

# **PURCHASE AND SALE AGREEMENT**

This PURCHASE AND SALE AGREEMENT (the "Agreement") dated as of this 6th day of September, 2011, by and between FIORI MEDIA, INC., a California corporation ("Seller") and CENTRO FAMILIAR CRISTIANO, a Washington not-for-profit corporation ("Buyer"). The parties hereto shall be known as the "Parties" in the plural or "Party" in the singular.

## **WITNESSETH:**

WHEREAS, Seller owns digital low power television station KRUM-LD, Facility ID# 67956, currently licensed by the Federal Communications Commications (the "FCC") to operate at Olympia, Washington with a Construction Permit to operate at Renton, Washington (the "Station");

WHEREAS, Buyer desires to acquire and Seller has agreed to sell, transfer, and assign the Station and all of Seller's personal property, tangible and intangible, used and useful in the operation of the Station,

WHEREAS, Buyer desires to acquire and Seller has agreed to assign all of the licenses, permits, applications, and authorizations issued by the FCC to Seller for the operation of the Station (the "FCC Licenses"); and

WHEREAS, this Agreement will not be consummated nor the FCC Licenses assigned until the FCC has granted its consent and approval to the transaction contemplated by this Agreement.

NOW, THEREFORE, in consideration of the covenants contained herein and for other good, valuable and binding consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto intending to be legally bound agree as follows:

## **STATEMENT OF AGREEMENT**

### **I. Definitions**

1. Capitalized terms used and not otherwise defined herein shall have the meaning ascribed to them in Appendix A.

### **II. Purchased Assets, Purchase Price, and Method of Payment**

2.1. Purchased Assets. Buyer agrees to purchase from Seller and Seller agrees to sell, transfer and/or assign to Buyer, the "Purchased Assets" as defined in Appendix A and itemized on Schedule 2.1 attached to 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) liens for taxes not yet due and payable, and (iii) liens that will be released at or prior to Closing, (collectively "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.

2.2. Purchase Price. For full consideration of the assignments, conveyances, and transfers of the Purchased Assets, the total purchase price (the "Purchase Price") to be paid for the Purchased Assets shall be Two Hundred Fifty Thousand Dollars (\$250,000.00) as follows:

(a) Concurrently with the execution of this Agreement and the filing of the FCC Form 345 Assignment Application for Consent to Assignment ("Application"), Buyer shall place in the Client Trust Account of MCH Enterprises, Inc. ("MCH"), an "Escrow Deposit" in the amount of Ten Thousand Dollars (\$10,000.00), accompanied by a letter instructing MCH to place such funds into a federally-insured, interest-bearing account. Concurrently with the execution of this Agreement, the Parties shall execute the Escrow Agreement attached as Exhibit 2.2 and incorporated herein, setting forth irrevocable instructions, mutually agreeable to both Parties concerning the deposit, disposition, and delivery of the Escrow Deposit. In the event of default or breach by either of the Parties, the Escrow Deposit shall be distributed in accordance with the terms and conditions of the Escrow Agreement and this Agreement.

(b) On the Closing Date, Buyer shall deliver to Seller, additional cash funds in the amount of Forty Thousand Dollars (\$40,000.00), via cashier's check or wired funds which when combined with the Escrow Deposit, total a cash payment of Fifty Thousand Dollars (\$50,000.00);

(c) On the Closing Date, Buyer shall deliver to Seller an executed Secured Promissory Note (the "Note"), substantially in the form of Exhibit 2.2(c), in the principal amount of Two Hundred Thousand Dollars (\$200,000.00).

2.3 Security Instruments. At Closing, Buyer shall execute a Security Agreement and grant Seller a first priority security interest in all of the tangible and intangible assets used and useful in the operation of the Station, substantially in the form set forth on Exhibit 2.3(a) (the "Security Agreement").

2.4. No Liabilities Assumed. Buyer shall not and does not assume any "Liabilities" or obligations of Seller, unless expressly set forth on Schedule 2.4 hereof.

2.5. Allocation of Purchase Price. The Purchase Price shall be allocated among the Purchased Assets as determined by mutual agreement of the Buyer and Seller and set forth in Schedule 2.5. Each of Buyer and Seller agree to timely make all filings required by any taxing authority, including the filing of Internal Revenue Service Form 8594 and shall exchange such forms with each other.

2.5. Proration. Expenses for all taxes, including real estate, property and any other taxes, all other cost and expense items, and any prepaid and deferred items, shall be prorated between Seller and Buyer as of the Closing Date. Seller shall be responsible for all such items that have accrued and/or are owing prior to and on the Closing Date, and Buyer shall be responsible for such items that accrue and/or are owing after the Closing Date.

### **III. Certain Regulatory Matters**

3.1. Application for FCC Consent. Seller and Buyer will file with the FCC, as soon as practicable but not less than five (5) business days after execution of this Agreement, an Application, requesting "FCC Consent" to the assignment of the FCC Licenses from Seller to Buyer.

3.2. Notification. Each Party shall notify the other Party hereto in the event it is or becomes aware of any facts or circumstances that could materially delay or otherwise affect the FCC approval process or the transactions contemplated by this Agreement.

### **IV. Representations and Warranties of Seller**

Seller represents and warrants to Buyer as follows:

4.1. Organization and Standing. Seller is a corporation organized in the State of California with full power and authority to own and sell the Purchased Assets, to assign the FCC Licenses, to transact the business in which it is currently engaged, and to perform the obligations required to be performed by this Agreement and to consummate the transactions contemplated hereby. Seller is duly qualified to do business in every jurisdiction in which the nature of the business conducted by Seller with respect to the Station requires such qualification.

4.2. Authorization and Binding Obligations. The execution, delivery and performance by Seller of this Agreement and the instruments contemplated hereby have been duly and validly authorized by Seller and constitute valid and binding agreements of Seller enforceable in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other laws relating to or affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

4.3. No Contravention; Consents.

(a) No Contravention. The execution, delivery and performance of this Agreement and the other documents to be executed in connection herewith, the consummation of the transactions contemplated hereby and the compliance with the provisions hereof by Seller do not (i) conflict with or violate any provisions of the documents of incorporation or By-Laws of Seller; (ii) result in the breach of, constitute a default under, conflict with or result in the termination or alteration of, the provisions of any agreement or other instrument to which Seller is a party or by which the property of Seller is bound or affected, or result in the creation of any Encumbrance upon any of the Purchased Assets; or (iii) violate or conflict with any material laws, regulations, orders, writs, injunctions, decrees or judgments applicable to Seller or any of the Purchased Assets.

(b) Consents. Except for the FCC Consent, no consent, waiver, authorization or approval from, or filing of any notice or report with, any Governmental Authority or other

Person is necessary in connection with the execution, delivery or performance by Seller of this Agreement or any of the documents or transactions contemplated hereby.

4.4. Title to the Purchased Assets. Seller has good, valid and marketable title to the Purchased Assets to be transferred by it hereunder, which in each case as of the Closing Date shall be free and clear of all mortgages, deeds of trust, security interests, pledges, claims, liens, leases, charges or any Liabilities or encumbrances of any kind, other than Permitted Liens.

4.5. Licenses and Authorizations.

(a) Licenses. Schedule 4.5 attached hereto contains a true and complete list of all FCC Licenses, for which Seller is the authorized and legal holder. There are no restrictions on the Station's signal (other than those contained in the FCC Licenses or under FCC rules and regulations in general) and no contracts, options or agreements of any kind or nature with any third parties that materially limit, modify, restrict or otherwise alter in any way the FCC Licenses and/or signal of the Station, including but not limited to, any agreements by Seller to accept interference from other stations.

(b) Authorizations. The FCC Licenses are valid, in full force and effect and have been complied with in all material respects, except for such non compliance which would not have a material adverse effect on the Purchased Assets or the transactions contemplated by this Agreement. No, notice of investigation, violation, order, , action or other proceeding (or to the knowledge of Seller, investigation or complaint) is pending or, to the knowledge of Seller, threatened before the FCC or any other Governmental Authority to vacate, revoke, refuse to renew or adversely modify such FCC Licenses or which could in any manner threaten or adversely affect the FCC Licenses. No event has occurred which, to the knowledge of Seller, permits, or after notice or lapse of time would permit, the revocation or termination of the FCC Licenses, and to Seller's knowledge, there are no matters which might reasonably be expected to result in the FCC's denial or delay of approval of the Application.

4.6. Litigation; Violations. Except for administrative rulemakings or other proceedings of general applicability to the broadcast industry: (i) there is no proceeding or, to the knowledge of Seller, investigation of any nature pending or, to the best of Seller's knowledge, threatened against Seller or the FCC Licenses or affecting the same; and (ii) no writ, decree, or similar instrument has been rendered against or is pending which would affect Seller or the FCC Licenses..

4.7. Reports. All material reports and other filings currently required to be filed by Seller with the FCC or with any other federal, state, or local governmental agency with respect to the Licenses have been timely filed and complied with and shall continue to be timely filed and be in compliance on a current basis until the Closing Date, except for such reports and filings the non filing of which would not have a material adverse effect on the Purchased Assets or the transactions contemplated by this Agreement. All such reports and other filings are complete and correct as filed in all material respects, except as would not have a material adverse effect on the Purchased Assets or the transactions contemplated by this Agreement.

4.8. Tangible Personal Property Sold "As Is". The parties acknowledge that the tangible personal property shall be sold in "as is" condition, and that Seller makes no

representations or warranties with respect to the tangible personal property except as set forth in 4.4 above.

## **V. Representations and Warranties of Buyer**

Buyer represents, warrants and covenants to Seller that:

5.1. Organization and Standing. Buyer is a not-for-profit corporation organized under the laws of the state of Washington, having full power and authority to own its properties and to transact the business in which it is currently engaged and to perform the obligations required to be performed by this Agreement and to consummate the transactions contemplated hereby. Buyer is duly qualified to do business and is in good standing in every jurisdiction in which the nature of the business conducted by it requires such qualification.

5.2. Authorization and Binding Obligations. The execution, delivery and performance of this Agreement and the instruments contemplated hereby have been duly and validly authorized by Buyer and constitute valid and binding agreements of Buyer enforceable in accordance with their terms except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other laws relating to or affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

5.3. No Contravention. The execution, delivery and performance of this Agreement and the other documents to be executed in connection herewith, the consummation of the transactions contemplated hereby and thereby and the compliance with the provisions hereof and thereof by Buyer do not and will not, after the giving of notice, or the lapse of time, or otherwise: (i) conflict with or violate any provisions of the documents of incorporation or By-Laws of Buyer; (ii) result in the breach of, conflict with, or constitute a default under, the provisions of any agreement or other instrument to which Buyer is a party or by which the property of Buyer is bound or affected; or (iii) violate or conflict with any material laws, regulations, orders, writs, decrees, injunctions or judgments applicable to Buyer, or require any partner consent or consent under applicable law.

5.4. Litigation. Except for administrative rulemaking or other proceedings of general applicability to the broadcast industry, there is no proceeding or investigation of any nature pending or, to the best of Buyer's knowledge, threatened against or affecting Buyer that would adversely affect its ability to consummate the transactions contemplated in this Agreement.

5.5. Qualifications. Buyer is qualified under the Communications Act of 1934, as amended, and the FCC's rules and policies to acquire the Licenses without any waiver of any of the foregoing, and to Buyer's knowledge, there are no matters which might reasonably be expected to result in the FCC's denial or delay of approval of the FCC Application.

5.6. Financing. Buyer has on hand or access to committed sources for the monies required to fulfill Buyer's financial obligations under this Agreement.

## **VI. Access and Information**

Following the execution of this Agreement, Seller shall give Buyer and its representatives reasonable access during normal business hours prior to the Closing Date, to all of the Purchased

Assets to be acquired hereunder and shall furnish Buyer and its representatives during such period with all material information as Buyer may reasonably request in order to enable Buyer to make such reasonable examinations and investigations thereof as it reasonably shall deem necessary; provided, however, that any information obtained from such access shall not expand or modify in any way the representations and warranties of the Seller hereunder, or give Buyer any rights not specifically provided for in this Agreement.

## **VII. Conduct of Business to Closing**

Seller covenants and agrees that, pending the Closing, except with the prior written consent of Buyer

7.1. Operation of Station. Seller shall not, without the prior written consent of Buyer, transfer the FCC Licenses or any of the Purchased Assets except that Seller shall have the right to replace the Station's equipment in the ordinary course of business with equipment serving the same function and of equal or greater value. Further, Seller shall not, without the prior written consent of Buyer, enter into any contracts, options or other agreements with any third parties that limit, modify, restrict or otherwise alter in any way the FCC Licenses and/or signal of the Station, including but not limited to, any accommodation or similar agreements. For the purposes of this Agreement, "transfer" shall be interpreted broadly and shall include but not be limited to any sale, gift, assignment or other disposition, including any disposition under judicial order, legal process, execution, attachment or enforcement of a pledge, trust or other encumbrance.

7.2. Litigation and Proceedings. Seller shall notify Buyer immediately upon Seller's knowledge of: (i) any litigation or proceeding pending or, to its knowledge, threatened, against the FCC Licenses or other Purchased Assets or which challenges the transactions contemplated hereby or could otherwise have a Material Adverse Effect on the transactions contemplated hereby, and (ii) any material damage to or destruction of the Purchased Assets.

7.3. Agreements. Seller shall perform all obligations required to be performed by it under all contracts, and shall not, without Buyer's consent, amend the same or enter into any new agreements which might be binding on Buyer or the Purchased Assets, including but not limited to any contracts, leases and agreements Buyer agrees to assume pursuant to Schedule 2.4.

7.4. Consents and Approvals. Seller shall use its best efforts to obtain or cause to be obtained consents, if any, to the assignment to Buyer of all contracts and agreements which require the consent of any Person by reason of the transactions provided for in this Agreement. Each Party shall cooperate fully with the other to obtain any such consents or approvals.

7.5. Temporary FCC Actions and Freezes. Buyer and Seller agree that in the event that the FCC institutes a freeze or takes similar action with respect to FCC applications or filings generally (as opposed to a specific action taken by the FCC with respect to this transaction or these FCC Licenses), any obligations of the Parties or deadlines contained herein that are affected by such FCC freeze or similar action shall automatically be extended for a period of time equal to the period of time that such FCC freeze or similar action is in effect.

7.6. No Breach of Representations and Warranties. Seller shall not take any action or pursue any other course of conduct, or fail to take any action that would cause any of the representations and warranties made by Seller in this Agreement to be untrue, incorrect or inaccurate in any material respect when made, or at the time of Closing if applicable.

### **VIII. Conditions Precedent to the Obligations of the Parties**

8.1. Conditions to Seller's Obligation to Close. The obligations of Seller to sell, transfer, convey and deliver the Purchased Assets and to proceed with the Closing are subject to the satisfaction at or prior to the Closing of each of the following conditions (unless waived in writing by Seller, with the exception of Section 8.1(a), which cannot be waived):

(a) FCC Consent. The FCC shall have issued in writing its consent to the assignment of the FCC Licenses from Seller to Buyer.

(b) Consideration. Buyer shall have delivered to Seller, in accordance with Section 2.2 hereof, the Purchase Price specified therein.

(c) Accuracy of Representations and Warranties. The representations and warranties made herein by Buyer shall be true and correct in all material respects when made and also as of the Closing Date.

(d) Compliance with Agreement. All of the material terms, agreements, covenants and conditions of this Agreement to be performed or complied with by the Buyer on or prior to the Closing shall have been duly performed or complied with.

(e) No Obstructive Proceeding.

(i) No Litigation. No action, suit, investigation, or proceeding shall have been instituted or be pending against any of the Parties to this Agreement before any Governmental Authority to restrain or prohibit, or to obtain substantial damages in respect of, this Agreement or the consummation of the transactions contemplated hereby which may reasonably be expected to result in a preliminary or permanent injunction against consummating the transactions contemplated by this Agreement or, if the transactions contemplated hereby were consummated, an order to nullify or render ineffective this Agreement or such transactions.

(ii) No Governmental Intervention. Neither of the Parties to this Agreement shall have received written notice from any Governmental Authority of: (i) its intention to institute any action or proceeding to restrain or enjoin or nullify or render ineffective this Agreement or the transactions contemplated hereby if consummated, or commence any investigation into the consummation of this Agreement and the transactions contemplated hereby; or (ii) the actual commencement of such an investigation.

(iii) No Order. No order, decree or judgment of any Governmental Authority shall be subsisting against any of the Parties which would render it unlawful or materially restrain or limit Buyer's ability, as of the Closing Date, to effect the transactions contemplated hereunder in accordance with the terms hereof or to operate the Station.

(f) Transfer of Documents. Seller shall have received the instruments and other documents (in form and substance reasonably satisfactory to its counsel) required to be delivered to it pursuant to Section 8.2 hereof.

(g) Officers' Certificates. Buyer shall have delivered a certificate signed by an authorized officer of Buyer, to the effect that the conditions set forth herein have been satisfied.

8.2. Conditions to Buyer's Obligation to Close. The obligations of Buyer to purchase the Purchased Assets and to proceed with the Closing are subject to the satisfaction at or prior to the Closing of each of the following conditions (unless waived in writing by Buyer, with the exception of Section 8.2(a), which cannot be waived):

(a) FCC Consent and Other Consents. The FCC shall have issued its consent to the assignment of the FCC Licenses from Seller to Buyer. In addition, any and all consents required to be obtained by Seller, if any, shall have been obtained by Seller and delivered to Buyer.

(b) Transfer of Documents. Buyer shall have received the instruments and other documents (in form and substance reasonably satisfactory to its counsel) required to be delivered to it pursuant to Section 9.1 hereof.

(c) Accuracy of Representations and Warranties. The representations and warranties made herein by Seller shall be true and correct in all material respects when made and on and as of the Closing Date,

(d) Compliance with Agreement. All of the material terms, agreements, covenants and conditions of this Agreement to be performed or complied with by Seller on or prior to the Closing shall have been duly performed or complied with.

(e) No Obstructive Proceeding.

(i) No Litigation. No action, suit, investigation, or proceeding shall have been instituted or be pending against any of the Parties to this Agreement before any Governmental Authority to restrain or prohibit, or to obtain substantial damages in respect of, this Agreement or the consummation of the transactions contemplated hereby which may reasonably be expected to result in a preliminary or permanent injunction against consummating the transactions contemplated hereby or, if the transactions contemplated hereby were consummated, an order to nullify or render ineffective this Agreement or such transactions, or a material adverse effect on the Purchased Assets.

(ii) No Governmental Intervention. Neither of the Parties to this Agreement shall have received written notice from any Governmental Authority of: (y) its intention to institute any action or proceeding to restrain or enjoin or nullify or render ineffective this Agreement or the transactions contemplated hereby if consummated, or commence any investigation into the consummation of this Agreement and the transactions contemplated hereby; or (z) the actual commencement of such an investigation.

(iii) No Order. No order, decree or judgment of any Governmental Authority shall be subsisting against any of the Parties that would render it unlawful or materially restrain or limit Buyer's ability, as of the Closing Date, to effect the transactions contemplated hereunder in accordance with the terms hereof or to operate the Station.

(f) Officers' Certificates. Seller shall have delivered a certificate signed by an authorized officer of Seller, to the effect that the conditions set forth in herein have been satisfied.

## **IX. Instruments of Conveyance and Transfer**

9.1. Instruments of Conveyance and Transfer: Seller. At the Closing, to effect the transfers, conveyances and assignments from Seller to Buyer, Seller shall deliver to Buyer the following, all in form reasonably satisfactory to counsel for Buyer, and dated as of the Closing Date:

(a) Bill of Sale. Bill of Sale for all tangible personal property included in the Purchased Assets;

(b) Assignments of Licenses. Assignments of the FCC Licenses;

(c) Consents. Any necessary third-party consents pertaining to an assignment/assumption of authorizations, leases, or contracts, if any; and

(d) Other Documents. Such other instruments or documents as Buyer may reasonably request in connection with the transfer to it of the Purchased Assets to be transferred, not inconsistent with the obligations of Seller under this Agreement.

9.2. Instruments of Conveyance and Transfer of Personal Property: Buyer. At the Closing, to effect the transfers, conveyances and assignments from Seller to Buyer, Buyer shall deliver to Seller the following, all in form reasonably satisfactory to counsel for Seller, and dated as of the Closing Date:

(a) Buyers Assumption of Assumed Liabilities. At the Closing, Buyer shall deliver to Seller its counterpart(s) to those assignment documents pertaining to:

(i) Obligations pertaining to the FCC Licenses and all other authorizations for Seller included in the Purchased Assets;

(ii) Any necessary third-party consents pertaining to an assignment of authorizations, leases, or contracts;

(b) Secured Promissory Note and Related Documents. The executed Secured Promissory Note and Security Agreement and

(c) Other Documents. Such other instruments or documents as Seller may reasonably request in connection with the transfer to Buyer of the Purchased Assets to be transferred, not inconsistent with the obligations of Buyer under this Agreement.

## **X. Risk of Loss; Insurance**

The risk of any loss, damage or impairment, confiscation or condemnation of the Purchased Assets or any part thereof from fire, explosion, disaster, flood, accident, riot, insurrection, war, act of God or other similar occurrence shall be borne by Seller at all times prior to the Closing but no such loss shall be deemed a breach of this Agreement. In any such event, the proceeds of, or any claim for any loss payable under, any insurance policy, claim, judgment or award with respect thereto (collectively, the "Proceeds") shall be paid to Seller, which shall repair, replace or restore any such Purchased Assets as soon as practicable after its loss, impairment, confiscation or condemnation.

## **XI. Event of Loss**

In the event that any loss or damage referred to in Article X (which individually or in the aggregate would have cost more than Twenty-Five Thousand Dollars (\$25,000.00) to repair or replace) shall not be restored, replaced or repaired by the Closing Date, Buyer may elect to terminate this Agreement and be released from its obligations under this Agreement entirely or, to the extent all the other representations, warranties, covenants and conditions hereof shall have been satisfied, may proceed with the Closing. If Buyer elects to proceed with the Closing under these circumstances, the proceeds of all insurance policies shall be assigned by Seller to Buyer, and Seller shall have no other liabilities for such loss or damage.

## **XII. Books and Records**

Buyer shall be entitled to those records, including but not limited to, the Public File, technical information and engineering data, FCC logs, asset history files, and other files, documents and correspondence of Seller dealing with maintenance and repair of the Purchased Assets prior to the Closing Date as shall be reasonably necessary to the maintenance of the Purchased Assets after the Closing Date. As soon as practicable after the Closing, but in no event later than three (3) days after the Closing, Seller shall deliver to Buyer in accordance with Buyer's instructions all documents referenced in this section that are in the possession of Seller, or any of their representatives, agents or affiliates.

## **XIII. Possession and Control of Station**

Notwithstanding any other provision of this Agreement, between the date of this Agreement and the Closing Date, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct, the operation of the Station, and the conduct of such business operations, including control and supervision of programming, shall be the sole responsibility of, and in the complete discretion and independent and separate control of, Seller. Neither title to, nor right to possession of, the Purchased Assets shall pass to Buyer until the Closing Date.

## **XIV. Brokers**

Each Party shall be responsible for its own legal and accounting expenses. The Parties acknowledge that Buyer has engaged the brokerages services of MCH Enterprises, Inc. The broker's fee due MCH Enterprises, Inc. shall be paid by Buyer upon Closing.

## **XV. Survival; Indemnification**

15.1. Survival. The several representations and warranties of the Parties contained in this Agreement shall be deemed to have been made on the date of this Agreement and on the Closing Date, shall survive the Closing Date and shall remain operative and in full force and effect for a period of twelve (12) months after the Closing Date except Articles XVI and XVII which shall survive in accordance with their terms.

15.2. Seller's Indemnification - Breaches. After the Closing Date, Seller agrees to indemnify, defend and hold Buyer harmless from and against any and all loss, cost, liability, damage and expenses (including reasonable legal and other expenses incident thereto) resulting from breach of Seller's representations, warranties, covenants and agreements contained in this Agreement.

15.3. Seller's Indemnification - Liabilities. Seller agrees to indemnify, defend and hold Buyer harmless from and against any and all Liabilities, known or unknown, actions, suits, proceedings, demands, assessments, judgments, costs and expenses (including reasonable legal and other expenses incident thereto), resulting from causes of action or claims of any kind (excluding any and all claims and liabilities arising or resulting from a breach of any of Buyer's agreements or warranties or from an inaccuracy in any of Buyer's representations hereunder) arising with respect to the FCC Licenses, where the events giving rise to such actions or claims arose, on or prior to the Closing and were not caused by the action or inaction of Buyer under the TBA (if any).

15.4. Buyer's Indemnification. Buyer agrees to indemnify, defend and hold Seller harmless after the Closing Date from and against:

(a) Breach. Any and all loss, cost, liability, damage and expense (including reasonable legal and other expenses incident thereto) resulting from Buyer's breach of any of its representations, warranties, covenants and agreements under this Agreement.

(b) Liabilities. Any and all Liabilities, known or unknown, actions, suits, proceedings, demands, assessments, judgments, costs, and expenses (including reasonable legal and other expenses incident thereto), resulting from causes of action or claims of any kind (excluding any and all such Liabilities arising or resulting from a breach of Seller's agreements or warranties or an inaccuracy of Seller's representations hereunder) arising with respect to the FCC Licenses where the events giving rise to such actions or claims arose, on or after the Closing Date .

15.5 Limitation of Indemnification. Notwithstanding anything to the contrary in this Agreement, (i) no Party shall be entitled to indemnification from the other Party under this section unless and until the aggregate amount of any claims exceeds Five Thousand Dollars (\$5,000), and the indemnification obligation of such Party shall then attach to any and all claims in excess of that amount, (ii) in no event shall any Party's indemnification obligations exceed the Purchase Price, and (iii) the Parties' indemnification obligations hereunder shall constitute the exclusive remedy for any post-Closing claims which any Party may have against the other Party for any breach of any representation, warranty, covenant, or other obligation hereunder.

## **XVI. Default and Termination**

16.1. Default and Cure. If either Party believes the other Party to be in material default hereunder, the non-defaulting Party shall provide the defaulting Party with written notice specifying in reasonable detail the nature of such default. If such default cannot be cured, or has not been cured by the earlier of (i) the Closing Date, or (ii) within ten (10) business days after delivery of such notice, then the Party giving such notice may terminate this Agreement or extend the Closing Date by ten (10) business days (but no such extension shall constitute a waiver of the non-defaulting Party's right to terminate as a result of such default). Such rights are contingent upon the giving of such written notice.

### 16.2. Termination

(a) Mutual Consent. This Agreement may be terminated by mutual written consent of Seller and Buyer.

(b) Seller. This Agreement may be terminated on notice by Seller (i) pursuant to Section 16.1 hereof, or (ii) if both the Buyer and Seller agree in writing that any condition set forth in Section 8.1 (other than Section 8.1 (a)) cannot be met and has not been waived.

(c) Buyer. This Agreement may be terminated on notice by Buyer (i) pursuant to Section 16.1 hereof, or (ii) if both the Buyer and Seller agree that any condition set forth in Section 8.2 (other than Section 8.2 (a)) cannot be met and has not been waived.

(d) Delay In Closing. Either Party, not then in material breach of the provisions of this Agreement, may elect to terminate this Agreement if all conditions precedent to its obligation to close have not been met within six (6) months after the date of Agreement the filing with the FCC of the Application.

16.3 Effect of Termination. In the event of termination of this Agreement due to a default by Buyer under this Agreement, this Agreement shall forthwith become void, the Escrow Deposit shall be released to Seller, and the Parties shall be released and discharged from any further obligation hereunder, except that the agreements contained in Article XVII hereof shall survive the termination hereof. In the event of termination of this Agreement for any other reason, this Agreement shall forthwith become void, the Escrow Deposit shall be returned to Buyer, and the Parties shall be released and discharged from any further obligation hereunder.

## **XVII. Confidentiality**

Buyer and Seller shall at all times prior to and for one (1) year after the Closing maintain confidential and not use for any purpose other than the operation of the Station, the terms of this Agreement, the details of this transaction or specifics of the FCC Licenses (other than information in the public domain not as the result of a breach of this Agreement), except: (i) for disclosure required by the FCC; (ii) for disclosure to authorized representatives of a Party, provided that any such person shall agree to maintain confidential any such information; (iii) as reasonably necessary to the performance of this Agreement; (iv) as authorized in writing by a Party; or (v) to the extent that disclosure is required by law or the order of any governmental authority under color of law; provided, that, prior to disclosing any information pursuant to this

clause (v), the disclosing Party shall have given reasonable prior written notice thereof to the other Party and provided the other Party with the opportunity to contest such disclosure at such Party's expense. Neither Party shall issue any press releases or communications to the press or general public without the prior written approval of the other Party.

## **XVIII. Employees**

Upon Closing Buyer shall not be required to offer continued employment to any of Seller's employees.

## **XIX. Miscellaneous**

19.1. Costs, Expenses. FCC filing fees in connection with the transfer of the FCC Licenses shall be equally divided between Buyer and Seller, except for any FCC filing fees related to filings proposed solely by Buyer prior to Closing, which filing fees shall be borne entirely by Buyer. All recording costs and fees incurred in connection with the clearing and removing of any liens and encumbrances not assumed by Buyer to which the Purchased Assets may be subject, so as to permit Seller to convey good and marketable title to the Purchased Assets free and clear of all encumbrances, shall be the responsibility of Seller.

19.2. Taxes. The payment of all sales, use, transfer or similar Taxes, documentation stamps, or other charges imposed by any and all Governmental Authorities (excluding any income or gain Taxes) with respect to the transfer of title to the Purchased Assets hereunder and the other transactions anticipated hereby shall be the responsibility of the Party required by law to pay any such taxes.

19.3. Further Assurances. Each Party shall, from time to time, upon the request of the other Party, execute, acknowledge and deliver to the other Party such other documents or instruments, and take any and all actions as are reasonably necessary for the implementation and consummation of the transactions contemplated by this Agreement.

19.4. Notice of Proceedings. Buyer or Seller, as the case may be, will promptly and in any case within five (5) business days notify the other in writing upon becoming aware of any pending or threatened order or similar issuance restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder.

19.5. Notices. Any notice, request, demand or consent required or permitted to be given under this Agreement shall be in writing and shall be effective when transmitted and confirmation of receipt is obtained for facsimile transmissions; when delivered personally; one (1) Business Day after sent by recognized overnight courier; and five (5) calendar days after sent by mail, first class, postage prepaid; in each case to the following address or telephone number, as applicable:

If to Seller to:

Mr. John Fiori, President  
Fiori Media, Inc.  
P.O. Box 911  
Vacaville, CA 95696  
Email: john@fiorimedia.com

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

James L. Oyster, Esq.  
108 Oyster Lane  
Castleton, VA 22716-2839  
Email: joyster@crosslink.net

If to Buyer to:

Mr. Arturo Gonzales, President  
Centro Familiar Cristiano  
9834 17th Street, N.W.  
Seattle, WA 98106  
Email: cfcinseattlewa@gmail.com

or at such other address as either Party shall specify by written notice to the other.

19.6. Headings, Entire Agreement, Amendment. The section and subsection headings do not constitute any part of this Agreement and are inserted herein for convenience of reference only. This Agreement embodies the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, understandings, representations and warranties, and courses of conduct and dealing between the Parties on the subject matter hereof. The Agreement may not be amended, modified or changed orally, but only in writing signed by the Party against whom enforcement of any amendment, modification, change, waiver, extension or discharge is sought.

19.7. Waiver. No waiver of a breach of, or default under, any provision of this Agreement shall be deemed a waiver of such provision or of any subsequent breach or default of the same or similar nature or of any other provision or condition of this Agreement.

19.8. Binding Effect and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their successors and permitted assigns. Except as explicitly stated in this paragraph, neither this Agreement nor any obligation hereunder shall be assignable by either Party except with the prior written consent of the other Party, which consent may not be unreasonably withheld.

19.9. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but which taken together shall constitute one agreement.

19.10. Exhibits, Schedules and Attachments. The Exhibits and Schedules attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall control.

19.11. Rights Cumulative. Except as set forth herein, all rights, powers and remedies herein given to Buyer and Seller are cumulative and not alternative, and are in addition to all statutes or rules of law.

19.12. Governing Law. This Agreement, and the rights and obligations of Buyer and Seller hereunder, shall be governed by and construed in accordance with the laws of the State of Washington applicable to contracts made and to be performed therein.

19.13. Severability. If any provision of this Agreement or the application thereof to any Person or circumstance, is held invalid, such invalidity shall not affect any other provision that can be given effect without the invalid provision or application. Any such invalid provision shall be given effect to the extent possible or shall be reformed so as to make it enforceable and valid while preserving the original intent of the Parties.

19.14. Third Party Rights. Neither Seller nor Buyer assumes any duty hereunder to any other Person or entity, and this Agreement shall operate exclusively for the benefit of the Parties hereto and their respective affiliated corporations and not for the benefit of any other Person or entity.

19.15. Time of Essence. Time is of the essence in the performance of this Agreement.

19.16 Seller's Default; Specific Performance. It is agreed and understood that the Purchased Assets and FCC Licenses are unique and not readily available on the open market. Therefore, in the event of Seller's breach of this Agreement despite Buyer being ready, willing and able to close, Buyer may and shall be entitled to seek the equitable remedy of specific performance to enforce Seller's obligations hereunder. Accordingly, Seller waives any defense to such action in equity that Buyer has an adequate remedy at law.

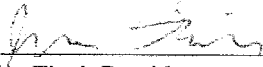
19.17 Buyer's Default and Seller's Remedy. Where Seller has a claim that Buyer has breached any of its material obligations under this Agreement, Seller shall give written notice to Buyer pursuant to Section 16.1 herein, however no such notice shall be required nor cure opportunity afforded for Buyer's inability or unwillingness to tender the full Purchase Price on the Closing Date upon the occurrence of all conditions precedent provided for herein. In the event of a default of Buyer prior to Closing, Seller's sole remedy shall be to elect liquidated damages in the form of the Escrow Deposit.

[The Next Page is the Signature Page]

IN WITNESS WHEREOF, each Party has caused this Purchase and Sale Agreement to be duly executed and delivered in its name and on its behalf, all as of the date and year first above written.

**SELLER**

FIORI MEDIA, INC.

BY:   
John Fiori, President

**BUYER**

CENTRO FAMILIAR CRISTIANO

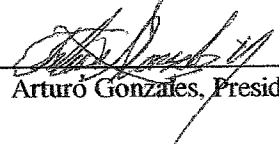
BY: \_\_\_\_\_  
Arturo Gonzales, President

IN WITNESS WHEREOF, each Party has caused this Purchase and Sale Agreement to be duly executed and delivered in its name and on its behalf, all as of the date and year first above written.

**SELLER**  
FIORI MEDIA, INC.

BY: \_\_\_\_\_  
John Fiori, President

**BUYER**  
CENTRO FAMILIAR CRISTIANO

BY:  \_\_\_\_\_  
Arturo Gonzales, President

## **Appendix A Defined Terms**

**“Agreement”** means this Purchase and Sale Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

**“Purchased Assets”** means the following, as set forth more completely on Schedule 2.1, but shall not include any Excluded Assets therein enumerated:

(a) The complete primary RF chain, including the transmitter, transmission line, antenna, auxiliary facilities, and any additions, improvements and replacements thereto between the date hereof and the Closing Date, together with all warranties, rights and claims relating to the assets listed in this paragraph (a);

(b) (i) the FCC Licenses and (ii) any other licenses, permits and authorizations issued by any Governmental Authority held and used by or useful to Seller in connection with the business and operations of the Station as of the date hereof, as set forth in Schedule 4.5 hereto, and any additions, renewals and extensions thereto between the date hereof and the Closing Date, including but not limited to any and all FCC construction permits, FCC licenses and other authorizations; and

(c) Other assets used in connection with the technical operations of the Station listed on Schedule 2.1.

**“Closing”** means the consummation of the purchase, assignment and sale of the Purchased Assets as contemplated hereby.

**“Closing Date”** means a time and business date not later than five (5) days after the date on which written FCC Consent has been granted and all other conditions specified in Article VII hereof shall have been met (or if applicable, waived), unless otherwise provided for herein or if Buyer and Seller mutually agree to a different time and date.

**“Excluded Assets”** shall mean assets not specifically included in the definitions of Purchased Assets and on the Schedules identified in that definition. The Excluded Assets include without limitation, all assets not used primarily in connection with the operation of the Station including, without limitation, those assets listed on Schedule 2.1; all cash on hand or in bank accounts, cash equivalents and investments; the accounts receivable of Seller related to the operation of the Station by Seller prior to the earlier of the Closing Date; prepaid items and deposits; and all rights of Seller under this Agreement and the other transaction documents.

**“FCC”** means the Federal Communications Commission.

**“FCC Consent”** has the meaning set forth in Section 3.1.

**“FCC Licenses”** means all licenses, permits and authorizations issued or granted by the FCC for the ownership and operation of KRUM-LD, licensed to Fiori Media, Inc., and all applications therefor, all of which are listed in Schedule 4.5 hereto, together with any renewals,

extensions or modifications thereof and additions thereto between the date hereof and the Closing Date.

**“Governmental Authority”** means any court or federal, state, municipal or other governmental or quasi-governmental authority, department, commission, board, agency or instrumentality, foreign or domestic, or any employee or agent thereof; or any mediator, arbitrator or similar forum of alternative dispute resolution.

**“Liabilities”** means all claims, obligations, indebtedness, commitments, whether direct or indirect, absolute, accrued, contingent, or otherwise, or due or to become due, asserted or unasserted, matured or unmatured, including without limitation trade accounts payable, accrued liabilities for payroll and related expenses, obligations for borrowed money or for the deferred purchase price of property or services, obligations secured by any Encumbrance on or with respect to any property or assets owned by a Person or acquired by a Person subject thereto (whether or not the obligation secured thereby shall have been assumed), obligations under direct or indirect guarantees, and other obligations (contingent or otherwise) to purchase, to provide funds for payment or otherwise acquire property or to assure a creditor against loss, obligations to reimburse the issuer with respect to letters of credit, liabilities in respect of unfunded accrued vested benefits under any employee benefit plan, capital lease obligations and any other known or unknown obligations or liabilities.

**“Parties”** has the meaning set forth in the recitals hereto.

**“Person”** shall mean any natural person, corporation, partnership, limited liability company, firm, joint venture, joint-stock company, trust, association, unincorporated entity of any kind, trust, governmental or regulatory body or other entity.

**“Purchase Price”** has the meaning set forth in Section 2.2.

**“Buyer”** has the meaning set forth in the recitals hereto.

**“Seller”** has the meaning set forth in the recitals hereto.

**“Station”** has the meaning set forth in the recitals hereto.

**“Tax”** or **“Taxes”** means all federal, state, local, foreign and other taxes, assessments or other governmental charges, including, without limitation, income, estimated income, ad valorem, excise, value-added, gross receipts, business, occupation, franchise, property (real or personal) or environmental tax or premium, sales, use, transfer, stamp, employment or withholding taxes, registration and licensing fees, and other assessments and similar taxes, including, without limitation, interest, penalties, additions in connection therewith (whether disputed or not), and any liability under Treasury Regulation Section 1.1502-6 (or any comparable provision of foreign, state or local law) or any other tax obligation which Seller has assumed or for which Seller is or was liable.

**Other Definition Provisions.** The masculine form of words includes the feminine and the neuter and vice versa, and, unless the context otherwise requires, the singular form of words includes the plural and vice versa. The words “herein,” “hereof,” “hereunder” and other words of similar import when used in this Agreement refer to this Agreement as a whole, and not to any particular section or subsection.

**Schedule 2.1**  
**Tangible Personal Property**  
**To Be Finalized at Closing**

**Exhibit 2.2**  
**Escrow Agreement**

**Exhibit 2.2(c)**  
**Secured Promissory Note**

**Exhibit 2.3(a)**  
**Security Agreement**

**Schedule 2.4**  
**Liabilities**

**None.**

## **Schedule 2.5**

### **Allocation of Purchase Price To Be Finalized at Closing**

Transmitter Equipment:	\$
Other Equipment:	\$
Licenses:	\$
	-----
Total:	\$ 250,000.00

**Exhibit 4.5**  
**FCC Licenses and Permits**

**License: BLDTL-20090824AAT**

**Construction Permit: BDISDTL-20091001AKW**