

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the “**Agreement**”) is made effective the 1st day of February, 2016 (“**Effective Date**”), by and between Southwest Media, LLC, a Utah limited liability company, doing business as KCSG Television and KCSG TV, which is a wholly owned subsidiary of Broadcast West, LLC, a Utah limited liability company (collectively “**Seller**”) and West American Finance Corporation, a Utah corporation (“**Buyer**”). Seller and Buyer may collectively be referred to hereinafter as “**Parties**”, or individually as a “**Party**”.

RECITALS

WHEREAS, Southwest Media, LLC, as a wholly owned subsidiary of Broadcast West, LLC, a Utah limited liability company owns and operates commercial television Station KCSG (DT), K27MQ-D and K16DS-D (the “**Station**”);

WHEREAS, Buyer desires to acquire substantially all of the assets of the Station and Seller is willing to convey such assets to Seller.

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

1. Assets to be Transferred. On the Closing Date, as defined below, Seller will sell, transfer, assign, and convey to Buyer, and Buyer agrees to purchase and/or assume the following assets (collectively referred to in this Agreement as the “**Assets**”):

a. Licenses and Permits. The FCC License listed in Exhibit A, attached hereto and incorporated herein by reference, and all other assignable or transferrable governmental licenses, permits, and authorizations held by Seller as of the Effective Date, in accordance with the terms and provisions of this Agreement and the Rules and Regulations of the Federal Communications Commission (“**FCC**”);

b. Tangible Assets. All of the significant (used in the ordinary course of business) fixed assets and tangible personal property purchased and owned by the Station which are necessary for the operation of the Station, including, but not limited to, those tangible assets listed in Exhibit B, attached hereto and incorporated herein by reference;

c. Intangible Assets. All of Seller’s right, title and interest in and to the call sign, any trademarks, domain addresses, and goodwill associated with the Station, going concern value, and Seller’s rights to the names “KCSG Television” and “KCSG TV”;

d. Assumed Leases or Contracts. The leases, contracts, and other agreements, written or oral, which Buyer agrees to assume, and which are listed in Exhibit C, attached hereto and incorporated herein by reference.

f. Records. Any records required by the FCC to be kept by the Station and copies of all other business records which relate to or affect the Assets and which belong to Seller and are within its possession and control.

2. Excluded Assets. The following assets are not included as part of this Agreement:

a. Sellers Company. Seller's organizational documents and ownership in Seller's limited liability companies;

b. Cash and Accounts Receivable. Any cash on hand or in banks, cash equivalents, investments, securities, deposits, and accounts receivable arising from operations and transactions of the Station prior to and including the Effective Date; and

c. Claims, Refunds, and Deductions. Any claims of Seller with respect to operations and transactions of the Station occurring prior to 11:59 p.m. on the Closing Date including, without limitation, claims for insurance, tax refunds or other refunds of monies paid any governmental agency and refunds of any kind from third parties for costs incurred by Seller.

3. Consideration. On or about September 1, 2010, Buyer and Seller entered into a Loan Agreement, wherein Buyer loaned Seller Five Hundred Thousand Dollars (\$500,000) for a term of 5 years, at 0% interest ("**Loan**"). Seller has been unable to repay the Loan, and the Parties have mutually agreed that Seller would assign the Assets in return for full satisfaction and repayment of the Loan. The Loan balance of \$500,000 will be deemed the consideration and purchase price for the Assets ("**Purchase Price**"). As of the Effective Date, the Parties have agreed that the Loan has been satisfied and paid in full.

4. FCC Approval.

a. FCC Approval Required. Transfer of the FCC License and the right for Buyer to operate the Station is conditioned upon the FCC having given its consent in writing, without any condition materially adverse to Buyer or Seller, to the assignment from Seller to Buyer of all FCC authorizations of Seller used in the operation of the Station (the "**FCC Approval**"). The Closing Date ("**Closing**") shall be deemed to be a date that is within ten (10) business days after FCC Approval has been issued. The Parties are signing this Agreement in good faith and neither Party (including the members and shareholders of the respective Parties) has any knowledge of any reason or circumstance that would hinder the FCC Approval and the Closing of this Agreement.

b. Filing of FCC Application. The Parties agree to proceed as expeditiously as practical to prepare an assignment application for FCC Approval ("**Application**"), and to file said Application (i.e., FCC Form 314). The cost of the filing for the Application shall be paid by Buyer. The Parties agree that the Application will be prosecuted in good faith and with due diligence. Buyer will prepare a draft of the Application for review and approval by Seller, unless otherwise agreed by the Parties. The Parties agree to defend the Application against third parties that may seek to deny this assignment. The cost of such defense shall be borne by Buyer, except for cases in which a creditor of the Station or past or present employees of the Station seek to deny this assignment.

5. Closing Date and Place. Except as otherwise provided herein, the Closing shall take place on a mutually acceptable date (the "**Closing Date**") proposed by Buyer and agreed to by Seller which shall be no later than ten (10) business days after FCC Approval, provided the

conditions specified in this Agreement shall have been met. The Closing will take place at the offices of Seller, or at such other place as Buyer and Seller may select by mutual agreement.

6. Operation of the Station. Until the Application is approved by the FCC, Seller will continue to operate the Station. During this time period Buyer may have access to the Station, with the permission of Seller, for observation purposes. However, prior to the Closing, Buyer will not be involved in the day to day operations of the Station. During this time period, Seller represents that it will fully comply with all FCC rules and regulations, and that it will not do anything that might adversely affect the Application or the Seller's standing with the FCC.

7. Seller's Representations and Warranties. Seller hereby represents and warrants to Buyer as follows:

a. Organization and Standing. Seller is a legally formed and constituted limited liability company, in good standing under the laws of the State of Utah, possesses all power necessary to own and operate Station and to carry out the provisions of this Agreement and has the authority to convey the Assets.

b. Authorization and Binding Obligation. The execution, delivery, and performance of this Agreement by Seller have been duly authorized by all necessary actions on the part of Seller. This Agreement has been duly executed and delivered by Seller and constitutes the legal, valid, and binding obligation of Seller, enforceable against Seller in accordance with its terms except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

c. No Conflicts. The execution, delivery and performance of this Agreement by Seller, and the consummation of the transactions contemplated hereby do not, and as of the Closing Date, will not (i) violate, conflict with or constitute a default under any law, regulation, ordinance, judgment, decree, arbitral award, governmental license, permit or other authorization, or any contract, agreement or other instrument to which Seller is a party, and (ii) require the consent of any third party, except as has been previously disclosed to Buyer.

d. Current and Valid FCC Authorizations. Seller is now and on the Closing Date will be the holder of the FCC License(s) which are necessary for Seller to own and operate the Station, and which are attached. No action or proceeding is pending or, to the knowledge of the Seller, threatened before the FCC or other governmental or judicial body, for the cancellation, or material and adverse modification, of Station's authorizations, and they are in full force and effect. Seller knows of no reason why the FCC would not find it qualified to assign the FCC License to Buyer. As exceptions to the above, *(1) the Parties understand and agree that the FCC is in process of re-allotting substantial television broadcast spectrum for re-sale by auction, GN Docket No. 12-268, (Report and Order released on June 2, 2014). As a result of this initiative, the Station may be required to change channels, modify facilities, or may be forced to cease operations altogether. Buyer assumes the risk of all changes brought about under this Docket at any time in the future.*

e. Operation of the Station. As of the Effective Date, Seller has operated the Station in all material respects in compliance with FCC Rules and Regulations, and otherwise within the limits of all local, state and Federal laws governing the business of the Station. There

are not now any outstanding unsatisfied FCC citations or cease and desist orders against the Station. Seller has filed all forms and reports with the FCC which are required to be filed, has placed in its public inspection file (including the political advertising file) all documents which are required to be made available for public inspection, and as of the Effective Date has paid all requisite federal regulatory fees.

f. Title to the Assets. As of the Effective Date, Seller has good and marketable title to all Assets being assigned to Buyer. All Assets are being accepted by Buyer in “as is where is” condition without warranties, either express or implied, including warranties of merchantability and fitness for a particular purpose, except as to such manufacturer’s warranties which may still be in existence as of the Effective Date.

g. Claims and Litigation. There is no claim or litigation or proceeding pending or, to the Seller’s knowledge, threatened which affects the title or interest of Seller to or in any of the Assets being assigned to Buyer or the Station’s technical facilities, or which would prevent or adversely affect the ownership, use, or operation of the Station by Buyer.

h. Authorization. Seller authorizes Stephen W. Wade to execute any and all additional documents necessary to finalize this transfer of Assets and to obtain approval from the FCC.

8. Buyer’s Representations and Warranties. Buyer hereby represents and warrants to Seller as follows:

a. Organization and Standing. Buyer is a legally formed and constituted corporation, in good standing under the laws of the State of Utah, possesses all power necessary to own and operate Station and to carry out the provisions of this Agreement.

b. Authorization and Binding Obligation. The execution, delivery, and performance of this Agreement by Buyer have been duly authorized by all necessary actions on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and constitutes the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors’ rights generally and by judicial discretion in the enforcement of equitable remedies.

c. No Conflicts. The execution, delivery and performance of this Agreement by Buyer, and the consummation of the transactions contemplated hereby do not, and as of the Closing Date, will not (i) violate, conflict with or constitute a default under any law, regulation, ordinance, judgment, decree, arbitral award, governmental license, permit or other authorization, or any contract, agreement or other instrument to which Buyer is a party, and (ii) require the consent of any third party, except as has been previously disclosed to Seller.

d. Buyer’s Qualifications. Buyer is legally, financially and otherwise qualified to be the licensee of and acquire, own and operate the Station under the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC. Buyer knows of no reason or fact that would, under existing law and the existing rules, regulations, policies and procedures of the FCC disqualify Buyer as assignee of the FCC Licenses or as the owner and operator of the

Station. Pending Closing, Buyer will not take any actions which might impair its ability to become the assignee of the FCC License(s).

e. Financial Qualifications. As of the Effective Date and throughout the Closing Date, Buyer will be financially qualified to undertake performance of the obligations set forth herein, and Buyer will establish its financial qualifications to the satisfaction of the FCC, so that the Application for the FCC consent to this transaction shall not be delayed and shall be routinely granted.

f. Satisfaction of Loan to Seller. Buyer stipulates, agrees, and warrants that, by virtue of this Agreement and Seller's good faith assignment, transfer and conveyance of the Assets to Buyer, the Loan referenced in Paragraph 3 herein, has been fully satisfied and paid in full by Seller. Buyer assumes the risk that the FCC may deny the Application, may require the Station to change channels, may modify the Station facilities, or the Station may be forced to cease operations altogether. In addition to the satisfaction of the Loan, Buyer warrants and represents that there are no additional monies or loans owed by either Seller or Stephen W. Wade to either Buyer or Steve Harmsen.

9. Risk of Loss. Risk of loss, damage, or destruction to the Assets to be sold and conveyed hereunder shall be upon the Seller until the Effective Date, and after the Effective Date upon the Buyer.

10. Access to Information. After execution of this Agreement and until Closing, Buyer will have access to the Station's transmitter site to review Seller's Assets and technical facilities which pertain to the Station. After execution of this Agreement and until Closing, Both Parties shall affirmatively and promptly disclose to each other any material matters affecting the Station, including claims made and contract obligations to be entered into by Seller, which Buyer may agree to assume as set forth in Section 1(d).

11. Expenses. All filing and grant fees charged by the FCC in connection with this transaction will be paid by Buyer. All other expenses incurred in connection with this transaction shall be borne by the Party incurring same, including attorneys, accountants and advisors retained by or representing them in connection with the negotiation and execution of this Agreement and its Closing. Buyer shall pay the cost of a lien, tax and judgment search on the Assets if Buyer wants such a search conducted. Each Party represents and warrants to the other that it has not dealt with any broker in connection with this transaction, and each shall indemnify and hold the other harmless from and against any and all claims from any broker or finder. Between the Effective Date and the Closing Date, Seller will manage the day to day operations of the Station.

12. Conditions Precedent to Buyer's Obligation to Close. Buyer shall not be obligated to close under this Agreement unless and until the following conditions have been met:

a. The FCC Approval shall have been issued by the FCC without any material adverse conditions to Buyer.

b. Seller shall have performed and complied with all the agreements, obligations, and conditions required by this Agreement to be performed or complied with by it in all material respects, prior to or as of the Closing Date.

c. Seller shall hold a valid, current, and unexpired FCC License for the Station until the FCC approves the assignment and transfer to Buyer.

d. The representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects on and as of the Effective Date and through the Closing Date.

13. Conditions Precedent to Seller's Obligation to Close. Seller shall have no obligation to close this Agreement unless and until the following conditions precedent are met:

a. The FCC Approval shall have been issued by the FCC without any material adverse conditions to Seller.

b. Buyer shall have performed and complied with all the agreements, obligations, and conditions required by this Agreement to be performed or complied with by it in all material respects, prior to or at the Closing Date.

c. Between the Effective Date and the Closing Date, Buyer shall do anything or take any action that will damage the Station or cause the FCC not to approve the assignment of the FCC License.

d. The representations and warranties of Buyer as set forth in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same effect as if made on and as of the Effective Date and through the Closing Date.

14. Buyer's Performance at Closing. At the Closing, Buyer will deliver to Seller such instruments as Seller may reasonably require in order to consummate the transactions provided for in this Agreement.

15. Seller's Performance at Closing. At the Closing, Seller shall:

a. Deliver to Buyer the FCC authorizations for the Station, together with such assignments of the same as Buyer may reasonable require.

b. Deliver to Buyer such assignments and further instruments of conveyance as Buyer may reasonably require to effectuate the assignment from Seller to Buyer of the Station and Assets being conveyed and assigned herein.

16. Survival of Warranties. All representations, warranties, and covenants made by the Parties in this Agreement shall be deemed made for the purpose of inducing the other to enter into this Agreement and shall survive the Closing and remain operative in full force and effect (and shall not be deemed merged into any document or instrument executed or delivered at the Closing).

17. Benefit and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns.

18. Events of Default. The following shall, after expiration of the applicable cure period, constitute an event of default ("**Event of Default**"):

(a) Inaccuracy of Representations and Warranties. Any of the material covenants, representations or warranties of a Party contained herein are inaccurate in any material respect;

(b) Failure to Perform Material Obligation. Any material obligation to be performed by a Party hereto has not been substantially performed during the period specified herein for performance; or herein by a party hereto has not been substantially satisfied or complied with by the Closing Date.

(c) Cure Period. In the event of any occurrence described in 18 (a) – (b) above, the Party in default shall have a thirty (30) day period after written notice of such deficiency to cure such default. Where practicable, a default may be cured by the payment of a sum of money.

19. Remedies.

(a) Seller's Remedies. Upon the occurrence of an Event of Default and after the lapse of all applicable cure periods, the Seller may (provided that it is not also in default):

(i) Terminate this Agreement. Seller shall be entitled to terminate this Agreement or seek specific performance, pursuant to Section 19(a)(ii) below.

(ii) The Parties agree that it is impossible to determine the precise damage that may occur as a result of a breach of this Agreement by Buyer. In addition to any and all other remedies which may be available to Seller in law or equity, Seller may seek specific performance of this Agreement.

(b) Buyer's Remedies. Upon the occurrence of an Event of Default and after the lapse of all applicable cure periods, the Buyer may (provided that it is not also in default):

(i) Terminate this Agreement. Buyer shall be entitled to terminate this Agreement or seek specific performance, pursuant to Section 19(b)(ii) below.

(ii) Specific Performance. The Parties agree that it is impossible to determine the precise damages that may occur as a result of a breach of this Agreement by Seller. In addition to any and all other remedies which may be available to Buyer in law or in equity, Buyer may seek specific performance of this Agreement.

20. Termination.

(a) Termination by Seller. This Agreement may be terminated by Seller and the purchase and sale of the Assets abandoned, if Seller is not then in material default, upon written notice to Buyer, upon the occurrence of any of the following:

(i) Conditions. If, on the date that would otherwise be the Closing Date, any of the conditions precedent to the obligations of Buyer set forth in this Agreement have not been satisfied or waived in writing by Seller.

(ii) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order, not caused by Seller, that would prevent or make unlawful the Closing.

(b) Termination by Buyer. This Agreement may be terminated by Buyer and the purchase and sale of the Assets abandoned, if Buyer is not then in material default, upon written notice to Seller, upon the occurrence of any of the following:

(i) Conditions. If, on the date that would otherwise be the Closing Date, any of the conditions precedent to the obligations of Seller set forth in this Agreement have not been satisfied or waived in writing by Buyer.

(ii) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order, not caused by Buyer, that would prevent or make unlawful the Closing.

(c) Termination by Either Party. This Agreement may be terminated by either Party, if the terminating Party is not then in material default, upon written notice, if the Closing shall not have occurred within ten (10) months after public notice of the FCC's acceptance for filing of the Application (the "**Upset Date**"), provided, however, that either Party may extend the Upset Date, upon written notice, for two (2) additional periods of three (3) months each, but only in the event that FCC Approval has not been obtained (the "**Extensions to the Upset Date**").

(d) Termination Remedies. If this Agreement is terminated pursuant to subsection (a), (b) or (c) above and neither Party is in material breach of any provision of this Agreement, the Parties hereto shall not have any further liability to each other with respect to the purchase and sale of the Assets. [Note: As set forth specifically in Paragraphs 3 and 8(g), the Loan is deemed satisfied and paid in full as of the Effective Date].

21. Notices. Any notices, requests, demands, or consents required or permitted to be given hereunder shall be deemed to have been given on the date of personal service or on the date of receipt by the Party to whom such notice is to be given, and shall be addressed to the addressee at the address stated below, or at the most recent address specified by notice under this provision.

If to Seller:

Stephen W. Wade
Southwest Media, LLC
Broadcast West, LLC
158 West 1600 South, Suite 200
St. George, Utah 84770

with a copy to:

R. Daren Barney, Esq.
Barney McKenna & Olmstead, P.C.
43 South 100 East, Suite 300
St. George Utah, 84770
Telephone: 435.628.1711
email: dbarney@barney-mckenna.com

If to Buyer:

Steve Harmsen
West American Finance Corporation

26 North State Street
Salt Lake City, Utah 84103

22. Further Assurances. Each of the Parties hereto shall execute and deliver to the other Party hereto such other instruments as may be reasonably required in connection with the performance of this Agreement.

23. Attorneys' Fees. If any legal action or any arbitration or other proceeding is brought or if an attorney is retained for enforcement of this Agreement or any portion thereof, or because of any alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the prevailing Party shall be entitled to recover from the other reimbursement for the reasonable fees of attorneys and other costs (including court costs and witness fees) incurred by it, in addition to any other relief to which it may be entitled. The term "prevailing Party" means the Party obtaining substantially the relief sought, whether by compromise, settlement or judgment. The provisions of this Paragraph shall survive Closing or the earlier termination of this Agreement.

24. Governing Law, Jurisdiction and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of Utah and the rules, regulations and policies of the FCC. The exclusive jurisdiction and venue for any legal action brought to enforce or interpret the terms of this Agreement shall be the Fifth Judicial District Court in and for Washington County, State of Utah.

25. Assignments. Neither Party may assign its rights nor obligations under this Agreement to a third party without the express written consent of the other Party. This Agreement shall be binding on the Parties' successors and assigns. This Agreement does not create a joint venture or partnership and Seller and Buyer shall not be deemed to be partners or joint ventures of each other.

26. Entire Agreement. This Agreement supersedes all prior agreements and understandings between the Parties with respect to the sale and purchase of the Assets to be sold and purchased hereunder and may not be changed or terminated orally, and no attempted change, termination, amendment, or waiver of any of the provisions hereof shall be binding unless in writing and signed by both Parties.

27. Counterparts. This Agreement may be executed in several counterparts, all of which when taken together shall constitute one Agreement.

28. Headings. The headings herein are for convenience only and shall not control or affect the meaning or construction of the provisions of this Agreement.

29. Severability. If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the fullest extent permitted by law.

30. Waiver. All rights and remedies of any Party under this Agreement are cumulative and are not exclusive of any other right or remedy arising from a breach of this Agreement. Any waiver by any Party hereto of any breach of or failure to comply with any provision of this

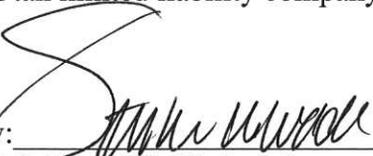
Agreement shall be in writing and shall not be construed as, or constitute, a continuing waiver of such provision, or a waiver of any other breach of, or failure to comply with, any other provision of this Agreement. The consent of any Party hereto required hereunder to any act or occurrence shall not be deemed to be a consent to any other act or occurrence.

31. Joint Product of Parties. This Agreement is the result of arms-length negotiations between the Seller and the Buyer and their respective attorneys. Accordingly, neither Party shall be deemed to be the author of this Agreement and this Agreement shall not be construed against either Party

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the Effective Date.

SELLER:

Southwest Media, LLC
a Utah limited liability company

By: 
Stephen W. Wade, Manager

Broadcast West, LLC
a Utah limited liability company

By: 
Stephen W. Wade, Manager

BUYER:

West American Finance Company
a Utah corporation

By: 
Steve Harmsen, President

EXHIBIT A: FCC Authorizations

KCSG (TV), Cedar City, UT

<u>Description</u>	<u>File No.</u>	<u>Expiration Date</u>
		License expires: STA expires:

COPIES ATTACHED.

EXHIBIT B: Schedule of Assets

TBD

EXHIBIT C: Assumable Contracts

TBD