

## ASSET PURCHASE AGREEMENT

THIS AGREEMENT is dated as of August 29, 2011 and is made between Hallmark National Mortgage Corporation (the "Seller"), a corporation organized under the laws of the State of Arkansas, and Ellis-Wilson, LLC, a limited liability company organized under the laws of the State of Arkansas or its assigns (the "Buyer").

### RECITALS

1. Seller is the FCC approved licensee or permittee of certain licenses and authorizations (the "Licenses") for KMYA-LP, Sheridan, Arkansas, KMYA-DT, Camden, Arkansas, KKYK-CA, Little Rock, Arkansas and KTVV-LP, Hot Springs, (each a "Station" and collectively, the "Stations").

2. Seller desires to sell and assign to Buyer the License and other assets owned or held by Seller and used or useful in the operation of the Stations.

3. Buyer desires and agrees to acquire the Federal Communications Commission's authorizations and all other assets owned or held by Seller and used or useful in the operation of the Stations all under the terms described herein.

4. Buyer understands that the Stations are being purchased on an "As Is" basis.

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

### ARTICLE 1

#### Exchange of Consideration.

**1.1. Consideration Conveyed by Seller.** At the Closing, as defined herein, Seller shall provide Buyer with the following consideration:

**1.1.1. Stations Assets.** Subject to the terms and conditions of this Agreement, Seller shall assign, convey, transfer, and deliver to Buyer, and Buyer shall acquire from Seller, Seller's right, title and interest in and to the Licenses, Construction Permits, modifications on file with the FCC, and all associated assets used or useful in the operation of the Stations, including but not limited to all equipment, cash, cash equivalents and accounts receivable of the Stations (collectively the "Stations' Assets"), including any and all files, public inspection files, and other records that relate to the Stations in the possession of Seller on the Closing Date.

**1.1.2. Excluded Assets.** Notwithstanding the foregoing, there shall be excluded from the Stations Assets and retained by Seller, to the extent in existence on the Closing Date, the following assets (the "Excluded Assets") Seller's books and original records that pertain to

the organization, existence or capitalization of Seller and the assets used or useful in the operation of the Central Automated Satellite Hub system, listed on Exhibit 1.1.2.

**1.1.3. Seller's Retained Liabilities.** The Stations' Assets shall be sold and conveyed to Buyer free and clear of all debts, liens, claims, financing leases, security interests and encumbrances or liabilities of any kind or nature except for liens for current taxes not yet due and payable (the "Permitted Encumbrances").

**1.2. Purchase Price.** The purchase price is One Million Dollars (\$1,000,000.00). The purchase price shall be payable as follows:

**1.2.1.** Ten Thousand Dollars due in cash at Closing;

**1.2.2.** Ninety Thousand Dollars in cash 120 days after Closing; and a

**1.2.3.** Promissory Note in the form as attached Exhibit 1 for Nine Hundred Thousand Dollars (\$900,000.00) for seven years at a rate of 4.5% in years one and two (interest only in years one and two), after years one and two, the note is amortized for fifteen years at 5% years three and four and 5.5% years five through seven.

**1.2.4.** As additional consideration, Buyer shall pay Seller a Success Fee upon the sale by Buyer of all or a majority of the equity interest in Buyer or the Stations or Stations' Assets within Seven (7) years of the date of this Agreement. Said fee shall be an amount equal to the lesser of 10% of the profit upon the sale or \$100,000.

**1.3. Application for FCC Consent.** Within five (5) business days of execution of this Agreement, the parties shall prepare and file an appropriate application (the "Application") with the FCC requesting its consent to the assignment of the FCC Licenses for the Stations to Buyer. Buyer and Seller shall diligently take, or cooperate in the taking of, all steps necessary and appropriate to expedite the preparation of the Application and its prosecution to a favorable conclusion. The FCC filing fee shall be paid by Buyer. Each party shall pay its own attorney fees and costs incurred in filing and prosecuting the FCC Application. Buyer and Seller shall cooperate fully with each other and their respective counsel in connection with any actions required to be taken as part of their obligations under this Agreement, including the defense against any petition to deny or informal objection filed against the FCC Application.

**1.4. Closing.**

**1.4.1 Date and Location.** The closing of the transactions provided for in this Agreement (the "Closing") shall be held at a mutually agreeable location, commencing at 10:00 a.m. on a date (the "Closing Date") mutually selected by the parties which shall be within ten (10) business days after an FCC action order granting the assignment of the FCC authorization from Seller to Buyer becomes final. The Parties agree to use commercially reasonable best efforts to close prior to December 31, 2011.



**1.4.2. Exchange of Documents.** At the Closing, each party shall execute and deliver to the other party the other items specified herein as well as any additional document(s) and item(s) reasonably necessary for the consummation of the transactions contemplated herein. Such additional documents shall be reasonably satisfactory to the other party as to both form and substance.

## **ARTICLE 2**

### **Representations and Warranties of Seller.**

Seller represents and warrants to Buyer that the following matters are true and correct as of the date of this Agreement:

**2.1. Status.** Seller is a corporation duly organized, validly existing, and in good standing in the State of Arkansas. Seller has the power to hold and use the Stations Assets, and to enter into and consummate the transactions contemplated by this Agreement.

**2.2. Authorization.** Seller is the holder of the license for the Stations as authorized by the FCC.

**2.3. Title.** On the Closing Date, the Stations' Assets will be in each case free and clear of all debts, claims, liabilities, security interests, mortgages, pledges, liens, conditional sales agreements, leases, encumbrances, or charges of any kind or nature whatsoever except for any such liabilities expressly assumed by Buyer hereunder. Seller shall indemnify Buyer from any present or future claims from Global Skyport Media Holdings, LLC, United Assurance, LLC or their affiliates.

**2.4. Litigation.** Seller has not been operating under and is not subject to, or in default with respect to, any order, judgment, writ, injunction, or decree of any court or any federal, state, municipal, or other governmental department, commission, board, agency, or instrumentality, foreign or domestic, which has had or could reasonably be expected to have a material adverse effect on the Stations Assets. There is no litigation, arbitration, dispute, proceeding or investigation ("Litigation") pending by or against, or, to Seller's knowledge, threatened against the Stations or Seller which relates to or affects the Stations Assets or the business of the Stations or which materially interferes or could reasonably be expected materially to interfere with Seller's (1) right, title to, or interest in the Stations Assets, (2) ability to construct the Stations or (3) ability to transfer the Stations Assets to Buyer free of such Litigation.

**2.5. Compliance with Laws.** Seller is in material compliance with all applicable laws, rules, regulations, policies and orders of the federal, state, and local governments with respect to the Stations. There is no investigation or proceeding regarding the foregoing which is currently pending or, to Seller's knowledge, threatened nor, to the knowledge of Seller, is there a basis thereof.

**2.6. No Defaults.** Neither the execution and delivery by Seller of this Agreement nor the consummation by Seller of the transactions contemplated herein are events that, by

themselves or with the giving of notice or the passage of time or both, constitute a material violation of or will conflict with or result in any material breach of or any default under (a) the terms, conditions, or provisions of any arbitration award, judgment, law, order, decree, writ, or regulation to which Seller is subject, (b) Seller's articles of organization, bylaws or other organizational documents, or (c) any agreement or instrument to which Seller is a party or by which Seller is bound, or result in the creation of imposition of any lien, charge, or encumbrance on any of the Stations Assets.

**2.7. Seller Action.** All Seller actions and proceedings necessary to be taken by or on the part of Seller in connection with the transactions contemplated by this Agreement and necessary to make the Agreement effective have been duly and validly taken. This Agreement has been duly and validly authorized, executed, and delivered by Seller and constitutes the valid and binding agreement of Seller, enforceable in accordance with and subject to its respective terms, except as enforceability may be limited by laws affecting the enforcement of creditor rights or equitable principles generally.

**2.8 Master Control and Construction.** Seller agrees to complete construction of the Little Rock master control for the Stations and build the KTVV-LP digital facility prior to closing at a cost not to exceed Thirty Five Thousand Dollars (\$35,000.00) as of the date of this agreement. The Parties herein agree that Buyer will assume the current lease with OneBanc at #1 Shackelford Drive, Suite 100, Little Rock, AR 72211 for the current office space, telephones and other services.

### **ARTICLE 3**

#### **Representations and Warranties of Buyer.**

Buyer represents and warrants to Seller as to the truth of the following matters as of the date of this Agreement:

**3.1. Status.** Buyer is a limited liability company duly organized, validly existing, and in good standing in the State of Arkansas, and has the power to enter into and consummate the transactions contemplated by this Agreement.

**3.2. No Defaults.** Neither the execution and delivery by Buyer of this Agreement nor the consummation by Buyer of the transactions contemplated herein are events that, by themselves or with the giving of notice or the passage of time or both, constitute a material violation of or will conflict with or result in any material breach of or any default under (a) the terms, conditions, or provisions of any arbitration award, judgment, law, order, or regulation to which Buyer is subject, (b) the articles of organization, by-laws or other organizational documents of Buyer, or (c) any agreement or instrument to which Buyer is a party or by which it is bound. This Agreement has been duly and validly authorized, executed, and delivered by Buyer and constitutes the valid and binding agreement of Buyer, enforceable in accordance with and subject to its respective terms, except as enforceability may be limited by laws affecting the enforcement of creditor rights or equitable principles generally.



**3.3. Litigation.** There is no litigation, proceeding, or investigation of any nature pending to Buyer's knowledge, threatened against or affecting Buyer that would affect Buyer's ability to carry out the transactions contemplated herein.

**3.4. Qualification as a Broadcast Licensee.** To its knowledge, Buyer is financially and legally qualified under the Act and all other applicable federal, state and local laws, rules and regulations, to acquire the License from Seller.

**3.5. No Material Omission.** Buyer has not failed to disclose any material fact within its knowledge which would make any statement or representation in this Agreement inaccurate or misleading.

#### **ARTICLE 4**

##### **Covenants of Seller Pending Closing.**

**4.1. Maintenance of Stations.** Seller covenants and agrees that, from the date of this Agreement to and including the Closing Date, subject to the provisions of this Agreement, it shall keep its records and files in the ordinary course of business and to the extent required will file with the FCC any and all reports, applications, and disclosures as may be required by the Act or FCC rules or policies.

**4.2 Access to Facilities, Files, and Records.** At the request of Buyer, Seller shall give Buyer and its representatives reasonable access to all such information concerning the affairs of the Stations as Buyer may reasonably request.

**4.3. Representations and Warranties.** Seller shall give notice to Buyer promptly upon the occurrence of, or upon becoming aware of the impending or threatened occurrence of, any event that would cause or constitute a material breach of any of Seller's representations or warranties in this Agreement.

**4.4. Compliance with Law.** Seller will promptly notify Buyer (and in any event within five (5) business days) upon becoming aware of any actual or threatened claim, dispute, arbitration, litigation, complaint, judgment, order, decree, action or proceeding relating to Seller, the Stations, the Stations Assets, or the consummation of this Agreement or any transaction contemplated herein. Seller will comply in all material respects with all applicable federal, state and local laws, ordinances and regulations, including but not limited to the Act and the rules, regulations and policies of the FCC.

**4.5. Consummation of Agreement.** Seller shall fulfill and perform all conditions and obligations to be fulfilled and performed by Seller under this Agreement and make every reasonable effort to cause the transactions contemplated by this Agreement to be fully carried out.

#### **ARTICLE 5**

##### **Covenants of Buyer Pending the Closing.**

**5.1 Consummation of Agreement.** Buyer shall fulfill and perform in all material respects all conditions and obligations to be fulfilled and performed by Buyer under this Agreement and make every reasonable effort to cause the transactions contemplated by this Agreement to be fully carried out.

## **ARTICLE 6**

### **Conditions Precedent to Obligation of Seller to Close.**

The obligation of Seller to consummate the transactions under this Agreement is subject to the fulfillment of the following conditions prior to or at the Closing:

#### **6.1. Representations, Warranties, Covenants.**

**6.1.1. Buyer's Representations and Warranties.** Each of the representations and warranties of Buyer contained in this Agreement shall have been true and accurate in all material respects as of the date when made and as of the Closing Date;

**6.1.2. Buyer's Performance Under Agreement.** Buyer shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by Buyer prior to or at the Closing;

#### **6.2. Proceedings.**

**6.2.1. Absence of Litigation.** No action or proceeding shall have been instituted before any court or governmental body which has resulted in the issuance of a preliminary or permanent injunction against consummation of this Agreement.

**6.2.2. Notice of Investigation.** Neither of the parties to this Agreement shall have received written notice from any governmental body of the institution of any investigation to restrain, enjoin or nullify this Agreement or the transactions contemplated hereby (other than a routine letter of inquiry, including a routine Civil Investigative Demand); and

**6.3. FCC Approval.** The FCC approval contemplated by this Agreement shall have been granted without any conditions materially adverse to Seller.

**6.4. Loan Approval.** Buyer shall have submitted all legal and financial documentation required by Bank of Little Rock and the loan outlined in Paragraph 1.2.3. shall have been approved by the Bank of Little Rock.

## **ARTICLE 7**

### **Conditions Precedent to Obligation of Buyer to Close.**

The obligation of Buyer to consummate the transactions under this Agreement is subject to the fulfillment of the following conditions prior to or at the Closing:

#### **7.1. Representations, Warranties, Covenants.**

**7.1.1. Seller's Representations and Warranties.** Each of the representations and warranties of Seller contained in this Agreement shall have been true and accurate in all material respects as of the date when made and as of the Closing Date.

**7.1.2. Seller's Performance Under Agreement.** Seller shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or at the Closing; and

**7.1.3. Seller's Deliveries.** Seller shall have delivered to Buyer an assignment of the License and a bill of sale for the Stations Assets.

**7.1.4. Seller's Purchase of Advertising.** Seller shall have executed a standard advertising contract with Buyer for a period of twenty four months at a rate of Five Thousand Dollars per month.

**7.2. Proceedings.** No action or proceeding shall be pending or have been instituted before any court or governmental body to restrain or prohibit, or to obtain substantial damages in respect of, the consummation of this Agreement that, in the reasonable opinion of Buyer, may reasonably be expected to result in the issuance of a preliminary or permanent injunction against such consummation or otherwise result in a decision materially adverse to Buyer.

**7.3. FCC Approval.** The FCC approval contemplated by this Agreement shall have been granted without any conditions materially adverse to Buyer.

## **ARTICLE 8**

### **Miscellaneous.**

**8.1. Termination of Agreement.** This Agreement may be terminated immediately on or prior to the Closing under one or more of the following circumstances:

**8.1.1.** by the mutual consent of the parties hereto;

**8.1.2.** by either party, if the FCC has not granted the Assignment Application within thirteen (13) months after it is filed;

**8.1.3.** by any party hereto, if the FCC denies the Assignment Application by final order;

**8.2 Assignments.** Buyer may assign its rights under this Agreement without the prior written consent of Seller to any entity or subsidiary wholly owned or controlled by Buyer. No other assignment by either party shall be permitted.

**8.3 Finders, Consultants and Brokers.** Each Seller and the Buyer, each as to itself, represents and warrants that there are no finders, consultants or brokers involved in this transaction.



**8.4 Law Governing.** Except to the extent governed by federal law, this Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Arkansas without regard to conflict of laws provisions.

**8.5 Waiver of Provisions.** The terms, covenants, representations, warranties, and conditions of this Agreement may be waived only by a written instrument executed by the party waiving compliance. The failure of any party at any time or times to require performance of any provision of this Agreement shall not affect the exercise of a party's rights at a later date. No waiver by any party of any condition or the breach of any provision, term, covenant, representation, or warranty contained in this Agreement in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation, or warranty of this Agreement.

**8.6 Counterparts and Facsimile Signatures.** This Agreement may be executed in counterparts, and all counterparts so executed shall collectively constitute one agreement, binding on all of the parties hereto, notwithstanding that all the parties are not signatory to the original or the same counterpart. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed original counterpart of this Agreement.

**8.7 Notices.** All notices, demands, requests or other communication required or permitted hereunder shall be in writing and sent by certified, express or registered mail, return receipt requested, postage prepaid, overnight air courier service, personal delivery, or via facsimile (with proof of transmission) to the address specified below (or to such other address which a party shall specify to the other party in accordance herewith):

If to Buyer: Ellis-Wilson, LLC  
#1 Shackleford Drive  
Suite 100  
Little Rock, AR 72211  
Attn: Mr. Greg Fess

If to Seller: Hallmark National Mortgage Corporation  
200 North State Street  
Little Rock, AR 72201  
Attn: Mr. Pete Maris

Notice shall be deemed to have been given on the date of personal delivery, the date set forth in the records of the delivery service, or on the return receipt.

**8.8 Entire Agreement.** This Agreement constitutes the entire agreement among the parties, supersedes and cancels any and all prior or contemporaneous agreements and understandings between them, and may not be amended except in a writing signed by the parties.

**8.9 Headings and Cross-references.** Headings of the sections have been included for convenience of reference only and shall in no way limit or affect the meaning or

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interpretation of the specific provisions of this Agreement. All cross-references to sections herein shall mean the section of this Agreement unless otherwise stated or clearly required by the context. Words such as "herein" and "hereof" shall be deemed to refer to this Agreement as a whole and not to any particular provision of this Agreement unless otherwise stated or clearly required by the context. The term "including" means "including without limitation."

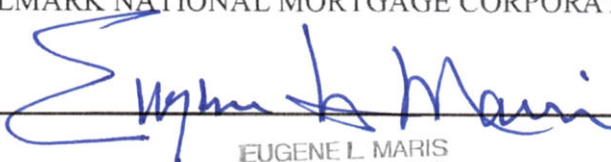
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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year written above.

HALLMARK NATIONAL MORTGAGE CORPORATION

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

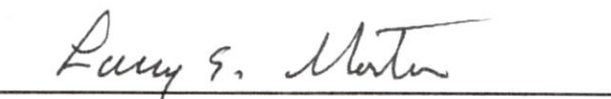
Title: \_\_\_\_\_

  
EUGENE L. MARIS  
CHAIRMAN & CEO

ELLIS-WILSON, LLC

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

Title: \_\_\_\_\_

  
Larry S. Martin  
Manager