

AGREEMENT

This Agreement ("Agreement") is made as of the 2nd day of August, 2013 (the "Execution Date") by and between **Calvary Chapel Kauai**, a nonprofit corporation created under the laws of the State of Hawaii ("Permittee"), and **Hawaii Public Radio, Inc.**, a nonprofit corporation created under the laws of the State of Hawaii ("HPR") (Permittee and HPR are sometimes referred to herein, individually, as a "Party" or, collectively, as the "Parties").

WITNESSETH:

WHEREAS, Permittee holds a construction permit issued by the Federal Communications Commission ("FCC" or "the Commission") authorizing Permittee to construct KIPL (FCC Facility ID No. 174337), which is a new noncommercial FM radio station with a designated community of license of Lihue, Hawaii, and that is to operate on 89.9 MHz (the "Station"); and,

WHEREAS, the facilities authorized in the construction permit are those specified in BMPED-20121228AID, granted January 8, 2013 (the "2013 Construction Permit"); and,

WHEREAS, HPR is the FCC licensee of several noncommercial FM radio stations in Hawaii and has experience in the construction, management and operation of noncommercial radio stations and in the production of programming for noncommercial radio stations; and,

WHEREAS, HPR desires to help Permittee construct, manage and program the Station in return for granting to it an option to purchase the Station on the terms set forth herein; and

WHEREAS, Permittee wishes to secure the services of HPR to facilitate Permittee's construction and programming of the Station; and

WHEREAS, HPR is willing to provide programming to Permittee for broadcast on the Station.

NOW, THEREFORE, the Parties agree as follows:

1. Assistance with Construction of Station. HPR shall assist Permittee in the construction of the radio facilities authorized in the 2013 Construction Permit. Without limitation, HPR shall negotiate contracts for the purchase or lease of such RF transmission and studio equipment reasonably required for the construction and operation of the facilities authorized by the 2013 Construction Permit and the construction and operation of a main studio that complies with the FCC's requirements (the "Station Equipment"). To the extent that the Station Equipment is purchased or leased by HPR in its own name, HPR shall lease such Station Equipment to Permittee. HPR shall also negotiate such lease agreements as may be reasonably necessary to permit the construction of the Station transmission facilities at the location specified in the 2013 Construction Permit (the "Transmitter Site Lease") and the establishment of a main studio at a location that complies with the Commission's rules (the "Main Studio Lease"). The Transmitter Site Lease and the Main Studio Lease shall specify Permittee as the lessee. HPR shall prepare for Permittee's review and signature the requisite FCC Form 302-FM upon completion of construction of the facilities authorized in the 2013 Construction Permit (the "Covering License Application"). Throughout the period of construction of the Station pursuant to this Section 1, HPR shall maintain in full force and effect insurance policies on the Station Equipment in amounts customary in the broadcast

industry. Upon commencement of Station operations pursuant to Program Test Authority under 47 C.F.R. Section 73.1620 ("Program Test Authority"), HPR shall have no further obligations with respect to the construction of the Station except insofar as the FCC requires additional construction, alterations or testing as a condition to the grant of the Covering License Application. The obligations imposed upon the Parties concerning construction of the Station, as specified above, shall take effect on the Execution Date.

2. Provision by HPR of Programming and Management Services. The Parties shall, by no later than the date on which the Station commences operations pursuant to Program Test Authority, enter into a separate Public Service Operating Agreement ("PSOA"), substantially in the form of Exhibit A hereto, whereunder HPR shall provide management services with respect to the Station and programming for use on the Station. The PSOA shall take effect commencing on the date that the Station commences operations pursuant to Program Test Authority. The PSOA shall remain in effect until the earlier of (a) the closing on the acquisition of the Station by HPR, or its designee, as set forth in Section 3(c), below, or (b) the date that is fifty-four (54) months after the date on which the Station commences operation pursuant to Program Test Authority (the "Expiration Date"). Notwithstanding the foregoing, if the Parties shall have filed prior to the Expiration Date an application with the FCC seeking the FCC's consent to the assignment of the station license from Permittee to HPR or its designee (the "Assignment Application"), the PSOA shall remain in effect until the FCC has acted on the Assignment Application by Final Order. For purposes of the PSOA, "Final Order" shall mean action by the FCC granting or denying the Assignment Application which is not reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to

which action no timely request for stay, petition for rehearing or reconsideration, application for review, notice of appeal or petition for review is pending, and as to which the time for filing any such request, petition, application or notice, or for reconsideration or review by the FCC on its own motion, has expired.

3. Payment Terms and HPR Option.

a. Initial Payment. Upon the execution of this Agreement, HPR, as consideration for the option being granted to it pursuant to Section 3c, below, shall pay the sum of Ten Thousand Dollars (\$10,000) (the "Initial Payment") to Permittee, as reimbursement of expenses incurred by Permittee in the construction of the Station. Permittee acknowledges that HPR has already advanced the full amount of the Initial Payment to it, with the result that, upon execution of this Agreement, HPR shall not be required to make any additional payment to Permittee in fulfillment of its obligation to make the Initial Payment to Permittee.

b. Monthly Payments.

i. As further consideration for the option being granted to it pursuant to Section 3c, HPR shall make a monthly payment of One Thousand, Two Hundred Dollars (\$1,200) (the "Capital Expenditure Monthly Payment") in reimbursement of the expenses incurred by Permittee in the construction of the Station. The first such Capital Expenditure Monthly Payment shall be paid by HPR to Permittee on the day that the Permittee commences operation of the Station pursuant to Program Test Authority. Each subsequent Capital Expenditure Monthly Payment shall be paid by HPR to Permittee on the same day of the month as the day of the month on which the initial Capital Expenditure Monthly

Payment was paid. HPR shall continue making the Capital Expenditure Monthly Payment until the earlier of (x) the date on which HPR has reimbursed all of Permittee's expenses incurred in the construction of the Station by virtue of its payment of the Initial Payment and the Capital Expenditure Monthly Payments or (y) the date on which the PSOA is terminated or otherwise expires. For the sake of clarity, the Parties acknowledge that the Capital Expenditure Monthly Payments are being made by HPR to Permittee as a means of permitting HPR to reimburse Permittee for the expenses incurred by it in the construction of the Station over time, rather than in a single lump sum payment.

ii. As set forth in the PSOA, HPR shall reimburse Permittee for those reasonable operating and maintenance expenses of the Station incurred during the term of the PSOA and required to be paid by Permittee pursuant to the PSOA. The Parties acknowledge that the payments made to Permittee by HPR pursuant to this Section 3bii, consistent with the FCC's policies, are designed to, and will in fact, provide Permittee with no more than reasonable reimbursement of its expenses incurred in operating the Station during the term of the PSOA.

c. HPR Option. Permittee hereby grants HPR the option to purchase the Station (the "HPR Option") for the Purchase Price of One Dollar (\$1.00) pursuant to the terms and provisions of the Asset Purchase Agreement attached hereto as Exhibit B (the "Asset Purchase Agreement"), as such terms and conditions (other than the purchase price, which shall not be changed) may be required to be modified to reflect changed circumstances. The HPR Option may be exercised by HPR or its designee commencing on the date that is four (4) years after the commencement by the Station of operations

pursuant to Program Test Authority and expires on the date that is fifty-four (54) months after the date on which the Station commences operations pursuant to Program Test Authority. The HPR Option may be exercised by HPR or its designee (provided HPR is not at that time in material breach of the provisions of this Agreement or the PSOA) by providing written notice to the Permittee (the "HPR Option Notice"). Within twenty (20) calendar days of the HPR Option Notice, Permittee shall deliver to HPR or its designee, as applicable, such additional or modified schedules to the Asset Purchase Agreement to reflect the then current conditions. HPR or its designee, as applicable, shall not be required to accept any material adverse change in such schedules that are the direct result of Permittee's actions (other than actions taken at the request of HPR or its designee) including, but not limited to, any modifications to the schedules that would materially increase the obligations or liabilities of HPR or its designee, as applicable. Within ten (10) calendar days of the receipt by HPR or its designee, as applicable, of such revised schedules, HPR or, as applicable, its designee, if the schedules comply with the restrictions imposed by this Section 3c, shall execute the Asset Purchase Agreement and forward it to Permittee. Permittee shall execute and return to HPR or its designee, as applicable, the Asset Purchase Agreement within five (5) calendar days of Permittee's receipt of the executed Asset Purchase Agreement from HPR or its designee, provided the Asset Purchase Agreement is in compliance with the terms hereof. The Parties shall submit the requisite application seeking the FCC's consent to the assignment of the FCC license for the Station to HPR or its designee within five (5) business days of the effective date of the Asset Purchase Agreement and, upon receipt of such consent, shall proceed with the sale and purchase of the Station pursuant to the terms thereof, and this

Agreement shall terminate upon the closing of such purchase. The effective date of the Asset Purchase Agreement shall be the date upon which Permittee executes the Asset Purchase Agreement as described above.

4. Modification and Waiver: Remedies Cumulative. No modification or waiver of any provision of this Agreement will be effective unless in writing and signed by both Parties. No failure or delay on the part of either Party in exercising any right or power under this Agreement will operate as a waiver of such right or power, nor will any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise of such right or power or the exercise of any other right or power. Except as otherwise provided in this Agreement, the rights and remedies provided in this Agreement are cumulative and are not exclusive of any rights or remedies which a Party may otherwise have.

5. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of Permittee, HPR and their respective successors and assigns. Notwithstanding the preceding sentence, neither Party shall assign its rights or duties hereunder, except to a wholly owned or controlled subsidiary, affiliate or assign, without the express written consent of the other.

6. Counterpart Signatures: Facsimile Signatures. This Agreement may be signed in one or more counterparts, each of which will be deemed a duplicate original.

7. Notice. All communications or notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given at the earliest of (i) personal delivery; (ii) the next business day after the business day when notice is sent by

facsimile, "PDF" or other customary means of electronic transmission to the number or email address set forth below (provided that any notice given by electronic transmission is also given by one of the other means of notice provided for in this Section 7), (iii) the business day after being properly deposited for delivery by commercial next day overnight delivery service, prepaid, and (iv) five (5) days after the deposit in the United States mail, postage prepaid, return receipt requested and addressed as follows, unless and until either of such Parties notifies the other in accordance with this Section of a change of address:

To Permittee: Calvary Chapel Kauai
 P.O. Box 1062
 Kapaa, Hawaii 96746
 Facsimile: 808-_____
 Email: bob@crossroadskauai.org

with a copy (which shall not constitute notice) to:
 David A. O'Connor
 Wilkinson Barker Knauer, LLP
 2300 N Street, NW, Suite 700
 Washington, DC 20037
 Facsimile: 202-783-5851
 Email: doconnor@wbklaw.com

To HPR: Michael Titterton
 Hawaii Public Radio, Inc.
 738 Kaheka Street, Suite 101
 Honolulu, HI 96814
 Facsimile: 808-946-3863
 Email: mt@hawaiipublicradio.org

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

Garvey Schubert Barer
Fifth Floor
1000 Potomac St., NW
Washington, DC 20007
Attn: John M. Pelkey
Facsimile: 202-965-1729
Email: jpelkey@gsblaw.com

Any Party may from time to time change its address, facsimile number or email address for the purpose of notices to that Party by a similar notice specifying a new address, facsimile number or email address, but no such change shall be deemed to have been given until it is actually received by the Party sought to be charged with its contents.

8. Entire Agreement. This Agreement embodies the entire understanding between the Parties with respect to the subject matter hereof.

9. Relationship of Parties. Neither Permittee nor HPR will be deemed to be the agent, partner, or representative of the other Party to this Agreement, and neither Party is authorized to bind the other to any contract, agreement, or understanding.

10. Force Majeure. The failure of either Party hereto to comply with its obligations under this Agreement due to Acts of God, strikes, force majeure, terrorism, or other causes beyond such Party's reasonable control will not constitute a default under this Agreement, and neither Party will be liable to the other Party therefor for the period of such contingency.

11. Indemnification. Each Party to this Agreement agrees to indemnify and hold harmless the other Party, and, as applicable, its officers, directors, managers, affiliates, employees, shareholders, principals, members, agents, assigns, and licensees against any and all liability, loss, or damages that may be suffered as a result of claims,

demands, costs, or expenses, including reasonable attorneys' fees for trial, appeal, negotiations or otherwise, that arise out of, or in any manner are caused by, the undertakings of the indemnifying Party as provided in this Agreement or resulting from the negligence or willful act of any its employees, agents, tenants, contractors or licensees.

12. Construction. This Agreement shall be construed in accordance with the internal laws of the State of Hawaii, and the obligations of the Parties hereto are subject to all federal, state, or municipal laws or regulations now or hereafter in force and to the policies and rules of the FCC and all other governmental bodies or authorities presently or hereafter duly constituted. The Parties further agree that they will file a copy of this Agreement with the FCC if required to do so by the FCC's Rules.

13. Publicity. Neither Party will issue a press release nor make any other written public announcement related to this Agreement, or the terms thereof, without the prior consent of the other Party, except that either Party may make any disclosure of the Agreement required to be made under applicable state or federal law.

14. Attorneys' Fees. In the event of commencement of suit by either Party to enforce the provisions of, and/or recover damages for breach of, this Agreement, the substantially-prevailing Party shall be entitled to receive attorneys' fees and costs as a court may adjudge reasonable in addition to any other relief granted. Reasonable attorneys' fees incurred in enforcing any judgment arising out of this Agreement are also recoverable by the prevailing Party.

15. Authority. Each Party represents and warrants to one another that: (a) this Agreement constitutes a valid and binding obligation of such Party in accordance with its

terms; (b) the execution, delivery and performance of this Agreement has been duly and effectively authorized by such Party's governing board or equivalent authority; and (c) such Party is duly organized, validly existing and in good standing in its state of formation.

16. Liquidated Damages. The Parties recognize that the construction, management and programming services provided by HPR pursuant to this Agreement will materially enhance the value of the Station, and therefore agree that, in the event the Station is sold to a third party other than: a) HPR; or b) an entity under common control with Permittee, Permittee shall, promptly after completion of such sale, in consideration of the enhancement of the Station's value by HPR, pay to HPR the sum of One Hundred Thousand United States Dollars (\$100,000.00) as "Liquidated Damages." It is understood and agreed that such Liquidated Damages amount represents the Parties' reasonable estimate of actual damages and does not constitute a penalty. In the event that, as of the date on which the Permittee would otherwise be required to pay the Liquidated Damages to HPR, the Permittee has already paid to HPR the breakup fee specified in the Asset Purchase Agreement, the payment of such breakup fee shall constitute the payment of the Liquidated Damages specified in this Section 16 and Permittee shall be deemed to have made the Liquidated Damages payment required by this Section 16.

[Remainder of Page Intentionally Blank; Next Page is the Signature Page]

IN WITNESS WHEREOF, the Parties have executed this Agreement by their
duly authorized officials as of the date first above written.

Calvary Chapel Kauai

By: 

Hawaii Public Radio

By: 

Exhibit A

Public Service Operating Agreement

See attached.

PUBLIC SERVICE OPERATING AGREEMENT

This Public Service Operating Agreement ("PSOA") is made as of the 2nd day of August, 2013 (the "Effective Date") by and between **Calvary Chapel Kauai**, a nonprofit corporation created under the laws of the State of Hawaii ("Permittee"), and **Hawaii Public Radio, Inc.**, a nonprofit corporation created under the laws of the State of Hawaii ("HPR") (Permittee and HPR are sometimes referred to herein, individually, as a "Party" or, collectively, as the "Parties").

WITNESSETH:

WHEREAS, Permittee holds a construction permit (BMPED-20121228AID, granted January 8, 2013, referred to herein as the "2013 Construction Permit") issued by the Federal Communications Commission ("FCC" or "the Commission") authorizing Permittee to construct KIPL (FCC Facility ID No. 174337), which is a new noncommercial FM radio station with a designated community of license of Lihue, Hawaii, and that is to operate on 89.9 MHz (the "Station"); and,

WHEREAS, HPR is the FCC licensee of several noncommercial FM radio stations in Hawaii and has experience in the operation of noncommercial radio stations and in the production of programming for noncommercial radio stations; and,

WHEREAS, Permittee wishes to secure the services of HPR to facilitate Permittee's programming of the Station.

NOW, THEREFORE, the Parties agree as follows:

1. Agreement Term. The obligations imposed upon the Parties by this PSOA shall take effect commencing on the date (the "Commencement Date") that the Station begins operations pursuant to program test authority under Section 73.1620 of the

Commission's rules, 47 C.F.R. Section 73.1620 ("Program Test Authority"). This Agreement shall remain in effect until the earlier of (a) the closing on the acquisition of the Station by HPR, or (b) the date that is fifty-four (54) months after the date on which the Station commences operation pursuant to Program Test Authority (the "Expiration Date"). Notwithstanding the foregoing, if the Parties shall have filed prior to the Expiration Date an application with the FCC seeking the FCC's consent to the assignment of the station license from Permittee to HPR or its designee (the "Assignment Application"), this Agreement shall remain in effect until the FCC has acted on the Assignment Application by Final Order. For purposes of this Agreement, "Final Order" shall mean action by the FCC granting or denying the Assignment Application which is not reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no timely request for stay, petition for rehearing or reconsideration, application for review, notice of appeal or petition for review is pending, and as to which the time for filing any such request, petition, application or notice, or for reconsideration or review by the FCC on its own motion, has expired. The period during which this Agreement shall remain in effect pursuant to this Section 1 shall be referred to herein as the "Term."

2. Management of Air Time and Broadcast of Programs. Subject to the terms and conditions set forth in this Agreement, Permittee agrees to make the facilities of the Station available to HPR for broadcast of the programming provided by HPR (the "Programming") for up to 24 hours per day, seven days per week. Under Permittee's direction, HPR will air all Emergency Alert System ("EAS") tests and announcements

required by Part 11 of the FCC's rules and the Station identifications required under Section 73.1201 of the FCC's rules (each, a "Station Identification").

3. Operation, Ownership, and Control of the Station. Notwithstanding anything to the contrary in this Agreement, as long as Permittee remains the permittee or licensee of the Station, it will have ultimate authority, power, and control over the facilities of the Station during the Term, including Station finances, personnel and programming. Permittee will bear responsibility for the Station's compliance with all applicable provisions of the rules and policies of the FCC and all other applicable laws and regulations, including the maintenance of a main studio that complies with all FCC requirements and will staff that studio, Monday through Friday during regular business hours, with one management level employee of Licensee, who will report and be accountable to Licensee and direct the day-to-day operations of the Station, and for one other employee of Licensee as required by the FCC's policies (the "Permittee Personnel"). In addition, Permittee will: (a) retain ultimate control over the programming of the Station, including the right to preempt or reject any of the Programming, as set forth below; (b) maintain oversight of the Station's finances; and (c) cause the Station to comply with Station Identification, EAS, public file, political programming and main studio rules. Nothing herein shall prevent or hinder Permittee from rejecting or refusing programs which Permittee believes to be unsatisfactory, unsuitable or contrary to the public interest; or from substituting programs which, in Permittee's opinion, are of greater local or national importance, or which are specifically designed to address the problems, needs, and interests of Lihue, Hawaii, and the Station's service area.

During the Term, HPR shall maintain and deliver to Permittee documents required to be placed in the public inspection file of the Station, pursuant to Sections 73.1943 and 73.3527 of the FCC's rules, which documents shall include information concerning the broadcast of sponsored programming which, pursuant to Section 73.1212 of the FCC's rules, must be reported in the Station's public file, or programs addressing political issues or controversial subjects of public importance. Permittee shall be advised promptly by HPR of any FCC complaint or inquiry concerning the Programming and shall be given copies of any letters or e-mails from the public, including complaints, concerning the Programming.

The Station's transmission system and technical facilities will remain under Permittee's control. Permittee will take appropriate steps to assure that the Station operates in compliance with the terms of its license. Permittee will repair, and, if necessary, replace any of the Station's transmission facilities in a reasonable manner, and will maintain the Station's transmission facilities in substantially their condition as of the Effective Date, ordinary wear and tear excepted. HPR agrees to perform transmitter readings and maintain the Station Log on behalf of Licensee, as required by Section 73.1820 of the Commission's rules.

Notwithstanding anything to the contrary contained herein, HPR shall timely deliver to Permittee reports, including, but not limited to, monthly reports concerning listener complaints made about the Programming and revenues, including listener and underwriting contributions, received by HPR in support of the Programming.

4. Insurance. Each Party will maintain in full force and effect, with respect to the properties and employees utilized by each to fulfill their respective obligations

under this Agreement, a general liability and worker's compensation insurance policy; and will continue to maintain such insurance coverage in full force and effect throughout the Term. During the Term, HPR shall provide a copy of its insurance policy, including evidence that Permittee is covered as an additional insured, to Permittee annually, or upon Permittee request. Additionally, Permittee will maintain in full force and effect broadcaster liability insurance with respect to the Permittee programming it elects to broadcast, and shall name HPR as an additional insured on its policy.

5. Programs and Licensee Approval. The Programming shall be broadcast in conformity with all applicable laws and regulations regarding programming of a noncommercial nature, including, without limitation, Sections 399, 399A and 399B of the Communications Act of 1934, as amended, and Section 73.503 of the FCC's rules. HPR will air the Programming exclusively in a noncommercial format acceptable to Permittee.

This Agreement shall not be construed to grant Permittee any right of ownership in the Programming. Except as provided herein, neither Party shall use trade names, trademarks or service marks of the other Party without the prior written approval of the other Party, which approval may be withheld in that Party's absolute discretion; provided, however, that HPR may use the call letters of the Station in required Station Identification announcements and in connection with the Programming.

6. Consideration. HPR shall pay Permittee the consideration set forth in Schedule 6 hereto. To the extent permissible under FCC rules and policy, HPR shall be allowed to solicit listener and underwriter contributions to support the Programming and to include acknowledgements of such contributions in the Programming, provided that all such underwriting acknowledgements comply with relevant FCC requirements.

7. Expenses and Taxes; Proceeds. Each Party shall be responsible for all expenses and taxes incurred or imposed with respect to its property, employees, or operations. Without limiting the generality of the foregoing, HPR will employ and be responsible for the salaries, taxes, insurance, and related costs for all personnel used in the production of its Programming and for delivering the Programming to the Station, and shall pay for all costs associated with its program production or acquisition and for all fees to ASCAP, BMI, or SESAC and for any other copyright fees attributable to the Programming. Permittee will pay and be responsible for all costs of operating, owning, and controlling the Station in accordance with FCC rules and policies, its licensee obligations, and other applicable law, including lease expenses, if any, for the studio and transmitter site, equipment insurance, electrical expenses for the Station transmitter and studios, costs of maintaining the Station's transmitting facilities, the charges for a phone line to the studio, and similar items. Permittee will also be responsible for the salaries, taxes, insurance, and related expenses for the Permittee Personnel.

8. Licenses: Compliance with Law. During the Term, Permittee will maintain the validity of all licenses and other permits and authorizations (including, without limitation, FCC licenses, permits, and authorizations) necessary for the operation of the Station as conducted pursuant to the terms of the 2013 Construction Permit.

9. Default.

9.1 Events of Default. An event of default (an "Event of Default") will be deemed to occur if either Party materially breaches or violates, or fails in any material respect to observe or perform, any obligation, covenant, condition, or

agreement imposed upon the Party under this Agreement, and such default remains uncured beyond the periods provided in Section 9.2.

9.2 Cure Period. An Event of Default will not be deemed to have occurred until thirty (30) days after the non-defaulting Party has provided the defaulting Party with written notice specifying the event or events that, if not cured, would constitute an Event of Default under this Agreement, and the default has not been cured within such applicable period. In the event the defaulting Party is not reasonably able to cure a default before the expiration of the thirty (30) day cure period despite the defaulting Party's use of commercially reasonable and diligent efforts for same, then such cure period shall be extended until such time as the default is cured or until the defaulting Party ceases diligently working toward such cure, whichever shall first occur; provided, however, that the cure period shall not extend beyond ninety (90) days.

9.3 Remedies Upon Default, Rights of Termination. Upon the occurrence of an Event of Default, the non-defaulting Party may terminate this Agreement and, except as otherwise provided in this Agreement, pursue all remedies available at law or in equity for breach of this Agreement. Each Party agrees to submit itself to the jurisdiction of, and venue in, either Federal or State courts sitting in Hawaii in connection with any litigation arising out of this Agreement. In any proceeding brought under this Agreement, time shall be deemed of the essence.

9.4 Liabilities Upon Termination. Upon termination of this Agreement, HPR shall be responsible for all liabilities, debts, and obligations of HPR as set forth in this Agreement, and Permittee shall be responsible for all liabilities, debts, and obligations of Permittee.

10. Authority. Each party represents and warrants to one another that: (a) this Agreement constitutes a valid and binding obligation of such party in accordance with its terms; (b) the execution, delivery and performance of this Agreement has been duly and effectively authorized by such party's governing board or equivalent authority; and (c) such party is duly organized, validly existing and in good standing in its state of formation.

11. Modification and Waiver: Remedies Cumulative. No modification or waiver of any provision of this Agreement will be effective unless in writing and signed by both Parties. No failure or delay on the part of either Party in exercising any right or power under this Agreement will operate as a waiver of such right or power, nor will any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise of such right or power or the exercise of any other right or power. Except as otherwise provided in this Agreement, the rights and remedies provided in this Agreement are cumulative and are not exclusive of any rights or remedies which a Party may otherwise have.

12. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of Permittee, HPR and their respective successors and assigns. Notwithstanding the preceding sentence, neither Party shall assign its rights or duties hereunder, except to a wholly owned or controlled subsidiary, affiliate or assign, without the express written consent of the other.

13. Counterpart Signatures: Facsimile Signatures. This Agreement may be signed in one or more counterparts, each of which will be deemed a duplicate original.

14. Notice. All communications or notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given at the earliest of (i) personal delivery; (ii) the next business day after the business day when notice is sent by facsimile, "PDF" or other customary means of electronic transmission to the number or email address set forth below (provided that any notice given by electronic transmission is also given by one of the other means of notice provided for in this Section 14) , (iii) the business day after being properly deposited for delivery by commercial next day overnight delivery service, prepaid, and (iv) five (5) days after the deposit in the United States mail, postage prepaid, return receipt requested and addressed as follows, unless and until either of such parties notifies the other in accordance with this Section of a change of address:

To Permittee: Calvary Chapel Kauai
 P.O. Box 1062
 Kapaa, Hawaii 96746
 Facsimile: 808-_____
 Email: bob@crossroadskauai.org

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

David A. O'Connor
Wilkinson Barker Knauer, LLP
2300 N Street, NW, Suite 700
Washington, DC 20037
Facsimile: 202-783-5851
Email: doconnor@wbklaw.com

To HPR: Michael Titterton
 Hawaii Public Radio, Inc.
 738 Kaheka Street, Suite 101
 Honolulu, HI 96814
 Facsimile: 808-946-3863

Email:mt@hawaiipublicradio.org

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

Garvey Schubert Barer
Fifth Floor
1000 Potomac St., NW
Washington, DC 20007
Attn: John M. Pelkey
Facsimile: 202-965-1729
Email: jpelkey@gsblaw.com

Any party may from time to time change its address, facsimile number or email address for the purpose of notices to that party by a similar notice specifying a new address, facsimile number or email address, but no such change shall be deemed to have been given until it is actually received by the party sought to be charged with its contents.

15. Entire Agreement. This Agreement embodies the entire understanding between the Parties with respect to the subject matter hereof.

16. Relationship of Parties. Neither HPR nor Permittee will be deemed to be the agent, partner, or representative of the other Party to this Agreement, and neither Party is authorized to bind the other to any contract, agreement, or understanding.

17. Force Majeure. The failure of either Party hereto to comply with its obligations under this Agreement due to Acts of God, strikes, force majeure, terrorism, or other causes beyond such Party's reasonable control will not constitute a default under this Agreement, and neither Party will be liable to the other Party therefor for the period of such contingency. Notwithstanding the foregoing, any failure of Permittee to broadcast the Programming due to such causes shall entitle HPR to a pro rata reduction in the payment required under Schedule 6 to this Agreement with respect to periods during which such failure continues.

18. Indemnification.

18.1 Indemnification by HPR. HPR indemnifies and holds harmless Permittee, its directors, officers, employees, agents and affiliates from and against all liability, including without limitation reasonable attorneys' fees, arising out of or incident to the Programming or the broadcast thereof, or the conduct, acts or omission of HPR, its employees, contractors or agents including, but not limited to, any breach of this Agreement by HPR, and any reasonable attorneys' fees incurred in responding to any complaint to the FCC, or any FCC inquiry, regarding the Programming. Without limiting the generality of the foregoing, HPR indemnifies and holds harmless Permittee, its directors, officers, employees, agents and affiliates against liability for libel, slander, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from the Programming. HPR's obligation to hold Licensee harmless against the liabilities specified above shall survive termination of this Agreement for a period of one (1) year; provided, however, that this Section will not terminate with respect to any *bona fide* claim as to which the Party to be indemnified has, before the expiration of this Agreement and of such one (1) year period, delivered proper notice in accordance with this Section 18.

18.2 Indemnification by Licensee. Permittee indemnifies and holds harmless HPR, its directors, officers, employees, agents and affiliates from and against all liability, including without limitation reasonable attorneys' fees, arising out of or incident to any Permittee programming or the broadcast thereof, or the conduct, acts or omissions of Permittee, its employees, contractors, or agents including, but not limited to, any breach of this Agreement by Permittee, and any reasonable attorneys' fees incurred

in responding to any complaint to the FCC, or any FCC inquiry, regarding the Permittee's programming. Without limiting the generality of the foregoing, Permittee indemnifies and holds harmless HPR, its directors, officers, employees, agents and affiliates against liability for libel, slander, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from any programming broadcast by Permittee (exclusive of the Programming). Permittee's obligation to hold HPR harmless against the liabilities specified above shall survive termination of this Agreement for a period of one (1) year; provided, however, that this Section will not terminate with respect to any *bona fide* claim as to which the Party to be indemnified has, before the expiration of this Agreement and of such one (1) year period, delivered proper notice in accordance with this Section 18.

19. Construction. This Agreement shall be construed in accordance with the internal laws of the State of Hawaii, and the obligations of the Parties hereto are subject to all federal, state, or municipal laws or regulations now or hereafter in force and to the policies and rules of the FCC and all other governmental bodies or authorities presently or hereafter duly constituted. The Parties believe that the terms of this Agreement meet all FCC requirements for such agreements and agree that they shall negotiate in good faith to meet any FCC concern if they have incorrectly interpreted FCC policy or that policy is subsequently modified. If the Parties cannot agree to a modification or modifications deemed necessary by either Party to meet FCC requirements, either Party may terminate this Agreement, in which event the Parties shall negotiate in good faith to restore each other to the position the other enjoyed immediately prior to the Effective

Date. The Parties further agree that they will file a copy of this Agreement with the FCC if required to do so by the FCC's rules.

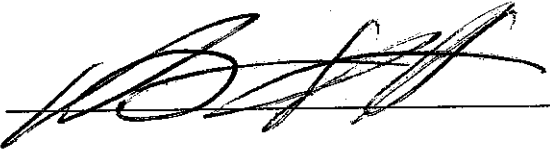
20. Publicity. Neither Party will issue a press release nor make any other written public announcement related to this Agreement, or the terms thereof, without the prior consent of the other Party, except that either Party may make any disclosure of the Agreement required to be made under applicable state or federal law.

21. Attorneys' Fees. In the event of commencement of suit by either Party to enforce the provisions of this Agreement, the substantially prevailing Party shall be entitled to recover reasonable attorneys' fees and costs from the other Party. Attorneys' fees incurred in enforcing any judgment arising out of this Agreement are also recoverable by the substantially prevailing Party (this provision allowing recovery of post-judgment attorneys' fees is intended to be severable from the other provisions of this agreement, to survive any judgment, and is not to be deemed merged into any judgment).

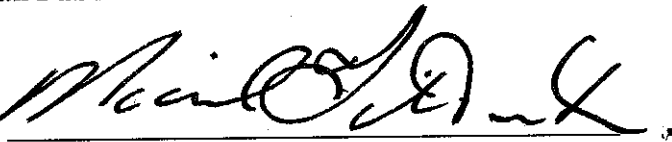
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IN WITNESS WHEREOF, the Parties have executed this Agreement by their
duly authorized officials as of the date first above written.

Calvary Chapel Kauai

By: 

Hawaii Public Radio

By: 

Schedule 6

Consideration

1. During the Term, HPR shall reimburse Licensee for those reasonable operating and maintenance expenses of the Station, not to exceed One Thousand Dollars (\$1,000) per calendar month, incurred during the Term and required to be paid by Permittee pursuant to this Agreement (the "Reimbursement Payment"). HPR shall make such Reimbursement Payment within 30 days of the presentation by Permittee to HPR of a request for reimbursement, accompanied by appropriate confirming documentation, with respect to the expenses required to be reimbursed by HPR pursuant to this Agreement.
2. The Parties acknowledge that the payments made to Permittee by HPR pursuant to this Schedule 6, consistent with the FCC's policies, are designed to, and will in fact, provide Permittee with no more than reasonable reimbursement of its expenses incurred in operating the Station during the Term of the PSOA.
3. In the event that this Agreement is in effect for less than a full month, the Monthly Payment and the Reimbursement Payment each shall be prorated such that Permittee shall be compensated and reimbursed only for that portion of the month during which this Agreement is in effect.
4. If Permittee fails to broadcast on the Station any of the Programming presented to it by HPR for any reason other than Permittee's carriage of its public affairs programming or the performance of reasonable and customary maintenance, HPR shall be entitled to a pro rata reduction of the Reimbursement Payment.

Exhibit B

Asset Purchase Agreement

See attached.