

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Purchase Agreement") is entered into this 1st day of June, 2014, by and between CENTRO FAMILIAR CRISTIANO, a Washington non-profit corporation, recognized by the Internal Revenue Service as a 501(c)(3) organization ("Buyer"), and JOSH BROADCASTING, L.L.C., a Washington limited liability company ("Seller"). The parties hereto shall be known as a Party in the singular and the Parties in the plural.

WITNESSETH

WHEREAS, Seller owns and operates radio broadcast station KLSY (FM), licensed by the Federal Communications Commission (the "FCC" or "Commission") to Montesano, Washington, FCC Facility ID #164149 (the "Station"), pursuant to certain licenses, approvals, and other authorizations from the FCC (collectively, the "FCC Licenses");

WHEREAS, Buyer desires to acquire the Station and certain assets used and useable, tangible and intangible, in the operation of the Station (the "Purchased Assets") to include the FCC Licenses, and Seller desires to sell, assign and transfer the same to Buyer;

WHEREAS, Seller and Buyer have entered into a Local Marketing Agreement (the "LMA") a copy of which is attached hereto as Exhibit 1, which shall remain in effect until the earlier of (a) the consummation of a grant of the Assignment Application described herein, or (b) the termination of the LMA upon its terms; and

WHEREAS, Seller and Buyer will not consummate the Assignment Application and the FCC Licenses shall not be transferred or assigned until the FCC has granted its consent and approval to the transaction contemplated herein (the "FCC Consent").

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the Parties intending to be legally bound agree as follows:

1. Purchased Assets. Buyer agrees to purchase from Seller and Seller agrees to sell, transfer and/or assign to Buyer, the "Purchased Assets" set forth on Schedule 1 attached hereto and incorporated herein by reference. Simultaneously with the consummation of the transaction represented by this Agreement, Buyer shall assume Seller's tenancy represented by the South Mountain Sublease (the "Sublease") pursuant to the terms of the Assignment of Lease document attached hereto as Exhibit 7. Buyer also acknowledges that the Purchased Assets do not include the Excluded Assets, defined in this Section 1, Subsection (c) below, nor any other assets of the Station or of Seller not specifically identified in this Agreement.

(a) The Purchased Assets shall be free and clear of any debts, liens, claims or encumbrances of any kind or nature, except for (i) any obligations or liabilities of the Seller that Buyer may expressly agree in writing to assume, (ii) taxes not yet due and payable, and (iii) liens that will be released upon or prior to Closing (the "Permitted Liens").

(b) In the event Buyer assumes any contracts, leases, or agreements which Buyer shall have reviewed and agreed in writing to assume, Buyer shall indemnify Seller against any and all claims which may arise as a result of Buyer's non-performance thereunder.

(c) Specifically excluded from the Purchased Assets and retained by Seller are, without limitation; cash, cash equivalents, claims for tax refunds, accounts receivable, securities, and insurance policies (the "Excluded Assets") and all other property of Seller, whether or not related to the Station, not now located at the Sublease Premises.

2. Purchase Price and Payment; Assumed Obligations: The Purchase Price for the Purchased Assets shall be Six Million Seven Hundred Fifty Thousand Dollars (\$6,750,000.00) to be paid by Buyer to Seller set forth in Exhibits 2 and 3 attached hereto and incorporated herein by reference.

(a) Upon Closing, Buyer and Seller will allocate the Purchase Price in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, which is agreed to be as follows, subject to any agreed upon adjustments at Closing:

Tangible Personal Property	\$ 50,000.00
FCC License and Goodwill	6,700,000.00

Total	\$6,750,000.00

Each Party further agrees to file its federal income tax returns and any other tax returns reflecting such allocation.

(b) The Parties certify to the FCC that the Financing Documents associated with the Purchase Price hereunder grant Seller no reversionary rights nor shall Seller be granted any reversionary rights (as that terminology is recognized by the FCC), now or in the future.

3. Assignment Application; Closing:

(a) Following the mutual execution of this Agreement, Seller shall file an application with the FCC (the "Assignment Application") requesting FCC Consent to an assignment of the FCC Licenses from Seller to Buyer. Seller shall take all steps that are reasonably necessary, proper, or desirable to prosecute the Assignment Application to a favorable conclusion. Seller shall provide Buyer with a copy of any pleading, order, or other document served on Seller relating to the Assignment Application. Seller shall furnish all information required by the FCC and shall be represented at all meetings or hearings scheduled to consider the Application. Buyer will diligently take, or cooperate in the taking of, all steps that are necessary, proper, or desirable to expedite the prosecution of the Assignment Application to favorable conclusion and will promptly provide Seller with copies of any pleading, order, or other document served on it relating to such Assignment Application.

(b) The transaction represented herein shall consummate (the "Closing") within ten (10) business days of the FCC Consent being granted by FCC staff approval (the "Closing Date") at a place (the "Closing Place"), time, and manner mutually agreeable to the Parties, and

in the absence of such agreement, at the offices of Stokes Lawrence, P.S., 1420 Fifth Avenue, Suite 3000, Seattle, Washington, at the hour of 10:00 a.m. local time on the tenth (10th) business day following FCC staff approval.

4. Representations and Warranties of Seller. Seller represents and warrants to Buyer that:

(a) **Organization and Standing.** Seller is now and on the Closing Date shall be a Limited Liability Company, validly existing, and in good standing under the laws of the State of Washington and licensed to do business in the State of Washington.

(b) **Authorization.** All necessary actions to approve the execution, delivery, and performance of this Purchase Agreement and the consummation of the transaction represented herein has been taken by Seller, and this Agreement constitutes a valid and binding agreement of Seller enforceable in accordance with its terms.

(c) **FCC Licenses.** From the date hereof through the Closing Date, Seller is and will be the holder of the FCC Licenses. The FCC Licenses constitute all of the authorizations from the FCC required for and/or used in the operation of the Station, and the FCC Licenses are now and on the Closing Date will be in full force and effect.

(d) **FCC Actions.** Seller has received no notice and has no knowledge of any pending, issued, or outstanding order by or before the FCC, or threatened, any investigation, Order to Show Cause, Notice of Violation, Notice of Apparent Liability, Notice of Forfeiture, or material complaint against the FCC Licenses or Seller. In the event of the occurrence of any such action, or the filing or issuance of any such order, notice, or material complaint, or Seller's learning of the threat thereof, Seller shall notify Buyer of same in writing within five (5) business days of such event and shall take all reasonable measures to contest in good faith or seek removal or rescission of such action, order, notice, or complaint.

(e) **Operations.** From the date hereof until the Closing Date, the FCC Licenses will be maintained in compliance with all requirements of the Communications Act of 1934, as amended, and the rules, regulations, policies, and procedures of the Commission.

(f) All tangible personal property identified in Schedule 1 will be in good operating condition and repair, considering its age, maintained by Seller, functioning in the manner and for the purposes for which it was intended. Unless otherwise stated, all such property is being sold "as is, where is".

5. Representations and Warranties of Buyer. Buyer represents and warrants to Seller that:

(a) **Organization and Standing.** Buyer is now and upon the Closing Date shall be a non-profit corporation duly organized, validly existing, and in good standing under the laws of the State of Washington and licensed to do business in the State of Washington.

(b) **Authorization.** All necessary action to approve the execution, delivery, and performance of this Agreement and the consummation of the transaction represented herein has

been taken by Buyer, and this Agreement constitutes a valid and binding agreement of Buyer enforceable in accordance with its terms.

(c) Absence of Restrictions. No un-waived contract, agreement, or other instrument or condition exists or on the Closing Date will exist which restricts, limits, or in any manner affects any aspect of this Agreement or the transaction contemplated hereby. The execution, delivery, and performance of this Agreement and the transaction contemplated hereby by Buyer do not, and will not at Closing Date, conflict with or result in the termination or breach of any terms, condition, or provisions of, or constitute a default under any contract, lease, agreement, or other instrument or condition by which Buyer is bound.

(d) Buyer's Qualifications. Buyer knows of no reason, circumstance, or condition existing, or reasonably to be anticipated, which would result in a finding by the FCC that it is not qualified legally, financially, or otherwise to be the licensee of the Station, and Buyer will not take any action to permit any condition to exist which would disqualify Buyer from becoming such a licensee.

6. Termination by Breach or the Passage of Time; Restraining Order; Rescission of Agreement.

(a) In the event of a material breach by Buyer of any term or condition of this Agreement or any representation or warranty contained herein under this Agreement, then Seller may in its discretion terminate this Agreement without cost, penalty, or liability of any kind to Seller upon written notice to Buyer, and Seller shall have the rights and remedies described in Section 6(c) below.

(b) In the event of a material breach by Seller prior to the Closing Date of any term or condition of this Agreement or any representation or warranty contained herein, then, Buyer may in its discretion terminate this Agreement without cost, penalty, or liability of any kind to Buyer upon written notice to Seller, and Buyer shall have the rights and remedies described in Section 6(d) below;

(c) In the event of a default or breach of the terms of this Agreement by Buyer, Seller shall have the right to seek damages provided that under no circumstances will Seller have the right to lost profits or consequential damages.

(d) Because the Purchased Assets to be transferred hereunder are unique and not readily available on the open market, Buyer would be seriously damaged should the transaction represented herein not be consummated through no fault of its own but due to any uncured default or breach by Seller. Accordingly, in the event of a default or breach of the terms of this Agreement by Seller, Buyer shall have the right to seek to enforce the terms of this Agreement by a decree of specific performance. This right shall not be exclusive of rights at law for damages, provided that under no circumstances will Buyer have the right to lost profits or consequential damages.

(e) Subject to Subsection (f) below, in the event the transaction represented herein does not consummate within nine (9) months from the date hereof, either Buyer or Seller may at its option, give notice of termination of this Agreement to the other, provided the terminating Party is not in material breach or default. In the event of such termination, neither Party shall have any further rights or obligations to the other.

(f) Notwithstanding Subsection (e) above, in the event Seller or Buyer shall be subject to any restraining order or injunction restraining or prohibiting the consummation of this transaction, this Agreement may not be abandoned or terminated by either Party, and the Closing shall be delayed during such period, provided, however, that either Party may terminate this Agreement if this transaction does not consummate within twelve (12) months from the date hereof. The Party subject to such order or injunction shall take all reasonable steps to have any such order dissolved or terminated in order to effectuate the Closing.

(g) If this transaction consummates prior to the FCC Consent becoming Final, as defined herein, and the FCC Consent is reversed or otherwise set aside, and there is a Final Order of the FCC (or Court of competent jurisdiction) requiring the re-assignment of the FCC License to Seller, then Seller and Buyer agree that the purchase and sale of the Purchased Assets shall be rescinded. In such event, Buyer shall reconvey to Seller the Purchased Assets, and Seller shall repay to Buyer the Purchase Price or payments made and reassume any contracts and leases assigned to, and assumed by, Buyer at the Closing. Any such rescission shall be consummated on a mutually agreeable date within 30 calendar days of such Order becoming Final (or, if earlier, within the time required by such Order). Seller's and Buyer's obligations hereunder shall survive the Closing. For purposes of this Agreement, the term "Final Order" shall mean that action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority), which has not been reversed, stayed, enjoined, set aside, annulled, or suspended; with respect to which no timely request for stay, petition for rehearing, appeal, or certiorari or sua sponte action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, or certiorari, or for the taking of any such sua sponte action by the FCC shall have expired or otherwise terminated.

7. Indemnification by Seller. Seller agrees that it shall indemnify and hold Buyer harmless from and against (i) any and all damages, claims, losses, expenses, costs, obligations, and liabilities including, without limiting the generality of the foregoing, liabilities for reasonable attorneys' fees and disbursements suffered, directly or indirectly, by Buyer by reason of, or arising out of any breach of representation or warranty made by Seller pursuant to this Agreement, (ii) any failure by Seller to perform or fulfill any of its covenants or agreements set forth in this Agreement, or (iii) any litigation, proceeding or claim by any third party relating to the operations of the Station prior to the Closing Date; provided (and excepting any claims arising through the operation of Buyer as Programmer under the LMA; any such claims being the sole and exclusive responsibility of Buyer), Seller shall have no obligation to indemnify Buyer under clause (i) hereinabove unless and until the aggregate loss to Buyer exceeds Ten Thousand Dollars (\$10,000.00), at which time all such losses, not just those in excess of said amount, shall be subject to indemnification as provided in this Agreement.

8. Indemnification by Buyer. Buyer agrees that it shall indemnify and hold Seller harmless from and against (i) any and all damages, claims, losses, expenses, costs, obligations, and liabilities including, without limiting the generality of the foregoing, liabilities for reasonable attorneys' fees and disbursements suffered, directly or indirectly, by Seller by reason of, or arising out of any breach of representation or warranty made by Buyer pursuant to this Agreement, (ii) any failure by Buyer to perform or fulfill any of its covenants or agreements set forth in this Agreement, or (iii) any litigation, proceeding or claim by any third party relating to the operation of the Station after the Closing Date; provided Buyer shall have no obligation to indemnify Seller under clause (i) unless and until the aggregate loss to Seller exceeds Ten Thousand Dollars (\$10,000.00), at which time all such losses, not just those in excess of said amount, shall be subject to indemnification as provided in this Agreement.

9. Bulk Sales Law. Buyer waives compliance by Seller with any Bulk Sales Law which may apply to this transaction, and Seller warrants and agrees to pay and discharge when due all claims of creditors which could be asserted against Buyer by reason of such non-compliance to the extent that such liabilities are not specifically assumed by Buyer under this Agreement.

10. Conditions to the Obligations of the Parties.

(a) The obligations of Seller under this Agreement are, at its option, subject to the fulfillment of the following conditions prior to or on the Closing Date:

(i) Each of the representations of Buyer contained in this Agreement shall have been true and complete in all material respects as of the date when made and as of the Closing Date, except to the extent changes are permitted or contemplated pursuant to this Agreement.

(ii) Buyer shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement and as Programmer under the LMA to be performed or complied with by it prior to or on the Closing Date.

(iii) Neither Seller nor Buyer shall be subject to any restraining order or injunction restraining or prohibiting the consummation of this transaction.

(iv) The FCC Consent shall have been obtained.

(v) The lien against the Purchased Assets to be created by the Security Agreement shall be senior to all other liens suffered or created by Buyer against said property.

(b) The obligations of Buyer under this Agreement are, at its option, subject to the fulfillment of the following conditions prior to or on the Closing Date:

(i) Each of the representations of Seller contained in this Agreement shall have been true and correct in all material respects as of the date when made and as of the Closing Date, except to the extent changes are permitted or contemplated pursuant to this Agreement.

(ii) Seller shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement and as Licensee under the LMA to be performed or complied with by it prior to or on the Closing Date.

(iii) Neither Seller nor Buyer shall be subject to any restraining order or injunction restraining or prohibiting the consummation of this transaction.

(iv) The FCC Consent shall have been obtained.

(v) The Purchased Assets shall not have been materially or adversely affected as of the Closing Date.

(vi) South Sound Broadcasting, LLC has consented to an assignment to Buyer at the Closing of the South Mountain Sublease.

11. Seller's Performance at Closing. On the Closing Date at the Closing Place, Seller shall execute and deliver or cause to be delivered to Buyer, in form and substance reasonably satisfactory to Buyer and its counsel:

(a) One or more assignments assigning to Buyer the FCC Licenses to be acquired by Buyer hereunder;

(b) A certificate of Seller stating:

(i) That all representations, warranties, and covenants of Seller set forth in this Agreement and in the other instruments delivered by Seller are true and correct as of the Closing Date; and

(ii) Seller has, in all material respects, performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by Seller at or prior to the Closing Date;

(c) The FCC Consent;

(d) Certified copies of company resolutions authorizing and approving the execution, delivery, and performance of this Purchase Agreement and the transactions contemplated hereby; and

(e) Such other assignments, bills of sale, or instruments of conveyance, certificates of officers, and other documents as may reasonably be requested by Buyer to consummate this Agreement and the transaction contemplated hereby.

12. Buyer's Performance at Closing. On the Closing Date at the Closing Place, Buyer shall execute and deliver or cause to be delivered to Seller, in form and substance reasonably satisfactory to Seller and its counsel:

- (a) The Purchase Price set forth in Paragraph 3 hereof;
- (b) A certificate of Buyer stating:
 - (i) That all representations and warranties of Buyer set forth in this Agreement or in any statement, certificate, exhibit or other document delivered pursuant to this Agreement by Buyer are true and correct in all material respects as of the Closing Date; and
 - (ii) Buyer has, in all material respects, performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by Buyer at or prior to the Closing Date;
- (c) Certified copies of corporate resolutions authorizing and approving the execution, delivery, and performance of this Purchase Agreement and the transactions contemplated hereby;
- (d) The Financing Documents; and
- (e) Such assumptions and other documents as may reasonably be requested by Seller to consummate this Purchase Agreement and the transaction contemplated hereby including, but not limited to, a letter or other verification of Buyer's status as a non-profit corporation.

13. Survival of Covenants, Representations and Warranties. All representations, warranties, covenants, and agreements contained in this Agreement shall survive the Closing Date for a period of one (1) year, unless specifically stated otherwise.

14. Finders, Consultants And Brokers. The Parties represent and warrant to one another that there has been no finder, broker, or consultant involved in the negotiations leading up to the execution of this Agreement other than MCH Enterprises, Inc., who has acted as broker in this transaction. The Parties agree that Seller will be solely responsible for the broker's compensation.

15. Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Purchase Agreement shall be in writing and shall be deemed duly given (i) when given if personally delivered, (ii) as shown on the receipt if mailed by registered or certified mail, return receipt requested, postage prepaid, (iii) on the date sent as shown by a machine-generated delivery confirmation, if sent by facsimile transmission on a regular business day in the State in which the addressee resides or, if not sent on a business day, then on the next business day after the date sent, or (iv) on the delivery date in the records of a nationally recognized courier guaranteeing delivery. The Parties may also communicate with each other informally by telephone or electronic transmission, but such method shall not be used for any notice that has legal significance or consequences. Notices to the Parties may be given as follows:

(a) If to Seller:

Mr. Greg Smith
JOSH Broadcasting L.L.C.
P.O. Box 53248
Bellevue, WA 98015
e-fax: 425.671.0888
206.790.5405
gsmith0605@msn.com

with duplicate notice to:

SEL, Inc.
1420 Fifth Ave, Suite 3000
Seattle, WA 98101-2393
fax 206-464-1496
Phone 206-626-6000
william.neal@stokeslaw.com

(b) If to Buyer:

Mr. Arturo Gonzales, President
Centro Familiar Cristiano
9834 17th Ave. SW
Seattle WA, 98106
(206) 658-3135
cfcinseattlewa@gmail.com

or any such other address as each Party may from time to time designate for itself in writing.

16. Assignability. This Agreement may not be assigned by either Party without approval from the non-requesting Party, which consent shall not be unreasonably withheld or delayed.

17. Confidentiality. The Parties agree to use their best efforts to keep confidential any and all information furnished to either of them by a party in the course of the negotiations and the business, technical, and legal reviews, except such information as may be available to the public or to the other Party from another source not under an obligation of confidentiality. In this regard, the Parties agree to execute and be bound by such written confidentiality agreements as shall be reasonably requested by either Party.

18. Other Documents. The Parties shall execute and deliver on a timely basis all further and additional documents as shall be convenient, necessary, or desirable to the implementation and consummation of this Agreement.

19. Waiver. No waiver by a Party of any provision of this Agreement shall be considered a waiver of any other provision of any subsequent breach of the same or any other provision, including the time for performance of any such provision. The exercise by a Party of any remedy provided in this Agreement or at law shall not prevent the exercise by that Party of any other remedy provided in this Agreement or at law.

20. Exhibits. All exhibits attached to this Agreement shall be deemed part of this Agreement and incorporated herein, where applicable, as if fully set forth therein.

21. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Washington except for the choice of law rules utilized in that state, and the obligations of the Parties hereto are subject to all federal, state, and local laws and regulations now or hereafter in force and to the rules, regulations, and policies of the FCC and all other governmental entities or authorities presently or hereafter to be constituted.

22. Entire Agreement. This Agreement (including the attached exhibits) shall constitute the full and entire understanding of the Parties with respect to the subject matter hereof, and any prior agreement or understanding concerning the same is hereby terminated and canceled in its entirety and is of no further force and effect.

23. Binding Effect. This Purchase Agreement is binding upon and shall inure to the benefit of the Parties hereto, their respective agents, representatives, officers, directors, shareholders, affiliates, assigns, heirs, and successors in interest.

24. Litigation. In the event of any litigation between the Parties arising out of, or related to, this Agreement, including its interpretation, each agrees that venue for such litigation shall properly lie in King County, Washington, and each consents to the personal jurisdiction over it of any federal or state court seated there.

25. Litigation Expenses. If either Party initiates any litigation against the other involving this Agreement, the Party most prevailing in such litigation shall be entitled, in addition to any other remedy or relief, to an award of its costs and expenses in connection with such litigation, including its attorneys' fees and the fees of accountants or other professionals.

26. Warranty of Signatories. Each of the persons signing this Agreement on behalf of an entity warrants and represents that he or she has the right power, legal capacity and authority to execute this Agreement on behalf of such entity, without the concurrence or approval of any other person, any entity or any Court, and to thereby bind such entity to this Agreement.

27. Headings. The headings of the sections of this Agreement are inserted as a matter of convenience and for reference purposes only and in no respect define, limit, or describe the scope of this Agreement or the intent of any section hereof.


28. Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument. Each fully

executed set of counterparts shall be deemed to be an original, and all of the signed counterparts together shall be deemed to be one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement (and each amendment, modification and waiver in respect of it) by facsimile or other electronic transmission shall be effective as delivery of a manually executed original counterpart of each such instrument.

29. Amendments. This Agreement may be amended by mutual consent of the Parties, but only by a written instrument duly signed by the Parties to the Agreement.

IN WITNESS WHEREOF, the Parties have executed this Asset Purchase Agreement on the day and year first above written.

SELLER
JOSH BROADCASTING L.L.C.

BY: 
Greg Smith, Manager

BUYER
CENTRO FAMILIAR CRISTIANO

BY: 
Arturo Gonzales, President