

**PURCHASE AND SALE AGREEMENT
FOR LAKE COUNTY TELEVISION CHANNEL K15FJ
AND ASSIGNMENT OF LICENSE**

This Purchase and Sale Agreement and Assignment of License (the "Agreement") is made and entered into by and between Jesus Christ Fellowship, a California nonprofit religious corporation, located in Middletown, California ("Seller") and Pinestone Broadcasting Corporation, a California Corporation ("Buyer") (all together, the "Parties"). The Effective Date of this Agreement is ~~April~~ ^{May} 8, 2015.

I. RECITALS

WHEREAS Seller owns a low power television channel known as K15FJ, based in Lake County, California (the "Channel"), and currently operates the Channel under license with the Federal Communications Commission ("FCC") (the "License"), and prior to this Agreement has filed with the FCC an application to renew its license which is pending, and

WHEREAS Seller wishes to sell the Channel and assign the License to Buyer.

WHEREAS Buyer wishes to: (i) purchase the Channel (and such purchase includes the License); (ii) become the Assignee of the License and operate the Channel under the License, and (iii) acquire the Larcan transmitter (the "Transmitter") by which the Channel beams programming to the public, and

WHEREAS prior approval by the Federal Communications Commission of the transactions contemplated hereunder is required, and

WHEREAS the Parties have successfully concluded negotiations in good faith to permit such a transfer of operations and ownership forthwith.

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

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II. AGREEMENT

1. **Tender and Purchase Price.** Seller agrees to assign and sell to Buyer its License and right to operate the Channel and its transmitter for the amount of Thirty Six Thousand Dollars (\$36,000 USD) (the "Purchase Price"), subject to the conditions set forth herein, including in paragraph 5 below (FCC approvals). The following equipment and items are included in what is being sold as the "Channel":

(a) **Seller's Equipment:** (i) Transmitter – Larcen XLS1000 transmitter. Cabinet to contain all auxiliary circuit modules excepting the MA COM equipment specifically listed below. This transmitter to operate less the four 300 Watt PA modules by using the 80 Watt driver and all final filter assemblies. (ii) Microwave. Studio link (STL) at 13075.0 – 13100.0 (MHZ) consisting of: (1) MA COM PAC-12 Audio Modulator, (1) MA COM Video LP Filter, (1) MA COM MA20 RX Receiver, (1) MA COM AC Power Supply; UHF Antenna: (Six panel array) 9.76 dBd Scala (Kathrein #736078 panel antenna with one 7/8" Heliac transmission line. Dish Antenna: (1) Andrew 4' dish antenna and EW 127 waveguide.

(b) **Payment of Purchase Price.** Payments of amounts of the Purchase Price shall be payable by Buyer starting thirty (30) months commencing on the Effective Date of this Agreement, as follows:

- (i) A refundable deposit of one thousand dollars (\$1,000 USD) upon the Effective Date of this Agreement;
- (ii) Another deposit of one thousand dollars (\$1,000 USD) upon Buyer's receipt of FCC written approval of the Assignment of License contemplated by this Agreement;
- (iii) Deposits of one thousand dollars (\$1,000 USD) starting 30 days after the date of Buyer's receipt of FCC written approval of the Assignment of License and made every month thereafter on the first of the month; and
- (iv) Payments of an additional two thousand dollars (\$2,000 USD) shall be made on the first day of the 12th (twelfth) month, the 24th (twenty-fourth) month, and on the 30th (thirtieth) month after the Effective Date of this Agreement.
- (v) For any payment day (e.g., the first day of any month) that lands on a Sunday or holiday, such payment shall be made on the next business day and be considered timely in such event.

2. **No Interest or Penalties.** The Parties agree that there is no prepayment penalty, nor any interest charged, on any balance owed by Buyer.

3. **Promissory Note and Security.** Buyer shall provide a Promissory Note to Seller for the balance of the Purchase Price. Buyer shall provide the following security for the full payment of this obligation: (i) the first \$18,000 shall be personally guaranteed by Buyer; (ii) any and all subsequent amounts shall be secured by the equipment herein as collateral.

4. FCC Application for Assignment of License. Within 15 days after the Effective Date of this Agreement, the Parties shall jointly submit an application for an assignment of the station license with the FCC (the "Assignment Application"). The Parties agree to execute and file a copy of this agreement and other relevant information on FCC Form 314 or equivalent by which Seller can assign the License to Buyer. Buyer shall pay any transfer fees to the FCC. Upon information and belief, the transfer fee is approximately \$600. While the FCC filing is to be made by Buyer, Seller agrees to use reasonable efforts to communicate with staff at the FCC to have the FCC review the Assignment Application promptly, and Seller shall complete and file an Ownership Report as required. Seller will continue to broadcast on a limited basis until FCC approval is granted to Buyer.

(a) Buyer's Right to Re-apply for FCC approval/assignment. The Parties agree to allow Buyer additional time to procure the assignment and approval from the FCC. Buyer shall have the right to apply for FCC approval/assignment two additional times in the event the Assignment Application is not approved upon the first attempt. During such time until FCC approval of the Assignment Application is obtained, this Agreement shall remain in full force and effect, and Seller may not assign its rights or interests or otherwise refuse to consummate the transaction contemplated in this Agreement.

(b) Seller agrees to use all reasonable efforts to help effectuate the assignment of the License. Seller further agrees to refrain from marketing, entertaining offers for, attempting to assign, sell or otherwise transfer its License to any other person or party at any time after the Effective Date of this Agreement.

5. Site Location Lease. Seller currently broadcasts its signal from Buckingham Peak located on Mt. Konocti in Lake County, California, on a tower and land owned by the County of Lake, paying monthly rent to Lake County under a lease. In the event Buyer wishes to continue to operate from that site location, Buyer shall, within ten (10) business days of the signing of this Agreement, commence negotiations for its own lease with the County of Lake.

6. Buyer's Representations and Warranties. Buyer represents and warrants that it is qualified to be a FCC Commission licensee and to hold the requisite FCC authorizations which are the subject of this Agreement. However, Seller agrees that this is not a representation that Buyer will obtain the FCC approvals contemplated by this Agreement.

7. Buyer's Right of Termination. Given the ongoing public support for this channel as being supportive of the best interests of the public in Lake County, approval of this assignment by the FCC is anticipated. In the event the FCC fails to grant an assignment of the License specified herein, fails to approve of the assignment of license, or otherwise rejects the Application for Assignment of License, then, at Buyer's option, an alternative comparable facility may be substituted by the mutual written agreement of the Parties hereto. If no such



alternative can be agreed upon, then a refund of all Buyer's deposits will be refunded and tendered to Buyer within forty five (45) days of Buyer's written notice of such final denial by the FCC, and this Agreement shall terminate and the Parties hereto shall have no further obligations to each other.

(a) Right of Termination re Lease. Buyer shall also have the right to terminate and obtain a refund of any deposits/payments in the event the existing lease agreement between Seller and Lake County (i) cannot be assigned to Buyer; (ii) cannot be ended so that a new lease agreement can be entered into between Lake County and Buyer satisfactory to Buyer; or (iii) Buyer is unable to enter into a lease agreement with Lake County on "substantially the same terms" (which is defined to mean a base rental amount within 25% of current rental amount between Seller and Lake County) as the existing lease agreement between Seller and Lake County.

8. Transfer Taxes and Fees. Buyer agrees to be solely responsible for any and all bulk transfer fees, transfer taxes, sales taxes or other taxes, assessments or FCC fees associated with the purchase of the License.

9. Seller's Representations and Warranties. Buyer is entering into this Agreement in reliance on Seller's representations and warranties herein. Seller represents and warrants the following:

- (i) That the parties to the August 15, 2008 Facility Space License Agreement are the Jesus Christ Fellowship (licensee therein) and Buckingham Peak LLC; and that subsequent thereto the County of Lake purchased the subject property from Buckingham Peak LLC, and thereafter a lease was entered into (known as the Amendment to Facility Space License Agreement dated July 27, 2010 by and between Jesus Christ Fellowship and the County of Lake);
- (ii) That the tower space, licensed space, and Seller's equipment are all in good working order, free of defects, and properly maintained and in compliance with all applicable laws and FCC rules; (iii) That the station antenna structure area is kept within an effective locked fence;
- (iv) That the a transmitter is operating from a properly licensed site, and at the licensed site coordinates;
- (v) That the station and channel do not operate overpower;
- (vi) That Seller has, before executing this Agreement, already filed with the FCC an application to renew its license which is pending;
- (vii) That by entering into this Agreement, Seller is not infringing on any intellectual property, or breaching any other contract or agreement; and
- (viii) That Seller holds a clear License to the Channel, and that no other person or party has any lien, interest or legal claim to the License being assigned and sold to, and the Channel being sold to, Buyer.



10. **Hold Harmless.** Seller agrees to indemnify and hold harmless the Buyer and its corporate officers and agents and subsidiaries (collectively, the "Buyer Indemnified Parties"), and will reimburse the Buyer Indemnified Parties for any loss, liability, claim, damage, or expense (including costs of investigation and defense and reasonable attorneys' fees and expenses), whether or not involving a third-party claim, arising from or in connection with the Site Location, the lease Facility Space License Agreement between Jesus Christ Fellowship (licensee therein) and Buckingham Peak LLC; the subject property owned by County of Lake and purchased from Buckingham Peak LLC; the lease known as the Amendment to Facility Space License Agreement (dated July 27, 2010 by and between Jesus Christ Fellowship and the County of Lake).

11. **Entire Agreement.** This Agreement sets forth the entire agreement relating to its subject matter and supersedes any prior discussions, understandings and agreements. No waiver, amendment or modification of any provision of this Agreement will be effective unless in writing and signed by authorized representatives of both Parties. No waiver by any party of a breach or violation of this Agreement or any failure to exercise any right hereunder will operate or be construed as a waiver of any subsequent breach or violation of the same or of a different kind or a relinquishment of such right.

12. **Waiver.** The waiver by any Party hereto of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same, or of any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived unless in writing.

13. **Severability.** If any provision of this Agreement shall for any reason be held invalid or unenforceable by any court, governmental agency or arbitrator of competent jurisdiction, such invalidity or unenforceability will not and does not affect any other provision hereof, but this Agreement will be construed as if such invalid or unenforceable provision had never been contained herein and the remainder of this Agreement shall be enforced to the greatest extent permitted by law.

14. **Counterparts.** This Agreement may be executed in one or more counterparts. All counterparts so executed shall constitute one contract, binding on all Parties, even though Parties are not signatory to the same counterpart.

15. **Equal Application and Participation in Drafting.** No provision of this Agreement is to be interpreted or construed against any Party because such Party or its counsel was the drafter



thereof. Buyer and Seller each acknowledge that each of them participated in the drafting of this Agreement and each had an opportunity to retain independent counsel to review and advise the respective Parties hereto.

16. Governing Law. This Agreement shall be governed by, and constructed and enforced in accordance with, the laws of the State of California. Venue for any dispute arising from this Agreement shall lie in Lake County, California.

17. Disputes. In the event of any dispute between the Parties, each side shall bear its own costs and attorney's fees in any dispute or proceeding arising from this Agreement, irrespective of which Party prevails.

18. Notices. The address of each of the Parties to this Agreement shall for all purposes be as set forth below, unless otherwise changed by the applicable party by notice to the other as provided herein.

Buyer: Dan Nelson, by and for Pinestone Broadcasting Corporation

Phone: (408) 425-8303
Fax
Email: Info@pinestonebroadcasting.com

Seller: Pastor Jeffrey Daly, by and for Jesus Christ Fellowship

P.O. Box 246
Middletown, CA USA 95461
Phone: (707) 987-9082
Fax (707) 987-0982
Email: jdalylaw@aol.com

19. Confidentiality. The Parties agree to maintain the confidentiality of this Agreement. Disclosure is only permitted only in the event of a court order, to the FCC as required under the terms of this Agreement, or as required by law.

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20. **Authorized Execution.** This Agreement has been duly executed and delivered by the authorized representatives of the respective Parties and constitutes the valid and legally binding agreement and obligation of each Party and is enforceable in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Agreement:

Approved and Accepted

~~April~~ 8, 2015
[Signature]

Pinestone Broadcasting Corporation

By: *[Signature]*
Dan Nelson

For: Pinestone Broadcasting Corporation
Its: President

Approved and Accepted

~~April~~ 9, 2015
[Signature]

Jesus Christ Fellowship

By: *[Signature]*
Jeffrey Daly

For: Jesus Christ Fellowship
Its: President