

## ASSET PURCHASE AGREEMENT – K218ET

This ASSET PURCHASE AGREEMENT, made as of this 2nd day of Nov, 2011, is between One Ministries, Inc. ("Seller") of 3178 Calistoga Road, Santa Rosa, California, and McKay International Group, Ltd. ("Buyer") of 27200 Rancho San Carlos Road, Carmel, California.

### RECITALS

1. Seller is the licensee and operator of translator station K218ET (Facility ID 151853), Carmel Valley, California (the "Station"), holding valid authorization for the operation of such station from the Federal Communications Commission (FCC); and

2. Buyer desires to acquire all the properties, assets, and rights of Seller, subject to the prior approval of the FCC, and Seller is willing to sell and transfer such properties, assets, and rights to Buyer.

In consideration of the premises and mutual covenants set forth in this agreement, the parties agree as follows:

### I. SUBJECT MATTER

Subject to the terms and conditions of this agreement, Seller agrees to sell and deliver to Buyer, and Buyer agrees to purchase and take from Seller:

1. All of the properties, assets, FCC licenses and permits, contracts and other rights of Seller of every kind and description, real, personal, mixed, tangible, and intangible, wheresoever situated, including the following assets:

- All tangible assets used or usable in and are necessary for the operation of the Station.
- 250-watt FM transmitter (to be returned to Seller upon Buyer's purchase of upgraded transmitter).
- Kathrein-Scalla CA-5 antenna.

2. In addition, Seller agrees to provide the following:

- The construction permit to move the station to 102.1 MHz shall be built out by Seller.
- Use of Seller's high speed internet service for as long as seller remains at the site.

### II. PRICE AND CLOSING

The purchase price to be paid by Buyer to Seller for the properties, assets, and rights to be purchased by Buyer shall be Ninety-Five Thousand Dollars (\$95,000) (the "Purchase Price"). The Purchase Price shall be paid by Buyer as follows:

1. \$10,000 deposit to be paid at the time of filing of the FCC application for assignment of license;
2. \$40,000 to be paid at closing; and
3. \$45,000 to be paid six months after the time of the filing of the final order by the FCC.

4. The full deposit shall immediately be refunded to the Buyer in the event of termination of this agreement prior to closing.

### **III. CONTINGENCIES**

1. This agreement is specifically conditioned upon and expressly subject to the final approval of this sale prior to closing by the FCC. In the event the FCC does not approve this sale and contemplated transfer of control, any funds paid to Seller shall be refunded to the Buyer as described in III(2) below, and the obligations of all the parties shall be null and void, at the election of either party. If the FCC does not rule on the application for this sale prior to May 1, 2012, or if the application for FCC approval of this sale is set for a hearing by the FCC, then Buyer may, at its option, elect to terminate this Agreement upon which event all deposited funds shall be promptly returned to Buyer as is further described in III(2) below, and the obligations of all parties shall be null and void. Should either of the above occur, Seller hereby agrees to assume Buyer's lease at the location of the tower.

2. In the event that the FCC does not approve the sale and contemplated transfer of control, or Buyer desires to terminate the sale before the closing date, the deposit shall be refunded to Buyer at such time as K218ET is sold to another buyer.

### **IV. SPECIAL CONDITIONS**

The following special conditions shall apply to this agreement:

1. In the event that the move of K218ET to channel 271 (102.1 MHz) is not viable within the first year of operation on 102.1 MHz and/or causes interference problems to other stations that cannot be resolved by changing the directional pattern or changing frequencies, then the Seller pledges that it will work with the Buyer to trade FM translator permits with the Buyer, pending FCC approval, with the Seller's other FM translator license in Monterey, K234AW, or another similar translator owned by Seller. In the event that such a trade occurs, Buyer shall not be obligated to pay any further money to Seller beyond the \$95,000 described in Section II. Should a similar issue arise with FM translator K234AW, or any other translator, Seller shall work with Buyer to trade FM translator permits with any other licenses that Seller may have, subject to FCC approval, or provide a full refund of any funds paid to Seller by Buyer at the discretion of Buyer. Should the transfer of any other translator be impractical, Buyer shall be entitled to a refund of the funds paid.

2. Buyer has the right in its sole discretion to transfer and assign Buyer's rights under this Agreement to a corporation or other business entity of Buyer's choosing.

3. At closing, or as soon as practicable afterwards, Seller will deliver to Buyer all books, papers and records relating to the properties, assets, and rights being purchased under this agreement.

### **V. FCC CONSENT**

The consummation of this Agreement is subject to the prior receipt of consent of the Federal Communications Commission ("FCC"). As expeditiously as possible, Buyer and Seller will join in the preparation of an application for consent to assignment of the Station's FCC Licenses as contemplated herein. The parties will take or cooperate in taking all reasonable steps that are necessary and proper to the expeditious and diligent prosecution of the Application to a favorable conclusion.

## **VI. SELLER'S REPRESENTATIONS AND WARRANTIES**

Seller represents and warrants to, and agrees with, Buyer as follows:

1. Seller is, and on the Closing Date will be, the holder of the Licenses relating to the Station, all of which are in full force and effect (and none of which shall be altered or modified between the date hereof and the Closing Date). The Licenses constitute all licenses, permits and authorizations from the FCC and other regulatory bodies which are required for the operation of the Station and the conduct of its business as conducted on the date hereof. There is not now, and on the Closing Date there will not be, pending, or to the knowledge of Seller threatened, any action by or before the FCC to revoke, cancel, rescind, modify, or refuse to renew in the ordinary course any of the Licenses, or any investigation, Order to Show Cause, Notice of Violation, Notice of Apparent Liability for Forfeiture, Order of Forfeiture, or Complaint against the Station or Station's or Seller's employees after the execution and delivery hereof and Buyer is not so obligated.
2. There are no actions, suits, claims, investigations or legal or administrative or arbitration proceedings pending or threatened against, or for the benefit of, Seller, nor to Seller's knowledge any basis for any such claims.
3. Seller has the legal power and right to enter into and perform this agreement, and the consummation of the transactions contemplated by this agreement will not violate any provision of law, or of Seller's Articles of Incorporation or Bylaws.
4. Seller, as of closing, shall have good and marketable title to all the properties, assets, and rights to be delivered by it to buyer free of all liens, charges and encumbrances.
5. Seller has not employed any broker or agent with respect to the sale and purchase contemplated in this agreement, nor taken any other action in that regard; nor will seller take any such action that would cause buyer to become liable for the payment of any finder's fee, broker's fee, or commission.

## **VII. BUYER'S REPRESENTATIONS AND WARRANTIES**

Buyer represents, warrants to and agrees with seller as follows:

On the Closing Date Buyer will be a corporation duly organized, validly existing and in good standing with 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.

## **VIII. CONDITIONS OF CLOSING FOR THE PARTIES**

1. The FCC shall have granted its consent to the transaction contemplated hereunder by granting the Application without imposing any conditions on grant which are materially adverse to Buyer or the Station, and such grant shall have become a Final Order.
2. Buyer's and Seller's representations and warranties shall be true and correct on and as of the Closing Date as though such representations and warranties were made at and as of such time.
3. Buyer and Seller shall have performed and complied with all agreements and covenants required by this agreement to be performed by it prior to or on the closing date.
4. All equipment, including without limitation, all transmission and other broadcast equipment of seller is and will be as of the closing date in new or like new, operable condition, working order, and in

accordance with all FCC requirements and standards.

5. All closing documents, including instruments of conveyance, shall be in form acceptable to Seller and Buyer.

#### **IX. CLOSING DATE AND PLACE**

The Closing shall occur, on a date (the "Closing Date") designated by the Buyer, but within ten (10) days after the FCC's consent to assignment of the FCC Licenses to Buyer has become a Final Order. The Closing shall be held at such place as the parties shall mutually agree or, failing such agreement, at the office of the Buyer. Buyer may, at its option, waive the requirement that the FCC's consent has become a Final Order.

#### **X. CONTROL OF STATION**

Between the date of this Agreement and the Closing Date, Buyer shall not directly or indirectly control, supervise, or direct, or attempt to control, supervise, or direct the operations of the Station; such operations, including control and supervision of all Station programming, personnel and finances, shall be the sole responsibility of Seller.

#### **XI. MISCELLANEOUS PROVISIONS**

1. **Liabilities and Obligations of Seller.** Buyer does not assume and shall not be required to pay or otherwise satisfy any liabilities or obligations of seller except those specifically set forth in this agreement.

2. **Notices.** Any notice, consent, request, claim or other communication pertaining this transaction shall be in writing, and shall be deemed to have been given if delivered via electronic mail.

3. **Attorney's Fees.** In the event either party to this agreement shall employ legal counsel to protect its rights under this agreement or to enforce any term or provision of this agreement, then the party prevailing in any such legal action shall have the right to recover from the other party all of its reasonable attorneys' fees, costs and expenses incurred in relation to such claim.

4. **Entire Agreement.** This agreement, and any documents referred to and incorporated by reference, contains all the terms and conditions agreed upon by the parties with respect to the transaction contemplated in this agreement, and shall not be amended or modified except by written instrument signed by all of the parties.

5. **Binding Effect on Representatives and Successors.** This agreement shall be binding upon and inure to the benefit of the representatives, heirs, estates, successors and assigns of the parties. Nothing expressed or implied in this agreement is intended, or shall be construed, to confer upon or give any person, firm or corporation, other than the parties, their successors and assigns, any benefits, rights or remedies under or by reason of this agreement.

6. **Time of Essence.** Time is of the essence in this agreement.

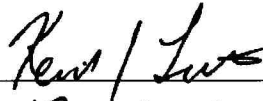
7. **Counterparts.** This agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

8. **Governing Law.** This agreement shall be governed by and construed under the laws of the State of California.

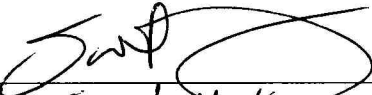
**9. Arbitration.** Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered pursuant to the American Arbitration Association's Commercial Arbitration Rules. The parties, however, specifically agree that they shall not use the services of the American Arbitration Association for any such arbitration. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first set forth above.

**One Ministries, Inc.**

By:   
Name: Keith Leitch  
Title: President

**McKay International Group, Ltd.**

By:   
Name: Scot McKay  
Title: Dres

## MEMORANDUM OF UNDERSTANDING

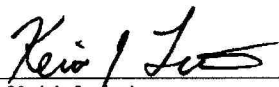
This Memorandum of Understanding is entered this 2<sup>nd</sup> day of November, 2011 between Scot McKay of McKay International Group, Ltd. ("McKay") and Keith Leitch ("Leitch") of One Ministries, Inc. (collectively, the "Parties").

The Parties have executed this Memorandum of Understanding to further define their understand their understandings with respect to the Asset Purchase Agreement executed for the sale of translator station K218ET (Facility ID 151853), located in Carmel Valley, California (the "Agreement"). In consideration of the premises and the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:


1. It is hereby expressly understood between the Parties that McKay shall only exercise his right to terminate this agreement under Section II(4) of the Agreement should the FCC fail to approve the transfer of KRML to Buyer and Buyer's closing of the lease with IIII Tower.
2. It is hereby expressly understood between the parties that Leitch will endeavor to broadcast KRML on its LPTV signal in the Bay Area, contingent on Leitch's ability to receive all appropriate approvals to do so. Additionally, Leitch shall not be required to expend excessive funds to make the simulcast viable.
3. It is hereby expressly understood between the parties that Leitch will provide McKay with broadcasting consulting services related to the broadcast of KRML in additional markets and/or the acquisition of additional broadcast stations. As part of the Agreement, Leitch shall not be entitled to additional compensation for his services. McKay understands that the consulting services described herein are being provided by Leitch outside of the hours of his primary source of income and his responsibilities to One Ministries, Inc.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first set forth above.

**One Ministries, Inc.**

By:   
Keith Leitch

**McKay International Group, Ltd.**

By:   
Scot McKay