duly authorized by all necessary corporate actions on the part of Buyer, and constitutes the legal, valid, and binding obligation of Buyer, enforceable in accordance with its terms.

**8.3 No Violation.** None of (a) the execution and performance of this Agreement by Buyer; (b) the consummation of the transactions contemplated hereby; or (c) Buyer's compliance with the terms and conditions hereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms and conditions of, constitute a default under, or violate Buyer's articles of organization or operating agreement, any judgment, decree, order, agreement, lease, or other instrument to which Buyer is a party or by which Buyer is legally bound, or, to the best of Buyer's knowledge, any law, rule, or regulation applicable to Buyer.

**8.4 FCC Matters.** To Buyer's knowledge, there are no facts relating to Buyer that reasonably may be expected to disqualify Buyer under the Communications Act or the rules and regulations of the Commission, from qualifying as an assignee of the Station's Licenses or that would prevent Buyer from consummating the transactions contemplated by this Agreement. Buyer is financially qualified to file the Application and consummate the contemplated transaction.

**8.5 Insolvency Proceedings.** No insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Buyer is pending or threatened. Buyer has not made an assignment for the benefit of creditors, or



taken any action with a view to, or that would constitute a valid basis for, the institution of any such insolvency proceedings.

## 9. COVENANTS OF SELLER.

**9.1 Maintenance Prior to Closing.** Between the date of this Agreement and the Closing Date, and except as may otherwise be required as a result of the modification of the Construction Permit:

(a) Seller shall operate the Station in the normal and usual manner, consistent with the rules, regulations and policies of the Commission and conduct the Station's business only in the ordinary course.

(b) Seller shall: (i) maintain the Purchased Assets in substantially the same condition as they now are (reasonable wear and tear in normal use and damage due to unavoidable casualty excepted); (ii) maintain all its respective inventories of supplies, tubes, and spare parts at levels at least equivalent to those existing on the date of this Agreement; (iii) maintain insurance upon the Purchased Assets and with respect to the operation of the Station's business comparable in amount, scope and coverage to that in effect on the date of this Agreement.

(c) Seller shall maintain its books, records and accounts in the usual, regular and ordinary manner, on a basis consistent with prior periods.

(d) Seller shall comply in all material respects with all laws, rules, ordinances and regulations applicable to Seller's operation of the Station, to the Purchased Assets and to the business and operations of the Station.

(e) Seller shall: (i) perform all its Contracts without material default; and (ii) pay all its trade accounts payable in accordance with its prior custom and practice (including, without limitation, timing); provided, however, that Seller may dispute, in good faith, any alleged obligation of its own.

(f) Without the consent of Buyer, Seller shall not: (i) cause or permit, by any act or failure to act, the Station's Licenses to expire or to be surrendered or modified, or fail to take any action which would cause the Commission or any other governmental authority to institute proceedings for the suspension, revocation or modification of any of the Station's Licenses; (ii) sell or agree to sell or otherwise dispose of any of the Purchased Assets other than in the ordinary course of business and only if such Purchased Assets are replaced by assets of equal or greater worth, quality and utility; (iii) knowingly permit any infringement, unauthorized use or impairment of the Intangible Property, or change the Station's call signs, except in consultation with Buyer and subject to Buyer's approval; (iv) cancel, terminate, allow to expire, modify or amend any material

Assumed Contract; (v) enter into any employment contract on behalf of either of the Station unless the same is terminable at will and without penalty; or (vi) enter into any other contract, lease or agreement that will be binding on Buyer after Closing, except with the consent of Buyer.

(g) Seller shall not make any material changes in the format, personnel, operation, promotion or sales operation of the Station without the prior consultation of Buyer.

**9.2 Consents to Assignment of Contracts.** If any Assumed Contract requires the consent of any third party in order for Seller to assign that Assumed Contract to Buyer or to enable Buyer to enjoy the full benefit of that Assumed Contract after Closing subject only to the Assumed Contract's present terms, Seller shall obtain all such required consents pertaining to the Assumed Contracts prior to Closing.

**9.3 Title Insurance.** If Buyer shall so request, Seller shall use its best efforts to arrange for: the commitment of a title insurance company reasonably satisfactory to Buyer (the "Title Company"), agreeing to issue to Buyer, at standard rates, the most recent form ALTA Owner's title insurance policy, as may be applicable, including endorsements to the effect that: (a) all towers are constructed in compliance with all applicable zoning ordinances; and (b) an affidavit or indemnification agreement that shall cause the Title Company to affirmatively insure against the existence of outstanding rights that could form the basis for mechanic's, materialman's or similar liens, unrecorded documents, claims or parties in possession, and judgments, bankruptcies or other charges against any persons whose names are the same as or similar to Seller's name; Any such title insurance commitments or other policies shall be at Buyer's sole expense.

**9.4 Lien Search.** Not less than ten (10) days prior to Closing, but only if Buyer shall so request with ten (10) business' days written notice, Seller shall deliver to Buyer a report prepared by the Corporation Service Company, or C.T. Corporation (or similar firm reasonably acceptable to Buyer) showing the results of searches in the recording office of any county in which any of the Purchased Assets is situated and in the Secretary of State's Office, of such UCC financing statement, tax lien, lawsuits and judgment lien records, and shall, at Closing provide to Buyer such duly-executed termination statements, releases, and satisfaction pieces as are appropriate to demonstrate that the Purchased Assets are being conveyed by Seller free and clear of all liens, collateral assignments, security interests, and encumbrances whatsoever except for liens securing payment of any indebtedness to be fully paid by Seller on or prior to the Closing Date. This shall be at Buyer's sole expense.

**9.5 Access.** Between the date hereof and the Closing Date, Seller shall give Buyer or representatives of Buyer reasonable access to the Purchased Assets, to the Business Records of the Station, and to the other properties, titles, contracts, books, records

and affairs of Seller relating to the operations of the Station including access to any of Seller's employees that Buyer requires, in its good faith judgment, to successfully complete its review of the Station and the Purchased Assets, and to prepare for the Closing. Buyer will conduct itself so as to cause a minimum of disruption to the normal operation of the Station and Seller will cooperate in making such employees available to Buyer. It is expressly understood that, pursuant to this Section, Buyer shall be entitled to make environmental assessments of the tower sites. No inspection or investigation made by or on behalf of Buyer or Buyer's failure to make any such inspection, however, shall affect Seller's representations, warranties, and covenants hereunder or be deemed to constitute a waiver of any of those representations, warrants, and covenants.

10. CONDITIONS PRECEDENT.

10.1 Mutual Conditions. The obligation of Seller and Buyer to consummate this Agreement is subject to the satisfaction of each of the following conditions:

(a) FCC Consent. The FCC shall have granted the Assignment Application, such grant shall have become a Final Order, and such grant shall be in full force and effect on the Closing Date. The Closing Date may occur following receipt of the grant of the Assignment Application but prior to the grant having become a Final Order should Buyer, in its sole discretion, so elect.

(b) Absence of Litigation. As of the Closing Date, no action, suit or proceeding seeking to enjoin, restrain, or prohibit the consummation of the transaction contemplated by this Agreement shall be pending before any court or the Commission or any other governmental body or authority.

10.2 Conditions to Buyer's Obligation. In addition to the satisfaction of mutual conditions contained in Section 10.1, the obligation of Buyer to consummate this Agreement is subject to the satisfaction of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of Seller to Buyer shall be true, complete and correct in all material respects as of the Closing Date with the same force and effect as if then made, except to the extent that such representations and warranties become incorrect as a result of the modification of the Construction Permit.

(b) Compliance with Conditions. All of the terms, conditions, and covenants to be complied with or performed by Seller on or before the Closing Date shall have been duly complied with and performed in all material respects.

(c) Validity of Station's Licenses. On the Closing Date, Seller shall be the owner and holder of the Station's Licenses to the extent that such licenses can be

owned or held by Seller under the Act, and the Station's Licenses shall be in full force and effect, valid for the balance of the current license terms applicable generally to low power television stations licensed to communities located in the state of Washington.

(d) **Lien Search.** The Lien Search referenced in **Section 9.4** or any other Lien Search shall not reveal any inconsistencies with Seller's representations and warranties hereunder, or any liens inconsistent with such representations and warranties shall have been removed on or before the Closing.

(e) **Closing Documents.** Seller shall deliver to Buyer all of the Closing Documents specified in **Section 13.2(a)**, all of which documents shall be dated as of the Closing Date, duly executed, in a form reasonably acceptable to Buyer.

**10.3 Conditions to Seller's Obligation.** In addition to satisfaction of the mutual conditions contained in **Section 10.1**, the obligation of Seller to consummate this Agreement is subject to satisfaction of each of the following conditions:

(a) **Representations and Warranties.** The representations and warranties of Buyer to Seller shall be true, complete, and correct in all material respects as of the Closing Date with the same force and effect as if then made.

(b) **Compliance with Conditions.** All of the terms, conditions and covenants to be complied with or performed by Buyer on or before the Closing Date shall have been duly complied with and performed in all material respects.

(c) **Payment.** Buyer shall make the payment and deliveries to Seller at Closing as provided in **Section 13.2(b)**, and any other provision hereof;

(d) **Closing Documents.** Buyer shall deliver to Seller all the Closing Documents specified in **Section 13.2(b)**, all of which documents shall be dated as of the Closing Date, duly executed, and in a form reasonably satisfactory to Seller.

## **11. SATISFACTION OF CONDITIONS.**

**11.1 In General.** Each party shall use its respective best efforts and cooperate with the other in good faith to the extent reasonably required in order to satisfy the conditions to each party's obligations under this Agreement as set forth in **Section 10** and fully to accomplish the transactions contemplated by this Agreement in an expeditious fashion. Neither party shall take or fail to take any action within such party's reasonable control, the effect of which would be to prevent or unreasonably delay the satisfaction of any condition to its or the other party's obligations contained in **Section 10** or the consummation of this Agreement in accordance with its terms.

**11.2 Application for Commission Consent.** Within ten (10) days of the execution of this Agreement, Seller and Buyer shall join in and file the Assignment Application with the Commission seeking consent to the assignment of the Station's Licenses to Buyer. Buyer and Seller will diligently take all steps necessary, desirable and proper to expeditiously complete the Assignment Application, including timely completion of publication of the notice of sale as required by Section 73.3580 of the FCC rules, and to obtain the Commission's determination that grant of the Assignment Application will serve the public interest, convenience, and necessity.

**12. CONTROL OF STATION.** This Agreement shall not be consummated until after the FCC has given its written consent thereto, and between the date of this Agreement and the Closing Date, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct, the operation of the Station.

**13. CLOSING.**

**13.1 Closing Date.** The Closing Date of this Agreement shall be established by mutual agreement of Seller and Buyer, but in any event not more than thirty (30) days after the Commission's approval of the Assignment Application becomes a Final Order. Seller and Buyer shall determine by mutual agreement a location where the Closing shall take place. Seller and Buyer agree that time is of the essence for this Closing.

**13.2 Performance at Closing.** The following documents shall be delivered at Closing:

- (a) **By Seller.** Seller shall deliver to Buyer:
- (i) A certificate executed by an officer of Seller attesting to Seller's compliance with the matters set forth in Sections 10.2(a) and 10.2(b).
  - (ii) One or more assignments transferring to Buyer all of the interests of Seller in and to the Station's Licenses.
  - (iii) One or more assignments assigning to Buyer all of Seller's rights and obligations in the Assigned Contracts.
  - (iv) One or more bills of sale conveying to Buyer the transmitter and antennae tower.
  - (vi) One or more assignments conveying to Buyer the Intangible Property, the Station's call letters, and all other

property comprising the Purchased Assets not specifically conveyed pursuant to the above deliveries.

(vii) All of Seller's Business Records pertaining to the Station.

(b) **By Buyer.** Buyer shall deliver to Seller:

(i) A certificate executed by an officer of Buyer attesting to Buyer's compliance with the matters set forth in **Sections 10.2(a) and 10.2(b).**

(ii) The payment due pursuant to **Section 3.**

(iii) One or more assumptions of the Assumed Contracts, subject to **Section 6.**

(c) **Other Acts.** The parties will also execute such other documents and perform such other acts, before and after Closing, as may be necessary for the complete implementation and consummation of this Agreement.

#### 14. **DAMAGE.**

**14.1 Risk of Loss.** The risk of loss or damage to the Purchased Assets shall be upon Seller at all times prior to Closing. In the event of 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. If such repair, replacement, or restoration has not been completed prior to the Closing Date, and the cost of such repairs, replacement or restoration is in the aggregate Ten Thousand Dollars (\$10,000) or less, then the Closing shall occur as scheduled and the amount necessary to repair, replace or restore the damaged or lost property to its former condition shall be credited against the Purchase Price to be paid by Buyer. If the cost of such repairs, replacement or restoration is in the aggregate greater than Ten Thousand Dollars (\$10,000), then Buyer may, at its option:

(a) elect to consummate the Closing in which event the Seller shall assign to Buyer all of Seller's rights under any applicable insurance policies and shall pay to Buyer the aggregate amount of any deductibles pertaining thereto; or

(b) elect to postpone the Closing Date for a period determined by Buyer of up to ninety (90) days, with prior consent of the Commission, if necessary, to permit Seller to make such repair, replacement, or restoration as is required to return the lost or damaged property to its former condition. If, after the expiration of the extension period granted by Buyer, the lost or damaged property has not been adequately repaired, replaced

or restored, Buyer may terminate this Agreement, and the parties shall be released and discharged from any further obligation hereunder. In such event, the Escrow Deposit shall be immediately returned to Buyer. In the alternative, Buyer may consummate the Closing, and the amount necessary to repair, replace or restore the damaged or lost property to its former condition shall be credited against the Purchase Price to be paid by Buyer.

**14.2 Failure of Broadcast Transmission.** Seller shall give prompt written notice to Buyer if: (a) regular broadcast transmissions of the Station in the normal and usual manner are interrupted or discontinued; or (b) the Station is operated at less than its full licensed facilities. If Seller cannot restore normal and usual transmissions at the licensed operating parameters within twenty-four (24) hours (with the Closing Date to be extended if necessary), or if there are four (4) or more such events prior to the Closing Date each lasting more than two (2) hours, Buyer may, at its option: (a) terminate this Agreement; or (b) proceed in the manner set forth in Section 14.1(a) or 14.1(b). In the event of termination of this Agreement by Buyer pursuant to this Section, the parties shall be released and discharged from any further obligation hereunder, and the Escrow Deposit shall be immediately returned to Buyer.

**14.3 Resolution of Disagreements.** If the parties are unable to agree upon the extent of any loss or damage, the cost to repair, replace or restore any lost or damaged property, the adequacy of any repair, replacement, or restoration of any lost or damaged property, or any other matter arising under this Section, the disagreement shall be referred to a qualified consulting communications engineer mutually acceptable to Seller and Buyer who is a member of the Association of Federal Communications Consulting Engineers, whose decision shall be final, and whose fees and expenses shall be paid one-half (1/2) by Seller and one-half (1/2) by Buyer.

## 15. INDEMNIFICATION.

**15.1 Buyer's Right to Indemnification.** Seller undertakes and agrees to indemnify and hold Buyer harmless against and from any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorney's fees, incurred or suffered by Buyer arising from (a) the material breach, misrepresentation, or other violation of any of Seller's representations, warranties, or covenants contained in this Agreement; (b) the operation of the Station or the ownership of the Purchased Assets purchased prior to Closing; and (c) all liabilities of Seller other than the liabilities assumed by Buyer pursuant to Section 5; and (d) all liens, charges, or encumbrances on any of the Purchased Assets that are not expressly permitted by this Agreement. The foregoing indemnity is intended by Seller to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs and expenses with respect to any and all of the specific matters set forth in this indemnity and shall be without limitation as to amount.

**15.2 Seller's Right to Indemnification.** Buyer undertakes and agrees to indemnify and hold Seller harmless against and from any and all losses, costs, liabilities, claims, obligations and expenses, including reasonable attorney's fees, incurred or suffered by Seller arising from (a) the material breach, misrepresentation, or other violation of any of Buyer's representations, warranties or covenants contained in this Agreement; (b) the operation of the Station or ownership of the Purchased Assets after Closing; and (c) all liabilities of Buyer. The foregoing indemnity is intended by Buyer to cover all acts, suits, proceedings, claims, demands, assessments, adjustments, costs, and expenses with respect to any and all of the specific matters set forth in this indemnity and shall be without limitation as to amount.

### **15.3 Procedure.**

(a) If any claim or proceeding covered by the foregoing agreements to indemnify and hold harmless shall arise, the party who seeks indemnification (the "Indemnified Party") shall give written notice thereof to the other party (the "Indemnitor") promptly (in no event more than ten (10) days) after the Indemnified Party learns of the existence of such claim or proceeding; provided that the failure to notify the Indemnitor will not relieve the Indemnitor of any liability that it may have to the Indemnified Party, except to the extent that the Indemnitor demonstrates that the defense of such action is prejudiced by the Indemnified Party's failure to give such notice. Any claim for indemnification hereunder shall be accompanied by evidence demonstrating the Indemnified Party's right or possible right to indemnification, including a copy of all supporting documents relevant thereto. After the Indemnitor acknowledges its obligation to defend against or settle any such claim or proceeding, the Indemnitor shall not be liable to the Indemnified Party under this Section for any legal or other expenses subsequently incurred by the Indemnified Party in connection with the defense thereof, provided, however, that the Indemnified Party shall have the right to employ counsel to represent it if the Indemnified Party is advised by an attorney in writing



of conflict and that it is advisable for the Indemnified Party to be represented by separate counsel, and in that event the fees and expenses of such separate counsel shall be paid by the Indemnitor. The parties shall fully cooperate in the defense of the claim or proceeding and shall make available to each other all books or records necessary or appropriate for such defense.

(b) The Indemnitor shall have the right to employ counsel reasonably acceptable to the Indemnified Party to defend against the claim or proceeding, or to compromise, settle or otherwise dispose of the same; provided, however, that no settlement or compromise shall be effected without the consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed.

(c) If the Indemnitor fails to acknowledge in writing its obligation to defend against or settle any claim or proceeding within twenty (20) days after receiving notice of the claim or proceeding from the Indemnified Party (or such shorter time specified in the notice as the circumstances of the matter may dictate) the Indemnified Party shall be free to dispose of the matter, at the expense of the Indemnitor (but subject to the Indemnitor's right subsequently to contest through appropriate proceedings its obligation to provide indemnification), in any way that the Indemnified Party deems in its best interest.

(d) The Indemnitor shall be subrogated to all rights of the Indemnified Party against any third party with respect to any claim for which indemnification is paid to the extent of such payment.

**15.4 Indemnification Not Sole Remedy.** The right to indemnification hereunder shall not be the exclusive remedy of either party in connection with any breach by the other party of its representations, warranties, or covenants, nor shall such indemnification be deemed to prejudice or operate as a waiver of any remedy to which either party may otherwise be entitled as a result of any such breach by the other party.

## **16. ACCESS TO INFORMATION AND DOCUMENTS AFTER CLOSING.**

**16.1 By Buyer.** At Buyer's request, Seller shall give to Buyer and to Buyer's counsel, accountants and other representatives, reasonable access after Closing to Seller's books, and records, and documents as they relate to the Station's operation prior to the Closing. Buyer's request shall state with reasonable specificity the purpose of the request and the property, books and records, and additional information, to which Buyer desires to have access or to copy, and Buyer's access and copying may be reasonably limited by Seller to that which is reasonably necessary for Buyer's legitimate purposes. In any case, all such information shall be strictly confidential and may not be disclosed by Buyer to any person, except as otherwise contemplated by this Agreement, required by law, or reasonably required to achieve Buyer's legitimate purposes.

**17. TERMINATION.**

**17.1 By Either Party.** Seller or Buyer may terminate this Agreement as follows:

(a) if the Closing has not occurred within nine (9) months of the date of submission of the Assignment Application to the FCC (the "Termination Date"); provided, however, that the right to terminate this Agreement under this Section shall be suspended as to any party whose failure to fulfill any material obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the closing to occur prior to such date, until the twentieth (20<sup>th</sup>) day after such party has been given notice to cure such failure;

(b) if the FCC designates the Assignment Application for an evidentiary hearing; or

(c) if any court of competent jurisdiction or other United States governmental body shall have issued an order, decree or ruling, or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement; or

(d) if the Commission does not approve the minor modification of the Construction Permit as described in **Section 4.**

**17.2 By Seller.** Seller may terminate this Agreement if Buyer shall have materially breached any representation, warranty or covenant of Buyer contained in this Agreement, provided that such breach has not been cured within twenty (20) days after the giving of notice thereof by Seller to Buyer, and provided further that Seller is not then in default of any of its obligations under this Agreement.

**17.3 By Buyer.** Buyer may terminate this Agreement if Seller shall have materially breached any representation, warranty or covenant of Seller contained in this Agreement, provided that such breach has not been cured within twenty (20) days after the giving of notice thereof by Buyer to Seller, and provided further that Buyer is not then in default of any of its obligations under this Agreement.

**17.4 Results of Termination.** If either party terminates this Agreement pursuant to **Section 17.1,** neither party shall have any liability to the other, and this Agreement in its entirety shall be deemed null, void and of no further force and effect, and the Escrow Deposit shall be immediately returned to Buyer. If Seller terminates this Agreement pursuant to **Section 17.2,** then Seller shall be entitled to receive as compensation therefor the principal sum of the Escrow Deposit as complete, reasonable and adequate liquidated damages, and not as a penalty. Seller and Buyer agree that

damages would be difficult to ascertain and that the amount of the payment to be made to Seller pursuant to this Section is a fair and equitable amount to reimburse Seller for damages sustained due to Buyer's breach of this Agreement. Such liquidated damages shall be Seller's sole remedy. If Buyer terminates this Agreement pursuant to Section 17.3, Buyer shall be entitled to pursue any and all remedies available to it in law and equity.

**18. SPECIFIC PERFORMANCE.** Seller agrees that the Purchased 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. Therefore, Buyer shall have the right specifically to enforce Seller's performance under this Agreement, and Seller agrees to waive the defense in any such suit that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy. The remedies described in this section shall be in addition to, and not in lieu of, any other remedies that Buyer may elect to pursue.

**19. GENERAL PROVISIONS.**

**19.1 Brokerage.** Buyer hereby represents that it has agreed to pay a five percent (5%) commission to The Exline Company, 4340 Redwood Highway, Suite F230, San Rafael, California to help consummate this transaction. In the event any other consultant, broker or finder asserts a claim in connection with this transaction, the party who is alleged to have engaged or retained such other consultant, broker or finder shall indemnify and hold harmless the other party, if such claim is asserted against such other party by said consultant, broker or finder.

**19.2 Further Assurances.** After the Closing, Seller shall from time to time, at the reasonable request of Buyer, execute and deliver such other instruments of conveyance and transfer and take such other actions as may reasonably be requested in order more effectively to consummate the transactions contemplated hereby to vest in Buyer good and marketable title to the Purchased Assets to be transferred hereunder, free, clear and unencumbered.

**19.3 Benefit and Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. All covenants, agreements, statements, representations, warranties and indemnities in this Agreement by and on behalf of any of the parties hereto shall bind and inure to the benefit of their respective successors and permitted assigns. Neither party may assign its rights and obligations hereunder without the prior written consent of the other party.

**19.4 Expenses.** Seller shall pay all sales, use, transfer, conveyance, recordation and documentary taxes payable or assessable in connection with or as a result of the sale and transfer contemplated by this Agreement. Except as otherwise provided

herein, all expenses involved in the preparation and consummation of this Agreement shall be borne by the party incurring same whether or not the transaction contemplated herein is consummated. All Commission filing fees, if any, for the Assignment Application shall be split between Buyer and Seller.

**19.5 Notices.** All notices, requests, demands, and other communications pertaining to this Agreement shall be in writing and shall be deemed duly given when delivered personally or mailed by certified mail, return receipt requested, postage prepaid, or by an overnight carrier that provides a written confirmation of delivery, addressed as follows:

If to Seller:  
James Gilley, President  
Three Angels Broadcasting Network, Inc.  
P.O. Box 220  
West Frankfort, Illinois 62896

with copy to (which shall not constitute notice):  
David M. Silverman, Esq.  
Davis Wright Tremaine LLP  
1919 Pennsylvania Av NW, Suite 200  
Washington, DC 20006

and to:  
Moses Primo  
Director of Broadcast Operations and Engineering  
Three Angels Broadcasting Network, Inc.  
3391 Charley Good Road  
P.O. Box 220  
West Frankfort, IL 62896

If to Buyer:  
Scott Diehl, Operations Manager  
Churchill Media III, LLC  
871 Country Club Rd.  
Eugene, OR 97401

with a copy to (which shall not constitute notice):  
J. Dominic Monahan  
Attorney at Law  
P.O. Box 10747  
Eugene, OR 97440

Whenever possible, notices should also be provided by facsimile or electronic mail. Either party may change its address for notices by written notice to the other given pursuant to this Section.

**19.6 Prior Negotiations.** This Agreement supersedes in all respects all prior and contemporaneous oral and written negotiations, understandings and agreements between the parties with respect to the subject matter hereof. All of said prior and contemporaneous negotiations, understandings and agreements are merged herein and superseded hereby.

**19.7 Entire Agreement; Amendment.** This Agreement and the Attachments hereto set forth the entire understanding between the parties in connection with the transaction contemplated herein. Neither this Agreement nor any term or provision hereof may be altered or amended in any manner except by an instrument in writing signed by the party against whom the enforcement of any such change is sought.

**19.8 Severability.** If any term of this Agreement is illegal or unenforceable at law or in equity, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Any illegal or unenforceable term shall be deemed to be void and of no force and effect, and the balance of this Agreement shall then be fully enforceable.

**19.9 Survival of Representations and Warranties.** The several representations, warranties and covenants of the parties contained herein shall survive the Closing and shall expire as provided pursuant to the relevant statute(s) of limitations.

**19.10 Waiver.** Unless otherwise specifically agreed in writing to the contrary: (a) the failure of either party at any time to require performance by the other of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (b) no waiver by either party of any default by the other 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 either party for the performance of any obligation or act by the other party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

**19.11 Number and Gender.** Whenever the context so requires, words used in the singular shall be construed to mean or include the plural and vice versa, and pronouns of any gender shall be construed to mean or include any other gender or genders.

**19.12 Headings and Cross-References.** The headings of the Sections and Paragraphs have been included for convenience of reference only, and shall in no way limit or affect the meaning or interpretation of the specific provisions of this Agreement. All

cross-references to Sections or Paragraphs herein shall mean the Sections or Paragraphs of this Agreement unless otherwise stated or clearly required by the context. Words such as "herein" and "hereof" shall be deemed to refer to this Agreement as a whole and not to any particular provision of this Agreement unless otherwise stated or clearly required by the context.

**19.13 Counsel.** Each party has been represented by its own counsel in connection with the negotiation and preparation of this Agreement or has knowingly waived such right and, consequently, each party hereby waives the application of any rule of law that would otherwise be applicable in connection with the interpretation of this Agreement, including, but not limited to, any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the party whose counsel drafted that provision.

**19.14 Choice of Laws.** This Agreement is to be construed and governed by the laws of the state of Washington without reference to the choice of law rules utilized in that jurisdiction.

**19.15 Enforcement.** If either party initiates an action in court to attempt to enforce its rights under this Agreement, the party who prevails in such action shall be entitled to be reimbursed by the losing party for its costs and reasonable attorneys' fees.

**19.16 Third Parties.** Nothing in this Agreement, whether expressed or implied, is intended: (a) to confer any rights or remedies on any person other than Seller, Buyer and their respective successors and permitted assigns; (b) to relieve or discharge the obligation or liability of any third party; or (c) to give any third party any right of subrogation or action against Seller or Buyer.

**19.17 Counterparts.** This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument. Each of the counterparts, when signed, shall be deemed to be an original, and all of the signed counterparts together shall be deemed to be one and the same instrument. This Agreement may be signed and exchanged by facsimile or electronic

transmission, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement effective as of the date first written above.

SELLER:

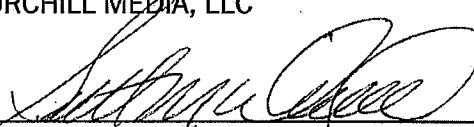
THREE ANGELS BROADCASTING  
NETWORK, INC.

By:  \_\_\_\_\_  
James Gilley, President

Date: 10/2/07

BUYER:

CHURCHILL MEDIA, LLC

By:  \_\_\_\_\_  
Scott Diehl, Operations Manager

Date: 9/27/07

United States of America  
FEDERAL COMMUNICATIONS COMMISSION  
LOW POWER TELEVISION/TELEVISION TRANSLATOR  
BROADCAST STATION CONSTRUCTION PERMIT

Authorizing Official:

Official Mailing Address:

THREE ANGELS BROADCASTING NETWORK, INC.  
PO BOX 220  
WEST FRANKFORT IL 62896

Hossein Hashemzadeh  
Associate Chief  
Video Division  
Media Bureau

Facility Id: 66980.

Grant Date: September 01, 2006  
This permit expires 3:00 a.m.  
local time, 36 months after the  
grant date specified above.

Call Sign: K51JG

Permit File Number: BPTTL-20051103ADA

This permit modifies permit no.: BLTTL-19940516IC

Subject to the provisions of the Communications Act of 1934, as amended, subsequent acts and treaties, and all regulations heretofore or hereafter made by this Commission, and further subject to the conditions set forth in this permit, the permittee is hereby authorized to construct the radio transmitting apparatus herein described. Installation and adjustment of equipment not specifically set forth herein shall be in accordance with representations contained in the permittee's application for construction permit except for such modifications as are presently permitted, without application, by the Commission's Rules.

Commission rules which became effective on February 16, 1999, have a bearing on this construction permit. See Report & Order, Streamlining of Mass Media Applications, MM Docket No. 98-43, 13 FCC RCD 23056, Para. 77-90 (November 25, 1998); 63 Fed. Reg. 70039 (December 18, 1998). Pursuant to these rules, this construction permit will be subject to automatic forfeiture unless construction is complete and an application for license to cover is filed prior to expiration. See Section 73.3598.

Equipment and program tests shall be conducted only pursuant to Sections 73.1610 and 73.1620 of the Commission's Rules.

Name of Permittee: THREE ANGELS BROADCASTING NETWORK, INC.

Station Location: WA-YAKIMA-TOPPENISH

Frequency (MHz): 692 - 698

Offset: ZERO

Channel: 51

Hours of Operation: Unlimited

FCC Form 364 October 21, 1985

ATTACHMENT 1  
Page 1 of 2



Callsign: KS1JG

Permit No.: BPTTL-20051103ADA

Transmitter: Type Accepted. See Sections 74.750 of the Commission's Rules.

Antenna type: (directional or non-directional): Directional

Description: AND ALP16L2-HSP

Major lobe directions (degrees true): Not Applicable

Beam Tilt: Not Applicable

Antenna Coordinates: North Latitude: 46 deg 31 min 41 sec

West Longitude: 120 deg 31 min 20 sec

Maximum Effective Radiated Power (ERP) Towards Radio Horizon: 28 kW

Maximum ERP in any Horizontal and Vertical Angle: 28 kW

Height of radiation center above ground: 18 Meters

Height of radiation center above mean sea level: 652 Meters

Antenna structure registration number: 1249672

Overall height of antenna structure above ground (including obstruction lighting if any) see the registration for this antenna structure.

Special operating conditions or restrictions:

- 1 The authorization of a license to operate this station is conditioned upon the use of a transmitter that has been type accepted or meets Commission type acceptance requirements at a visual carrier frequency tolerance of plus/minus 1 kHz. In the event the transmitter has not been type accepted at this tolerance, the permittee shall, in the license application, provide full engineering data that demonstrates compliance with Section 74.750 (c) (3) (iii) of the Commission's Rules.
- 2 This authorization is subject to the condition that low power television is a secondary service, and that low power television and television translator stations must not cause interference to the reception of existing or future full service television stations on either allotted NTSC or DTV channels, and must accept interference from such stations.

\*\*\* END OF AUTHORIZATION \*\*\*

Inventory of K58DL Yakima:

- (1) 10' DH satellite dish
- (1) Manhattan Satellite Receiver
- (1) Stick-on STA-1 Audio amplifier
- (1) Acrodyne TLU-1KSCE 1kW Transmitter
- (1) LDF7 1-5/8 heliax
- (1) Jampro JA/LS-16 slot cylinder antenna

United States of America  
FEDERAL COMMUNICATIONS COMMISSION  
LOW POWER TELEVISION/TELEVISION TRANSLATOR  
BROADCAST STATION LICENSE

Authorizing Official:

Official Mailing Address:

THREE ANGELS BROADCASTING NETWORK, INC.  
PO BOX 220  
WEST FRANKFORT IL 62896

Hossein Hashemzadeh  
Associate Chief  
Video Division  
Media Bureau

Facility Id: 66980

Grant Date: June 24, 1994

This license expires 3:00 a.m.  
local time, December 01, 1996.

Call Sign: K58DL

License File Number: BLTTL-19940516IC

This license covers Permit No.: BPTTL-19910502MX

Subject to the provisions of the Communications Act of 1934, subsequent acts and treaties, and all regulations heretofore or hereafter made by this Commission, and further subject to the conditions set forth in this license, the licensee is hereby authorized to use and operate the radio transmitting apparatus herein described.

This license is issued on the licensee's representation that the statements contained in licensee's application are true and that the undertakings therein contained so far as they are consistent herewith, will be carried out in good faith. The licensee shall, during the term of this license, render such broadcasting service as will serve the public interest, convenience, or necessity to the full extent of the privileges herein conferred.

This license shall not vest in the licensee any right to operate the station nor any right in the use of the frequency designated in the license beyond the term hereof, nor in any other manner than authorized herein. Neither the license nor the right granted hereunder shall be assigned or otherwise transferred in violation of the Communications Act of 1934. This license is subject to the right of use or control by the Government of the United States conferred by Section 606 of the Communications Act of 1934.

Callsign: K58DL

License No.: BLTTL-19940516IC

Name of Licensee: THREE ANGELS BROADCASTING NETWORK, INC.

Station Location: WA-YAKIMA-TOPPENISH

Frequency (MHz): 734 - 740

Offset: PLUS

Channel: 58

Hours of Operation: Unlimited

Transmitter: Type Accepted. See Sections 74.750 of the Commission's Rules.

Antenna type: (directional or non-directional): Directional

Description: AND ALP16L2-HSPR

Major lobe directions            5            135  
(degrees true):

Beam Tilt: Not Applicable

Antenna Coordinates: North Latitude:    46 deg 31 min 42 sec

                                          West Longitude:    120 deg 31 min 16 sec

Maximum Effective Radiated Power (ERP) Towards Radio Horizon: 19 kW

Maximum ERP in any Horizontal and Vertical Angle: 19 kW

Height of radiation center above ground:            15 Meters

Height of radiation center above mean sea level: 649 Meters

Antenna structure registration number: None

Overall height of antenna structure above ground:    30 Meters

Special operating conditions or restrictions:

- 1 THIS AUTHORIZATION REQUIRES THE TERRAIN SHIELDING WAIVER REQUEST CONDITION (SEE ATTACHMENT).

\*\*\* END OF AUTHORIZATION \*\*\*

LICENSE RENEWAL AUTHORIZATION

THIS IS TO NOTIFY YOU THAT YOUR APPLICATION  
FOR RENEWAL OF LICENSE, BR TTL-20060803AEW,  
WAS GRANTED ON 02/27/2007 FOR A TERM  
EXPIRING ON 02/01/2015.

THIS IS YOUR LICENSE RENEWAL AUTHORIZATION  
FOR STATION K58DL CHANNEL: 58.

FACILITY ID: 66980

LOCATION: YAKIMA-TOPPENISH, WA

THIS CARD MUST BE POSTED WITH THE STATION'S  
LICENSE CERTIFICATE AND ANY SUBSEQUENT  
MODIFICATIONS.

THREE ANGELS BROADCASTING NETWORK,  
INC.  
PO BOX 220  
WEST FRANKFORT, IL 62896

## ESCROW AGREEMENT

THIS ESCROW AGREEMENT is entered into as of September 27, 2007 by and among THREE ANGELS BROADCASTING CORPORATION, an Illinois not-for-profit corporation ("Seller"), CHURCHILL MEDIA, LLC, an Oregon limited liability company ("Buyer"), and COMMERCIAL ESCROW, INC., as escrow agent ("Escrow Agent");

WHEREAS, Buyer and Seller have entered into an Asset Purchase Agreement of even date herewith (the "Purchase Agreement") by which Seller has agreed to sell, assign, transfer, convey and deliver to Buyer, and Buyer has agreed to purchase from Seller, the Purchased Assets (as defined in the Purchase Agreement), all in accordance with and subject to the terms and conditions set forth in the Purchase Agreement; and

WHEREAS, pursuant to the Purchase Agreement, Buyer is required to deposit in an escrow account Twenty Two Thousand Five Hundred Dollars (\$22,500) in cash, as a good faith deposit, subject to the terms of the Purchase Agreement and of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. Definitions. All terms contained in this Escrow Agreement shall have the meaning set forth in the Purchase Agreement, unless otherwise defined herein.

2. Escrow Account.

2.1. Deposit. There is hereby established a separate escrow account with Escrow Agent in which Buyer, simultaneously with the execution and delivery of this Agreement, is depositing Twenty Two Thousand Five Hundred Dollars (\$22,500) in cash, as a good faith deposit (the "Escrow Deposit"), to be held and disbursed by Escrow Agent as hereinafter set forth.

2.2. Investment. Escrow Agent shall hold the Escrow Deposit in a separate account, and shall invest the Escrow Deposit in an interest-bearing account in a commercial bank organized under the laws of the United States or any state thereof.

2.3. Release at Closing. Upon receipt of written instructions from Buyer to such effect, Escrow Agent shall deliver (a) the Escrow Deposit (but not the interest accrued thereon) to Seller at the Closing by cashier's check, and (b) any and all interest accrued on the Escrow Deposit to Buyer by cashier's check.

2.4. Release to Seller. The Escrow Deposit, exclusive of interest, shall be delivered to Seller by cashier's check on the tenth (10th) business day after receipt by Escrow Agent of (a) Seller's written certification to Escrow Agent to the effect that Seller is entitled to receive the Escrow Deposit pursuant to Section 17.4 of the Purchase Agreement and (b) evidence

of delivery of copies of said certification by Seller to Buyer within three (3) business days after receipt of such certification by Escrow Agent. Following delivery of the Escrow Deposit to Seller pursuant to this Section 2.4, Escrow Agent shall delivery any interest accrued thereon to Buyer by cashier's check.

2.5. Return to Buyer. The Escrow Deposit, together with all interest earned thereon, shall be delivered to Buyer by cashier's check on the tenth (10<sup>th</sup>) business day after receipt by Escrow Agent of (a) Buyer's written certification to Escrow Agent to the effect that Buyer is entitled to receive the Escrow Deposit pursuant to Section 17.4 of the Purchase Agreement and (b) evidence of delivery of copies of said certification by Buyer to Seller within three (3) business days after receipt of such certification by Escrow Agent.

3. Concerning the Escrow Agent.

3.1. Duties. Escrow Agent undertakes to perform all duties which are expressly set forth herein without compensation.

3.2. Indemnification.

(a) Escrow Agent may rely upon and shall be protected in acting or refraining from acting upon any written notice, instructions or request furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Escrow Agent shall not be liable for any action taken by it in good faith and without negligence, and believed by it to be authorized or within the rights or powers conferred upon it by this Agreement, and may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

(c) Buyer and Seller hereby agree to indemnify Escrow Agent for, and to hold Escrow Agent harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of Escrow Agent, arising out of or in connection with Escrow Agent's entering into this Agreement and carrying out Escrow Agent's duties hereunder, including costs and expenses of successfully defending Escrow Agent against any claim of liability with respect thereto.

3.3. Other Matters. Escrow Agent reserves the right to resign as Escrow Agent at any time, provided thirty (30) days' prior written notice is given to the other parties hereto. The other parties hereto reserve the right to remove Escrow Agent at any time, provided thirty (30) days' prior written notice is given to Escrow Agent. In the event of litigation or dispute by the parties hereunder affecting its duties as Escrow Agent, Escrow Agent shall take no action until agreed to by the parties hereto, or until receipt of an order of a court having jurisdiction. Escrow Agent neither approves nor disapproves of this transaction, nor does it recommend for or against, nor does it have an opinion as to the legality or validity of this transaction.

4. Termination. This Escrow Agreement and the Escrow Deposit shall be terminated upon the delivery made pursuant to Section 2.3, Section 2.4 or Section 2.5 hereof, and may be terminated by written mutual consent signed by all parties hereto.

5. Notice. All notices, demands, requests, or other communications which may be or are required to be given or made by any party to any other party pursuant to this Agreement shall be in writing and shall be mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, or transmitted by overnight courier service, or hand delivered, addressed as follows:

(a) If to Seller:

~~James H. Gilley~~ <sup>04</sup>  
~~James H. Gilley~~, President  
Three Angels Broadcasting Network, Inc.  
P.O. Box 220  
West Frankfort, Illinois 62896

with copy to (which shall not constitute notice):

David M. Silverman, Esq.  
Davis Wright Tremaine LLP  
1919 Pennsylvania Av NW, Suite 200  
Washington, DC 20006

and to:

Moses Primo  
Director of Broadcast Operations and Engineering  
Three Angels Broadcasting Network, Inc.  
3391 Charley Good Road  
P.O. Box 220  
West Frankfort, IL 62896

(b) If to Buyer:

Scott Diehl, Operations Manager  
Churchill Media, LLC  
871 Country Club Rd.  
Eugene, OR 97401

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

J. Dominic Monahan  
Attorney at Law  
P.O. Box 10747  
Eugene, OR 97440



(c) If to Escrow Agent:  
Tony Curcio  
Commercial Escrow, Inc.  
875 Country Club Road  
Eugene, Oregon 97401

or such other address as the addressee may indicate by written notice. Each notice, demand, request, or communication which shall be given or made in the manner described above shall be deemed sufficiently given or made for all purposes at such time as it is delivered to the addressee (with the return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive but not exclusive evidence of such delivery) or at such time as delivery is refused by the addressee upon presentation.

6. Benefit and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns as permitted hereunder. No person or entity other than the parties hereto is or shall be entitled to bring any action to enforce any provision of this Agreement against any of the parties hereto, and the covenants and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, the parties hereto or their respective successors and assigns as permitted hereunder. No party to this Agreement may assign this Agreement or any rights hereunder without the prior written consent of the parties hereto.

7. Entire Agreement; Amendment. This Agreement, together with the Purchase Agreement, contains the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, commitments or understandings with respect to such matters. Buyer and Seller shall furnish Escrow Agent with a copy (without Exhibits) of the Purchase Agreement. This Agreement may not be changed orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

8. Signature in Counterparts. This Agreement may be executed in separate counterparts, none of which need contain the signatures of all parties, each of which shall be deemed to be an original, and all of which taken together constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than the number of counterparts containing the respective signatures of, or on behalf of, all of the parties hereto.

IN WITNESS WHEREOF, each of the parties hereto has caused this Escrow Agreement to be duly executed and delivered in its name and on its behalf, all as of the date and year first above written.

THREE ANGELS BROADCASTING CORPORATION

By: 

James Gilley  
President

CHURCHILL MEDIA, LLC

By: 

Scott Diehl  
Operations Manager

COMMERCIAL ESCROW, INC.

By: 

Tony Curcio