

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is made as of August __, 2015 by and between Jeff Chang (“Seller”) and DTV America Corporation (“Buyer”).

Recitals

A. Seller is the licensee of low power television station KHIZ-LD, Channel 2, Los Angeles, California (Facility No. 67932) (the “Station”), pursuant to certain authorizations issued by the Federal Communications Commission (the “FCC”).

B. Pursuant to the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Station Assets (defined below).

Agreement

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1: PURCHASE OF ASSETS

1.1 Station Assets. On the terms and subject to the conditions hereof, at Closing (defined below), Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller in and to all assets and properties of Seller, real and personal, tangible and intangible, that are primarily used or held for use in the operation of the Station (other than the Excluded Assets, defined below) (the “Station Assets”), including without limitation the following assets and properties of Seller:

(a) all transferable FCC licenses, permits and other authorizations with respect to the Station (the “FCC Licenses”), including those described on *Schedule 1.1(a)*, including any renewals or modifications thereof between the date hereof and Closing;

(b) all equipment, transmitters, antennas, and other tangible personal property used or held for use in the operation of the Station, including without limitation those listed on *Schedule 1.1(b)*, except for any retirements or dispositions thereof made between the date hereof and Closing in the ordinary course of business (the “Tangible Personal Property”);

(c) all contracts, agreements and leases, written or oral, including, but not limited to, those identified on *Schedule 1.1(c)*, which shall include all contracts, agreements and leases entered into between the date hereof and Closing that Buyer elects to assume (collectively, the “Station Contracts”). The Station Contracts shall not include: (x) leases, contracts and agreements associated with the Station’s studio or office; (y) any network affiliation agreements; or (z) any contracts or agreements with any employee or independent contractor of Seller or the Station;

(d) the owned or leasehold interests in real property associated with the Station's transmitter site, as listed on *Schedule 1.1(d)* (the "Real Property"); and

(e) all files, documents and records exclusively relating to the Station Assets or required by the FCC to be kept by the Station, but excluding records included in or related to Excluded Assets (defined below).

The Station Assets shall be transferred to Buyer free and clear of liens, claims and encumbrances ("Liens"), except for Assumed Obligations (defined in Section 1.3), liens for taxes not yet due and payable, liens that will be released at or prior to Closing and liens listed on any schedule hereto (collectively, "Permitted Liens").

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the following assets or any rights, title and interest therein (the "Excluded Assets"):

(a) all tangible and intangible personal property retired or disposed of between the date of this Agreement and Closing in accordance with Article 4;

(b) all Station Contracts that are terminated or expire prior to Closing in accordance with Article 4;

(c) all contracts of insurance, all coverages and proceeds thereunder and all rights in connection therewith, including without limitation rights arising from any refunds due with respect to insurance premium payments to the extent related to such insurance policies;

(d) all rights and claims, whether mature, contingent or otherwise, against third parties with respect to the Station and the Station Assets, to the extent arising during or attributable to any period prior to the Effective Time (defined below); and

(e) all rights and claims, whether mature, contingent or otherwise, primarily related to the Retained Obligations.

1.3 Assumption of Obligations. On the Closing Date (defined below), Buyer shall assume the obligations of Seller (i) arising during, or attributable to, any period of time on or after the Closing Date under the Station Contracts, and (ii) any other liabilities of Seller to the extent Buyer receives a credit therefor under Section 1.6 (collectively, the "Assumed Obligations"). Except for the Assumed Obligations, Buyer does not assume, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to have assumed, any other liabilities or obligations of Seller (the "Retained Obligations").

1.4 Purchase Price. In consideration for the sale of the Station Assets to Buyer, at Closing Buyer shall pay Seller, by wire transfer of immediately available funds, the sum of Five Hundred Thousand U.S. Dollars (\$500,000), (including the Deposit described below), subject to adjustment pursuant to Section 1.6 (the "Initial Purchase Price"). In addition, the parties expressly acknowledge that following the completion of the broadcast incentive auction expected to be conducted during 2016 by the FCC pursuant to the Middle Class Tax Relief and Job

Creation Act of 2012, Pub. L. 112-96, enacted February 22, 2012, low power television stations, such as the Station, may be required, pursuant to a subsequent “repacking” of the spectrum associated with television broadcasting, to change channels or cease broadcasting on their assigned channels (or may be permitted to remain on their assigned channels) (the “Repack”). On a date that is thirty (30) days after: (a) the issuance by the FCC of the initial repack/displacement construction permit for the Station to change channels pursuant to the Repack (a “Repack Construction Permit”); or (b) receipt by Buyer of confirmation from the FCC that the Station will remain on its current channel following the completion of the Repack (such as via an FCC Public Notice) (an “FCC Repack Confirmation”), Buyer shall pay Seller an additional Four Hundred Thousand U.S. Dollars (\$400,000) (the “Repack Survival Amount”). The Initial Purchase Price and the Repack Survival Amount are collectively referred to hereinafter as the “Purchase Price.”

1.5 Deposit. On the date hereof, Buyer shall make a cash deposit in immediately available funds in an amount equal to Ten Thousand Dollars (\$10,000) (the “Deposit”) with Mark B. Denbo, Esq. (the “Escrow Agent”) pursuant to the Escrow Agreement (the “Escrow Agreement”) of even date herewith among Buyer, Seller and the Escrow Agent. At Closing, the Deposit shall be disbursed to Seller and applied to the Initial Purchase Price and any interest accrued thereon shall be disbursed to Buyer. If this Agreement is terminated by Seller pursuant to Section 10.1(c), the Deposit and any interest accrued thereon shall be disbursed to Seller. If this Agreement is otherwise terminated pursuant to its terms, the Deposit and any interest accrued thereon shall be disbursed to Buyer. The parties shall each instruct the Escrow Agent to disburse the Deposit and all interest thereon to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement unless contested by a party in good faith in writing within five (5) business days of a disbursement request, in which event the Deposit shall remain with the Escrow Agent until the parties’ dispute is resolved.

1.6 Prorations and Adjustments. All prepaid and deferred income and expenses relating to the Station Assets and arising from the operation of the Station shall be prorated between Buyer and Seller in accordance with generally accepted accounting principles (“GAAP”) as of 12:01 a.m. on the day of Closing (the “Effective Time”). Such prorations shall include without limitation all ad valorem, real estate and other property taxes (except as provided by Section 11.1), music and other license fees, FCC regulatory fees, utility expenses, rent and other amounts under Station Contracts and similar prepaid and deferred items. To the extent possible, initial prorations and adjustments shall be made on the Closing Date, with final prorations and adjustments made no later than ninety (90) calendar days after Closing.

1.7 Allocation. Prior to Closing, Buyer and Seller shall allocate the Initial Purchase Price for tax purposes in accordance with the respective fair market values of the Station Assets and the goodwill being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the “Code”). Each of Buyer and Seller shall file a tax return reflecting its allocation as and when required under the Code. If Buyer and Seller have not mutually agreed on an allocation prior to the Closing, and after Closing, the parties cannot agree on an allocation of the Initial Purchase Price, the parties shall hire a certified public accountant or other professional experienced in the evaluation of broadcast properties to determine such allocation, which shall be binding on the parties. The parties shall mutually agree on such an appraiser and shall instruct the appraiser to deliver his report within ninety (90)

days after Closing. Buyer and Seller shall each be responsible for one-half of the cost of such appraisal. In the event that the Repack Survival Amount is paid to Seller, the parties shall perform the same allocation referenced in this Section 1.7.

1.8 Closing. The consummation of the sale and purchase of the Station Assets provided for in this Agreement (the "Closing") shall take place, following the date of the FCC Consent (hereinafter defined), on a date that is no earlier than January 15, 2016, or on such other day after the FCC Consent has been obtained as Buyer and Seller may mutually agree, subject to the satisfaction or waiver of the conditions set forth in **Articles 6 or 7** below. The date on which the Closing is to occur is referred to herein as the "Closing Date."

1.9 FCC Consent. Within five (5) business days of the date of this Agreement, Buyer and Seller shall file an application with the FCC (the "FCC Application") requesting FCC consent to the assignment of the FCC Licenses to Buyer. FCC consent to the FCC Application without any material adverse conditions other than those of general applicability is referred to herein collectively as the "FCC Consent". Buyer and Seller shall diligently prosecute the FCC Application and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible, including the filing of any request for amendment or waiver, provided that neither party will be required to participate in a trial-type hearing or judicial appeal of any adverse FCC action. Buyer and Seller shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder. Except as otherwise provided herein, each party will be solely responsible for the expenses incurred by it in the preparation, filing, and prosecution of its respective portions of the FCC Application. In the event any objections or challenges to the FCC Application or any requests for reconsideration or review of the FCC Consent are filed at the FCC (collectively, "Objections"), the parties shall cooperate with respect to any responses thereto. In addition, the parties acknowledge that, to the extent reasonably necessary to expedite and facilitate grant by the FCC of the FCC Consent, if requested by FCC staff, it is necessary for the Seller, Buyer or any of their respective affiliates to enter into a customary assignment, assumption, tolling, or other similar arrangement with the FCC to resolve any complaints with the FCC relating to any FCC Licenses, the Seller or Buyer (as necessary) shall enter into such a customary assignment, assumption, tolling or other arrangement with the FCC. Neither Buyer nor Seller shall take any intentional action that would, or intentionally fail to take such action the failure of which to take would, reasonably be expected to have the effect of materially delaying the issuance of the FCC Consent. The parties agree to comply with any condition imposed on either of them by the FCC Consent.

ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller hereby makes the following representations and warranties to Buyer:

2.1 Organization. Seller has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be made by Seller pursuant hereto (collectively, the "Seller Ancillary Agreements") and to consummate the transactions contemplated hereby.

2.2 Authorization. This Agreement is, and each Seller Ancillary Agreement when made by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3 No Conflicts. Except for the FCC Consent and consents to assign certain of the Station Contracts, the execution, delivery and performance by Seller of this Agreement and the Seller Ancillary Agreements and the consummation by Seller of any of the transactions contemplated hereby does not conflict with any other material contract or agreement to which Seller is a party or by which he is bound, or any law, judgment, order, or decree to which Seller is subject, or require the consent or approval of, or a filing by Seller with, any governmental or regulatory authority or any third party.

2.4 FCC Licenses. Seller is the holder of the FCC Licenses described on *Schedule 1.1(a)*, which are all of the governmental licenses, permits and authorizations required for the operation of the Station. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending, or, to Seller's knowledge, threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability). There is not issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or order of forfeiture against the Station or Seller that could result in any such action. All material reports and filings required to be filed with the FCC by Seller with respect to the Station have been timely filed and all such reports and filings are accurate and complete, except as would not have a material adverse effect on Buyer, the Station Assets or the transactions contemplated by this Agreement.

2.5 Taxes. Seller has, in respect of the Station's business, filed all foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed under applicable law, and has paid all taxes that have become due pursuant to such returns or pursuant to any assessments which have become payable.

2.6 Personal Property. *Schedule 1.1(b)* contains a list of material items of Tangible Personal Property included in the Station Assets. The Tangible Personal Property constitutes all of the assets, except the Excluded Assets, necessary to conduct the operations of the Station. Except as set forth on *Schedule 1.1(b)*, Seller has good title to or a valid leasehold or license interest in such Tangible Personal Property free and clear of Liens other than Permitted Liens. Except as set forth on *Schedule 1.1(b)*, all material items of Tangible Personal Property are in reasonable operating condition, ordinary wear and tear excepted.

2.7 Contracts. *Schedule 1.1(c)* contains a list of all contracts that are included in the Station Contracts. The Station Contracts requiring the consent of a third party to assignment are identified on *Schedule 1.1(c)* with an asterisk ("*"). Each of the Station Contracts (including

without limitation any Real Property Lease) is in effect and is binding upon Seller and, to Seller's knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Seller has performed his obligations under each of the Station Contracts in all material respects, and is not in material default thereunder, and to Seller's knowledge, no other party to any of the Station Contracts is in default thereunder in any material respect.

2.8 Real Property. *Schedule 1.1(d)* contains a list of all of the transmitter site leases or similar agreements associated with the Station (the "Real Property Leases"). Seller owns no real property used in the business or operation of the Station. The Real Property Leases requiring the consent of a third party to assignment are identified on *Schedule 1.1(d)* with an asterisk ("*"). No part of any Real Property is subject to any pending or, to Seller's knowledge, threatened suit for condemnation or other taking by any public authority. Except as set forth on *Schedule 1.1(d)*, to the knowledge of Seller, all buildings and other improvements included in the Real Property are in reasonable operating condition, ordinary wear and tear excepted, and comply in all material respects with applicable zoning, health, disability and safety laws and codes. Seller has performed his material obligations under each of the Real Property Leases required to be listed on *Schedule 1.1(d)* and is not in default thereunder, and to Seller's knowledge, no other party to any of the Real Property Leases required to be listed on *Schedule 1.1(d)* is in default thereunder. Seller has not received notice that he is currently in breach, violation or default under any Real Property Lease required to be listed on *Schedule 1.1(d)*. Seller has good and valid title to the leasehold estate under each Real Property Lease free and clear of all Liens other than Permitted Liens.

2.9 Environmental. 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 Real Property included in the Station Assets. To Seller's knowledge, Seller has complied in all material respects with all environmental, health and safety laws applicable to the Station.

2.10 Insurance. Seller maintains insurance policies with respect to the Station and the Station Assets in commercially reasonable amounts, and will maintain such policies until the Effective Time.

2.11 Litigation. There is no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller in respect of the Station that will subject Buyer to liability or which will affect Seller's ability to perform his obligations under this Agreement. Seller is not operating under or subject to any order, writ, injunction or decree relating to the Station or the Station Assets of any court or governmental authority which would have a material adverse effect on the condition of the Station or any of the Station Assets or on the ability of Seller to enter into this Agreement or consummate the transactions contemplated hereby, other than those of general applicability.

2.12 No Brokers. Other than Sterling Business Consulting Group, the fees of which shall be paid exclusively by Seller, there is no broker or finder or other person entitled to a commission or brokerage fee or payment in connection with this Agreement as a result of any agreement of, or action taken by, Seller.

2.13 Disclosure. No provision of this Agreement (including the Schedules and Exhibits attached hereto), or any document or agreement delivered or made pursuant to the terms of this Agreement, relating to Seller, the Station or the Station Assets, knowingly contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated in order to make the statement, in light of the circumstances in which it is made, not misleading.

2.14 No Other Agreements to Sell the Station. Seller has no legal obligation, absolute or contingent, to any other person or firm to sell, assign, or transfer the Station Assets (whether through a merger, reorganization or sale of stock or otherwise) or to enter into any agreement with respect thereto.

2.15 No Undisclosed Liabilities. There are no liabilities or obligations of Seller with respect to the Station that will be binding upon Buyer after the Effective Time, other than the Assumed Obligations and other than pursuant to the prorations and adjustments under Section 1.6.

2.16 No Other Representations or Warranties. Seller agrees that neither Buyer nor any of its representatives has made and shall not be deemed to have made, nor has Seller or any of his representatives relied on, any representation, warranty, covenant or agreement, express or implied, or any statement or information, with respect to Buyer, other than those representations, warranties, covenants and agreements explicitly set forth in **Article 3**.

ARTICLE 3: BUYER REPRESENTATIONS AND WARRANTIES

Buyer hereby makes the following representations and warranties to Seller:

3.1 Organization. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is, or will be at Closing, qualified to do business in each jurisdiction in which the Station Assets are located. Buyer has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (collectively, the "Buyer Ancillary Agreements") and to consummate the transactions contemplated hereby.

3.2 Authorization. The execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements by Buyer have been duly authorized and approved by all necessary action of Buyer and do not require any further authorization or consent of Buyer. This Agreement is, and each Buyer Ancillary Agreement when made by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 No Conflicts. Except for the FCC Consent, the execution, delivery and performance by Buyer of this Agreement and the Buyer Ancillary Agreements and the consummation by Buyer of any of the transactions contemplated hereby does not conflict with

any organizational documents of Buyer, any contract or agreement to which Buyer is a party or is by which it is bound, or any law, judgment, order or decree to which Buyer is subject, or require the consent or approval of, or a filing by Buyer with, any governmental or regulatory authority or any third party.

3.4 Litigation. There is no action, suit or proceeding pending or, to Buyer's knowledge, threatened against Buyer which questions the legality or propriety of the transactions contemplated by this Agreement or could materially adversely affect the ability of Buyer to perform its obligations hereunder.

3.5 Qualification. To Buyer's knowledge: (a) Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Laws; (b) there are no facts that would, under the Communications Act of 1934, as amended, and the rules, regulations and published policies promulgated thereunder by the FCC (collectively, the "Communications Laws"), disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Station or that that would reasonably be expected to delay the FCC's processing of the FCC Application because of Buyer's qualifications; and (c) no waiver of or exemption from any existing FCC rule or policy on the part of Buyer is necessary for the FCC Consent to be obtained.

3.6 Financing. Buyer has on hand or from committed funds financial resources sufficient to consummate the transactions contemplated by this Agreement and to operate the Station after the Closing Date. Buyer's obligations hereunder are not subject to or conditioned upon it obtaining financing or a financing commitment of any nature.

3.7 No Other Representations or Warranties. Buyer agrees that neither Seller nor any of his representatives has made and shall not be deemed to have made, nor has Buyer or any of its representatives relied on, any representation, warranty, covenant or agreement, express or implied, or any statement or information, with respect to Seller, his business, the Station, or the Station Assets, other than those representations, warranties, covenants and agreements explicitly set forth in **Article 2**.

ARTICLE 4: SELLER COVENANTS

4.1 Seller's Covenants. Between the date hereof and Closing, except as permitted by this Agreement or with the prior written consent of Buyer, which shall not be unreasonably withheld, delayed or conditioned, Seller shall:

(a) not adversely modify, and in all material respects maintain in full force and effect, the FCC Licenses;

(b) not other than in the ordinary course of business, sell, lease or dispose of or agree to sell, lease or dispose of any of the Station Assets unless replaced with similar items of substantially equal or greater value and utility, or create, assume or permit to exist any Liens upon the Station Assets, except for Permitted Liens, and not dissolve, liquidate, merge or consolidate with any other entity;

(c) use commercially reasonable efforts to maintain the Tangible Personal Property in the ordinary course of business;

(d) upon reasonable notice, give Buyer and its representatives reasonable access during normal business hours to the Station Assets, and furnish Buyer with information relating to the Station Assets that Buyer may reasonably request, provided that such access rights shall not be exercised in a manner that interferes with the operation of the Station;

(e) not enter into new Station Contracts that will be binding upon Buyer after Closing or amend or terminate any existing Station Contracts, except for Station Contracts made, amended or terminated with Buyer's prior written consent;

(f) not, by any act or omission, knowingly cause any of the representations and warranties set forth in **Article 2** to become untrue or incorrect in any material respect, and Seller shall use commercially reasonable efforts to cause the conditions to Closing set forth in **Article 7** to be satisfied, and ensure that this transaction shall be consummated as set forth herein;

(g) not take any action that would make the consummation of the this transaction contrary to the Communications Laws or require a waiver of the Communications Laws; and

(h) not, and shall not authorize or permit any officer, director or employee of Seller, or any investment banker, attorney, accountant or other advisor or representative retained by Seller to, solicit, initiate, encourage (including by way of furnishing information), endorse or enter into any agreement with respect to, or take any other action to facilitate, any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any proposal to purchase, directly or indirectly, the Station.

ARTICLE 5: JOINT COVENANTS

Buyer and Seller hereby covenant and agree as follows:

5.1 Confidentiality. Subject to the requirements of applicable law, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement (including without limitation all financial information provided by Seller to Buyer) shall be kept confidential, shall not be used except in connection with this transaction, and shall not be disclosed to any other person or entity, except the parties' representatives and lenders for the purpose of consummating the transaction contemplated by this Agreement.

5.2 Announcements. No party shall, without the prior written consent of the other, issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, except to the extent that such party is so obligated by law, in which case such party shall give advance notice to the other, and except as necessary to enforce rights under or in connection with this Agreement. Notwithstanding the foregoing, the parties acknowledge that this Agreement and the terms hereof will be filed with the FCC Application and thereby become public.

5.3 Control. Buyer shall not, directly or indirectly, control, supervise or direct the operation of the Station prior to Closing. Consistent with the Communications Laws, control, supervision and direction of the operation of the Station prior to Closing shall remain the responsibility of Seller.

5.4 Risk of Loss; Broadcast Interruption.

(a) Seller shall bear the risk of any loss of or damage to the Tangible Personal Property at all times until the Effective Time, and Buyer shall bear the risk of any such loss or damage thereafter.

(b) It shall be the responsibility of Seller to repair or cause to be repaired or replaced, and to restore, the affected Tangible Personal Property substantially to its condition prior to any such loss, damage or destruction; provided, that if the reasonable estimated costs of such repairs or restoration exceeds Twenty Five Thousand Dollars (\$25,000) in the aggregate, Seller shall not be obligated to repair or cause to be repaired or to restore the affected property.

(c) In case the reasonable estimated costs of such repairs or restoration exceeds Twenty Five Thousand Dollars (\$25,000) in the aggregate, Buyer shall, in such case, be entitled to receive (i) all proceeds of insurance covering such affected property and (ii) from Seller the amount of any deductible to be paid by Seller in respect of any claim(s) in respect of such affected property; and further, provided, that in the event that any material property reasonably required for the broadcast transmissions of the is not repaired, replaced, or restored prior to Closing, Buyer, at its sole option, upon written notice to Seller:

(i) may elect to postpone the Closing until the earlier of (A) such time as the property has been repaired, replaced, or restored in all material respects, or (B) up to twelve (12) months from the date when all other conditions to Closing herein have been satisfied (other than those conditions that by their nature are to be satisfied at Closing, but subject to the satisfaction of those conditions at such time);

(ii) may at any time during such twelve (12) month period elect to consummate the Closing and accept the property in its then condition, in which event Seller shall assign to Buyer all proceeds of insurance not at that time already expended in such repair, replacement or restoration, which have theretofore, or are to be, received, covering the property involved, or

(iii) if, one hundred twenty (120) days after the event of such loss or damage, such restoration, replacement or repair is not completed, Buyer may, at its sole option, terminate this Agreement by written notice to Seller, whereupon no party to this Agreement shall have any liability to any other party to this Agreement, and this Agreement in its entirety, except as set forth in Section 9.1.

(d) If Buyer shall extend the time for Closing pursuant to Section 5.4(c)(i), the provisions of Section 10.1(e) shall be tolled for such time as Buyer has elected to postpone the Closing as set forth in this Section 5.4 and Seller is using reasonable best efforts to effect such repair, replacement or restoration, and for five (5) business days after the property involved has been repaired, replaced or restored in all material respects.

5.5 Consents.

(a) Seller shall use commercially reasonable efforts to provide Buyer with (and Buyer shall use commercially reasonable efforts to assist Seller to obtain) all third party consents necessary for the assignment of any Station Contract (which shall not require any payment to any such third party), but no such consents shall be conditions to Closing except for the Required Consents. Receipt of consents designated with a plus sign (“+”) on *Schedule 1.1(c)* or *Schedule 1.1(d)* shall be a condition precedent to Buyer’s obligation to close under this Agreement (the “Required Consents”).

(b) To the extent that any Station Contract may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant to this Agreement shall not constitute an assignment of such Station Contract; provided, however, with respect to each such Station Contract, Seller and Buyer shall cooperate to the extent feasible in effecting a lawful and commercially reasonable arrangement under which Buyer shall receive the benefits under the Station Contract from and after Closing, and to the extent of the benefits received, Buyer shall pay and perform Seller’s obligations arising under the Station Contract from and after Closing in accordance with its terms. This Section 5.5(b) shall not apply to the Required Consents.

5.6 Actions. After Closing, if reasonably requested by Seller, Buyer shall cooperate with Seller in the investigation, defense or prosecution of any action which is pending or threatened against Seller with respect to the Station, whether or not any party has notified the other of a claim for indemnification with respect to such matter; provided, however, that Seller shall reimburse Buyer for the out of pocket costs (including reasonable attorneys’ fees), if any, reasonably incurred by Buyer to comply with this Section.

ARTICLE 6: SELLER CLOSING CONDITIONS

The obligation of Seller to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Seller):

6.1 Representations and Covenants.

(a) The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Buyer at or prior to Closing shall have been complied with or performed in all material respects.

(c) Seller shall have received a certificate dated as of the Closing Date from Buyer executed by an authorized officer of Buyer to the effect that the conditions set forth in Sections 6.1(a) and (b) have been satisfied.

6.2 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

6.3 FCC Authorization. The FCC Consent pursuant to the FCC's initial order shall have been obtained.

6.4 Deliveries. Buyer shall have complied with its obligations set forth in Section 8.2.

ARTICLE 7: BUYER CLOSING CONDITIONS

The obligation of Buyer to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Buyer):

7.1 Representations and Covenants.

(a) The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Seller at or prior to Closing shall have been complied with or performed in all material respects.

(c) Buyer shall have received a certificate dated as of the Closing Date from Seller to the effect that the conditions set forth in Sections 7.1(a) and (b) have been satisfied.

7.2 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

7.3 FCC Authorization. The FCC Consent pursuant to the FCC's initial order shall have been obtained.

7.4 Deliveries. Seller shall have complied with his obligations set forth in Section 8.1.

7.5 Consents. All of the Required Consents shall have been obtained.

7.6 No Liens. There shall not be any Liens on the Station Assets (other than Permitted Liens) or any financing statements of record with respect to the Station Assets except those to be released at the Closing.

ARTICLE 8: CLOSING DELIVERIES

8.1 Seller Documents. At Closing, Seller shall deliver or cause to be delivered to Buyer:

- (i) the certificate described in Section 7.1(c);
- (ii) an assignment of FCC authorizations assigning the FCC Licenses from Seller to Buyer;

(iii) an assignment and assumption of contracts assigning the Station Contracts (including the Real Property Leases) from Seller to Buyer;

(iv) a bill of sale conveying the Tangible Assets from Seller to Buyer;

(v) copies of the Required Consents; and

(vi) any other instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Station Assets from Seller to Buyer, free and clear of Liens, except for Permitted Liens.

8.2 Buyer Documents. At Closing, Buyer shall deliver or cause to be delivered to Seller:

(i) the Initial Purchase Price in accordance with Section 1.4;

(ii) the certificate described in Section 6.1(c);

(iii) an assignment and assumption of contracts assuming the Station Contracts (including the Real Property Leases); and

(iv) such other documents and instruments of assumption that may be necessary to assume the Assumed Obligations.

ARTICLE 9: SURVIVAL; INDEMNIFICATION

9.1 Survival. The representations and warranties in this Agreement shall survive for a period of nine (9) months from the Closing Date, whereupon they shall expire and be of no further force or effect, except (i) those under Section 2.1 (Organization), Section 2.2 (Authorization), Section 2.5 (Taxes) and Section 2.10 (Environmental) (collectively, the “Fundamental Representations”), all of which shall survive until the expiration of any applicable statute of limitations, and (ii) that if within such applicable period the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim, then such claim shall survive until the earlier of resolution of such claim or expiration of the applicable statute of limitations. The covenants and agreements in this Agreement that are to be performed after the Closing shall survive until performed and any other covenants and agreements shall survive for a period of twelve (12) months from the Closing Date.

9.2 Indemnification.

(a) From and after Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys’ fees and expenses (“Damages”) incurred by Buyer arising out of or resulting from (i) any breach by Seller of his representations and warranties made under **Article 2** of this Agreement; any default by Seller of any covenant or agreement made under this Agreement; the Retained Obligations; or (iv) the business or operation of the Station before the Effective Time, except for the Assumed Obligations.

(b) From and after Closing, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or resulting from: (i) any breach by Buyer of its representations and warranties made under **Article 3** of this Agreement; (ii) any default by Buyer of any covenant or agreement made under this Agreement; (iii) the Assumed Obligations; or (iv) the business or operation of the Station after the Effective Time.

ARTICLE 10: TERMINATION AND REMEDIES

10.1 Termination. Subject to Section 10.3, this Agreement may be terminated prior to Closing as follows:

- (a) by mutual written consent of Buyer and Seller;
- (b) by written notice of Buyer to Seller if Seller breaches his representations or warranties or defaults in the performance of his covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period (defined below);
- (c) by written notice of Seller to Buyer if Buyer breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period; provided, however, that the Cure Period shall not apply to Buyer's obligations to make the Deposit on the date hereof and to pay the Initial Purchase Price at Closing;
- (d) by Seller or Buyer if the FCC by a "final" order: (i) dismisses the FCC Application; (ii) denies the FCC Application; or (iii) designates the FCC Application for an evidentiary hearing. Provided, however, that if the action or inaction of the party seeking termination of this Agreement is the proximate cause for the FCC to dismiss, deny or designate for hearing the FCC Application, such party shall not be permitted to terminate this Agreement; or
- (e) by written notice of Seller to Buyer or Buyer to Seller, as long as the terminating party is not in breach of any of its representations or warranties or in default in the performance of any of its covenants hereunder or whose action or inaction is the proximate cause for the FCC to dismiss, deny or designate for hearing the FCC Application, if Closing does not occur by the date twelve (12) months after the date of this Agreement.

10.2 Cure Period. Each party shall give the other party prompt written notice upon learning of any breach or default by the other party under this Agreement. The term "Cure Period" as used herein means a period commencing on the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) twenty (20) calendar days thereafter or (ii) the Closing Date; provided, however, that if the breach or default is non-monetary and cannot reasonably be cured within such period but can be cured before the Closing Date, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date.

10.3 Survival. The termination of this Agreement shall not relieve any party of liability for any willful and knowing breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Sections 1.5 (Deposit) (and Section 10.5 with respect to the Deposit), 5.1 (Confidentiality) and 11.1 (Expenses) shall survive any termination of this Agreement.

10.4 Specific Performance. In the event of failure or threatened failure by either party to comply with the terms of this Agreement, the other party shall be entitled to an injunction restraining such failure or threatened failure without being required to provide actual damages, post bond or furnish other security and, subject to obtaining any necessary FCC consent, to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement. Notwithstanding the foregoing, if prior to Closing the condition described in Section 10.1(c) exists, then Seller's sole remedy for Buyer's breach of this Agreement shall be termination of this Agreement and receipt of the liquidated damages amount pursuant to Section 10.5. Except as set forth in the foregoing sentence, if a party brings an action to enforce specific performance under this Agreement, the other party shall waive the defense that there is an adequate remedy at law and waive any requirement to post a bond or other security.

10.5 Liquidated Damages. If Seller terminates this Agreement pursuant to Section 10.1(c), then Seller shall be entitled to the Deposit (or if Buyer shall have defaulted in its obligation to timely deliver the Deposit, an amount of cash equal to the Deposit) and such payment shall constitute liquidated damages and the sole remedy of Seller for a breach by Buyer of this Agreement. The parties acknowledge and agree that payment of such amount shall constitute payment of liquidated damages and is not a penalty and that the liquidated damages amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused by material breach or default under this Agreement, the difficulty of proof of loss and damages, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder. In addition, if Buyer contests Seller's right to the Deposit, or other payment of sums hereunder, then the prevailing party in any action by Seller to enforce his rights under this Section 10.5 shall be entitled to payment by the other party of the reasonable attorneys' fees incurred by the prevailing party in such action.

10.6 Effect of Termination. If this Agreement is terminated by either party pursuant to Sections 10.1(a), 10.1(d) or 10.1(e), no party to this Agreement shall have any liability to any other party to this Agreement; this Agreement in its entirety shall be deemed null, void and of no further force and effect (except as provided in Section 10.3), and the Deposit shall be returned to Buyer. If this Agreement is terminated by Buyer pursuant to Section 10.1(b), the Deposit shall be returned to Buyer, and Buyer shall be entitled to all rights and remedies available at law or equity.

10.7 Termination of Requirement to Pay the Repack Survival Fee. In the event that the Station does not receive: (a) the Repack Construction Permit; or (b) an FCC Repack Confirmation, then Buyer shall have no obligation to pay the Repack Survival Amount.

ARTICLE 11: MISCELLANEOUS

11.1 Expenses. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. The filing fee applicable to the FCC Application shall be paid one-half by Buyer and one-half by Seller. Transfer or sales or use taxes, fees and charges applicable to the transfer of the Station Assets under this Agreement, if any, shall be paid one-half by Buyer and one-half by Seller. Each party is responsible for any commission, brokerage fee, advisory fee or other similar payment that arises as a result of any agreement or action of it or any party acting on its behalf in connection with this Agreement or the transactions contemplated hereby.

11.2 Further Assurances. After Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

11.3 Assignment. Neither party may assign all or part of this Agreement without the prior written consent of the other party hereto, provided, however, that Buyer may assign its rights hereunder to an affiliate of Buyer upon written notice to, but without consent of, Seller, provided that any such assignment does not delay processing of the FCC Application, grant of the FCC Consent or Closing. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement.

11.4 Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed e-mail transmission or confirmed delivery by a nationally recognized overnight courier service, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Seller:

Jeff Chang
269 South Beverly Drive, PMB #704
Beverly Hills, CA 90212
Email: changmedia@aol.com

if to Buyer:

John N. Kyle II, President/CEO
DTV America Corporation
13450 West Sunrise Boulevard, Suite 164
Sunrise, Florida 33323
E-mail: jkyle@dtvamerica.com

jc

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

Mark B. Denbo
Smithwick & Belendiuk, P.C.
5028 Wisconsin Avenue, N.W., Suite 301
Washington, D.C. 20016
E-mail: mdenbo@fccworld.com

11.5 Amendments. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought.

11.6 Entire Agreement. This Agreement (including the Schedules hereto) constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

11.7 Severability. If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

11.8 No Beneficiaries. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns.

11.9 Governing Law; Jury Waiver. The construction and performance of this Agreement shall be governed by the laws of the State of Florida without giving effect to the choice of law provisions thereof. Any action, suit or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with this Agreement shall be brought in any state or federal court located in Florida. The prevailing party in a lawsuit brought to enforce the performance or compliance of any provision of this Agreement may recover reasonable attorneys' fees and costs from the non-prevailing party.

11.10 No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement and the other agreements, documents and instruments contemplated herein, all provisions shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of authoring any of the provisions.

11.11 Counterparts. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Asset Purchase Agreement as of the date first set forth above.

BUYER:

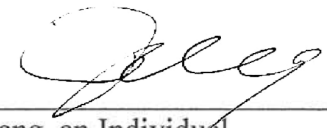
DTV AMERICA CORPORATION

By: 

John N. Kyle II, President/CEO

SELLER:

JEFF CHANG

By: 

Jeff Chang, an Individual

SCHEDULE 1.1(a) FCC License:

Call Sign:	KHIZ-LD
Facility Id:	67932
Primary Station Call Sign:	KIIO-LD
Community of License:	LOS ANGELES, CA
Service:	LD
Fac Type:	VHF DIGITAL TV TRANSLATOR
Status:	LICENSED
Status Date:	08/07/2013
Frequency:	
Channel:	2
Virtual Channel:	
Digital Status:	Hybrid
Lic Expir:	12/01/2022
Licensee:	JEFF CHANG

SCHEDULE 1.1(b) Equipment, Transmitters, Antennas, and other Tangible Personal Property:

TRANSMISSION EQUIPMENT

ITEM

- 1 Pineapple ATSC transmitter
- 2 Mask filter built into above
- 3 Blonder Tongue 4 SD stream encoder/mux
- 4 TFT 911 EAS system
- 5 Chyron Codi CG for EAS
- 6 RVR TV transmitter
- 7 8 port rack mounted hub

TOWERS & ANTENNA

ITEM

- 1 Scala four element CL-24 array antenna
- 2 400' Andrew 1 5/8" foam heliax w/ connectors
- 3 Delvcam Dual 7" rack mounted monitor
- 4 two equipment racks

SCHEDULE 1.1(c) Station Contracts:

- 1) The Richland Towers Management Mt. Wilson, LLC lease “site-use” agreement that was assigned to American Towers, LLC (ASR #1012836). * +
- 2) There are no content, programming or network affiliation agreements that are being assigned as part of this transaction.

SCHEDULE 1.1(d) Real Property:

None.