

Lotus Family Life Asset Purchase Agreement

This **Asset Purchase Agreement** (this "Agreement") is made as of August 6, 2018 between **Arizona Lotus Corp.**, an Arizona corporation ("**Seller**") and **Family Life Broadcasting, Inc.**, an Arizona not-for-profit corporation ("**Buyer**"). Seller and Buyer are each referred to as a "**Party**" and collectively, the "**Parties**"). Capitalized terms used herein and not otherwise defined have the meanings set forth in Section 11.9.

Recitals

- A. Seller is a party to the Scripps APA, pursuant to which Seller will acquire the Scripps Assets, which include the KQTH Assets.
- B. Seller is a party to the Collateral APA, under which the Seller will sell certain of the Scripps Assets, including the Collateral Station, simultaneously with Seller's acquisition of the Scripps Assets.
- C. Pursuant to the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the KQTH Assets.
- D. The transactions contemplated hereby are part of the Collective Transactions.
- E. The FCC Consents are required to consummate the transactions contemplated by the Scripps APA, the Collateral APA and this Agreement, and are an express condition precedent to the obligation of Buyer and Seller to consummate the purchase and sale contemplated by this Agreement.

Agreement

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

ARTICLE 1: PURCHASE OF ASSETS

1.1 KQTH Assets. On the terms and subject to the conditions hereof, at Closing, Seller, will sell, assign, transfer, convey and deliver to Buyer, and Buyer will purchase and acquire from Seller, all right, title and interest of Seller in and to the following assets and properties of Seller that are used or held for use in the operation of the Station (the "**KQTH Assets**"):

(a) all licenses, permits and other authorizations issued to Seller by the FCC and other governmental authorities with respect to the Station (the "**Governmental Licenses**") described on *Schedule 1.1(a)*, including any assignable pending applications, renewals or modifications thereof between the date hereof and Closing;

(b) all of Seller's rights in and to the Station's call letters and the domain name www.1041kqth.com (the "**Intangible Assets**");

(c) all of Seller's equipment, transmitters, cables, fixtures, spare parts and other tangible personal property on *Schedule 1.1(c)* (the "**Tangible Personal Property**");

(d) the Station's public inspection file and contents thereof, engineering data and logs, but excluding records relating to Excluded Assets; and

(e) all of Seller's right, title and interest in and to all intangible assets, goodwill, going concern value and like items of the Station.

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the KQTH Assets will not include the following assets or any rights, title and interest therein (the "**Excluded Assets**"):

(a) All cash and cash equivalents of Seller, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, money market accounts and all such similar accounts or investments;

(b) All tangible personal property of Seller retired or disposed of between the date of this Agreement and Closing in accordance with Article 4; and

(c) All assets and properties of any nature whatsoever, including the KQTH radio tower, not expressly identified as KQTH Assets in Section 1.1.

1.3 Liabilities. The KQTH Assets will be transferred by Seller to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements, equipment leases, and other liens, liabilities and encumbrances of every kind and nature ("Liens"), other than for taxes not yet due and payable, and the liabilities listed on *Schedule 1.3* (the "**Assumed Liabilities**").

1.4 Purchase Price. In consideration for the sale of the KQTH Assets to Buyer, at Closing Buyer will pay Seller the sum of Eight Hundred Thousand Dollars (\$800,000.00), subject to adjustment pursuant to Section 1.6 (the "**Purchase Price**"), which will be paid to Seller at Closing by wire transfer of immediately available funds.

1.5 Deposit. Simultaneously with the execution and delivery of this Agreement, Buyer is depositing Forty Thousand Dollars (\$40,000.00) (the "**Deposit**") with Kalil & Co., Inc. (the "**Escrow Agent**") pursuant to the Escrow Agreement (the "**Escrow Agreement**") of even date herewith among Buyer, Seller and the Escrow Agent. The Buyer will pay for all Escrow Fees. At Closing, the Deposit as well as any interest accrued thereon will be disbursed to Seller. The parties will each instruct the Escrow Agent to disburse the Deposit and all interest thereon to the party entitled thereto and will not, by any act or omission, delay or prevent any such disbursement unless contested by a party in good faith in writing within five (5) business days of a disbursement request, in which event the Deposit will remain with the Escrow Agent until the parties' dispute is resolved, unless otherwise provided in the Escrow Agreement.

1.6 Prorations and Adjustments. All income and expenses relating to the KQTH Assets and arising from the operation of the Station, including Assumed Liabilities and prepaid expenses, will be prorated between Buyer and Seller as of 11:59 p.m. on the day immediately preceding the Closing Date (the "**Effective Time**"). The items to be prorated will include power and utilities charges, FCC regulatory

fees (based on the most recent publicly available information about the cost of such regulatory fees for the Station), personal property taxes upon the basis of the most recent tax bills and information available, security deposits, and similar prepaid and deferred items. The prorations will, insofar as feasible, be determined and paid on the Closing Date, with final settlement and payment to be made within 30 days after the Closing Date.

1.7 Allocation. Buyer and Seller agree that the fair market value of the KQTH Assets will be appraised (the “**Appraisal**”) by the appraisal firm of Bond & Pecaro (“**B&P**”). All costs and expenses of B&P in preparing the Appraisal will be borne by Seller. Within 60 days after the Closing Date, Seller will deliver to Buyer a copy of the Appraisal and an allocation statement with its proposed allocations of the applicable portions of the Purchase Price in accordance with the Appraisal and Section 1060 of the Code and the Treasury Regulations promulgated thereunder (and any similar provisions of state, local, or non-U.S. Law, as appropriate). If Buyer does not notify Seller before the close of business on the date that is 60 days after the date of receipt by Buyer of the Appraisal and such allocation statement that it disputes any of Seller’s allocations, the allocations set forth in Seller’s allocation statement will be final and binding on the parties and the parties will complete and timely file any necessary tax forms, and their respective income tax returns, in accordance with such allocations. If Buyer notifies Seller within such 60-day period that it disputes any of Seller’s allocations, the parties will negotiate in good faith to finalize such disputed allocations no later than 30 days after the date of receipt by Seller of such notice from Buyer. If Buyer and Seller are unable to agree on such allocations within such 30-day period, the allocations will be referred to a mutually agreed upon neutral accounting firm, which will determine only the matters in dispute. The determination by such firm on the matters will be binding. If an accounting firm is engaged under this Section 1.7, the fees and expenses of such firm will be borne 50% by Seller and 50% by Buyer. Buyer and Seller will complete and timely file any necessary tax forms, and their respective income tax returns, in accordance with their mutual agreement and otherwise in accordance with the determination of such firm. None of Buyer, Seller or their respective Affiliates will take any position (whether in audits, tax returns or otherwise) that is inconsistent with such allocation unless required to do so by applicable Law.

1.8 Closing. The consummation of the sale and purchase of the KQTH Assets provided for in this Agreement (the “**Closing**”) will take place contemporaneously with the other closings comprising part of the Collective Transaction, but in no event earlier than the date the FCC Consents become a Final Order or on such earlier day after such consent as Buyer may agree, subject to the satisfaction or waiver of the conditions set forth in Articles 6 or 7. The date on which the Closing is to occur is referred to herein as the “**Closing Date**.” As used herein, a “**Final Order**” will mean FCC Consent (as defined below) which will not have been reversed, stayed, enjoined, set aside or suspended and with respect to which no timely request for stay, petition for reconsideration or rehearing, appeal or *sua sponte* action of the FCC will be pending, and as to which the time for filing any request, petition, appeal or for the taking of such *sua sponte* action by the FCC will have expired.

1.9 FCC Application; FCC Consent. Within five (5) business days after all of the Collateral APA, the Scripps APA and this Agreement have been executed and delivered, and on or about the same day as the Scripps Application and the Collateral Application are filed, Buyer and Seller will file an application with the FCC (the “**FCC Application**”) requesting FCC consent to the assignment of the FCC Licenses to Buyer. FCC consent to the FCC Application without any material adverse conditions other than those of general applicability is referred to herein as the “**FCC Consent**.” Buyer and Seller will diligently prosecute the FCC Application and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible. Buyer and Seller will notify each other of all documents

filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Buyer and Seller will furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder.

1.10 NCE Conversion Application. Seller will ensure that a letter from Scripps is provided to Buyer consenting to the filing by Buyer of a contingent application to convert the KQTH license from commercial to noncommercial status.

1.11 Post-Closing Assistance. Buyer, without charge to Scripps or Seller, will forward all mail correspondence Buyer or its affiliates receive that is addressed to Scripps or Seller, unopened, to Seller or Scripps, as the case may be.

1.12 Collective Transaction. Buyer acknowledges that the transaction herein is part of a series of transactions, which includes the Scripps Transaction (collectively, the “**Collective Transactions**”), under which Seller will acquire and dispose of the Station in a single simultaneous step transaction and will exercise no control over the Station prior to such simultaneous acquisition and disposition.

ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller makes the following representations and warranties to Buyer:

2.1 Organization. Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is qualified to do business in the State of Arizona. Seller has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be made by Seller pursuant hereto and to consummate the transactions contemplated hereby.

2.2 Authorization. The execution, delivery and performance of this Agreement by Seller will have been duly authorized and approved prior to Closing by all necessary action of Seller. This Agreement is, and when made by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3 No Conflicts. The execution, delivery and performance by Seller of this Agreement and the consummation by Seller of any of the transactions contemplated hereby does not (a) conflict with any organizational documents of Seller or any other contract or agreement to which Seller is a party or by which it is bound, or 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 Consent).

2.4 FCC Licenses. Effective on the closing of the Scripps Transaction: (a) Seller will be the holder of the Governmental Licenses described on Schedule 1.1(a), (b) the FCC Licenses are in full force

and effect and will not have been revoked, suspended, canceled, rescinded or terminated and have not expired. To Seller's knowledge, (x) the Station is operating in compliance in all material respects with the KQTH FCC License BPH-20011212AAP, KQTH Auxiliary License BXLH-20070208AAJ, the Digital Broadcasting notice 20140226AFV, and the Communications Act of 1934, as amended (the "Communications Act"), and the rules, regulations and policies of the FCC, (y) all material reports and filings required to be filed with the FCC by Seller with respect to the Station have been timely filed and are materially accurate; and (z) there is no pending, or threatened action by or before the FCC or any other governmental authority to revoke, suspend, cancel, rescind or materially adversely modify any of the station's FCC Licenses.

2.5 Owned, Personal Property. To Seller's knowledge, (i) *Schedule 1.1(c)* contains a complete and accurate description of all personal property that Scripps uses exclusively in the operations of the Station; and (ii) this property will be owned and available for immediate use by Buyer in the operation of the Station on the Closing Date.

2.6 Compliance with Law. To Seller's knowledge, the Station has been operated in compliance with all laws, including the Communications Laws.

2.7 Litigation. To Seller's knowledge, there is no action, suit or proceeding pending or, threatened against Seller or Scripps in respect of the Station that will subject Buyer to liability or which will affect Seller's ability to perform its obligations under this Agreement.

ARTICLE 3: BUYER REPRESENTATIONS AND WARRANTIES

Buyer hereby makes the following representations and warranties to Seller:

3.1 Organization. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is qualified to do business in the jurisdiction in which the KQTH Assets are located. Buyer has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be executed and delivered by Buyer pursuant hereto and to consummate the transactions contemplated hereby.

3.2 Authorization. The execution, delivery and performance of this Agreement by Buyer have been duly authorized and approved by all necessary action of Buyer and do not require any further authorization or consent of Buyer. This Agreement is, and when made by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 No Conflicts. The execution, delivery and performance by Buyer of this Agreement and the consummation by Buyer of any of the transactions contemplated hereby does not (a) conflict with any organizational documents of Buyer, any contract or agreement to which Buyer is a party or by which it is bound, or any law, judgment, order or decree to which Buyer is subject, or (b) require the consent or approval of, or a filing by Buyer with, any governmental or regulatory authority or any third party (other than the FCC Consent).

3.4 Litigation. There is no action, suit or proceeding pending or, to Buyer's knowledge, threatened against Buyer which questions the legality or propriety of the transactions contemplated by this Agreement or could materially adversely affect the ability of Buyer to perform its obligations hereunder.

3.5 Qualification. Buyer is legally, financially and otherwise qualified to acquire and operate the KQTH Assets in compliance with the Communications Laws.

3.6 Solvency. No insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Buyer are pending or, to Buyer's knowledge, threatened. Buyer has not made an assignment for the benefit of creditors or taken any action with a view to, or that would constitute a valid basis for, the institution of any such insolvency proceedings.

ARTICLE 4: SELLER COVENANTS

4.1 Seller's Covenants. Between the date hereof and Closing, except as permitted by this Agreement or with the prior written consent of Buyer, which will not be unreasonably withheld, delayed or conditioned, Seller will take all commercially reasonable actions necessary to close the Scripps Transaction on terms that will enable the sale and transfer of the KQTH Assets to Buyer consistent with the terms of this Agreement, and will use commercially reasonable efforts to cause Scripps to:

(a) upon reasonable notice, give Buyer and its representatives reasonable access during normal business hours to the KQTH Assets, and furnish Buyer with information relating to the KQTH Assets, donor records, business contracts and records that Buyer may reasonably request, provided that such access rights will not be exercised in a manner that interferes with the operation of the Station or other Station owned by Scripps or its affiliates;

(b) not enter into any contract or commitment in relation to the Station's business or employees to which the Buyer will be bound or which will materially adversely affect Buyer's operation of the Station following Closing hereunder;

(c) not directly or indirectly, attempt to sell, offer to sell, advertise for sale, entertain offers for sale, or otherwise take any steps toward a possible sale of the Station or any portion of the Assets to any person other than Buyer or an assignee of Buyer, as permitted hereunder.

ARTICLE 5: JOINT COVENANTS

Buyer and Seller hereby covenant and agree as follows:

5.1 Confidentiality. Subject to the requirements of applicable law, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement (including without limitation all financial information provided by Seller to Buyer) will be confidential and will not be disclosed to any other person or entity before or after Closing, except the parties' representatives and lenders for the purpose of consummating the transaction contemplated by this Agreement. If this Agreement is terminated

prior to Closing, Buyer will, upon request, return to Seller all information obtained from Seller in connection with the transactions contemplated by this Agreement.

5.2 Announcements. Prior to Closing, no party will, without the prior written consent of the other, issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, except to the extent that such party is so obligated by law, in which case such party will give advance notice to the other, and except as necessary to enforce rights under or in connection with this Agreement. Notwithstanding the foregoing, the parties acknowledge that (a) this Agreement and the terms hereof will be filed with the FCC Application and thereby become public, and (b) Buyer may notify its existing listeners and donors of the planned acquisition of the Station in such a manner as it reasonably deems appropriate.

5.3 Control. Buyer will not, directly or indirectly, control, supervise or direct the operation of the Station prior to Closing.

5.4 Employees. The parties acknowledge that Buyer shall have no obligation to hire any employee of Seller, and Buyer shall not assume any employee liabilities from Seller.

ARTICLE 6: SELLER CLOSING CONDITIONS

The obligation of Seller to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Seller):

6.1 Representations and Covenants.

(a) The representations and warranties of Buyer made in this Agreement will be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Buyer at or prior to Closing will have been complied with or performed in all material respects.

(c) Seller will have received a certificate dated as of the Closing Date from Buyer executed by an authorized officer of Buyer to the effect that the conditions set forth in Sections 6.1(a) and (b) have been satisfied.

6.2 Proceedings. Neither Seller nor Buyer will be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

6.3 FCC Authorization. The FCC Consents will have been obtained and will have become a Final Order.

6.4 Deliveries. Buyer will have complied with its obligations set forth in Section 8.2.

6.5 Scripps Transaction. The closing of the Scripps Transaction shall have occurred.

ARTICLE 7: BUYER CLOSING CONDITIONS

The obligation of Buyer to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Buyer):

7.1 Representations and Covenants.

(a) The representations and warranties of Seller made in this Agreement will be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Seller at or prior to Closing will have been complied with or performed in all material respects.

(c) Buyer will have received a certificate dated as of the Closing Date from Seller executed by an authorized officer of Seller to the effect that the conditions set forth in Sections 7.1(a) and (b) have been satisfied.

(d) Seller will have provided to Buyer a modification of Paragraph 2.(b) of its Co-Location Agreement for the transmission antenna of KFLT-FM (Facility ID 81952) to be replaced with, "In the event FLB acquires a construction permit issued by the Federal Communications Commission to move the primary transmitter antenna from the Tower or in the event FLB ceases broadcasting for any reason from the current location, FLB may terminate this Agreement upon ninety (90) days' prior written notice to ALC."

7.2 Proceedings. Neither Seller nor Buyer will be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

7.3 FCC Consent. The FCC Consents will have been obtained and will have become a Final Order.

7.4 No Liens. The KQTH Assets will be free of all Liens.

7.5 Absence of Any Material Adverse Change. There will have been no material adverse change in the KQTH Assets.

7.6 Antenna Space License. Seller will have executed a new Antenna Space License, substantially in the form of *Schedule 7.6* (the “**Antenna Space License**”), for the Station’s main and auxiliary transmission antennae to be on Seller’s tower (Antenna Structure Registration #1237818) for \$3,000 per month for the first three years with an annual 3% increase after the initial three-year period, at the location and heights specified in the Governmental Licenses shown in *Schedule 1.1(a)*.

7.7 Deliveries. Seller will have complied with its obligations set forth in Section 8.1.

ARTICLE 8: CLOSING DELIVERIES

8.1 Seller Documents. At Closing, Seller will deliver or cause to be delivered to Buyer:

- (a) the certificate described in Section 7.1(c);
- (b) an assignment of the FCC Licenses from Seller to Buyer (“**Assignment of FCC Licenses**”);
- (c) its executed counterpart of the Antenna Space License;
- (d) a letter to the Escrow Agent authorizing the Escrow Agent to deliver the Deposit to Seller as partial payment of the Purchase Price (“**Escrow Release Letter**”);
- (e) a bill of sale conveying the other KQTH Assets from Seller to Buyer; and
- (f) any other instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the KQTH Assets from Seller to Buyer, free and clear of Liens.

8.2 Buyer Documents. At Closing, Buyer will deliver or cause to be delivered to Seller:

- (a) the Purchase Price in accordance with Section 1.4;
- (b) the certificate described in Section 6.1(c);
- (c) the Escrow Release Letter; and
- (d) its executed counterpart of the Antenna Space License.

ARTICLE 9: SURVIVAL; INDEMNIFICATION

The rights and obligations of Buyer and Seller under this Agreement will be subject to the following terms and conditions:

9.1 Survival of Representations and Warranties. Except as stated below, the representations and warranties of Buyer and Seller contained in this Agreement will not survive the Closing.

9.2 General Agreement to Indemnify.

(a) Seller on the one hand, and Buyer on the other hand (each, an “**Indemnifying Party**”), will indemnify, defend and hold harmless each other and any employee, representative, agent, director, officer, affiliate or permitted assign of the other (each, an “**Indemnified Party**”) from and against any and all claims, actions, suits, proceedings, liabilities, obligations, losses and damages, amounts paid in settlement, diminution of value, interest, costs and expenses, including reasonable attorneys’ fees, court costs and other out-of-pocket expenses incurred in investigating, preparing or defending the foregoing (collectively, “**Losses**”) asserted against, incurred or suffered by any Indemnified Party as a result of, arising out of or relating to: (i) the failure of any representation or warranty of the Indemnifying Party made in the Agreement to have been true and correct; or (ii) the breach by the Indemnifying Party of any covenant or agreement of such party contained in this Agreement to the extent not waived by the other party hereto. The term “**Losses**” is expressly limited to such party’s actual out-of-pocket costs and expenses that exceed Five Thousand Dollars (\$5,000) in the aggregate and does not and will not include any indirect, consequential punitive or exemplary damages.

(b) Seller further agrees to indemnify and hold harmless Buyer and any other Indemnified Party of Buyer from and against any Losses asserted against, incurred or suffered by Buyer or any other Buyer Indemnified Party arising out of, resulting from, or relating to the operation of the Station and ownership of the KQTH Assets during the period Seller owned the Station or the KQTH Assets, as the case may be.

(c) Buyer further agrees to indemnify and hold harmless Seller and any other Indemnified Party of Seller from and against any Losses asserted against, incurred or suffered by Seller or any other Seller Indemnified Party arising out of, resulting from, or relating to the operations of the Station and the KQTH Assets after the Closing Date.

9.3 General Procedures for Indemnification.

(a) The Parties will cooperate in the defense or prosecution of any claims of third parties and will furnish such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials and appeals, as may be reasonably requested in connection therewith.

(b) Each Party will have the right to participate in, at its own expense, the defense of any third party claim that the other is defending, as provided in this Agreement.

9.4 Limitations. Neither Party will be required to indemnify the other Party under this Article 9 unless written notice of a claim under this Article 9 was received by a Party within one year following the Closing.

ARTICLE 10: TERMINATION

10.1 This Agreement may be terminated at any time prior to Closing:

- (a) by the mutual written consent of Seller and Buyer;
- (b) by written notice of Seller to Buyer if Buyer: (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by Buyer on or before the Closing Date in any

material respect; (ii) breaches in any material respect any of Buyer's representations or warranties; or (iii) defaults in any material respect in the performance of any of Buyer's covenants or agreements under this Agreement; and in any of which events such breach or default is not cured within the Cure Period (as defined below), if applicable;

(c) by written notice of Buyer to Seller if Seller: (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by Seller on or before the Closing Date in any material respect; (ii) breaches in any material respect any of Seller's representations or warranties; or (iii) defaults in any material respect in the performance of any of Seller's covenants or agreements under this Agreement; and in any of which events such breach or default is not cured within the Cure Period (as defined below), if applicable;

(d) by written notice of Seller to Buyer, or Buyer to Seller if the FCC Consents have not been obtained within 180 days of the filing of the FCC Application, or the Closing has not been completed within one (1) year of the filing of the FCC Application.

10.2 Cure Period. The term "**Cure Period**" as used herein means a period commencing with the date that Buyer or Seller receives from the other Party written notice of breach or default hereunder and continuing until thirty (30) days thereafter; provided, however, that if the breach or default cannot reasonably be cured within such period but can be cured before the intended Closing Date or 30 days thereafter, and if diligent efforts to cure promptly commence, then the Cure Period will continue as long as such diligent efforts to cure continue, but not beyond the Closing Date.

10.3 Liability; Right to Terminate. A termination of this Agreement will not relieve any Party hereto of any liability for which it otherwise would be subject. Notwithstanding anything in this Agreement to the contrary, no Party that is in material breach of this Agreement will be entitled to terminate this Agreement except with the written consent of the other Party.

10.4 Payment of Escrow Amount.

(a) Buyer's Default. Upon a termination of this Agreement by Seller pursuant to Section 10.1(b) due to a breach by Buyer of any of its material obligations under this Agreement, Seller's sole remedy will be delivery of the Deposit, including all interest earned thereon, from the Escrow Agent, as liquidated damages. Seller and Buyer each acknowledge that these liquidated damages are reasonable in light of the anticipated harm that would be caused by Buyer's breach of any of its material obligations under this Agreement and the difficulty of ascertaining damages and proof of loss and that these damages are not a penalty.

(b) Seller's Default. Upon a termination of this Agreement by Buyer pursuant to Section 10.1(c) due to a breach by Seller of any of its material obligations under this Agreement, Buyer's sole remedy will be return of its Deposit (and all accrued interest thereon) or specific performance, as provided in Section 10.4(d).

(d) Other Termination. Upon a termination of this Agreement for any reason other than as a result of a breach by either Party of its material obligations under this Agreement, Buyer will be entitled to the return of the Escrow Amount, including all interest earned thereon, and thereafter neither Party will have any further obligation to the other under this Agreement.

(d) Specific Performance. Seller acknowledges that the Station is a unique asset not readily obtainable on the open market and money damages alone will not be adequate to compensate Buyer for its injury if Seller breaches its obligations under this Agreement. Therefore, Seller agrees and acknowledges that in the event of Seller's failure to perform its obligation to consummate the transactions contemplated hereby, Buyer will be entitled to seek specific performance of this Agreement by Seller and in such proceeding, Seller will waive the defense that there is an adequate remedy at law. The prevailing party in litigation will be entitled to receive from the non-prevailing party all court costs, attorney's fees and other out-of-pocket expenses incurred by the prevailing party in enforcing or defending its rights under this provision.

ARTICLE 11: MISCELLANEOUS

11.1 Expenses. Each party will be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. All governmental fees and charges applicable to the request for FCC Consent will be paid one-half by Seller and one-half by Buyer. Buyer will be solely responsible for all governmental taxes, fees and charges applicable to the transfer of the KQTH Assets under this Agreement. Each party is responsible for any commission, brokerage fee, advisory fee or other similar payment that arises as a result of any agreement or action of it or any party acting on its behalf in connection with this Agreement or the transactions contemplated hereby. Without limiting the foregoing, the brokerage fee of Kalil & Company with respect to the transaction is the sole responsibility of and will be paid by Seller.

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

11.3 Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto, provided, however, that Buyer may assign its rights hereunder to an affiliate of Buyer upon written notice to, but without consent of, Seller, provided that (i) any such assignment does not delay processing of the FCC Application, grant of the FCC Consent or Closing, and (ii) any such assignee delivers to Seller a written assumption of this Agreement. The terms of this Agreement will bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment will relieve any party of any obligation or liability under this Agreement.

11.4 Notices. Any notice pursuant to this Agreement will be in writing and delivered by reputable overnight courier, such as Federal Express. Notices will be deemed delivered on actual receipt, or if delivery is refused by the intended recipient, on first attempted delivery. Notices will be addressed as follows (or to such other address as any party may request by written notice):

if to Seller:	Arizona Lotus Corp. 3301 Barham Boulevard Los Angeles, California 90678 Attention: Howard A. Kalmenson
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with a copy (which will not constitute notice) to:	McLaughlin & Stern, LLP 1010 Northern Boulevard, Suite 400 Great Neck, New York 11021
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Attention: Eileen Breslin

if to Buyer:

Family Life Broadcasting, Inc.
7355 N. Oracle Road
Tucson, AZ 85704
Attention: Adam Biddell

with a copy (which will not
constitute notice) to:

Hardy, Carey, Chautin & Balkin, LLP
1080 West Causeway Approach,
Mandeville, LA 70471
Attention: Joseph C. Chautin, III

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

11.6 Entire Agreement. This Agreement (including the Schedules hereto) constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement.

11.7 Severability. If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement will be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein will not be affected or impaired thereby, provided, however, that the Parties will attempt in good faith to renegotiate the affected provisions to achieve, as closely as possible, their original intent as expressed herein.

11.8 Governing Law. The construction and performance of this Agreement will be governed by the laws of the State of Delaware, without giving effect to the choice of law provisions thereof. The prevailing party in a lawsuit brought to enforce the performance or compliance of any provision of this Agreement may recover reasonable attorneys' fees and costs from the non-prevailing party.

11.9 Defined Terms; Construction.

(a) Defined Terms. As used herein, the following terms will have the meanings ascribed to them below.

"Agreement" has the meaning set forth in the introductory paragraph.

"Business Day" means any day other than Saturday, Sunday and any day on which commercial banks located in Tucson, Arizona, Los Angeles, California, or New York City are authorized or obliged to close.

"Buyer" has the meaning set forth in the introductory paragraph.

"Closing" has the meaning set forth in Section 1.8.

"Closing Date" has the meaning set forth in Section 1.8.

"Collateral APA" means the asset purchase agreement, dated the date hereof, between Seller and the purchaser of the Collateral Station.

"Collateral Application" means the application on FCC Form 314 for the FCC's consent of the assignment contemplated in the Collateral APA.

"Collateral Station" means the station comprising one of the Scripps Assets that Seller will acquire under the Scripps APA.

"Collateral Transaction" means the transactions contemplated by the Collateral APA.

"Communications Act" means the Communications Act of 1934, as amended.

"Communications Laws" means the Communication Act and the FCC Rules and Regulations.

"FCC" means the Federal Communications Commission.

"FCC Collateral Consent" means the consent of the FCC to the Collateral Application, which is not subject to any condition materially adverse to the buyer under the Collateral APA.

"FCC Consents" means, collectively, the FCC KQTH Consent, the FCC Scripps Consent and the FCC Collateral Consent.

"FCC KQTH Consent" means the consent of the FCC to the KQTH Application, which is not subject to any condition materially adverse to Buyer, in its reasonable discretion.

"FCC Licenses" has the meaning set forth in Section 1.

"FCC Rules and Regulations" means and the rules, regulations and policies of the FCC in effect from time to time.

"FCC Scripps Consent" means the consent of the FCC to the Scripps Application, which is not subject to any condition materially adverse to the Seller.

"Holdings" means Scripps Broadcasting Holdings, LLC.

"KQTH Assets" has the meaning set forth in Section 1.

"Person" means any natural person or entity.

"Scripps" means, collectively, Holdings and Scripps Media, Inc.

“Scripps Application” means the application on FCC Form 314 for the FCC’s consent of the assignment contemplated in the Scripps APA.

“Scripps Assets” means the Arizona Assets, as defined in the Scripps APA.

“Scripps APA” means the Asset Purchase Agreement, dated the date hereof, between Scripps and Seller.

“Scripps’ A/R” has the meaning ascribed to such term in the Scripps APA.

“Scripps Transaction” means the transactions contemplated by the Scripps APA.

“Seller” has the meaning set forth in the introductory paragraph.

“Station” means FM Broadcast Station KQTH, Tucson, Arizona, FCC Facility Identification Number 20403.

(b) Construction. In this Agreement, unless otherwise specified or where the context otherwise requires: (i) headings are inserted for convenience only and do not form part of this Agreement or serve as a limitation or expansion on the scope of any term or provision of this Agreement; (ii) words importing any gender include other genders; (iii) the singular number will include the plural and vice versa; (iv) the word “include” and cognate terms will be deemed to be followed by the words “without limitation”; (v) the words “hereof” and cognate terms, unless otherwise stated, will be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement; (vi) references to “Articles,” “Sections,” “Exhibits” and other subdivisions are to Articles, Sections, Exhibits and other subdivisions of or to this Agreement; (vii) references to (1) any Person include the successors and permitted assigns of such Person, (2) any agreement or document, including a reference to this Agreement, is to the agreement or document as amended, varied, supplemented, novated or replaced, except to the extent prohibited by this Agreement or that other agreement or document, (3) any legislation or to a provision of legislation includes any modification or reenactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it, (4) other than in the case of notices under this Agreement, to a writing includes a facsimile or email transmission of it and any means of reproducing its words in a tangible and permanently visible form; (viii) unless otherwise specified, all references to a specific time of day are based on Eastern Standard Time or Eastern Daylight Savings Time, as applicable, on the date in question in New York City; (ix) no actions will be required of the Parties, except on a Business Day, and if an action is required on a day that is not a Business Day, such action will be deemed required to be performed on the next Business Day (all references to “days” mean calendar days unless Business Day is specified); and (x) time periods within or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the time period begins and including the day on which the time period ends, and by extending the period to the next Business Day following if the last day of the time period is not a Business Day.

11.10 Counterparts. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement.

[Signature Page Follows]

Signature Page to Asset Purchase Agreement

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

SELLER:

Arizona Lotus Corp.

By: 

Name: Howard Kalmenson

Title: President

BUYER:

Family Life Broadcasting, Inc.

By: _____

Name: Evan Carlson

Title: Executive Vice President

Signature Page to Asset Purchase Agreement

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

SELLER: **Arizona Lotus Corp.**

By: _____
Name: Howard Kalmenson
Title: President

BUYER: **Family Life Broadcasting, Inc.**

By: Evan Carlson
Name: Evan Carlson
Title: Executive Vice President

Schedule 1.1(a)
Governmental Licenses

<u>Description</u>	<u>File Number</u>	<u>Expiration Date</u>
KQTH Broadcast Station License	BLH-20050428ABN	10/01/2021
KQTH Auxiliary Station License	BXLH-20070208AAJ	10/01/2021
Studio-to-Transmitter Link		10/01/2021
Digital Broadcasting Notice	20140226AFV	10/01/2021