

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is made and entered into as of the 21st day of April, 2011, by and between Horizon Christian Fellowship, a non-profit California corporation (“Seller”), and Calvary Radio Network, Inc., a non-profit Indiana corporation (“Buyer”) located at 150 West Lincolnway, Suite 2001, Valparaiso, IN 46383.

Recitals

WHEREAS, Seller holds the authorizations issued by the Federal Communications Commission (“FCC” or the “Commission”) to operate FM Station WTNP(FM), Richland, Michigan (FCC Facility ID No. 121857) (the “Station”);

WHEREAS, subject to the terms and conditions specified herein, Seller desires to assign to Buyer and Buyer desires to obtain from Seller authorizations and other tangible and intangible assets used or useful in the operations of the Station; and

WHEREAS, prior FCC approval for the transactions contemplated hereunder is required.

Agreement

NOW THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. Sale of Assets. Subject to the conditions contained herein, Seller agrees to sell, assign, transfer, convey and deliver to Buyer, and Buyer agrees to purchase and acquire from Seller the right, title and interest of Seller in and to all of the assets (the “Assets”) as set forth below, including but without limitation:

(a) Tangible Personal Property. Any of Seller’s equipment, machinery and other tangible personal property used or useful in the conduct of the business or operations of the Station that exist and are recoverable by Buyer from any of the Station’s transmitter site (the “Tangible Personal Property”), as identified on Schedule 1 hereto. All Tangible Personal Property that Buyer shall be conveyed AS IS-WHERE IS.

(b) Licenses. All of the licenses, construction permits and other authorizations, including the FCC authorizations (collectively, the “Licenses”), issued by the FCC and any other federal, state or local governmental authorities to Seller in connection with the conduct of the business and the operations of the Station, all as identified on Schedule 2 hereto.

(c) Call Signs. All of Seller’s right title and interest in and to the Station’s call signs and other intangible property (“Intangible Property”).

(d) Excluded Assets. Excluded from assignment to Buyer will be (i) any item not set forth in Section 1 of this Agreement; (ii) any of Seller’s real property; and (iii) any

contract, agreement or obligation of Seller relating to the Station and not identified on Schedule 3 hereto. Buyer understands that no studio or tower site leases will be conveyed hereunder.

2. Purchase Price and Terms of Payment. The total purchase price ("Purchase Price") shall be Seventy-Five Thousand Dollars (\$75,000) to be paid by Buyer to Seller as follows:

(a) Buyer has delivered to Harry C. Martin an escrow deposit in the amount of \$5,000 (the "Escrow Deposit)" which shall be credited against the Purchase Price at the Closing, and

(b) At Closing (as hereinafter defined) Buyer shall execute and deliver a promissory note (the "Note") in Seller's favor in the face amount of Seventy Thousand Dollars (\$70,000.00) which provides for payment of interest only for twenty-four months and then payment in one lump sum of the principal and any accrued and unpaid interest on the payment date (as defined in the Note) in the 25th month.

(c) Seller and Buyer agree that Buyer, at its sole cost and with the cooperation of Seller, may, at its own cost, return the station to on-air operations and provide programming to the Station in the interim between the execution of this Agreement and the FCC Consent and Closing, in order to avoid the to avoid automatic termination of the license under 47 USC Sec 312(g).

(d) As additional consideration, Buyer agrees, at its own cost, to make previously discussed repairs to the station's equipment and facilities.

(e) In the event the transaction does not close due to an uncured breach by Buyer, Seller shall retain the Escrow Deposit and any interest accrued thereon as liquidated damages, which shall serve as Seller's sole remedy.

(f) In the event the transaction does not close for any reason other than Buyer's breach or failure to close after Seller has satisfied all obligations set forth in this Agreement and the Assignment Application has become a Final Order, the Escrow Deposit and any interest accrued there on shall be returned to Buyer and Seller shall also reimburse Buyer for the Repairs described in Section 2 (d) above. In the alternative, Buyer shall be entitled to specific performance as its sole remedy for an uncured breach by Seller.

3. FCC Consent; Assignment Application. At the earliest mutually agreeable date, but not later than five (5) days after the date of this Agreement, Buyer and Seller shall execute, file and prosecute an application with the FCC (the "Assignment Application") requesting its consent to the assignment from Seller to Buyer of the Station's FCC Licenses ("FCC Consent"). 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. Buyer shall pay the cost, if any, of the Assignment Application fee payable to the FCC, but each party shall otherwise be responsible for all of its own costs with respect thereto.

4. Closing Date; Closing Place. The closing (the "Closing") of the transactions contemplated by this Agreement shall occur on a date (the "Closing Date") fixed by Buyer which shall be no later than five (5) business days following the date on which FCC Consent shall have been granted. The Closing shall be held by facsimile or e-mail transmission of documents.

5. 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 holds a valid authorization from the FCC to operate the Station, that there are no outstanding unsatisfied FCC citations or cease and desist orders against any of the Station;

(b) Seller is aware of no ongoing investigation of Seller or the Station by the FCC or by any other federal or state governmental agency;

(c) Seller is aware of no litigation, proceeding, or governmental investigation whatsoever, pending or threatened, against or relating to Seller, its business, or the Station to be transferred hereunder and that it knows of no reason why the FCC would not find it qualified to assign the FCC Licenses;

(d) Seller will deliver the Station at closing free and clear of all debts, liens, or other encumbrances, except for liens for taxes not yet due and payable, customary exceptions to title and title deficiencies that do not in any material way detract from the value of the Station, and those that may exist or be asserted by the owner of the Station's existing or prior transmitter site against equipment remaining at such site;

(e) Seller has full power and authority to enter into and perform this Agreement, the execution and delivery of this Agreement and the performance of all obligations hereunder have, or as of Closing shall have been, duly authorized by all necessary corporate action, and this Agreement constitutes a valid and binding agreement of the Seller, enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(f) The Station has been silent since May 26, 2010 pursuant to Special Temporary Authority ("STA") from the FCC to remain silent (BLSTA-20100609ADJ, request for extension of silent STA pending BLESTA-20110215AAM) and must return to on-air operation on or before the May 26, 2011 to avoid automatic termination of the license under 47 USC Sec 312(g);

(g) Seller shall cooperate with Buyer, as and when reasonably requested by Buyer, but shall not be required to incur any costs related to, in returning the Station to on-air

operation prior to the date on which the license otherwise would expire under 47 USC Sec 312(g);

(h) To the best of Seller's knowledge, Seller has filed all forms and reports with the FCC which are required to be filed with respect to the Station, including any required requests for silence authorizations;

(i) Seller shall indemnify and hold Buyer harmless from any and all claims of trade creditors, judgment creditors, lien holders, purported owners, or any other person making a claim by or through Seller or asserting any claim on the Station Assets purchased under this Agreement up to a maximum indemnification of \$10,000; and

(j) This Agreement has been duly and validly executed and delivered by Seller and constitutes the legal, valid and binding obligation of Seller enforceable in accordance with its terms.

6. 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 legally, financially and otherwise qualified to acquire the Station, and to be the licensee of, acquire, own and operate the Station and the Assets under the Communications Laws.

(b) Buyer knows of no reason why the FCC would not approve its acquisition of the Station FCC Licenses;

(c) Buyer has full power and authority to enter into and perform this Agreement;

(d) The execution and delivery of this Agreement and the performance of all obligations hereunder has been duly authorized and this Agreement constitutes a valid and binding agreement of Buyer, enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(e) Buyer indemnifies and holds Seller harmless from any and all claims having to do with Buyer's actions in returning the Station back in operation, constructing any modified facilities authorized in any Modification Application, or the operation of the Station subsequent to the Closing Date; and

(f) This Agreement has been duly and validly executed and delivered by Buyer and constitutes the legal, valid and binding obligation of Buyer enforceable in accordance with its terms.

7. Conditions Precedent to Obligation to Close.

(a) The performance of the obligations of Seller hereunder is subject to the satisfaction of each of the following express conditions precedent:

(i) Buyer's Performance. 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;

(ii) Buyer's Representations and Warranties. 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; and

(iii) FCC Consent. The FCC Consent contemplated by this Agreement shall have been obtained.

(b) The performance of the obligations of Buyer hereunder is subject to the satisfaction of each of the following express conditions precedent:

(i) Seller's Performance. Seller shall have performed and complied in all material respects with all 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;

(ii) Seller's Representations and Warranties. 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; and

(iii) FCC Consent. The FCC Consent contemplated by this Agreement shall have been obtained.

8. Closing Deliveries.

(a) Seller Deliveries. At the 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 and each of which shall be dated as of the Closing Date: (i) a Bill of Sale in form and substance so as to effectively and legally transfer and assign to Buyer the Tangible and Intangible Property; (ii) an Assignment of the FCC Licenses, and (iii) an Assignment of Records and Intangibles, and any other documents reasonably necessary to vest in Buyer the Assets conveyed hereunder.

(b) Buyer Deliveries. 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) the Purchase Price in the manner described in Section 2 above; and (ii) countersigned closing documents as set forth in 8(a) above.

9. Termination. This Agreement may be terminated (i) by either party, if the Closing has not occurred within one hundred eighty (180) days following the date of this Agreement, provided that the party seeking termination shall not be in default or breach of any of its material obligations under this Agreement; (ii) by mutual written consent of both parties herein, or (iii) by one party if the other party breaches in any material respect its representations, covenants and warranties herein and the terminating party is not in material default of its representations, warranties or covenants hereunder.

10. Modification Application. Seller shall, at Buyer's reasonable request, file with the FCC a construction permit application for minor modification of any of the Stations' broadcast facilities on FCC Form 349 ("Modification Application"). Any such Modification Application shall be prepared at Buyer's sole expense, and Buyer shall promptly reimburse Seller for Seller's out-of-pocket expenses relating to the preparation and prosecution thereof. It is expressly understood and agreed that the grant of such Modification Application and implementation of the modified construction permit shall not be conditions of Buyer's obligation to close hereunder.

11. Confidentiality. The parties agree to keep confidential the terms of this Agreement, except with respect to any disclosure required by law or the rules and regulations of the FCC.

12. Notices. All notices required or permitted to be given hereunder shall be in writing and copies shall be effective when sent by registered or certified mail, postage and fees prepaid, addressed as follows:

If to Seller:

John A. Laudadio, CFO
Horizon Christian Fellowship
210 N. University Drive, Suite 404
Coral Springs, FL 33071

If to Buyer:


Jim Motshagen, President
Calvary Radio Network, Inc.
150 West Lincolnway, Suite 2001
Valparaiso, IN 46383

13. Miscellaneous. This document constitutes the entire understanding and agreement between the parties hereto with respect to its subject matter and shall be amended only by written agreement signed by both parties. This document shall be binding on the heirs, successors, and assigns of the parties hereto and shall be construed under the laws of the State of Michigan without giving effect to the choice of law provisions thereof, except that assignment of the FCC Licenses shall be governed by Federal law. The rights and responsibilities of each party to this Agreement may not be assigned without the prior written consent of the other party and

Michigan without giving effect to the choice of law provisions thereof, except that assignment of the FCC Licenses shall be governed by Federal law. The rights and responsibilities of each party to this Agreement may not be assigned without the prior written consent of the other party and all covenants, agreements, statements, representations and warranties made herein by and on behalf of the parties hereto shall be binding and inure to the benefit of their respective successors and permitted assigns. This Agreement may be executed in counterpart copies. When exchanged, such executed counterpart copies shall together have the same force and effect as a single executed Agreement. Facsimile or emailed signatures shall be sufficient to bind the Parties. If one or more provisions of this Agreement are deemed or held invalid or unenforceable, this Agreement shall be construed with the invalid or unenforceable provisions deleted and the validity and enforceability of the remaining provisions shall not be affected or impacted thereby. The representations and warranties in this Agreement shall survive Closing for a period of six (6) months from the Closing date whereupon they shall expire and be of no further force or effect. The undersigned represent and warrant that, respectively, they have received authority to sign this Agreement and to legally bind their respective corporations to perform all of the terms hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

HORIZON CHRISTIAN FELLOWSHIP

By: _____
John A. Laudadio, CFO

CALVARY RADIO NETWORK, INC.

By: _____
Jim Motshagen, President

Michigan without giving effect to the choice of law provisions thereof, except that assignment of the FCC Licenses shall be governed by Federal law. The rights and responsibilities of each party to this Agreement may not be assigned without the prior written consent of the other party and all covenants, agreements, statements, representations and warranties made herein by and on behalf of the parties hereto shall be binding and inure to the benefit of their respective successors and permitted assigns. This Agreement may be executed in counterpart copies. When exchanged, such executed counterpart copies shall together have the same force and effect as a single executed Agreement. Facsimile or emailed signatures shall be sufficient to bind the Parties. If one or more provisions of this Agreement are deemed or held invalid or unenforceable, this Agreement shall be construed with the invalid or unenforceable provisions deleted and the validity and enforceability of the remaining provisions shall not be affected or impacted thereby. The representations and warranties in this Agreement shall survive Closing for a period of six (6) months from the Closing date whereupon they shall expire and be of no further force or effect. The undersigned represent and warrant that, respectively, they have received authority to sign this Agreement and to legally bind their respective corporations to perform all of the terms hereof.

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HORIZON CHRISTIAN FELLOWSHIP

By: _____
John A. Laudadio, CFO

CALVARY RADIO NETWORK, INC.

By:  _____
Jim Motshagen, President

SCHEDULE 1

Tangible Personal Property

<u>Item</u>			<u>Serial #</u>
1	Crown Transmitter (which includes the following 1 Each)		
	FM2KPAE		176143
	FM2KPS		E376817
	FM150T		150T114
2	1 EACH	WIT Inc. easi-8	0050C247D0E5
3	1 EACH	TFT EAS 911	10105646
4	1 EACH	TFT EAS 930A	10104521
5	1 EACH	ABR 202 Sat Receiver	0022306
6	1 EACH	Airlink Raven X	0825354634
7	1 EACH	DDB Container	
8	1 EACH	Satellite Dish	
9	3 EACH	Aldena Log Antennas	
10	195 FT	7/8 Coax	

SCHEDULE 2
FCC Authorizations