

ASSET PURCHASE AGREEMENT

THIS AGREEMENT, entered into as of this 28th day of March, 2007, by and between POSITIVE ALTERNATIVE RADIO, INC. ("Seller") and LIBERTY UNIVERSITY, INC. ("Buyer");

WITNESSETH:

WHEREAS, Seller is the holder of the following Federal Communications Commission ("FCC") Construction Permits for unbuilt FM Translator Stations: BNPFT-20030827AMI for W242BG at Winchester, Virginia; BNPFT-20030825AJH for W231BJ at Fredericksburg, Virginia; BNPFT-20030815ACF for W290AU at Burlington, North Carolina; and BNPFT-20030814AAC for W287AR at Marion, Virginia (hereinafter referred to as "Construction Permits").

WHEREAS, Buyer desires to acquire the Construction Permits, and Seller desires to sell, assign, transfer and convey the same to Buyer pursuant to the terms and conditions set forth below:

NOW, THEREFORE, in consideration of the mutual covenants herein contained, receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **DEFINITIONS:** Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

(a) Closing Date or Closing means a date to be designated by Buyer which shall not be later than June 18, 2007, assuming the FCC has approved and granted the assignment of the Construction Permits; provided, however, that, in the event of any post-grant protest of the Application, either Seller or Buyer shall have the option to extend the Closing Date to a date not later than the tenth (10th) business day after the Commission's consent and approval has become a Final Order, as defined below.

(b) Final Order means an Order of the FCC granting its consent and approval to the assignment of the Construction Permits from Seller to Buyer, which is no longer subject to rehearing, reconsideration or review by the FCC, or to a request for stay, an appeal or review by any court under the Communications Act of 1934, or the Rules and Regulations of the FCC.

2. **SALE AND TRANSFER OF ASSETS:** On the Closing Date, Seller agrees to sell and shall sell, transfer, assign, convey and deliver to the Buyer the Construction Permits. Seller is assigning the Construction Permits to Buyer "as is" without any representation or warranty as to their suitability, usability or non-interference with other broadcasters, or any other warranty as to the future performance or reliability of the Construction Permits, either individually or collectively. Furthermore, Seller makes no

representation or warranty as to the suitability or availability of the transmitter sites specified in the Construction Permits.

3. **PURCHASE PRICE:** The total consideration to be paid by Buyer to Seller pursuant to this Agreement is Sixty Thousand Dollars (\$ 60,000.00). Said consideration shall be paid as follows:

- i. Within five (5) business days from the time this Asset Purchase Agreement is executed, Buyer shall place into the Escrow Account of Seller's attorney, Cary S. Tepper ("Escrow Agent"), the sum of Six Thousand Dollars (\$ 6,000.00) as an Earnest Money Deposit towards Buyer's payment obligations at Closing. This Earnest Money Deposit shall be governed by that certain Escrow Agreement between Seller, Buyer and Cary S. Tepper as Escrow Agent, which is attached hereto as "**Exhibit No. 1.**"
- ii. Upon the finality of FCC approval for the sale of the Construction Permits, Seller and Buyer shall take the necessary steps to effectuate the Closing and instruct Escrow Agent, in writing, to release the escrow funds to Seller. In addition to the release of the escrow funds to Seller, Buyer shall also pay the remaining Fifty-Four Thousand Dollars (\$54,000.00) to Seller in the form of cash, check or wire transfer at Closing. The parties understand and agree that this transaction shall not be considered consummated, and the Seller shall not file the FCC "Notice of Consummation" until the payment of the entire consideration is received from the Buyer.

4. **ASSUMED CONTRACTS AND OBLIGATIONS.** No expense, debt or liability of Seller, of any nature whatsoever, shall be assumed by Buyer unless said assumption is set forth in this Agreement, or in any separate written agreements executed by both Buyer and Seller.

5. **TERMINATION:** This Agreement may be terminated at the option of either party upon written notice to the other party if the Closing has not consummated by June 18, 2007, provided however, that neither party may terminate this Agreement if that party is in default hereunder, or if a delay in any decision or determination by the FCC respecting either application has been caused or materially contributed to (i) by any failure of the terminating party to furnish, file or make available to the FCC information within its control; (ii) by the willful furnishing by the terminating party of incorrect, inaccurate, or incomplete information to the FCC, or (iii) by any other action taken by the terminating party for the purpose of delaying the FCC's decision or determination respecting the

application.

6. **TRANSFER OF ASSETS**: Seller, on the Closing Date at the Closing Place, will sell, transfer, convey, assign and deliver to Buyer the Construction Permits.

7. **CONSENT OF THE FCC**:

a. It is specifically understood and agreed that the consummation of this Agreement shall be subject to the prior consent of the FCC without conditions materially adverse to the Buyer. Upon the execution of this Agreement, Seller and Buyer will, at their mutual expense, proceed to expeditiously prepare and file with the FCC the requisite Assignment Application to secure such consent, together with such other necessary instruments and documents as may be required. The parties further agree to tender the said Application to the FCC within ten (10) days of the date of execution of this Agreement, and thereafter to prosecute said Application with diligence, and to cooperate with each other and to use their best efforts to obtain the requisite consent and approval promptly, and to carry out the provisions of this Agreement. Buyer shall be responsible for paying of any FCC filing fees associated with this transaction.

b. **Modification Applications**. Seller agrees to cooperate with Buyer in the filing of a minor change Construction Permit Modification Application for any of the Construction Permits. Buyer shall bear the costs and expenses it incurs with regard to the preparation, filing and prosecution of any such application, and shall reimburse Seller for any of its expenses incurred with such endeavors, including prior review by Seller's legal counsel, since any such application is required to be filed by Seller. Notwithstanding the foregoing, Buyer's obligation to proceed with this transaction shall not be contingent in any way upon the outcome of any such modification application.

8. **LEGAL NOTICE**: Upon the filing of the assignment application, Seller shall be responsible for, and shall take the necessary steps, to provide such Legal Notice concerning the filing as may be required by the FCC Rules. If requested by Buyer, Seller shall provide Buyer with evidence of Seller's compliance with the Legal Notice requirements.

9. **SECTION 73.1150 STATEMENT**: Both the Seller and Buyer agree that the Seller has retained no rights of reversion of the Construction Permits, no right to the reassignment of the permits in the future, and has not reserved the right to use the facilities of any such permit in the future for any reason whatsoever.

10. **COMPLIANCE WITH LAWS**: Seller has not received any notice asserting noncompliance by it in connection with the Construction Permits with respect to any applicable local, state or federal (including FCC) statute, rule or regulation. Seller is not in

default with respect to any judgment, order, injunction or decree of any court, administrative agency or other governmental authority or any other tribunal duly authorized to resolve disputes in any respect material to the transactions contemplated hereby. There are no applications, complaints or proceedings pending or, to the best of Seller's knowledge, threatened before the FCC relating to the Construction Permits which would have a material adverse effect on the future operation of any such permit.

11. COVENANTS, REPRESENTATIONS, WARRANTIES AND INSURANCE:

(a). Seller has full power and authority to enter into this Agreement and is the holder of the Construction Permits.

(b). Buyer has full power and authority to enter into this Agreement and has correctly represented its financial standing to consummate this Agreement.

12. EXPIRATION OF REPRESENTATIONS AND WARRANTIES: The representations and warranties of Seller and Buyer contained herein shall expire one (1) year after the Closing.

13. FCC QUALIFICATIONS:

(a) Seller is qualified under the Communications Act of 1934, as amended, to assign the Construction Permits to Buyer.

(b) Seller does not know of any facts relating to Seller which would cause the FCC to deny its consent to the assignment of the Construction Permits to Buyer, and should any such facts come to Seller's attention, Seller shall promptly notify Buyer thereof and use his reasonable best efforts and take such steps as may be reasonably necessary to remove any such impediment to the Assignment.

14. SELLER'S PERFORMANCE AT CLOSING: On the Closing Date at the Closing Place, Seller shall execute and deliver or cause to be delivered to Buyer the following:

(a) An Assignment to Buyer of the Construction Permits, together with any and all other related authorizations.

(b) An Assignment to Buyer of all rights, title and interest in and to the Call Letters W242BG, W231BJ, W290AU and W287AR.

(c) Such other assignments, bills of sale or other instruments as may be required to effectuate this Agreement and the assignment of the Construction Permits

from Seller to Buyer.

15. BUYER'S PERFORMANCE AT CLOSING: On the Closing Date at the Closing Place, Buyer shall execute its written consent to the release of the Six Thousand Dollars of escrow funds to Seller, and also deliver to Seller a check, cash or wire transfer in the amount of Fifty-Four Thousand Dollars (\$54,000.00).

16. BENEFIT: The parties hereto understand and agree that this Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

17. OTHER DOCUMENTS: The parties shall execute such other documents as may be necessary and desirable to the implementation and consummation of this Agreement.

18. BROKER: The Seller and Buyer agree that no broker was involved in this transaction.

19. ATTACHMENTS: All Attachments to this Agreement shall be deemed part of this Agreement and incorporated herein, where applicable, as if fully set forth herein. If any provision in any Attachment conflicts with or is not consistent with the provisions of this Agreement, the terms of this Agreement shall govern.

20. NO INCONSISTENT ACTIONS. Neither the Seller nor the Buyer shall take any action which is materially inconsistent with its obligations under this Agreement.

21. ENTIRE AGREEMENT: This Agreement is the only Agreement between the parties hereto and contains all of the terms and conditions agreed upon with respect to the subject matter hereof. No alteration, modification or change of this Agreement shall be valid unless by like instrument.

22. NOTICES: All necessary notices required under this Agreement shall be sent first-class mail, postage pre-paid, to the following:

If to Seller:	Edward A. Baker
	Positive Alternative Radio, Inc.
	P.O. Box 889
	Blacksburg, VA 24063

With a copy to: Cary S. Tepper, Esq.
Booth, Freret, Imlay & Tepper, PC
7900 Wisconsin Avenue
Suite 304
Bethesda, MD 20814-3628

If to Liberty: Dr. Ronald S. Godwin.
Liberty University, Inc.
1971 University Blvd.
Lynchburg, VA 24502

With a copy to: Harry C. Martin, Esq.
Fletcher, Heald & Hildreth, PLC
1300 North 17th Street; 11th Floor
Arlington, VA 22209

23. GOVERNING LAW: This Agreement shall be construed and enforced in accordance with the laws of the State of Virginia.

24. COUNTERPARTS: This Agreement may be executed in counterparts.

25. HEADINGS: The headings of the Paragraphs of this Agreement are inserted as a matter of convenience and for reference purposes only, and in no way define, limit or describe the scope of this Agreement nor the intent of any Paragraph hereof.

IN WITNESS HEREOF, the parties hereto have hereunto set their hands and seals.

**POSITIVE ALTERNATIVE RADIO, INC.
(Seller")**

**LIBERTY UNIVERSITY, INC.
(Buyer")**

[Executed signature pages to follow]

By: _____
Edward A. Baker
President

By: _____
Dr. Ronald S. Godwin
Executive Vice-President

Date: _____

Date: _____

7900 Wisconsin Avenue
Suite 304
Bethesda, MD 20814-3628

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Liberty University, Inc.
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POSITIVE ALTERNATIVE RADIO, INC.
(Seller")

LIBERTY UNIVERSITY, INC.
(Buyer")

By: Edward A. Baker
Edward A. Baker
President

By: _____
Dr. Ronald S. Godwin
Executive Vice-President

Date: 3-28-07

Date: _____

With a copy to: Cary S. Tepper, Esq.
Booth, Freret, Imlay & Tepper, PC
7900 Wisconsin Avenue
Suite 304
Bethesda, MD 20814-3628

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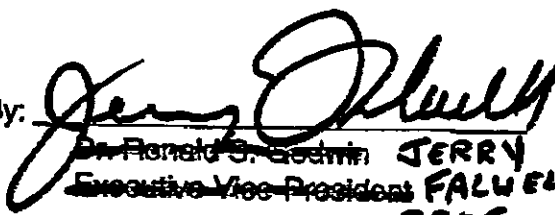
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POSITIVE ALTERNATIVE RADIO, INC.
(Seller")

LIBERTY UNIVERSITY, INC.
(Buyer")

By: _____
Edward A. Baker
President

Date: _____

By: 
~~Dr. Ronald S. Godwin~~ **JERRY**
~~Executive Vice President~~ **FALWELL,**
PRES.

Date: March 28, 2007