

## ASSET PURCHASE AGREEMENT

Asset Purchase Agreement ("APA"), made and entered into this 11<sup>th</sup> day of May, 2010, by and between Calvary Chapel of Costa Mesa, Inc., a California not-for-profit corporation ("Seller"), and Living Proof, Inc., a California not-for-profit corporation ("Buyer").

### WITNESSETH:

WHEREAS, Seller is the owner and holds licenses issued by the Federal Communications Commission ("FCC") for the operation of Non-Commercial Educational FM Broadcast Station KJCU, FCC Facility ID No. 87930, Fort Bragg, California, and Non-Commercial Educational FM Broadcast Station KJCQ, FCC Facility ID No. 124890, Westwood, California (the "Stations"), and FM Translator Station K209EU, FCC Facility ID No. 71979, Laytonville, California, and FM Translator Station K210DZ, FCC Facility ID No. 71974, Willits, California (collectively, the "FM Translators"); and

WHEREAS, Seller desires to sell the Stations and the FM Translators to Buyer as a going business on the terms and conditions hereinafter set forth, and Buyer desires to purchase same. -

NOW, THEREFORE, for and in consideration of the mutual promises and covenants hereinafter set forth, it is agreed as follows:

1. **Assets to Be Sold.** The assets to be sold consist of all of the personal property owned by Seller and used in the operation of the Stations and the FM Translators, an inventory of which is attached and marked Schedule A (the "Personal Property"); all leaseholds held by Seller and used in the operation of the Stations and the FM Translators, which leases are described in Schedule B attached hereto (the "Leases"), and will be assigned to Buyer and fully assumed by Buyer at the Closing as hereinafter defined; the licenses issued by the FCC for the operation of the Stations and the FM Translators, subject to FCC consent to the assignment of such licenses from Seller to Buyer (the "FCC Licenses"); and the Stations' intangible personal property (the "Intangibles") and accounts receivable (the "Receivables").

2. **Purchase Price.** The Purchase Price for the assets described in paragraph 1 shall consist of the sum of One Hundred Thousand Dollars (\$100,000.00), evidenced by a Promissory Note of Buyer in that amount, bearing interest at the rate of six percent (6%) per annum and payable in twenty-four (24) equal, consecutive, monthly payments of principal and interest, each in the sum of Four Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$4333.33), plus a final twenty-fifth (25<sup>th</sup>) monthly payment in the sum of Four Thousand Five Hundred Twenty-Three Dollars and Fifty-Nine Cents (\$4523.59), and secured by a security agreement (the "Security Agreement") granting Seller a first security interest, evidenced by the filing of a UCC 1, in the Stations and Translators, to include a first security

interest in the proceeds of any sale of the Stations or Translators. Seller will have no recourse against Buyer under the Promissory Note other than as provided in the Security Agreement. The Security Agreement will define as a Buyer default any sale or transfer of one or more of the Stations to a third party without the written consent of Seller.

3. **Application for FCC Consent.** Within five (5) days of the date of execution of this APA, the parties will file an application with the FCC for FCC consent to the transactions contemplated by this APA (the "Assignment Application"). The parties will vigorously prosecute the Assignment Application and do all things reasonably necessary and/or appropriate to obtain a grant thereof.

4. **Closing Following FCC Consent.** Closing of the transactions contemplated in this Agreement will occur within ten (10) days after FCC approval of the Assignment Application becomes final as a matter of law. Closing shall take place by an exchange of documents either electronically and/or by the use of Federal Express. At the Closing, Seller will deliver to Buyer, (i) a bill of sale conveying the Personal Property, the Intangibles and the Receivables; (ii) an assignment of the FCC Licenses Seller to Buyer; (iii) an assignment of the Leases; (iv) written landlord consents to assignments of the Leases; and (v) the certificate provided for in Section 5. At the Closing Buyer will deliver to Seller (w) a written assumption of the Leases, (x) a written assumption of its obligations set forth in Schedule C, (y) the certificate provided for in Section 6, and (z) the Purchase Price in the manner provided in Section 2.

5. **Seller's Warranties.** All of the Personal Property being conveyed to Buyer is being conveyed "as is" and "where is". Seller makes absolutely no warranties of any kind with respect to the condition of such Personal Property. Seller warrants that (i) the FCC Licenses are and at Closing will be in good standing; (ii) it has, or will have on the Closing Date, legal capacity and authority to enter into and consummate the transactions provided for in this APA, and that such consummation will not violate any term of Seller's organizational documents or any contract to which Seller is bound; (iii) as of the date of Closing all rents and other obligations under the Leases will be fully paid; and (iv) all taxes due on the assets being conveyed will be fully paid or prorated among Buyer and Seller as of the Closing Date. Seller covenants that it will defend against any FCC complaints or investigations that are made or otherwise are initiated prior to Closing. At Closing Seller will provide Buyer with a certificate duly executed by Seller attesting to the accuracy of these representations and warranties as of the Closing Date, and to its having complied fully with all of the covenants of Seller in this Agreement. Seller makes absolutely no warranties and/or representations other than the ones set forth in this paragraph.

6. **Buyer's Warranties.** Buyer warrants and represents that it is a corporation in good standing in the State of California and that it knows of no reason why the FCC will not consent to the transactions contemplated by this APA. At Closing Buyer will provide Seller with a certificate duly executed by Buyer attesting to the accuracy of these representations and warranties as of the Closing Date, and to its having complied fully with all of the covenants of Buyer in this Agreement.

7. **Legal Expenses, Closing Costs and Filing Fees.** Each party will bear its own legal expenses connected with this transaction. All closing costs incurred in connection with the conveyance of the Real Estate to Buyer will be paid by Buyer. If there are any FCC filing fees, they will also be paid by Buyer.

8. **California Contract.** This APA is a California contract and shall construed and interpreted in accordance with the laws of the State of California (other than those laws relating to conflict of laws).

9. **Counterparts.** This APA may be executed in counterpart and/or by telecopy and, when so executed the counterparts taken together shall constitute a complete and binding agreement.

10. **Notices:** Any notice required hereunder shall be in writing and any payment, notice or other communications shall be deemed given when delivered personally, or mailed by certified mail or Federal Express, postage prepaid, with return receipt request, and addressed as follows:

If to Calvary Chapel of Costa Mesa, Inc.:

Calvary Chapel of Costa Mesa, Inc.  
ATTN: Charles W. Smith, President  
3000 W. MacArthur Boulevard  
Suite 500  
Santa Ana, CA 92704

With a Copy to:

Lauren A. Colby, Esq.  
Law Office of Lauren A. Colby  
10 E. Fourth Street  
P.O. Box 113  
Frederick, MD 21701

If to Calvary Chapel of Albuquerque, Inc.:

Living Proof, Inc.  
c/o Daniel McClenaghan  
125 S. Main Street  
Bishop, CA 93514

With a Copy to:

Harry C. Martin, Esq.  
Fletcher, Heald & Hildreth, P.L.C.  
1300 North 17<sup>th</sup> Street  
11<sup>th</sup> Floor  
Arlington, VA 22209

11. **Termination.** This Agreement may be terminated by either party upon ten (10) days' written notice to the other (i) in the event of a breach by the other party of any representation, warranty, covenant or term in this Agreement; or (ii) if the transactions provided for herein have not been consummated within eighteen (18) months after date of this Agreement.

12. **Survival.** This Agreement and all representations, warranties and covenants contained herein shall expire twelve (12) months after Closing, except for the covenant included in Section 5 pertaining to any pending FCC matters, which covenant shall survive so long as any complaint or investigation described in such covenant remains unresolved.

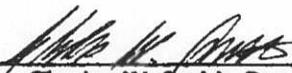
**WHEREFORE**, the premises considered, the parties to this Agreement have set the hands and seals of their authorized representatives on the day and year first above written.

**LIVING PROOF, INC.**

By: 

Daniel McClenaghan, President  
"Buyer"

**CALVARY CHAPEL OF COSTA MESA, INC.**

By: 

Charles W. Smith, President  
"Seller"