

Ventana Television, Inc.  
1 HSN Drive  
St. Petersburg, FL 33729

September 5, 2014

**Confidential**

DTV America Corporation  
13450 West Sunrise Blvd, Suite 164  
Sunrise, FL 33323

**Re: Low Power Television Station K43HB-D, Minneapolis, MN**

Dear John:

This asset purchase agreement (this "Agreement") sets forth our mutual agreement regarding the terms and conditions of the sale by VENTANA TELEVISION, INC., a Delaware corporation ("Seller"), of certain assets of the low power television broadcast station K43HB-D, Facility ID No. 49177, Minneapolis, Minnesota (the "Station") to DTV AMERICA CORPORATION, a Delaware corporation ("Buyer").

1. Assets. On the basis of the representations, warranties and agreements contained herein, and subject to the terms and conditions hereof, upon the Closing (as defined herein) Seller agrees to sell, and Buyer agrees to acquire, the following assets used in the business and operation of the Station (collectively, the "Assets"):

(a) Tangible Personal Property. All of the tangible personal property used by the Station, described in Schedule 1(a) hereto.

(b) Real Property. All of the real property interests of Seller, leased by Seller in connection with the operation of the Station, set forth on Schedule 1(b) (the "Real Property");

(c) FCC Licenses. All licenses, permits and other authorizations which have been issued by the Federal Communications Commission (the "FCC") to Seller for the operation of the Station including all applications therefor, together with any renewals, extensions or modifications thereof and additions thereto, including, without limitation, those set forth on Schedule 1(c) (the "FCC Licenses");

(d) Call Letters. All of Seller's rights in and to the Station's call letters;



(e) Files and Records. All engineering, business and other books, papers, logs, files and records pertaining to the Assets, including, without limitation, all records required by the FCC to be kept at the Station; and

(f) Permits and Licenses. All permits, approvals, orders, authorizations, consents, licenses, certificates, franchises, exemptions of, or filings or registrations with any court or governmental authority (other than the FCC) in any jurisdiction, which have been issued or granted to or are owned or used by Seller in connection with the businesses and operations of the Station and ownership of the Assets and all pending applications therefor.

(g) No Other Assets. Except for the Assets, no other assets or properties of Seller or the Station shall be transferred to Buyer.

(h) Condition. Seller is selling the Assets to Buyer "as is" and "where is" and with all faults, and makes no warranty, express or implied, as to any matter whatsoever relating to the Station or the Assets or any other matter relating to the transactions contemplated by this Agreement, including as to (i) merchantability or fitness for any particular use or purpose, (ii) the operation of the Station by Buyer after the Closing in any manner or (iii) the probable success or profitability of the Station after the Closing. Other than the indemnification obligations of Seller set forth in Section 6(a), none of the Seller, any of its affiliates, or any of their respective officers, directors, employees, agents, representatives or stockholders will have, or will be subject to, any liability or indemnification obligation to Buyer or any other person or entity resulting from the distribution to Buyer or its affiliates or representatives of, or Buyer's use of, any information relating to the Station or any other matter relating to the transactions contemplated by this Agreement, including any descriptive memoranda, summary business descriptions or any information, documents or material made available to Buyer or its affiliates or representatives, whether orally or in writing, in certain "data rooms," management presentations, functional "break-out" discussions, responses to questions submitted on behalf of Buyer or in any other form in expectation of the transactions contemplated by this Agreement.

2. Purchase Price. The consideration payable by Buyer to Seller for the Assets shall be the sum of One Hundred Twenty Five Thousand Dollars (\$125,000) (the "Purchase Price"). Buyer shall pay to Seller within three days of the execution of this Agreement, a non-refundable deposit (except as provided in Section 7 below) of Ten Thousand Dollars (\$10,000) (the "Deposit"). On the Closing Date, Buyer shall pay an additional One Hundred Fifteen Thousand Dollars (\$115,000) (the "Balance of Purchase Price") to Seller. The Purchase Price shall be subject to adjustment for customary proration items.

3. Assumption of Liabilities. At Closing, Buyer will assume, pay, perform, discharge and indemnify and hold Seller harmless from and against (a) all liabilities arising on or after the Closing Date related to the businesses or operations of the Station or Buyer's ownership of the Assets, (b) all liabilities arising on or after the Closing Date with respect to the FCC Licenses, and (c) all liabilities arising on or after the Closing Date, under the Tower Lease (as defined herein).



4. Covenants.

(a) Consents. If, on the Closing Date, Seller has not obtained any required consent for the assignment of that certain Broadcast Agreement for Site Access and Use, between Broadcast Services, Inc. and Seller, dated February 9, 2007, as amended by that certain letter agreement, dated May 14, 2014 (as amended, the "Tower Lease") to Buyer, (i) Seller will continue to use commercially reasonable efforts but without incurring substantial costs or expense, and Buyer will cooperate with Seller, to obtain any such consent and/or to remove any other impediments to the assignment of the Tower Lease, and (ii) until the valid assignment of the Tower Lease, Seller will take such actions so as to assure that Buyer shall receive the benefits of such Tower Lease after the Closing Date to the same extent as if Buyer were the contracting party thereunder (and Buyer agrees to cooperate with Seller in connection with any such actions and to enter into any lawful arrangements in furtherance thereof (but at no additional cost to Buyer)).

(b) FCC Application. Within five business days of the execution of this Agreement, Buyer and Seller will jointly complete and file an FCC Form 345 application (the "FCC Application") seeking permission to assign the FCC License from Seller to Buyer. Buyer shall pay the filing fee for and file the FCC Application.

(c) Possession and Control. On and after the Closing, Seller shall not control the Station.

5. Closing. The closing of the purchase and sale of the Assets (the "Closing") shall be held on the third business day after the FCC provides written consent for the assignment of the FCC Licenses ("FCC Approval") from Seller to Buyer (such date, the "Closing Date") at the offices of HSN Inc., 1 HSN Drive, St. Petersburg, Florida 33729 or at such other location as Buyer and Seller agree. At the Closing: (a) Seller shall furnish to Buyer such bills of sale, statements, lease assignments, and other documents and instruments of sale, assignment, conveyance and transfer, dated as of the Closing Date, as Buyer may reasonably deem necessary in order to carry out the purposes of this Agreement; and (b) Buyer shall have furnished to Seller assumption agreements with regard to the Tower Lease in a form reasonably satisfactory to Seller.

6. Indemnification.

(a) Indemnification by Seller. From and after the Closing Date, Seller shall indemnify Buyer from all losses incurred by Buyer resulting from: (i) any failure by Seller to pay, perform or discharge any liabilities related to operation of the Station that are not assumed by Buyer; (ii) the businesses or operations of the Station during the period prior to the Closing Date; or (iii) any breach by Seller of any covenants of Seller contained herein.

(b) Indemnification by Buyer. From and after the Closing Date, Buyer shall indemnify Seller from losses incurred by Seller resulting from: (i) any failure by Buyer to pay, perform or discharge any liabilities assumed by Buyer; (ii) the businesses or operations of the Station during the period from and after the Closing Date; or (iii) any breach by Buyer of any covenants of Buyer contained herein.

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7. Termination. This Agreement may be terminated as follows:

(a) If the Closing shall not have occurred prior to December 5, 2014 due to the failure to obtain FCC Approval, Seller may terminate this Agreement by written notice to Buyer and Seller shall return the Deposit to Buyer within five business days following such termination unless the reason the FCC Approval has not been obtained is a material breach of this Agreement by Buyer;

(b) If the Closing has failed to occur due to a material breach of this Agreement by Buyer or if Buyer fails to consummate the transaction at Closing, Seller may terminate this Agreement, retain the Deposit and pursue all other remedies available at law or in equity; and

(c) If the Closing has failed to occur due to a material breach of this Agreement by Seller, Buyer may terminate this Agreement, and Seller shall return the Deposit to Buyer within five business days following such termination.

8. Brokers. Buyer and Seller each represent to the other that they have not engaged, or incurred any unusual liability (or any brokerage fees, finders' fees, commissions or otherwise) to, any broker, finder or agent in connection with the transactions contemplated by this Agreement. Seller agrees to indemnify Buyer and Buyer agrees to indemnify Seller against any claims asserted against the other party for any such fees or commissions by any person purporting to act or to have acted for or on behalf of the indemnifying party.

9. Transaction Expenses. Each party will be solely responsible for the payment of all costs and expenses of its attorneys, accountants and other professional advisers incurred in connection with the negotiations of this Agreement and the consummation of the transactions contemplated hereby. Notwithstanding the foregoing, Buyer shall be responsible for all sales, use, transfer, conveyance, excise, recording, license and other similar taxes and fees ("Transfer Taxes") applicable to, imposed upon or arising out of the sale by Seller and the purchase by Buyer of the Station and/or the Assets whether now in effect or hereinafter adopted and regardless of which party such Transfer Tax is imposed upon.

10. Confidentiality. Subject to required disclosure to governmental agencies, Seller and Buyer agree to maintain the confidentiality of this Agreement consistent with the terms of that certain Mutual Non-Disclosure Agreement, dated as of August 14, 2014, between Buyer and Seller.

11. Governing Law. This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed under and in accordance with the laws of the State of Delaware, excluding the choice of law rules thereof.

12. Further Assurances. Subject to the terms and conditions herein provided, each of the parties hereto agrees to use commercially reasonable efforts to execute, deliver and file or cause to be executed, delivered and filed such further documents and instruments and obtain such further consents (including governmental approvals), as may be necessary or reasonably requested in connection with the consummation of the transactions contemplated hereby. In case at any time after the Closing Date any further action is necessary to carry out the purposes of this



Agreement, including, without limitation, the securing of consents of third parties, each party hereto shall use commercially reasonable efforts to take all such necessary action.

13. Notices. All notices, demands, requests, or other communications which may be or are required to be given or made by any party to any other party pursuant to this Agreement shall be in writing and shall be effective upon receipt if hand delivered (including delivery by a nationally recognized overnight courier); mailed by first-class registered or certified mail, return receipt requested, postage prepaid; or transmitted by facsimile or e-mail transmission addressed as follows; provided, however, that any email transmission shall be effective only if such transmission is followed by next-day delivery of a physical copy of such communication by a nationally recognized overnight courier:

(a) If to Buyer:

DTV America Corporation  
13450 West Sunrise Blvd, Suite 164  
Sunrise, FL 33323  
Attention: John Kyle

(b) If to Seller:

Ventana Television, Inc.  
1 HSN Drive  
St. Petersburg, FL 33729  
Attn: Matthew D. Soyster  
Fax: 727-872-6457  
Email: matthew.soyster@hsn.net

with a copy to:

Hogan Lovells US LLP  
Park Place II, Ninth Floor  
7930 Jones Branch Drive  
McLean, Virginia 22102  
Attn: Richard T. Horan, Jr.  
Fax: 703-610-6200  
Email: richard.horan@hoganlovells.com

or such other address as the addressee may indicate by written notice.

14. Miscellaneous.

(a) This Agreement may be executed in separate counterparts, none of which need contain the signatures of all parties, each of which shall be deemed to be an original and all of which taken together constitute one and the same instrument.

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(b) This Agreement contains the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, commitments or understandings with respect to such matters. No amendment, modification or discharge of this Agreement shall be valid or binding unless set forth in writing and duly executed by the party against whom enforcement of the amendment, modification or discharge is sought.

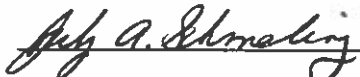
\* \* \* \* \*

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If the foregoing is in accordance with your mutual understanding and agreement, please so indicate by signing a copy of this Agreement in the place indicated and returning it to me.


Sincerely yours,

VENTANA TELEVISION, INC.

By:   
Name: Jody A. Schmalz  
Title: President

Accepted and agreed to as of this  
5 day of September, 2014.

DTV AMERICA CORPORATION

By:   
Name: JOHN KYLE  
Title: PRESIDENT

## **SCHEDULE 1(a)**

### **Tangible Personal Property**

All located at IDS Center, Minneapolis.

1. AXCERA/LU3000AT 3KW TRANSMITTER, converted to digital
2. Digital conversion hardware - Axciter, critical mask filter
3. PSI PSILP16-DH TV broadcast antenna, channel 43, Dielectric H pattern
4. Andrew LDF7-50 Helix, 1 5/8" jacketed, approx 120 ft. Incl connectors & mounting hardware
5. Middle Atlantic Products equip rack with power strips
6. apc smart ups 1440VA w/ net card
7. synaccess np08 IP controllable pwr strip
8. adtec media hub HDPR002 encoder

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**SCHEDULE 1(b)**

**Real Property**

**1. Tower Lease**

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**SCHEDULE 1(c)**

**FCC Licenses**

K43HB-D; Facility ID: 49177; UHF Digital Low Power Television Station (LD); Channel: 43; Minneapolis, MN; Licensee: Ventana Television, Inc.; License Expiration Date: April 1, 2022

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