

## PURCHASE AGREEMENT

*November* THIS PURCHASE AGREEMENT (the "Agreement") is entered into as of the 27<sup>th</sup> day of ~~October~~, 2012, by and between The Lacey Company ("Seller") and Butte Broadcasting Incorporated ("Buyer").

### Background

Seller holds a license issued by the Federal Communications Commission (the "FCC License") for FM translator station K262AB, Walkerville, Montana (FCC Facility ID 65777) (the "Station"), and owns related equipment used in the operation of the Station (the "Equipment"). Seller wishes to sell and assign all of Seller's right, title and interest in and to the FCC License for the Station and the Equipment, and Buyer wishes to assume and acquire Seller's right, title and interest to the FCC License for the Station and the Equipment, subject to the prior consent of the Federal Communications Commission ("FCC").

Now, therefore, in consideration of the mutual promises and covenants contained herein, the Parties, intending to be bound legally, agree as follows:

1. **Assignment and Sale.** Seller agrees to convey, transfer, sell and assign to Buyer at the Closing (as defined in Section 4) all of Seller's right, title and interest in and to the FCC License, the Equipment described at **Exhibit 1**, and such leases and contracts as Buyer agrees to assume, if any, also described in **Exhibit 1** (the "Assumed Contracts") (the FCC License, the Equipment and the Assumed Contracts, collectively, shall hereafter be referred to as the "Station Assets"), free and clear of all liens, pledges, security interests and encumbrances.

2. **Consideration.** At the Closing, Buyer will forgive a debt in the amount of One Thousand Dollars (\$1,000.00) owed by Seller to Buyer. Such debt forgiveness shall be the sole consideration for Buyer's purchase of the Station Assets from Seller.

3. **FCC Consent** Within five (5) business days after the execution of this Agreement, the Parties shall file an application for FCC consent to the assignment of the FCC License from Seller to Buyer (the "FCC Application"). Each Party will be responsible for its own costs relating to the preparation of the FCC Application, and the FCC filing fee for the FCC Application will be shared equally by them. Each Party covenants that it will diligently prosecute the FCC Application, and will use best efforts to provide such further information and undertake such actions as the FCC may require in connection with the processing of the FCC Application. The Parties recognize that the application for renewal of the Station is due to be filed with the Commission on December 1, 2012 and in the event this agreement has not been consummated on or before November 30, 2012, Seller shall file and vigorously prosecute the Station's renewal application.

4. **Closing; Closing Deliveries.** The Parties will consummate the transactions contemplated by this Agreement at a closing (the "Closing") which will take place on a date set by Buyer no later than ten (10) business days after the FCC's action granting the FCC Application (the "FCC Consent") appears in an FCC public notice (the "Closing Date"). At the Closing, Seller and Buyer will execute and deliver an Assignment and Assumption of FCC

License; Seller will deliver a Bill of Sale for the Equipment; and the Seller and Buyer will execute and deliver a Release releasing Seller's \$1,000.00 debt to Buyer and any claims of either Party against the other related thereto. Each Party will also execute any other documents reasonably requested by the other and necessary to consummate the transaction contemplated by this Agreement.

5. **Representations and Warranties.**

(a) Each Party represents and warrants to the other that: (i) it has the full right and legal authority to execute and deliver this Agreement, perform its obligations hereunder and consummate the transactions contemplated hereby; (ii) this Agreement, upon execution, shall be legally binding upon it and enforceable against it in accordance with its terms; (iii) the execution, delivery and performance of this Agreement do not require the consent of any third party and will not violate any judgment, order, decree, injunction, rule, regulation or ruling of any governmental authority to which the Party is bound; and (iv) this Agreement will not conflict with, constitute grounds for termination of or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, judgment, order or decree to which the Party is subject.

(b) Seller represents and warrants to Buyer that (i) the Equipment identified in Exhibit 1 is in operating condition, subject to normal wear and tear, and adequate for and available for immediate use; and (ii) the FCC License has been validly issued in the name of Seller, is in full force and effect, and is not subject to any conditions outside the ordinary course other than those set forth on the face of the FCC License.

6. **Conditions Precedent to Closing.**

The Parties' respective obligations to complete the transactions contemplated hereby are subject to the following conditions precedent:

(a) The FCC Consent shall have been granted. If the FCC Consent is not issued within one (1) year of the date on which the FCC Application is filed with the FCC, either Party may terminate this Agreement upon ten (10) days written notice to the other, provided that no such termination shall relieve a Party of liability for any breach of its representations, warranties or obligations hereunder.

(b) The other Party's representations and warranties shall be true and correct, and the other Party shall have performed all of its material obligations hereunder.

7. **Risk of Loss.** The risk of any loss, damage, impairment, confiscation or condemnation of any of the Equipment shall be borne by Seller at all times prior to the Closing Date and by Buyer at all times from and after the Closing Date, except for any loss or damage of any of the Equipment resulting from acts or omissions of Seller. In the event of any loss or material damage to the Equipment occurring prior to the Closing Date, Seller shall promptly notify Buyer in writing of the circumstances, and Buyer, at any time within ten (10) business days after receipt of such notice, may elect by written notice to Seller to waive such material defect and proceed toward consummation of the transactions contemplated by this Agreement in

accordance with the terms hereof (provided that Seller will promptly remit to Buyer any insurance proceeds received by Seller following the Closing with respect to such defect), or (ii) postpone the Closing Date until such time as the Equipment which has been lost, damaged or impaired has been repaired, replaced and restored.

8. **Termination.** In addition to the provisions in Section 6 above, this Agreement may be terminated at any time prior to the Closing:

(a) By the mutual consent of the Parties hereto.

(b) By either Party if the FCC denies the FCC Application, provided that such termination shall not excuse either Party from liability for any uncured default by such Party.

(c) By either Party, if the other Party has breached any of its material obligations hereunder, and such breach is not cured within fifteen (15) days' written notice from the non-breaching Party.

9. **Specific Performance** Notwithstanding anything else to the contrary in this Agreement, Seller agrees that the Station Assets include unique property that cannot be readily obtained on the open market, and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, in the event that Seller fails or otherwise refuses to consummate the transactions contemplated by this Agreement, and provided that Buyer is willing and able to perform its obligations hereunder and is not otherwise in material breach of a material term of this Agreement, Buyer shall have the right, in lieu of any other remedy available to Buyer, specifically to enforce Seller's performance under this Agreement. Seller agrees to waive any defense in any such suit that Buyer has an adequate remedy at law.

10. **Cooperation.** The Parties will cooperate fully with each other in fulfilling their respective obligations under this Agreement, including using their respective best efforts to obtain the required FCC Consent and any consents that may be required for any Assumed Contract.

11. **Assignment and Binding Effect.** Neither Party may assign this Agreement without the prior written consent of the other Party, which consent will not be unreasonably withheld or delayed. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

12. **Governing Law.** This Agreement shall be governed, construed and enforced in accordance with the laws of the State of Montana, without regard to the choice of law provisions thereof.

13. **Notices.** Any and all notices, requests, demands and other communications permitted or required hereunder shall be in writing and shall be deemed given, (a) on receipt if personally delivered, sent by overnight delivery or sent by facsimile or other electronic means; or (b) five (5) business days after mailing if mailed via First Class U.S. mail, postage prepaid, to the parties as follows, or at such other addresses as they may indicate by written notice given herein provided:

(a) If to Seller, to:

(b) If to Buyer, to:

Butte Broadcasting, Inc.  
660 Dewey Boulevard  
Butte, MT 59701  
Attn: Ron Davis

14. **Counterparts**. This Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. Counterpart signatures to this Agreement and all documents executed in connection herewith may be delivered electronically, and such electronic copies shall be deemed originals.

15. **Construction**. This Agreement shall be construed fairly in accordance with its terms. In the event that this Agreement requires interpretation, it shall not be interpreted more strictly against either Party by reason of any rule of construction requiring interpretation of contractual provisions against the party drafting or providing the same. Except where context otherwise requires, the use of singular of any term includes the plural, and vice versa. Section headings used in this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

*Remainder of page intentionally left blank.*

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first written above.

**SELLER:**

**THE LACEY COMPANY**

By: *Clint F. Foy*  
Name:  
Title: *President*

**BUYER:**

**BUTTE BROADCASTING INCORPORATED**

By: *Ronald S. Davis*  
Name: *Ronald S. Davis*  
Title: *PRESIDENT.*