

CONTRACT FOR SALE AND PURCHASE OF BROADCAST STATION

ASSET PURCHASE AGREEMENT

Agreement made August 23, 2012 between Gulf TV, LLC, of 80 Guava Avenue, DeFuniak Springs, County of Walton, State of Florida, referred to as seller, and Nichols Broadcasting Group LLC, of 181 Tide Drive, Hamilton, State of Alabama, referred to as buyer.

RECITALS

1. Seller is licensee, of Broadcast Station WEWA-LD, City of Wewahitchka, County of Gulf, in the State of Florida, referred to as the station.
2. Seller desires to sell the assets and assign the licenses and contracts of such station as described in Exhibit A, to buyer which exhibit is attached to this agreement and incorporated by reference.
3. Buyer desires to acquire the assets, licenses, and contracts described in the above exhibit.

Now, therefore, the parties agree as follows:

SECTION ONE SALE AND PURCHASE OF ASSETS

- (a) Seller agrees to sell, convey and deliver to buyer at the closing, and buyer agrees to purchase from seller at the closing, assets of seller as shown on the attached Exhibit A.
- (b) Buyer shall pay seller for the assets to be conveyed under SECTION ONE, subparagraph (a), for the purchase price of One Hundred Seventy Five Thousand Dollars (\$175,000.00 USD).
- (c) Buyer shall deliver to seller a certified or bank cashier's check for the down payment of the purchase price at the execution of this agreement. See attached Exhibit B.

SECTION TWO

CONSENT OF FEDERAL COMMUNICATIONS COMMISSION

- (a) Performance of the obligations of the parties under this agreement and the closing of the transactions provided for are and shall be subject to the occurrence of the express condition precedent that the consent of the Federal Communications Commission, referred to as the Commission, shall have been

granted to the assignment of the broadcast license of station to buyer and such consent shall have become a final non-appealable order.

(b) The parties agree to cooperate with each other in seeking the Commission's consent.

(c) All filings, grants and other fees which may be levied by the Commission in connection with this transaction shall be paid by buyer.

SECTION THREE CLOSING

(a) As used in this agreement, the term "closing" shall mean the time when seller's assets are assigned and transferred to buyer, as provided in SECTION ONE, such actions to take place within Thirty Days of obtaining the written consent which shall have become a final non-appealable order by the Commission to the assignment of the station's license to buyer.

(b) At the closing:

(1) Seller shall deliver to buyer title to and control of all assets referred to in SECTION ONE free and clear of all liens and encumbrances, and including a warranty deed of the real property from seller, conveying a good and sufficient title to buyer subject to the mortgage referred to in SECTION ONE subparagraph (d); an abstract of title showing good and merchantable title to be in seller, and assignments of leases in connection with the station and all tangible and intangible assets referred to in SECTION ONE, plus all files, records, books of accounts, and logs relating to the station; all written and other documents listed in Exhibit ___, and all contracts for time and services in effect at closing, a complete set of keys and other material and things which relate in any way to the assets, business or operations of the station.

SECTION FOUR SELLER'S REPRESENTATIONS AND WARRANTIES

Seller represents and warrants:

(a) Seller has full power and authority to own the assets, and to operate the station as it has been operating, and to transfer such assets to the buyer.

(b) Seller has filed or will file all federal and state tax returns required to be filed.

(c) Seller is the owner of and has full and exclusive legal, equitable and marketable title to and right to the immediate possession of all assets and shall have the same title and right at the closing to all such assets to be acquired by buyer.

(d) Since the date of the balance sheet and the inventory of the assets of seller attached as a portion of Exhibit A, there will not be and has not been any material adverse change in the assets and business.

(e) Seller holds such valid and sufficient licenses and authorizations issued by the Commission as are required to operate the business of the station as such business has been carried on by seller.

(f) All agreements, arrangements, commitments and understandings, written or oral, express and implied, to which seller is a party or by which it may be bound or obligated in any way are accurately listed as a portion of Exhibit A.

(g) Seller is not a party to, involved in, or threatened with any action, suit, arbitration, proceeding, investigation, complaint, or controversy involving or in any way related to the seller, its station, assets, business or operation ("litigation") and there is no basis for such litigation known to seller. Seller is not subject to any judgment, order, injunction or decree of any court, administrative agency or other governmental authority barring the normal procedures for license renewal.

(h) No consent, approval, and authorization of, and no registration, qualification, designation, declaration of filing with, any person or authority other than the Commission is required on the part of seller in connection with the execution and delivery of this agreement or the continuation after the closing of the business of seller.

(i) All representations or warranties by seller in this agreement, and all schedules, exhibits, certification or other instruments furnished or to be furnished to buyer, pursuant to this agreement, are true and correct in all respects.

(j) Seller's local public files, which will be transferred to buyer at the closing, are complete and up-to-date.

**SECTION FIVE
BUYER'S REPRESENTATIONS AND WARRANTIES**

Buyer represents and warrants:

- (a) Buyer is a corporation organized, validly existing, and in good standing under the laws of the State of ~~Florida~~ *ALABAMA*.
- (b) Buyer has all the necessary corporate power to execute and perform the above agreement.
- (c) Neither buyer nor any of its officers knows of any facts which will disqualify it from becoming the licensee of the station.

**SECTION SIX
AGREEMENTS OF SELLER**

Seller agrees as follows:

- (a) Seller shall indemnify buyer from any liability, loss, damage or expense arising out of, or in respect of, all liabilities and obligations of, or claimed against seller, absolute, accrued, contingent or otherwise, whether known or unknown at the closing, which are incurred by seller prior to or accruing up to the closing, or arising out of any occurrence of stated facts as existing prior to the closing, and which are not to the full extent taken into account in any adjustments under this agreement. Seller shall promptly reimburse and otherwise indemnify buyer in respect to any breach of warranty or representation under this agreement.
- (b) Seller shall furnish buyer with such information as seller may already have in its possession and which buyer may be required to file with the Commission with respect to matters prior to the closing, which are not available in seller's records transferred to buyer.
- (c) Seller shall publish or broadcast the notice of the filing and proposed sale, and to file proof as required by the Commission rules, and to file the appropriate affidavits and, if necessary, to file a copy of this agreement with the Commission, as required by the rules of the Commission.
- (d) Seller shall pay buyer the pro rata amount of any fee, charge or other payment which may be required or imposed by the Commission after closing with respect to the period or to an event or circumstance prior to closing.
- (e) During the period from the date of this agreement to the closing:

(I) Seller shall afford representative of buyer reasonable access during normal business hours to seller's offices, buildings, studios and equipment, and the right to examine the books and records pertaining to the station's operation during normal business hours.

(II) Seller shall use its best efforts (without making any commitment on behalf of buyer) to maintain and preserve the station's license, business and organization intact and to preserve for the benefit of buyer, seller's relationships with the goodwill of its sponsors and advertising agencies and others having business relations with it.

(III) Seller shall deliver to buyer within ten days after filing with the Commission, copies of any reports, applications or responses to complaints filed with the Commission by seller by the date of this agreement and the closing.

(f) During the period from the date of this agreement to the closing, unless buyer shall consent in writing:

(I) Seller shall not take any action resulting in a deterioration of the assets or license which are the subject of this purchase and sale.

(II) Seller shall not permit any unusual increase in the compensation of any employee or enter into any employment contract.

(III) Seller shall not fail to repair or maintain its transmitting studio and other technical equipment in accordance with the normal standards of maintenance applicable in the broadcasting industry.

(IV) Seller shall not enter into any transaction that is not in the usual and ordinary course of business or enter into any agreement not in the usual and ordinary course of business, such transaction or agreement being such to affect seller, its operations, business or prospects, or knowingly or negligently to allow any event of default to occur or exist under any agreement to which seller is a party, which agreement is material to the business, operations or financial condition of the station.

**SECTION SEVEN
AGGREEMENT OF BUYER**

Buyer agrees as follows:

- (a) Pending the closing, buyer shall take no action knowingly which would disqualify it from becoming licensee of the station.
- (b) Buyer shall indemnify the seller against any liability, loss, damage, or expense arising out of and to hold it harmless against all liabilities and obligations of or claims against seller:
 - (I) which are taken into account in the adjustments pursuant to SECTION ONE, subparagraphs (b) and (d), and
 - (II) which are incurred by buyer after the closing or arise out of any occurrence or state of facts after the closing.
- (c) Buyer shall allow seller to retain the right to care for, maintain, and remove from the above described real property and improvements, all equipment, papers, articles, and matters relating solely to television station WEWA-LD, which is now conducting business in such improvements on such real property, and shall remove such equipment, papers, articles, and other matters within Thirty days following the closing date of this agreement.
- (d) At all times until the close, buyer shall keep and maintain the assets of the station in good order, condition and repair, and will make all necessary replacements so as to keep and continue to keep all personal property in at least as good a condition as they now are, and to abide by all laws and ordinances relating to such business and property and to such station.
- (e) Buyer will provide and be responsible for all filing fees, transfer fees, and any other costs associated to the transfer of this facility to broker.

**SECTION EIGHT
CONDITIONS TO BUYER'S OBLIGATIONS**

The obligations of buyer to close and complete the transaction provided for in this agreement shall be subject to the performance by seller of all agreements by it to be performed on or before the closing, and the accuracy and correctness of the representations and warranties of seller.

SECTION NINE INSURANCE AND RISK OF LOSS

Buyer shall maintain sufficient liability insurance to protect seller from any and all types of liability by reason of injuries to any person or property pertaining to or used in such station and the assets composing such station. Buyer may at its option take over at the closing any of the insurance issued to seller with respect to the assets or business of seller, and seller agrees to buyer's request to assign any such insurance to buyer, provided, however, that the premiums shall be prorated as between buyer and seller as of the closing.

SECTION TEN TERMINATION

(a) This agreement may be terminated by seller or buyer prior to the closing, upon TEN days written notice to the other, if any of the representations or warranties of the other party are not performed during the period or at or before the time specified in this agreement for such performance and such inaccuracy of a representation or warranty, failure of performance or an obligation or non-satisfaction of a condition if:

(I) such breach is capable of being cured and has not been cured within THIRTY days after written demand, or

(II) has not been waived in writing in accordance with SECTION FIFTEEN, subparagraph

(c) by the party seeking to terminate this agreement.

(b) This agreement shall be terminated without notice, if consent to the assignment of the license of the station to buyer is denied or refused renewal by final order of the Commission.

(e) Within ONE YEAR after the filing of the application pursuant to SECTION THREE, the Commission's consent shall not have been granted to the assignment of the license of the station to buyer.

SECTION ELEVEN LOSS OR DAMAGE

The risk of loss or damage to the property of seller prior to the closing from any cause shall be upon seller.

SECTION TWELVE**BROKERAGE**

Both buyer and seller recognize NELA Broadcast Consultants, LLC as exclusive broker in this transaction. Any and all brokerage, finders or other commission payable in connection with the contemplated sale to buyer shall be the obligation of buyer and not the seller.

SECTION THIRTEEN**COVENANT NOT TO COMPETE-OPTION INDEMINIFICATION**

Does not apply

SECTION FOURTEEN**MISCELLANEOUS**

- (a) All expenses involved in the preparation, authorization and consummation of agreement, including, without limitation, all fees and expenses of agents, representatives, counsel, consultants, and accountants in connection with such preparation and in connection with applications to the Commission, shall be borne solely by the party who shall have incurred such expenses, and the other party shall have no liability in respect to such expenses.
- (b) The provisions of this agreement, which, by their terms are to be performed after the closing, and several representations, warranties and agreements of the parties contained in this agreement shall survive the closing, and shall be effective regardless of any investigation that may have been or may be made at any time by or on behalf of the party in whose favor such covenants, representations, warranties and agreements are made.
- (c) Any notice, report, demand, waiver or consent required or permitted under this agreement shall be in writing and shall be given by prepaid register or certified mail with return receipt requested, address as follows:

To Buyer:

Nichols Broadcasting Group, LLC
181 Tide Drive
Hamilton, AI 35570

To Seller:

Gulf TV, LLC
80 Guava Ave
DeFuniak Springs, FL 32435

- (d) Between the date of this agreement and the closing date, neither buyer nor any of its stockholders, directors, officers, employees or agents shall directly or indirectly control, supervise or direct, or attempt to control, supervise or direct, the business or operations of seller and such business and operations shall continue to be the sole responsibility of seller.
- (e) This agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, administrators, personal representatives, successors and assigns, provided, however, that buyer may, after the closing, voluntarily assign its rights and/or obligations to a corporation wholly or majority owned by it, provided, further, that in the event of such an assignment, buyer and all assignees shall guarantee the performance of any obligation under this agreement assigned or delegated by it, to such subsidiary corporation and immediate notice of the assignment will be sent to seller.
- (f) Seller shall retain Broadcast Rights on station WEWA-LD Channel 17 for one (5) hour per week in prime time. Between 6:00 and 9:00 pm, Monday – Sunday for a period of 2 years at which point Broadcast Rights will be re-negotiated and/or renewed. Nichols Broadcasting reserves the right to preempt program due to special programming or live event and replay program at another.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first set forth above.

Nichols Broadcasting Group, LLC

William Keith Nichols

Nichols Broadcasting Group, LLC
William Keith Nichols
Managing Member

Gulf TV, LLC

R.W. White

Gulf TV, LLC
R.W. White
Managing Member

Witness:

Brittany Canady

Printed Name of Witness:

Brittany Canady

Witness:

David Lain

Printed Name of Witness:

David Lain



Signed before me this 24th day of August 2012
in Walton County, Florida

Becky S. Pitts
Commission # 105660

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first set forth above.

Nichols Broadcasting Group, LLC

William Keith Nichols

Nichols Broadcasting Group, LLC
William Keith Nichols
Managing Member

Gulf TV, LLC

R.W. White

Gulf TV, LLC
R.W. White
Managing Member

R.W. White
8/1/14

Witness:

Brittany Canody

Printed Name of Witness:

Brittany Canody

Witness:

David Larn

Printed Name of Witness:

David Larn



Signed before me this 24th day of August 2012
in Walton County, Florida

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Becky S. Pitts
Commission # 105660

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first set forth above.

Nichols Broadcasting Group, LLC

William Keith Nichols

Nichols Broadcasting Group, LLC

William Keith Nichols

Managing Member

William Keith Nichols

Digitally signed by William Keith Nichols
DN: cn=William Keith Nichols, o, ou,
email=knichols@wmty.net, c=US
Date: 2014.08.14 17:04:11 -0400

Aug 1, 2014

Gulf TV, LLC

RW White

Gulf TV, LLC

R.W. White

Managing Member

Witness:

Brittany Canady

Printed Name of Witness:

Brittany Canady

Witness:

David Lain

Printed Name of Witness:

David Lain



Signed before me this 24th day of August 2012
in Walton County, Florida

Becky S. Pitts
Commission # 105660

EXHIBIT "A"
INVENTORY OF ASSETS

Gulf TV, LLC

Licenses and Authorizations:

See attached Exhibit C

Real Property:

See Attached Exhibit D

Office Fixtures:

NONE

Contracts, Licenses (other than station authorizations issued by FCC.)

See attached Exhibit E

Expenses:

NONE

No other real or non-real property, assets, tangible property is included in this agreement.

EXHIBIT B

Purchase Agreement from Nichols Broadcasting Group LLC (Keith Nichols) for WEWA Channel 17.

Price: \$175,000.00 Payment at closing: \$50,000.00

Due: \$125,000.00 @ 4% interest

Monthly Payment: \$1,500.00 \$1,500.00 x 12 months = \$18,000.00

1st year \$125,000.00 x 4% = **\$5,000.00**
 \$125,000.00 + \$5,000.00 = \$130,000.00
 \$130,000.00 - \$18,000.00 = \$112,000.00

2nd year \$112,000.00 x 4% = **\$4,480.00**
 \$112,000.00 + \$4,480.00 = \$116,480.00
 \$116,480.00 - \$18,000.00 = \$98,480.00

3rd year \$98,480.00 x 4% = **\$3,939.20**
 \$98,480.00 + \$3,939.20 = \$102,419.20
 \$102,419.20 - \$18,000.00 = \$84,419.20

4th year \$84,419.20 x 4% = **\$3,376.77**
 \$84,419.20 + \$3,376.77 = \$87,795.97
 \$87,795.97 - \$18,000.00 = \$69,795.97

5th year \$69,795.97 x 4% = **\$2,791.84**
 \$69,795.97 + \$2,791.84 = \$72,587.81
 \$72,587.81 - \$18,000.00 = \$54,587.81

6th year \$54,587.81 x 4% = **\$2,183.51**
 \$54,587.81 + \$2,183.51 = \$56,771.32
 \$56,771.32 - \$18,000.00 = \$38,771.32

7th year \$38,771.32 x 4% = **\$1,550.85**
 \$38,771.32 + \$1,550.85 = \$40,322.17
 \$40,322.17 - \$18,000.00 = \$22,322.17

8th \$22,322.17 x 4% = **\$892.87**
 \$22,322.17 + \$892.87 = \$23,215.06
 \$23,215.06 - \$18,000.00 = \$5,215.06

9th year \$5,215.06 x 4% = **\$208.60**
 \$5,215.06 + \$208.60 = \$5,420.66
 \$5,420.66 - \$6,000.00 = **(-\$579.34)**
 \$579.34 applied toward total interest paid.

Total Interest Paid: **\$25,002.98**

Total Amount Paid: \$200,002.98

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Exhibit C



United States of America
FEDERAL COMMUNICATIONS COMMISSION
DIGITAL LOW POWER TELEVISION/TELEVISION TRANSLATOR
BROADCAST STATION LICENSE

Official Mailing Address:

GULF TV, LLC
80 GUAVA AVE
DEFUNIAK SPRINGS FL 32435

Facility Id: 39344

Authorizing Official:

Hossein Hashemzadeh

Deputy Chief

Video Division

Media Bureau

Grant Date: MAY 11 2012

This license expires 3:00 a.m.
local time, February 01, 2013.

Call Sign: Wewa-LD

License File Number: BLDTL-20120328AEI

This license covers permit no.: BDFCDTL-20110218ACW

Subject to the provisions of the Communications Act of 1934, subsequent acts and treaties, and all regulations heretofore or hereafter made by this Commission, and further subject to the conditions set forth in this license, the licensee is hereby authorized to use and operate the radio transmitting apparatus herein described.

This license is issued on the licensee's representation that the statements contained in licensee's application are true and that the undertakings therein contained so far as they are consistent herewith, will be carried out in good faith. The licensee shall, during the term of this license, render such broadcasting service as will serve the public interest, convenience, or necessity to the full extent of the privileges herein conferred.

This license shall not vest in the licensee any right to operate the station nor any right in the use of the frequency designated in the license beyond the term hereof, nor in any other manner than authorized herein. Neither the license nor the right granted hereunder shall be assigned or otherwise transferred in violation of the Communications Act of 1934. This license is subject to the right of use or control by the Government of the United States conferred by Section 606 of the Communications Act of 1934.

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Call sign: WEGA-LD

License No.: BLDTL-20120328AEI

Name of Licensee: GULF TV, LLC

Station Location: FL-WEWAHITCHKA

Frequency (MHz): 488 - 494

Channel: 17

Hours of Operation: Unlimited

Transmitter: Type Accepted. See Sections 74.750 of the Commission's Rules.

Antenna type: (directional or non-directional): Directional

Description: SCA PR-450CU

Major lobe directions 280
(degrees true):

Beam Tilt: Not Applicable

Antenna Coordinates: North Latitude: 30 deg 08 min 33 sec

West Longitude: 85 deg 25 min 28 sec

Maximum Effective Radiated Power (ERP): 14 kW

Transmitter Output Power: 0.25 kW

Height of radiation center above ground: 138 Meters

Height of radiation center above mean sea level: 150 Meters

Antenna structure registration number: 1027366

Overall height of antenna structure above ground (including obstruction lighting if any) see the registration for this antenna structure.

Out-of-Channel Emission mask: Stringent

*** END OF AUTHORIZATION ***

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EXHIBIT D

1. Transmitter – Model # AT725P
Serial # 0172
FCC ID – LYIAT725P
2. Band Filter – Model # A-CL6X30C-CC
Serial Number – 1149-99371
3. Drake – MEQ 1000
Multiplexing Edge QAM
4. D2 MUX 5020
D2D Technologies
5. Master Play Computer
6. Five X Four Switcher, Kramer
7. Used Computer at WEWA Headend, w/Keyboard, mouse.
8. 19" X 6' Metal Equipment Rack
9. Slingbox Pro Serial # R 29120301082
10. DVD Player
11. Liebert Up Station GXT