

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of August 16, 2017 between Redwood Television Partners LLC, a Delaware limited liability company ("Seller"), and Prime Cities Broadcasting Inc., a Delaware corporation ("Buyer").

### Recitals

A. Seller owns and operates the following television broadcast station (the "Station") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC");

KVIQ (DT), Eureka, CA (FCC ID 42640)

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).

C. Seller has entered into that certain Asset Purchase Agreement for the purchase of television station KIEM-TV ("KIEM"), Eureka, CA pursuant to the KIEM APA (the "KIEM APA")

### 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, the following assets related to the operation of the Station (the "Station Assets"), free and clear of all liens and encumbrances:

(a) all licenses, permits and other authorizations issued to Seller by the FCC with respect to the Station (the "FCC Licenses"); and

(b) Seller's antenna mounted on the Empire Broadcasting tower located on Barry Road (the "Barry Road Site") and currently in use for operation of the Station (the "Tangible Personal Property").

Prior to Closing Buyer and Seller shall also enter into a sublease for use of the Barry Road Site and for other matters necessary for the operation of the Station (the "Sublease").

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 cash and cash equivalents of Seller, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, money market accounts and all such similar accounts or investments;

(b) Seller's accounts receivable and any other rights to payment of cash consideration (including without limitation all rights to payments under the Station's network affiliation agreements, whether or not offset); and

(c) all other assets used or held for use by Seller in the operation of the Station, including, but not limited to the Station's call sign and the assets covered by the Sublease.

1.5. 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 Ten Thousand Dollars (\$10,000) (the "Purchase Price").

1.6. Allocation. Buyer and Seller will allocate the Purchase Price in accordance with a written allocation statement provided by Seller to Buyer. Buyer and Seller shall file its federal income tax returns and its other tax returns reflecting the allocation made pursuant to this Section.

1.7. Closing. The consummation of the sale and purchase of the Station Assets provided for in this Agreement (the "Closing") shall take place in accordance with Section 7 below on the day designated by Seller in writing, which shall be the date on which Seller consummates its acquisition of KIEM. The date on which the Closing is to occur is referred to herein as the "Closing Date."

1.8. FCC Consent. On the date designated by Seller, 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 assignment of the FCC Licenses to Buyer is referred to herein 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.

1.9. Call Sign. At or prior to Closing, upon written notice from Seller, Buyer and Seller will apply for a new call sign for the Station and the current call sign (KVIQ) will be assigned to a station specified by Seller.

## ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller makes the following representations and warranties to Buyer:

2.1. Organization. Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Seller has the requisite power and authority to execute, deliver and perform this Agreement, the Sublease 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. The execution, delivery and performance of this Agreement, the Sublease and the Seller Ancillary Agreements by Seller have been duly authorized and approved by all necessary action of Seller and do not require any further authorization or consent of Seller. This Agreement is, and the Sublease 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. FCC Licenses. Seller is the holder of the FCC Licenses, the Subleased Assets and the other Station Assets. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired.

### 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 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. Qualification. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Act and the rules, regulations and policies of the FCC.

### ARTICLE 4: JOINT COVENANTS

Buyer and Seller hereby covenant and agree as follows:

4.1. 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 shall be confidential and shall not be disclosed to any other person or entity, except on a confidential basis to the parties'

attorneys, accountants, investment bankers, investors and lenders, and their respective attorneys for the purpose of consummating the transaction contemplated by this Agreement. For purposes of this Section 4.1, following the Closing all non-public information relating to the Station Assets shall be considered confidential information of Buyer.

4.2. Announcements. Prior to Closing, 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.

4.3. Control. Buyer shall not, directly or indirectly, control, supervise or direct the operation of the Station prior to Closing. Consistent with the Communications Act and the FCC rules and regulations, control, supervision and direction of the operation of the Station prior to Closing shall remain the responsibility of Seller as the holder of the FCC Licenses.

#### ARTICLE 5: 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):

5.1. 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 5.1(a) and (b) have been satisfied.

5.2. 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.

5.3. FCC Authorization. The FCC Consent shall have been obtained.

5.4. Deliveries. Buyer shall have complied with its obligations set forth in Section 7.2.

5.5. KIEM APA. Seller's Purchase of KIEM shall have closed.

#### ARTICLE 6: 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):

6.1. 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 executed by an authorized officer of Seller 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 shall have been obtained.

6.4. Deliveries. Seller shall have complied with its obligations set forth in Section 7.1.

ARTICLE 7: CLOSING DELIVERIES

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

(i) certified copies of resolutions authorizing the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

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

(iii) an assignment of FCC authorizations assigning the FCC Licenses from Seller to Buyer;

(iv) the Sublease; and

(iv) a bill of sale conveying the other Station Assets from Seller to Buyer.

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

(i) the Purchase Price;

(ii) certified copies of resolutions authorizing the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

(iii) the Sublease; and

- (iii) the certificate described in Section 7.1(c).

#### ARTICLE 8: SURVIVAL

8.1. Survival. The representations and warranties in this Agreement shall survive Closing.

#### ARTICLE 9: TERMINATION AND REMEDIES

9.1. Termination. Subject to Section 9.3, 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 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 (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 pay the Purchase Price at Closing;
- (d) by written notice of Seller to Buyer or Buyer to Seller if Closing does not occur by the date twelve (12) months after the date of this Agreement, provided, that the right to terminate this Agreement pursuant to this Section 9.1(d) shall not be available to any party whose failure to perform any covenant or obligation under this Agreement as been the primary cause of or has resulted in the failure of the transactions contemplated by this Agreement to occur on or before such date; or
- (e) by written notice of Seller to Buyer if the KIEM or Buyer to Seller if the KIEM APA is terminated.

9.2. Cure Period. 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) five (5) business days after the scheduled Closing date.

9.3. Survival. The termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Sections 4.1 (Confidentiality) and 10.1 (Expenses) shall survive any termination of this Agreement.

9.4. 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 and, subject to obtaining any necessary FCC

consent, to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement.

ARTICLE 10: MISCELLANEOUS

10.1. 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.

10.2. 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.

10.3. Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto. 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.

10.4. Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed email 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: Redwood Television Partners LLC  
4311 Wilshire Blvd., Suite 408  
Los Angeles, CA 90010  
Attn: Jason Wolff  
Email: jwolff@frcap.com

with copies (which shall not constitute notice) to: Edinger Associates PLLC  
1875 I Street, NW, Suite 500  
Washington, DC 20006  
Attn: Scott Woodworth  
Email: swoodworth@edingerlaw.net

if to Buyer: Prime Cities Broadcasting Inc.  
2 Galleon  
Hilton Head Island, SC 29928  
Attention: John Tupper  
Email: keppertup@hotmail.com

with a copy (which shall not constitute notice) to: Dentons US LLP  
1221 Avenue of the Americas  
New York, NY 10020  
Attention: Anthony J. Carroll  
Email: anthony.carroll@dentons.com

10.5. 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.

10.6. Entire Agreement. This Agreement 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.

10.7. 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.

10.8. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of California without giving effect to the choice of law provisions thereof.

10.9. 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 Agreement as of the date first set forth above.

BUYER:

PRIME CITIES BROADCASTING INC.

By: \_\_\_\_\_

Name: *John S. Tupper*

Title: *Pres,*

SELLER:

REDWOOD TELEVISION PARTNERS LLC

By: \_\_\_\_\_

Name:

Title:

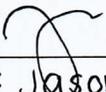
SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER: PRIME CITIES BROADCASTING INC.

By: \_\_\_\_\_  
Name:  
Title:

SELLER: REDWOOD TELEVISION PARTNERS LLC

By:  \_\_\_\_\_  
Name: Jason Wolff  
Title: President