

ASSET PURCHASE AGREEMENT

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Asset Purchase Agreement (“APA”), made and entered into this _____ day of February, 2011, by and between Calvary Chapel of Costa Mesa, Inc., a California not-for-profit corporation (“Seller”), and Legacy Broadcasting, Inc., an Idaho 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 KYMS, FCC Facility ID No. 90229, Rathdrum, Idaho; and FM Translator Station K223BD, FCC Facility ID No. 143870, St. Maries, Idaho (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 operations of the Stations, an inventory of which is attached and marked Schedule A; all leaseholds held by Seller and used in the operations of the Stations, which leases are described in Schedule B attached hereto, 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 operations 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 Three Hundred Thousand Dollars (\$300,000.00), evidenced by a Promissory Note of Buyer in that amount, payable in seventy-four (74) equal, consecutive, monthly payments of principal and bearing no interest, each in the sum of Four Thousand Twenty-Five Dollars (\$4,025.00), plus a final seventy-fifth (75th) monthly payment in the sum of Two Thousand One Hundred Fifty Dollars (\$2,150.00), and secured by a security agreement providing for the sale of the Stations or either 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 either 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 parties will vigorously prosecute the application and do all things reasonably necessary and/or appropriate to obtain a grant thereof.

4. **Closing Following FCC Consent.** Within ten (10) days after the FCC issues an order consenting to the transactions contemplated by this APA, and upon written notice by Seller to Buyer, a 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 a bill of sale for the personal property to Buyer, an assignment of the Stations' licenses from Seller to Buyer; and an assignment of the leases described in Schedule B; Buyer will deliver written assumptions of such leases and of its obligations to broadcast the programs listed in Schedule C.

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 only that at the Closing it will have good and marketable title to the real and personal property being conveyed, and the FCC licenses being conveyed to Buyer will be in good standing. 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 Idaho and that it knows of no reason why the FCC will not consent to the transactions contemplated by this APA.

7. **Legal Expenses, Closing Costs and Filing Fees.** Each party will bear its own legal expenses connected with this transaction. If there are any FCC filing fees, they will also be paid by Buyer.

8. **Idaho Contract.** This APA is an Idaho contract and shall be construed and interpreted in accordance with the laws of the State of Idaho (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 Legacy Broadcasting, Inc.:

Legacy Broadcasting, Inc.
ATTN: Kay A. Poland, Chair
P.O. Box 998
Post Falls, ID 83877

With a Copy to:

A. Wray Fitch, III, Esq.
Gammon & Grange, P.C.
8280 Greensboro Drive
7th Floor
McLean, VA 22102

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

[SIGNATURE PAGE TO FOLLOW]

LEGACY BROADCASTING, INC.

By: _____
Kay A. Poland, Chair
"Buyer"

CALVARY CHAPEL OF COSTA MESA, INC.

By: _____
Charles W. Smith, President
"Seller"

LEGACY BROADCASTING, INC.

By: _____
Kay A. Poland, Chair
"Buyer"

CALVARY CHAPEL OF COSTA MESA, INC.

By: _____

Charles W. Smith, President
"Seller"

LEGACY BROADCASTING, INC.

By: Kay A. Poland
Kay A. Poland, Chair
"Buyer"

CALVARY CHAPEL OF COSTA MESA, INC.

By: _____
Charles W. Smith, President
"Seller"