

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of August 13, 2012, between Calvary Chapel of Russell, Inc., a Pennsylvania non-profit corporation ("Buyer"), and Inspiration Time, Inc., a Pennsylvania non-profit corporation ("Seller").

WHEREAS, Seller holds the authorizations for noncommercial educational FM Radio Station WYVL(FM), 88.5 MHz, Youngsville, Pennsylvania (Facility ID Number 89403) and FM Translator Station W264AT, 100.7 MHz, Warren, Pennsylvania (Facility ID Number 141630) (together, the "Stations"), issued by the Federal Communications Commission (the "FCC");

WHEREAS, concurrently with execution of this Agreement, Buyer shall enter into an asset purchase agreement (the "Jamestown Agreement"), dated as of the date hereof, with Family First Foundation, Inc. ("Family First"), pursuant to which Buyer will acquire the FCC authorizations and certain assets of FM Translator Station W254AQ, Jamestown, New York (Facility ID No. 141663); and

WHEREAS, subject to the terms and conditions set forth herein, Seller desires to assign the Stations' FCC authorizations and sell substantially all of the assets used and useful in connection with the Stations and Buyer desires to purchase and accept such authorizations and assets.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

1. Station Assets. Seller agrees to assign, transfer, convey and deliver to Buyer, and Buyer agrees to acquire from Seller, all of the right, title, and interest of Seller in and to certain assets, properties, interests and rights of Seller, tangible and intangible, which are used in the operation of the Stations (the "Station Assets"), including the following:
 - (a) all licenses, permits and other authorizations or other governmental authority with respect to the Stations held by Seller (the "Licenses"); and
 - (b) the transmitters, antennas, transmission lines, and other tangible personal property of the Seller used in the operation of the Stations (the "Tangible Personal Property"), described more fully on Schedule 1(b).
2. Purchase Price. The purchase price to be paid for the Station Assets will be Seventy-Five Thousand Dollars (\$75,000.00), as adjusted pursuant to Section 4 hereof (the "Purchase Price"). On the Closing Date, Buyer shall (a) deliver to Seller cash or immediately available funds by wire transfer in the amount of One Thousand, Five Hundred Dollars (\$1,500.00) and (b) execute and deliver to Seller a first-priority secured promissory note in substantially the form attached hereto as Exhibit A (the "Promissory Note") in the aggregate principal amount of the Purchase Price. The principal of and interest on the Promissory Note shall be amortized over a term of ten (10) years. The loan evidenced by the Promissory Note shall bear interest at the rate of four percent (4.0%) per annum. Buyer shall pay (i) monthly, in arrears, one hundred twenty (120) equal installments of principal and interest, commencing on the first business day after thirty (30) days after Closing (the "Note Payment Start Date"). To secure Buyer's payment obligations

under the Promissory Note, Buyer shall execute and deliver to Seller on the Closing Date a security agreement in substantially the form attached hereto as Exhibit B (the “Security Agreement”) granting Seller, among other things, a first-priority perfected security interest in the Station Assets to the extent permitted by law and all proceeds therefrom.

3. Assumption of Obligations. On the Closing Date, Buyer shall assume all obligations of Seller arising from the business or operation of the Stations after the Closing Date.

4. Prorations and Adjustments. All prepaid and deferred expenses arising from the conduct of the business and operations of the Stations shall be prorated as of 11:59 p.m. of the Closing Date. The prorations and adjustments contemplated by this Section shall be made to the extent practicable at the Closing, and to the extent not made at the Closing shall be made within thirty (30) calendar days after the Closing Date.

5. Closing. Subject to satisfaction or waiver of the conditions set forth herein, consummation of the sale of the Station Assets under this Agreement (the “Closing”) shall occur on a date (the “Closing Date”) mutually agreed upon by the parties which date shall be within ten (10) business days after the grant of FCC Consent (as defined below), unless a Petition to Deny or other objection to the application requesting the FCC Consent is filed with the FCC, in which case the Closing shall occur within ten (10) business days of the FCC Consent having become a Final Order (as defined below), unless the requirement of a Final Order is waived by Buyer, in which case the Closing shall occur on a date of Buyer’s choosing after the grant of FCC Consent and upon notice by Buyer to Seller of Buyer’s waiver of the Final Order requirement.

6. FCC Consent. The Closing is subject to and conditioned upon prior FCC consent (the “FCC Consent”) to the assignment of the FCC Licenses to Buyer, and, unless waived by Buyer, the FCC Consent having become a Final Order if any objection to grant of the FCC Consent has been filed with the FCC. “Final Order” means an action by the FCC as to which: (a) no request for stay by the FCC is pending, no such stay is in effect, and any deadline for filing a request for any such stay has passed; (b) no appeal, petition for rehearing or reconsideration, or application for review is pending before the FCC and the deadline for filing any such appeal, petition or application has passed; (c) the FCC has not initiated reconsideration or review on its own motion and the time in which such reconsideration or review is permitted has passed; and (d) no appeal to a court, or request for stay by a court, of the FCC’s action is pending or in effect, and the deadline for filing any such appeal or request has passed.

7. FCC Application. Within ten (5) business days of the date of this Agreement, Seller and Buyer shall file an application with the FCC (the “FCC Application”) requesting the FCC Consent. Seller and Buyer shall diligently prosecute the FCC Application and otherwise use their best efforts to obtain the FCC Consent as soon as practicable.

8. Buyer’s Representations and Warranties. Buyer makes the following representations and warranties to Seller:

- (a) Buyer is duly organized, validly existing and in good standing under the laws of the State of Pennsylvania. Buyer has the requisite power and authority to execute and deliver this Agreement and to comply with the terms, conditions and provisions hereof.

(b) The execution, delivery and performance of this Agreement by Buyer have been duly authorized and approved by all necessary corporate action of Buyer. This Agreement is a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except (i) as may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally, and (ii) as such enforceability is subject to general principles of equity.

(c) No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyer.

(d) Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Stations under the Communications Act of 1934, as amended, and the rules, regulations, and policies of the FCC.

(e) There are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations pending against, or, to Buyer's knowledge, threatened against, Buyer relating to or affecting this Agreement or the transactions contemplated hereby.

9. Seller's Representations and Warranties. Seller makes the following representations and warranties to Buyer:

(a) Seller is duly organized, validly existing and in good standing under the laws of the State of Pennsylvania. Seller has the requisite power and authority to execute and deliver this Agreement and to comply with the terms, conditions and provisions hereof.

(b) The execution, delivery and performance of this Agreement by Seller have been duly authorized and approved by all necessary corporate action of Seller. This Agreement is a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except (i) as may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally, and (ii) as such enforceability is subject to general principles of equity.

(c) The Licenses are held by Seller, and have been issued for the full terms customarily issued to radio stations in the State of Pennsylvania. The Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There are no applications, complaints, investigations or proceedings pending or, to the knowledge of Seller, threatened before the FCC relating to the operation of the Stations other than those affecting the broadcasting industry generally. Seller is not subject to any outstanding judgment or order of the FCC relating to the Stations. Seller has operated and is operating in material compliance with all laws, regulations and governmental orders applicable to the operation of the Stations.

(d) Seller has only informal, non-written, non-enforceable arrangements to use the properties currently used by the Stations. Seller makes no representations or warranties, nor

shall it be a condition of Closing, that Buyer will continue to have access to such properties following the Closing.

(e) Seller has good and valid title to all Tangible Personal Property listed in Schedule 1(b), free and clear of all liens and encumbrances, except for liens for taxes not yet due and payable and for which Buyer receives a credit pursuant to Section 4 hereof (“Permitted Liens”), and except for security interests, if any, which will be released on or before Closing. All of the items of Tangible Personal Property are of types, kinds and/or designs in accordance with standard industry practices and are in good operating condition and repair.

(f) No insolvency proceedings of any character, including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or any of the Station Assets, are pending or, to Seller’s knowledge, threatened, and Seller has not made any assignment for the benefit of creditors or taken any action which would constitute the basis for the institution of such insolvency proceedings.

(g) No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller.

(h) There are no suits, arbitration, administrative charges or other legal proceedings, claims or governmental investigations pending, or, to Seller’s knowledge, threatened against Seller relating to or affecting this Agreement or the transactions contemplated hereby.

10. Buyer’s General Covenants. Buyer covenants and agrees that between the date hereof and the Closing, Buyer shall:

- (a) maintain its qualifications to be the licensee of the Stations as set forth in Section 8 above;
- (b) take necessary steps as required to be able to consummate this transaction; and
- (c) notify the Seller promptly of any event, circumstance or occurrence which will interfere with the prompt consummation of this transaction at Closing.

11. Seller’s General Covenants. Seller covenants and agrees that between the date hereof and the Closing, Seller shall:

- (a) operate the Stations in the ordinary course of business consistent with past practice;
- (b) not directly or indirectly, including by dissolution, liquidation, merger or otherwise, sell, lease or dispose of any of the Station Assets unless those assets are replaced with assets of equal or greater value;

(c) maintain the Tangible Personal Property in its current condition (reasonable wear and tear in ordinary usage excepted); and

(e) furnish Buyer with access to the Tangible Personal Property.

12. Joint Covenants. Seller and Buyer hereby covenant and agree that between the date hereof and the Closing they shall cooperate fully with each other in taking any commercially reasonable actions (including to obtain the required consent of any governmental instrumentality or any third party) necessary to accomplish the transactions contemplated by this Agreement, including, but not limited to, the prompt satisfaction of any condition to the Closing set forth herein.

13. Seller's Conditions to Closing. The obligations of Seller hereunder are, at its option, subject to satisfaction at or prior to the Closing of each of the following conditions:

(a) The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and the covenants and agreements to be complied with and performed by Buyer at or prior to the Closing shall have been complied with or performed in all material respects.

(b) The FCC Consent shall have been obtained and shall be in full force and effect, and no court, administrative or governmental order prohibiting the Closing shall be in effect.

(c) Buyer shall have made each of the deliveries contemplated by Section 15 hereof or otherwise reasonably required by this Agreement.

14. Buyer's Conditions to Closing. The obligations of Buyer hereunder are, at its option, subject to satisfaction at or prior to the Closing of each of the following conditions:

(a) The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and the covenants and agreements to be complied with and performed by Seller at or prior to the Closing shall have been complied with or performed in all material respects.

(b) The FCC Consent shall have been obtained, shall be in full force and effect and, if any objection to the grant of the FCC Consent is filed, shall have become a Final Order, and no court or governmental order prohibiting the Closing shall be in effect.

(c) All security interests pertaining to the Station Assets shall be released of record and there shall be no liens in respect of such assets, except Permitted Liens.

(d) Seller shall have made each of the deliveries contemplated by Section 15 hereof or otherwise reasonably required by this Agreement.

(e) The Closing of this Agreement shall be concurrent with the closing of the Jamestown Agreement.

15. Closing Deliveries. At the Closing, Seller shall deliver or cause to be delivered to Buyer: such bills of sale, documents of title and other instruments of conveyance, assignment and transfer as may reasonably be requested by Buyer to convey, transfer and assign the Station Assets to Buyer, free and clear of liens, except for Permitted Liens. Buyer shall also deliver the Promissory Note and the Security Agreement to Seller.

16. Survival. The covenants, agreements, representations and warranties in this Agreement shall expire at Closing and be of no further force or effect, with the exception of: (i) the indemnification obligations of Seller and Buyer under Section 17 hereof with respect to Claims (as defined below) made by third parties against Buyer or Seller, as applicable, shall survive for one (1) year; (ii) those Claims made under Section 17 that relate to Buyer's Damages or Seller's Damages (as defined below), as applicable, for which timely written notice is given by the indemnified party to the indemnifying party prior to expiration of this survival period, shall survive until resolved.

17. Indemnification. From and after the Closing, Seller shall defend, indemnify and hold harmless Buyer from and against losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Buyer's Damages") incurred by Buyer arising out of or resulting from: (a) any failure by Seller to perform any covenant or agreement contained in this Agreement, or any other breach or default by Seller under this Agreement; and (b) the operation of the Station before the Closing. From and after the Closing, Buyer shall defend, indemnify and hold harmless Seller from and against losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Seller's Damages") incurred by Seller arising out of or resulting from: (y) any failure by Buyer to perform any covenant or agreement contained in this Agreement, or any other any breach or default by Buyer under this Agreement; and (z) the operation of the Station after the Closing. The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder on the part of the indemnifying party (a "Claim"), but a failure to give such notice or a delay in giving such notice shall not affect the indemnified party's right to indemnification and the indemnifying party's obligation to indemnify as set forth in this Agreement, except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced.

18. Termination. This Agreement may be terminated at any time prior to the Closing as follows:

- (a) by mutual written consent of Seller and Buyer;
- (b) by written notice of Seller to Buyer if Buyer breaches in any material respect any of its representations or warranties or other terms of this Agreement, or defaults in any material respect in the performance of any of its covenants or agreements herein contained, and such breach or default is not cured within the Cure Period (as defined below);

(c) by written notice of Buyer to Seller if Seller breaches in any material respect any of its representations or warranties or other terms of this Agreement, or defaults in any material respect in the performance of any of its covenants or agreements herein contained, and such breach or default is not cured within the Cure Period;

(d) by written notice of Seller to Buyer, or Buyer to Seller, if the Closing shall not have been consummated on or before the date which is nine (9) months after the execution of this Agreement, and if the party giving notice is not then in default hereunder; or

(e) by written notice of Buyer to Seller, if due to a weather related cause, force majeure, or other cause beyond the control of Seller, a material portion of the Station Assets are damaged or destroyed and Seller elects not to repair or replace such damaged or destroyed Station Assets prior to Closing Date.

The term "Cure Period" as used herein means a period commencing on the date that a party receives from the other party written notice of breach or default hereunder and continuing for twenty (20) days thereafter.

19. Damages upon Termination. The termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. If this Agreement is terminated pursuant to Section 18(c) due to the default of Seller, the Buyer may bring an action for specific performance, Seller hereby acknowledging that the Station Assets are of a special, unique and extraordinary character, and that monetary damages would not be sufficient to compensate Buyer under such circumstances.

20. Expenses. Each party 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.

21. Assignment. Neither party may assign any of its rights or obligations under this Agreement, without the express prior written consent of the non-assigning party.

22. Amendments. No amendment to, or waiver of compliance with, any provision or condition hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of any waiver or amendment is sought.

23. Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

25. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Pennsylvania applicable to contracts made and to be fully performed within such State, without giving effect to the choice of law provisions thereof that may require the application of the laws of any other state.

26 Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, and shall be deemed to have been received on

the date of personal delivery, on the third day after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid and return receipt requested, on the day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery (or to such other address as any party may request by written notice):

If to Seller: Inspiration Time, Inc.
10912 Peach Street
Waterford, PA 16441
Attention: Ronald K. Raymond, General Manager

With a copy (which shall not constitute notice) to:
Repp Law Firm
1629 K Street, NW
Suite 300
Washington, DC 20006
Attention: Marissa G. Repp, Esq.

If to Buyer: Calvary Chapel of Russell
P.O. Box 579
Route 62 North
Russell, PA 16345
Attention: Jim Stowe

With a copy (which shall not constitute notice) to:
Fletcher, Heald & Hildreth, PLC
1300 North 17th Street
11th Floor
Arlington, VA 22209
Attention: Harry C. Martin, Esq.

24. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. Delivery of an executed counterpart signature page to this Agreement by facsimile or e-mail shall be deemed sufficient to render this Agreement effective.

25. No Third Party Beneficiaries. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity other than the parties hereto and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

26. Severability. The parties agree that if one or more provisions contained in this Agreement shall be deemed or held to be invalid, illegal or unenforceable in any respect under any applicable law, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted, and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby, unless such construction would alter the fundamental purposes of this Agreement.

27. Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties hereto and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein.

28. Attorneys' Fees. In the event of a dispute relating to this Agreement involving the interpretation or enforcement of the terms of this Agreement, resulting in litigation brought by either party, the prevailing party in such litigation shall be entitled, in addition to other relief ordered by the Court, to reasonable attorneys' fees and costs.

29. Further Assurances. After the Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

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Table of Schedules and Exhibits

Schedule 1(b)	List of Tangible Personal Property
Exhibit 1	Form of Promissory Note
Exhibit 2	Form of Security Agreement

Schedule 1(b)

List of Tangible Personal Property

[REDACTED]

Exhibit 1

Form of Promissory Note

_____, Pennsylvania
_____, 2012

PROMISSORY NOTE

FOR VALUE RECEIVED, Calvary Chapel of Russell, Inc., a _____ non-profit corporation (“Maker”), promises to pay to Inspiration Time, Inc., a _____ non-profit corporation (“Holder”), or order, without offset, the principal sum of Seventy-Five Thousand Dollars (\$75,000.00), with interest at the rate of four percent (4.0%) per annum. This Note is subject to the following conditions and in accordance with the following terms.

1. This Note is payable in one hundred twenty (120) equal, consecutive monthly installments of principal and interest, each in the sum of _____ (\$_____). The first such payment is due _____, 2012.

2. This Note evidences payment of the Purchase Price for certain assets purchased pursuant to the certain Asset Purchase Agreement (the “Purchase Agreement”) between Maker and Holder dated _____, 2012. Maker’s obligations under this Note are secured by that certain Security Agreement (the “Security Agreement”) entered into concurrently herewith between Maker and Holder. The Holder of this Note may evidence its security interest by the filing of a Form UCC-1, and Maker expressly consents to the filing of such form and such renewals thereof as may be necessary or appropriate to keep the UCC-1 notice in full force and effect until this Note is fully paid.

3. Unless otherwise instructed in writing by the Holder of this Note, all payments required by this Note shall be sent to:

Inspiration Time, Inc.
Attn: _____
10912 Peach Street
Waterford, PA 16441

4. Time shall be deemed to be of the essence. Should it become necessary for the Holder of this Note to engage counsel to collect or enforce this Note, the Maker shall pay, to the extent permitted by law, all costs and reasonable attorney’s fees incurred in collecting or enforcing payment.

5. The Holder of this Note shall not by any act, delay, omission, or otherwise, be deemed to have waived any rights or remedies and no waiver shall be valid unless in writing signed by Holder. A waiver of any right or remedy under the terms of this Note on any one occasion shall not be construed as a bar to any other right or remedy which the Holder of this Note has or would have on any future occasion. This Note is non-negotiable.

6. This Note shall be governed and construed in accordance with the laws of Pennsylvania (other than laws related to conflicts of laws).

7. If any provision of this Note is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way unless such enforcement would materially alter the underlying intent of the parties to this Note, as originally contemplated by the parties hereto at the time this Note was executed.

8. The Maker hereby waives presentment, demand for payment, notice of dishonor, notice of protest and protest delivery, acceptance, performance default, endorsement of guarantee of this instrument and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note.

9. This Note shall be binding upon the successors and assigns of the Maker and shall inure to the benefit of the successors and assigns of the Holder of this Note.

10. In the event of a default on the part of the Maker of this Note, then upon thirty (30) days written notice to Maker (during which time Maker may cure the default) the Holder of this Note, subject only to limitations arising under the rules, regulations and policies of the FCC or any other law, may elect to exercise any or all rights, powers and remedies afforded hereunder and under the Security Agreement, and all other documents related hereto and by law, including, without limitation, the right to accelerate the maturity of this Note and declare all amounts owing in respect to this Note to be due and payable in full. Events of default include:

- a. Failure to make any payment on the date due and payable hereunder;
- b. Failure to perform any of Maker's material obligations hereunder or any of Maker's material obligations under the Security Agreement;
- c. If the Security Agreement is canceled, terminated, revoked, or rescinded or any proceeding to cancel, revoke, or rescind the Security Agreement is commenced by a third party;
- d. If the Maker shall become insolvent, make an assignment for the benefit of creditors, or any case or proceeding under any laws relating to bankruptcy, insolvency, readjustment of debt, dissolution or liquidation shall be commenced with respect to the Maker provided, however, in any case or proceeding under any laws relating to bankruptcy, insolvency, readjustment of debt dissolution, or liquidation commenced against Maker, Maker shall not be in default if said case or proceeding is discharged within thirty (30) days; or
- e. If the Maker shall assign or seek authorizations to assign the FCC licenses of one or more of Non-Commercial Educational FM Broadcast Station WYVL(FM), Youngsville, Pennsylvania (Facility ID No. 89403), FM Translator Station W264AT, Warren, Pennsylvania (Facility ID No. 141630), and FM Translator Station W254AQ, Jamestown, New York (Facility ID No. 141663), except through a *pro forma* application on FCC Form 316.

Signature page to Promissory Note

Calvary Chapel of Russell, Inc. has executed this Note on the day and year above written.

CALVARY CHAPEL OF RUSSELL, INC.

By: _____

Exhibit 2

Form of Security Agreement

SECURITY AGREEMENT

THIS AGREEMENT is made as of _____, 2012, between Calvary Chapel of Russell, Inc., a Pennsylvania non-profit corporation ("Debtor"), and Inspiration Time, Inc., a Pennsylvania non-profit corporation ("Secured Party").

WHEREAS, Secured Party has sold to Debtor the assets described in that certain Asset Purchase Agreement, dated _____, 2012 (the "Purchase Agreement") by and between Debtor and Secured Party;

WHEREAS, pursuant to the Purchase Agreement, the purchase price due thereunder shall be paid by delivery of a Promissory Note to Secured Party at the Closing in the aggregate principal amount of Seventy-Three Thousand Five Hundred Dollars (\$ 73,500.00) (the "Promissory Note"); and

WHEREAS, in order to secure payment of the Promissory Note, the interest, and any other amounts due and owing to Secured Party thereunder (the "Obligations"), Debtor has agreed to grant a security interest to Secured Party in certain assets of Debtor described below.

NOW, THEREFORE, for valuable consideration, and to secure the payment and performance when due of the Obligations of Debtor to Secured Party, Debtor and Secured Party hereby agree as follows:

1. GRANT OF SECURITY INTEREST:

Debtor hereby grants and conveys to Secured Party a first priority continuing security interest in and lien on the Collateral (as defined below), together with all rights, remedies and privileges pertaining thereto, and all substitutions, replacements and proceeds thereof. The "Collateral" means:

(a) all furniture, fixtures, equipment, inventory, books and records, programming, music libraries, computer hardware and software, auxiliary and translator facilities, transmitting towers, transmitters, antennas, antenna line and other electronic equipment and parts, supplies, machinery, and vehicles, and other tangible and intangible personal property of Debtor relating to Non-Commercial Educational FM Broadcast Station WYVL(FM), Youngsville, Pennsylvania (Facility ID No. 89403), FM Translator Station W264AT, Warren, Pennsylvania (Facility ID No. 141630), and FM Translator Station W254AQ, Jamestown, New York (Facility ID No. 141663) (each, a "Station," and together the "Stations"); and

(b) all accounts, as that term is defined in Article 9 of the Uniform Commercial Code, of Debtor arising from the operation of the Stations, including, without limitation, all present and future rights to payment for goods sold or services rendered by Debtor that are not otherwise evidenced by instruments or chattel paper, whether or not such rights have been earned by performance;

(c) to the extent permitted by law, any and all construction permits, licenses, and authorizations, including those for the Stations, issued or granted to Debtor by the Federal Communications Commission ("FCC") or any other governmental entity or otherwise in connection with the operation of the Stations and any auxiliary broadcast or other facility associated with the Stations and/or to the proceeds of the sale, transfer, or other disposition of such FCC construction permits, licenses, and authorizations. The parties recognize that under current FCC policy, security interests are permitted to extend only to the proceeds of the sale, transfer, or other disposition of FCC construction permits, licenses, and authorizations. If the law in this regard is subsequently changed, in whole or in part, then all of the right, title, and interest of Debtor in and to any FCC construction permits, licenses, and authorizations, whether now held or hereafter acquired, shall automatically and immediately become subject to the Secured Party's security interest to the maximum extent permitted by law as then in force and effect.

2. WARRANTIES AND COVENANTS:

Debtor warrants, covenants and agrees as follows:

(a) Payment. To pay and perform all of the Obligations secured by this Agreement in accordance with their respective terms;

(b) Defend. To defend the title to the Collateral against all persons and all claims and demands whatsoever. Debtor agrees not to transfer legal or equitable title to the Collateral to any other party without Secured Party's prior written consent;

(c) Assurance of Perfection. On demand of Secured Party, to do the following: furnish further assurance of title; execute any written agreement or do any other acts necessary to effectuate the purposes and provisions of this Agreement; execute any instrument or statement required by law or otherwise in order to perfect the security interests granted to Secured Party herein; and continue or terminate the security interest of Secured Party in the Collateral;

(d) Possession. To retain possession of the Collateral during the existence of this Agreement and not to sell, exchange, assign, deliver, mortgage or otherwise dispose of same, without the prior written consent of Secured Party, which Secured Party may grant or deny in its sole discretion;

(e) Liens. To keep the Collateral free and clear of all liens, charges, encumbrances, taxes and assessments;

(f) Taxes etc. To pay, when due, all taxes, assessments and license fees and premiums relating to the Collateral;

(g) Name, State of Incorporation, Notice of Changes. Debtor's name as shown above is accurate and complete, Debtor is a non-profit corporation organized under the laws of the State of

Pennsylvania, and Debtor shall obtain the prior written consent of Secured Party before any change in the name or corporate structure of Debtor;

(h) No Commingling. Unless waived by Secured Party, all proceeds from any disposition of the Collateral shall be held in trust for Secured Party; provided however, this requirement shall not constitute consent by Secured Party to any sale or other disposition;

(i) Full Performance. To perform and comply in all material respects with all obligations in respect of the accounts and under all other contracts and agreements to which Debtor is a party or by which it is bound relating to the Collateral where failure to so comply would result in a material adverse effect on the Collateral, unless the validity thereof is being contested in good faith by appropriate proceedings and such proceedings do not involve the material danger of the sale, forfeiture, or loss of the Collateral which is the subject of such proceedings or the priority of the lien in favor of Secured Party thereon.

3. GENERAL PROVISIONS:

(a) Financing Statement Filing. Debtor hereby authorizes Secured Party to file, without a signature of Debtor, a financing statement with any governmental authority, to perfect or continue the security interest granted by Debtor to Secured Party under this Agreement, or to file a photographic or other reproduction of this Agreement for use as a financing statement.

(b) Non-Waiver. Waiver of or acquiescence in any default by the Debtor, or failure of the Secured Party to insist upon strict performance by the Debtor of any warranties or agreements in this Agreement, shall not constitute a waiver of any subsequent or other default or failure.

(c) Notices. Notices to any party shall be in writing and shall be delivered personally or by mail, postage prepaid, addressed to the party at the address set forth below or otherwise designated in writing:

Address of Debtor:
Calvary Chapel of Russell, Inc.
P.O. Box 579
Route 62 North
Russell, PA 16345
Attn: Jim Stowe

Address of Secured Party:
Inspiration Time, Inc.
10912 Peach Street
Waterford, PA 16441
Attn: Ronald K. Raymond, General Manager

(d) Law Applicable. The laws of the State of Pennsylvania shall govern the rights,

duties and remedies of the parties and enforcement of this Agreement. Any provisions herein declared invalid under any law shall not invalidate any other provision of this Agreement.

- (e) Default. The following shall constitute an Event of Default by Debtor:
 - (i) Non-Payment. Failure of Debtor to make any payment when due and payable under the Obligations;
 - (ii) Violation. Failure of Debtor, within thirty (30) days after receipt from Secured Party of notice of non-compliance, to comply with or perform any provision of this Agreement or any other documents evidencing the Obligations;
 - (iii) Misrepresentation. False or misleading representations or warranties made or given by Debtor in connection with this Agreement;
 - (iv) Levy. Subjection of the Collateral to levy of execution or other judicial process;
 - (v) Insolvency. Commencement of any insolvency proceeding by or against Debtor;
 - (vi) Termination of Business Activities. The cession by Debtor of its business activities; or
 - (vii) Impairment of Security. Any waiver made by Debtor that materially impairs the collectability of an account.

(f) Remedies on Default. In the event of a default on the part of the Debtor, then upon thirty (30) days written notice to Debtor (during which time Debtor may cure the default) Secured Party, subject only to limitations arising under the rules, regulations and policies of the FCC or any other law, shall have all the rights, remedies and privileges with respect to repossession, retention and sale of the Collateral and disposition of the proceeds as are accorded to a secured party by the applicable sections of the Uniform Commercial Code respecting "Default" in effect in the State of Pennsylvania as of the date of this Agreement.

(g) Attorneys' Fees Etc. Secured Party's reasonable attorneys' fees, costs of collection and the legal and other expenses for pursuing, searching for, receiving, taking, and selling the Collateral shall become a part of the Obligations secured hereby and shall be immediately chargeable to Debtor.

(h) Deficiency. Debtor shall remain liable for any deficiency resulting from a sale of the Collateral for less than the value of the Obligations and shall pay any such deficiency forthwith to Secured Party upon demand.

(i) Possession of Collateral. Upon the uncured occurrence of any Event of Default, the Secured Party, in its sole discretion, may: (1) enter upon Debtor's premises peaceably, by the Secured Party's own means or with legal process, and take possession of the Collateral, or dispose of the Collateral on Debtor's premises and Debtor agrees not to resist or interfere; (2) require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party reasonably convenient to both parties (Debtor agrees that Secured Party's address as set forth herein is a place reasonably convenient for such assembling); (3) unless the Collateral is likely to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice will be met if such notice is mailed, postage prepaid, to the address of Debtor shown herein, at least three (3) days before the time of sale or disposition.

(j) Power of Attorney. Debtor hereby appoints Secured Party as its true and lawful attorney-in-fact, irrevocably, with full power of substitution to do the following, but only upon the happening of any Event of Default: (a) to demand, collect, receive, receipt for, sue and recover all sums of money or other property which may now or hereafter become due, owing or payable from the Collateral; (b) to execute, sign and endorse any and all claims, instruments, receipts, checks, drafts or warrants issued in payment for the Collateral; (c) to settle or compromise any and all claims arising under the Collateral, and, in the place and stead of Debtor, to execute and deliver releases and settlements for the claim; and (d) to file any claim or claims or to take any action or institute or take part in any proceedings, either in its own name or in the name of Debtor, or otherwise, which in the discretion of Secured Party may seem to be necessary or advisable. This power is given as security for the Obligations, and the authority hereby conferred is and shall be irrevocable and shall remain in full force and effect until renounced by Secured Party.

(k) Indemnity. Debtor shall indemnify and hold harmless Secured Party, and its directors, officers, employees, and affiliates, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, and disbursements of any kind or nature whatsoever including, without limitation, reasonable attorneys' fees and settlements costs, which may be imposed on, incurred by, or asserted against Secured Party, or its directors, officers, employees, or affiliates, in connection with any investigative, administrative, or judicial proceeding (whether Secured Party is or is not designated as a party thereto) directly or indirectly relating to or arising out of this Agreement or the Obligations, or any actual or proposed use of proceeds thereunder, except that neither Secured Party, nor any of its directors, officers, employees, or affiliates, shall have the right to be indemnified hereunder for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction.

(l) Assignment. Secured Party may assign this Agreement to any person to whom the Obligations are validly assigned, and if assigned the assignee shall be entitled, upon notifying Debtor, to all of the rights and remedies of Secured Party hereunder.

(m) Captions. The captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement nor the intent of any provision thereof.

(n) Books and Records. Debtor shall at all times maintain proper books of record and account and will permit Secured Party or its authorized officers or agents to have access to such books and records at all reasonable times.

(o) Collection of Receivables. If at any time Secured Party shall elect upon the happening of an Event of Default under this Agreement, Secured Party shall be entitled, in its own name or in the name of Debtor, to collect, demand, receive, sue for or compromise any and all of the Collateral and to give good and sufficient releases therefor, to endorse any checks, drafts or other orders for the payment of monies payable to Debtor in payment thereof, and to file any claims or take any action or proceeding, either in its own name or in the name of Debtor, which Secured Party may deem necessary or advisable. It is expressly understood and agreed, however, that Secured Party shall not be required or obligated in any manner to make any inquiries as to the nature or sufficiency of any payment received by it or to present or file any claims or take any other action to collect or enforce a payment of any amounts which may have been assigned to it or to which it may be entitled to hereunder at any time or times.

(p) Possession of Collateral by Secured Party. If Secured Party at any time has possession of any Collateral, whether before or after an Event of Default, Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Secured Party takes such action for that purpose as Debtor shall request or as Secured Party, in Secured Party's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Debtor shall not of itself be deemed to be a failure to exercise reasonable care.

(q) Successors and Assigns. The terms, warranties and agreements herein contained shall be jointly and severally binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

(r) Gender and Number. The gender and number used in this Agreement are used as a reference term only and shall apply with the same effect whether the parties are of the masculine or feminine gender, corporate or other form, and the singular shall likewise include the plural.

(s) No Oral Change. This Agreement may not be changed orally.

(t) FCC Compliance. Notwithstanding any other provisions of this Agreement, any foreclosure on, sale, transfer or other disposition of, or the exercise of any right to vote or consent with respect to, any of the Collateral as provided herein or any other action taken or proposed to be taken hereunder which would affect the operational, voting or other control of any entity holding a license issued by the FCC shall be made in accordance with the Communications Act of 1934, as amended, the terms of such license, and any applicable rules and regulations of the FCC, including, to the extent applicable under the rules and regulations of the FCC in effect at the time of an Event

of Default, any requirement that there be a public or private sale. Notwithstanding anything to the contrary contained in this Agreement, the Secured Party shall not, without first obtaining the consent or approval of the FCC, take any action pursuant to this Agreement which would constitute or result in any change of control of the licensee of a license issued by the FCC if any such change in control would require, under then existing law, the prior consent or approval of the FCC.

IN WITNESS WHEREOF, the parties hereto have respectively signed these presents, all on the day and year first above written.

DEBTOR:
CALVARY CHAPEL OF RUSSELL, INC.

By: _____
Name: _____
Title: _____

SECURED PARTY:
INSPIRATION TIME, INC.

By: _____
Name: _____
Title: _____

End of Agreement