

serve Tacoma, Washington, unimpaired by any acts or omissions of Seller, and are free and clear of any restrictions which might limit or restrict the full operation of the Station as now operated (other than restrictions on the face of such Station Licenses). Seller is not aware of any reason why, upon proper application therefor filed at the appropriate time, those of the Station Licenses subject to expiration might not be renewed in the ordinary course based on current FCC Rules or of any reason why any of the Station Licenses might be revoked. The Station is in compliance with the Commission's policy on exposure to radio frequency radiation. No renewal of any Station License would constitute a major environmental action under the Rules of the Commission. Without limiting any of the foregoing, the Station has been to date operated in material compliance with the Station Licenses and in material compliance with the Communications Act of 1934, as amended, and the Rules and Regulations of the Commission.

4.4 Assets. Seller has good and marketable title to the Assets, free and clear of all mortgages, deeds of trust, liens, pledges, collateral assignments, security interests, leases, easements, covenants, restrictions and encumbrances, or other defects of title ("Encumbrances"). On the Closing Date, Buyer shall acquire good and marketable title to the Assets free and clear of any and all Encumbrances. The Assets constitute the assets, both tangible and intangible, that are necessary for the business and operation of the Station as presently conducted by Seller.

4.5 Condition, Quality, and Quantity of Equipment and Personal Property. The Station Equipment and Personal Property listed on **Schedule 1.2** constitutes the personal property that is used or held by Seller for use in the operation of the Station. The Station Equipment is sufficient to permit the Station to operate in accordance with sound engineering practices, the Station Licenses, and the Rules and Regulations of the Commission. The Station Equipment is in good operating condition and repair

(ordinary wear and tear excepted), meets or exceeds all FCC requirements, is suitable, adequate, and fit for the use for which the Station Equipment is intended or is being used, and the present use of the Station Equipment does not, to the best of Seller's knowledge, violate any applicable patent, copyright, trademark, licensing, or use agreement.

4.6 Litigation. As of the date hereof, there is no unsatisfied judgment against Seller or any of the Assets outstanding; there is no action, suit, arbitration, litigation, proceeding, claim, or investigation of any nature pending against Seller or the Assets; and, to Seller's knowledge, there is no action, suit, arbitration, litigation, proceeding, claim or investigation of any nature, threatened against Seller or the Assets. Seller is not aware of any facts that could reasonably result in any such proceedings.

4.7 Payment of Taxes. Seller has timely filed with all appropriate governmental agencies all federal, state, local, and other tax or information returns and tax reports (including, but not limited to, all income tax, unemployment compensation, Social Security, payroll, sales and use, profit, excise, privilege, occupation, property, ad valorem, franchise, license, school, and any other tax under the laws of the United States or of any state or any municipal entity or of any political subdivision with valid taxing authority) due for all periods ended on or before the date hereof. Seller has paid in full all federal, state, foreign, local, and other governmental taxes, estimated taxes, interest, penalties, assessments, and deficiencies (collectively, "Taxes") which have become due as a consequence of Seller's operation of the Station.

4.8 Patents, Trademarks, and Copyrights. The Station has maintained licenses appropriate for its format with ASCAP, BMI, and any other music licensing agents as necessary for the lawful use of copyrighted material. Seller has no knowledge of any infringement or unlawful or unauthorized use of

such Promotional Rights by any person or entity other than Seller. To Seller's knowledge, the operation of the Station (including by means of the use of the Promotional Rights) does not infringe any copyright, patent, trademark, tradename, service mark, or other similar right of any third party.

4.9 No Misleading Statements. To Seller's knowledge, no information delivered or to be delivered to Buyer in connection with the transactions provided for by this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit a material fact necessary in order to make such statements or information, in light of the circumstances under which any such statement or information is delivered, not misleading.

4.10 Insurance. There is presently in force fire, casualty, and liability insurance with respect to the properties and assets to be transferred and conveyed hereunder, and Seller will maintain or cause to be maintained such insurance in full force until the Closing hereunder.

4.11 Employee Benefits. Seller has no commitment to create any employment agreements, pensions, profit sharing, or similar plans or arrangements, nor will it while this Agreement is in effect.

5. REPRESENTATIONS AND WARRANTIES OF BUYER. Buyer makes the following representations and warranties, all of which have been relied upon by Seller in entering into this Agreement and, except as specifically provided, all of which shall be true and correct as of Closing.

5.1 Authorization. The execution, delivery, and performance of this Agreement (and the other agreements and instruments referred to in this Agreement) by Buyer has been duly authorized by all necessary action on the part of Buyer. Evidence of such authorizations reasonably acceptable to Seller shall be delivered to Seller at Closing. This Agreement and the other agreements and instruments called

for hereunder have been duly executed by Buyer and delivered to Seller and constitute legal, valid, and binding obligations of Buyer, enforceable in accordance with their terms.

5.2 No Breach. None of (i) the execution, delivery, and performance of this Agreement and the agreements and instruments called for hereafter by Buyer, (ii) the consummation of the Transaction, or (iii) Buyer's compliance with the terms and conditions hereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms and conditions of, constitute a default under, or violate Buyer's articles of incorporation or organization, bylaws, operating agreement, any judgment, decree, order, agreement, lease or other instrument to which Buyer is a party or by which Buyer is legally bound, or any law, rule, or regulation applicable to Buyer.

5.3 Litigation. There is no unsatisfied judgment against Buyer and there is no action, suit, arbitration, litigation, proceeding, claim or investigation of any nature pending by or against Buyer and, to Buyer's knowledge, there is no action, suit, arbitration, litigation, proceeding, claim or investigation of any nature threatened by or against Buyer which may adversely affect Buyer's ability to perform in accordance with the terms of this Agreement. Buyer is unaware of any facts which could reasonably result in any such proceeding.

5.4 No Misleading Statements. To Buyer's knowledge, no statement made by Buyer to Seller set forth in this Agreement, or information delivered or to be delivered to Seller in satisfaction of a requirement of this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit a material fact necessary in order to make such statements or information, in light of the circumstances under which any such statement or information is delivered, not misleading.

5.5 Qualification as Broadcast Licensee. Buyer is legally qualified to acquire the Station. Buyer knows of no reason why it should not be found by the Commission to be qualified to become the licensee of the Station, consistent with the Communications Act of 1934, as amended, and the Commission's Rules and Regulations.

6. PRE-CLOSING OBLIGATIONS. The parties covenant and agree as follows with respect to the period prior to the Closing Date:

6.1 Application for Commission Consent. On or before August 23, 2019, Seller and Buyer shall join in and file an application or applications requesting the Commission's written consent to the assignment of the Station Licenses from Seller to Buyer (the "Assignment Applications"), and they will diligently take all steps necessary or desirable and proper to prosecute expeditiously the Assignment Applications and to obtain the Commission's determination that approval of the Assignment Applications will serve the public interest, convenience, and necessity.

6.2 Operations Prior to Closing. Between the date of this Agreement and the Closing Date:

6.2.1 Seller shall: (i) maintain or cause to be maintained the Assets in their present condition (reasonable wear and tear in normal use excepted), and (ii) maintain or cause to be maintained all inventories of supplies, tubes, and spare parts at levels generally consistent with the Station's prior practices.

6.2.2 Seller shall maintain its books and records in the usual and ordinary manner, on a basis consistent with prior periods.

6.2.3 Seller shall comply in all material respects with all laws, rules, ordinances and regulations applicable to it, to the Assets, and to the business and operation of the Station.

6.2.4 Seller shall (i) perform all Contracts, (ii) cure all defaults under any Contracts, and (iii) pay all of Seller's accounts payable incurred in the ordinary course of Seller's business, in a timely manner consistent with sound business practices.

6.2.5 Seller shall not, without the express written consent of Buyer (i) sell or agree to sell or otherwise transfer, assign or dispose of any of the Assets or merge or consolidate with any other entity or enter into negotiations or agreements relating thereto, except that Seller may dispose of Assets which are (A) expended in the ordinary course of business and consistent with Seller's past practice, and (B) are replaced prior to Closing by assets of equal or greater worth, quality, and utility, (ii) acquiesce in any infringement, use, or impairment of the Intangible Property, or (iii) enter into any other contract, lease, or agreement that will be binding on Buyer after Closing.

6.2.6 Seller shall carry on the business and activities of the Station, including, without limitation, the sale of advertising time and the purchasing and scheduling of programming, in the usual and ordinary course of business consistent with Seller's past business practices and the operating agreement with the Buyer and with customary practices in the television broadcast industry.

6.2.7 Seller shall maintain the validity of the Station Licensees and comply in all material respects with all Rules and Regulations of the Commission.

6.2.8 Seller shall maintain in full force and effect all of its existing casualty, liability and other insurance through the day following the Closing Date in amounts not less than those in effect on the date hereof.

6.2.9 Seller shall not permit the FCC licenses listed on **Schedule 1.1** to lapse, to be modified in any adverse respect, or otherwise to become impaired in any manner.

6.3 Adverse Developments. Seller shall promptly notify Buyer of any developments that occur prior to Closing that have or might have a material adverse consequence on the Assets or the operation or condition (financial or otherwise) of the Station; provided, however, that Seller's compliance with the disclosure requirements of this Section 6.3 shall not relieve Seller of any obligation with respect to any representation, warranty, or covenant of Seller in this Agreement or waive any condition to Buyer's obligations under this Agreement.

7. CONDITIONS PRECEDENT.

7.1 Mutual Conditions. The obligation of both Seller and Buyer to consummate this Agreement is subject to the satisfaction of each of the following conditions:

7.1.1 Commission Consent. The Commission shall have granted its consent to the Assignment Applications in accordance with the terms thereof, and such consent shall be in effect, and not subject to any conditions which are adverse to Buyer or which in any way diminish the operating rights with respect to the Assets or the Station (except any such conditions as are expressly accepted by Buyer in writing) (the "FCC Consent").

7.1.2 Finality. The FCC Consent shall have become a Final Order (as defined below). "Final Order" means an order or action of the Commission as to which the time for filing a request for administrative or judicial review, or for instituting administrative review *sua sponte*, shall have expired without any such filing having been made or notice of such review having been issued; or, in the event of such filing or review *sua sponte*, as to which such filing or review shall have been disposed of favorably to the grant and the time for seeking further relief with respect thereto under the applicable FCC or court rules shall have expired without any request for such further relief having been filed.

8. CLOSING.

8.1 Closing Date. The Closing of this Agreement is conditioned upon the granting by the FCC of its consent to the transactions contemplated by the Agreement. The date and time of the Closing shall be mutually agreed upon by the Seller and the Buyer, but shall not be more than three (3) days after finality of the FCC grant. Unless both Parties agree otherwise, the consummation of this Agreement shall occur at the office of Chris Thayer, Esq., Pivotal Law Group, IBM Building, 1200 5th Avenue, Suite 1217, Seattle, Washington.

8.2 Fees and Expenses. Each party shall bear its own legal fees and any and all costs and expenses with respect to the preparation, filing, and prosecution of its part of the application to the FCC requesting consent to this transfer. The Buyer shall pay the application fee(s) required by the FCC's Rules.

8.3 Termination. If the Closing has not occurred on or before August 1, 2020, then either Buyer or Seller, at its respective option, may terminate this Agreement upon thirty (30) days prior written notice to the other, provided that the party desiring to terminate this Agreement is not in default or breach at the time of said notice.

8.4 Performance at Closing. The following documents shall be executed and
Delivered at Closing:

8.4.1 Seller. Seller shall deliver to Buyer:

(a) One or more assignments transferring to Buyer all of the interests of Seller in and to the Station Licenses, as set forth in Schedule 1.1, in such form as shall be reasonably acceptable to Buyer.

(b) One or more bills of sale conveying to Buyer the Station Equipment and other Assets which constitute tangible personal property, in such form as shall be reasonably acceptable to Buyer.

(c) Certificate of good standing issued with respect to Seller by the States of Colorado and Washington.

(d) Such tax clearance certificates as are customarily issued by the taxing authorities of the State of Washington (evidencing the payment by the Seller of franchise, income, and sales taxes, as applicable).

(e) Such other instruments of transfer as may reasonably be requested by Buyer to vest title to the Assets in and to Buyer.

8.4.2 By Buyer. Buyer shall deliver to Seller:

(a) The Purchase Price.

(i) Payment at closing

(ii) Note

(iii) Security Agreement

(iv) UCC-1

(v) Personal guarantee

(b) Such assumption agreements and other instruments and documents as are required to make, confirm, and evidence Buyer's assumption of and obligation to pay, perform, or discharge Seller's obligations under the Contracts to the extent the same are to be assumed by Buyer pursuant to the terms of this Agreement.

(c) Certificates of good standing issued with respect to Buyer by the State of Washington.