

ASSET PURCHASE AGREEMENT

THIS AGREEMENT, entered into as of this 10th day of July, 2018, by and between Living Proof, Inc., a California non-profit corporation ("Seller") and Calvary Chapel of Twin Falls, Inc., an Idaho non-profit corporation ("Buyer");

WITNESSETH:

WHEREAS, Seller is the owner, operator, and licensee of Radio Station KJCU-FM at Fort Bragg, California (hereinafter "the Station"); and

WHEREAS, Buyer desires to acquire certain assets and rights used, useful or intended to be used, in the business and operation of the Station, and to secure an assignment of the licenses and other authorizations issued by the Federal Communications Commission ("FCC") for the operation of the Station, and Seller desires to sell, assign, transfer and convey the same to Buyer pursuant to the terms and conditions set forth below:

NOW, THEREFORE, in consideration of the mutual covenants herein contained, receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS: Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

(a) Closing Date or Closing means a date to be designated by Buyer which shall not be later than the tenth (10th) business day after the FCC's consent and approval has become a Final Order, as defined below. If a pre-finality Closing Date is established, Buyer and Seller will execute an unwind agreement containing terms mutually satisfactory to the parties.

(b) Final Order means an Order of the FCC granting its consent and approval to the assignment of the Stations' licenses and authorizations from Seller to Buyer, which is no longer subject to rehearing, reconsideration or review by the FCC, or to a request for stay, an appeal or review by any court under the Communications Act of 1934, or the Rules and Regulations of the FCC.

2. SALE AND TRANSFER OF ASSETS: On the Closing Date, Seller agrees to sell and shall sell, transfer, assign, convey and deliver to the Buyer good and marketable title, free and clear of all liens, encumbrances, taxes, claims, options, liabilities, commitment, charges, restrictions, and other obligations of whatsoever nature, certain assets of the Stations, including but not limited to the following:

- a. All FCC licenses and authorizations relating to the Station.
- b. All right, title and interest of the Seller in the call letters "KJCU."
- c. The transmitter and all other equipment at the Station's transmitting site, any other equipment of the Seller necessary for the transmission of the Station's broadcast signal as more specifically listed on "**Exhibit A**" attached hereto.
- d. The goodwill of the Station.
- e. The access codes to the Station's Online Public File and all other files, records, programming logs, maintenance logs and copies of books of account of the Station, as reasonably requested by the Buyer.
- f. All right, title and interest of the Seller in all domain names, websites, telephone directory advertising, and other marketing or advertising materials of the Station.

The assets to be transferred shall not include:

- a. Seller's charter documents and such other books and records as pertain to the organization and existence of Seller and duplicate copies of such business records as Seller shall require;
- b. Any cash, certificates of deposit, cash equivalents, and marketable securities on hand and/or in banks and any prepaid assets; and,
- c. Accounts and notes receivable for services fully performed or provided by Seller prior to the Closing Date.

3. PURCHASE PRICE, METHOD OF PAYMENT AND TERMS, ALLOCATION

a. The total consideration to be paid by Buyer to Seller pursuant to this Agreement is Three Thousand Dollars (\$ 3,000.00). Said consideration shall be paid by cashier's or certified check or, at the option of Seller, by wire transfer of immediately available funds.

b. By mutual agreement of the parties, the Purchase Price will be allocated among the various classes of property, assets and rights on or before the Closing Date. Buyer and Seller agree to be bound by the allocation for all purposes, including without limitation, reporting and disclosure requirements of the Internal Revenue Service, and shall file returns and reports (including income tax returns) on the basis of such allocation.

4. PRORATIONS AND ADJUSTMENTS; ASSUMED CONTRACTS; ACCOUNTS RECEIVABLE:

a. Buyer agrees that Seller shall be entitled to all revenue originating from operation of the Station prior to the Closing and Seller agrees to assume all outstanding invoices and expenses originating from operation of the Station prior to Closing. The parties agree to prorate all revenues and expenses, if such prorations are necessary, within thirty (30) days after the Closing Date.

b. Notwithstanding anything to the contrary contained in this Agreement, no expense, debt or liability of Seller, of any nature whatsoever, shall be assumed by Buyer unless said assumption is set forth in this Agreement, or in any separate written agreements executed by both Buyer and Seller.

5. TERMINATION: This Agreement may be terminated at the option of either party upon written notice to the other party if a Final Order consenting to the assignment of the Station's FCC Licenses has not been obtained within nine (9) months of the date of this Agreement, provided however, that neither party may terminate this Agreement if that party is in default hereunder, or if a delay in any decision or determination by the FCC respecting the Assignment Application has been caused or materially contributed to (i) by any failure of the terminating party to furnish, file or make available to the FCC information within its control; (ii) by the willful furnishing by the terminating party of incorrect, inaccurate, or incomplete information to the FCC, or (iii) by any other action taken by the terminating party for the purpose of delaying the FCC's decision or determination respecting the Assignment Application.

6. TRANSFER OF ASSETS: Seller, on the Closing Date, will sell, transfer, convey, assign and deliver to Buyer the assets, business rights, privileges and immunities of Seller referenced in Section 2, above, including those assets listed on "Exhibit A" attached hereto. **All of the Station's assets will be delivered by Seller and acquired by Buyer "as is, where is," with no representation or warranty by Seller except that all of the FCC licenses and authorizations are valid and in good standing with the FCC.**

7. CONSENT OF THE FCC: It is specifically understood and agreed that the consummation of this Agreement shall be subject to the prior consent of the FCC without conditions materially adverse to the Buyer. Upon the execution of this Agreement, Seller and Buyer will, at their mutual expense, proceed to expeditiously prepare and file with the FCC the requisite Assignment Application to secure such consent, together with such other necessary instruments and documents as may be required. The parties further agree to tender the said Assignment Application to the FCC within ten (10) business days of the date of execution of this Agreement, and thereafter to prosecute said Assignment Application with diligence, and to cooperate with each

other and to use their best efforts to obtain the requisite consent and approval promptly, and to carry out the provisions of this Agreement. Buyer agrees to reimburse Seller for all legal expenses incurred in the execution, performance, and consummation of this Agreement, including Seller's reasonable attorneys' fees, provided, however, that such legal expenses shall not exceed three thousand dollars (\$3,000.00)..

8. LEGAL NOTICE: Upon the filing of the Assignment Application, Seller shall be responsible for, and shall take the necessary steps, to provide such Legal Notice concerning the filing as is required by the FCC Rules. If requested by Buyer, Seller shall provide Buyer with evidence of Seller's compliance with the Legal Notice requirements.

9. POSSESSION AND CONTROL OF STATION: Between the date of this Agreement and the Closing Date, Buyer shall not control the operation of the Station, but such operation shall be the responsibility of Seller. Notwithstanding the foregoing, Seller and Buyer are entering into a Time Brokerage Agreement so that Buyer may provide programming for broadcast on the Station until such time as the parties consummate or terminate this transaction.

10. OPERATION OF STATION PENDING FCC APPROVAL OF SALE:

a. Between the date of this Agreement and the Closing Date, Seller shall deliver to Buyer copies of any reports, applications, pleadings or communications of any kind that Seller shall file with the FCC with respect to the Station, and Seller shall deliver to Buyer copies of any notices or communications of any kind that Seller shall receive from the FCC with respect to the Station.

b. Until the Closing Date, Seller shall not dispose of or transfer any material part of the Station's assets or enter into, modify, cancel or default under any contracts of the Seller for the operation of the Station. Seller confirms that as of the date of this Agreement, the Station has no outstanding barter or underwriting agreements and that the use of the Station's tower site is pursuant to a month-to-month arrangement.

11. PERSONNEL: Seller has made no representation to any of the Station's employees concerning their employment, if any, by Buyer after the Closing Date. Any decision by Buyer to employ any of the employees of the Stations on or after 12:01 a.m. on the Closing Date is made in its sole discretion absent any representation or warranty as to the qualifications of such employee by Seller. Seller is not, and on the Closing Date will not be (except as may be specifically disclosed herein) a party to (a) any labor contract, (b) any vacation pay, severance pay or other benefit arrangement (including ERISA or similar plans) with its employees, or (c) any employment contract or agreement which is not terminable upon termination notice of not more than thirty (30) days.

12. SECTION 73.1150 STATEMENT: Both the Seller and Buyer agree that the Seller has retained no right of reversion of the Station license, no right to the reassignment of the Station license in the future, and has not reserved the right to use the facilities of the Station in the future for any reason whatsoever.

13. COMPLIANCE WITH LAWS: Seller has not received any notice asserting noncompliance by it in connection with the business or operation of the business of the Station with any applicable local, state or federal (including FCC) statute, rule or regulation. Seller is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency or other governmental authority or any other tribunal duly authorized to resolve disputes in any respect material to the transactions contemplated hereby. There are no applications, complaints or proceedings pending or, to the best of Seller's knowledge, threatened before the FCC relating to the business and operations of the Station which would have a material adverse effect on the operation of the Station. In the event Seller receives any such notice of noncompliance as referenced herein and is unable to resolve the matter prior to Closing, Buyer shall have the right to terminate this Agreement without penalty.

14. COVENANTS, REPRESENTATIONS, WARRANTIES AND INSURANCE:

(a). Seller has full power and authority to enter into this Agreement, is the holder of the Station's licenses and associated authorities, and has good and marketable title to all assets conveyed pursuant to this Agreement. Seller hereby represents that all of the Station's FCC licenses and authorizations are now, and on the Closing Date, will be in full force and effect, and that there is no action pending before the FCC to revoke, cancel, modify or rescind any of the Station's licenses and authorizations. **All of the Station's assets will be delivered by Seller and acquired by Buyer "as is, where is," with no representation or warranty by Seller except that all of the FCC authorizations and licenses are valid and in good standing with the FCC.**

(b). Buyer has full power and authority to enter into this Agreement and has correctly represented its financial standing to consummate this Agreement.

15. CONDITIONS PRECEDENT: The consummation of this Agreement shall be subject to the satisfaction of the following conditions precedent:

a. As noted hereinabove, the approval by the FCC of the assignment of the Station's license from Seller to Buyer becoming a Final Order.

16. EXPIRATION OF REPRESENTATIONS AND WARRANTIES: The representations and warranties of Seller and Buyer contained herein shall expire one (1) year after the Closing.

17. FCC QUALIFICATIONS:

(a) Seller is qualified under the Communications Act of 1934, as amended, to assign the Station's FCC licenses and authorizations to Buyer.

(b) Seller does not know of any facts relating to Seller which would cause the FCC to deny its consent to the assignment of the Station's licenses and authorizations to Buyer, and should any such facts come to Seller's attention, Seller shall promptly notify Buyer thereof and use his reasonable best efforts and take such steps as may be reasonably necessary to remove any such impediment to the Assignment.

(c) Buyer is legally and financially qualified to be the licensee of the Station.

(d) Buyer does not know of any facts relating to Buyer which would cause the FCC to deny its consent to the assignment of the Station's licenses and authorizations to Buyer, and should any such facts come to Buyer's attention, Buyer shall promptly notify Seller thereof and use his reasonable best efforts and take such steps as may be reasonably necessary to remove any such impediment to the Assignment.

18. ONLINE PUBLIC INSPECTION FILE: At Closing, Seller will transfer to Buyer the access codes to the Station's Online Public Inspection File. In the event certain required documents are missing and are unobtainable by Seller, such missing documents will be identified, in writing, to Buyer at time of Closing.

19. SELLER'S PERFORMANCE AT CLOSING: On the Closing Date, Seller shall execute and deliver or cause to be delivered to Buyer the following:

(a) An Assignment to Buyer of the FCC authorizations and licenses for the Station, together with any and all other related authorizations, including the Station's call letters.

(b) One or more Bills of Sale assigning, transferring and conveying to Buyer title to all of the Station's assets to be acquired by Buyer pursuant to the terms of this Agreement, as listed in Exhibit A to this Agreement.

(c) An Assignment of all intangibles owned or held by Seller that are subject to this Agreement.

(d) The files, records, logs and books of account of KJCU as described hereinabove.

(e) Such other assignments, bills of sale or other instruments as may be required to

effectuate this Agreement and the assignment of the Station's licenses and related assets from Seller to Buyer.

20. BUYER'S PERFORMANCE AT CLOSING: On the Closing Date, Buyer shall execute any Closing Documents that require execution by the Buyer.

21. MAINTENANCE OF CONFIDENCES: Until after the Closing, both parties agree to keep confidential all information it receives or has received during the course of the negotiations in connection with the transaction contemplated herein or relating to the business operations of the Station, provided that either party may disclose such information to its professional advisors, agents and any financial institution which it may be dealing with in connection with the proposed financing of the transactions contemplated herein, or as required by law. In the event that the transaction contemplated hereby is not consummated for any reason, each party shall promptly return to the other all materials acquired by it from the other party with respect to the Station and the associated assets and intangibles, and provide to each other the names and addresses of any and all persons, firms or other entities who have viewed or received information with respect to the proposed sale of the Station (together with a meaningful description of the materials viewed or received by each of them).

22. RISK OF LOSS: The risk of loss, damage or destruction to any of the property or assets to be transferred to Buyer hereunder from fire or other casualty or cause shall be borne by Seller at all times up to the close of business on the Closing Date. In the event of any such loss, damage or destruction, the proceeds of any claim for any loss, payable under any insurance policy with respect thereto, shall be used to repair, replace, or restore any such property to its former condition. However, in the event that the property is not completely repaired, replaced or restored on or before the Closing Date, the parties may agree to postpone the Closing. If circumstances referenced above require postponement of the Closing for a period of 60 days or more, the Buyer may elect to rescind this Agreement without penalty and receive back the complete Earnest Money Deposit.

23. BENEFIT: The parties hereto understand and agree that this Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

24. OTHER DOCUMENTS: The parties shall execute such other documents as may be necessary and desirable to the implementation and consummation of this Agreement.

25. INDEMNIFICATION:

(a) It is understood and agreed that the Buyer does not assume and shall not be obligated to pay any liabilities of Seller under the terms of this Agreement or otherwise and shall not be obligated to perform any obligations which arise subsequent to the Closing Date or as herein

provided. Seller hereby agrees to indemnify and hold Buyer, its successors and assigns, harmless from and against the following:

(i) Any and all claims, liabilities and obligations of every kind and description, contingent or otherwise, arising from or related to the operation of the Station prior to the close of business on the Closing Date, including, but not limited to, any and all claims, liabilities and obligations arising or required to be performed prior to the close of business on the Closing Date under any contract or instrument assumed by Buyer hereunder.

(ii) Any and all damages or deficiency resulting from any misrepresentations, breach of warranty or covenant, or nonfulfillment of any agreement or obligation on the part of Seller under this Agreement, or from any misrepresentation in or omission from any certificate or other instrument furnished to the Buyer pursuant to this Agreement or in connection with any of the transactions contemplated hereby.

(iii) Any and all actions, suits, proceedings, damages, assessments, judgments, costs and expenses, including reasonable attorneys' fees incident to any of the foregoing provisions.

(b) If any claim or liability shall be asserted against the Buyer which would give rise to a claim by the Buyer against the Seller for indemnification under the provisions of this Paragraph, the Buyer shall promptly notify the Seller in writing of the same and the Seller shall, at its own expense, defend any such action.

26. BROKER: The Seller and Buyer agree that no broker was involved in this transaction.

27. ATTACHMENTS: All Attachments to this Agreement shall be deemed part of this Agreement and incorporated herein, where applicable, as if fully set forth herein. If any provision in any Attachment conflicts with or is not consistent with the provisions of this Agreement, the terms of this Agreement shall govern.

28. NO INCONSISTENT ACTIONS: Neither the Seller nor the Buyer shall take any action which is materially inconsistent with its obligations under this Agreement.

29. ENTIRE AGREEMENT: This Agreement is the only Agreement between the parties hereto and contains all of the terms and conditions agreed upon with respect to the subject matter hereof. No alteration, modification or change of this Agreement shall be valid unless by like instrument.

30. NOTICES: All necessary notices required under this Agreement shall be sent first-class mail, postage pre-paid, to the following:

If to Seller: Brian Law, Treasurer
Living Proof, Inc.
P.O. Box 637
Bishop, CA 93515

With a copy to: Matthew H. McCormick, Esq.
Fletcher, Heald & Hildreth, PLC
1300 N. 17th Street
Suite 1100
Arlington, VA 22209

If to Buyer: Michael Kestler, President
Calvary Chapel of Twin Falls, Inc.
4002 N 3300 E.
Twin Falls, ID 83301

With a copy to: Cary S. Tepper
Tepper Law Firm, LLC
4900 Auburn Avenue
Suite 100
Bethesda, MD 20814-2632

31. GOVERNING LAW: This Agreement shall be construed and enforced in accordance with the laws of the State of California with consideration given to the rules and policies of the FCC.

32. SPECIFIC PERFORMANCE: Buyer and Seller recognize that if Seller refuses to perform under the provisions of this Agreement, monetary damages alone will not be adequate to compensate Buyer for its injury. Buyer shall therefore be entitled, in addition to any other remedies that may be available, to obtain specific performance of the terms of this Agreement. The prevailing party in any such proceeding shall be entitled to recover its attorneys' fees and costs from the other party.

33. COUNTERPARTS: This Agreement may be executed in counterparts.

34. HEADINGS: The headings of the Paragraphs of this Agreement are inserted as a matter of convenience and for reference purposes only, and in no way define, limit or describe the scope of this Agreement nor the intent of any Paragraph hereof.

IN WITNESS HEREOF, the parties hereto have hereunto set their hands and seals.

LIVING PROOF, INC.

By: 
Brian Law
Treasurer

Date: 7-16-18

CALVARY CHAPEL OF TWIN FALLS, INC.

By: _____
Michael Kestler
President

Date: _____

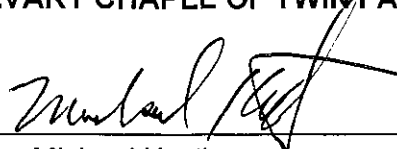
LIVING PROOF, INC.

By: _____

Brian Law
Treasurer

Date: _____

CALVARY CHAPEL OF TWIN FALLS, INC.

By:  _____

Michael Kestler
President

Date: 7/12/18 _____