

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is made as of June 9, 2008 by and between **R&R RADIO, LLC**, a Nevada limited liability company ("Seller"), and **CALIFORNIA LUTHERAN UNIVERSITY**, a California educational institution ("Buyer").

WHEREAS, Seller owns and operates radio broadcast station KIST(AM), 1340 KHz, Santa Barbara, California (the "Station");

WHEREAS, Buyer wishes to purchase certain of the Station's assets, including the licenses issued by the Federal Communications Commission ("FCC") for the operation of the Station, and Seller is willing to sell such assets, all on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual obligations contained herein, Buyer and Seller agree as follows:

1. Asset Purchase. At the Closing (as defined in Section 10.1), Seller shall assign, sell and transfer to Buyer, and Buyer shall purchase from Seller, the following assets (the "Assets"): (a) the licenses, permits and other authorizations issued by the FCC and described on Schedule 1.1 hereto (the "FCC Licenses"); (b) the equipment, transmitters, spare parts and other tangible personal property described on Schedule 1.2 hereto (collectively, the "Equipment"); (c) the Station's public file, engineering data and logs, and engineering or other technical studies relating to the Station; (d) all remaining rights under any warranties relating to the Equipment; and (e) the agreement between Seller and Rincon Broadcasting LLC dated as of June 1, 2008 (the "Master Antenna Use Agreement"). It is understood and agreed that the Assets do not include the Station's cash, accounts, contracts (other than rights under warranties as described in subsection (d) above, and the Master Antenna Use Agreement), programming, intellectual property, call sign, studio or office facilities, computers and electronic equipment (except to the extent included in the Equipment), software (except to the extent used in the operation of the Equipment, in which case the Assets shall include such software), networks, and other equipment, facilities and services (collectively the "Excluded Assets"). At the Closing, Seller shall sell, assign, transfer and convey the Assets to Buyer free and clear of liens, claims and encumbrances ("Liens"), except for Liens for taxes not yet due and payable and liens that will be released at or prior to Closing (collectively, "Permitted Liens").

2. Purchase Price; Escrow Deposit; Prorations and Adjustments.

2.1 Purchase Price. The purchase price for the Assets (the "Purchase Price") shall be One Million Four Hundred Forty Thousand Dollars (\$1,440,000) to be paid by Buyer to Seller in cash at the Closing. All prepaid and deferred income and expenses relating to the Assets and arising from the operation of the Station shall be prorated between Buyer and Seller in accordance with generally accepted accounting principles ("GAAP") as of 12:01 a.m. on the Closing Date (as defined in Section 10.1). Such prorations shall include without limitation all ad valorem, real estate and other property taxes (except transfer taxes), utility expenses and similar prepaid and deferred items. Seller shall receive a credit for all of the Station's deposits and

prepaid expenses relating to the Assets to the extent such prepayment applies to periods following the Closing Date. Prorations and adjustments shall be made at the Closing, to the extent practicable, and shall be completed no later than 90 calendar days after Closing

2.2 Escrow Deposit. Concurrently with the execution and delivery of this Agreement, Buyer is depositing an earnest money deposit of Three Hundred Thousand Dollars (\$300,000) (the "Earnest Money Deposit") with Wells Fargo Bank, National Association, as Escrow Agent (the "Escrow Agent") pursuant to the Escrow Agreement attached as Exhibit 1 hereto. If the Escrow Deposit is not timely made, then Seller may terminate this Agreement. At the Closing, the Earnest Money Deposit shall be delivered to Seller and credited against the Purchase Price, and any interest earned thereon shall be remitted by the Escrow Agent to Buyer.

3. Assumption of Obligations. On the Closing Date, Buyer shall assume all of the obligations arising during, or attributable to, any period of time on or after the Closing Date under any other contracts or leases included among the Assets (collectively, the "Assumed Obligations"). Except for the Assumed Obligations, Buyer does not assume, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to have assumed, any other liabilities or obligations of Seller (the "Retained Obligations").

4. FCC Application. The Parties shall cooperate to prepare and file an application with the FCC for its consent to the assignment to Buyer of the FCC Licenses (the "Assignment Application") within 10 business days of the execution of this Agreement, and each Party shall bear its own costs with respect to the same. The Parties shall diligently prosecute the Assignment Application, and neither party will take any action that is inconsistent with the performance of its obligations set out in this Agreement.

5. Representations and Warranties by Seller. Seller hereby represents and warrants to Buyer as follows:

5.1 Organization; Power and Authority; Authorization. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Nevada, with full power to enter into and perform this Agreement. Seller is qualified to do business in the State of California. Seller has all requisite power and authority, to execute, deliver and perform this Agreement and all other agreements and instruments to be made by Seller pursuant to this Agreement and to consummate the transactions contemplated hereby. The execution and performance of this Agreement have been duly authorized by all necessary action of Seller's governing board and any other parties whose action is necessary for the full performance of Seller's obligations hereunder.

5.2. Binding Agreement; No Conflicts. This Agreement constitutes a legal, valid, and binding obligation of Seller, enforceable in accordance with its terms. The execution, delivery and performance of this Agreement by Seller, and the consummation of the transactions contemplated hereby do not (a) conflict with: (i) the organizational documents of Seller, or, (ii) except as set forth on Schedule 5.2, any contract or agreement to which Seller is a party or by which it is bound, or (iii) any law, judgment, order or decree to which Seller is subject, or (b)

require the consent or approval of, or a filing by Seller with, any governmental or regulatory authority or any third party other than the FCC, as contemplated by this Agreement.

5.3 Title to Purchased Assets. Seller holds good and marketable title to all the Assets free and clear of all mortgages, deeds of trust, liens, pledges, collateral assignments, security interests, leases, easements, covenants, restrictions and encumbrances or other defects of title.

5.4 FCC Licenses. Except as otherwise specified on Schedule 1.1, the FCC Licenses constitute all the authorizations issued by the FCC and held by Seller with respect to the Station. The FCC Licenses are in full force and effect, all FCC actions with respect to the FCC Licenses are Final Orders, and the FCC Licenses are unimpaired by any acts or omissions of Seller. There are no proceedings, complaints, or investigations pending or, to Seller's knowledge, threatened before or by the FCC relating to the business or operations of the Station. The Station is operating in compliance in all material respects with the FCC Licenses, the Communications Act of 1934, as amended (the "Communications Act") and the rules, regulations and policies of the FCC. All material reports and filing required to be filed with the FCC by Seller with respect to the Station have been timely filed. All such reports and filings are accurate and complete in all material respects. Seller maintains the appropriate public inspection files at the Station as required by FCC rules.

5.5. Litigation. There is no judgment outstanding or litigation, action, suit, investigation or other proceeding pending or, to the best of Seller's knowledge, threatened or probable of assertion that may give rise to any material claim against any of the Assets, adversely affect Seller's ability to perform in accordance with the terms of this Agreement, or subject Buyer to liability, and Seller is not aware of any facts that could reasonably result in any such proceeding. Seller is not operating under or subject to any order, writ, injunction or decree relating to the Station or the Assets of any court or governmental authority which would have a material adverse effect on the condition of the Station or any of the Assets or on the ability of Seller to enter into this Agreement or to consummate the transactions contemplated hereby, other than those of general applicability.

5.7 Compliance with Law. Seller is not in violation of any statute, regulation or order of any governmental authority relating to the Assets, or the business or operations of the Station, and there is no outstanding complaint, citation or notice issued by any governmental authority asserting any noncompliance by Seller, in connection with the business or operations of the Station, with any such statute, regulation or order. To Seller's knowledge there are no governmental claims or investigations pending or threatened against Seller with respect to the Station except those affecting the industry generally.

5.8 Taxes. Seller has, with respect to the Station's business, filed when due or with appropriate extensions all Federal, state, county and local income, excise, property, sales, use, franchise and other tax returns which are required to have been filed by it under applicable law, and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable.

5.9 Personal Property. Schedule 1.2 contains a list of the tangible personal property included in the Assets. Except as set forth on such Schedule, Seller has good and marketable title to such tangible personal property, free and clear of Liens, except for Permitted Liens. Except as set forth on such Schedule, all such tangible personal property is in good operating condition, ordinary wear and tear excepted.

5.10 Insurance. Schedule 5.10 sets forth all of the insurance policies maintained by Seller with respect to the Assets, including the scope and amounts of coverage for each such policy, and the date of renewal or expiration.

5.11 Master Antenna Use Agreement. The Master Antenna Use Agreement is in effect and is binding upon Seller, and, to Seller's knowledge, the other party thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally, and subject to receipt of any necessary approval from the City of Santa Barbara). Seller has performed its obligations under the Master Antenna Use Agreement in all material respects, and is not in material default thereunder, and to Seller's knowledge, no other party to the Master Antenna Use Agreement is in default thereunder in any material respect.

6. Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller as follows:

6.1 Organization; Power and Authority; Authorization. Buyer is an educational institution duly organized, validly existing and in good standing under the laws of the State of California, with full power to enter into and perform this Agreement. Buyer has all requisite power and authority, to execute, deliver and perform this Agreement and all other agreements and instruments to be made by Buyer pursuant to this Agreement, and to consummate the transactions contemplated hereby. The execution and performance of this Agreement have been duly authorized by all necessary action of Buyer's governing board and any other parties whose action is necessary for the full performance of Buyer's obligations hereunder.

6.2. Binding Agreement. This Agreement constitutes a legal, valid, and binding obligation of Buyer, enforceable in accordance with its terms.

6.3 Qualification of Buyer. To Buyer's knowledge, there are no facts relating to Buyer that reasonably may be expected to disqualify Buyer under the Communications Act or the rules and regulations of the FCC from qualifying as an assignee of the FCC License or that would prevent Buyer from consummating the transactions contemplated by this Agreement. Buyer is financially qualified to file the Application and consummate the contemplated transaction.

6.4 Financing. Buyer has the funds on hand or from legally committed sources necessary to complete the transactions contemplated by this Agreement.

6.5 Litigation. There is no judgment outstanding or litigation, action, suit, investigation or other proceeding pending or, to the best of Buyer knowledge, threatened or probable of assertion that may adversely affect Buyer's ability to perform in accordance with the terms of this Agreement, and Buyer is not aware of any facts that could reasonably result in any such proceeding.

7. Equipment. Buyer may inspect the Equipment at any time within 10 business days following the execution of this Agreement. If the condition of the Equipment is not satisfactory to Buyer, Buyer may terminate its obligations hereunder by giving notice to Seller within 10 business days of the completion of its inspection. If Buyer does not give notice of termination, then Seller shall convey the Equipment to Buyer in the same condition as it was at the time of Buyer's inspection, reasonable wear and tear excepted. Through the Closing Date, the risk of loss in connection with such equipment shall remain with Seller. Should the equipment be destroyed or damaged in such a manner that it is no longer in the condition which it was at the time of the inspection, Seller shall repair or replace the equipment and the Closing shall be delayed until 10 business days after the date that such repair or replacement is complete to the reasonable satisfaction of Buyer, provided, however, that if the repair costs exceed and amounts reimbursed by insurance policies by more than \$15,000, Seller shall have no obligation to repair or replace the Equipment. If Seller refuses to repair or replace any such Equipment, Buyer may terminate its obligations under this Agreement and receive a refund of its Escrow Deposit (including all interest accrued thereon), and neither party shall have any further liability to the other hereunder. If prior to Closing the Station is off the air or operating at a power level that results in a material reduction in coverage for a period of time in excess of 24 hours, then Buyer may postpone Closing until the date five (5) business days after the Station returns to the air and prior coverage is restored in all material respects, subject to Section 11. In any event, Buyer's obligation to close under this Agreement is contingent upon the Station being on the air and operating without any material reduction in coverage on the Closing Date.

8. Covenants of Seller.

8.1 FCC License. From and after the date of this Agreement until the Closing, Seller shall not cause or permit, by any act or failure to act, the FCC License to expire or to be surrendered or modified, or fail to take any action which would cause the FCC or any other governmental authority to institute proceedings for the suspension, revocation or modification of any of the Licenses.

8.2 Maintenance of Equipment. From and after the date of this Agreement until the Closing, Seller shall maintain the Equipment in substantially the same condition as it is now (reasonable wear and tear in normal use and damage due to unavoidable casualty excepted).

8.3 Compliance with Law. From and after the date of this Agreement until Closing, Seller shall comply in all material respects with all laws, rules, ordinances and regulations applicable to the Assets and to the business and operations of the Station.

8.4 No Transfer of Assets. From and after the date of this Agreement until the

Closing, Seller shall not sell or agree to sell or otherwise dispose of any of the Assets other than in the ordinary course of business and only if such Assets are replaced by assets of equal or greater worth, quality and utility.

9. Conditions to Closing

9.1 Conditions to Buyer's Obligation. The obligation of Buyer to consummate this Agreement is subject to the satisfaction or waiver of each of the following conditions:

(a) FCC Consent. The FCC shall have granted the Assignment Application, and such grant shall have become a Final Order. "Final Order" shall mean any FCC action that, by lapse of time or otherwise, is no longer subject to administrative or judicial review, reconsideration, appeal or stay.

(b) Representations and Warranties. The representations and warranties of Seller to Buyer not qualified by materiality shall be true, complete and correct in all material respects as of the Closing Date, except for changes permitted or contemplated by this Agreement, with the same force and effect as if then made. The representations and warranties of Seller to Buyer that are qualified by materiality shall be true, complete and correct as written as of the Closing Date, except for changes permitted or contemplated by the terms of this Agreement, with the same force and effect as if then made.

(c) Compliance with Conditions. All of the terms, conditions, and covenants to be complied with or performed by Seller on or before the Closing Date shall have been duly complied with and performed in all material respects.

(d) Closing Documents. Seller shall deliver to Buyer the documents and instruments specified in Section 10.2.

9.2 Conditions to Seller's Obligation. The obligation of Seller to consummate this Agreement is subject to the satisfaction or waiver of each of the following conditions:

(a) FCC Consent. The FCC shall have granted the Assignment Application.

(b) Representations and Warranties. The representations and warranties of Buyer to Seller not qualified by materiality shall be true, complete and correct in all material respects as of the Closing Date, except for changes permitted or contemplated by this Agreement, with the same force and effect as if then made. The representations and warranties of Buyer to Seller that are qualified by materiality shall be true, complete and correct as written as of the Closing Date, except for changes permitted or contemplated by the terms of this Agreement, with the same force and effect as if then made.

(c) Compliance with Conditions. All of the terms, conditions, and covenants to be complied with or performed by Buyer on or before the Closing Date shall have been duly complied with and performed in all material respects.

(d) Purchase Price. Seller shall deliver to Buyer the Purchase Price in the manner described in Section 2.

10. Closing.

10.1 Time and Place of Closing. The consummation of the transactions contemplated by this Agreement (the "Closing") shall occur on a date (the "Closing Date") established by the Seller, upon at least 10 business days prior notice to Buyer, but in any event not more than 10 business days after the FCC's grant the Assignment Application has become a Final Order. Seller and Buyer shall determine by mutual agreement a location where the Closing shall take place.

10.2 Deliveries by Seller. At the Closing, Seller shall deliver to Buyer the following:

(a) A duly executed assignment instrument, in form and substance reasonably acceptable to Buyer, assigning the FCC Licenses to Buyer;

(b) A duly executed bill of sale and other assignment instruments, in form and substance reasonably acceptable to Buyer, transferring good and marketable title to the Assets to Buyer;

(c) A duly executed assignment and assumption of the Master Antenna Use Agreement, together with an estoppel certificate confirming Seller's compliance with the terms thereof and the payment of all amounts owing under the Master Antenna Use Agreement that relate to the period prior to the Closing, and the consent of the City of Santa Barbara thereto;

(d) Evidence reasonably satisfactory to Buyer of the release of all Liens against the Assets;

(e) A certificate, executed on behalf of Seller, attesting to Seller's compliance with the matters set forth in Section 9.1(b) and 9.1(c);

(f) Good standing certificates for Seller, issued by the Secretary of State of the States of Nevada and California; and

(g) A certificate, executed on behalf of Seller, evidencing Seller's authorization of the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby.

10.3 Deliveries by Buyer. At the Closing, Buyer shall deliver to Seller the following:

- (a) The Purchase Price, in the manner set forth in Section 2;
- (b) A duly executed assignment and assumption of the Master Antenna Use Agreement;
- (c) A certificate, executed on behalf of Buyer, attesting to Buyer's compliance with the matters set forth in Section 9.2(b) and 9.2(c);
- (d) Good standing certificates for Buyer, issued by the Secretary of State of the State of California; and
- (e) A certificate, executed on behalf of Buyer, evidencing Buyer's authorization of the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby.

11. Termination.

11.1 By Either Party. Seller or Buyer may terminate this Agreement, if not then in material default or breach of any of its warranties, representations, covenants or other obligations hereunder, as follows:

(a) if the FCC has not granted the Assignment Application within nine months of the execution of this Agreement, or if Closing has not occurred within twelve months of the date of this Agreement, or if the FCC designates the Assignment Application for an evidentiary hearing; or

(b) if any court of competent jurisdiction or other United States governmental body shall have issued an order, decree or ruling, or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement.

11.2 By Seller. Seller may terminate this Agreement if Buyer shall have materially breached any representation, warranty or covenant of Buyer contained in this Agreement, provided that such breach has not been cured within twenty (20) days after the giving of notice thereof by Seller to Buyer, and provided further that Seller is not then in default of any of its obligations under this Agreement.

11.3 By Buyer. In addition to its rights under Section 7, Buyer may terminate this Agreement if Seller shall have materially breached any representation, warranty or covenant of Seller contained in this Agreement, provided that such breach has not been cured within twenty (20) days after the giving of notice thereof by Buyer to Seller, and provided further that Buyer is not then in default of any of its obligations under this Agreement.

11.4 Results of Termination. If either party terminates this Agreement pursuant to Section 11.1, or if Buyer terminates this Agreement pursuant to Section 7 or Section 11.3, neither party shall have any further liability to the other, and this Agreement in its entirety shall be deemed null, void and of no further force and effect, provided, however, that termination shall not relieve a party of any liability for any breach or default under this Agreement prior to such termination. If Seller terminates this Agreement pursuant to Section 11.2, then Seller shall be entitled to receive as liquidated damages (which shall not be construed as a penalty) the Earnest Money Deposit, and all interest accrued thereon shall be immediately returned to Buyer. In the event of a termination of this Agreement for any other reason, the Earnest Money Deposit and all interest accrued thereon shall be immediately returned to Buyer.

12. Specific Performance. Subject to Seller's rights under Section 11.2 of this Agreement, Seller agrees that the Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall have the right specifically to enforce Seller's performance under this Agreement, and Seller agrees to waive the defense in any such suit that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy.

13. Survival; Indemnification

13.1. Survival. The representations and warranties in this Agreement shall survive Closing for a period of twelve (12) months from the Closing Date whereupon they shall expire and be of no further force or effect, except (i) those under Sections 2.5 (Taxes) and 2.6 (Personal Property) insofar as those sections address Seller's title to the Assets, which shall survive until the expiration of the applicable statute of limitations, and (ii) that if within such twelve (12) month period, the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim, then such claim shall survive until the earlier of resolution of such claim or expiration of the applicable statute of limitations. The covenants and agreements in this Agreement shall survive Closing until performed.

13.2. Indemnification.

(a) Subject to Section 13.1, from and after Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or resulting from:

- (i) any breach by Seller of its representations and warranties made under this Agreement; or
- (ii) any default by Seller of any covenant or agreement made under this Agreement; or
- (iii) the Retained Obligations; or

(iv) the business or operation of the Station before the Closing Date, except for the Assumed Obligations.

(b) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Seller shall have no liability to Buyer under clause (i) of Section 13.2(a) until, and then only to the extent that, Buyer's aggregate Damages exceed an amount equal to \$25,000, and (ii) the maximum aggregate liability of Seller under Section 13.2(a) shall be an amount equal to 25% of the Purchase Price.

(c) From and after Closing, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or resulting from:

(i) any breach by Buyer of its representations and warranties made under this Agreement; or

(ii) any default by Buyer of any covenant or agreement made under this Agreement; or

(iii) the Assumed Obligations; or

(iv) the business or operation of the Station after the Closing Date.

13.3. Procedures.

(a) The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties that is subject to indemnification hereunder (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's rights or the indemnifying party's obligations except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced and provided that such notice is given within the time period described in Section 13.1.

(b) If the indemnifying party acknowledges in a writing delivered to the indemnified party its obligation, without condition, to reimburse, defend, indemnify and hold harmless the indemnified party with respect to all Damages arising in connection with such Claim, the indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel selected by it. In the event that the indemnifying party does not undertake such defense or opposition in a timely manner, the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party's cost (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

(c) Anything herein to the contrary notwithstanding:

(i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim;

(ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment that either (A) includes any remedy other than the payment of money or (B) does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such Claim; and

(iii) in the event that the indemnifying party undertakes defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel concerning such Claim and the indemnifying party and the indemnified party and their respective counsel shall cooperate in good faith with respect to such Claim.

14. Miscellaneous

14.1 Binding Effect. This Agreement shall be binding on, and shall inure to the benefit of, each of the parties and their permitted assigns.

14.2 Governing Law. This Agreement shall be governed and interpreted in accordance with the laws of the State of California, without giving effect to any conflict of laws provision or principle that would require the application of the law of any other state.

14.3 Dispute Resolution. In the event that any dispute arises between the parties in connection with this Agreement or the transactions contemplated by this Agreement (collectively a "Dispute"), the parties shall use commercially reasonable efforts to resolve the Dispute promptly and in good faith by negotiation. In the event that the Dispute is not promptly resolved by negotiation, any of the parties to the Dispute may elect to refer the Dispute to Mediation before a single, neutral and professional Mediator. In the event that mediation fails to resolve the Dispute following no more than two sessions with the Mediator within no more than sixty (60) days after the referral, any of the parties to the Dispute may elect to resolve the Dispute by binding Arbitration before a single, neutral and professional Arbitrator who is a licensed attorney in good standing or a former state or federal judge. The Arbitrator shall employ the rules and procedures of the American Arbitration Association then and there applicable to the type of Dispute involved. Judgment on the Arbitrator's award may be entered in any court having jurisdiction. All Negotiations, and all Mediation or Arbitration proceedings, and all decisions or rulings resulting therefrom shall otherwise be kept strictly confidential by the Parties. Except as otherwise provided by Section 14.4, the direct expense of the Mediation or Arbitration proceedings, including but not limited to the fees of the Mediator or Arbitrator, reporter, transcript and facility, if any, shall be paid one half by the disputing parties on the plaintiff side, and one-half by the disputing parties on the defendant side. Except as otherwise provided in Section 14.4, each party to the dispute shall pay its own attorney's fees. Regardless of the foregoing provisions on Arbitration, actions for declaratory relief, regulatory relief, injunctions, restraining orders, specific performance and other forms of equitable relief (but no court action for monetary damages) may be pursued directly in a court or regulatory agency

having jurisdiction, at the option of the party seeking such relief, without requiring Mediation or Arbitration beforehand. Likewise, any Dispute that qualifies for resolution before a Small Claims Court having jurisdiction shall be resolved in such Small Claims Court without requiring Mediation or Arbitration beforehand. Despite the foregoing provisions, in the event that any Dispute is ever heard by a court, each Party hereby irrevocably waives all rights to a jury trial therein.

14.4 Attorney's Fees. In the event that any arbitration or lawsuit in court is commenced between the parties regarding a Dispute, as defined above, the prevailing parties to the Dispute shall be entitled to recover their reasonable attorneys fees and litigation expenses incurred therein from the losing parties to the Dispute, to the extent awarded by the court or arbitrator.

14.5 Headings. The headings in this Agreement are included for ease of reference only and shall not affect the plain meaning of the provisions of this Agreement as written.

14.6 Amendments and Waivers. This Agreement and the effect of its provisions may not be amended or waived, in whole or in part, unless the amendment or waiver is in writing and is duly authorized and signed by both Parties. No waiver regarding any matter shall constitute a waiver of any other matter, whether similar or not, nor shall it constitute the waiver of the same matter on any other occasion.

14.7 Brokers. Seller hereby represents and warrants to the Buyer that it has not engaged any broker, finder or other person in connection with the transactions contemplated by this Agreement, and has not incurred any unpaid liability for any brokerage fees, finders' fees, commissions or otherwise. Buyer hereby represents and warrants to Seller that it has engaged Public Radio Capital in connection with the transactions contemplated by this Agreement, and covenants and agrees to pay all fees due to Public Radio Capital in connection therewith. Buyer further represents and warrants that, except as set forth in the preceding sentence, it has not engaged any broker, finder or other person in connection with the transactions contemplated by this Agreement, and has not incurred any unpaid liability for any brokerage fees, finders' fees, commissions or otherwise. Each party hereby agrees to indemnify and hold harmless the other party hereto from all costs and expenses incurred by such party in connection with any claim for such brokerage fees, finders' fees, commissions or other charges.

14.8 Notices. All notices, requests, demands, and other communications pertaining to this Agreement shall be in writing and shall be deemed duly given when delivered personally or mailed by certified mail, return receipt requested, postage prepaid, or by an overnight carrier that provides a written confirmation of delivery, addressed as follows:

If to Seller:

R&R Broadcasting
1081 Westwood Boulevard
Suite 215
Los Angeles, CA 90024
Attn: Saul L. Rosenzweig

with copy (which shall not constitute notice) to:

David D. Oxenford, Esq.
Davis Wright Tremaine LLP
1919 Pennsylvania Avenue NW, Suite 200
Washington, DC 20006

If to Buyer:

California Lutheran University
60 Olsen Road
Thousand Oaks, CA 91360
Attn: Chief Financial Officer

With a copy to (which shall not constitute notice):

Meredith S. Senter, Jr., Esq.
Leventhal, Senter and Lerman
2000 K Street, NW, Suite 600
Washington, DC 20006

14.9 Bargain Sale. Buyer agrees that Seller shall have the right, at its sole cost and expense, prior to or following the Closing, to obtain an appraisal of the value of the Station from an appraiser mutually agreeable to Buyer and Seller. In the event that such appraisal shows that the value of the Station exceeds the Purchase Price, such excess value shall be considered as a "bargain sale" within the meaning of the Internal Revenue Code of 1986, as amended, and Seller shall have the right to treat such excess value as a charitable contribution to Buyer, to the extent permitted by law.

14.10 Like Kind Exchange. Buyer and Seller acknowledge that either party may choose to treat the transaction contemplated hereby as a "like kind" exchange under Section 1031 of the Internal Revenue Code. Each party shall render commercially reasonable cooperation to the other party to achieve the objectives of "like kind" exchange treatment, provided, however, that except as expressly set forth in this Agreement, neither party may require that the other party incur cost or delay in consummation of the transaction contemplated hereby.

IN WITNESS WHEREOF, the each of the parties hereto has caused this Agreement to be duly executed on its behalf as of the date first written above.

R&R RADIO, LLC

Saul Rosenzweig

By: _____

Name:

SAUL ROSENZWEIG

Title:

Pres.

CALIFORNIA LUTHERAN UNIVERSITY

By: _____

Name:

Title:

IN WITNESS WHEREOF, the each of the parties hereto has caused this Agreement to be duly executed on its behalf as of the date first written above.

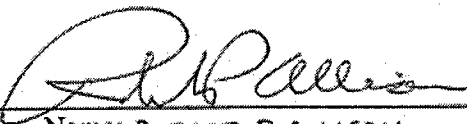
R&R RADIO, LLC

By: _____

Name:

Title:

CALIFORNIA LUTHERAN UNIVERSITY

By:  _____

Name: ROBERT P. ALLISON

Title: VICE PRESIDENT, ADMINISTRATION & FINANCE

SCHEDULE 1.1
FCC LICENSES

Station: KIST(AM), 1340 kHz, Santa Barbara, California (Facility ID # 10327)

<u>Call Sign</u>	<u>Type</u>	<u>Expiration</u>
KIST(AM)	Main	12/1/2013
KMK429	Remote Pickup	12/1/2013

Seller has filed an application to transfer WPNE581 to Rincon Broadcasting, which application is currently pending at the FCC. Seller will turn in the license for WLI526 prior to closing. Neither WPNE581 nor WLI526 will be transferred to Buyer pursuant to this Agreement.

SCHEDULE 1.2 EQUIPMENT

Broadcast Electronics AM-1A transmitter and BE matching network

Orban 9200 AM processor

Harris Gates One back-up transmitter

Sage Endec Model 1822 EAS unit

Delta Electronics ASM-1 modulation monitor, stereo

Staco voltage regulator

Custom transmitter change-over switch with ammeter and dummy load

One equipment rack at transmitter site

Table, chair, microphone mixer, microphone, and boom at transmitter site

**SCHEDULE 5.2
CONFLICTS**

None

SCHEDULE 5.10
INSURANCE

None