

## **ASSET PURCHASE AGREEMENT**

This Asset Purchase Agreement (this “Agreement”) is made this 16th day of December, 2010, by and between the Northern California Conference of Seventh-day Adventists, a California nonprofit corporation, d/b/a Northern California Conference Association of Seventh-day Adventists (“Seller”), and Better Life Television, Inc., an Oregon nonprofit corporation (“Buyer”).

**WHEREAS**, Seller is the licensee of low power television station K33HH, Redding, California (Facility ID #49529) (the “Station”), and the holder of certain authorizations issued by the Federal Communications Commission (“FCC” or “Commission”) to construct and operate the Station; and

**WHEREAS**, Vibrant Living Broadcasting (“VLB”) has operated and is operating the Station as a division of Seller, under the supervision and control of Seller; and

**WHEREAS**, Seller desires to sell and assign the Station and related assets to Buyer, and Buyer desires to buy and acquire the Station and related assets; and

**WHEREAS**, broadcast authorizations may not be assigned without the prior approval of the FCC;

**NOW, THEREFORE**, in consideration of the mutual promises and covenants made herein, Buyer and Seller, intending to be legally bound, hereby agree as follows:

1. **ASSETS SOLD AND PURCHASED.** Subject to the approval of the FCC and to the terms and conditions hereof, Seller agrees to sell and Buyer agrees to purchase the following assets (the “Assets”), all of which Seller warrants are free and clear of any and all liens and encumbrances of any nature whatsoever.

A. **FCC Authorizations.** The current license for the Station, the construction permit anticipated to result from the pending digital displacement application in File No. BDISDTL-20091214AEX (if granted prior to Closing), and all other FCC authorizations used or useful in the operation of the Station, all as listed in Exhibit A.

B. **Equipment.** Seller's equipment and other personal property used or useful in the construction and operation of the Station and listed in Exhibit B (the "Personal Property").

C. **Technical Data.** All of Seller's schematics, blueprints, engineering data and other technical information pertaining to the construction and operation of the Station.

D. **Antenna Site License.** All of Seller's interest in and rights and privileges under that certain Site License Agreement between VLB and Mountain Communications, Inc., dated August 1, 2010 (the "Site License").

2. **PURCHASE PRICE.** In consideration of the sale and assignment of the Assets from Seller to Buyer, Buyer shall pay Seller the sum of the Ten Dollars (\$10.00) (the "Purchase Price") at the Closing.

3. **FCC APPROVAL.** Within Five (5) business days of executing this Agreement, the parties shall promptly prepare and file an application (the "Application") with the FCC for its consent to the assignment of the Station. The parties agree to cooperate to prosecute the Application in good faith and with due diligence. Consummation of the transaction contemplated herein is subject to the prior consent of the FCC by granting the Application, without any condition materially adverse to Buyer. Such grant shall be deemed to have become final after the time for reconsideration or administrative or judicial review has expired with no

request for reconsideration or review pending or unresolved. The parties may agree to waive the requirement that the FCC's consent shall have become final.

4. **CLOSING.** Provided that the conditions specified in this Agreement have been met, the consummation of the transaction contemplated herein (the "Closing") shall take place within Five (5) business days of the date on which the Commission's consent to the assignment of the Station from Buyer to Seller shall have become final (as defined in Section 3 above), or at such other time as the parties may agree upon. The Closing shall take place at such location as the parties may agree upon. After the Closing, Seller shall have no retained or reversionary interest in the Station.

5. **COSTS.** All federal, state and local taxes, if any, applicable to the transaction contemplated herein shall be paid by Buyer. Buyer shall be solely responsible for the expense incurred by both parties in drafting this Agreement and in preparing, filing and prosecuting the Application insofar as the legal services for such activities are provided by counsel of Buyer's selection. Fees paid to the FCC in connection with this transaction shall be borne by Buyer. Buyer and Seller represent and warrant to each other that neither is bound or obligated to pay any sales commission or broker's or finder's fees in connection with the transaction contemplated herein.

6. **SELLER'S LIABILITIES.** Liabilities of Seller and VLB in any way related to the operation or ownership of the Station prior the Closing shall remain Seller's responsibility. It is expressly agreed and understood that Buyer will not accept or assume any such liability.

7. **SELLER'S REPRESENTATIONS AND WARRANTIES.** Seller represents, warrants and covenants as follows:

A.     **Organization and Standing of Seller.** Seller is a nonprofit California corporation duly organized and validly existing and in good standing under the laws of that state, and possesses all corporate power necessary to own and operate the Station and to carry out the provisions of this Agreement.

B.     **Seller's Authority.** Except as stated in this Agreement, Seller has full power and authority to sell, assign and convey the Assets, and to execute, deliver and perform this Agreement.

C.     **Seller Holds a Current Valid FCC Authorization.** Seller has the power and authority to own and operate the Station and holds, and at the Closing will hold, the current and valid authorization(s) from the FCC which is(are) necessary for Seller to own and operate the Station. There are no pending or threatened legal or regulatory enforcement actions or proceedings concerning the Station with respect to any federal, state or local governmental body.

D.     **Good Title to Property.** Seller has, and on the date of the Closing will have, clear title and ownership, free of all liens and encumbrances, to all of the Assets.

E.     **Claims and Litigation.** Except for legal and regulatory proceedings that may affect the low power television industry as a whole, there is no claim, litigation or proceeding pending or threatened which affects the title or interest of Seller to or in any of the Assets, or which would prevent or adversely affect the ownership, construction, use or operation of the Station by Buyer. Seller is not bound by any agreement, contract, or regulatory obligation that would preclude the consummation of this transaction or that is inconsistent with the purpose and intent of this Agreement.

F.     **Disclosure.** No representation or warranty made by Seller in this

Agreement or in any statement or certification made to Buyer in connection with the transaction contemplated herein will contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements contained therein not misleading.

8. **BUYER'S REPRESENTATIONS WARRANTIES.** Buyer represents, warrants and covenants to Seller as follows:

A. **Buyer's Organization and Standing.** Buyer is a nonprofit Oregon corporation duly organized and validly existing and in good standing under the laws of the state of Oregon, and possesses all corporate power necessary to own and operate the Station and to carry out the provisions of this Agreement.

B. **Disclosure.** No representation or warranty made by Buyer in this Agreement or in any statement or certification made to Seller in connection with the transaction contemplated herein will contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements contained therein not misleading.

9. **RISK OF LOSS.** Risk of loss of the Assets shall be upon Seller until the Closing, and after the Closing is consummated, upon Buyer.

10. **INDEMNIFICATION BY SELLER.** Seller shall indemnify and hold harmless Buyer with respect to any and all of the following:

A. **Operations Prior to Closing.** Any and all liabilities, claims, obligations and demands arising out of the operation and ownership of the Station (including but not limited to claims related to compliance with FCC rules and regulations) prior to the Closing, any breach by Seller of this Agreement, or any inaccuracy in or breach of any representation, warranty, or covenant made by Seller herein.

B. **Defense.** Should any claim covered by the foregoing indemnity be asserted against Buyer, Buyer shall notify Seller promptly and give Seller an opportunity to defend the same. Buyer shall extend reasonable cooperation to Seller in connection with such defense. In the event that Seller fails to defend the same within a reasonable time, Buyer shall be entitled, but not obligated, to assume the defense thereof. In that event, Seller shall be liable to reimburse Buyer for all costs and damages suffered by Buyer and all of Buyer's expenses reasonably incurred in connection with such defense (including, but not limited to, reasonable attorney's fees and settlement payments).

11. **INDEMNIFICATION BY BUYER.** Buyer shall indemnify and hold harmless Seller with respect to any and all of the following:

A. **Operation after Closing.** Any and all liabilities, claims, obligations and demands arising out of the operation or ownership of the Station after the Closing, any breach by Buyer of this Agreement, or any inaccuracy in or breach of any representation, warranty, or covenant made by Buyer herein.

B. **Defense.** Should any claim covered by the foregoing indemnity be asserted against Seller, Seller shall notify Buyer promptly and give Buyer an opportunity to defend the same. Seller shall extend reasonable cooperation to Buyer in connection with such defense. In the event that Buyer fails to defend the same within a reasonable time, Seller shall be entitled, but not obligated, to assume the defense thereof. In that event, Buyer shall be liable to reimburse Seller for all costs and damages suffered by Seller and all of Seller's expenses reasonably incurred in connection with such defense (including, but not limited to, reasonable attorney's fees and settlement payments).

**12. CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE.**

Buyer shall not be obligated to close hereunder unless and until the following conditions have been met:

A. The FCC shall have given its consent to the assignment of the FCC authorizations from Seller to Buyer, and such consent shall have become final as that term is defined in Section 3.

B. Seller shall have obtained the written consent of the licensor of the Station's antenna site to the assignment of Seller's interest in the Site License to Buyer.

C. Seller shall have performed and complied with all of the agreements, obligations and conditions required by this Agreement.

D. Seller shall hold a valid, current and unexpired license for the Station.

E. The representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects on and as of the date of the Closing.

**13. CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO CLOSE.**

Seller shall not be obligated to close hereunder unless and until the following conditions have been met:

A. The FCC shall have given its consent to the assignment of the FCC authorizations from Seller to Buyer, and such consent shall have become final as that term is defined in Section 3.

B. Buyer shall have performed and complied with all of the agreements, obligations and conditions required by this Agreement.

C. The representations and warranties of Buyer set forth in this Agreement

shall be true and correct in all material respects on and as of the date of the Closing.

14. **BUYER'S PERFORMANCE AT CLOSING.** At the Closing, Buyer shall perform as described below. Where instruments are required, they shall be in form and substance reasonably satisfactory to Seller.

- A. Pay the Purchase Price to Seller.
- B. Deliver to Seller an assumption of the Site License.
- C. Deliver to Seller such other instruments as Seller may reasonably require in order to consummate the transactions provided for in this Agreement.

15. **SELLER'S PERFORMANCE AT CLOSING.** At the Closing, Seller shall perform as described below. Where instruments are required, they shall be in form and substance reasonably satisfactory to Buyer.

- A. Deliver to Buyer the FCC authorizations for the Station together with such assignments of same as Buyer may reasonably require.
- B. Deliver to Buyer one or more Bill(s) of Sale as Buyer may reasonably require for the Personal Property.
- C. Deliver to Buyer an assignment of the Seller's interest in the Site License.
- D. Deliver to Buyer such other instruments as Buyer may reasonably require in order to consummate the transactions provided for this Agreement.

16. **SURVIVAL OF WARRANTIES.** All representations, warranties and covenants made by the parties in this Agreement shall be deemed made for the purpose of inducing the other to enter into this Agreement and shall survive the Closing and remain in full force and effect regardless of any investigation at any time made by either party, and shall not be deemed



merged into any document or instrument executed or delivered at the Closing.

17. **NO ASSIGNMENT.** Neither party may assign its interest in this Agreement to a third party without the other's prior written consent.

18. **TERMINATION.** In the event that the FCC has not granted the Application by an order or orders that shall have become final (as defined in Section 3) by the date one year after the date on which the Application is filed with the FCC, or in the event that the FCC designates the Application for a hearing by an action that has become final (as defined in Section 3), then either party may terminate this Agreement by giving written notice to the other, provided that such party is not then in default hereunder. Upon such termination, the parties shall resume their status quo ante and have no further obligation to each other hereunder.

18. **NOTICE.** Any notices, demands, requests or consents required or permitted to be given hereunder shall be in writing, sent by certified mail, or nationally recognized delivery carrier with proof of receipt as follows:

If to Seller:	James Pedersen Northern California Conference of Seventh-day Adventists 401 Taylor Boulevard P.O. Box 23165 Pleasant Hill, California 94523
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If to Buyer:	Ron Davis Better Life Television, Inc. 1360 N.E. 9 <sup>th</sup> Street P.O. Box 766 Grants Pass, Oregon 97528
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or such other address as either party may designate from time to time by written to the other party.

20. **REASONABLE ASSURANCES.** Each party shall execute and deliver to the other party hereto such other instruments as may be reasonably required in connection with the performance of this Agreement.

21. **SPECIFIC PERFORMANCE.** The parties acknowledge that FCC authorizations are unique and that money damages may not be an adequate remedy in the event of a breach of this Agreement. Therefore, in the event of such a breach by Seller, Buyer shall be entitled to the remedy of specific performance in addition to any and all other remedies it may have in law or equity. In the event of a breach by Buyer, Seller shall be entitled to any and all remedies it may have in law or equity.

22. **CHOICE OF LAW.** This Agreement shall be construed under and governed by law of the state of California without regard to that jurisdiction's choice of law rule.

23. **ENTIRE AGREEMENT.** This document embodies the entire agreement between the parties with respect to the subject matter hereof. This Agreement supercedes all prior agreements and understandings between the parties with respect to the subject matter hereof. This Agreement may not be amended unless by a written instrument executed by both parties.

24. **COUNTERPARTS.** This Agreement may be executed in counterparts, all of which taken together shall constitute one Agreement.

**IN WITNESS WHEREOF**, the duly authorized representatives of the parties have executed this Agreement by affixing their signatures below as of the date first written above.

**SELLER:**

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James Pedersen, President  
Northern California Conference of  
Seventh-day Adventists d/b/a  
Northern California Conference  
Association of Seventh-day Adventists

**BUYER:**

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Ron Davis, Secretary  
Better Life Television, Inc.

## **ATTACHMENT A**

### **FCC AUTHORIZATIONS**

1. LPTV Station K33HH, Redding, California, Facility ID #49529.
2. Studio-to-Transmitter Link WNTK689.

## **EXHIBIT B**

### **PERSONAL PROPERTY**

1. One OMB 1000 watt transmitter
2. One Scala antenna, ID# 18063

