

## ASSET PURCHASE AGREEMENT

Asset Purchase Agreement ("APA"), made and entered into this 8 day of February, 2010, by and between Calvary Chapel of Costa Mesa, Inc., a California not-for-profit corporation ("Seller"), and Calvary Chapel of Albuquerque, Incorporated, a New Mexico not-for-profit corporation ("Buyer").

### WITNESSETH:

WHEREAS, Seller is the owner and holds licenses issued by the Federal Communications Commission ("FCC") for the operation of Non-Commercial Educational FM Broadcast Station KPKJ, FCC Facility ID No. 93073, Mentmore, New Mexico, and Non-Commercial Educational FM Broadcast Station KKCI, FCC Facility ID No. 122203, Cannon AFB, New Mexico (collectively, the "Stations"); and

WHEREAS, Seller desires to sell the Stations to Buyer as a going business on the terms and conditions hereinafter set forth, and Buyer desires to purchase same.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants hereinafter set forth, it is agreed as follows:

1. **Assets to Be Sold.** The assets to be sold consist of all of the personal property owned by Seller and used in the operation of the Stations, an inventory of which is attached and marked Schedule A; all leaseholds held by Seller and used in the operation of the Stations, which leases are described in Schedule B attached hereto (the "Leases"), and will be assigned to Buyer and fully assumed by Buyer at the Closing as hereinafter defined; the licenses issued by the FCC for the operation of the Stations, subject to FCC consent to the assignment of such licenses from Seller to Buyer; and the Stations' accounts receivable.

2. **Purchase Price.** The Purchase Price for the assets described in paragraph 1 shall consist of the sum of Two Hundred Thousand Dollars (\$200,000.00), evidenced by a Promissory Note of Buyer in that amount, bearing interest at the rate of six percent (6%) per annum and payable in twenty-four (24) equal, consecutive, monthly payments of principal and interest, each in the sum of Eight Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$8,666.67), plus a final twenty-fifth (25<sup>th</sup>) monthly payment in the sum of Five Thousand Forty-Six Dollars and Sixty-Six Cents (\$5,046.66), and secured by a security agreement providing for the sale of the Stations or any of them in the event of a default, and for a first security interest in favor of Seller in the proceeds of that sale, evidenced by the filing of a Form UCC-1. The agreement will require the unpaid portion of the Promissory Note to become due

and payable in a lump sum in readily available funds in the event that Buyer sells any of the Stations to a third party without the written consent of Seller.

3. **Application for FCC Consent.** Within five (5) days of the date of execution of this APA, the parties will file an application with the FCC for FCC consent to the transactions contemplated by this APA (the "Assignment Application"). The parties will vigorously prosecute the the Assignment Application and do all things reasonably necessary and/or appropriate to obtain a grant thereof.

4. **Closing Following FCC Consent.** Closing of the transactions contemplated in this Agreement will occur within ten (10) days after FCC approval of the Assignment Application becomes final as a matter of law. Closing shall take place by an exchange of documents either electronically and/or by the use of Federal Express. At the Closing, Seller will deliver to Buyer, (i) a bill of sale for the personal property and intangibles associated with the Stations; (ii) an assignment of the Stations' licenses from Seller to Buyer; (iii) an assignment of the Leases; (iv) written landlord consents to assignments of the Leases; and (v) the certificate provided for in Section 5. At the Closing Buyer will deliver to Seller (w) a written assumption of the Leases, (x) a written assumption of its obligations set forth in Schedule C, (y) the certificate provided for in Section 6, and (z) the Purchase Price in the manner provided in Section 2.

5. **Seller's Warranties.** All of the broadcast equipment and the real and personal property being conveyed to Buyer is being conveyed "as is" and "where is". Seller makes absolutely no warranties of any kind with respect to the condition of such real or personal property. Seller warrants that (i) the FCC licenses being conveyed to Buyer are and at Closing will be in good standing; (ii) it has, or will have on the Closing Date, legal capacity and authority to enter into and consummate the transactions provided for in this APA, and that such consummation will not violate any term of Seller's organizational documents or any contract to which Seller is bound; (iii) as of the date of Closing all rents and other obligations under the Leases will be fully paid; and (iv) all taxes due on the assets being conveyed will be fully paid or prorated among Buyer and Seller as of the Closing Date. Seller covenants that it will assume financial responsibility for any legal and engineering fees incurred by Buyer in resolution of any FCC complaints or investigations that are made or otherwise are initiated prior to Closing, and that such responsibility will continue until such time that any such complaint or investigation is fully resolved. At Closing Seller will provide Buyer with a certificate duly executed by Seller attesting to the accuracy of these representations and warranties as of the Closing Date, and to its having complied fully with all of the covenants of Seller in this Agreement. Seller makes absolutely no warranties and/or representations other than the ones set forth in this paragraph.

6. **Buyer's Warranties.** Buyer warrants and represents that it is a corporation in good standing in the State of New Mexico and that it knows of no reason why the FCC will not consent to the transactions contemplated by this APA. At Closing Buyer will provide Seller with a certificate duly executed by Buyer attesting to the accuracy of these representations and warranties as of the Closing Date, and to its having complied fully with all of the covenants of Buyer in this Agreement.

7. **Legal Expenses, Closing Costs and Filing Fees.** Each party will bear its own legal expenses connected with this transaction. All closing costs incurred in connection with the conveyance of the Real Estate to Buyer will be paid by Buyer. If there are any FCC filing fees, they will also be paid by Buyer.

8. **California Contract.** This APA is a California contract and shall construed and interpreted in accordance with the laws of the State of California (other than those laws relating to conflict of laws).

9. **Counterparts.** This APA may be executed in counterpart and/or by telecopy and, when so executed the counterparts taken together shall constitute a complete and binding agreement.

10. **Notices:** Any notice required hereunder shall be in writing and any payment, notice or other communications shall be deemed given when delivered personally, or mailed by certified mail or Federal Express, postage prepaid, with return receipt request, and addressed as follows:

If to Calvary Chapel of Costa Mesa, Inc.:

Calvary Chapel of Costa Mesa, Inc.  
ATTN: Charles W. Smith, President  
3000 W. MacArthur Boulevard  
Suite 500  
Santa Ana, CA 92704

With a Copy to:

Lauren A. Colby, Esq.  
Law Office of Lauren A. Colby  
10 E. Fourth Street  
P.O. Box 113  
Frederick, MD 21701

If to Calvary Chapel of Albuquerque, Inc.:

Calvary Chapel of Albuquerque,  
Incorporated  
ATTN: Pastor Skip Heitzig, President  
4001 Osuna Road, N.E.  
Albuquerque, NM 87109

With a Copy to:

Harry C. Martin, Esq.  
Fletcher, Heald & Hildreth, P.L.C.  
1300 North 17<sup>th</sup> Street  
11<sup>th</sup> Floor  
Arlington, VA 22209

**11. Termination.** This Agreement may be terminated by either party upon ten (10) days' written notice to the other (i) in the event of a breach by the other party of any representation, warranty, covenant or term in this Agreement; or (ii) if the transactions provided for herein have not been consummated within eighteen (18) months after date of this Agreement.

**12. Survival.** This Agreement and all representations, warranties and covenants contained herein shall expire twelve (12) months after Closing, except for the covenant included in Section 5 pertaining to any pending FCC matters, which covenant shall survive so long as any complaint or investigation described in such covenant remains unresolved.

[The remainder of this page is left intentionally blank.]

**SIGNATURE PAGE TO NEW MEXICO ASSET PURCHASE AGREEMENT**

**WHEREFORE**, the premises considered, the parties to this Agreement have set the hands and seals of their authorized representatives on the day and year first above written.

**CALVARY CHAPEL OF ALBUQUERQUE,  
INCORPORATED**

**By:** \_\_\_\_\_  
Skip Heitzig, President  
"Buyer"

**CALVARY CHAPEL OF COSTA MESA, INC.**


**By:** \_\_\_\_\_  
Charles W. Smith, President  
"Seller"

**SIGNATURE PAGE TO NEW MEXICO ASSET PURCHASE AGREEMENT**

**WHEREFORE**, the premises considered, the parties to this Agreement have set the hands and seals of their authorized representatives on the day and year first above written.

**CALVARY CHAPEL OF ALBUQUERQUE,  
INCORPORATED**

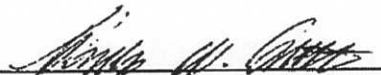
By: \_\_\_\_\_



Skip Heitzig, President  
"Buyer"

**CALVARY CHAPEL OF COSTA MESA, INC.**

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



Charles W. Smith, President  
"Seller"

**SIGNATURE PAGE TO NEW MEXICO ASSET PURCHASE AGREEMENT**

**WHEREFORE**, the premises considered, the parties to this Agreement have set the hands and seals of their authorized representatives on the day and year first above written.

**CALVARY CHAPEL OF ALBUQUERQUE,  
INCORPORATED**

By: \_\_\_\_\_  
Skip Heitzig, President  
"Buyer"

**CALVARY CHAPEL OF COSTA MESA, INC.**

By: \_\_\_\_\_  
Charles W. Smith, President  
"Seller"

## **LIST OF SCHEDULES**

|            |   |
|------------|---|
| Schedule A | Inventory of Personal Property                  |
| Schedule B | Leases to Be Assumed                            |
| Schedule C | Legal Description of Real Estate to Be Conveyed |
| Schedule D | Assumed Program Obligations                     |