

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, dated as of January 29, 2016 (this "Agreement"), by and among CALVARY CHAPEL CHURCH, INC., a Florida non-profit corporation ("CCC"), and GILLEN BROADCASTING CORPORATION, a Florida Sub Chapter S Corporation ("GBC").

WITNESSETH:

WHEREAS, CCC is the permittee of the FM translator station W239BZ (FIN: 138555), Sandy, Florida ("CCC Station"); and

WHEREAS, on the terms and conditions described herein and subject to the approval of the Federal Communications Commission ("FCC"), GBC desires to acquire and CCC desires to sell and assign certain assets and the FCC authorization associated with the CCC Station.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Sale of Assets.**

(a) On the Closing Date (as hereinafter defined), CCC shall sell, assign and transfer to GBC, and GBC shall purchase, assume and receive from CCC, the assets, properties, interests and rights of CCC of whatsoever kind and nature, which are held by CCC and used or held for use in connection with the operation of the CCC Station (the "CCC Assets") (but excluding the CCC Excluded Assets described in subparagraph (c) below). The CCC Assets shall include the license and other authorizations, including the authorizations issued by the FCC (the "CCC Authorizations"), the Federal Aviation Administration (the "FAA"), if any, and any other federal, state or local governmental authorities to GBC in connection with the conduct of the business or operations of the CCC Station, along with any files or records related thereto.

(b) The CCC Assets shall be transferred to GBC free and clear of all liens, claims and encumbrances, except for taxes not yet due and payable ("Permitted Liens"). Except as expressly set forth herein, GBC is not agreeing to, and shall not, assume any liability, obligation, undertaking, expense or agreement of CCC of any kind, absolute or contingent, known or unknown, specifically including, without limitation, any liability, obligation or agreement to retain any CCC employee, or with respect to termination thereof, or any employee benefit or expense, and the execution and performance of this Agreement shall not render GBC liable for any such liability, obligation, undertaking, expense or agreement. All of such liabilities and obligations shall be referred to herein as the "CCC Retained Liabilities."

(c) The following assets and associated liabilities relating to the business of the CCC Station shall be retained by CCC and shall not be sold, assigned or transferred to GBC (the "CCC Excluded Assets"):

- (i) Cash on hand and in banks (or their equivalents) and accounts receivable arising out of the operation of the CCC Station prior to Closing;
- (ii) All rights of CCC under all contracts, leases and agreements, including contracts of insurance and insurance proceeds of settlement and insurance claims made by CCC;
- (iii) All deposits and all prepaid expenses and taxes;
- (iv) CCC's corporate records; and
- (v) Any and all assets primarily used and or held for use in the operation of any of CCC's stations or other operations other than the CCC Station.

2. **Purchase Price.** Upon the terms and subject to the conditions contained in this Agreement and in consideration of the sale of the CCC License and Assets to GBC,

(a) **Purchase Price.** The Purchase Price to be paid by GBC at Closing for the CCC Assets shall be Thirty-Five Thousand Dollars (\$35,000.00).

(b) **Deposit.** Concurrently with the execution hereof GBC shall pay to CCC a deposit in the amount of Five Thousand Dollars (\$5,000.00) (the "**Deposit**") for the CCC Station. The Deposit shall be credited toward the Purchase Price at Closing, and GBC shall pay CCC the balance of the Purchase Price (being Thirty Thousand Dollars (\$30,000.00)) at Closing. In the event this Agreement is terminated in accordance with its terms for any reason other than GBC's material default, CCC shall immediately refund the Deposit to GBC by wire transfer of immediately available funds.

(c) **Prorations.** The parties agree to prorate all income and expenses arising out of the operation of the CCC Station which are incurred, accrued or payable, as of 11:59 p.m. local time of the day preceding the Closing between CCC and GBC in accordance with generally accepted accounting principles. On the Closing Date, the prorations (if any) shall, insofar as feasible, be determined and paid on the Closing Date.

3. **FCC Consent; Assignment Application.** At the earliest mutually agreeable date, but not later than five (5) business days after the date of this Agreement, GBC and CCC shall execute, file and diligently prosecute an application with the FCC (an "**Assignment Application**") requesting its consent (the "**FCC Consent**") to the assignment from CCC to GBC of the CCC Authorizations. GBC and CCC shall take all commercially reasonable steps to cooperate with each other and with the FCC to secure such FCC Consent without delay, and to promptly consummate this Agreement in full.

4. **Closing Date; Closing Place.** The consummation of the transactions contemplated by this Agreement (the "**Closing**") shall occur on a date (the "**Closing Date**") which shall be no later than ten (10) business days following the date on which the FCC Consent is granted by the FCC's staff; provided, if any petition to deny or informal objection was filed

against the Assignment Application, GBC shall have the option, upon written notice to CCC, to delay Closing until ten (10) business days following the date on which the FCC Consent has become a Final Order (as hereinafter defined). For purposes of this Agreement, the term "Final Order" means action by the FCC consenting to an application which is not reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no timely request for stay, petition for rehearing or appeal is pending, and as to which the time for filing any such request, petition or appeal or reconsideration by the FCC on its own motion has expired. The Closing shall be held by electronic delivery of documents and funds, or in such other manner as mutually agreed upon by the parties.

5. **Representations and Warranties of CCC.** CCC hereby makes the following representations and warranties to GBC:

(a) CCC is a non-profit corporation duly organized, validly existing and in good standing under the laws of the State of Florida. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by CCC and no other proceedings on the part of CCC are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement and each ancillary document and instrument to be executed and delivered hereunder (the "Transaction Documents") have been and will be duly and validly executed and delivered by CCC and constitute and will constitute the legal, valid and binding agreement of CCC enforceable in accordance with their terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

(b) The execution, delivery and performance of this Agreement by CCC will not (i) conflict with or result in any breach of any provision of the articles of incorporation or by-laws or other governing documents of CCC, or (ii) require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.

(c) Schedule 1 hereto contains a true and complete list of the CCC Authorizations and all other permits or other authorizations from governmental or regulatory authorities that are required for the construction of the CCC Station as proposed by CCC. CCC makes no representation or warranty as to the suitability of the CCC Authorization for any modifications that GBC may wish to make. CCC is the authorized legal holder of all CCC Authorizations, none of which is subject to any restrictions or conditions that would limit in any respect the broadcast operations of the CCC Station, except such conditions that are applicable to FM translator stations generally or are stated on the face thereof and as identified on Schedule 1 hereto. The CCC Authorizations are validly issued and are in full force and effect, unimpaired by any act or omission of CCC, and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. Other than the proceedings affecting the radio broadcasting industry generally, (i) there is not now pending or threatened any action by or before the FCC to revoke, cancel, rescind, modify or refuse to renew any of the CCC Authorizations, and (ii) CCC has not received any notice of and has no knowledge of any pending, issued or outstanding order by or before the FCC, or of any investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against the CCC Station or CCC

with respect to the CCC Station. CCC has timely filed with the FCC all material reports required thereby and has timely paid any fines or forfeitures due to the FCC with respect to the CCC Station.

(d) Other than CMS Station Brokerage, whose fee is to be paid by GBC, there is no broker or finder fee in connection with this Agreement and/or the transactions contemplated hereby as a result of this agreement, understanding or action by CCC.

(e) There is no litigation, proceeding or governmental investigation pending or to the knowledge of CCC, threatened, in any court, arbitration board, administrative agency, or tribunal against or relating to CCC, or the CCC Station that could prevent or materially impede the consummation by CCC of the transactions contemplated by this Agreement. CCC has complied and is in compliance with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any court or of any foreign, federal, state, municipal or other governmental authority which are applicable to the CCC Station or the CCC Assets.

(f) All of the CCC Assets that are insurable in character are insured against loss, injury or damage to the full extent of their replacement value.

(g) To the best of CCC's knowledge, no event has occurred which could impose on CCC any liability for any taxes, penalties or interest due or to become due from CCC from any taxing authority.

6. **Representations and Warranties of GBC.** GBC hereby makes the following representations and warranties to CCC:

(a) GBC is a sub-chapter S corporation, duly organized, validly existing and in good standing under the laws of the State of Florida. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by GBC and no other proceedings on the part of GBC are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement and the Transaction Documents have been and will be duly and validly executed and delivered by GBC and constitute and will constitute the legal, valid and binding agreement of GBC enforceable in accordance with their terms, except as may be limited by bankruptcy, insolvency or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

(b) The execution, delivery and performance of this Agreement by GBC will not require the consent or approval of any governmental authority, lending institution or other third party other than the FCC Consent.

(c) GBC is legally, technically and financially qualified to acquire and hold the CCC Authorizations, and knows of no reason related to GBC why the FCC would not grant the FCC Consent.

(d) There is a broker or finder fee in connection with this Agreement and/or

the transactions contemplated hereby, and GBC shall pay such broker fee of 5% to CMS Station Brokerage.

7. **CCC Covenants.** CCC covenants with GBC that, between the date hereof and the Closing Date, it shall act in accordance with the following:

(a) CCC shall operate only in the ordinary course of business and in accordance with past practice and in compliance with applicable law, and CCC will not, without the prior written consent of GBC, sell, lease, transfer or agree to sell, lease or transfer any of the CCC Assets without replacement thereof with an equivalent asset of equivalent kind, condition and value that satisfies industry standards for such assets, or create any lien on the CCC Assets.

(b) CCC shall maintain the permit for the CCC Station in full force and effect and in material compliance with applicable law, including FCC rules and regulations, shall not modify the CCC Authorizations and shall file with the FCC any required reports with respect to the CCC Authorizations.

(c) CCC has and shall maintain in full force and effect through the Closing Date adequate property damage, liability and other insurance with respect to the CCC Assets.

8. **Conditions Precedent to Obligation to Close.**

(a) The performance of the obligations of CCC hereunder is subject to the satisfaction of each of the following express conditions precedent:

(i) GBC shall have performed and complied in all material respects with all of the agreements, obligations and covenants required by this Agreement to be performed or complied with by GBC prior to or as of the Closing Date;

(ii) The representations and warranties of GBC set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(iii) The FCC Consent contemplated by this Agreement shall have been granted;

(iv) No order, decree or judgment of any court, agency or other governmental authority shall have been rendered, against any party hereto which would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; and

(v) GBC shall have tendered all deliveries required by Section 10(b).

(b) The performance of the obligations of GBC hereunder is subject to the satisfaction of each of the following express conditions precedent:

(i) CCC shall have performed and complied in all material respects with all the agreements, obligations and covenants required by this Agreement to be performed or complied with by CCC prior to or as of the Closing Date;

(ii) The representations and warranties of CCC set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Closing Date;

(iii) The FCC Consent contemplated by this Agreement shall have been granted;

(iv) No order, decree or judgment of any court, agency or other governmental authority shall have been rendered, against any party hereto which would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms;

(v) There shall not be any liens, claims or encumbrances, except Permitted Liens, on the CCC Assets; and

(vi) CCC shall have tendered all deliveries required by Section 10(a).

10. **Closing Deliveries.**

(a) At the Closing, CCC will execute and deliver to GBC the following:

(i) An Assignment of the CCC Authorizations; and

(ii) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as GBC shall reasonably request.

(b) At the Closing, GBC shall deliver to CCC the following:

(i) The balance of the Purchase Price, delivered in accordance with instructions from CCC to GBC; and

(ii) Such other documents, instruments and agreements necessary to consummate the transactions contemplated by this Agreement or as CCC shall reasonably request.

11. **Survival and Indemnification.**

(a) **Survival.** The several representations and warranties of CCC and GBC contained in or made pursuant to this Agreement shall expire on the date that is one (1) year after the Closing Date, except those that relate to Damages (defined below) for which written notice is

given by the indemnified party to the indemnifying party prior to the expiration, which shall survive until resolved. The covenants and agreements in this Agreement shall survive Closing until performed.

(b) Indemnification.

(i) From and after Closing, CCC shall defend, indemnify and hold harmless GBC from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by GBC arising out of or resulting from: (A) any breach or default by CCC under this Agreement, (B) the business or operation of the CCC Station before Closing, or (C) the CCC Retained Liabilities.

(ii) From and after Closing, GBC shall defend, indemnify and hold harmless CCC from and against any and all Damages incurred by CCC arising out of or resulting from (A) any breach or default by GBC under this Agreement or (B) the business or operation of the CCC Station after Closing.

(c) Procedures.

(i) 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 11(a).

(ii) The indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel reasonably satisfactory to the parties. 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.

(iii) Notwithstanding anything herein to the contrary:

(A) 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;

(B) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such Claim; and

(C) 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.

12. **Termination.** This Agreement may be terminated by either GBC or CCC upon written notice to the other upon the occurrence of any of the following: (i) if, on or prior to the Closing Date, the other party breaches any of its material obligations contained herein, and such breach is not cured by the earlier of the Closing Date or thirty (30) days after receipt of the notice of breach from the non-breaching party; or (ii) if the Assignment Application is designated for hearing or denied; or (iii) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing of this Agreement; or (iv) if the Closing has not occurred within one year of the date of this Agreement. Termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Sections 18 (Expenses) and 23 (Confidentiality) shall survive any termination of this Agreement.

13. **Specific Performance.** The parties acknowledge that the CCC Station is a unique asset not readily available on the open market and that in the event that CCC fails to perform its obligation to consummate the transaction contemplated hereby, irreparable harm may occur to GBC as to which money damages would be difficult to quantify and which alone will not be adequate to compensate GBC for its injury. The parties therefore agree and acknowledge that in the event of a failure by CCC to perform its obligation to convey the assets in connection with the consummation of the transaction contemplated hereby, in addition to any other remedies available to it, GBC shall be entitled to elect to obtain specific performance requiring CCC to fulfill its obligations under this Agreement, without the necessity of posting bond.

14. **Notices.** All notices, elections and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery (or refusal thereof), or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery, or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to CCC, to:

Calvary Chapel Church, Inc.
Attn: Rick Reynolds
2701 West Cypress Creek Road
Fort Lauderdale, Florida 33309
Email: rick@calvaryftl.org

With copies (which shall not constitute notice) to:

Dawn M. Sciarrino
Sciarrino & Shubert, PLLC
Prior to March 1, 2016: 5425 Tree Line Drive
Centreville, VA 20120

After March 1, 2016: 4601 N. Fairfax Drive
Suite 1200
Arlington, VA 22203

and

Paul R. Alfieri, General Counsel
Calvary Chapel Church, Inc.
2401 West Cypress Creek Road
Fort Lauderdale, FL 33309

If to GBC, to:

Gillen Broadcasting Corporation
Attn: Douglas J. Gillen
7120 SW 24th Avenue
Gainesville, Florida 32607

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

Wiley Rein LLP
1776 K Street NW
Washington, DC 20006
Attention: Mark Lipp

15. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Florida, without giving effect to the choice of law principles thereof.

16. **Partial Invalidity.** Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any provision contained herein shall, for any reason, be held to be invalid or unenforceable, such provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remainder of such provision or any other provisions hereof, unless such a construction would be unreasonable and so long as no party is deprived of the benefits of this Agreement in any material respect.

17. **Counterparts.** This Agreement may be executed in several counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument. Facsimile and electronic signatures shall be treated as originals for all purposes.

18. **Expenses.** Except as otherwise set forth in this Section, each party hereto shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. Each party shall be responsible for one-half of the FCC filing fee for the Assignment Application.

19. **Risk of Loss.** The risk of any loss, taking, condemnation, damage or destruction of or to any of the CCC Assets related to the CCC Station (each, an “*Event of Loss*”) on or prior to the Closing Date shall be upon CCC, and the risk of any Event of Loss subsequent to the Closing Date shall be upon GBC.

20. **Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may voluntarily or involuntarily assign its interest or delegate its duties under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve a party of any obligation or liability under this Agreement.

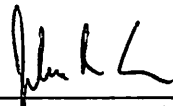
21. **Entire Agreement.** This Agreement, and the Schedules attached hereto, supersedes all prior agreements and understandings between the parties with respect to the subject matter hereof and may not be changed or terminated orally, and no attempted change, amendment, or waiver of any of the provisions hereof shall be binding unless in writing and signed by both parties.

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

23. **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 shall be confidential and shall not be disclosed to any other person or entity, except the parties’ representatives and lenders for the purpose of consummating the transactions contemplated by this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Asset Purchase Agreement as of the day and year first above written.

CALVARY CHAPEL CHURCH, INC.

By: 
Douglas R. Sauder, President

GILLEN BROADCASTING CORPORATION

By: _____
Douglas J. Gillen., President

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IN WITNESS WHEREOF, the parties hereto have executed this Asset Purchase Agreement as of the day and year first above written.

CALVARY CHAPEL CHURCH, INC.

By: _____
Douglas R. Sauder, President

GILLEN BROADCASTING CORPORATION

By: Douglas J. Gillen
Douglas J. Gillen, President

Schedule 1
CCC Authorization

Current FCC License
(FIN: 138555),
Sandy, Florida

Permit issued April 25, 2013 (expires 36 months later)