

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of March 17, 2020, between **HILO CHRISTIAN BROADCASTING CORP.** ("Seller") and **CALVARY CHAPEL OF TWIN FALLS, INC.** ("Buyer").

RECITALS

WHEREAS, Seller owns and operates radio broadcast station KCIF(FM) at Hilo, Hawaii, designated as Facility ID No. 81518 (hereinafter the "Station").

WHEREAS, Seller owns or holds certain tangible and intangible assets, including certain licenses, permits, and authorizations issued by the Federal Communications Commission (the "FCC"), used or useful in the operation and ownership of the Station.

WHEREAS, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, certain of the assets of Seller used in the ownership and operation of the Station.

WHEREAS, the acquisition of the Station is subject to prior approval of the FCC.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, agreements, and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. PURCHASE AND SALE OF ASSETS

1.1 Assets to be Transferred. Subject to the terms and conditions of this Agreement, on the Closing Date (as hereinafter defined), Seller shall sell, transfer, convey, assign, and deliver to Buyer, and Buyer shall purchase and accept the following assets of Seller that relate to the ownership and operation of the Station, together with all rights and privileges associated with such assets and with the ownership of the Station as follows (collectively the "Purchased Assets"):

(a) Licenses, Permits, and Authorizations. All licenses, permits, and authorizations issued or granted by the FCC to Seller for the operation of the Station or used in connection with the operation of the Station described in Schedule 1.1(a) attached hereto (the "FCC Authorizations"), and all other licenses, permits, and authorizations issued to Seller by any other governmental entity in connection with the ownership and operation of the Station (collectively with the FCC Authorizations, the "Licenses");

(b) Tangible Personal Property. The items of tangible personal property owned, by Seller that are used in operation of the Station which are described or listed in Schedule 1.1(b) attached hereto;

(c) Books and Records. All of Seller's rights in and to the Station's public files (excluding records relating to any Excluded Asset (as hereinafter defined));

(d) Intangible Personal Property. The items of intangible personal property owned, leased or held by Seller and used in connection with operation of the Station which are described or listed in Schedule 1.1(e) attached hereto.

1.2 Excluded Assets. It is understood and agreed that any assets not explicitly identified as Purchased Assets shall be considered "Excluded Assets" and shall not be acquired by Buyer as part of the transactions provided for herein. The Excluded Assets shall include, without limitation, the following:

(a) Cash. Any and all cash, cash equivalents, cash deposits to secure contract obligations, all inter-company receivables from any affiliate of Seller and all other accounts receivable, bank deposits and securities held by Seller in respect of the Station at the applicable Transfer Date.

(b) Tax Refunds. Any claims, rights and interests in and to any refunds of taxes for periods prior to the Closing Date;

(c) Company Records. All records relating to the Excluded Assets described in this Section 1.2 and to Seller's accounts payable and general ledger records;

(d) Insurance, etc. Any insurance policies and proceeds thereof, promissory notes, bonds, certificates of deposits or other similar items and cash surrender value in regard thereto, and any claims against insurers;

(e) Benefit Plans. Any pension, profit-sharing, or employee benefits plans;

(f) Miscellaneous Contracts. Any agreements;

(g) Financial Records. All of Seller's tax returns and supporting materials, all original financial statements and supporting materials, all books and records that Seller is required by law to retain, and all records of Seller relating to the sale of the Purchased Assets;

(h) Excluded Software. All Software that is: (i) licensed to or owned by Seller, (ii) used enterprise-wide by Seller (e.g., Microsoft Office); or (iii) Seller is unable by the terms of a license to be transferred to Buyer (collectively, "Excluded Software");

(i) Excluded Intangible Assets. All patents, patent applications, trademarks, tradenames, service marks, and copyright registrations or copyright applications, trade secrets, domain names, and any other intellectual property or intangible assets (e.g., jingles, slogans and other promotional material), in each case, that are used in connection with any business unit of Seller or any affiliate of Seller (excluding the Station) (collectively, "Excluded Intangible Assets"); and

(j) Corporate Records. Seller's corporate records except the Books and Records of the Station.

2. ASSUMPTION OF LIABILITIES

2.1 Liabilities to be Assumed. Buyer agrees to assume and timely perform all obligations and liabilities related to the Purchased Assets arising on or after the Closing Date. No expense, debt, or liability of Seller, of any nature whatsoever, shall be assumed by Buyer unless said assumption is set forth in this Agreement, or in any separate written agreements executed by both Buyer and Seller.

2.2 Liabilities Not to be Assumed. Except as and to the extent specifically set forth in Section 2.1 of this Agreement, Buyer is not assuming any liabilities of Seller, and all such liabilities shall be and remain the responsibility of Seller.

3. PURCHASE PRICE; PAYMENT; ALLOCATION

3.1 Purchase Price and Method of Payment. The purchase price for the Station is Twenty-Five Thousand Dollars (\$25,000.00), which shall be paid by Seller to Buyer at Closing in the form of a bank check or wire transfer (the "Purchase Price").

3.2 Allocation of Purchase Price. The aggregate Purchase Price (including the assumption by Buyer of the Assumed Liabilities, if any) shall be allocated among the Purchased Assets for tax purposes in accordance with Schedule 3.2. Sellers and Buyer will follow and use such allocation in all tax returns, filings or other related reports made by them to any governmental agencies.

4. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller makes the following representations and warranties to Buyer, each of which is true and correct on the date hereof, shall remain true and correct to and including the Closing Date, and shall survive the Closing of the transactions provided for herein as specified in Article 15 of this Agreement.

4.1 Organization and Power.

(a) Organization. Seller is a for-profit corporation duly organized, validly existing, and in good standing under the laws of the State of Hawaii.

(b) Power. Seller has all requisite power and authority to own, operate and lease its properties, to carry on its business as and where such is now being conducted, to enter into this Agreement and the other documents and instruments to be executed and delivered by Seller pursuant hereto and to carry out the transactions contemplated hereby and thereby.

4.2 Authority. The execution and delivery of this Agreement and the other documents and instruments to be executed and delivered by Seller pursuant hereto and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary action of Seller. No other or further act or proceeding on the part of Seller is necessary to authorize this Agreement or the other documents and instruments to be executed and delivered by Seller pursuant hereto or the consummation of the transactions contemplated hereby and thereby. This Agreement constitutes, and when executed and delivered, the other documents and instruments to be executed and delivered by Seller pursuant hereto will constitute, valid binding agreements of Seller, enforceable in accordance with their respective terms, except as such may be limited by bankruptcy, insolvency, reorganization, or other laws affecting creditors' rights generally, and by general equitable principles.

4.3 Required Consents; No Conflicts.

(a) Except in connection with the filings referred to in Section 6.1 and Section 6.2, the execution, delivery and performance by the Seller of this Agreement or any of the agreements to be delivered in connection herewith will not require the consent, approval, authorization or permit of, or filing with, or notification to any Governmental Entity, except (i) as have been obtained or will be obtained or have occurred prior to the Closing, and (ii) those the absence of which will not be reasonably expected to have a material adverse effect on the Station or its business.

(b) The execution and delivery of this Agreement or any of the agreements to be delivered in connection herewith, the fulfillment of and the compliance with the respective terms and provisions of each, and the consummation of the transactions described in each, do not and will not (i) conflict, in any material respects, with or violate any Law applicable to or affecting Seller, the Station or the Purchased Assets, (ii) conflict, in any material respects, with or result in any material breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under any Contract to which Seller is a party or by which Seller is bound or to which any of the Purchased Assets or the Station is subject or affected, or (iii) conflict with or violate the organizational documents of Seller.

4.4 Absence of Certain Changes. There has not been (i) any sale, lease or other transfer or disposition of any of the Purchased Assets, except for the sale of items in the ordinary course of business; or (ii) any other event or condition not in the ordinary course of business relating to the Station that would have a material adverse effect on the Station.

4.5 Absence of Undisclosed Liabilities. Seller does not have any Liabilities relating to the operation of the Station other than commercial liabilities and obligations incurred in the ordinary course of business and consistent with past practice and none of which has or will have a material adverse effect on the business or results of operations of the Station, and none of which shall be assumed or payable by Buyer.

4.6 No Litigation. There is no Litigation pending or, to the best of Seller's knowledge, threatened against Seller relating to its ownership and operation of the Station, or any of the Purchased Assets, nor does Seller know, or have grounds to know, of any basis for any Litigation.

4.7 FCC Licenses. Seller is the holder of the FCC Licenses listed on Schedule 1.1(a), and the FCC Licenses (i) are valid, in good standing and in full force and effect and constitute all of the licenses, permits and authorizations required by the Act, the Rules and Regulations or the FCC for, or used in, the operation of the Station as now operated, and (ii) constitute all the licenses and authorizations issued by the FCC to Seller for or in connection with the current operation of the Station. Seller has no actual knowledge of any condition imposed by the FCC as part of any FCC License which is neither set forth on the face thereof as issued by the FCC nor contained in the Rules and Regulations applicable generally to the Station of the type, nature, class or location of the Station. The Station currently is silent. No proceedings are pending or, to the knowledge of the Seller, are threatened which may result in the revocation, modification, non-renewal or suspension of any of the FCC Licenses, the denial of any pending applications, the issuance of any cease and desist order or the imposition of any fines, forfeitures or other administrative actions by the FCC with respect to the Station or their operation, other than proceedings affecting the radio broadcasting industry in general. Seller has complied in all material respects with all requirements to file reports, applications and other documents with the FCC (including the registration of Seller's towers, if required) with respect to the Station, and all such reports, applications and documents are true and correct in all material respects. Seller has no knowledge of any matters (i) which could reasonably be expected to result in the suspension or revocation of or the refusal to renew any of the FCC Licenses or the imposition of any fines or forfeitures by the FCC, or (ii) against Seller which could reasonably be expected to result in the FCC's refusal to grant approval of the assignment to Buyer of the FCC Licenses or the imposition of any Material Adverse Condition in connection with approval of such assignment. A Material Adverse Condition is a condition that would materially restrict, limit, increase the cost or burden of or otherwise adversely affect or materially impair the right of Buyer to ownership, use, control, enjoyment or operation of the Station or the proceeds therefrom; *provided, however*, that any condition which requires that the Station be operated in accordance with a condition similar to those contained in the present FCC licenses issued for operation of the Station, shall not be materially adverse. There are not any unsatisfied or otherwise outstanding citations issued by the FCC with respect to the Station or their operation.

4.8 Tangible Personal Property. Seller has title to the Tangible Personal Property free and clear of Liens other than Permitted Liens. Buyer acknowledges that all Tangible Personal Property will be delivered "as is/where is," with no guarantees of functionality.

4.9 Broker Commission or Finder's Fees. Seller represents and warrants that no person or party brokered this transaction, and that neither the Seller nor Buyer has an obligation to pay a broker's fee upon the consummation of this transaction.

4.10 Disclosure. No representation or warranty by Seller in this Agreement, nor any statement, certificate, schedule, document or exhibit hereto furnished or to be furnished by or on behalf of Seller pursuant to this Agreement or in connection with transactions contemplated hereby, contains or shall contain any untrue statement of material fact or omits or shall omit a material fact necessary to make the statements contained therein not misleading. All statements and information contained in any certificate, instrument, or signed document delivered by or on behalf of Seller shall be deemed representations and warranties by Seller.

4.11 Environment. To Seller's knowledge, no hazardous or toxic substance or waste regulated under any applicable environmental, health or safety law has been generated, stored, transported or released on, in, from or to the Leased Real Property included in the Station's Assets. To Seller's knowledge, Seller has complied in all material respects with all environmental, health and safety laws applicable to the Station.

4.12 Hazardous Materials. No hazardous or toxic materials (as hereinafter defined) exist in any structure located on, or exist on or under the surface of, any of the real property or equipment to be conveyed to or leased by Buyer. For purposes of this Agreement, "hazardous or toxic material" shall mean waste, substances, materials, smoke, gas, pollutants, contaminants, asbestos or asbestos related products, PCB's, petroleum, crude oil (or any fraction or distillate thereof) or particular matter designated as hazardous, toxic or dangerous, or requiring special handling, treatment or storage whether or not designated hazardous, toxic or dangerous under any environmental laws. For purposes of this Agreement "environmental law" shall be interpreted to mean the Comprehensive Environmental Response Compensation and Liability Act, any successor to such law, and/or any other applicable federal, state, or local environmental, health or safety law, rule or regulation concerning the treating, producing, handling, storing, releasing, spilling, leaking, pumping, pouring, emitting, or dumping of any waste, substance, materials, smoke, gas or particulate matter or imposing liability or standards in connection therewith.

4.13 No Third-Party Options. There are no existing agreements with, options or rights of, or commitments to any person other than Buyer to acquire any of the Purchased Assets or any interest therein or in the Station. Seller hereby agrees to indemnify, defend, and hold harmless Buyer from and against all third-party option claims that may be asserted against Seller and Buyer with regard to the transaction contemplated by this Agreement.

4.14 Transmitter Site. No rights to any transmitter site or tower is be assigned to Buyer pursuant to this Agreement. Buyer shall be responsible for acquisition of its own transmitter site to be used in conjunction with its future operation of the Station.

5. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer makes the following representations and warranties to Seller, each of which is true and correct on the date hereof, shall remain true and correct to and including the Closing Date and shall survive the Closing of the transactions provided for herein as specified in Article 15 of this Agreement.

5.1 Organization and Power.

(a) Organization. Buyer is an Idaho non-profit corporation duly organized, validly existing, and in good standing under the laws of the State of Idaho.

(b) Power. Buyer has all requisite power to enter into this Agreement and the other documents and instruments to be executed and delivered by Buyer and to carry out the transactions contemplated hereby and thereby.

5.2 Authority. The execution and delivery of this Agreement and the other documents and instruments to be executed and delivered by Buyer pursuant hereto and the consummation of the transaction contemplated hereby and thereby have been duly authorized by Buyer. No other act or proceeding on the part of Buyer is necessary to authorize this Agreement or the other documents and instruments to be executed and delivered by Buyer pursuant hereto or the consummation of the transactions contemplated hereby and thereby. This Agreement constitutes, and when executed and delivered, the other documents and instruments to be executed and delivered by Buyer pursuant hereto will constitute, valid, and binding agreements of Buyer, enforceable in accordance with their respective terms, except as such may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally, and by general equitable principles.

5.3 Broker Commission or Finder's Fee. Buyer represents and warrants that no person or party brokered this transaction, and that neither Seller nor Buyer has an obligation to pay a broker's fee upon the consummation of this transaction.

5.4 Disclosure. No representation or warranty by Buyer in this Agreement, nor any statement, certificate, schedule, document or exhibit hereto furnished or to be furnished by or on behalf of Buyer pursuant to this Agreement or in connection with the transactions contemplated hereby, contains or shall contain any untrue statement of material fact or omits or shall omit a material fact necessary to make the statements contained therein not misleading. All statements and information contained in any certificate, instrument, or signed document delivered by or on behalf of Buyer shall be deemed representations and warranties by Buyer.

5.5 Qualifications as a Broadcast Licensee. Buyer is legally, financially and otherwise qualified under the Communications Act of 1934, as amended, and the existing rules, regulations and published policies of the FCC (collectively, "FCC Laws"), to acquire and operate the Station.

6. APPLICATIONS TO AND CONSENT BY FCC

6.1 FCC Consent. Consummation of the transactions provided for herein and the performance of the obligations of Seller and Buyer under this Agreement are subject to the condition that the FCC shall have issued its consent to an application for consent to the

assignment of the FCC Authorizations from Seller to Buyer (the "Assignment Application") without any condition materially adverse to Buyer (the "FCC Consent").

6.2 Assignment Application and Notice. Seller and Buyer shall file with the FCC within fifteen (15) business days after the execution of this Agreement such applications and other documents in the name of Seller or Buyer, as appropriate, as may be necessary or advisable to obtain the FCC Order. Seller and Buyer shall take all commercially reasonable steps necessary to prosecute such filings with diligence and shall diligently oppose any objections to, appeals from or petitions to reconsider such approval of the FCC, to the end that the FCC Order and a Final Action with respect thereto may be obtained as soon as practicable; *provided, however*, that in the event the application for assignment of the FCC Licenses has been designated for hearing, either Buyer or Seller may elect to terminate this Agreement pursuant to Section 14. Subject to Section 14.1(b), Buyer shall not knowingly take, and Seller covenants that Seller shall not knowingly take, any action that party knows or has reason to know would materially and adversely affect or materially delay issuance of the FCC Order without a Material Adverse Condition, unless such action is requested or required by the FCC, its staff or the Rules and Regulations. Subject to Section 14.1(b), should Buyer or Seller become aware of any facts which could reasonably be expected to materially and adversely affect or materially delay issuance of the FCC Order without a Material Adverse Condition, such party shall promptly notify the other party thereof in writing and both parties shall cooperate to take all steps necessary or desirable to resolve the matter expeditiously and to obtain the FCC's approval of matters pending before it.

6.3 Mutual Covenant of Reasonable Cooperation. Seller and Buyer shall diligently and expeditiously take all necessary and proper steps, provide any additional information requested by the FCC, and otherwise use their best efforts to obtain the FCC Consent and to comply with this Article 6.

6.4 Assignment Application Expenses and Fees. Since each party is a non-profit, noncommercial entity there should not be any FCC filing fees imposed upon the Assignment Application. However, should the FCC ultimately impose such filing fees then each party shall be responsible for one-half of any fees imposed by the FCC for the filing of the Assignment Application.

6.5 Possession and Control of Station. Between the date of this Agreement and the Closing Date, Buyer shall not control the operation of the Station, but such operation shall be the ultimate responsibility of Seller. Buyer shall be entitled to reasonable inspection of, and access to, the premises and assets, and to notice of any unusual operating problems or developments with the purpose that an uninterrupted and efficient transfer of ownership may be accomplished. It is further understood and agreed that, effective on the Closing Date and thereafter, Seller shall have no control over, nor right to intervene or participate in, the operation by Buyer of the Station.

6.6 Contingent Modification Application. Seller agrees and will consent in writing at

Buyer's request to allow Buyer to timely file an application requesting modification of the KCIF(FM) transmitter site. However, grant of the modification application shall not be a contingency to the Closing as contemplated herein. All costs (legal, engineering and the like) associated with the preparation of the modification application shall be exclusively borne or reimbursed by Buyer. Buyer shall indemnify and hold harmless Seller as to any and all litigation which might arise pertaining to such application.

6.7. FCC Reports. Seller shall continue to file, on a current basis until the Transfer Date, all reports and documents required to be filed with the FCC with respect to the Station. Seller shall provide Buyer with copies of all such filings within ten (10) business days of the filing with the FCC.

7. OTHER MATTERS

7.1 Costs. Buyer shall be responsible for and bear all costs and expenses incurred by both Seller and Buyer in conjunction with the preparation, negotiation, execution, and filing of this Agreement with the FCC including, without limitation, the expenses of Seller's representatives (which attorneys' fees shall be limited, however, to a maximum amount of \$2,500.00), incurred at any time in connection with pursuing or consummating the transactions provided for in this Agreement.

7.2 Risk of Loss. Risk of loss for damage to or theft, loss or destruction of the Purchased Assets (by any means, including, without limitation, acts of God) occurring after the date of this Agreement and prior to the Closing shall be borne by Seller, and after the Closing shall be borne by Buyer.

7.3 Updating of Schedules. From time to time after the full execution of this Agreement and prior to the Closing, Seller will promptly supplement or amend the Schedules delivered in connection herewith with respect to any matter which exists or occurs after the date of this Agreement and which, if existing or occurring at or prior to the date of this Agreement, would have been required to be set forth or described in the Schedules or which is necessary to correct any information therein; *provided, however*, that the provisions of this Section are informational only and Buyer shall not be bound to the terms of any changed Schedules unless they are incorporated into this Agreement by a written amendment signed by Buyer.

7.4 Transfer Taxes and Similar Charges. All recordation, transfer, and documentary taxes and fees, stamps, and any excise, sales or use taxes, and all similar costs of transferring the Purchased Assets in accordance with this Agreement shall be exclusively by Buyer.

8. FURTHER COVENANTS OF SELLER

8.1 Conduct of Business Pending the Closing. From the date hereof until the Closing or earlier termination of this Agreement without a closing, Seller shall have complete control and supervision of and ultimate responsibility for the Station and its operation and during

such period. Notwithstanding the foregoing, the parties acknowledge that the Station is currently off-air and may not resume broadcast operations until after this transaction is approved and consummated. FCC policy requires that the Station resume broadcast operations no later than December 5, 2020. If Closing has not occurred by November 5, 2020 the parties will take all steps necessary to protect the Station's license and resume broadcast operations of the Station prior to the December 5, 2020 statutory deadline.

9. JOINT COVENANTS

Seller and Buyer shall have a continuing obligation to promptly notify the other party in writing with respect to any matter hereafter arising or discovered which, if existing or known at the date of this Agreement, would have been required to be disclosed to the other party, but no such disclosure shall cure any breach of any representation or warranty which is inaccurate. Further, Seller and Buyer shall give prompt notice to the other party at any occurrence that comes to its attention that may constitute a misrepresentation, breach of warranty, or nonfulfillment of any covenant or condition on the part of Seller or Buyer contained in this Agreement. Seller and Buyer both agree to use their best efforts prior to Closing to obtain all consents necessary for the consummation of the transaction contemplated hereby, including consent and approval from the FCC.

10. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

Each and every obligation of Buyer to be performed on the Closing Date shall be subject to the satisfaction prior to or at the Closing of each of the following conditions:

10.1 Representations and Warranties True on the Closing Date. Each of the representations and warranties made by Seller in this Agreement, and the statements contained in any instrument, list, certificate, or writing delivered by Seller pursuant to this Agreement, shall be true and correct in all material respects when made and shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made or given on and as of the Closing Date.

10.2 Compliance with Agreement. Seller shall have performed and complied in all material respects with all of its agreements and obligations under this Agreement which are to be performed or complied with by Seller prior to or on the Closing Date, including the delivery of the closing documents specified in Section 13.2 hereof.

10.3 Absence of Litigation. No Litigation shall have been commenced, and no investigation by any Government Entity shall have been commenced, against Buyer, Seller or any of the affiliates, officers, members or Shareholders of any of them, with respect to the transactions contemplated hereby.

10.4 Consents and Approvals. The FCC Consent and all other approvals, consents, and waivers that are required to effect the assignments of the Station's licenses contemplated

hereby shall have been received and the FCC Consent shall have become a Final Order (as hereinafter defined), provided that a Final Order may be waived by Buyer. "Final Order" means a grant, consent or authorization by the FCC which is no longer subject to reconsideration or review by the FCC or a court of competent jurisdiction, and in regards to the Assignment Application, consents to the assignment of the FCC Authorizations contemplated by this Agreement without the imposition of any conditions that could have a material adverse effect on Seller or Buyer with respect to the assignment of the FCC Authorizations from Seller to Buyer.

10.5 Third Party Consents and Approvals. Seller shall have obtained all third-party consents and approvals, if any, required for the transfer or continuance, as the case may be, of the Contracts on Schedule 1.1(d) attached hereto (and contracts that would have been on Schedule 1.1(d) attached hereto had they been in existence on the date of this Agreement).

10.6 Closing Certificates. Buyer shall have received a certificate, dated as of the Closing Date, from Seller certifying that the conditions set forth in Sections 10.1 and 10.2 hereof have been fulfilled.

10.7 Copies of Documents. Seller shall have delivered to Buyer true and complete copies of all written leases, commitments, contracts, licenses, and other agreements referred to in Schedule 1.1(d) and Schedule 2.1 attached hereto.

11. CONDITION PRECEDENT TO SELLER'S OBLIGATIONS

Each and every obligation of Seller to be performed on the Closing Date shall be subject to the satisfaction prior to or at the Closing of the following conditions:

11.1 Representations and Warranties True on the Closing Date. Each of the representations and warranties made by Buyer in this Agreement, and the statements contained in any instrument, certificate, or writing delivered by Buyer pursuant to this Agreement, shall be true and correct in all material respects when made and shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made or given on and as of the Closing Date.

11.2 Compliance with Agreement. Buyer shall have performed and complied in all material respects with all of Buyer's agreements and obligations under this Agreement which are to be performed or complied with by Buyer prior to or on the Closing Date, including the delivery of the closing documents and the Purchase Price specified in Section 3 of this Agreement

11.3 Consents and Approvals. The FCC Consent and all other approvals, consents, and waivers that are required to effect the assignment of the Licenses shall have been received.

11.4 Absence of Litigation. No Litigation shall have been commenced or threatened, and no investigation by any Government Entity shall have been commenced, against Buyer,

Seller or any of the affiliates, officers, members, or Shareholders of any of them, with respect to the transactions contemplated hereby.

11.5 Certifications. Seller shall have received a certificate, dated as of the Closing Date, from the Buyer, executed by a duly authorized officer of Buyer, certifying that the conditions set forth in Sections 11.1 and 11.2 hereof have been fulfilled.

12. INDEMNIFICATION

12.1 By Seller. Subject to the terms and conditions of this Article 12, Seller hereby agrees to indemnify, defend and hold harmless Buyer, and its directors, officers, employees, members, and controlled and controlling persons (hereinafter "Buyer's Affiliates"), from and against all Claims asserted or instituted by any third party or Governmental Entity ("Third Party Claims") against Buyer or any Buyer Affiliate, and all Losses incurred by Buyer or such Buyer Affiliate as a result of such Claims, directly or indirectly, by reason of, or resulting from:

- (a) the inaccuracy or breach of any representation or warranty of Seller contained in or made pursuant to this Agreement;
- (b) the breach of any covenant of Seller contained in this Agreement;
- (c) any Third-Party Claim brought by or on behalf of any broker or finder retained, employed or used by Seller or any of its directors, officers, employees, members, or agents in connection with the transactions provided for herein or the negotiation thereof, whether or not disclosed herein;
- (d) any Third-Party Claim with respect to the ownership or operation of the Station or the Purchased Assets prior to the Closing Date including, without limitation, any Liabilities arising under the FCC Authorizations or the Contracts which relate to events occurring prior to the Closing Date, or
- (e) any Third-Party Claim, whether arising before or after the Closing Date, with respect to any of the liabilities that are not assumed by Buyer, as more specifically described in Section 2.2.

As used in this Article 12, the term "Claim" shall include all demands, claims, suits, actions, causes of action, proceedings and assessments, whether or not ultimately determined to be valid, and the term "Losses" shall include (i) all Liabilities; (ii) all losses, damages, judgments, awards, penalties, and settlements; and (iii) all costs and expenses (including, without limitation, interest (including prejudgment interest in any litigated or arbitrated matter), court costs, and fees and expenses of attorneys and expert witnesses) of investigating, defending or asserting any of the foregoing or of enforcing this Agreement.

12.2 By Buyer. Subject to the terms and conditions of this Article 12, Buyer and

Buyer's Shareholders hereby agree to indemnify, defend and hold harmless Seller and its shareholders, directors, officers, employees, members and controlled and controlling persons (hereinafter "Seller's Affiliates"), from and against all Third Party Claims asserted or instituted against Seller or any Seller Affiliate, and all Losses incurred by Seller or such Seller Affiliates as a result of such Claims, directly or indirectly, by reason of or resulting from:

(a) the inaccuracy or breach of any representation or warranty of Buyer contained in or made pursuant to this Agreement;

(b) the breach of any covenant of Buyer contained in this Agreement;

(c) any Third-Party Claim brought by or on behalf of any broker or finder retained, employed or used by Buyer or any of its directors, officers, employees, members, or agents in connection with the transactions provided for herein or the negotiation thereof, whether or not disclosed herein;

(d) any Third-Party Claim with respect to the ownership or operation of the Station or the Purchased Assets on or after the Closing Date including, without limitation, any Liabilities arising under the FCC Authorizations or the Contracts which relate to events occurring on or after the Closing Date; or

(e) any Third-Party Claim arising after the Closing Date with respect to any assumed liabilities.

12.3 Notice and Defense. The party or parties to be indemnified (whether one or more, the "Indemnified Party") will give the party from whom indemnification is sought (the "Indemnifying Party") prompt written notice of any such Claim, and the Indemnifying Party will undertake the defense thereof by representatives chosen by it. The assumption of defense shall constitute an admission by the Indemnifying Party of its indemnification obligation hereunder with respect to such Claim, and its undertaking to pay directly all costs, expenses, damages, judgments, awards, penalties, and assessments incurred in connection therewith. Failure to give such notice shall not affect the Indemnifying Party's duty or obligations under this Article 12, except to the extent the Indemnifying Party is prejudiced thereby. So long as the Indemnifying Party is defending any such Claim actively and in good faith, the Indemnified Party shall not settle such Claim. The Indemnified Party shall make available to the Indemnifying Party or its representatives all records and other materials required by them and in the possession or under the control of the Indemnified Party, for the use of the Indemnifying Party and its representatives in defending any such Claim, and shall in other respects give reasonable cooperation in such defense.

12.4 Failure to Defend. If the Indemnifying Party, within a reasonable time after notice of any such Claim, fails to defend such Claim actively and in good faith, the Indemnified Party will (upon further notice) have the right to undertake the defense, compromise, or settlement of such Claim or consent to the entry of a judgment with respect to such Claim, on behalf of and

for the account and risk of the Indemnifying Party, and the Indemnifying Party shall thereafter have no right to challenge the Indemnified Party's defense, compromise, settlement, or consent to judgment.

12.5 Indemnified Party's Rights. Anything in this Article 12 to the contrary notwithstanding, (i) if there is a reasonable probability that a Claim may materially and adversely affect the Indemnified Party other than as a result of money damages or other money payments, the Indemnified Party shall have the right to defend, compromise, or settle such Claim, and (ii) the Indemnifying Party shall not, without the written consent of the Indemnified Party, settle, or compromise any Claim or consent to the entry of any judgment which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party of a release from all Liability in respect of such Claim.

12.6 Payment. The Indemnifying Party shall promptly pay the Indemnified Party any amount due under this Article 12. Upon judgment, determination, settlement, or compromise of any third-party Claim, the Indemnifying Party shall pay promptly on behalf of the Indemnified Party, and/or to the Indemnified Party in reimbursement of any amount theretofore required to be paid by it, the amount so determined by judgment, determination, settlement, or compromise and all other Claims of the Indemnified Party with respect thereto, unless in the case of a judgment, an appeal is made from the judgment. If the Indemnifying Party desires to appeal from an adverse judgment, then the Indemnifying Party shall post and pay the cost of the security or bond to stay execution of the judgment pending appeal. Upon payment in full by the Indemnifying Party, the Indemnifying Party shall succeed to the rights of such Indemnified Party, to the extent not waived in settlement, against the third party who made such Third-Party Claim.

12.7 Certain Limitations.

(a) The maximum liability of either party for indemnification under this Article 12 shall be Twenty-Five Thousand and 00/100 Dollars (\$25,000.00).

(b) Payments by an Indemnifying Party under this Article 12 in respect of any Loss shall be limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution, or other similar payment received or reasonably expected to be received by the Indemnified Party in respect of any such Claim. The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution, or other similar agreements for any Losses prior to seeking indemnification under this Agreement.

(c) In no event shall any Indemnifying Party be liable to any Indemnified Party for any punitive, incidental, consequential, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple.

(d) Each Indemnified Party shall take, and cause its Affiliates to take, all reasonable steps to mitigate any Loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such Loss.

(e) Seller shall not be liable under this Article 12 for any Losses based upon or arising out of any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement if Buyer had knowledge of such inaccuracy or breach prior to the Closing.

13. CLOSING

13.1 Closing Date or Closing means a date to be designated by Buyer which shall not be earlier than the tenth (10th) nor later than the forty-fifth (45th) business day after the FCC provides Notice that it has approved and granted the assignment of the Station's authorizations and licenses; *provided, however*, that, in the event of any post-grant protest of the Assignment Application, either Seller or Buyer shall have the option to extend the Closing Date to a date not later than the tenth (10th) business day after the FCC's consent and approval has become a Final Order, as defined below. If a pre-finality Closing Date is established, Buyer and Seller will execute an Unwind Agreement containing terms mutually satisfactory to the parties.

13.2 Documents to be Delivered by Seller. At the Closing, Seller shall deliver to Buyer the following documents, in each case duly executed or otherwise in proper form:

(a) Compliance Certificate. A certificate from Seller that the representations and warranties made by Seller in this Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as though such representations and warranties had been made or given on and as of the Closing Date, and that Seller has performed and complied in all material respects with all of Seller's obligations under this Agreement which are to be performed or complied with on or prior to the Closing Date.

(b) Certified Resolution. A certified copy of the corporate resolution of the Seller authorizing and approving this Agreement and the consummation of the transactions provided for in this Agreement.

(c) Assignment of FCC Authorizations. An Assignment of FCC Authorization sufficient in the opinion of Buyer and its counsel to assign the FCC Authorizations to Buyer.

(d) Transfer Documents. Such bills of sale, assignments, and other good and sufficient instruments of transfer as Buyer may reasonable request in order to convey and transfer to Buyer title to the Purchased Assets (collectively, the "Transfer Documents").

(e) Other Documents. All other documents, instruments, or writings required to be delivered at or prior to the Closing pursuant to this Agreement and other certificates of authority and documents as Buyer may reasonably request.

13.3 Documents to be Delivered by Buyer. At the Closing, Buyer shall deliver to Seller the following documents, in each case duly executed or otherwise in proper form:

(a) Purchase Price. A wire transfer of the Purchase Price in immediately available funds as required by Section 3 of this Agreement, together with reimbursement of all of Seller's expenses incurred by Seller in conjunction with the preparation, negotiation, execution, and filing of this Agreement with the FCC, including, without limitation, the expenses of Seller's representatives, incurred at any time in connection with pursuing or consummating the transactions provided for in this Agreement, as provided in Section 7.1. The parties agree that Buyer's reimbursement of Seller's expenses shall not exceed \$2,500.00, as provided in Section 7.1.

(b) Compliance Certificate. A certificate signed by an officer of Buyer that the representations and warranties made by Buyer in this Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as though such representations and warranties had been made or given on and as of the Closing Date, and that Buyer has performed and complied with all of Buyer's obligations under this Agreement which are to be performed or complied with on or prior to the Closing Date.

(c) Certified Resolutions. A certified copy of the corporation resolution of Buyer authorizing and approving this Agreement and the consummation of the transactions contemplated by this Agreement.

(d) Other Documents. All other documents, instruments or writings required to be delivered to Seller at or prior to the Closing pursuant to this Agreement and such other certificates of authority and documents as Seller may reasonably request.

14. TERMINATION

14.1 Right of Termination Without Breach. This Agreement may be terminated without further liability of any party at any time prior to the Closing by mutual written agreement of Buyer and Seller. Additionally, this Agreement shall automatically terminate in the event, regardless of the reason, this transaction has not consummated within eighteen (18) months of the filing of the Assignment Application.

14.2 Termination for Breach.

(a) Termination by Buyer. If Seller has failed to cure any material violation or breach of any of its agreements, representations or warranties contained in this Agreement within

fifteen (15) days after delivery of written notice of such violation or breach from Buyer then Buyer may terminate this Agreement.

(b) Termination by Seller. If Buyer has failed to cure any material violation or breach of any of its agreements, representations or warranties contained in this Agreement within fifteen (15) days after delivery of written notice of such violation or breach from Seller (except in the case of Buyer's breach for nonpayment of the Purchase Price on the Closing Date, in which case there shall be no cure period) then Seller may terminate this Agreement.

15. SURVIVAL OF REPRESENTATIONS, WARRANTIES, AND COVENANTS

All representations and warranties of Seller and Buyer and all covenants of Seller and Buyer, individually and together, contained in this Agreement shall survive for twelve (12) months after the Closing Date; *provided, however*, that a willful breach of any of the representations, warranties and covenants contained in this Agreement shall survive for the applicable statute of limitations.

16. MISCELLANEOUS

16.1 Further Assurance. From time to time, at Buyer's request and without further consideration, Seller shall execute and deliver to Buyer such documents, instruments and consents and take such other action as Buyer may reasonably request in order to consummate more effectively the transactions contemplated hereby, to discharge the covenants of Seller and to vest in Buyer good, valid and marketable title to the Station and the Purchased Assets. Buyer shall likewise execute any document reasonably requested by Seller to effectuate the intent of this Agreement.

16.2 Disclosures and Announcements. Both the timing and the content of all disclosure to third parties and public announcements concerning the transactions provided for in this Agreement by either Seller or Buyer shall be subject to the approval of the other in all essential respects, except that neither party's approval shall be required as to any statements and other information which either party may submit to the Securities and Exchange Commission or the FCC, or be required to make pursuant to any rule or regulation of the Securities and Exchange Commission or the FCC, or otherwise required by law.

16.3 Assignment; Parties in Interest.

(a) Assignment. This Agreement may not be assigned.

(b) Parties in Interest. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the respective successors and permitted assigns of the parties hereto. Nothing contained herein shall be deemed to confer upon any other person any right or remedy under or by reason of this Agreement.

16.4 Access After the Applicable Closing Date. After the Closing Date, Buyer shall make good faith efforts to accommodate any Seller need to access the books, records, and documents of the Station pertaining to transactions occurring prior to the applicable Closing Date when requested by Seller for purposes of tax or litigation issues. Buyer shall retain such books and records for the normal document retention period of Buyer.

16.5 Law Governing Agreement. This Agreement shall be construed and interpreted according to the internal laws of the State of Hawaii, with consideration given to the rules and polices of the FCC, excluding any choice of law rules that may direct the application of the laws of another jurisdiction.

16.6 Amendment and Modification. Buyer and Seller may amend, modify and supplement this Agreement in such manner as may be agreed upon by them in writing.

16.7 Notice. All notices, requests, demands and other communications hereunder shall be given in writing and shall be: (a) personally delivered; (b) sent by telecopier, facsimile transmission, or other electronic means of transmitting written documents; or (c) sent to the parties at their respective addresses indicated herein by registered or certified U.S. mail, return receipt requested and postage prepaid, or by private overnight mail courier service. The respective addresses to be used for all such notices, demands, or requests are as follows:

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

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

If to Seller: Clint Carlson
Hilo Christian Broadcasting Corp.
P.O. Box 1066
Hilo, HI 96721

With a copy to: Dan J. Alpert, Esq.
The Law Office of Dan J. Alpert
2120 21st Rd. N
Arlington, VA 22201

If personally delivered, such communication shall be deemed delivered upon actual receipt; if electronically transmitted pursuant to this paragraph, such communication shall be

deemed delivered the next business day after transmission (and sender shall bear the burden of proof of delivery); if sent by overnight courier pursuant to this paragraph, such communication shall be deemed delivered upon receipt; and if sent by U.S. mail pursuant to this paragraph, such communication shall be deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service, or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal. Any party to this Agreement may change its address for the purposes of this Agreement by giving notice thereof in accordance with this Section.

16.8 Entire Agreement. This instrument embodies the entire agreement between the parties hereto and supersedes all prior oral or written agreements, understandings, representations, and warranties, and courses of conduct and dealing between the parties with respect to the transactions contemplated herein.

16.9 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, facsimile signatures, or signatures delivered in PDF format shall be treated the same as original signatures.

16.10 Headings. The headings in this Agreement are inserted for convenience only and shall not constitute a part hereof.

16.11 Severability. If any one or more of the provisions contained in this Agreement should be found invalid, illegal or unenforceable, in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Any illegal or unenforceable term shall be deemed to be void and of no force and effect only to the minimum extent necessary to bring such term within the provisions of applicable law and such term, as so modified, and the balance of this Agreement shall then be fully enforceable.

16.12 Attorneys' Fees. If either party initiates any litigation against the other party involving this Agreement, the prevailing party in such action shall be entitled to receive reimbursement from the other party for all reasonable attorneys' fees and other costs and expenses incurred by the prevailing party in respect of that litigation, including any appeal, and such reimbursement may be included in the judgment or final order issued in that proceeding.

16.13 Schedules. The Schedules and Exhibits attached to this Agreement and any other documents delivered to Buyer by Seller pursuant hereto are hereby made a part of this Agreement as if set forth in full herein.

16.14 Maintenance of Confidences. Until after the Closing, Buyer agrees to keep confidential all information it receives or has received during the course of the negotiations in connection with the transaction contemplated herein or relating to the business operations of Seller, provided that Buyer may disclose such information to its professional advisors, agents and any financial institution which it may be dealing with in connection with the proposed financing of

the transactions contemplated herein, or as required by law. In the event that the transaction contemplated hereby is not consummated for any reason, Buyer shall promptly return to Seller all materials acquired by Buyer from Seller with respect to the Station and the associated assets and intangibles, and provide to Seller the names and addresses of any and all persons, firms or other entities who have viewed or received information with respect to the proposed sale of the Station (together with a meaningful description of the materials viewed or received by each of them).

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

BUYER:

CALVARY CHAPEL OF TWIN FALLS, INC.

By: _____
~~Michael Kester~~ *Shannon Schelten*
~~President~~ *President*

SELLER:

HILO CHRISTIAN BROADCASTING CORP.

By: _____
Clint Carlson
President

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

BUYER:

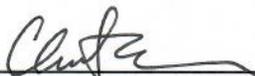
CALVARY CHAPEL OF TWIN FALLS, INC.

By: _____

Michael Kestler
President

SELLER:

HILO CHRISTIAN BROADCASTING CORP.

By:  _____

Clint Carlson
President

SCHEDULES TO APA

Schedule 1.1(a)

Licenses and Permits

**Current FCC Licenses, Authorizations
and Pending Technical Authorizations For
KCIF(FM) @ Hilo, Hawaii**

Hilo Christian Broadcasting Corp..

Type of Authorization	Call Sign	FCC File Number	Grant Date	Expiration Date
Broadcast License	KCIF	BLED-20071005ADU	11/16/2007	2/1/2014
Broadcast Renewal	KCIF	BRED-20130930AMS	1/24/2014	2/1/2022

Pending Technical Applications

Application	Call Sign	FCC File Number	PN Date
None			

Broadcast Auxiliary Station

Type of Authorization	Call Sign	Issue Date	Expiration Date
None			

Schedule 1.1(b)

Tangible Personal Property

Current Operational Equipment:

Sage Endec Model 3644

Dayton Industries Model AfC3

Radio Systems RS12 Broadcast Board

Crown Transmitter FM250

Crown PA2000 Amplifier

Coaxial cable from transmitter to antenna and antenna

Non-operational backup or spare equipment:

Crown PA 2000 Amplifier

Crown PS2000 Amplifier

Crown FM500 Transmitter

Crown FM30 Transmitter

Schedule 1.1(e)

Intangible Personal Property

KCIF call letters (which will be assigned to Buyer at Closing)

Schedule 3.4

Allocation of Purchase Price

To be agreed upon the parties within 90 days after Closing.