

## **SETTLEMENT AND MUTUAL GENERAL RELEASE AGREEMENT**

This SETTLEMENT AND MUTUAL GENERAL RELEASE AGREEMENT (hereinafter referred to as AGREEMENT), is entered into as of the \_\_\_\_ day of August, 2007, between the various parties hereinafter identified.

### **PARTIES**

The parties to this AGREEMENT include the following entities and/or individuals in their various capacities as pled within the three litigation matters as set forth within the following section entitled "Subject Matter":

(1) MICHAEL KESTLER; NORA KESTLER; FRANK WALKER; MIKE STOCKLIN; CALVARY CHAPEL OF TWIN FALLS, INC. and CHRISTIAN BROADCASTING OF IDAHO (hereinafter referred collectively as the "KESTLER PARTIES", unless individually mentioned otherwise), their respective spouses, children, heirs, executors, administrators, partners, divisions, officers, directors, shareholders, agents, representatives, attorneys, accountants, CPAs, employees, owners, successors, corporations, parent or subsidiary companies, churches, ministries, businesses, assigns and others who might be responsible for their conduct; and,

(2) JEFF SMITH; CHARLES SMITH; THE WORD FOR TODAY and CSN INTERNATIONAL (hereinafter referred to as the "SMITH PARTIES", unless individually mentioned otherwise), their respective spouses, children, heirs, executors, administrators, divisions, officers, directors, shareholders, agents, representatives, attorneys, accountants, CPAs, employees, owners, successors, corporations, parent or subsidiary companies, churches, ministries businesses, assigns and others who might be responsible for their conduct.

This AGREEMENT is also intended to unilaterally release other individuals and/or entities, though unnamed in any pending litigation between the KESTLER PARTIES and SMITH PARTIES; but otherwise associated, related, controlled by, operated by, or in any other manner affiliated, whether directly or indirectly, with either the KESTLER PARTIES and/or the SMITH PARTIES, and include, CALVARY CHAPEL COSTA MESA, CALVARY CHAPEL OUTREACH FELLOWSHIP, PENFOLD COMMUNICATIONS, HOPE FOR THE CHILDREN INTERNATIONAL, INC., LIVING PROOF, and their respective heirs, executors, administrators, partners, divisions, officers, directors, shareholders, agents, representatives, attorneys, accountants/CPA's, employees, owners, successors, corporations, parent or subsidiary companies, churches, ministries, businesses, assigns and others who might be responsible for their conduct (hereinafter referred to as "UNNAMED PARTIES").

### **SUBJECT MATTER**

This AGREEMENT is in reference to the facts and allegations contained in the Complaints, Cross-Complaints and/or Counter-Complaints currently pending as follows:

(1) The Superior Court of the State of California, County of Orange, Case Number 06CC03054 (*KESTLER v. CSN INTERNATIONAL; THE WORD FOR TODAY; and JEFF SMITH*; and related Cross-Complaint against MIKE KESTLER, NORA KESTLER, FRANK WALKER, CALVARY CHAPEL TWIN FALLS, CHRISTIAN BROADCASTING OF IDAHO and MIKE STOCKLIN)[hereinafter referred to as the "CALIFORNIA LITIGATION"];

(2) The Twin Falls County District Court, State of Idaho, Case Number CV-06-413 (*THE WORD FOR TODAY V. CALVARY CHAPEL TWIN FALLS*, and related Counter Claim/Third Party. Complaint against CSN INTERNATIONAL, THE WORD FOR TODAY, JEFFREY SMITH and CHARLES SMITH) [hereinafter referred to as the

“IDAHO STATE LITIGATION”]; and

(3) The United States District Court of Idaho, Case Number 07-109 (*MICHAEL KESTLER V. CHARLES SMITH*), [hereinafter referred to as the “IDAHO FEDERAL LITIGATION”].

### **RECITALS**

WHEREAS, the KESTLER PARTIES and the SMITH PARTIES as alleged in their respective pleadings, dispute numerous issues including but not limited to, the control of CSN INTERNATIONAL (“CSN”), the person(s) duly serving on the board of directors of CSN, the authorized office location and mailing address for CSN; the alleged unauthorized use, transfer and misappropriation, if any, of CSN funds [CALIFORNIA LITIGATION]; as well as a dispute related to the repayment of certain sums of money allegedly loaned by THE WORD FOR TODAY to CALVARY CHAPEL TWIN FALLS and various alleged breaches of fiduciary duty [IDAHO STATE LITIGATION]; as well as a dispute related to the alleged impropriety, if any, of any contribution(s) made of attorneys fees and costs to the POLLITT MATTER (United States District Court of Idaho, Case No. 05-524-S-MHW-still pending) brought against CHARLES SMITH [IDAHO FEDERAL LITIGATION];

WHEREAS, for times previous to this AGREEMENT, both the KESTLER PARTIES and the SMITH PARTIES have operated under the name of CSN INTERNATIONAL in both the State of Idaho (KESTLER PARTIES); and the State of California (SMITH PARTIES). Pursuant to these operations, both the KESTLER PARTIES and SMITH PARTIES have utilized the CSN INTERNATIONAL California Corporation’s Federal Tax Identification Number, and have opened bank accounts, and have transferred funds, donations received and other forms of income and revenue (in the name of CSN INTERNATIONAL) into bank depositories opened,

and held in their respective states and which are currently under their respective control; and both offices have generated and submitted various Federal Communications Commission ("FCC") filings related to the broadcast assets licensed in the name of CSN INTERNATIONAL;

WHEREAS, a dispute between the KESTLER PARTIES and the SMITH PARTIES related to the validity, termination, and obligations, ongoing or otherwise, if any, of the February 1, 1996 Agreement, commonly referred to in pleadings as the, Local Marketing Agreement ("LMA"), between CSN (SMITH PARTIES) and CCTF (KESTLER PARTIES), remains unresolved;

WHEREAS, it is in the best interests of the KESTLER PARTIES and SMITH PARTIES, for the continuing operation of CCTF, CSN and THE WORD FOR TODAY ("TWFT") and to fulfill the non-profit goals for which they were established, avoid further risk and expense of litigation, and avoid risking any of the licensing held by the broadcast assets of CSN, that this AGREEMENT be entered into, that all disputes be resolved, that mutual general releases be exchanged and that all litigation be dismissed through this negotiated settlement AGREEMENT;

WHEREAS, it is now the desire of the KESTLER PARTIES and the SMITH PARTIES to fully and finally settle and resolve all disputes and differences as they may exist relating to the three pending litigation matters referenced above, their subject matter, or any other disputes whether past, present or future which may arise with respect their subject matter as between the parties to this AGREEMENT, except as to those matters which each party is required to complete in complying with the terms of this AGREEMENT; and,

WHEREAS, it is the further desire of the KESTLER PARTIES and the SMITH PARTIES to give a complete unilateral General Release to the other UNNAMED PARTIES, as defined hereinabove.

NOW THEREFORE, in consideration of the covenants, conditions, mutual promises, and waiver of damages as set forth herein; and for satisfaction of any and all alleged damages any KESTLER PARTIES or SMITH PARTIES claim to have suffered as a result of these disputes; and for other good and valuable consideration, the receipt and adequacy of which is acknowledged, the KESTLER PARTIES and SMITH PARTIES hereby agree as follows:

**A. DISPOSITION/CONTROL OF CSN:**

(1) The California Non-Profit Corporation, CSN INTERNATIONAL ("CSN"), California Corporation number #C1595352, Federal Tax identification number #33-0256544, shall remain a California Corporation controlled and operated by the SMITH PARTIES (hereinafter referred to as CSN/CALIFORNIA).

(2) Prior to the "Closing" (as defined within Section C of this AGREEMENT), the KESTLER PARTIES shall take all measures necessary to permanently terminate all CSN corporate operations in the State of Idaho, including but not limited to: no longer operating or managing any bank accounts under the names "CSN" or "CSN International;" no longer filing any FCC forms or documents related to CSN licensed broadcast assets, including but not limited to use of CDBS and/or FRN numbers and information of CSN/CALIFORNIA in any FCC communication; no longer filing information returns with the IRS, or State taxing agency utilizing the CSN/CALIFORNIA Federal Tax Identification number #33-0256544 ; no longer issuing payroll and/or health benefits to employees using the CSN/CALIFORNIA Federal Tax Identification number #33-0256544 or related tax information; and no longer conducting any other type of business matter whatsoever, under the CSN/CALIFORNIA Corporation name, corporation number #C1595352, Federal Tax Identification number #33-0256544, or in any other manner, conducting business operations which identify and/or use the CSN/CALIFORNIA corporation information, in the State of Idaho or elsewhere.

(3) Prior to the Closing (as defined within Section C of this AGREEMENT), the KESTLER PARTIES shall prepare and re-file, utilizing the federal tax identification number issued to CCTF, all payroll tax returns which have been previously filed by CCTF utilizing the CSN/CALIFORNIA Federal Tax Identification number #33-0256544 for any periods beginning January 1, 2007 and continuing through the date of the Closing. At the Closing, the KESTLER PARTIES shall provide copies of the payroll tax returns which have been re-filed in compliance with this condition.

(4) Immediately after the Closing (as defined within Section C of this AGREEMENT), the KESTLER PARTIES will promptly transfer any funds currently held in CSN bank accounts maintained in Idaho by the KESTLER PARTIES to CCTF accounts; and will concurrently thereto close all bank accounts held in the name of CSN or CSN INTERNATIONAL, which were opened with use of CSN's California Articles of Incorporation, California Corporation Number #C1595352, and/or Federal Tax Identification Number #33-0256544. The KESTLER PARTIES will provide counsel for the SMITH PARTIES in California with proof that these actions were taken by providing the counsel for the SMITH PARTIES in California with a copy of the closing bank statement(s) for each and every CSN INTERNATIONAL bank account opened and maintained in the State of Idaho, utilizing the CSN/CALIFORNIA corporation information, within thirty (30) days of the Closing.

(5) Following the Closing (as defined within Section C of this AGREEMENT), all CSN funds, personal property and equipment in the possession of and controlled by the KESTLER PARTIES shall remain in the control and possession of the KESTLER PARTIES but shall be promptly transferred into the name of CCTF.

(6) Except for those assets transferred to CCTF pursuant to Exhibit "A" to this AGREEMENT and their associated business or contractual arrangements as defined herein, at the Closing (as defined within Section C of this AGREEMENT) the KESTLER PARTIES will also effectuate the transfer to CSN/CALIFORNIA and/or amendments naming CSN/CALIFORNIA in lieu of any of the KESTLER PARTIES as to any and all business or contractual agreements made between the KESTLER PARTIES on behalf of CSN/CALIFORNIA while operating in Idaho, including, but not limited to, those agreements entered into with Programmers, Churches, Sponsors, Advertisers, Tower Owners, Vendors, Suppliers, or any other third party with whom the KESTLER PARTIES contracted with on behalf of and/or for the benefit of CSN/CALIFORNIA and its continued operation. This provision includes, but is not limited to, any and all such agreements and contracts entered into by the KESTLER PARTIES on behalf of, or for the benefit of, CSN/CALIFORNIA up to and including the Closing. The KESTLER PARTIES will provide written documentation which confirms their transfer and/or amendment of all third-party contracts to the SMITH PARTIES within thirty (30) days from the date of Closing (as defined within Section C of this AGREEMENT).

(7) All CSN funds, personal property and equipment in the possession of and controlled by the SMITH PARTIES shall remain under the control and possession of the SMITH PARTIES.

(8) MICHAEL KESTLER and NORA KESTLER shall submit written resignations from CSN for any Officer and/or Director positions with CSN which they hold or contend that they hold, effective upon the Closing (as defined within Section C of this AGREEMENT), and tendered at the time of the Closing to the SMITH PARTIES. Upon tender and delivery of MICHAEL KESTLER'S resignation, any remaining dispute between the parties related to the termination and/or ongoing validity of the February 1, 1996 Agreement, commonly referred to in pleadings as the Local Marketing Agreement ("LMA") executed in 1996, by and between CSN and CCTF will become moot and the

LMA shall be deemed terminated. Further, MICHAEL KESTLER will execute any and all documents necessary or requested by the SMITH PARTIES, including but not limited to any FCC documents, ownership reports, or other correspondence, to advise the FCC and/or any other programmer, church, pastor, vendor, agency, or third party (as requested by the SMITH PARTIES), that KESTLER has resigned and relinquished any claims as an Officer, Director or Board Member of CSN.

(9) Notwithstanding any of the above, the KESTLER PARTIES shall have the right to use the trade name "CSN International" for its broadcast operations despite CCTF's ownership/control of the broadcast assets used; provided that the KESTLER PARTIES, prior to the Closing (as defined within Section C of this AGREEMENT), form a new Idaho Non-Profit Corporation named CSN INTERNATIONAL, and obtain and utilize a newly issued State of Idaho corporation number and the newly issued Federal Tax Identification number assigned to the newly formed CSN INTERNATIONAL - Idaho Non-Profit corporation for all business purposes. The subsequent use of the name "CSN International" by the KESTLER PARTIES, in any market, national or international shall not constitute an infringement of any state or federally registered trademark, now held by CSN International or acquired subsequently by CSN International. The KESTLER PARTIES agree to defend, indemnify and hold harmless the SMITH PARTIES from any liabilities whatsoever that may arise from any and all claims, actions, lawsuits, arbitrations, or other administrative processes, brought by any person, business, entity or governmental agency, including but not limited to the payment of attorney's fees and costs in defense of such claims, settlement amount(s) and/or judgment amount(s) claimed, incurred and/or entered against the SMITH PARTIES as a result of the KESTLER PARTIES' subsequent use of the trade name "CSN INTERNATIONAL"; and/or as a result of the KESTLER PARTIES' formation of a "CSN INTERNATIONAL" non-profit corporation in Idaho.

(10) Other than the assets to be transferred to CCTF, as listed on Exhibit "A" to



this AGREEMENT (attached hereto and incorporated herein by reference), CSN shall retain its ownership of any and all broadcast assets currently licensed in its name, including but not limited to all full power radio stations, translators, construction permits, MX's and pending FCC applications.

(11) Subject to the prior approval of the FCC, as described within paragraph 15, below, CSN shall transfer to CCTF the ownership of the full power radio stations, translators and construction permits listed on Exhibit "A" to this AGREEMENT (attached hereto and incorporated herein by reference).

(12) CCTF shall pay CSN a total of Two Hundred Thousand Dollars (\$200,000.00) as consideration for the assets transferred as listed on Exhibit "A." Said sum shall be due and payable at the Closing (as defined within Section C of this AGREEMENT) and shall be sent via bank wire transfer to the CSN bank information as provided by the SMITH PARTIES at or prior to the Closing.

(13) As additional consideration for the assets transferred as listed on Exhibit "A," CCTF shall transfer to CSN at the Closing (as defined within Section C of this AGREEMENT), subject to the prior approval of the FCC as set forth in Paragraph 15 below, the ownership of the following two translators: (a) K210D2 located in Willits, California; and (b) K210DQ located in Laytonville, California.

(14) The KESTLER PARTIES and the SMITH PARTIES will each bear the responsibility for their own legal fees in connection with the FCC transfer applications and transfer other broadcast assets pursuant to Exhibit "A." However, at the Closing (as defined within Section C of this AGREEMENT), CCTF will reimburse CSN for other expenses expended by CSN in connection with such applications, including but not limited to filing fees and mandatory publication expenses.

(15) The SMITH PARTIES and the KESTLER PARTIES will cooperate with the execution of any and all documents required by the FCC to effectuate the transfer of the assets in Exhibit "A" and the two translators described in Paragraph 13 above, in

accordance with the terms of this AGREEMENT. To that end, and within seven (7) days of the date of the last signature executing this AGREEMENT, the SMITH and KESTLER PARTIES will cause an application(s) to be filed with the FCC for its consent to the assignment of the assets listed on Exhibit "A" from CSN to CCTF and its consent to the transfer of the translators described in Paragraph 13 from CCTF to CSN. Each of the parties will vigorously prosecute the application, will not act in any manner (or permit others to act on its behalf) that would delay, impede, interfere with, or challenge in any manner the successful prosecution to grant of any of the applications, and do all things reasonably necessary and/or appropriate to obtain a grant thereof. The parties acknowledge that the assignment application process before the FCC may take as little as 30 days or as long as 180 days, or longer. Both parties agree that the time necessary to effectuate the assignment of assets listed on Exhibit A cannot be predicted with any certainty and that an extended delay in obtaining the final approval shall not be grounds to abrogate this Agreement.

(16) CCTF shall have the right to retain the CSN crown receivers (which have not already been disposed of due to operational problems) currently installed or in storage for future use in all stations being transferred to CCTF per Exhibit "A".

(17) CCTF shall have the right to retain the CSN wings automation equipment and other associated equipment (which have not already been disposed of due to operational problems) currently installed in any of the stations being transferred to CCTF pursuant to Exhibit "A".

(18) CCTF will return and deliver to CSN the ABR Satellite Receivers and all other equipment not needed for on air operations at the stations being transferred to CCTF pursuant to Exhibit "A", c/o Jim Motshagen, CSN INTERNATIONAL, 150 West Lincoln Way, Suite 2001, Valparaiso, Indiana 46383, within thirty (30) days after transfer of said broadcast licenses (as listed in Exhibit "A"). All shipping and costs of transfer will be borne by CCTF.

(19) Subsequent to the date of the Closing (as defined within Section C of this AGREEMENT), neither the KESTLER PARTIES, nor anyone under the direction or acting as an employee, agent, or representative of the KESTLER PARTIES, will ever again file any CSN/CALIFORNIA corporate documents, including but not limited to, State of Idaho and/or State of California Domestic Statements, or other documents; any IRS or State Tax Agency information returns; any FCC broadcast asset information reports, ownership reports, or any other filings, correspondence, or writings with the FCC; or any other document(s) with any state or federal governing agency, business, broker, vendor, or any other third-party, containing or utilizing CSN/CALIFORNIA corporation information, California Corporation number #C1595352, Federal Tax identification number #33-0256544 or any FCC FRN Numbers, CDBS Account Numbers or passwords pertaining to such numbers, used by CSN/California, or in purported representation of the interests of the CSN/California corporation of any kind whatsoever.

(20) Any and all business expenses associated with and/or incurred by, or on behalf of the operations of either the KESTLER PARTIES, or the SMITH PARTIES, shall be and remain the obligation of the respective party incurring that expense, including but not limited to liability insurance, payroll, taxes, health and medical insurance, tower rents, utilities, equipment purchases, licensing fees, property taxes, and any other cost, expense, or amount due under contract, and/or any other financial obligation(s) entered into by that respective party, shall remain the obligation of that party. Both the KESTLER PARTIES and the SMITH PARTIES agree that all operational obligations of any assets being transferred to the other parties pursuant to this AGREEMENT will be current as of the date of the Closing (as defined with Section C of this AGREEMENT).

(21) Subsequent to the Closing (as defined within Section C of this AGREEMENT), the SMITH PARTIES shall hold the KESTLER PARTIES harmless, and will indemnify the KESTLER PARTIES, from any claim, debt, obligation, liability

or unpaid account incurred by the SMITH PARTIES.

(22) Subsequent to the Closing (as defined within Section C of this AGREEMENT), the KESTLER PARTIES shall hold the SMITH PARTIES harmless, and will indemnify the SMITH PARTIES, from any claim, debt, obligation, liability or unpaid account incurred by the KESTLER PARTIES.

(23) All corporate books, financial records, business records, bank accounts, and corporate filings of CSN/CALIFORNIA held and controlled in California by the SMITH PARTIES shall remain in possession of the SMITH PARTIES. The KESTLER PARTIES shall not be held responsible or liable to any governmental agency, including but not limited to, the Internal Revenue Service, California or Idaho State Income Tax agency (Franchise Tax Board), District Attorney, State Attorney General, municipal tax agency, Federal Communications Commission, or any other regulatory body or agency, for the manner in which the SMITH PARTIES expended any CSN proceeds, income, revenues, donations, funds, or other monies, nor as to the manner in which the corporate books, financial records, business records, and/or corporate filings were and/or have been kept by the SMITH PARTIES. Furthermore, the SMITH PARTIES agree to defend, indemnify and hold harmless the KESTLER PARTIES from any cost or liabilities whatsoever, that may arise from any and all claims, actions, lawsuits, arbitrations, or other administrative processes, brought by any governmental, enforcement, municipal, federal or state taxing agency, FCC, or any other regulatory body or agency, person, business, or entity, including but not limited to the payment of attorney's fees and costs in defense of such claims, settlement amount(s) and/or judgment amount(s) claimed, incurred and/or entered against the KESTLER PARTIES, as a result of the manner in which the SMITH PARTIES expended any CSN proceeds, income, revenues, donations, funds, or other monies, nor as to the manner in which the corporate books, financial records, business records, and/or corporate filings were and/or have been kept by the SMITH PARTIES.

(24) All corporate books, financial records, business records, bank accounts, and corporate filings of CSN held and controlled in Idaho by the KESTLER PARTIES shall remain in possession of the KESTLER PARTIES. The SMITH PARTIES shall not be held responsible or liable to any governmental agency, including but not limited to, the Internal Revenue Service, California or Idaho State Income Tax agency (Franchise Tax Board), District Attorney, State Attorney General, municipal tax agency, Federal Communications Commission, or any other regulatory body or agency, for the manner in which the KESTLER PARTIES expended any CSN proceeds, income, revenues, donations, funds, or other monies, nor as to the manner in which the corporate books, financial records, business records, and/or corporate filings were and/or have been kept by the KESTLER PARTIES. Furthermore, the KESTLER PARTIES agree to defend, indemnify and hold harmless the SMITH PARTIES from any cost or liabilities whatsoever, that may arise from any and all claims, actions, lawsuits, arbitrations, or other administrative processes, brought by any governmental, enforcement, municipal, federal or state taxing agency, FCC, or any other regulatory body or agency, person, business, or entity, including but not limited to the payment of attorney's fees and costs in defense of such claims, settlement amount(s) and/or judgment amount(s) claimed, incurred and/or entered against the SMITH PARTIES, as a result of the manner in which the KESTLER PARTIES expended any CSN proceeds, income, revenues, donations, funds, or other monies, nor as to the manner in which the corporate books, financial records, business records, and/or corporate filings were and/or have been kept by the KESTLER PARTIES.

(25) Both the KESTLER PARTIES and the SMITH PARTIES shall cooperate with one another to provide the other, as requested, any business and financial documents held in Idaho and/or California which are necessary to effectuate and carry out the intention and terms of this AGREEMENT.

(26) Attached hereto as Exhibit "B" is identification of the applications, filed

by CSN and pending before the FCC for new FM translator applications. Attached hereto, as Exhibit "C" is identification of the applications, filed by CSN and pending before the FCC for new full service FM stations. The ownership and control of all of these FCC applications, previously filed in the name of CSN (listed in both Exhibits "B" and "C"), and any authorizations granted as a result of such applications, will be retained by CSN/CALIFORNIA and the SMITH PARTIES, despite the listing of the name Michael Kestler on any such filings identified in Exhibits "B" and "C". Moreover, neither CCTF and/or the KESTLER PARTIES will hold any ownership or interest in these broadcast assets as identified; and, further, said broadcast assets are not subject to this AGREEMENT and will not be transferred to CCTF and/or the KESTLER PARTIES. Furthermore, the KESTLER PARTIES will not, in any way, interfere with the prosecution of said FCC applications listed in Exhibits "B" and "C", nor interfere in any other manner whatsoever, with any other past, present, applications filed by CSN/CALIFORNIA; nor, will the KESTLER PARTIES contest in any way, the ownership of any authorizations granted as a result of CSN/CALIFORNIA'S prosecution of any such applications listed in Exhibits "B" and "C" nor any future applications filed by CSN/CALIFORNIA for those Exhibits. This provision shall in no way limit CCTF or its successors in interest, and CSN/CALIFORNIA or its successors in interest, in making or filing documents with the FCC adverse to the other which pertain to matters arising subsequent to the Closing and which do not involve any of the broadcast assets owned, leased or licensed by the parties as of the date of the Closing.

**B. DISPOSITION OF CCTF:**

(1) JEFF SMITH shall submit a written resignation from any Officer and/or Director position he holds with CCTF, effective upon Closing and tendered at the Closing to the KESTLER PARTIES.

(2) Subsequent to the Closing (as defined within Section C of this AGREEMENT), the KESTLER PARTIES shall retain all ownership and control of all broadcast assets currently held or licensed in the name of CCTF.

(3) Subsequent to the Closing (as defined within Section C of this AGREEMENT), the SMITH PARTIES will make no claims of ownership of any CCTF assets, broadcast, church building, or otherwise, who hereby release any and all claims, real or inchoate, against CCTF.

(4) Upon Closing, with the exception of corporate filings with governmental agencies, CCTF will cease and desist from using the designation "Calvary Chapel" publicly in its church, broadcast and business operations, including but not limited to removing the name "Calvary Chapel" from all letterhead, business cards, signage, advertisements, broadcasts, donor solicitations, events, outreaches, or any other CCTF event, activity, or transaction. The KESTLER PARTIES agree that, upon the execution this AGREEMENT by all parties and their counsel, the KESTLER PARTIES shall promptly commence the process to terminate the use of the designation "Calvary Chapel" as of the date of the Closing. However, the SMITH PARTIES acknowledge that there are certain existing listing and advertisements (such as the Yellow Pages) which currently reference the name "Calvary Chapel" with respect to CCTF and which cannot be terminated upon Closing, but will not be renewed by the KESTLER PARTIES. The SMITH PARTIES agree the existence of those currently published listings and advertisements following the Closing will not be deemed a violation of this provision. Other than that specific exception, the KESTLER PARTIES agree that violation of this provision will not be compensable to the SMITH PARTIES in monetary damages, because it will be impossible to establish by any reasonable method the amount of any such damages. As a result, the KESTLER PARTIES agree that the SMITH PARTIES may seek injunctive or other appropriate equitable relief should the KESTLER PARTIES, or any of them, knowingly or intentionally violate this provision. The

KESTLER parties shall have a period of 90 days, from the date of Closing in which to carry out this provision.

**C. THE CLOSING**

Within ten (10) days after the date on which the FCC grant of consent to the transfer of the assets listed on Exhibit "A" to this AGREEMENT is a "final order", meaning that the FCC consent is not subject to stay or timely filed request for administrative or judicial review, reconsideration or appeal (collectively, an "Appeal"), and the time within which to file any Appeal has expired, a Closing shall be held, by exchange of documents by Federal Express and by bank wire. At the Closing, and in addition to the exchange of other documents as set forth within Section A, Paragraph 7 and Section D, Paragraph 4 of this AGREEMENT, CCTF will bank wire to CSN a sum of money equal to: (a) the actual, out of pocket expenses incurred by CSN in connection with the FCC application(s), including CSN's expenses of the required publication in the appropriate newspapers; plus (b) the Two Hundred Thousand Dollar (\$200,000.00) payment described in Section A, Paragraph 12, above. Upon confirmation of receipt of the bank wire, CSN will deliver an assignment to CCTF of the licenses for the assets listed on Exhibit A to this AGREEMENT.

**D. OTHER ACTIONS**

(1) This AGREEMENT is the product of negotiations and the KESTLER PARTIES and SMITH PARTIES desire to resolve their disputes, past, present and future, as alleged in aforementioned litigation, and as against the UNNAMED PARTIES, for any present and/or future claims (as not yet ripened into litigation), that they may have one against another. Neither party admits any liability or wrongdoing of any kind whatsoever, notwithstanding the terms and conditions of this AGREEMENT; and neither the payment of any consideration or anything contained herein shall be construed as an admission of



any liability whatsoever by any party hereto or any other person.

(2) Should either the KESTLER PARTIES or the SMITH PARTIES default on any term of this AGREEMENT, any party hereto may seek relief in any court having jurisdiction to enforce the terms of this AGREEMENT. In the event any party hereto seeks enforcement of any of the terms of the AGREEMENT, the prevailing party to said enforcement action shall recover their costs and attorney's fees incurred in the enforcement action. In the event any party hereto seeks to enforce a particular term or condition of this AGREEMENT, such claim or breach shall not be grounds to invalidate or declare void any other term or condition of this AGREEMENT.

(3) Both the KESTLER PARTIES and the SMITH PARTIES and each of them, waive recovery of attorney's fees and costs incurred as a result of the lawsuits referenced herein, except for those attorney's fees and costs awarded to the prevailing party for any hearings or matters brought to enforce this AGREEMENT, as provided above.

(4) The parties agree that, between the date of the last signature on this AGREEMENT and the Closing all discovery in the CALIFORNIA LITIGATION, the IDAHO STATE LITIGATION and the IDAHO FEDERAL LITIGATION shall be suspended. In addition, insofar as allowed by the courts in the CALIFORNIA LITIGATION, the IDAHO STATE LITIGATION and the IDAHO FEDERAL LITIGATION, all court proceedings within those litigation matters shall be stayed pending the Closing. To that end, the parties agree to cooperate with each other and file any motion required by the various courts involved which results in a stay of the proceedings until such time as the Closing occurs. In doing so, neither party shall be deemed to have waived any rights to discovery, nor any other procedural right existing at the time this Agreement is executed. The parties agree that a copy of this AGREEMENT can be presented "in camera" to the courts in any of the referenced litigation matters for

the purpose of obtaining either a stay or a postponement of any court proceedings pending the Closing.

(5) Within five days of the execution of this AGREEMENT, the KESTLER PARTIES shall withdraw its Motion for Preliminary Injunction currently pending in the CALIFORNIA LITIGATION and stipulate to vacate the existing Restraining Order, and shall withdraw its informal objection before the FCC to sale of construction permit related to Facility ID No. 140744 to Claro Communications, Ltd. The KESTLER PARTIES shall permit the transaction to occur without further objection.

(6) Within seven days of the Closing (as defined within Section C, above) counsel for the parties shall exchange executed dismissals with prejudice, stipulations and orders for dismissal or such other documents as necessary to secure the prompt dismissal with prejudice of the CALIFORNIA LITIGATION, the IDAHO STATE LITIGATION and the IDAHO FEDERAL LITIGATION. The KESTLER PARTIES specifically agree that the dismissal of the IDAHO STATE LITIGATION will include a dismissal as to CHARLES SMITH, notwithstanding that fact that the default of CHARLES SMITH was previously entered in the IDAHO STATE LITIGATION.

**E. REPRESENTATIONS REGARDING PRIOR USE OF CSN ASSETS**

During the course of the CALIFORNIA LITIGATION assertions have been made by the SMITH PARTIES as against the KESTLER PARTIES and by the KESTLER PARTIES as against SMITH PARTIES that funds in the possession of and/or received by the KESTLER PARTIES and the SMITH PARTIES, and intended solely for the non-profit purposes of CSN INTERNATIONAL have not been utilized solely for those purposes. Although all parties to this AGREEMENT hereby dispute, and have always disputed, any such claims, the KESTLER PARTIES hereby represent and covenant to the SMITH PARTIES and the SMITH PARTIES

hereby represent and covenant to the KESTLER PARTIES, that all funds received by either group for the benefit of CSN INTERNATIONAL and deposited into any bank accounts maintained by either group have been held solely for the non-profit purposes of CSN INTERNATIONAL and have not been utilized or expended for the personal purposes of any individual or entity. Both the KESTLER PARTIES and the SMITH PARTIES understand and agree that this representation and covenant is a material term upon which the SMITH PARTIES and the KESTLER PARTIES are relying in entering into this AGREEMENT.

**F. RELEASES**

(1) Effective as of the Closing (as defined within Section C of this AGREEMENT) and with the exception of the hold harmless and indemnity provisions of Section A, paragraphs (21) and (22) of this AGREEMENT, the KESTLER PARTIES and the SMITH PARTIES hereby release and fully and absolutely forever discharge each other, individually and collectively, and each of their respective heirs, spouses, children, executors, administrators, churches, ministries, affiliated organizations, corporations, limited liability companies, d.b.a.'s, partners, officers, directors, shareholders, agents, representatives, related entities and/or trusts, trustees, attorneys, accountants, CPAs, employees, owners, predecessors, successors, assigns, and any others who might be responsible for their conduct, from any and all claims, demands, damages, debts, liabilities, accountings, reckonings, obligations, bonds, guarantees, warranties, costs, expenses, losses, liens, actions, claims, disputes and causes of action of each and every kind and nature and description, from the beginning of time to the date of the Closing (as defined within Section C of this AGREEMENT), whether now known or unknown, suspected or unsuspected, which either might have, own or hold, or at any time heretofore ever had, owned or held, or could hereafter have, own or hold against the other and each of them, which are hereinafter referred to as the "RELEASED MATTERS".

(2) Without in any way limiting the generality of the Mutual and General Releases contained herein, effective as of the Closing (as defined within Section C of this AGREEMENT), the KESTLER PARTIES and the SMITH PARTIES release absolutely and forever discharge the other, individually and collectively, from any and all RELEASED MATTERS in any way arising out of or in connection with the three litigation matters referred to above in the section entitled "SUBJECT MATTER."

(3) In addition, effective as of the Closing (as defined within Section C of this AGREEMENT), it is the intention of both the KESTLER PARTIES and the SMITH PARTIES to provide unilateral, yet complete and full Releases to the other UNNAMED PARTIES as defined hereinabove; and therefore they both hereby release and fully, absolutely forever discharge these UNNAMED PARTIES, individually and collectively, and each of their respective heirs, spouses, children, executors, administrators, churches, ministries, affiliated organizations, corporations, limited liability companies, d.b.a.'s, partners, officers, directors, shareholders, agents, representatives, related entities and/or trusts, trustees, attorneys, accountants, CPAs, employees, owners, predecessors, successors, assigns, and any others who might be responsible for their conduct, from any and all claims, demands, damages, debts, liabilities, accountings, reckonings, obligations, bonds, guarantees, warranties costs, expenses, losses, liens actions, claims, disputes and causes of action of each and every kind and nature and description, from the beginning of time to the date of the Closing (as defined within Section C of this AGREEMENT), whether now known or unknown, suspected or unsuspected, which either might have, own or hold, or at any time heretofore ever had, owned or held, or could hereafter have, own or hold against the other and each of them, which are hereinafter referred to as the "RELEASED MATTERS".

(4) Furthermore, it is the intention of the KESTLER PARTIES and the SMITH PARTIES in executing this AGREEMENT that it shall be effective as a full and final accord and satisfaction and release of each and every RELEASED MATTER. In

furtherance of this intention, the KESTLER PARTIES and the SMITH PARTIES hereby acknowledge to each other that each is familiar with Section 1542 of the Civil Code of the State of California, which provides as follows:

**“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”**

(5) The KESTLER PARTIES and the SMITH PARTIES hereby waive and relinquish to each other any right or benefit which either has or might have under Section 1542 of the Civil Code of the State of California, and all similar provisions of the law of other jurisdictions, to the full extent that each might lawfully waive each and all such rights and benefits pertaining to the subject matter of this instrument. In connection with such waiver and relinquishment, the KESTLER PARTIES and the SMITH PARTIES hereby acknowledge to each other that each is aware that they may hereafter discover facts in addition to, or different from those which they now know or believe to be true with respect to the subject matter of this instrument, but that it is their intention hereby to fully, finally and forever settle and release all RELEASED MATTERS, known or unknown, suspected or unsuspected, which do now exist, may exist in the future, or heretofore have existed, by each party against the other, and that, in furtherance of such intention, the releases given herein shall be and remain in effect as a full and complete general release with respect to all RELEASED MATTERS, notwithstanding the discovery of the existence of any such additional or different facts or any additional or different defects of damages (latent or patent) whether charged to the KESTLER PARTIES, SMITH PARTIES and/or the UNNAMED PARTIES. All parties acknowledge that the waiver provided herein is a material term of this AGREEMENT and that the parties would not have entered into this AGREEMENT without this waiver.

**G. GENERAL PROVISIONS**

(1) Each party hereby represents and warrants to the other that they have not heretofore assigned or transferred, or purported to assign or transfer, to any person, firm, corporation, trust or association whomsoever not a party herein any RELEASED MATTER or any part or portion thereof. Each party shall indemnify and hold harmless the other from and against any claim, demand, debt, liability, account, reckoning, obligation, bond, guaranty, warranty, cost, expense, loss, lien, action or cause of action, including, but not limited to, the payment of attorney's fees and costs actually incurred, whether or not litigation be commenced, based on, in connection with or arising out of any such assignment or transfer, or purported or claimed assignment or transfer.

(2) The mutual general releases contained herein shall inure to the benefit of and be binding upon the legal representative, successors and assigns of the parties hereto, and the owners, partners, officers, directors, shareholders, representatives and/or agents thereof.

(3) The execution of this AGREEMENT and the releases contained herein effect the settlement of claims, which have been denied and contested. Each party hereto acknowledges that they have been represented by independent counsel of their own choice throughout all negotiations that preceded the execution of this instrument, and that each has executed this instrument with consent and after consulting with their independent legal counsel.

(4) This AGREEMENT constitutes the entire agreement and understanding concerning the subject matter between the KESTLER PARTIES and SMITH PARTIES and supersedes and replaces all prior and contemporaneous oral and written agreements, negotiations and discussions. The KESTLER PARTIES and the SMITH PARTIES acknowledge that neither the other, or any agent or attorney of the other, has made any promise, representation or warranty whatsoever, express or implied, not contained herein, concerning or relating to the subject matter hereof, to induce them to execute this

AGREEMENT and acknowledges that they have not executed this instrument in reliance on any such promise, representation, or warranty not contained herein.

(5) This instrument may be amended only by an agreement in writing signed by the parties to be charged therewith, and no provision of this AGREEMENT may be waived or modified, except by an instrument in writing signed by the party to be charged.

(6) This AGREEMENT shall in all respect be governed by and under the laws of the States in which the three lawsuits have been brought. In the event any of the terms and conditions of the this AGREEMENT are the subject of an enforcement action, the governing substantive law to that action, shall be determined by the enforcing court in accordance with that forum's choice of law provisions

(7) The parties to this AGREEMENT have jointly negotiated and drafted this AGREEMENT such that the terms of this AGREEMENT shall not be construed for or against any party based upon any contention that it was drafted by any particular party.

(8) Each of the parties hereto agrees to execute such other and further documents as may be reasonably necessary to carry out the purposes and intent of this AGREEMENT.

(9) Both the KESTLER PARTIES and the SMITH PARTIES had contemplated terms to keep and maintain this AGREEMENT confidential. However, both parties acknowledge that considerable interviews, press coverage, blogging and the actual publication on the blog of at least one draft of this AGREEMENT have already occurred and information related to this AGREEMENT has already been leaked, reported on, discussed publicly, or otherwise disclosed prior to the execution of this AGREEMENT. Therefore, no party is or can be held responsible for keeping the terms of said AGREEMENT confidential.

(10) This AGREEMENT may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile or PDF transmission of any signed

original, and the retransmission of any signed facsimile or PDF transmission shall be the same as delivery of the original. At the request of either party, the Parties will confirm facsimile transmitted or PDF signatures by signing an original document.

(11) This AGREEMENT constitutes and embodies the entire integrated AGREEMENT between the parties relative to the subject matter hereof. The parties agree that all prior and contemporaneous oral and written agreements between and among themselves and their agents or representatives relating to this AGREEMENT are merged in and superseded by this AGREEMENT.

(12) This AGREEMENT may be altered, amended, modified or revoked only by written instrument duly executed by the parties hereto.

(13) This AGREEMENT does not constitute a sale, transfer or other disposition of assets governed by California Corporations Code Section 9633. Notwithstanding, both the KESTLER PARTIES and the SMITH PARTIES agree to cooperate fully with each other and with the California Attorney General, including providing timely access to books, records and other information as may be requested by the Attorney General, should the transactions contemplated by this AGREEMENT be the subject of any inquiry or review by the California Attorney General's office.

(14) With each signature evidenced and provided herein below, each signing party thereby warrants and represents that he/she has authority to execute this AGREEMENT as and for themselves personally, and/or on behalf of the entity, or entities, as indicated below. The execution of this AGREEMENT has been duly authorized by CSN INTERNATIONAL's lawful management, and each representative executing this AGREEMENT on its behalf is, likewise, duly authorized to do so. However, the parties acknowledge that the issue of who is currently a director or officer of CSN INTERNATIONAL is one of the disputed issues in the CALIFORNIA LITIGATION. The signatures of JEFF SMITH, MICHAEL KESTLER and NORA KESTLER as representatives of CSN INTERNATIONAL on this AGREEMENT are



provided so as to remove any doubt that all of those individuals who may have the authority to bind CSN INTERNATIONAL are signatories to this AGREEMENT. Provided that the Closing (as defined within Section C of this AGREEMENT) occurs, the dispute over who can bind CSN INTERNATIONAL shall be moot. However, if for any reason the Closing (as defined within Section C of this AGREEMENT) does not occur, the signatures of JEFF SMITH, MICHAEL KESTLER and NORA KESTLER as representatives of CSN INTERNATIONAL on this AGREEMENT are not to be deemed a concession by CSN INTERNATIONAL as to whom are its current directors or officers, a concession by the SMITH PARTIES that MICHAEL KESTLER is an officer or director of CSN INTERNATIONAL or that NORA KESTLER is an officer of CSN INTERNATIONAL, or a concession by the KESTLER PARTIES that JEFF SMITH is a director of CSN INTERNATIONAL.

(15) The parties acknowledge that whether or not NORA KESTLER is an officer of CCTF is disputed by the SMITH PARTIES. The signature of NORA KESTLER as an officer of CCTF on this AGREEMENT is provided so as to remove any doubt that any individuals who may claim to have the authority to bind CCTF are signatories to this AGREEMENT. If for any reason the Closing (as defined within Section C of this AGREEMENT) does not occur, the signature of NORA KESTLER as an officer of CCTF on this AGREEMENT is not to be deemed a concession by the SMITH PARTIES that NORA KESTLER is an officer of CCTF.

(16) The KESTLER PARTIES understand and acknowledge that the SMITH PARTIES will be presenting an application to the Court in the CALIFORNIA LITIGATION to seek to have that Court issue an order or decree confirming that, based upon the terms of this AGREEMENT and providing that the Closing occurs, JEFF SMITH shall be the sole remaining and duly appointed director of CSN INTERNATIONAL with full authority and responsibility for the management of its assets and affairs. The KESTLER PARTIES agree that they will represent to the Court

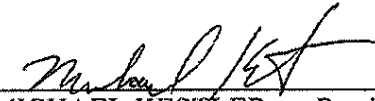
that they do not oppose any such application or Court decree. The SMITH PARTIES and the KESTLER PARTIES understand and agree that any such decree by the Court in the CALIFORNIA LITIGATION will only be effective subsequent to the Closing. The SMITH PARTIES and the KESTLER PARTIES further understand and agree that any such decree by the Court in the CALIFORNIA LITIGATION is not a condition precedent to, nor will in any manner delay, the Closing.

**I FULLY UNDERSTAND AND AGREE TO ALL THE TERMS AND  
CONDITIONS ABOVE:**

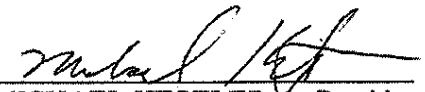
Dated: August 17, 2007

  
MICHAEL KESTLER, individually

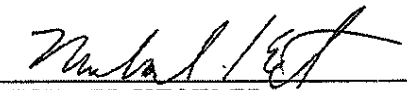
Dated: August 17, 2007

  
MICHAEL KESTLER, as President of  
CALVARY CHAPEL OF TWIN FALLS,  
INC.

Dated: August 17, 2007

  
MICHAEL KESTLER, as President of  
CHRISTIAN BROADCASTING OF  
IDAHO


Dated: August 17, 2007

  
MICHAEL KESTLER, as an  
Officer/Director of CSN  
INTERNATIONAL


Dated: August 17, 2007

  
NORA KESTLER, individually

Dated: August 17, 2007

  
NORA KESTLER, as an Officer of  
CALVARY CHAPEL OF TWIN FALLS,  
INC.

Dated: August 11, 2007

  
NORA KESTLER, as an Officer of CSN  
INTERNATIONAL

Dated: August \_\_, 2007

\_\_\_\_\_  
FRANK WALKER, individually

Dated: August 20, 2007

  
MIKE STOCKLIN, individually

Dated: August \_\_, 2007

\_\_\_\_\_  
JEFF SMITH, individually

Dated: August \_\_, 2007

\_\_\_\_\_  
JEFF SMITH, as President of CSN  
INTERNATIONAL

Dated: August \_\_, 2007

\_\_\_\_\_  
JEFF SMITH, as an Officer and Director of  
CALVARY CHAPEL OF TWIN FALLS,  
INC.

Dated: August \_\_, 2007

\_\_\_\_\_  
CHARLES SMITH, individually

Dated: August \_\_, 2007

\_\_\_\_\_  
CHARLES SMITH, as President of  
THE WORD FOR TODAY

Dated: August \_\_, 2007

\_\_\_\_\_  
CHARLES SMITH, in his capacity as a  
former Director of CALVARY CHAPEL  
OF TWIN FALLS, INC.

Dated: August \_\_, 2007

\_\_\_\_\_  
NORA KESTLER, as an Officer of CSN  
INTERNATIONAL

Dated: August 20, 2007

\_\_\_\_\_  
  
FRANK WALKER, individually

Dated: August \_\_, 2007

\_\_\_\_\_  
MIKE STOCKLIN, individually

Dated: August \_\_, 2007

\_\_\_\_\_  
JEFF SMITH, individually

Dated: August \_\_, 2007

\_\_\_\_\_  
JEFF SMITH, as President of CSN  
INTERNATIONAL

Dated: August \_\_, 2007

\_\_\_\_\_  
JEFF SMITH, as an Officer and Director of  
CALVARY CHAPEL OF TWIN FALLS,  
INC.

Dated: August \_\_, 2007

\_\_\_\_\_  
CHARLES SMITH, individually


Dated: August \_\_, 2007

\_\_\_\_\_  
CHARLES SMITH, as President of  
THE WORD FOR TODAY

Dated: August \_\_, 2007

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CHARLES SMITH, in his capacity as a  
former Director of CALVARY CHAPEL  
OF TWIN FALLS, INC.

Dated: August 11, 2007

  
NORA KESTLER, as an Officer of CSN  
INTERNATIONAL

Dated: August \_\_, 2007

\_\_\_\_\_  
FRANK WALKER, individually

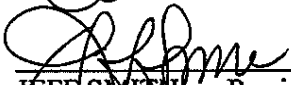
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MIKE STOCKLIN, individually

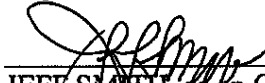
Dated: August 17<sup>th</sup>, 2007

  
JEFF SMITH, individually

Dated: August 17<sup>th</sup>, 2007

  
JEFF SMITH, as President of CSN  
INTERNATIONAL

Dated: August 17<sup>th</sup>, 2007

  
JEFF SMITH, as an Officer and Director of  
CALVARY CHAPEL OF TWIN FALLS,  
INC.

Dated: August \_\_, 2007

\_\_\_\_\_  
CHARLES SMITH, individually

Dated: August \_\_, 2007

\_\_\_\_\_  
CHARLES SMITH, as President of  
THE WORD FOR TODAY.

Dated: August \_\_, 2007

\_\_\_\_\_  
CHARLES SMITH, in his capacity as a  
former Director of CALVARY CHAPEL  
OF TWIN FALLS, INC.

Dated: August \_\_, 2007

NORA KESTLER, as an Officer of CSN  
INTERNATIONAL

Dated: August \_\_, 2007

FRANK WALKER, individually

Dated: August \_\_, 2007

MIKE STOCKLIN, individually

Dated: August \_\_, 2007

JEFF SMITH, individually

Dated: August \_\_, 2007

JEFF SMITH, as President of CSN  
INTERNATIONAL


Dated: August \_\_, 2007

JEFF SMITH, as an Officer and Director of  
CALVARY CHAPEL OF TWIN FALLS,  
INC.

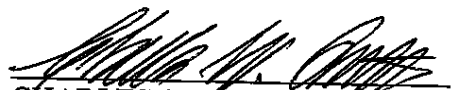
Dated: August \_\_, 2007

  
CHARLES SMITH, individually

Dated: August \_\_, 2007

  
CHARLES SMITH, as President of  
THE WORD FOR TODAY

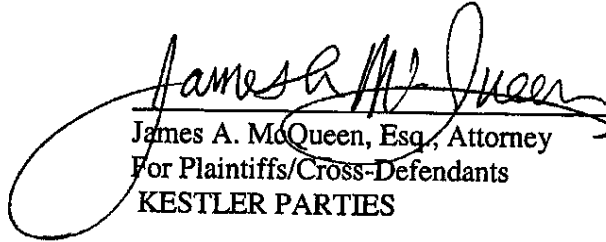
Dated: August \_\_, 2007

  
CHARLES SMITH, in his capacity as a  
former Director of CALVARY CHAPEL  
OF TWIN FALLS, INC.

**APPROVED AS TO FORM:**

**MCQUEEN & ASHMAN**

Dated: August 21, 2007

  
James A. McQueen, Esq., Attorney  
For Plaintiffs/Cross-Defendants  
KESTLER PARTIES

**LAW OFFICE OF LLOYD WALKER**

Dated: August \_\_, 2007

\_\_\_\_\_  
Lloyd Walker, Esq., Attorney  
For Plaintiffs/Cross-Defendants KESTLER  
PARTIES

**WERTH LAW OFFICE, PLLC**

Dated: August \_\_, 2007

\_\_\_\_\_  
Douglas A. Werth, Esq., Attorney  
For Plaintiffs/Cross-Defendants KESTLER  
PARTIES

**HILL, FARRER & BURRILL LLP**

Dated: August \_\_, 2007

\_\_\_\_\_  
Scott L. Gilmore, Esq. Attorney  
For Defendants/Cross-Complainants  
SMITH PARTIES

**APPROVED AS TO FORM:**

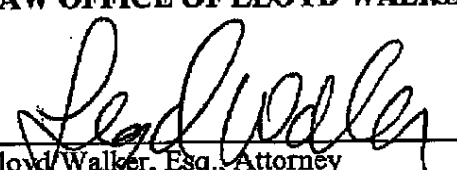
Dated: August \_\_, 2007

**MCQUEEN & ASHMAN**

\_\_\_\_\_  
James A. McQueen, Esq., Attorney  
For Plaintiffs/Cross-Defendants  
KESTLER PARTIES

**LAW OFFICE OF LLOYD WALKER**

Dated: August 17, 2007

  
\_\_\_\_\_  
Lloyd Walker, Esq., Attorney  
For Plaintiffs/Cross-Defendants KESTLER  
PARTIES

**WERTH LAW OFFICE, PLLC**

Dated: August \_\_, 2007

\_\_\_\_\_  
Douglas A. Werth, Esq., Attorney  
For Plaintiffs/Cross-Defendants KESTLER  
PARTIES

**HILL, FARRER & BURRILL LLP**

Dated: August \_\_, 2007

\_\_\_\_\_  
Scott L. Gilmore, Esq. Attorney  
For Defendants/Cross-Complainants  
SMITH PARTIES



**APPROVED AS TO FORM:**

**MCQUEEN & ASHMAN**

Dated: August \_\_, 2007

\_\_\_\_\_  
James A. McQueen, Esq., Attorney  
For Plaintiffs/Cross-Defendants  
KESTLER PARTIES

**LAW OFFICE OF LLOYD WALKER**

Dated: August \_\_, 2007

\_\_\_\_\_  
Lloyd Walker, Esq., Attorney  
For Plaintiffs/Cross-Defendants KESTLER  
PARTIES

**WERTH LAW OFFICE, PLLC**

Dated: August 17, 2007

\_\_\_\_\_  
Douglas A. Werth, Esq., Attorney  
For Plaintiffs/Cross-Defendants KESTLER  
PARTIES

**HILL, FARRER & BURRILL LLP**

Dated: August \_\_, 2007

\_\_\_\_\_  
Scott L. Gilmore, Esq. Attorney  
For Defendants/Cross-Complainants  
SMITH PARTIES

**APPROVED AS TO FORM:**

**MCQUEEN & ASHMAN**

Dated: August \_\_, 2007

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James A. McQueen, Esq., Attorney  
For Plaintiffs/Cross-Defendants  
KESTLER PARTIES

**LAW OFFICE OF LLOYD WALKER**

Dated: August \_\_, 2007

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Lloyd Walker, Esq., Attorney  
For Plaintiffs/Cross-Defendants KESTLER  
PARTIES

**WERTH LAW OFFICE, PLLC**

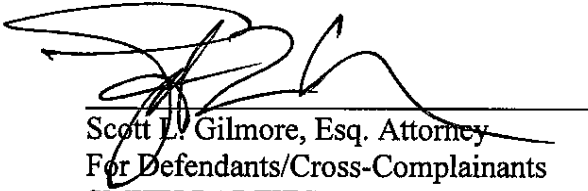
Dated: August \_\_, 2007

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Douglas A. Werth, Esq., Attorney  
For Plaintiffs/Cross-Defendants KESTLER  
PARTIES

**HILL, FARRER & BURRILL LLP**

Dated: August 17, 2007

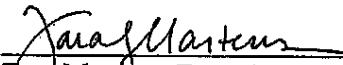


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Scott L. Gilmore, Esq. Attorney  
For Defendants/Cross-Complainants  
SMITH PARTIES

**MOFFATT THOMAS BARRETT  
ROCK & FIELDS, CHTD.**

Dated: August \_\_, 2007

  
Tara Martens, Esq., Attorney  
For ~~Defendants~~ <sup>Plaintiff</sup> Counter-Defendants/ Third  
~~Party Complainants~~ <sup>Defendant</sup> the CHARLES SMITH tm  
and THE WORD FOR TODAY

Dated: August \_\_, 2007

David V. Nielsen, Esq., Attorney  
For Third Party Defendants JEFF SMITH  
and CSN INTERNATIONAL and  
Defendant CHARLES SMITH

HFB 747611.1 C9311002

**HILL, FARRER & BURRILL LLP**

Dated: August \_\_, 2007

---

Scott L. Gilmore, Esq. Attorney  
For Defendants/Cross-Complainants  
SMITH PARTIES

**MOFFATT THOMAS BARRETT  
ROCK & FIELDS, CHTD.**


Dated: August \_\_, 2007

---

Tara Martens, Esq., Attorney  
For Defendants/Counter-Defendants/ Third  
Party Complainants the CHARLES SMITH  
and THE WORD FOR TODAY

Dated: August 20th, 2007

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David V. Nielsen, Esq., Attorney  
For Third Party Defendants JEFF SMITH  
and CSN INTERNATIONAL and  
Defendant CHARLES SMITH


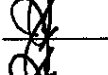

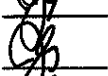
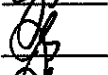
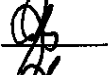
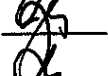
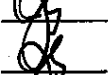
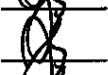

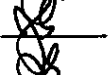
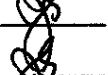
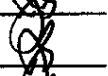
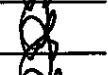
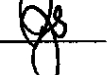
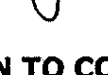


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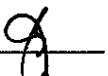
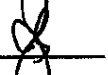

**FULL POWER STATIONS TO BE TRANSFERRED FROM CSN TO CCTF**

(Initials: Jeff Smith/Mike Kestler)

(1)	WREQ	Elmira, N.Y. [40383]		/ <u>mk</u>
(2)	WIFF	Binghamton, N.Y. [2868]		/ <u>mk</u>
(3)	KHJC	Lihue, Hawaii [81138]		/ <u>mk</u>
(4)	KJCC	Carnegie, OK [122587]		/ <u>mk</u>
(5)	KJCH	Bandon, Oregon [90263]		/ <u>mk</u>
(6)	KLWD	Gillette, WY [84184]		/ <u>mk</u>
(7)	KWCF	Sheridan, WY [90842]		/ <u>mk</u>
(8)	KTBJ	Festus, MO [76989]		/ <u>mk</u>
(9)	KVJC	Globe, AZ [91804]		/ <u>mk</u>
(10)	KDJC	Baker City, OR [121839]		/ <u>mk</u>
(11)	WWUN	Clarksdale, MS [16523]		/ <u>mk</u>
(12)	WSMA	Scituate, MA [122202]		/ <u>mk</u>
(13)	WUJC	Tallahassee, FL [122209]		/ <u>mk</u>
(14)	KTJC	Kelso, WA [92487]		/ <u>mk</u>
(15)	KWYC	Cheyenne, WY [87267]		/ <u>mk</u>
(16)	WYJC	Greenville, FL [122010]		/ <u>mk</u>
(17)	KEFS	N. Powder, OR [122934]		/ <u>mk</u>
(18)	KJFT	Arlee, MT [93587]		/ <u>mk</u>

**TRANSLATORS TO BE TRANSFERRED FROM CSN TO CCTF**

(Initials: Jeff Smith/ Mike Kestler)

(1)	W214BR	Geneva, NY		/ <u>mk</u>
(2)	W285DI	Binghamton, NY		/ <u>mk</u>
(3)	W283 AW	Tallahassee, FL		/ <u>mk</u>

**EXHIBIT "A"**

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**CONSTRUCTION PERMITS TO BE TRANSFERRED TO CCTF**

(Initials: Jeff Smith/ Mike Kestler)

(1)	KWRC [90500] Rapid City, S.D. -0.875KW	<u>JS</u>	/ <u>mk</u>
(2)	KPIJ [92491] Junction City, OR -.63KW	<u>JS</u>	/ <u>mk</u>
(3)	KNMA [122932] Socorro, N.M.- 7KW	<u>JS</u>	/ <u>mk</u>
(4)	KKJA [92285] Redmond, OR - .75KW	<u>JS</u>	/ <u>mk</u>
(5)	KJCF [106475] Clarkston, WA - .005KW	<u>JS</u>	/ <u>mk</u>
(6)	KVIR [91952] Bullhead City, AZ -38KW	<u>JS</u>	/ <u>mk</u>
(7)	KGSF Anderson, MO .35KW	<u>JS</u>	/ <u>mk</u>

**EXHIBIT "B" – Page 1 of 2****CSN International – Pending FCC Applications for FM Translators**

<b>File Number</b>	<b>Location</b>	<b>Facility ID</b>	<b>Status</b>	<b>Status Date</b>
BNPFT 20030805ACL	Hampton, VA	138775	Application Reinstated	3/21/2005
BNPFT 20030317KMD	Quincy, MA	156653	Received	3/17/2003
BNPFT 20030317KLX	Boston, MA	156662	Received	3/17/2003
BNPFT 20030317KKQ	Atlantic City, NJ	156680	Received	3/17/2003
BNPFT 20030317KKD	Ocean City, NJ	156685	Received	3/17/2003
BNPFT 20030317KJJ	Ft. Wayne, IN	157030	Received	3/17/2003
BNPFT 20030317KII	Angola, IN	157042	Received	3/17/2003
BNPFT 20030313AKR	Post Falls, ID	144514	Received	3/17/2003
BNPFT 20030313AKP	Priest River, ID	144550	Received	3/17/2003
BNPFT 20030313AKL	Priest River, ID	144614	Received	3/17/2003
BNPFT 20030313AKJ	Opportunity, WA	144618	Received	3/17/2003
BNPFT 20030313AKI	Opportunity, WA	144623	Received	3/17/2003
BNPFT 20030313AKG	Opportunity, WA	144627	Received	3/17/2003
BNPFT 20030313AKE	Post Falls, ID	144637	Received	3/17/2003
BNPFT 20030313AKB	Post Falls, WA	144655	Received	3/17/2003
BNPFT 20030313AJZ	Post Falls, ID	144662	Received	3/17/2003
BNPFT 20030313AJW	Post Falls, ID	144679	Received	3/17/2003
BNPFT 20030313AJV	Post Falls, ID	144696	Received	3/17/2003
BNPFT 20030312ATX	Hammond, IN	140116	Received	3/17/2003
BNPFT 20030312ATJ	Blue Island, IL	140652	Received	3/17/2003
BNPFT 20030312ATF	Homewood, IL	140658	Received	3/17/2003
BNPFT 20030312ASW	Calumet City, IN	140668	Received	3/17/2003
BNPFT 20030312ASU	Joliet, IL	140673	Received	3/17/2003
BNPFT 20030312ASS	Chicago Heights, IL	140678	Received	3/17/2003
BNPFT 20030312ASK	Westhaven, IL	140684	Received	3/17/2003
BNPFT 20030312ASH	Bowling Brook, IL	140691	Received	3/17/2003
BNPFT 20030312ASD	Batavia, IL	140710	Received	3/17/2003
BNPFT 20030312ASA	Elmhurst, IL	140715	Received	3/17/2003
BNPFT 20030312ALX	Chicago, IL	140763	Received	3/17/2003
BNPFT 20030312ALT	Chicago, IL	140766	Received	3/17/2003
BNPFT 20030312ALN	Northbrook, IL	140775	Received	3/17/2003
BNPFT 20030312ALE	Schaumburg, IL	140788	Received	3/17/2003
BNPFT 20030312AKZ	Palatine, IL	140796	Received	3/17/2003
BNPFT 20030312AKT	Monticello, IN	140800	Received	3/17/2003
BNPFT 20030312AKO	Lafayette, IN	140803	Received	3/17/2003
BNPFT 20030312AKM	Delphi, IN	140805	Received	3/17/2003
BNPFT 20030312AKJ	Logansport, IN	140808	Received	3/17/2003
BNPFT 20030311ADP	Palouse, WA	138703	Received	3/17/2003
BNPFT 20030311ADO	Lannon, WI	138705	Received	3/17/2003
BNPFT 20030311ADN	Muskego, WI	138706	Received	3/17/2003
BNPFT 20030311ADM	Glenwood, IA	138708	Received	3/17/2003
BNPFT 20030311ADK	Petronila, TX	138709	Received	3/17/2003
BNPFT 20030311ADJ	Des Moines, IA	138711	Received	3/17/2003
BNPFT 20030311ADI	Durham, NC	138712	Received	3/17/2003
BNPFT 20030311ADF	Madison, WI	138714	Received	3/17/2003
BNPFT 20030311ADC	Buckeye, AZ	138718	Received	3/17/2003
BNPFT 20030311ADB	Paradise Valley, AZ	138721	Received	3/17/2003

**EXHIBIT "B" – Page 2 of 2**

**CSN International – Pending Applications for FM Translators**

<b>File Number</b>	<b>Location</b>	<b>Facility ID</b>	<b>Status</b>	<b>Status Date</b>
BNPFT 20030311ACY	Tucson, AZ	138724	Received	3/17/2003
BNPFT 20030311ACX	Tallahassee, FL	138730	Received	3/17/2003
BNPFT 20030311ACW	Lincoln, NE	138731	Received	3/17/2003
BNPFT 20030311ACV	Briggs, NE	138732	Received	3/17/2003
BNPFT 20030311ACU	Spokane, WA	138774	Received	3/17/2003
BNPFT 20030311ACR	Portsmouth, VA	138777	Received	3/17/2003
BNPFT 20030311ACQ	MT. Pleasant, VA	138780	Received	3/17/2003
BNPFT 20030310BIF	Dallas, TX	138796	Received	3/17/2003
BNPFT 20030310BIE	Arlington, TX	138797	Received	3/17/2003
BNPFT 20030310BIC	Arlington, TX	138800	Received	3/17/2003
BNPFT 20030310BIB	Mansfield, TX	138803	Received	3/17/2003
BNPFT 20030310BHY	El Reno, OK	138871	Received	3/17/2003
BNPFT 20030310BHW	El Reno, OK	138874	Received	3/17/2003
BNPFT 20030310BHV	El Reno, OK	138880	Received	3/17/2003
BNPFT 20030310BHQ	Norman, OK	138890	Received	3/17/2003
BNPFT 20030310BHG	Oklahoma City, OK	142065	Received	3/17/2003
BNPFT 20030310BHC	Oklahoma City, OK	138898	Received	3/17/2003
BNPFT 20030310BHA	Spokane, WA	138903	Received	3/17/2003
BNPFT 20030310BGL	Petronila, TX	140738	Received	3/17/2003
BNPFT 20030310BGH	Petronila, TX	140742	Received	3/17/2003
BNPFT 20030310BFX	Tallahassee, FL	140895	Received	3/17/2003
BNPFT 20030310BFP	Tallahassee, FL	140903	Received	3/17/2003
BNPFT 20030310BFL	Petronila, TX	140917	Received	3/17/2003
BNPFT 20030310BFJ	Des Moines, IA	141161	Received	3/17/2003
BNPFT 20030310BFG	Des Moines, IA	141175	Received	3/17/2003
BNPFT 20030310BEY	Des Moines, IA	141188	Received	3/17/2003

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**EXHIBIT "C"****CSN International – Pending FCC Applications for Full Service FM Stations**

<b>Application File Number</b>	<b>Community of License</b>	<b>Facility ID No.</b>	<b>Class</b>	<b>Operational Status</b>	<b>Date of Amendment</b>
BNPED-20000414ABQ	Sopchoppy, FL	123297	FM	CP applied for	
BPED-19990121MA	Cocoa Beach, FL	92643	FM	CP applied for	Amended 1/18/2005
BPED-19990419ME	Fellsmere, FL	93273	FM	CP applied for	Reinstated 11/7/2000
BPED-19980519MD	Cape Canaveral, FL	90725	FM	CP applied for	Amended 1/18/2005
BNPED-19991027AAB	Eustis, FL	120610	FM	CP applied for	
BNPED-20000118AAF	Brooksville, FL	122200	FM	CP applied for	
BPED-19980529MC	Monroeville, AL	90846	FM	CP applied for	
BPED-19980512MP	Valparaiso, IN	90651	FM	CP applied for	Amended 1/18/2005
BNPED-19991214AAH	Weston, OH	122008	FM	CP applied for	
BNPED-20000118AAK	Brunswick, OH	122205	FM	CP applied for	Amended 1/18/2005
BPED-19990917MH	Spring Valley, WI	94250	FM	CP applied for	Reinstated 4/26/2002
BNPED-20000225ACT	Shenandoah, IA	122853	FM	CP applied for	Amended 7/20/2001
BNPED-19991214AAD	Sarcoxi, MO	122002	FM	CP applied for	
BPED-19980417MI	Strasburg, CO	90910	FM	CP applied for	Amended 1/18/2005
BPED-19990917MA	Groten, SD	94207	FM	CP applied for	
BNPED-20000214AAD	Schuyler, NE	122499	FM	CP applied for	
BPED-19970822MA	Kingman, AZ	88039	FM	CP applied for	Amended 2/24/2006
BNPED-19991027AAC	Ajo, AZ	120611	FM	CP applied for	
BNPED-19991214AAB	Ajo, AZ	122000	FM	CP applied for	
BNPED-20000222ACF	Blackfoot, ID	122852	FM	CP applied for	
BNPED-20000214AAA	Scotts Valley, CA	122508	FM	CP applied for	
BNPED-20000118AAG	Lexington, MA	122201	FM	CP applied for	Amended 1/18/2005
BNPED-19991029AAH	Lake Hopatcong, NJ	121243	FM	CP applied for	Amended 1/18/2005