

ASSET PURCHASE AGREEMENT

11-7-07 gbg
THIS ASSET PURCHASE AGREEMENT (the "Agreement") is entered into as of the 7 day of June, 2007, by and between TRINITY CHURCH OF THE NAZARENE ("Seller") and SPIRIT COMMUNICATIONS, INC. ("Buyer").

Background

WHEREAS, Seller holds a license (the "License") issued by the Federal Communications Commission ("FCC") for FM Radio Station KRQZ, Lompoc, California (Facility ID No. 78929) (the "Station"); and

WHEREAS, subject to FCC consent, Seller wishes to sell the License for the Station to Buyer, and Buyer wishes to purchase same from Seller.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, representations and covenants contained herein, the parties, intending to be bound legally, subject to the terms and conditions set forth herein agree as follows:

1. Assignment and Sale of License.

a. Subject to the terms and conditions set forth in this Agreement, Seller agrees to convey, transfer and assign to Buyer at the Closing (as defined in Section 3) all of Seller's right, title and interest in and to the License for the Station (copies of which are annexed hereto in Schedule 1) and all assets used or useful in the operation of the Station including equipment, leases, contracts, and station related documents such as the public file listed in Schedule 2. (hereinafter, "The Station Assets")

b. The consideration to be paid for the Station shall be Ten Dollars (\$10.00) The Purchase Price shall be paid at the closing by cashier's check or wire transfer.

2. FCC Consent. Within three (3) business days of the execution of this Agreement, the parties shall file an application (the "Assignment Application") for FCC consent to the assignment of the License for the Station (the "FCC Consent"). Each party shall be responsible for its own costs relating to the preparation of the Assignment Application and shall share equally any filing fees. Buyer and Seller agree to proceed expeditiously and with due diligence to use their best efforts to cooperate with each other in seeking the FCC's approval of the transaction contemplated herewith.

3. Closing. Within ten (10) business days after the FCC Consent in an FCC public notice becomes final, that is no longer subject to appeal or review, the parties shall consummate the transaction contemplated by this Agreement at a closing (the "Closing"); provided, however, Buyer, at its sole discretion, may consummate the transaction on grant of FCC consent prior to finality. At the Closing, Seller shall deliver to Buyer a Bill of Sale, an Assignment of License, an Assignment of Contracts and Lease, and any other documents of conveyance reasonably requested by Buyer and necessary to consummate the transaction contemplated by this Agreement. Seller shall deliver any necessary third party consents. Buyer and Seller shall each

deliver to the other a certificate executed by an officer or managing member of the respective companies certifying that the representations and warranties of such party contained herein are true and correct as of the Closing Date, as if made on such date. Buyer and seller shall also deliver to the other Board resolutions authorizing the transaction contemplated herein.

4. **Pre-Closing Covenants.** Should Buyer wish to modify the facilities of the Station prior to Closing, Seller will cooperate in the filing of such applications and provide written permission to Buyer for filing with the FCC, as necessary; however, Buyer shall be responsible for the payment of all legal and engineering costs associated with such filings. The parties will cooperate fully with each other in fulfilling their respective obligations under this Agreement, including using their respective reasonable best efforts to obtain the required FCC Consent.

5. **Condition Precedent to Closing.** The parties acknowledge and agree that the FCC Consent to the assignment of the License from Seller to Buyer is a condition precedent to the Closing provided that such Consent is final, that is, no longer subject to reconsideration or appeal.

6. **Representations and Warranties.** Each party hereto expressly represents and warrants that it has the full power and authority to enter into and execute this Agreement. Subject only to the FCC Consent, there is no constraint upon either party's legal ability to perform its responsibilities hereunder. Seller represents and warrants to Buyer that no person or entity is entitled to any brokerage commissions or finder's fees in connection with the transaction contemplated by this Agreement as a result of any action taken by Seller. Buyer represents and warrants to Seller that no person or entity is entitled to any brokerage commissions or finder's fees in connection with the transaction contemplated by this Agreement as a result of any action taken by Buyer. Seller makes no representations or warranties concerning The Station Assets which are being sold "as is". Buyer specifically acknowledges that Seller filed a late renewal application which is still pending and that the renewal acknowledged certain public file deficiencies. Except as noted, Seller warrants that The Station Assets shall be unencumbered in any way and shall be free and clear of all claims.

7. **Termination.** This Agreement may be terminated at any time prior to the Closing as follows:

(a) by mutual written consent of Buyer and Seller; or

(b) by written notice from a party that is not then in material breach of this Agreement if the other party has failed to cure its material breach of any of its representations, warranties or covenants under this Agreement within thirty (30) days after receipt of written notice of such breach from the party not in material breach; or

(c) by written notice of a party to the other party, if the Closing shall not have occurred within nine months from the filing of the Assignment Application.

8. **Effect of Termination.**

(a) If this Agreement is terminated by the parties pursuant to Section 7(a) or (c), then neither party shall have any further liability to the other, and this Agreement shall be deemed null and void and of no further force and effect.

(b) If this Agreement is terminated by Seller or Buyer pursuant to Section 7(b), subject to Section 9(a) hereof, that party shall have all rights to pursue any remedy available to it for breach.

9. **Miscellaneous.**

a. **Damages.** The parties recognize that if Seller refuses to perform its obligations under this Agreement, Buyer's sole remedy shall be to terminate the Agreement and Seller and Buyer shall have no further obligation

b. **Notices.** All notices, demands, requests or other communication required or permitted hereunder shall be in writing and sent by overnight air courier service (charges prepaid), or personal delivery to the appropriate party at the address specified below (or to such other address which a party shall specify to the other party in writing):

If to Seller:

Duane Armstrong
Trinity Church Of The Nazarene
500 E North Ave
Lompoc, CA 93436

If to Buyer:

Kathy Shumate
Spirit Communications, Inc.
116 County Line Road West
Westerville, OH 43082

Each party may change its address for notice purposes by providing written notice in accordance with this Section.

c. **Assignment and Binding Effect.** Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party, except that Buyer may assign its rights and obligations under this Agreement without the prior consent of Seller to any business entity which owns and controls Buyer, which Buyer owns and controls or which is owned and controlled by the same entity which owns and controls Buyer. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

d. **Governing Law.** Except to the extent governed by federal law, this Agreement shall be governed, construed and enforced in accordance with the laws of the State of California, without regard to the choice of law provisions thereof.

e. Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

f. Entire Agreement. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior negotiation, memoranda and agreements between the parties with respect to the subject matter hereof, and may not be altered, changed, modified or amended except by a written instrument signed by each of the parties hereto.

g. No Waiver. No provision or condition of this Agreement shall be waived by either party hereto except by a written instrument delivered to the other party and signed by the party consenting to and to be charged with such waiver.

h. Other and Further Documents. The parties hereto agree to execute, acknowledge and deliver, before, at or after the Closing, such other and further instruments and documents as may be reasonably necessary to implement, consummate and effectuate the terms of this Agreement.

i. Good Faith. All parties hereto shall act with reasonable diligence, and in good faith, in performing and discharging their respective duties and obligations hereunder.

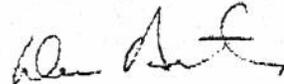
j. Headings and Cross References. Headings of the sections have been included for convenience of reference only and shall in no way limit or affect the meaning or interpretation of the specific provisions of this Agreement. All cross references to sections herein shall mean the section of this Agreement unless otherwise stated or clearly required by the context.

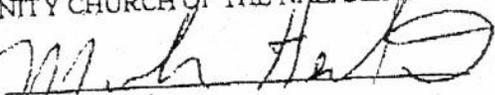
k. Litigation Expenses. If a formal legal proceeding is instituted by a party to enforce that party's rights under this Agreement, the prevailing party in the proceeding shall be reimbursed by the other party for all reasonable costs incurred thereby, including but not limited to reasonable attorney's fees.

l. Expenses. Except as otherwise provided herein, each party shall be solely responsible for all fees and expenses each party incurs in connection with the transaction contemplated by this Agreement, including, without limitation, legal fees incurred in connection herewith.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

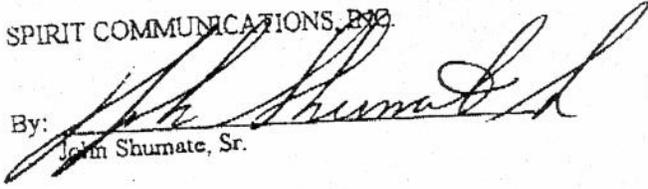
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above

SELLER: 
TRINITY CHURCH OF THE NAZARENE

By: 
Mark Hestand

BUYER:

SPIRIT COMMUNICATIONS, INC.

By: 
John Shumate, Sr.

FCC LICENSES

1. KRQZ License File No. BLED-20020808AAA, granted August 12, 2002, and renewed by License Renewal File No. BRED-20051223AAU through December 1, 2013, as modified by File No. BPED-20080128AAA.

2. RPU: WPRX256

ASSETS TO BE CONVEYED

Personal Tangible Property:

1. Nicom Poseidon audio processor
2. Inovonics FM modulation monitor
3. Marti RPU system (in use by Calvary?)
4. Tiernan ABR 202a satellite receiver
5. Ku satellite receive dish
6. Sage EAS encoder/decoder
7. Sage EAS receivers and associated antennas (2)
8. BSI Simian license
9. Audemat-Aztec RDS encoder
10. Audio DAs
11. First right of refusal for any additional studio/transmitter site hardware

Files and Records:

1. Public inspection file
2. Filings and applications with the FCC and other governmental authorities
3. Program and transmission logs
4. Technical information, manuals, and engineering data
5. Lists of business underwriters and audience supporters
6. Promotional materials
7. Marketing and demographic data

Agreements to be Assigned and Assumed:

1. None.