

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, dated as of this 10th day of September 2009 ("Agreement"), by and between PEOPLE OF ACTION, a California non-profit corporation ("SELLER") and FAMILY LIFE BROADCASTING, INC., an Arizona non-profit corporation ("BUYER")

WITNESSETH:

WHEREAS, SELLER owns and operates radio broadcast Station KGDP-FM, Channel 213, Santa Maria, California (the "Station") pursuant to certain licenses, authorizations and approvals (the "FCC Authorizations") issued by the Federal Communications Commission (the "FCC"); and

WHEREAS, SELLER is willing to sell to BUYER and BUYER is willing to purchase from SELLER, certain assets and rights of SELLER used or useful in connection with the operation of the Station on the terms and subject to the conditions set forth herein; and

WHEREAS, SELLER desires to assign its FCC Authorizations related to the Station to Buyer, subject to consent of the FCC and the terms of this Agreement; and

WHEREAS, SELLER and BUYER entered into a Local Marketing Agreement ("LMA"), dated as of August 27, 2009, to enable BUYER to provide programming and other services for the Station, subject to SELLER's right to retain ultimate control over Station operations.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Sale of Assets.**

(a) On the Closing Date (as hereinafter defined), SELLER shall sell, assign and transfer to BUYER, the Seller's assets, used or useful in connection with the operation of the Station (the "Station Assets") including without limitation (but excluding the Station Excluded Assets described in subparagraph 1(c) below):

(i) All equipment and other tangible personal property, used in or useful to the operations of the Station ("Station Tangible Personal Property"), (but excluding all studio equipment and the FM transmission equipment) as identified on Schedule 1 hereto;

(ii) All the licenses, construction permits and other authorizations, including the authorizations issued by the FCC (collectively, the "FCC Authorizations"), the Station's call letters, the Federal Aviation Administration (the "FAA"), if any, and any other federal, state or local governmental authorizations in connection with the conduct of the business or operations of the Station identified on Schedule 2 hereto;

(iii) All names, addresses and other contact information contained in donor records and business sponsors, including addresses and giving records for the past five years

(iv) All logs, books, files, data, software, equipment manuals and warranties; and

(v) A complete set of all documents required to be maintained in the Station's Public Inspection File pursuant to the rules of the FCC.

(b) The Station assets shall be transferred to BUYER free and clear of all liens, mortgages, pledges, covenants, easements, restrictions, encroachments, leases, charges or other claims or encumbrances of any nature whatsoever ("Liens"), except for taxes not yet due and payable ("Permitted Liens"). Except as expressly set forth herein, BUYER is not agreeing to, and shall not, assume any liability, obligation, undertaking, expense or agreement of SELLER of any kind, absolute or contingent, known or unknown, specifically including, without limitation, any liability, obligation or agreement to retain any SELLER employee, or with respect to termination thereof, or any employee benefit or expense, and the execution and performance of this Agreement shall not render BUYER liability for any such liability, obligation, undertaking, expense or agreement. All of such liabilities and obligations shall be referred to herein as the "SELLER Retained Liabilities."

(c) The following assets and associated liabilities relating to the business of the Station shall be retained by SELLER and shall not be sold, assigned or transferred to BUYER (the "SELLER Excluded Assets");

(i) All rights of SELLER under all contracts, leases and agreements, including contracts of insurance and insurance proceeds of settlement and insurance claims made by SELLER, specifically including the tower lease agreement with Coastal Towers on Mount Santos, California at coordinates 34-44-30 North Latitude; 120-26-45 West Longitude.

(ii) All pension, profit-sharing, retirement, stock purchase or savings plans or trusts and any assets thereof and all other employee benefit plans;

(iii) All deposits and all prepaid expenses and taxes;

(iv) All real property;

(v) SELLER corporate records, intellectual property and business records of the Station other than those listed above;

(vi) Tangible personal property used in connection with studio operations of the Station, as identified on Schedule 3 hereto.

(vii) Except for the FCC Authorizations and the other licenses described in paragraph 1(a)(ii), all licenses, patents, trademarks, service marks, trade names, copyrights, inventions, trade secrets, proprietary processes, and formulae, applications for patents,

trademarks, service marks, and copyrights, and other creative industrial and intellectual property rights (the "Intellectual Property").

2. **Purchase Price.**

(a) Upon the terms and subject to the conditions contained in this Agreement, and in consideration of the sale of the Station Assets, on the Closing Date BUYER shall pay to SELLER an aggregate purchase price of One Hundred and Thirty Thousand (\$130,000) Dollars which shall be payable as follows:

(i) Upon the execution of this Agreement, BUYER shall pay to SELLER the sum of Seven Thousand Dollars (\$7,000) to be held by the Broker, Patrick Communications, as Escrow Agent in an escrow account as an escrow deposit in accordance with the terms and conditions of this Agreement ("Escrow Deposit")

(ii) The Escrow Deposit shall earn interest

(iii) On the Closing Date, the amount of the Escrow Deposit shall be applied to the Purchase Price, and BUYER shall pay to SELLER the balance of One-Hundred and Twenty-Three Thousand (\$123,000) Dollars less interest earned on the Escrow Deposit and any adjustments and prorations pursuant to paragraph 2(b) and 2(c) herein.

(iv) All payments shall be by wire transfer of immediately available funds.

(b) Except as provided in the LMA, the Parties agree to prorate all expenses arising out of the operation of the Station, which is incurred, accrued or payable, as of 11:59 p.m. local time of the day preceding the Closing Date. The items to be prorated shall include, but not be limited to, power and utilities charges, real and personal property taxes upon the basis of the most recent tax bills and information available, property and equipment rentals, security deposits, FCC regulatory fees and similar prepaid and deferred items. On the Closing Date, the adjustments and prorations shall, insofar as feasible, be determined and paid on the Closing Date, with final settlement and payment to be made within forty-five (45) days after the Closing Date.

(c) The expenditure incurred by BUYER to pay for SELLER's indebtedness to Coastal Towers, Inc. in the amount of \$21,299.36, which shall be paid by BUYER at closing, which shall reduce the Purchase Price by \$21,299.36.

(d) In addition to the Purchase Price, BUYER will enter into two consulting agreements, one each with Norwood Patterson and Gloria Patterson for the provision of engineering and accounting services to be rendered both prior to and following the Closing, for an aggregate amount of \$50,000, to be paid at the rate of One Thousand (\$1,000) Dollars per month each to Norwood Patterson and Gloria Patterson until Closing and the remainder of the aggregate amount of \$50,000 in a lump sum at Closing.

3. **FCC Consent; Assignment Application.** At the earliest mutually agreeable date, but no later than ten (10) business days after the date of this Agreement, SELLER and BUYER shall execute, file and vigorously prosecute an application with the FCC ("Assignment")

Application,”) requesting its consent (the “FCC Consent”) to the assignment from SELLER to BUYER of the FCC Authorizations. BUYER and SELLER shall take all reasonable steps to cooperate with each other and with the FCC to secure such FCC Consent without delay, and to promptly consummate this Agreement in full.

4. **Closing Date; Closing Place.** The closing (the “Closing”) of the transactions contemplated by this Agreement shall occur on a mutually agreed upon date (the “Closing Date”) which shall be ten (10) days following the date on which the FCC Consent shall have become a Final Order (as hereinafter defined). For purposes of this Agreement, the term “Final Order” means action by the FCC consenting to the 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 appeal is pending, and as to which the time for filing any such request, petition or appeal or reconsideration by the FCC on its own motion has expired. The Closing shall be held by electronic mail, facsimile or in such other manner as mutually agreed upon by the parties.

5. **Control.** Between the date of this Agreement and the Closing Date, BUYER will not control the operation of the Station, and the SELLER will remain solely responsible for such control, except to the limited extent permitted by the LMA. Effective on the Closing Date and thereafter, SELLER shall have no control over, nor rights to intervene or participate in, the operations of the Station.

6. **Representations and Warranties of SELLER.** SELLER hereby makes the following representations and warranties to BUYER that shall be true as of the date hereof and on the Closing Date:

(a) SELLER is a non-profit corporation duly organized, validly existing and in good standing under the laws of the State of California. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by SELLER and no other proceedings on the part of SELLER are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement and each ancillary document and instrument to be executed and delivered hereunder (the “Transaction Documents”) has been and will be duly and validly executed and delivered by SELLER and constitutes and will constitute the legal, valid and binding agreement of SELLER enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors’ rights or the application of principles of equity.

(b) The execution, delivery and performance of this Agreement by SELLER will not (i) conflict with or result in any breach of any provision of the articles of incorporation or bylaws of SELLER, or (ii) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.

(c) Schedule 4 hereto contains a complete and accurate list of the Station’s Tangible Personal Property owned by Republic Bank and made available to the SELLER for use in connection with the operation of the Station during the period when the LMA is in effect.

(d) The Station's FM transmission equipment, as listed in Exhibit 4, is owned by Republic Bank, which has agreed to sell it to Buyer for \$30,000 on an "as is" basis at the Closing hereof.

(e) Schedule 2 hereto contains a true and complete list of the FCC Authorizations and all other licenses, permits or other authorizations from governmental or regulatory authorities that are required for the lawful conduct of the business and operations of the Station. SELLER is the authorized legal holder of the FCC Authorizations identified on Schedule 2 hereto, none of which is subject to any restrictions or conditions that would limit in any respect the broadcast operations of the Station, except such conditions as are stated on the face thereof, apply generally to radio stations comparable to the Station, or as identified on Schedule 2 hereto. The FCC Authorizations are validly issued and are in full force and effect, unimpaired by any act or omission of SELLER. Other than the proceedings affecting the radio broadcast industry generally, (i) there is not now pending or threatened any action by or before the FCC to revoke, cancel, rescind, modify or refuse to renew any of the FCC Authorizations, and (ii) SELLER has not received any notice of and has no knowledge of any pending, issued or outstanding order by or before the FCC, or of any investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against either the Station or SELLER with respect to the Station.

(f) Except as disclosed in Schedule 6 hereto, to Seller's knowledge, there is no judgment outstanding nor any litigation, suit, action, claim investigation, Order to Show Cause, Notice of Violation, Notice of Apparent Liability, complaint, or proceeding pending before any forum, court, government agency (including the FCC) or tribunal, or to the knowledge of Seller threatened, against or relating to the Station, its business operations, financial conditions or customer relations, the Station Assets, the right of Seller to dispose of the Station Assets or to enter into and carry out this Agreement and SELLER does not know of any basis for any such action or proceeding.

(g) The operation of the Station is in material compliance with all applicable laws, rules and regulations of all federal, state and local authorities or agencies so as to permit the Station to operate as at present and/or as it is fully licensed to do.

(h) Other than Patrick Communications, whose broker fees shall be paid entirely by SELLER, there is no broker or finder or other person who would have any valid claim against SELLER for a commission or brokerage in connection with this Agreement or the transactions contemplated hereby as a result of any agreement, understanding or action by SELLER.

(i) No representation or warranty made by SELLER in this Agreement, and no statement made in any certificate, document, exhibit or schedule furnished or to be furnished in connection with the transactions herein contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to BUYER.

(j) Insurance. SELLER now has and shall maintain until the Closing in full force and effect the policies of fire, hazard and liability insurance on the Station Assets and the Station and its business as are in effect on the date hereof. All such policies of insurance are listed on Schedule 7 hereof.

(k) Except as set forth on Schedule 8:

(i) SELLER has not caused or contributed to any condition or potential condition existing at any leased or owned facility of the SELLER or at any former facility of the SELLER with respect to the storage or release into the earth or its atmosphere of effluent, waste or other materials, solid liquid or gaseous, nor has any material been disposed of or released in any way or manner, which violates any applicable law or regulation regarding the environment, health or safety.

(ii) The SELLER has never knowingly exposed any employee or other individual to any substance or condition, or owned or operated any property or facility in any manner, that is in violation of any applicable law or regulation regarding the environment, health or safety. Without limiting the generality of the foregoing, the SELLER and the Station Assets have, to the best of SELLER's knowledge, been and are in compliance with all applicable laws and regulations regarding the environment, health, or safety.

(iii) The SELLER has not received any notice, nor to the knowledge of the SELLER is any such notice pending, from any governmental, public or private body claiming any violation or potential violation of any zoning, building, health, safety or environmental law or ordinance, or requiring any work, repairs, construction, alterations, noise reduction, odor elimination, cleanup or installation, encapsulation or abatement which has not been complied with.

7. SELLER Covenants. SELLER covenants with BUYER that, between the date hereof and the Closing Date, it shall act in accordance with the following:

(a) SELLER will not, without the prior written consent of BUYER, sell, lease, transfer or agree to sell, lease or transfer any of the Station Assets without replacement thereof with an equivalent asset of equivalent kind, condition and value that satisfies industry standards for such assets or create any Lien on the Station Assets.

(b) Subject to the provisions of the LMA, SELLER shall continue to operate and maintain the Station in accordance with the terms of the FCC Authorizations and in material compliance with all applicable laws and FCC rules and regulations. SELLER will deliver to BUYER, promptly after filing, copies of any reports, applications or responses to the FCC or any communications from the FCC or any other party directed to the FCC related to the Station which are filed between the date of this Agreement and the Closing Date. SELLER will not file any application to modify the Station's facilities without BUYER's prior written consent, and SELLER shall take all actions necessary to keep the FCC Authorizations, including all material permits and applications pending before the FCC, valid and in full force and effect. In all other respects, except as disclosed in writing to and approved by BUYER, SELLER shall operate the Station solely in the ordinary course of business and in accordance with past practice and as

contemplated by the LMA, and, shall pay its obligations with respect to the Station in the ordinary course as such obligations become due.

(c) SELLER shall maintain the Station transmission system in accordance with standards of good engineering practice and replace any of such property which shall be worn out, lost, stolen or destroyed with like property of substantially equivalent kind and value.

8. **Representations and Warranties of Buyer.** BUYER hereby makes the following representations and warranties to SELLER that shall be true as of the date hereof and on the Closing Date:

(a) BUYER is a corporation duly organized, validly existing and in good standing under the laws of the State of Arizona, as of the Closing Date will be properly authorized to do business under the laws of the State of California, and has all requisite corporate power and authority to enter into and perform the terms of this Agreement, subject only to the issuance of the consent of the FCC with respect thereto.

(b) BUYER has taken all necessary corporate action to approve the execution and delivery of this Agreement, and to approve the performance of this Agreement and the consummation of the transactions contemplated herein. This Agreement constitutes a valid and binding obligation of BUYER enforceable in accordance with its terms.

(c) BUYER shall cooperate with SELLER and will execute such documents as may reasonably be required in order to assign any Contract or Air Time Agreement to BUYER pursuant to the terms of this Agreement.

(d) The execution, delivery and performance of this Agreement by Buyer does not (i) conflict with or result in any breach of any provision of the articles of incorporation or by-laws of Buyer, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under or conflict with any of the terms, conditions or provisions of any note, bond, mortgage, indenture, agreement, lease or other instrument or obligations, relating to its own business, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained and delivered to SELLER, (iii) violate any law, statute, rule, regulation, order, writ, injunction or decree of any federal, state or local governmental authority or agency and which is applicable to BUYER, or (iv) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.

(e) (i) BUYER is legally, technically and financially qualified to timely and fully consummate all of the transactions contemplated by this Agreement and to become the licensee of the Station.

(ii) BUYER knows of no reason why the FCC should not approve the Assignment Application. Between the date hereof and the Closing Date, BUYER will take no action which would adversely affect its qualifications to be the licensee of the Station or which would delay FCC approval of the Assignment Application.

(f) Other than Patrick Communications, whose broker fees shall be paid entirely by SELLER, there is no broker or finder or other person who would have any valid claim against SELLER for a commission or brokerage in connection with this Agreement or the transactions contemplated hereby as a result of any agreement, understanding or action by BUYER.

9. **Conditions Precedent to BUYER's Obligation to Close.** The performance of the obligations of BUYER hereunder is subject to the satisfaction of each of the following express conditions precedent:

(a) SELLER shall have performed and complied in all material respects with all of the agreements, obligations and covenants required by this Agreement to be performed or complied with by SELLER prior to or as of the Closing Date;

(b) The representations and warranties of SELLER set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(c) The FCC Consent contemplated by this Agreement shall have become a Final Order;

(d) No suit, action, claim or governmental proceeding shall be pending, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered, against any party hereto which: (i) would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; (ii) questions the validity or legality of any transactions contemplated hereby; or (iii) seeks to enjoin any transaction contemplated hereby; and

(e) There shall not be any Liens on the Station's Assets other than Permitted Liens.

(f) The LMA shall not have been terminated due to BUYER's breach thereof.

9A. **Conditions Precedent to SELLER's Obligation to Close.** The performance of the obligations of SELLER hereunder is subject to the satisfaction of each of the following express conditions precedent:

(a) BUYER shall have performed and complied in all material respects with all of the agreements, obligations and covenants required by this Agreement to be performed or complied with by BUYER prior to or as of the Closing Date;

(b) The representations and warranties of BUYER set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(c) The FCC Consent contemplated by this Agreement shall have become a Final Order;

(d) No suit, action, claim or governmental proceeding shall be pending, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered, against any party hereto which: (i) would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; (ii) questions the validity or legality of any transactions contemplated hereby; or (iii) seeks to enjoin any transaction contemplated hereby; and

(e) The LMA shall not have been terminated due to SELLER's breach thereof.

10. **Closing Deliveries.**

(a) Prior to or at Closing, SELLER will execute and deliver to BUYER the following, each of which shall be in form and substance satisfactory to BUYER and its counsel:

(i) A bill of Sale, in form and substance so as to effectively and legally transfer and assign to BUYER the Station Assets and effectively vest in BUYER good and marketable title to the Station Assets, duly executed by SELLER;

(ii) An Assignment and Assumption of the FCC Authorizations, duly executed by SELLER;

(iii) A certificate, dated the Closing Date executed by an officer of SELLER, certifying the fulfillment of the conditions set forth in Section 9(a) and (b) hereof;

(iv) A certificate of good standing for SELLER from the Secretary of State of California;

(v) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as BUYER shall reasonably request, each in form and substance reasonably satisfactory to BUYER and its counsel.

(b) Prior to or at the Closing, BUYER will execute and deliver to SELLER the following, each of which shall be in form and substance satisfactory to SELLER and its counsel:

(i) An assignment and Assumption of the FCC Authorizations, duly executed by BUYER;

(ii) The Cash Purchase Price and all amounts remaining to be paid under the consulting agreements with Norwood Patterson and Gloria Patterson;

(iii) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as SELLER shall reasonably request, each in form and substance reasonably satisfactory to SELLER and its counsel.

11 **Indemnification.**

(a) Following the Closing, SELLER shall indemnify, defend and hold harmless BUYER with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including, without limitation, interest, penalties, court costs and reasonable attorneys' fees) ("Damages") asserted against, resulting from, imposed upon or incurred by BUYER directly or indirectly relating to or arising out of: (i) the breach of SELLER of any of its representations or warranties that survive the Closing, or failure by SELLER to perform any of its covenants, conditions or agreements set forth in this Agreement that survive the Closing; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Station prior to the Closing (other than matters that were the responsibility of BUYER under the LMA).

(b) Following the Closing, BUYER shall indemnify, defend and hold SELLER harmless with respect to any and all Damages asserted against, resulting from, imposed upon or incurred by SELLER directly or indirectly relating to or arising out of: (i) the breach by BUYER of any of its representations, warranties that survive the Closing, or failure by BUYER to perform any of its covenants, conditions or agreements set forth in this Agreement that survive the Closing; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Station subsequent to the Closing.

(c) If either party hereto (the "Indemnitee") receives notice or otherwise obtains knowledge of any matter with respect to which another party hereto (the "Indemnifying Party") may be obligated to indemnify the Indemnitee under this Section, then the Indemnitee shall promptly deliver to the Indemnifying Party written notice describing such matter in reasonable detail and specifying the estimated amount of the Damages or liability that may be incurred by the Indemnitee in connection therewith. The Indemnifying Party shall have the right, at its option, to assume the complete defense of such matter at its own expense and with its own counsel, provided such counsel is reasonably satisfactory to the Indemnitee. If the Indemnifying Party elects to assume the defense of such matter, then (i) notwithstanding anything to the contrary herein contained, the Indemnifying Party shall not be required to pay or otherwise indemnify the Indemnitee against any such matter following the Indemnifying Party's election to assume the defense of such matter, (ii) the Indemnitee shall fully cooperate as reasonably requested by the Indemnifying Party in the defense or settlement of such matter, (iii) the Indemnifying Party shall keep the Indemnitee informed of all material developments and events relating to such matter, and (iv) the Indemnitee shall have the right to participate, at its own expense, in the defense of such matter. In no event shall the Indemnifying Party be liable for any settlement or admission of liability with respect to such matter without its prior written consent.

(d) The several representations and warranties of SELLER and BUYER contained in or made pursuant to this Agreement shall expire on the date that is one (1) year from the Closing Date.

12. **Termination.**

This Agreement may be terminated by either SELLER or BUYER, if the party seeking to terminate is not in default or breach of any of its material obligations under this Agreement, upon written notice to the other upon the occurrence of any of the following:

- (a) If, on or prior to the Closing Date, the other party breaches any of its material obligations contained herein, and such breach is not cured by the earlier of the Closing Date or thirty (30) days after receipt of the notice of breach from the non-breaching party; or
- (b) If the Assignment Application is designated for hearing or denied by Final Order; or
- (c) If there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing of this Agreement; or
- (d) If the Closing has not occurred within twelve (12) months of the date the Assignment Application is filed with the FCC.

13. **Specific Performance.** The Parties each recognize and acknowledge that in the event SELLER fails to perform its obligation to consummate the transaction contemplated hereby, money damages alone will not be adequate to compensate BUYER for its injury. The Parties, therefore, each agree and acknowledge that in the event of SELLER's failure to perform its obligation to consummate the transaction contemplated hereby, BUYER shall be entitled, in addition to any other rights and remedies on account of such failure, to specific performance of the terms of this Agreement and of SELLER's obligation to consummate the transaction contemplated hereby. If any action is brought by BUYER to enforce this Agreement, SELLER shall waive the defense that there is an adequate remedy at law.

14. **Notices.** All notices, elections and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery (or refusal thereof), or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to SELLER to:
People of Action
10102 W. Ida Avenue # 216
Littleton, Colorado 80127
Facsimile:
Attn: Mr. Norwood J. Patterson, President

with a copy to:
Peter Gutmann, Esquire
Womble Carlyle Sandridge & Rice, PLLC

1401 I Street, NW, Seventh Floor
Washington, DC 2005-2225
Facsimile: (202) 261-0032

If to BUYER to:
Family Life Broadcasting, Inc.
7355 N. Oracle Road
Tucson, AZ 85704
Facsimile: (520) 742-6979
Attn: Dr. Randy L. Carlson, President

with a copy to:
John Wilner, Esquire
Fleischmann and Harding LLP
1255 23rd Street, N.W. Eighth Floor
Washington, DC 20037
Facsimile: (202) 745-0916

or to any other or additional persons and address as the Parties may from time to time designated in writing delivered in accordance with this Section 14.

15. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of California, without giving effect to the choice of law principles thereof.

16. **Partial Invalidity.** Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any provision contained herein shall, for any reason, be held to be invalid or unenforceable, such provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remainder of such provision or any other provision hereof, unless such a construction would be unreasonable.

17. **Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument. This Agreement may be executed and exchanged by facsimile transmission or electronic mail, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

18. **Expenses.** Except as otherwise set forth in this Section, each party hereto shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement.

19. **Risk of Loss.** The risk of any loss, damage or destruction to the Station Assets from fire or other casualty or cause shall be borne by the SELLER at all times prior to the Closing Date. Upon the occurrence of any loss or damage to any of the Station's assets to be transferred hereunder as a result of fire, casualty or other causes prior to Closing, SELLER shall notify BUYER of same in writing as soon as practicable starting with particularity the extent of

such loss or damage incurred, the cause thereof if known and the extent to which restoration, replacement and repair of the Station Assets lost or destroyed will be reimbursed under any insurance policy with respect thereto. Subject to the provisions hereof, BUYER shall have the option in the event the loss or damage exceeds Fifty Thousand (\$50,000) Dollars and the property cannot be substantially repaired or restored before the Closing Date, exercisable within ten (10) days after receipt of such notice from SELLER to:

(a) Terminate this Agreement, in which case the Escrow Deposit, together with accrued interest thereon, shall be returned to Buyer,

(b) Postpone the Closing until such time as the property has completely been repaired, replaced or restored, unless the same cannot be reasonably effected within five (5) months of notification, or

(c) Elect to consummate the Closing and accept the property in its "then" condition, in which event SELLER shall assign all rights under any insurance claims covering the loss and pay over (as part of the Station Assets) any proceeds under any such insurance policy theretofore received by SELLER with respect thereto. In the event BUYER elects to postpone the Closing Date as provided in subparagraph (b) above, the Parties hereto will cooperate and extend the time during which this Agreement must be closed as specified in the consent of the FCC referred to in paragraph 4 hereof.

20. **Confidentiality.** The terms of the discussions related to the Station, the transactions related thereto, and this Agreement shall be treated as confidential, and except as required by law, neither party, nor any representative disclose the same to any other person or entity without the express written consent of the other party. Neither party shall issue any press release or otherwise communicate with the public regarding this Agreement without first obtaining the prior written consent of the other party. Each party shall hold, and shall cause its officers, employees, agents and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain such information to hold, in confidence, and may not use for any purpose other than evaluating the transactions contemplated by this Agreement, any confidential information of another party obtained through the investigations permitted hereunder, which for the purposes hereof shall not include any information which (i) is or becomes generally availability to the public other than as a result of disclosure by the party which alleges the information is confidential or its affiliates, (ii) becomes available to a part on a nonconfidential basis from a source, other than the party which alleges the information is confidential or its affiliates, which has represented that such source is entitled to disclose it, or (iii) was known to a party on a nonconfidential basis prior to its disclosure to such party hereunder. If this Agreement is terminated, each party shall deliver, and cause its officers, employees, agents, and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain confidential information of another party pursuant to investigations permitted hereunder to preserve the confidentiality thereof and to deliver to such other party all such confidential information that is written (including copies or extracts thereof) whether such confidential information was obtained before or after the execution.

21. **No Strict Construction.** The Parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto,

and no presumption or burden of proof shall arise from favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

22. **Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may voluntarily or involuntarily assign its interest or delegate its duties under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed.

23. **Entire Agreement.** This Agreement, and the Exhibits and Schedules attached hereto, and the LMA supersede all prior agreements and understandings between the parties with respect to the subject matter hereof and may not be changed or terminated orally, and no attempted change, amendment, or waiver of any of the provisions hereof shall be binding unless in writing and signed by both parties.

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Schedule 2

FCC Authorizations

KGDP-FM main station license, FCC File # BLED-20060828AAQ, expires December 1, 2013