

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of May 17, 2013 by and between Yuma Broadcasting Company, a Nevada corporation ("Seller") and Blackhawk Broadcasting LLC, a Delaware limited liability company ("Buyer").

Recitals

WHEREAS, Seller owns and operates the television broadcast station KYMA-DT, licensed in Yuma, Arizona and broadcast in Yuma, Arizona and El Centro, California (the "Station"); and

WHEREAS, 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, agree as follows:

ARTICLE 1: DEFINITIONS

- 1.1 "Accounts Payable" has the meaning set forth in Section 2.1(i).
- 1.2 "Accounts Receivable" has the meaning set forth in Section 2.10(a).
- 1.3 "Agreement" has the meaning set forth in the preamble.
- 1.4 "Assumed Employees" has the meaning set forth in Section 5.6(a).
- 1.5 "Assumed Obligations" has the meaning set forth in Section 2.4.
- 1.6 "Buyer Ancillary Agreements" has the meaning set forth in Section 4.1.
- 1.7 "Buyer Indemnified Parties" has the meaning set forth in Section 10.2(a).
- 1.8 "Buyer" has the meaning set forth in the preamble.
- 1.9 "Claim" has the meaning set forth in Section 10.3(a).
- 1.10 "Closing" has the meaning set forth in Section 2.8.
- 1.11 "Closing Consents" has the meaning set forth in Section 6.4(a).
- 1.12 "Closing Date" means the date on which the Closing is to occur.
- 1.13 "Code" shall mean the Internal Revenue Code of 1986, as amended.

- 1.14 “Collection Period” has the meaning set forth in Section 2.10(a).
- 1.15 “Communications Act” shall mean the Communications Act of 1934, as amended.
- 1.16 “Communications Laws” has the meaning set forth in Section 3.4(a).
- 1.17 “Confidential Information” has the meaning set forth in Section 6.1(a).
- 1.18 “Cure Period” has the meaning set forth in Section 11.3.
- 1.19 “Damages” has the meaning set forth in Section 10.2(a).
- 1.20 “Deposit” has the meaning set forth in Section 2.5(a).
- 1.21 “Deposit Escrow Agreement” shall mean the Deposit Escrow Agreement among Buyer, Seller and the escrow agent, in accordance with which Buyer shall, as of the date hereof, deposit with the escrow agent Fifty Thousand Dollars (\$50,000).
- 1.22 “Employee Plans” has the meaning set forth in Section 3.14(c).
- 1.23 “ERISA Affiliate” shall mean any trade or business, whether or not incorporated, that together with Seller would be deemed a “single employer” within the meaning of Section 414(b), (c), (m) or (o) of the Code
- 1.24 “ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.
- 1.25 “Estimated Expenses” has the meaning set forth in Section 2.6(b).
- 1.26 “Excluded Assets” has the meaning set forth in Section 2.2.
- 1.27 “FCC” shall mean Federal Communications Commission.
- 1.28 “FCC Application” has the meaning set forth in Section 2.9(a).
- 1.29 “FCC Consent” means FCC consent to the assignment of the FCC Licenses to Buyer without conditions outside the ordinary course or other restrictions, in each case as would not impact the operation of the Station in a material and adverse manner.
- 1.30 “FCC Licenses” has the meaning set forth in Section 2.1(a).
- 1.31 “Estimated Expenses” has the meaning set forth in Section 2.6(c).
- 1.32 “Final Order” shall mean an action by the FCC upon any application for the FCC Consent filed by the parties hereto for consent, approval or authorization, which action has not been reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no protest, petition to deny, petition for rehearing or reconsideration, appeal or request for stay is pending, and as to which action the time for filing any such protest, petition, appeal or request and any period during which the FCC may reconsider or review such action on its own authority has expired

- 1.33 “Financial Statements” has the meaning set forth in Section 3.5(a).
- 1.34 “GAAP” shall mean the United States generally accepted accounting principles.
- 1.35 “Indemnity Escrow Agreement” shall mean the escrow agreement executed by and among the Seller, Buyer and an escrow agent.
- 1.36 “Indemnity Escrow Amount” has the meaning set forth in Section 2.5(d).
- 1.37 “Indemnity Escrow Period” shall mean the period ending on the eighteen (18) month anniversary of the Closing Date.
- 1.38 “Intangible Property” has the meaning set forth in Section 2.1(e).
- 1.39 “Liens” shall mean all liens, claims and encumbrances.
- 1.40 “Material Adverse Effect” shall mean any material adverse effect on the business, results of operations or financial condition of the Station or the Station Assets, taken as a whole, or the ability of Seller to consummate the transactions contemplated hereby, other than changes (a) relating to changes in generally applicable economic conditions in the United States or in the television broadcasting industry, so long as the Station is not affected in a disproportionate and adverse manner or (b) resulting from the execution of this Agreement or the consummation of the transactions contemplated hereby
- 1.41 “Multiemployer Plan” has the meaning set forth in Section 3.14(e).
- 1.42 “Outside Date” has the meaning set forth in Section 11.1(d).
- 1.43 “Permitted Liens” shall mean, collectively, the Assumed Obligations, liens for taxes not yet due and payable, liens that will be released at or prior to Closing (all of which are listed on Schedule 3.8) and such other easements, rights of way, building and use restrictions, exceptions, reservations and limitations that do not in any material respect detract from the value of the property subject thereto or impair the use thereof in the ordinary course of the business of the Station and which are listed on Schedule 3.8.
- 1.44 “Proratable Expenses” has the meaning set forth in Section 2.6(a).
- 1.45 “Purchase Price” has the meaning set forth in Section 2.5(b).
- 1.46 “Real Property” has the meaning set forth in Section 2.1(c).
- 1.47 “Real Property Leases” has the meaning set forth in Section 3.9.
- 1.48 “Restricted Period” has the meaning set forth in Section 5.7(a).
- 1.49 “Restricted Territory” has the meaning set forth in Section 5.7(a).
- 1.50 “Retained Obligations” has the meaning set forth in Section 2.4.
- 1.51 “Seller Ancillary Agreements” has the meaning set forth in Section 3.1.

- 1.52 “Seller Indemnified Parties” has the meaning set forth in Section 10.2(c).
- 1.53 “Seller” has the meaning set forth in the preamble.
- 1.54 “Station Assets” has the meaning set forth in Section 2.1.
- 1.55 “Station Contracts” has the meaning set forth in Section 2.1(d).
- 1.56 “Station” has the meaning set forth in the recitals.
- 1.57 “Survival Period” has the meaning set forth in Section 10.1.
- 1.58 “Tangible Personal Property” has the meaning set forth in Section 2.1(b).
- 1.59 “Transferred Employees” has the meaning set forth in Section 5.6(a).

ARTICLE 2: PURCHASE OF ASSETS

2.1. Station Assets. Subject to the terms and conditions hereof, at Closing, 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 used or held for use in the operation of the Station, except for the Excluded Assets (the “Station Assets”), including without limitation the following:

(a) all licenses, permits, registrations, consents, authorizations, and other approvals issued to Seller by the FCC with respect to the Station, or used in, required, or necessary to the business and operations of the Station as currently conducted or as currently proposed to be conducted by Seller, and all pending applications therefor (the “FCC Licenses”), including those described on Schedule 3.4, including any renewals or modifications thereof between the date hereof and Closing;

(b) all of Seller’s equipment, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, spare parts and other tangible personal property of every kind and description that are used or held for use in the operation of the Station, including without limitation those listed on Schedule 3.8 and all associated stations (the “Tangible Personal Property”);

(c) all of Seller’s real property, whether owned or leased, used in the operation of the Station (including any improvements located thereon), including without limitation the real property listed on Schedule 3.9 (the “Real Property”);

(d) all network affiliation agreements, programming contracts, cable retransmission agreements and all other contracts, agreements and leases used in the Station’s business, including without limitation those listed on Schedule 3.10 (the “Station Contracts”);

(e) all of Seller’s rights in and to the Station’s call letters listed on Schedule 2.1(e) and Seller’s rights in and to the trademarks, trade names, service marks, internet domain names, copyrights, programs and programming material, jingles, slogans, logos, and other intangible property which are owned or licensed by Seller for use in the operation of the Station, including without limitation those listed on Schedule 3.12 (the “Intangible Property”);

(f) all programs and programming materials and elements of whatever form or nature owned by Seller and used or held for use in connection with the business and operation of the Station, whether recorded on tape or any other substance or intended for live performance, and whether completed or in production, and all related copyrights owned by or licensed to Seller and used in connection with the business and operation of the Station;

(g) all prepaid expenses and deposits of Seller relating to the business and operation of the Station, including without limitation those listed on Schedule 2.1(g);

(h) Seller's rights in and to all the files, documents, records, and books of account (or copies thereof) relating to the operation of the Station, including the Station's local public files, programming information and studies, market, news, programming and other research relating to the Station, engineering data, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports, and logs, but excluding records relating to Excluded Assets (defined below);

(i) the Station's outstanding accounts payable for goods or services provided to Seller prior to the Closing Date or otherwise arising during or attributable to any period prior to the Closing Date ("Accounts Payable"); and

(j) Any and all intangible assets and going concern value related to the assets listed in subsections (a) through (i) above.

2.2. 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) all Station Contracts that are terminated, cancelled or expire prior to Closing in accordance with Article 5;

(c) Seller's corporate and trade names unrelated to the operation of the Station, charter documents, and books and records relating to the organization, existence or ownership of Seller, duplicate copies of the records of the Station, and all records not relating to either the Station Assets or the operation of the Station;

(d) 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, except that any cash proceeds of insurance actually received before or after the Closing Date relating to Station Assets that are not in normal working condition as of the Closing Date shall be included as Station Assets;

(e) all pension, profit sharing plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller or any direct or indirect parent of Seller;

- (f) any intercompany receivable of Seller from any of its affiliates;
- (g) any computer software and programs used in the operation of the Station that are not transferable, all of which are listed on Schedule 2.2(g) hereto;
- (h) all rights and claims of Seller, 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 Closing Date;
- (i) all claims of Seller with respect to any tax refunds; and
- (j) the Station's accounts receivable and any other rights to payment of cash consideration for goods or services sold or provided prior to the Closing Date or otherwise arising during or attributable to any period prior to the Closing Date;
- (k) a Ford Escape vehicle described on Schedule 2.2(k); and
- (l) the assets listed on Schedule 2.2(l).

2.3. Permitted Liens. All Station Assets shall be delivered free and clear of all Liens of any nature whatsoever, except the Permitted Liens. CIT Lending Services Corporation, as agent, holds a security interest in the Purchased Assets. Said security interest will be released in full on or before Closing.

2.4. Liabilities of Seller. At Closing, Buyer will assume only those liabilities of Seller arising on or after Closing relating to the Station Assets, Station Contracts, the FCC Licenses and those liabilities listed on Schedule 2.4 hereof (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").

2.5. Deposit; Purchase Price; Escrow Arrangements.

(a) Deposit. On the date hereof, Buyer shall deposit with the escrow agent Fifty Thousand Dollars (\$50,000) pursuant to the Deposit Escrow Agreement (the "Deposit"). Such Deposit shall be maintained and disbursed in accordance with this Agreement and the Deposit Escrow Agreement and shall be disbursed to Seller at Closing.

(b) Purchase Price. In consideration for the sale, transfer, conveyance, assignment and delivery of the Station Assets, Buyer shall pay to Seller an amount equal to One Million Three Hundred Thousand Dollars (\$1,300,000) (as adjusted in accordance with Section 2.6, the "Purchase Price"), and shall assume the Assumed Obligations.

(c) Payment of Purchase Price.

(i) At Closing, the Purchase Price shall be delivered by Buyer to Seller as follows: (a) One Million One Hundred Twenty Thousand Dollars (\$1,120,000)] by wire transfer in immediately available funds, (b) the Deposit to be paid by the escrow agent pursuant to the Deposit Escrow

Agreement and (c) One Hundred Thirty Thousand Dollars (\$130,000) paid to the escrow agent pursuant to the Indemnity Escrow Agreement.

(ii) At Closing, the Buyer shall assume the Assumed Obligations described in Section 2.4 hereof.

(d) Escrow Arrangements. Pursuant to the Indemnity Escrow Agreement to be entered into among the Seller, Buyer and the escrow agent, the One Hundred Thirty Thousand Dollar (\$130,000) portion of the Purchase Price payable in cash pursuant to Section 2.5(c) (which, together with any interest accrued thereon, is hereinafter referred to as the "Indemnity Escrow Amount") shall be delivered to the escrow agent at the Closing. The Indemnity Escrow Amount shall be held by the escrow agent pursuant to the terms of the Indemnity Escrow Agreement for payment of the amounts, if any, if owing by Seller to Buyer related to Sellers' indemnification obligations under Article X below. On the nine (9) month anniversary of the Closing Date, an amount equal to one-half of the Indemnity Escrow Amount, less the amount of any claims against the Indemnity Escrow Amount existing as of such date in accordance with the terms of the Indemnity Escrow Agreement and this Agreement, shall be disbursed to the Seller. At the conclusion of the Indemnity Escrow Period, the remaining portion of the Indemnity Escrow Amount not theretofore claimed by or paid to Buyer in accordance with the terms of the Indemnity Escrow Agreement and this Agreement shall be disbursed to the Seller. The Seller and Buyer agree that each will execute and deliver such reasonable instruments and documents as are furnished by any other party to enable such furnishing party to receive those portions of the Indemnity Escrow Amount to which the furnishing party is entitled under the provisions of the Indemnity Escrow Agreement and this Agreement.

2.6. Purchase Price Adjustment.

(a) The operations of the Station and the income and expenses attributable thereto up to the Closing Date shall, except as hereinafter provided in this Agreement, be for the account of Seller and thereafter shall be for the account of Buyer. At Closing, all customarily proratable items relating to the operation of the Station which are payable subsequent to the Closing Date and relate to a period of time both prior to and subsequent to the Closing Date, including, but not limited to, utility charges, payments under Station Contracts, property and ad valorem taxes, FCC regulatory and license fees, prepayments and deferred items (the "Proratable Expenses"), will be prorated as of the close of business on the day before the Closing Date between Buyer and Seller.

(b) At least three (3) business days prior to the Closing Date, Seller shall deliver to Buyer a certificate setting forth Seller's good faith estimate of the Proratable Expenses as of the Closing Date (the "Estimated Expenses"). The Purchase Price shall be adjusted upward on a dollar-for-dollar basis by the amount of Seller's portion of the Estimated Expenses and, to the extent practicable, all such Estimated Expenses shall be paid at Closing from the Purchase Price. To the extent any Proratable Expense is not able to be paid at Closing or the parties mutually agree not to pay such Estimated Expense at Closing, Buyer shall be solely responsible for the payment of such Proratable Expenses after Closing.

(c) Within sixty (60) days of Closing, Buyer shall provide written notice to Seller of the final amount of the Proratable Expenses (the "Final Expenses"). In the event that

Seller's portion of the Final Expenses is greater than Seller's portion of the Estimated Expenses, Seller shall pay to Buyer an amount equal to such difference within ten (10) days after receipt of notice from Buyer. In the event that Seller's portion of the Final Expenses is less than Seller's portion of the Estimated Expenses, Buyer shall pay to Seller an amount equal to such difference within ten (10) days after such determination.

2.7. Allocation of Purchase Price. The allocation of the Purchase Price among the Purchased Assets is set forth in Schedule 2.7 hereto, and said allocation is intended by Buyer and Seller to comply with Section 1060 of the Code. Buyer and Seller shall file Form 8954 with their respective federal income tax returns in a manner consistent with said allocation.

2.8. Closing. The consummation of the sale and purchase of the Station Assets provided for in this Agreement (the "Closing") shall take place no later than the tenth business day after the date that the FCC Consent pursuant to the FCC's initial order shall have become a Final Order (or on such earlier day after such consent as Buyer and Seller may mutually agree), subject to the satisfaction or waiver of the conditions set forth in Articles 7 or 8 below.

2.9. FCC Consent.

(a) As promptly as practicable after the date of this Agreement, but in any event within ten (10) calendar days thereafter, 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. Buyer and Seller will cooperate in the preparation of the FCC Application, diligently prosecute the FCC Application, and take, or cooperate in the taking of, all necessary, desirable and proper steps, provide any additional information reasonably required and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible.

(b) 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.

2.10. Accounts Receivable.

(a) Delivery of Accounts Receivable. Buyer agrees that for a period of one hundred twenty (120) days after the Closing Date (the "Collection Period"), it shall be solely responsible and shall have the sole right, on behalf of Seller, for the collection of accounts receivable arising out of the conduct of the business and operations of the Station prior to the Closing Date (the "Accounts Receivable"). At Closing, Seller shall deliver to Buyer a complete and detailed statement of Accounts Receivable, showing the name, amount and age of each Account Receivable as of the Closing Date.

(b) Collection Period. Buyer shall make reasonable efforts to collect the Accounts Receivable during the Collection Period. Within fifteen (15) days after the end of each full calendar month in the Collection Period, Buyer shall furnish Seller with a list of the amounts collected during such period with respect to the Accounts Receivable, and Buyer shall pay over to Seller such collected amounts in full.

(c) Payment of Debts. Any payment received by Buyer during the Collection Period from any account debtor owing on any of the Accounts Receivable shall first be applied in reduction of the oldest outstanding balance due from such account debtor, unless the customer specifically identifies the invoice being paid, in which case, any such payment by the account debtor shall be applied in accordance with the remittance advice or instructions from the account debtor. Any account debtor may voluntarily pay more recent invoices prior to older invoices; provided, however, that Buyer shall not, directly or indirectly, encourage or induce any account debtor to designate payments to be applied to invoices for accounts receivable arising after the Closing Date rather than the Accounts Payable. If an account debtor disputes its obligations for an Account Receivable, Buyer shall promptly return all records relating to the disputed account to Seller, and Buyer shall have no further obligation with respect to the collection thereof. Except for disputed accounts returned to Seller, neither Seller nor its agents, successors or assigns shall make any direct solicitation of the account debtors for collection purposes or other direct attempts to collect from account debtors during such Collection Period except as may be agreed to by Buyer. Upon the expiration of the Collection Period, Buyer shall furnish Seller with a list of, and shall assign without recourse to Seller, all Accounts Receivable which then remain uncollected, together with all files concerning the collection or attempts to collect such accounts hereunder; thereafter Buyer shall have no further obligations hereunder. Buyer shall not be obligated to use any extraordinary efforts to collect any of the Accounts Receivable assigned to it for collection hereunder or to refer any of such Accounts Receivable to a collection agency or to an attorney for collection, and Buyer shall not make any such referral or compromise, settle or adjust the amount of any Account Receivable, except with the prior written approval of Seller. Buyer shall incur no liability to Seller for any uncollected amount.

ARTICLE 3: SELLER REPRESENTATIONS AND WARRANTIES

Seller hereby represents and warrants to Buyer as of the date hereof:

3.1. Organization. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada, and is qualified to do business in each jurisdiction in which the Station Assets are located or where the nature of the business of the Station require such qualification. Seller has the full power and authority to carry on its business as it is now being conducted and to own and lease the Station Assets. 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 and thereby.

3.2. Authorization. The execution, delivery and performance of this Agreement and the Seller Ancillary Agreements by Seller has 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 each Seller Ancillary Agreement when made by Seller and the other parties thereto will constitute, 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).

3.3. No Conflicts; Governmental Consent. Except as set forth on Schedule 3.3 and except for the FCC Consent, 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 and thereby does not require the consent or approval of, or a filing by Seller with, any governmental or regulatory authority or any third party. The Agreement, the Seller Ancillary Documents and the FCC Consents do not conflict with any organizational documents of Seller or any law, judgment, order, or decree to which Seller is subject.

3.4. FCC Licenses.

(a) Schedule 3.4 contains a true and complete list of all FCC Licenses. Seller is the holder of the FCC Licenses described on Schedule 3.4. Except as set forth on Schedule 3.4, the FCC Licenses are validly held and in full force and effect, are unimpaired by any condition outside the ordinary course, and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. Except as set forth on Schedule 3.4, there is not pending any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than actions or proceedings affecting television broadcast stations generally). Except as set forth on Schedule 3.4, there is not issued, outstanding, or threatened by or before the FCC any order to show cause, notice of violation, notice of apparent liability, order of forfeiture, complaint, investigation, or proceeding against the Station or against Seller with respect to the Station, and Seller is not aware of any facts or circumstances that could reasonably be expected to result in such order to show cause, notice of violation, notice of apparent liability, order of forfeiture, complaint, investigation, or proceeding. The Station is operating in compliance in with the FCC Licenses, the Communications Act, and the rules, regulations and policies of the FCC (together with the Communications Act, the "Communications Laws"), except where the failure to be in compliance would not reasonably be expected to have a Material Adverse Effect, and, to Seller's knowledge, any Person holding an attributable interest in the FCC Licenses is in compliance in all material respects with the Communications Laws.

(b) There are no facts, conditions, or events relating to the Seller or the Station that would give the FCC a legally valid basis not to renew the FCC Licenses in the ordinary course.

(c) All material reports, statements, and other documents relating to the Station required to be filed by Seller with the FCC in connection with, or as a result of, the operations of the Station have been filed and complied with and were true, correct and complete in all respects when filed. Seller has paid all fees related to the Station required to be paid by the FCC or the Communications Laws.

3.5. Liabilities and Obligations of the Seller.

(a) Attached hereto as Schedule 3.5(a) are true, correct and complete copies of the (i) Seller's audited balance sheet as of December 31, 2012 and unaudited balance sheet as of January 31, 2013 and the related unaudited statements of revenue and expenses, for the twelve-month and one-month periods then ended, respectively and (ii) the Estimated Closing Balance Sheet (all such balance sheets and statements of revenue and expenses hereinafter collectively referred to as the "Financial Statements"). The Financial Statements have been

prepared on a consistent basis, in accordance with GAAP and present in all material respects the financial condition and results of operations of Seller as of such date and for each period presented thereof (subject, in the case of interim statements, to normal year-end audit adjustments that would not be material in amount or effect).

(b) Except as set forth on Schedule 3.5(b), Seller is not in default with respect to any liabilities, obligations (including lease obligations) or payables in excess of \$10,000 individually and \$25,000 in the aggregate which are related to the Station Assets or the business or operation of the Station. All such liabilities or obligations shown or reflected in the Financial Statements have been, or are being, paid or discharged as they become due, and all such liabilities and obligations were incurred in the ordinary course of business.

3.6. Operation of the Business. Since October 31, 2012, (i) Seller has operated the Station in the ordinary course of business consistent with past practices and (ii) there has not been a Material Adverse Effect.

3.7. Taxes.

(a) All tax returns (taking into account any valid extension of time within which to file such tax returns) in respect of taxes required to be filed through the date hereof with respect to Seller and the Station Assets have been timely filed and Seller has paid all taxes, interest and penalties, assessments and deficiencies with respect to Seller's business which have become due or which have been claimed to be due, except for any sales tax due as a result of the transaction contemplated by this Agreement. All such tax returns are true and correct in all material respects and accurately reflect all liabilities for taxes for the periods covered and all taxes reflected therein have been paid. Except as set forth in Schedule 3.7:

(i) Seller is not a party to or bound by any tax allocation agreement with any affiliate of Seller or any other person;

(ii) There is no legal action, suit, proceeding, audit or, investigation with respect to taxes now in progress, pending, or, to Seller's knowledge, threatened against or with respect to Seller, and no claims have been asserted relating to taxes against Seller; and

(iii) There is no claim made against Seller by a taxing authority in a jurisdiction where Seller does not pay taxes or file tax returns that Seller is or may be subject to taxes assessed by such jurisdiction.

(b) The attached Schedule 3.7 contains a list of all states, territories and jurisdictions in which Seller is required to file any tax return.

3.8. Station Assets; Personal Property.

(a) Schedule 3.8 contains a list of items of Tangible Personal Property included in the Station Assets having value of at least \$1,000.

(b) Except as set forth on Schedule 3.8, Seller has good and marketable title to the Station Assets, free and clear of all Liens, other than Permitted Liens.

(c) Except as set forth on Schedule 3.8, all items of material Tangible Personal Property are in normal operating condition, ordinary wear and tear excepted and fit for the purposes for which they are ordinarily used. Except as set forth on Schedule 3.8, the Station Assets are all of the assets used by Seller in the operation of the Station and are all of the assets necessary for the continued operation of the business of the Station in a manner consistent with past practices. Schedule 3.8 sets forth a general description of equipment which constitute Station Assets, but which is not currently used in the operation of the Station and is not required for the operation of the Station and Seller makes no warranties regarding the condition or fitness for use of such equipment.

3.9. Real Property. Schedule 3.9 contains a description of all Real Property included in the Station Assets. Schedule 3.9 includes a description of each lease of Real Property or similar agreement included in the Station Contracts (the “Real Property Leases”). Seller has good and marketable title to all owned Real Property free and clear of Liens other than Permitted Liens. The Real Property is not subject to any suit for condemnation or other taking by any public authority.

3.10. Contracts. Schedule 3.10 contains a true and complete list of the Station Contracts. Except as set forth on Schedule 3.10, each of the Station Contracts (including without limitation each of the Real Property Leases) is in full force and effect and is valid and 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 its obligations under each of the Station Contracts in all material respects, and is not in default thereunder, and to Seller’s knowledge, no other party to any of the Station Contracts is in default thereunder.

3.11. Environmental; Health and Safety Matters. Except as set forth on Schedule 3.11, to Seller’s knowledge, (i) 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, and (ii) Seller has materially complied and is in material compliance with all environmental, health and safety laws applicable to the Station.

3.12. Intangible Property.

(a) Generally. Schedule 3.12(a) sets forth a complete and correct list of (i) all patents, pending patent applications, trademark registrations, pending trademark applications, tradenames, service marks, service names, brand names, jingles, slogans, copyrights, logos and domain names (together with any expiration dates, if applicable) included in the Station Assets and (ii) all call signs used by Seller in connection with the operation of the Station. Schedule 3.12(a) sets forth a complete list of all licenses and other rights granted by Seller with respect to any of the above.

(b) Ownership; Infringement. Except as set forth on Schedule 3.12(b), (i) Seller owns and possesses (subject to FCC rules and regulations) all right, title and interest in and to, and has a valid and enforceable right to use, the name KYMA and KYMA-DT in connection with the business of the Station and each of the call letters and other items listed on Schedule 3.12(a), free and clear of all Liens (other than Permitted Liens), (ii) Seller has no

knowledge of, nor is Seller aware of any facts or circumstance which indicates a likelihood of, any infringement or misappropriation by, or any conflict with, any third party with respect to any of the items listed on Schedule 3.12(a), and (iii) Seller has not committed, and is not aware of, any act of infringement, misappropriation or other conflict with any intellectual property rights of any third party which has occurred or will occur as a result of the operation of Seller's business as currently conducted.

3.13. Collective Bargaining Agreements and Labor Matters. There are no collective bargaining agreements or any other agreements with any labor organization to which Seller is a party and which relate to Seller's business. During the two (2) years prior to the date of this Agreement, (i) Seller has not been the subject of any union activity or labor dispute, (ii) there has not been any strike, lockout, work stoppages or slowdowns of any kind called, or threatened to be called, against Seller and (iii) Seller has not violated any material applicable federal, state or local law or regulation relating to labor or labor practices with regard to Seller's business.

3.14. Employees and Consultants; Employee Plans.

(a) Schedule 3.14(a) hereto sets forth a true and correct list of all current employees and consultants of the Seller as of the date of this Agreement. Seller has provided to Buyer a summary of the compensation, including salary, bonus and other benefits, paid within the last year or payable to each such employee or consultant. Seller has paid or made provision for all such compensation earned or accrued for each such employee up to and including the Closing Date.

(b) Seller has not violated any material applicable federal or state law or regulation relating to employees or employment practices with regard to the Business. During the two (2) year period prior to the date of this Agreement, Seller has not been the subject of any claim, dispute, suit or grievance by any current or former officers, directors, employees or consultants who are or were employed or otherwise compensated by Seller in connection with Seller's business, which claim, dispute, suit or grievance, was reported by such officer, director, employee or consultant to his or her direct or indirect supervisor and which in accordance with Seller's internal policies was or should have been investigated by Seller. Seller knows of no facts which could reasonably result in any such claim, dispute, suit or grievance, nor is any such claim, dispute, suit or grievance threatened.

(c) Schedule 3.14(c) sets forth a true and correct list of all employee plans maintained by Seller that is maintained, contributed to or required to be contributed to by Seller or any ERISA Affiliate for the benefit of any current employee of the Station (collectively the "Employee Plans").

(d) With respect to the Employee Plans no event has occurred, and there exist no conditions or set of circumstances, in connection with which Buyer would reasonably be expected to be subject to any liability under ERISA, the Code or any other applicable law.

(e) With respect to the employees of the Station, at no time has Seller or any ERISA Affiliate contributed to or been obligated to contribute to, (i) any multiemployer plan as defined in Section 3(37) or Section 4001(a)(3) of ERISA, or Section 414(f) of the Code (a "Multiemployer Plan"), or (ii) any plan subject to Title IV of ERISA.

(f) Each Employee Plan and its related trust that is intended to qualify under Sections 401(a) or 401(k) and Section 501(a) of the Code has heretofore been determined by the Internal Revenue Service to so qualify, either directly or indirectly, and nothing has occurred that would reasonably be expected to cause the loss of such qualification.

(g) With respect to each Employee Plan (i) to the knowledge of Seller, no prohibited transactions as defined in Section 406 of ERISA or Section 4975 of the Code have occurred and (ii) no material action, suit, grievance, arbitration or other manner of litigation or claim with respect to the assets thereof (other than routine claims for benefits made in the ordinary course of plan administration for which plan administrative review procedures have not been exhausted) are pending or, to the knowledge of Seller, threatened or imminent for which, to the knowledge of Seller, any employee of Seller who will be hired by Buyer may be subject to any liability, penalty or fine.

3.15. Insurance. Except for claims set forth on Schedule 3.15 and claims under health/medical insurance policies, there are no outstanding unpaid claims relating to the assets, properties and operations of Seller under any insurance policy.

3.16. Licenses and Permits; Compliance with Law. Seller holds all licenses, certificates, permits, franchises and rights from all appropriate federal, state or other public authorities material for the conduct of Seller's business and the use of the Station Assets. Except as set forth on Schedule 3.16, (i) Seller is in compliance with all applicable material laws, rules and regulations, and all decrees and orders of any court or governmental authority, and (ii) there are no governmental claims or investigations pending or, to Seller's knowledge, threatened against Seller in respect of the Station Assets or the business or operation of the Station except those affecting broad segments of the television broadcast industry.

3.17. Litigation. Except as set forth on Schedule 3.17, there is no action, suit, claim, investigation or proceeding pending or, to Seller's knowledge, threatened against Seller or affecting the Station Assets or the business of the Station. None of the items described on Schedule 3.17, individually or in the aggregate, if pursued and/or resulting in a judgment would have a Material Adverse Effect.

3.18. Business Relations. Schedule 3.18 sets forth (1) all customers of the Seller individually representing five percent (5%) or more of the Seller's revenues for the past twelve (12) months and (2) all suppliers of the Seller individually representing five percent (5%) or more of Seller's accounts payable for the past twelve (12) months. To Seller's knowledge, no customer or supplier of the Seller will cease or has threatened to cease to do business after the consummation of the transactions set forth herein. Seller is not required to provide any bonding or other security in connection with any transactions with the customers and suppliers of Seller's business.

3.19. Schedules. All Schedules attached hereto are true, correct and complete as of the signing of this Agreement and will be true, correct and complete as of the Closing Date.

3.20. Brokers' Fees. Except for Kalil & Co., Inc., the fees of which will be the sole responsibility of Seller (and for which Seller shall indemnify and hold harmless Buyer from any claims from any third parties for such fees), no broker, finder, investment banker or other person

is entitled to any brokerage fee, finders' fee or other commission in connection with the transactions contemplated by this Agreement based upon arrangements made by Seller or any of its affiliates.

ARTICLE 4: BUYER REPRESENTATIONS AND WARRANTIES

Buyer makes the following representations and warranties to Seller:

4.1. Organization. Buyer is duly organized, validly existing and in good standing under the laws of the State of Delaware. 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 and thereby.

4.2. 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).

4.3. No Conflicts; Governmental Consent. 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 and thereby does not require the consent or approval of, or a filing by Buyer with, any governmental or regulatory authority or any third party. The Agreement, the Buyer Ancillary Documents and the FCC Consents do not conflict with any organizational documents of Buyer or any law, judgment, order, or decree to which Seller is subject.

4.4. 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.

4.5. Qualification. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Laws. There are no facts that would, under existing Communications Laws, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Station.

ARTICLE 5: SELLER COVENANTS

5.1. Conduct of the Business Prior to Closing Date. For the period from the date of this Agreement to the Closing Date, Seller agrees that it will operate Seller's business in a manner consistent with past practices including, but not limited to, the manner in which Seller collects its

receivables and pays its payables. Seller agrees that it will, except as otherwise provided in this Agreement or as agreed in writing by Buyer; use such efforts consistent with prior operation to:

(a) preserve the organization of Seller and the business intact and preserve the goodwill of customers and others having business relations with Seller;

(b) operate the Station and otherwise conduct the business in all material respects in accordance with the terms or conditions of the FCC Licenses, the Communications Laws, and all applicable rules and regulations, statutes, ordinances and orders of all governmental authorities having jurisdiction over any aspect of the operation of the Station; not take or omit to take any action which would reasonably be expected to cause the FCC Licenses to expire without renewal or be surrendered, adversely modified or otherwise terminated or to cause the FCC to initiate any proceedings for the suspension, revocation or adverse modification of any of the FCC Licenses or to result in the assessment of any forfeiture or the issuance of any notice of apparent liability for forfeiture; and not fail to prosecute with due diligence any pending application to the FCC;

(c) not introduce any material change with respect to the operation of the Station including, without limitation, any material changes in the broadcast hours or in the percentages of types of programming broadcast by the Station or any other material changes in the Station's programming policies;

(d) not apply to the FCC for any permit authorization, approval, consent, or registration of any nature or any change in call letters or make any other filing with the FCC other than as contemplated by this Agreement or as required by the Communications Laws, or otherwise required for the operation of the Station in the ordinary course of business;

(e) maintain the Station Assets in substantially the same working order and conditions as such Station Assets are in as of the date hereof, ordinary wear and tear and insured casualty excepted;

(f) comply in all material respects with all of Seller's obligations and duties (i) under its contracts, leases and documents, and any renewals thereof, relating to or affecting its assets, properties and business and (ii) imposed upon it by all federal, state or local laws, rules, regulations and orders;

(g) file timely renewal documents for all licenses and fees necessary to operate the Station;

(h) refrain from selling any asset of Seller or incurring any liability other than in the ordinary course of business;

(i) keep in force bonds and policies of insurance insuring the Station Assets or the business at levels substantially similar to those in place as of the date hereof;

(j) keep or cause to keep its books, accounts and records in the usual and regular manner and in material compliance with all applicable laws;

(k) not enter into nor permit any termination, expiration, modification or amendment to any Station Contract having a value of \$10,000 or more annually or \$30,000 over its term, to the extent such events or transactions are within its control; and

(l) not make any material changes in its operations, accounting methods or practices.

5.2. Consultation with Buyer. Seller agrees, between the date hereof and Closing, to consult with Buyer on the operation of the Station, with a view toward (i) facilitating the preservation of the value of Station, and (ii) preparing for an orderly transition at the Closing.

5.3. Due Diligence. From the date hereof until the Closing Date, Seller agrees to permit Buyer, its employees and agents to inspect the assets and books and records of Seller during Seller's normal business hours and upon reasonable notice. From the date hereof until the Closing Date, Seller shall cooperate with Buyer from and after the date hereof by making available to Buyer all financial information or other information relating to the contemplated transaction and operation of Seller or Seller's business to the extent such information exists as may be reasonably requested by Buyer. Buyer's inspector must be reasonably approved by Seller and be accompanied by Seller's agent or employee.

5.4. Advertising and Promotions. Seller agrees, between the date hereof and the Closing, to continue all current advertising and promotional campaigns for the Station in amounts comparable with currently budgeted amounts.

5.5. Exclusivity. From the date hereof until the earlier of the Closing or the termination of this Agreement in accordance with the terms hereof, Seller shall not, and shall not authorize or permit any of its directors officers, employees, affiliates, agents and advisors (including without limitation attorneys, accountants, consultants, bankers and financial advisors) to (i) offer, or seek to offer, or entertain any offer, to sell the Station or all or a substantial portion of the Station Assets, or deal in such regard with any person other than Buyer and its representatives, or (ii) solicit or enter into or continue any discussion, negotiations or agreement with, or provide information to, any person other than Buyer relating to any transaction described in the preceding clause (i).

5.6. Employees.

(a) Upon the request of Buyer, during the period beginning thirty (30) days prior to the Closing Date, Seller will afford Buyer the opportunity to meet with and interview all employees of the Station. On or prior to the date which is two (2) weeks prior to the Closing Date, Buyer shall notify Seller in writing of all employees of the Station to whom Buyer will extend offers (the "Assumed Employees"). All employees of the Station shall be notified by Seller prior to the Closing Date that their employment with Seller will terminate effective as of the Closing Date. Unless specifically agreed by Buyer, the Buyer shall not assume any existing employment agreements between Seller and any Assumed Employees who accept offers of employment from the Buyer as of the Closing Date (the "Transferred Employees"). Seller shall be responsible for satisfying all liabilities of the Seller relating to the employment of the employees of the Station or the termination of their employment by Seller.

(b) Seller will retain, and Buyer will not assume, any liability or obligation of Seller to or in connection with any employee or former employee of Seller. Without limiting the generality of the foregoing, Seller will remain solely responsible for any obligations and liabilities, including those pursuant to the Code, ERISA, and any and all federal, state, and local discrimination laws, in respect of all employees and former employees of Seller, and their respective beneficiaries and dependents, relating to or arising in connection with, during the course of, or as a result of (i) the employment or the actual or constructive termination of employment of any such employee by Seller (including in connection with the consummation of the transactions contemplated by this Agreement); or (ii) the participation in or accrual of benefits or compensation under, or the failure to participate in or to accrue compensation or benefits under, any Employee Benefit Plan of Seller or an ERISA Affiliate. Seller shall cause to be discharged and satisfied in full, when due, all amounts owed to any of the employees of Seller for any periods prior to and including the Closing Date and all amounts owed to any of the employees of Seller arising out of the transactions contemplated by this Agreement, including any such wages, commissions, salaries, bonuses (including pro-rated bonuses for any period that includes the Closing Date, if any), and other compensation, sick pay, accrued unused vacation pay and any payments due on account of termination of employment.

(c) This Section shall operate exclusively for the benefit of the parties to this Agreement and not for the benefit of any other person, including, without limitation, any current, former or retired employee of any Seller or spouse or dependents of such persons.

5.7. Covenant Not to Compete.

(a) For a period equal to five (5) years following the Closing (the “Restricted Period”), except as permitted in this Section 5.7, Seller agrees that it will not engage in, directly or indirectly, whether independently or in association with any other Person, own any equity or other ownership interest in any Person engaged in, the business of operating a television broadcasting station in the Yuma, Arizona and El Centro, Texas Designated Market Areas (the “Restricted Territory”). The restrictions set forth in this Section 5.7 shall not be construed to prohibit or restrict any investment by Seller in any class of debt or equity securities of any company operating a television broadcasting station in the Restricted Territory so long as Seller does not hold at any time during the Restricted Period an aggregate amount of more than one percent (1%) of the issued and outstanding equity securities of such publicly traded company, or one percent (1%) of the aggregate principal amount of such class outstanding.

(b) Seller covenants not to offer any employees, at any time prior to or, if such employees are actually hired by Buyer at Closing, for a period of one (1) year following the Closing, alternative employment without the prior written consent of Buyer, unless such employee is terminated by Buyer within thirty (30) days following Closing.

(c) Seller acknowledges that the consideration being paid to Seller hereunder is adequate consideration for the covenants contained in this Section 5.7. It is further recognized and acknowledged by Seller that a breach of the covenants contained in this Section 5.7 will cause irreparable damage to Buyer, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, Seller agrees that in the event of a breach of any of the covenants contained in this Section 5.7, in

addition to any other remedy which may be available at law or in equity, Buyer will be entitled to seek specific performance and injunctive relief.

ARTICLE 6: JOINT COVENANTS

Buyer and Seller hereby covenant and agree as follows:

6.1. Confidentiality.

(a) Prior to the Closing, Buyer will, and will cause its respective affiliates and representatives to, hold in confidence all confidential information concerning the Station Assets or the Assumed Obligations (the "Confidential Information"), except to the extent that such information can be shown to have been in the public domain prior to Closing through no fault of Buyer or any of its affiliates or any of its respective representatives. If, prior to the Closing, Buyer or any of its affiliates or any of its representatives are legally required to disclose any Confidential Information, Buyer shall to the extent permitted by law (A) promptly notify Seller so as to permit Seller, at its expense, to seek a protective order or take other appropriate action and (B) cooperate as reasonably requested by Seller in Seller's efforts to obtain a protective order or other reasonable assurance that confidential treatment will be accorded such Confidential Information, but only at Seller's sole cost and expense. If, after the Closing and in the absence of a protective order, Buyer or any of its affiliates or any of representatives are compelled as a matter of law to disclose any such Confidential Information to a third party, such person may disclose to the third party compelling disclosure only the part of such Confidential Information as is required by law to be disclosed; provided, however, that to the extent permitted by law, prior to any such disclosure, such person consults in good faith with Seller and its legal counsel as to such disclosure and the nature and wording of such disclosure.

(b) After the Closing, Seller will, and will cause its respective affiliates and representatives to, hold in confidence the Confidential Information, except to the extent that such information can be shown to have been (i) in the public domain prior to the Closing or (ii) in the public domain at or after the Closing through no fault of Seller or any of its affiliates or any of its respective representatives. If, after the Closing, Seller or any of its affiliates or any of its representatives are legally required to disclose any Confidential Information, Seller shall to the extent permitted by law (A) promptly notify Buyer so as to permit Buyer, at its expense, to seek a protective order or take other appropriate action and (B) cooperate as reasonably requested by Buyer in Buyer's efforts to obtain a protective order or other reasonable assurance that confidential treatment will be accorded such Confidential Information, but only at Buyer's sole cost and expense. If, after the Closing and in the absence of a protective order, Seller or any of its affiliates or any of representatives are compelled as a matter of law to disclose any such Confidential Information to a third party, such person may disclose to the third party compelling disclosure only the part of such Confidential Information as is required by law to be disclosed; provided, however, that to the extent permitted by law, prior to any such disclosure, such person consults in good faith with Buyer and its legal counsel as to such disclosure and the nature and wording of such disclosure.

6.2. Publicity. Prior to Closing, no party shall, without the prior written consent of the other, issue any press release 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 reasonable advance notice to the other.

6.3. Risk of Loss.

(a) Seller shall bear the risk of any loss of or damage to any of the Station Assets at all times until the Closing, and Buyer shall bear the risk of any such loss or damage thereafter.

(b) During the ten (10) days immediately preceding the Closing, the Station shall have been operating continuously with substantially all of their normal broadcasting capability except for cessations or reductions for insignificant periods of time resulting from occurrences (such as lightning strikes) over which Seller has no control.

6.4. Consents.

(a) Seller agrees to use its commercially reasonable efforts to obtain the waiver, consent, authorization and approval of third parties to the Station Contracts, as set forth on Schedule 6.4 (which shall include the consent of NBC with respect to the affiliate agreement of the Station), whose waiver, consent, authorization or approval is required (i) in order to consummate the transactions contemplated by this Agreement or (ii) by any agreement, lease, instrument, arrangement, judgment, decree, order or license to which Seller is a party or subject on the Closing Date, and which would prohibit or require the waiver, consent, authorization or approval of any person to such transactions or under which, without such waiver, consent, authorization or approval, such transactions would constitute an occurrence of default under the provisions thereof, result in the acceleration of any obligation thereunder, or give rise to a right of any party thereto to terminate its obligations thereunder. Schedule 6.4 shall note which consents shall be required to be obtained prior to Closing (which shall include the consent of NBC with respect to the affiliate agreement of the Station) (the "Closing Consents"), and such consents shall be produced at Closing, as a condition to Closing, and in a form and content reasonably satisfactory to Buyer and Seller. To the extent that a consent which is not a Closing Consent is not obtained by the Closing Date, the Seller agrees to use its commercially reasonable efforts to obtain such waiver, consent or approval promptly after the Closing Date.

(b) With respect to the Station Contracts for which consent, waiver or approval is not obtained prior to Closing, Seller hereby appoints Buyer as Seller's agent and attorney-in-fact, effective as of the Closing Date, to act for Seller in obtaining the benefits and performing all of Seller's obligations and assuming all of Seller's liabilities under such Station Contracts, but only to the extent that such delegation of duties may be made without violation thereof. Any payments pursuant to such Station Contracts received by Seller following Closing shall be promptly remitted to Buyer.

6.5. Preservation of Records. Seller and Buyer agree that each of them shall preserve and keep the books and records held by them or their affiliates relating to the Station for a period of five years from the Closing Date and shall make such records available to the other as may be reasonably requested by such party in connection with any insurance claims by, legal

proceedings or tax audits against or governmental investigations of Seller or Buyer or any of their affiliates or in order to enable Seller or Buyer to comply with their respective obligations under this Agreement.

6.6. Taxes. Seller shall file all federal, state and local tax returns and shall be liable for and shall pay all taxes with respect to the Station Assets or the business and operations of the Station attributable to periods (or portions thereof) ending on or prior to the Closing Date. Buyer shall file all federal, state and local tax returns and shall be liable for and shall pay all taxes with respect to the Station Assets or the business and operations of the Station attributable to periods (or portions thereof) beginning after to the Closing Date. Seller and Buyer shall share equally all sales tax with respect to the transfer of Station Assets, if any. Buyer shall prepare, subject to review and approval of Seller, any tax returns or other documents respecting such sales taxes.

6.7. Notices; Update of Schedules.

(a) Buyer and Seller shall promptly notify the other party in the event that it learns of any event, circumstance or set of facts that would or would reasonably be likely to result in such party to be unable to satisfy the closing conditions set forth in Article 8 (in the case of Buyer) or Article 7 (in the case of Seller).

(b) Seller shall update all Schedules to this Agreement (other than items on Schedules relating to representations and warranties which relate specifically to a date other than the Closing Date) to make such Schedules true and correct as of the Closing Date and shall deliver such Schedules to Buyer at least three (3) business days prior to the Closing Date. Unless consented in writing by Buyer, no such update shall operate as a waiver of any breach of a representation or warranty occurring prior to the date of the delivery of such update.

ARTICLE 7: 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):

7.1. Representations and Covenants.

(a) The representations and warranties of Buyer made in this Agreement shall be true and correct in all respects as of date hereof and as of the Closing Date, except for such representations and warranties that relate to an earlier date (in which case such representations and warranties shall be true and correct in all respects as of such earlier date).

(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 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 shall have been obtained.
- 7.4. Closing Consents. Seller shall have obtained the Closing Consents listed in Schedule 6.4.
- 7.5. Deliveries. Buyer shall have complied with its obligations set forth in Section 9.2.

ARTICLE 8: 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):

8.1. Representations and Covenants.

(a) The representations and warranties of Seller made in this Agreement shall be true and correct in all respects as of the date hereof and as of the Closing Date, except for such representations and warranties that relate to an earlier date (in which case such representations and warranties shall be true and correct in all respects as of such earlier date).

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

8.2. Due Diligence. The results of any due diligence reviewed by Buyer of the business, including an environmental review of the real property, are satisfactory to Buyer in its sole discretion.

8.3. 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.

8.4. FCC Consent/Final Order. The FCC Consent shall have been obtained and shall have become a Final Order.

8.5. Closing Consents. Seller shall have obtained and delivered to Buyer the Closing Consents listed in Schedule 6.4.

8.6. No Material Adverse Change. During the period from the date hereof to the Closing Date, there shall have been no Material Adverse Effect.

8.7. Deliveries. Seller shall have complied with its obligations set forth in Section 9.1.

ARTICLE 9: CLOSING DELIVERIES

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

(a) good standing certificates issued by the Secretary of State of Seller's jurisdiction of formation and the jurisdiction in which the Station Assets are located;

(b) certified copies of resolutions authorizing the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby, together with certified copies of the charter documents of Seller;

(c) the officer's certificate described in Section 8.1(c);

(d) an approval from the FCC of the assignment of the FCC Licenses to Buyer;

(e) an assignment and assumption of contracts assigning the Station Contracts from Seller to Buyer;

(f) an assignment and assumption of leases assigning the Real Property Leases from Seller to Buyer;

(g) an assignment of marks assigning the Station's registered intellectual property which constitute Station Assets from Seller to Buyer;

(h) domain name transfers assigning the Station's domain names which constitute Station Assets from Seller to Buyer;

(i) general warranty deeds for all owned real property;

(j) endorsed vehicle titles conveying the vehicles included in the Tangible Personal Property (if any) from Seller to Buyer;

(k) a bill of sale conveying the other Station Assets from Seller to Buyer;

(l) a certificate of incumbency of the officers of Seller who are executing this Agreement and the other documents contemplated hereunder;

(m) evidence of the removal of any Liens which are not Permitted Liens;

(n) evidence of the consents to the assignment of the Station Contracts listed on Schedule 6.4 hereto;

(o) an opinion of Seller's counsel to Buyer;

(p) the Indemnity Escrow Agreement; and

(q) 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.

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

(a) the Purchase Price in accordance with Section 2.5(b) hereof;

(b) good standing certificates issued by the Secretary of State of Buyer's jurisdiction of formation;

- (c) certified copies of resolutions authorizing the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby, together with certified copies of the charter documents of Seller;
- (d) the officer's certificate described in Section 7.1(c);
- (e) an assignment and assumption of contracts assuming the Station Contracts;
- (f) an assignment and assumption of leases assuming the Real Property Leases;
- (g) domain name transfers assuming the Station's domain names;
- (h) the Indemnity Escrow Agreement together with the delivery of the Indemnity Escrow Amount by wire transfer to an account specified by the escrow agent; and
- (i) such other documents and instruments of assumption that may be necessary to assume the Assumed Obligations.

ARTICLE 10: SURVIVAL; INDEMNIFICATION

10.1. Survival. The representations and warranties in this Agreement shall survive Closing for a period of eighteen (18) months from the Closing Date; provided that the representations and warranties in Sections 3.1, 3.2, 3.7, 3.8(b), 3.11, 3.14(c)-(g), 4.1 and 4.2, shall survive for the applicable statute of limitations (the "Survival Period") whereupon they shall expire and be of no further force or effect, except that if within such period the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonably specific detail the nature and basis of such claim, then such specified claim shall survive until the resolution of such claim. The covenants and agreements in this Agreement shall survive Closing until performed.

10.2. Indemnification.

(a) From and after Closing, Seller shall defend, indemnify and hold harmless Buyer, and its officers, directors, employees, affiliates, successors and assigns (the "Buyer Indemnified Parties"), from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by any Buyer Indemnified Party arising out of or resulting from:

- (i) any breach by Seller of its representations and warranties made under this Agreement;
- (ii) any default by Seller of any covenant or agreement made under this Agreement;
- (iii) Seller's ownership and operation of the Station and the Station Assets prior to the Closing Date; and

(iv) the Retained Obligations.

(b) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, Seller shall have no liability to the Buyer Indemnified Parties under Section 10.2(a)(i) (any breach by Seller of its representations and warranties made under this Agreement) until, and only to the extent that, Buyer Indemnified Parties' aggregate Damages exceed \$50,000 (at which point Seller shall be liable for all Damages); provided, however, that Seller shall be liable for all amounts to the Buyer Indemnified Parties under Section 10.2(a)(i) arising from Sections 3.1, 3.2, 3.7, 3.8(b), 3.11 and/or 3.14(c)-(g). In no event shall any action for "Damages" by Buyer be allowed for or include any special, punitive or opportunity cost damages of any kind or the loss of anticipated or future profits (except to the extent any third party claim includes such damages).

(c) From and after Closing, Buyer shall defend, indemnify and hold harmless Seller and its officers, directors, employees, affiliates, successors and assigns (the "Seller Indemnified Parties") from and against any and all Damages incurred by the Seller Indemnified Parties arising out of or resulting from:

(i) any breach by Buyer of its representations and warranties made under this Agreement;

(ii) any default by Buyer of any covenant or agreement made under this Agreement;

(iii) the Assumed Obligations;

(iv) Buyer's operation of the Station and the Station Assets from and after the Closing.

10.3. Defense of Third Party Claims.

(a) The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties that is subject to indemnification hereunder (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's rights or the indemnifying party's obligations except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced.

(b) The indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel selected by it. In the event that the indemnifying party does not undertake such defense or opposition in a timely manner, the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party's cost (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

(c) Anything herein to the contrary notwithstanding:

(i) the indemnified party shall have the right, to participate in the defense, opposition, compromise or settlement of the Claim, and the fees and expenses of counsel for the indemnified party shall be at the expense of the indemnified party unless (x) such participation is in accordance with Section 10.(b) hereof; (y) such participation by the indemnified party has been specifically authorized by the indemnifying party; or (z) the named parties to any such action (including impleaded parties) include both the indemnified party and the indemnifying party and the indemnified party shall have been advised by its counsel that there may be one or more good-faith legal defenses available to it which are different from or additional to those available to the indemnifying party;

(ii) the indemnifying party shall not, without the indemnified party's prior written consent, settle or compromise any Claim or consent to entry of any judgment; provided, however, that in the event such consent is withheld, then the liabilities of the indemnifying party shall be limited to the total sum representing the amount of the proposed compromise or settlement and the amount of counsel fees and expenses accumulated at the time such consent is withheld; and

(iii) in the event that the indemnifying party undertakes defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel concerning such Claim and the indemnifying party and the indemnified party and their respective counsel shall cooperate in good faith with respect to such Claim.

10.4. Non Third Party Claims. Any claim which does not result from a Claim will be asserted by a written notice to the other party describing in reasonably specific detail the nature and basis of such claim. The recipient of such notice will have a period of thirty (30) days after receipt of such notice within which to respond thereto. During such thirty (30) day period, the recipient will have the right to cure any applicable breach of this Agreement. If the recipient does not respond within such thirty (30) days or does not cure the applicable breach, the recipient will be deemed to have accepted responsibility for the amount of the claim set forth in such notice and will have no further right to contest the validity of such notice. If the recipient responds within such thirty (30) days after the receipt of the notice and rejects such claim in whole or in part, the party delivering notice will be free to pursue such remedies as may be available to it under contract or applicable law, subject to the terms of this Agreement. Notwithstanding anything to the contrary herein, if a party defending a claim makes a specific Offer of Judgment (which shall be binding for at least ten (10) business days), which Offer of Judgment is in excess of the amount ultimately recovered by the party bringing the action, attorney's fees and costs of the party seeking indemnification will be limited to those incurred up to the date of the Offer of Judgment by the party bringing the action.

10.5. Escrow Claim. If any claim for indemnification is made by an indemnified party pursuant to this Article X prior to the expiration of the Indemnity Escrow Period, such indemnified party shall first apply to the escrow agent for reimbursement of such claim in accordance with the provisions of the Indemnity Escrow Agreement prior to seeking reimbursement for such claim.

10.6. Exclusive Remedy. Following the Closing Date, the parties' rights to indemnification pursuant to this Article 10 shall, except for equitable relief, be the sole and exclusive remedy

available to the parties with respect to any matter arising under or in connection with this Agreement or the transactions contemplated hereby.

ARTICLE 11: TERMINATION AND REMEDIES

11.1. Termination. Subject to Section 11.4, 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;
- (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; or
- (d) by written notice of Seller to Buyer or Buyer to Seller if the FCC Consent shall not have become a Final Order by May 17, 2014 (the "Outside Date"); provided that the right to terminate pursuant to this Section 11.1(d) shall not be available to any party whose failure to fulfill any obligation under this Agreement shall have been the cause of the failure of the Closing to occur prior to the Outside Date.

11.2. Rights upon Termination.

(a) In the event of a termination of this Agreement pursuant to Section 11.1(a), Section 11.1(b) or Section 11.1(d), Buyer shall be entitled to the return of the Deposit and all interest accrued thereon and each party shall pay the costs and expenses incurred by it in connection with this Agreement, and no party (or any of its officers, directors, employees, agents, representatives or stockholders) shall have any further liability hereunder; provided, however, that if such termination shall result from the willful and material breach by Seller of any of its representations, warranties, covenants or agreements set forth in this Agreement, Seller shall be fully liable for any and all damages suffered by Buyer as a result of such willful and material breach.

(b) In the event of a termination of this Agreement by Seller pursuant to Section 11.1(c), Seller shall be entitled to receive the Deposit and all interest accrued thereon as liquidated damages for the damages suffered by Seller (which amount the parties agree is a reasonable estimate of the damages that will be suffered by Seller and does not constitute a penalty), and Seller shall have no further right to pursue any legal or equitable remedies for breach of contract or otherwise.

11.3. 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 ten (10) calendar days thereafter;

provided, however, that if the breach or default cannot reasonably be cured within such period but can be cured before scheduled 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 scheduled Closing Date.

11.4. Restrictions on Termination. Neither party may terminate under Sections 11.1(b) or (c) if it is then in material default under this Agreement. Notwithstanding anything contained herein to the contrary, Section 6.1 (Confidentiality) and Section 12.1 (Expenses) shall survive any termination of this Agreement.

11.5. 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 seek an injunction restraining such failure or threatened failure and, subject to obtaining any necessary FCC consent or approval, to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement.

ARTICLE 12: MISCELLANEOUS

12.1. 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. All governmental fees and charges applicable to any requests for the FCC Consent shall be shared equally by Seller and Buyer. Seller shall prepare and file any returns and documentation with respect to transfer, documentary, sales, use, stamp, registration and other such taxes, and all conveyance fees, recording charges and other fees in connection with the transfer of the business or Station Assets under this Agreement, which shall be paid one-half by Buyer and one-half by Seller. The fees and expenses of the escrow agent under the Deposit Escrow Agreement and the Indemnity Escrow Agreement shall be borne equally by Seller and Buyer.

12.2. 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, in each case as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

12.3. Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto; provided that nothing herein shall prevent Buyer from assigning all (but not less than all) of its rights and obligations under this Agreement to any of its affiliates. 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.

12.4. Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or electronic delivery or confirmed facsimile 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: Yuma Broadcasting Company
1500 Foremaster Lane
Las Vegas, NV 89101
Attn: Ralph Toddre
Email:

with a copy (which shall not constitute notice) to: Jim Rogers
1500 Foremaster Lane
Las Vegas, NV 89101
Email:

with a copy (which shall not constitute notice) to: Douglas R. Hill
1790 Vassar Street
Reno, NV 89502
Email:

if to Buyer: Blackhawk Broadcasting LLC
2111 University Park Drive, Suite 605
Okemos, MI 48864
Attn: Brian Brady
Email: brady@northwestbroadcasting.com

with a copy (which shall not constitute notice) to: Brown Rudnick LLP
601 13th St NW, Suite 600
Washington, DC 20005
Attn: Fred L. Levy
Email: flevy@brownrudnick.com

12.5. 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.

12.6. Entire Agreement. This Agreement (including the Schedules and Exhibits 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, which shall remain in full force and effect. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement or the agreements related hereto.

12.7. 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.

12.8. 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.

12.9. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Arizona without giving effect to the choice of law provisions thereof. Exclusive venue for any action brought under this Agreement by Buyer will be in the state or federal courts in Las Vegas, Nevada. Exclusive venue for any action brought by Seller will be in the state or federal courts of Yuma, AZ.

12.10. Neutral Construction. Buyer and Seller agree that this Agreement was negotiated at arms-length and that the final terms hereof are the product of the parties' negotiations. This Agreement shall be deemed to have been jointly and equally drafted by Buyer and Seller, and the provisions hereof should not be construed against a party on the grounds that the party drafted or was more responsible for drafting the provision.

12.11. Cooperation. After Closing, Buyer and Seller shall each reasonably cooperate with the other in the investigation, defense or prosecution of any action which is pending or threatened against Seller, Buyer or their affiliates with respect to the Station, whether or not any party has notified the other of a claim for indemnity with respect to such matter. Without limiting the generality of the foregoing, Buyer and Seller shall make available their employees to give depositions or testimony and shall furnish all documentary or other evidence that Seller or Buyer may reasonably request. Seller shall reimburse Buyer, and Buyer shall reimburse Seller, for all reasonable and necessary out-of-pocket expenses incurred in connection with the performance of their obligations under this Section 12.11.

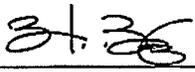
12.12. Counterparts. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

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

BUYER:

BLACKHAWK BROADCASTING LLC

By: 
Name: Brian Brady
Title: Sole Member

SELLER:

YUMA BROADCASTING COMPANY

By: _____
Name: Ralph Toddre
Title: President and COO

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

BUYER:

BLACKHAWK BROADCASTING LLC

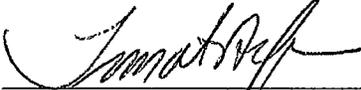
By: _____

Name: Brian Brady

Title: Sole Member

SELLER:

YUMA BROADCASTING COMPANY

By:  _____

Name: ~~Ralph Fodde~~ TIMOTHY YORK

Title: ~~President and COO~~ VICE-PRESIDENT + CFO