

APPLE VALLEY TELEVISION ASSOCIATION PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the "Agreement") is entered into as of the 14th day of May, 2015 (the "Effective Date"), by and between Apple Valley TV Association, INC. a NON-Profit Corporation ("Seller") and Computer 5, Inc. d/b/a LocalTel Communications, a Washington Corporation ("Buyer").

WITNESSETH:

WHEREAS, Seller is the holder of FCC licenses KWCC-LD and K42IH-D (the "Licenses"), as shown on the attached **EXHIBIT A**. The Licenses do not include any hardware of Seller associated with its business; and WHEREAS, Seller desires to sell and assign and Buyer desires to purchase and acquire the Licenses.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions contained herein, the parties do hereby agree as follows:

1. SALE OF ASSETS AND ASSIGNMENT OF BUSINESS

At Closing, Seller shall sell or assign and transfer to Buyer and Buyer shall purchase from Seller the Licenses.

2. PURCHASE PRICE AND TERMS:

The purchase price for the Licenses shall be Twenty Thousand US Dollars, (\$20,000.00) (the "Purchase Price"). Buyer and Seller shall each pay any and all mutually agreed fees listed within this Agreement, of which shall be due and payable at Closing.

3. EXPENSES:

All expenses incurred with respect to the preparation and implementation of this Agreement and the transactions contemplated hereunder shall be paid by the party incurring the same, provided, however, that FCC filing fees for the application described in Paragraphs 5 & 23, and recording fees, documentary stamp taxes, revenue stamps and all other similar charges on conveyances from Seller to Buyer, if any, will be shared one-half by Buyer and one-half by Seller to be paid at Closing.

4. ASSUMPTION OF LIABILITIES:

At Closing, Buyer shall assume full responsibility for any and all taxes, FCC fees, debts, contracts or any other liabilities of the Licenses incurred on or after the Closing Date.

5. FILING OF FCC APPLICATIONS:

Buyer and Seller agree to proceed no later than ten (10) days from the Effective Date to file an application requesting Federal Communications Commission ("FCC") consent to the transactions herein set forth (the "Assignment Application"). The parties agree to prosecute the Assignment Application, defend it against challenges and file any amendments or additional information requested by the FCC, all in good faith and with due diligence, such that it may be granted and become "final" (that is, no longer subject to reconsideration, review or appeal by the FCC or any court of competent jurisdiction) as soon as possible.

6. TERMINATION:

A. If the FCC has not granted the Assignment Application within three months after the Effective Date, then either Buyer or Seller may terminate this entire Agreement upon written notice to the other, provided that the party seeking to terminate is not in default hereunder.

B. Either party may terminate this Agreement if the other shall be in material breach hereof and if said breach shall not have been cured within ten (10) days of written notice thereof by the party seeking to terminate, **provided, however**, that if any such breach is not reasonably susceptible of being cured within ten (10) days, then the party in breach shall have undertaken to cure the breach with all reasonable diligence and shall have cured the breach as promptly as is reasonably practicable.

7. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller makes the following representations and warranties, all of which have been relied upon by Buyer in entering into this Agreement and, except as specifically otherwise provided, all of which shall be true and correct on the Closing Date:

A. **Organization:** Seller is a legal business duly organized, validly existing, and in good standing under the laws of the State of Washington, has full power and authority to enter into and perform this Agreement.

B. **Authorization:** The execution, delivery and performance of this Agreement have been duly authorized by the Seller, and constitute a valid and binding Agreement of Seller, enforceable in accordance with its terms.

C. **No Contravention:** The execution, delivery and performance of this Agreement by Seller will not violate any provision of its organizational documents and will not result in the breach of, or constitute a default under, or violate any provision of, any agreement or other instrument to which Seller or any of its principals is a party or by which it or they or any of the Licenses or Assets is bound or affected.

D. Compliance with Laws; Litigation:

There is no judgment outstanding and, to the best of Seller's knowledge, no litigation, proceeding or investigation of any nature (other than that intended to affect substantial segments of the industry as a whole) pending or threatened which is likely to materially and adversely affect the Licenses or Assets, the use by Buyer of the Licenses or Assets, or Seller's ability to timely consummate all of the transactions contemplated herein.

8. COVENANTS OF SELLER

A. **Negative:** Between the date hereof and the Closing Date, Seller will not sell, assign, lease, convey, or otherwise transfer or dispose of any of the Licenses, whether now owned or hereafter.

B. **Affirmative:** Pending the Closing Date, Seller will:

(i) Give to Buyer, its counsel, engineers, accountants and other authorized representatives, reasonable access during normal business hours of all of the properties, premises, books and records pertaining to Seller, the Licenses for the purposes of inspection;

(ii) Promptly notify Buyer of any unusual or material developments with respect to the Licenses or Assets; and remove any and all violations of FCC rules or regulations which come to its attention or assume responsibility for the costs of removing the same, including the payment of any fines that may be assessed for any such violation.

9. REPRESENTATIONS, WARRANTIES AND COVENANTS OF BUYER:

Buyer makes the following representations, warranties and covenants, all of which have been relied upon by Seller in entering into this Agreement and, except as specifically otherwise provided, all of which shall be true and correct on the Closing Date:

A. **Organization:** Buyer is a Washington Corporation, duly organized, validly existing, and in good standing under the laws of the State of Washington and has full power and authority to enter into and perform this Agreement.

B. Authorization: The execution, delivery and performance of this Agreement have been duly authorized by Buyer, and constitutes a valid and binding agreement of Buyer, enforceable in accordance with its terms.

C. No Contravention: The execution, delivery and performance of this Agreement by Buyer will not violate any provision of its organizational documents and will not result in the breach of, or constitute a default under, or violate any provision of, any agreement or other instrument to which Buyer or any of its principals is a party or by which it or they is bound or affected.

D. Qualification: Buyer is fully qualified, legally and financially, to become the licensee of the Stations and to timely consummate all of the transactions contemplated by this Agreement. Buyer also certifies that it currently does NOT own a newspaper, a radio station, or another TV station under cross-ownership rules.

10. RISK OF LOSS:

The risk of loss or damage to any of the Licenses shall be upon Seller prior to Closing, and thereafter upon Buyer.

11. CLOSING DATE AND PLACE:

Closing is contingent on **FCC approval of the Assignment Application**. The Closing Date shall be within ten (10) days after the FCC's **grant** of the Assignment Application, provided, however, that if a petition to deny shall have been filed against the Assignment Application then either Buyer or Seller may defer closing until ten (10) days after grant of the Assignment Application shall have become **final**. Closing shall take place at the Seller's offices or at such other location or in such other manner as the parties may mutually agree. At Closing, Seller shall deliver to Buyer such bills of sale, assignments and other instruments of conveyance transferring title of the Licenses.

12. REMEDIES UPON TERMINATION OR DEFAULT:

If this Agreement is terminated due to no fault of either Buyer or Seller, then neither party shall have any liability to the other. If the Agreement is terminated due to a material default of Seller then, in addition to any other remedies to which it may be entitled, Buyer may seek a decree of specific performance, it being agreed by both Buyer and Seller that the Licenses to be conveyed hereunder are unique and irreplaceable, and that monetary damages alone may not suffice to compensate Buyer for the loss of an opportunity to acquire the Licenses on the terms set forth herein.

13. INDEMNIFICATION:

Seller shall indemnify, defend, and hold Buyer harmless against all claims, demands and legal actions and will reimburse Buyer for any damages (including legal fees incurred with respect to same) resulting from, or arising out of, the material breach by Seller of any of its representations, warranties or covenants set forth herein. Buyer shall indemnify, defend and hold Seller harmless against all claims, demands and legal actions, and will reimburse Seller for any damages (including legal fees incurred with respect to same) resulting from, or arising out of, the material breach by Buyer of any of its representations, warranties or covenants set forth herein. Should any claims covered by the foregoing provisions be asserted against either party, the party being charged shall notify the other promptly and give it an opportunity to defend the same; the parties shall extend reasonable cooperation to each other in connection with such defense.

14. SURVIVAL:

The representations, warranties, covenants, and agreements contained herein and in any certificate or other instrument delivered pursuant hereto shall be deemed and construed to be continuous and shall survive Closing.

15. BROKER/FINDER:

Buyer and Seller hereby mutually represent that there are no finders, consultants or brokers involved in this transaction and that neither Seller nor Buyer has agreed to pay any brokers', 'finders' or 'consultants' fees in connection with this transaction.

16. NOTICES:

All necessary notices, demands and requests shall be deemed duly given if mailed by registered or certified mail, postage prepaid, or e-mailed with return receipt addressed as follows:

Seller:

Apple Valley TV Association, INC.
Att: Lonnie England, President
PO Box 582
Wenatchee, WA 98807
lonnie.england@gmail.com

Buyer:

Computer 5, Inc., d/b/a LocalTel Communications
Att: Dimitri Mandelis, President
Att: John Seabeck, Vice President
343 Grant Road
East Wenatchee, Washington 98802
dimitri@localtel.net
john@localtel.net

17. CONSTRUCTION:

This Agreement shall be construed and enforced in accordance with the laws of the State of Washington and by Federal Communications Commission. If any provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and to this end only the provisions of this Agreement are declared severable.

18. ASSIGNMENT AND BENEFIT:

This Agreement is not assignable by either Buyer or Seller without written consent of the other. This Agreement and all of the obligations set forth herein shall be binding upon the parties and their respective heirs, assigns and successors.

19. COOPERATION:

Each party hereto agrees to perform such further acts and to execute and deliver such further documents as may be necessary or desirable to effectuate the purposes of this Agreement.

20. TIME OF ESSENCE:

Time is of the essence with respect to every provision of this Agreement.

21. PAYMENTS:

Any and all payments required under the terms of this agreement are to be paid by company check, bank cashier's check or money order, and are to be made out to and delivered to exactly as displayed below:

Apple Valley TV Association, INC.
PO Box 582
Wenatchee, WA 98807

22. PUBLIC NOTICE:

Seller will publish a "Public Notice" in the local newspaper within 10 days of the filing of the FCC form 345, as required by the FCC, upon mutual proofing and approval of language of public notice. Seller and Buyer will share costs one-half by Buyer and one-half by Seller at the time of Closing for any and all costs associated with the filing of the public notice.

23. FCC FORM 345:

Seller will complete the required FCC form 345 and file such form / forms within 10 days after the Effective Date upon mutual proofing of FCC form 345. Seller and Buyer will share costs one-half by Buyer and one-half by Seller at the time of Closing for any and all costs associated with the filing of FCC form 345 for each of the Licenses. This Agreement and included exhibits within this agreement will be incorporated as an exhibit to FCC Form 345.

24. ENTIRE AGREEMENT:

This Agreement embodies the entire agreement among the parties and supersedes all prior agreements and understandings among the parties. No attempted change, termination or waiver of any of the provisions hereof shall be binding except by a written instrument signed by the party against which the same is sought to be enforced.

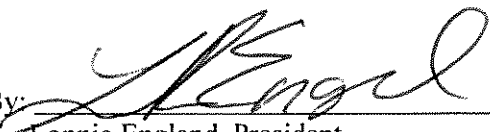
25. EXECUTION IN COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute a single instrument.

EXECUTED on the day first above written.

SELLER

Apple Valley TV Association, Inc.
A Washington Non-Profit Corporation

By: 
Lonnie England, President
Date: 5-14-2015

Apple Valley TV Association, Inc.
A Washington Non-Profit Corporation

By: 
Sharlene Nimmo-England
Date: 5-14-2015

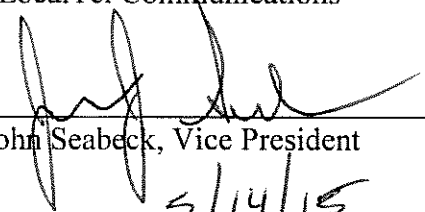
Computer 5, Inc.
A Washington Corporation
d/b/a LocalTel Communications

By: 
Dimitri Mandelis President

Date: 5/14/15

BUYER

Computer 5, Inc.
A Washington Corporation
d/b/a LocalTel Communications

By: 
John Seabeck, Vice President

Date: 5/14/15

EXHIBIT-A

KWCC-LD AND K42IH-D FCC AUTHORIZATIONS

LICENSE RENEWAL AUTHORIZATION

THIS IS TO NOTIFY YOU THAT YOUR APPLICATION
FOR RENEWAL OF LICENSE, BRDTL-20140924AFY,
WAS GRANTED ON 02/13/2015 FOR A TERM
EXPIRING ON 02/01/2023.

APPLE VALLEY TV ASSOCIATION, INC.
205 FIRST STREET

WENATCHEE, WA 98801

THIS IS YOUR LICENSE RENEWAL AUTHORIZATION
FOR STATION KWCC-LD.

THIS CARD MUST BE POSTED WITH THE STATION'S
LICENSE CERTIFICATE AND ANY SUBSEQUENT
MODIFICATIONS.

FACILITY ID: 2517

LOCATION: WENATCHEE, WA

LICENSE RENEWAL AUTHORIZATION

THIS IS TO NOTIFY YOU THAT YOUR APPLICATION
FOR RENEWAL OF LICENSE, BRDTL-20140924AEY,
WAS GRANTED ON 02/13/2015 FOR A TERM
EXPIRING ON 02/01/2023.

APPLE VALLEY TV ASSOCIATION, INC.
P. O. BOX 582

205 FIRST STREET

WENATCHEE, WA 98807

THIS IS YOUR LICENSE RENEWAL AUTHORIZATION
FOR STATION K42IH-D.

THIS CARD MUST BE POSTED WITH THE STATION'S
LICENSE CERTIFICATE AND ANY SUBSEQUENT
MODIFICATIONS.

FACILITY ID: 2494

LOCATION: EAST WENATCHEE, WA