

ASSET PURCHASE AGREEMENT

by and between

SAINTE PARTNERS II, L.P.

and

SAINTE SEPULVEDA, INC.

as Sellers

and

ESTEEM BROADCASTING OF CALIFORNIA LLC

as Buyer

August 15, 2012

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (“Agreement”) is executed on this 15th day of August, 2012, by and among **SAINTE PARTNERS II, L.P.**, a California limited partnership (“**SPII**”) and **SAINTE SEPULVEDA, INC.**, a California corporation, (“**SSI**”, and with SPII, “**Sellers**” and individually, a “**Seller**”), on the one hand, and **ESTEEM BROADCASTING OF CALIFORNIA LLC**, a Delaware limited liability company (“**Buyer**”) on the other hand. Sellers and Buyer are collectively referred to herein as the “Parties” and individually as a “Party.”

RECITALS:

WHEREAS, Sellers own and operate, among others, the following television broadcast stations: KBVU(DT), Eureka, California; K14MN, Fortuna, California; K29IR, Eureka, California; KEMY-LP, Eureka, California; KEUV-LP, Eureka, California; K52FK, Eureka, California; (collectively, the “**Eureka Stations**”); KKTF-LD, Chico, California; KUCO-LP, Chico California; K46HI, Redding, California; KXVU-LP, Chico, California; KZVU-LD, Chico California; K04QC, Palmero, California; KCVU(DT), Paradise, California; K08NH, Oroville, California; K38FQ, Anderson/Central Valley, California; KRVU-LD Redding, California (collectively, the “**Chico Stations**” and, with the Eureka Stations, collectively, the “**Stations**” or the “**Business**”); and

WHEREAS, Stations KBVU(DT) and KCVU(DT) are full power stations (the “**Full Power Stations**”) and the rest of the Stations are low power stations (the “**Low Power Stations**”); and

WHEREAS, the parties hereto desire to enter into this Agreement to provide for the sale, assignment, and transfer by Seller to Buyer of certain assets used or held for use in the operation of the Full Power Stations, on the terms, and subject to the conditions of, this Agreement; and

WHEREAS, simultaneously herewith, Sellers and California Broadcasting, Inc. (“**CBI**”) are entering into an Asset Purchase Agreement (the “**CBI Asset Purchase Agreement**”) pursuant to which CBI will acquire the assets used or held for use in the operation of the Low Power Stations and certain other assets of the Business (the “**CBI Assets**”) that are not being acquired by Buyer hereunder, on the terms and subject to the conditions set forth therein; and

WHEREAS, capitalized terms in this Agreement shall have the meaning set forth in Section 10.3 hereto or as otherwise defined herein;

NOW THEREFORE, in consideration of the above recitals and of the mutual agreements and covenants contained in this Agreement, the Parties, intending to be legally bound, agree as follows:

ARTICLE I

PURCHASE AND SALE OF ASSETS; PURCHASE PRICE

1.1 **Purchase and Sale of Assets.** Upon the terms and subject to the conditions set forth in this Agreement, at the Closing on the Closing Date (as such terms are defined in Section 7.1), Sellers hereby agree to sell, assign, transfer and deliver to Buyer, and Buyer hereby agrees to purchase from Sellers, all of Sellers' right, title and interest in and to the following tangible and intangible assets used or held for use in connection with the operation of the Full Power Stations (such assets to be conveyed to Buyer being collectively referred to herein as the "**Purchased Assets**");

(a) All (i) licenses, permits and other authorizations issued to Sellers by the Federal Communications Commission ("**FCC**") in connection with the Full Power Stations listed on Schedule 1.1(a)(i) hereto (the "**Full Power FCC Licenses**"); and (ii) except as set forth on Schedule 1.1(a)(ii) hereto, other material licenses, permits, approvals, concessions, franchises, consents, qualifications, registrations, and authorizations, if any, issued by any Governmental Authority (as defined in Section 10.3) that are required for the operation of the Full Power Stations; and all applications therefor, together with any additions, renewals, extensions or modifications thereof and additions thereto (collectively, and including the Full Power FCC Licenses, the "**Full Power Authorizations**");

(b) All information and data, FCC logs and other compliance records, technical information and engineering data, local public files kept in accordance with FCC requirements, and all other books, documents and records maintained by the Full Power Stations pursuant to the Communications Laws (as defined in Section 2.5(d));

(c) All transmitters, transmission lines, antennas and other tangible personal property that are used or held for use solely in operation of the Full Power Stations (the "**Tangible Personal Property**") except (i) for any retirements or dispositions thereof between the date hereof and the Closing in accordance with Section 4.6 and (ii) as set forth in Schedule 1.1(c) hereto (the "**Purchased Tangible Personal Property**");

(d) All call signs or call letters used with respect to the Full Power Stations, along with intellectual property issued to, or owned by, Sellers that is used or held for use solely in connection with the operation of the Full Power Stations (the "**Intangible Property**");

(e) All (i) Contracts listed on Schedule 2.8 hereof, including, without limitation, all (A) Contracts pursuant to which the Full Power Stations are licensed, authorized or obligated to air programs or films, including network affiliation agreements and syndicated programming agreements ("**Programming Contracts**"), (B) retransmission consent agreements applicable to the Full Power Stations and listed on Schedule 2.8 hereto as Assumed Contracts, (C) Shared Contracts (as defined in Section 1.3) allocated to the Full

Power Stations in accordance with Section 1.3, and (D) Trade Agreements (as defined in Section 1.6(d)) applicable to the Full Power Stations, and (ii) any additional Contracts relating to the Full Power Stations entered into since the date hereof and before the Closing Date that Buyer agrees, in writing, to assume (the “**Assumed Contracts**”); provided that Assumed Contracts shall exclude any contracts or other understanding between Sellers and Raul Broadcasting of Eureka, Inc. or its Affiliates (“**Raul Broadcasting**”);

(f) All advance payments, if any, to Sellers by advertisers for advertising that would run on the Full Power Stations after the Closing Date and any other advance payments by third parties for services to be provided by Buyer from and after the Closing Date;

(g) All files, documents, records and books of account relating to the operation of the Full Power Stations; and

(h) All goodwill associated with the items listed above.

1.2. **Excluded Assets.** All assets of Sellers other than the Purchased Assets shall be “**Excluded Assets**”).

1.3 **Shared Contracts.**

(a) Some Contracts may have applicability to stations that will continue to be owned by Sellers (“**Excluded Stations**”) and/or Stations that will constitute CBI Assets and/or Stations that will constitute Purchased Assets (the “**Shared Contracts**”). Such Shared Contracts, the stations to which they are applicable, and whether such stations are Excluded Stations or constitute CBI Assets or Purchased Assets are identified on Schedule 1.3(a)(i) hereto. In the case where a Shared Contract has applicability to an Excluded Station and Full Power Station, the Shared Contract shall be allocated as set forth on Schedule 1.3(a)(ii) hereto (and, if allocated to a Full Power Station, assigned to Buyer). If the Parties cannot agree on an allocation of a Shared Contract, such unallocated Shared Contract shall be listed as such on Schedule 1.3(a)(ii) hereto and designated as a Critical Contract or a Non-Critical Contract. With respect to both Critical Contracts and Non-Critical Contracts, Sellers shall endeavor to terminate the Shared Contract and obtain new contracts for the Excluded Station and the Full Power Station reasonably satisfactory to the applicable Party. To the extent that any such Non-Critical Contract may not be terminated and new contracts issued, Sellers and Buyer shall cooperate to the extent feasible in effecting a lawful and commercially reasonable arrangement under which Buyer shall receive the benefits under the Shared Contract from and after Closing, and, to the extent of the benefits received, Buyer shall pay and perform Sellers’ obligations arising under the Shared Contract from and after the Closing in accordance with its terms. To the extent that any Critical Contract may not be terminated and new contracts issued, Buyer shall receive, at Closing, a credit against that portion of the Purchase Price to be paid under Section 1.5(b)(i) an amount equal to that set forth on Schedule 1.3(a)(ii) next to the applicable Critical Contract. In those cases where the Shared Contract has applicability to a Low Power Station and a Full Power Station, the rights and obligations under the Shared

Contract constituting a retransmission consent agreement shall be allocated to CBI, and all other Shared Contracts shall be allocated to Buyer.

(b) Sellers have operated certain Full Power Stations on a combined basis with Low Power Stations and Excluded Stations. The assets of Sellers, other than Shared Contracts, that are common to the operation of a Full Power Station and either a Low Power Station and/or an Excluded Station and the stations to which they are applicable are set forth on Schedule 1.3(b)(i) hereto. To the extent any assets of Sellers, other than Shared Contracts, are shared between the Full Power Stations and Low Power Stations, such shared assets shall be allocated to the Low Power Stations. To the extent any assets of Sellers, other than Shared Contracts, are shared between Excluded Stations on the one hand and a Full Power Station and/or Low Power Stations on the other hand, such shared assets shall be allocated as set forth on Schedule 1.3(b)(ii) hereto.

1.4. Purchase Price.

(a) The purchase price for the Purchased Assets shall be Two Million Dollars (\$2,000,000) (the "Purchase Price"), which Purchase Price shall be paid by Buyer delivering to Sellers a five-year promissory note, in the amount of Two Million Dollars (\$2,000,000), bearing interest at the rate of six percent (6%) per annum (the "**Note**"), payable as follows: (i) beginning on the date that is one (1) month after the date hereof, thirty six (36) consecutive monthly payments equal to all accrued and outstanding interest as of such date, (ii) beginning on the date that is thirty seven (37) months after the date hereof, twenty four (24) consecutive monthly payments equal to the amount of principal and interest due as of such date calculated using a five year amortization schedule, (iii) a balloon payment of One Hundred Fifty Thousand Dollars (\$150,000) on a date that is twenty four (24) months after the date hereof, (iv) a balloon payment of Two Hundred Fifty Thousand Dollars (\$250,000) on a date that is thirty six (36) months after the date hereof, (v) a balloon payment of Three Hundred Fifty Thousand Dollars (\$350,000) on a date that is forty eight (48) months after the date hereof, and (vi) a final balloon payment of all outstanding amounts of principal and interest on a date that is sixty (60) months from the date hereof. Except as provided in Section 9.2 hereof, all payments under the Note shall be made in immediately available funds without offset or reduction.

(b) (i) The Note shall be secured by a first-priority, perfected lien on all of the Purchased Assets (including a security interest in FCC licenses, permits and other Authorizations and the proceeds from a sale thereof to the maximum extent permitted by law) (the "**Collateral**") in accordance with the terms and conditions of a security agreement and UCC-1 filing statement (such documents, together with the Note, collectively, the "**Loan Documents**") in the forms attached hereto as Exhibit A. In connection therewith, Buyer shall pay the applicable filing fees for the UCC-1 filing statement.

(ii) In the event of (A) a sale by Buyer of any of the Full Power Stations pursuant to an FCC long-form application in which Buyer receives cash or other consideration therefor; (B) a change of control of Buyer (i.e. a transfer of more than 50% of the equity ownership in Buyer) pursuant to an FCC long-form application in which Buyer

receives cash or other consideration therefor; or (C) Buyer entering into a local marketing, time brokerage, shared services, joint sales or similar agreement (collectively, “**LMA Agreement**”) whereby Buyer grants to a third party the right to program 85% or more of a Full Power Station and receives cash or other consideration therefor, then Buyer shall prepay, from time to time as applicable, that portion of the principal remaining due and payable on the Note (the “**Principal Balance**”) as is equal to (x) in the case of (A) and (C), the amount associated with the Full Power Station as described on Exhibit C attached to the Note, and (y) in the case of (B), the Principal Balance of the Note plus any outstanding interest or expenses.

(iii) The payments under the Note (“**Payments**”) shall serve as security for the indemnification obligations of Sellers contained in Section 9.2 to the extent of \$1,000,000, with respect to Claims (as defined in Section 9.2) made by Buyer during the first eighteen (18) months following the Closing Date; provided, however, that the eighteen (18) month period shall extend until such time as the Note is paid in full, if the indemnification relates to Claims made (x) for a breach of a representation or warranty of Sellers contained in Section 2.21 (Authorization; Binding Obligation) and, to the extent it relates to title or ownership, Section 2.7 (Tangible Personal Property), or (y) based upon fraud. To the extent that Buyer has a Claim against Sellers pursuant to Section 9.2 and desires to offset such Claim against the Note, Buyer shall give Sellers written notice (“**Buyer’s Notice**”) of such Claim. If Sellers do not object to such Claim by giving Buyer written notice thereof (“**Sellers’ Notice**”) within ten (10) business days from the date of Buyer’s Notice (the “**Notice Period**”), then Buyer may offset the Claim against the next monies due and payable pursuant to the Note until such time as the Claim is paid. If Sellers object to such Claim by sending Buyer the Sellers’ Notice within the Notice Period, then Buyer shall deliver the next payments due under the Note, to the extent of the amount of the Claim, to an escrow agent who shall agree to hold the monies in escrow and dispose of the same solely in accordance with instructions jointly signed by Buyer and either of the Sellers or a certified copy of a judgment or an order of a court of competent jurisdiction relating to the disposition of such monies from which no appeal has been taken and as to which the time for appeal has expired.

1.5. **Assumption of Liabilities and Obligations.**

(a) As of the Closing Date, subject to Section 1.6(b), Buyer shall assume and undertake to pay, discharge, and perform all obligations and liabilities of Sellers under the Assumed Contracts and the Full Power Authorizations, or as otherwise specifically provided for herein, but only to the extent that either (i) the obligations and liabilities on account thereof relate to the operation of the Full Power Stations after the Effective Time, or (ii) the Purchase Price is reduced as a result of the proration of such obligations and liabilities (the “**Assumed Obligations**”).

(b) Notwithstanding Section 1.6(a), for the avoidance of doubt, Buyer shall not assume any obligation or liability of Sellers, and Sellers shall retain all liabilities and obligations of Sellers, known or unknown, fixed or contingent, other than the obligations and liabilities expressly assumed by Buyer under Section 1.6(a), including without limitation, the following (the “**Retained Liabilities**”):

(i) all liabilities and obligations relating to or arising from the Excluded Assets;

(ii) all liabilities for Taxes attributable to the operation of the Full Power Stations for any period prior to the Closing Date;

(iii) all fees and expenses incurred by Sellers in connection with the transactions contemplated hereby, including legal, accounting, consulting, brokers, investment banking and other professional fees and expenses;

(iv) all liabilities and obligations arising under Assumed Contracts transferred by Sellers to Buyer in accordance with this Agreement, to the extent such liabilities and obligations have arisen or have accrued in connection with any period prior to the Closing Date, except to the extent an adjustment is made in favor of Buyer under Section 1.7;

(v) all liabilities and obligations accruing with respect to the operation of the Full Power Stations prior to the Closing Date, except to the extent an adjustment is made in favor of Buyer under Section 1.7;

(vi) all liabilities and obligations arising out of any litigation, claim or proceeding pending or threatened against Sellers or relating to Sellers' ownership of the Purchased Assets or Sellers' operation of the Full Power Stations prior to the Closing Date;

(vii) all obligations and liabilities of Sellers under this Agreement and any other agreement entered into in connection herewith; and

(viii) all liabilities and obligations relating to or arising from contracts or other understandings between Sellers and Raul Broadcasting.

1.6 Prorations and Adjustments to Purchase Price.

(a) With respect to the Purchased Assets, all prepaid revenue, prepaid expenses, accrued income and accrued expenses as of the Effective Time shall, except as otherwise expressly provided herein, be adjusted and allocated between Sellers and Buyer to reflect the principle that all revenue, income and expenses arising from the operation of the Full Power Stations or relating to the Purchased Assets before the Effective Time shall be for the account of Sellers, and all revenue, income and expenses arising from the operation of the Full Power Stations or relating to the Purchased Assets from and after the Effective Time shall be for the account of Buyer. Anything to the contrary in this Agreement notwithstanding: (i) payments for program rights shall be pro-rated or adjusted based on the value of the programs or the percentage of runs of a program performed under any program rights agreement, and (ii) FCC regulatory fees (not including filing fees related to the Assignment Applications (as defined in Section 4.1(a)) shall be prorated based upon the time during the FCC fiscal year in which each of Buyer and Sellers held the Full Power FCC

Licenses. Any adjustments or prorations made under this Section 1.7 shall be treated as a reduction or increase in the Purchase Price, as applicable.

(b) Such prorations shall include, but not be limited to, all liabilities and obligations under Assumed Contracts, and all other expenses and obligations, such as deferred revenue and prepayments, attributable to the ownership and operation of the Full Power Stations that straddle the periods before and after the Effective Time. Any and all agency commissions that are subject to adjustment after the Effective Time based on revenue, volume of business done or services rendered in part before the Effective Time and in part on or after the Effective Time shall be borne by Sellers and Buyer ratably in proportion to the revenue, volume of business done or services rendered, as the case may be, by each with respect to the Full Power Stations during the applicable period.

(c) To the extent not inconsistent with the express provisions of this Agreement, the allocations and prorations made pursuant to this Section 1.6 shall be made in accordance with generally accepted accounting principles.

(d) With respect to Assumed Contracts in effect as of the Closing Date under which Sellers have agreed to provide commercial advertising time on the Full Power Stations after the Closing Date in exchange for property or services in lieu of, or in addition to, cash (“**Trade Agreements**”), if at Closing the Full Power Stations have an aggregate negative or positive trade balance (i.e., the amount by which the value of air time to be provided by the Full Power Stations after the Effective Time exceeds, or conversely, is less than, the fair market value of corresponding goods and services), there shall be no proration or adjustment, unless the negative or positive trade balance of the Full Power Stations as an aggregate exceeds \$10,000, in which event such excess or deficiency, as the case may be, shall be treated either as prepaid time sales or a receivable of Sellers, and adjusted for as a proration in Buyer’s or Sellers’ favor, as applicable. In determining trade balances, the value of air time shall be based upon Sellers’ rates as of Closing, and corresponding goods and services shall include those to be received by the Full Power Stations after Closing plus those received by the Full Power Stations before Closing to the extent conveyed by Sellers to Buyer as a part of the Purchased Assets. From and after the Closing Date, Buyer shall be entitled to all goods and services to be provided to the Full Power Stations after the Closing Date under the Trade Agreements. All of the Trade Agreements as of the date hereof are listed on Schedule 2.8 hereto. buyer shall fully assume, perform, discharge and be fully responsible for all obligations under Trade Agreements listed on Schedule 2.10 hereto as Assumed Contracts.

(e) No later than five (5) Business Days prior to the scheduled Closing Date, Sellers shall prepare in good faith and deliver to Buyer a statement setting forth Sellers’ estimate of the net amount by which the Purchase Price is to be increased or decreased in accordance with Sections 1.6 (a), (b), (c) and (d) of this Agreement as of the Closing (the “**Adjustment Amount**”) together with a schedule setting forth the pro rata adjustments of assets and liabilities required as of the Effective Time, in reasonable detail, and the components thereof (the “**Preliminary Adjustment Statement**”). If the Adjustment Amount reflected on the Preliminary Adjustment Statement is a credit to Buyer, then the Purchase Price payable at Closing shall be reduced by the amount of the preliminary Adjustment

Amount, and if the Adjustment Amount reflected on the Preliminary Adjustment Statement is a charge to Buyer, then the Purchase Price payable at Closing shall be increased by the amount of such Preliminary Adjustment Amount. For a period of ninety (90) days after Closing, Buyer and its auditors and Sellers and their auditors may review the Preliminary Adjustment Statement and the related books and records of Sellers with respect to the Full Power Stations, and Buyer and Sellers will in good faith seek to reach agreement on the final Adjustment Amount. If agreement is reached within such 90-day period, then promptly thereafter Sellers shall pay to Buyer or Buyer shall pay to Sellers, as the case may be, an amount equal to the difference between (i) the agreed final Adjustment Amount and (ii) the preliminary Adjustment Amount indicated in the Preliminary Adjustment Statement. If agreement is not reached within such 90-day period, then the dispute resolution provisions of Section 1.6(f) shall apply.

(f) If the Parties do not reach an agreement on the Adjustment Amount within the 90-day period specified in Section 1.6(e), then Sellers and Buyer shall select an independent accounting firm of recognized national standing (the “**Arbitrating Firm**”) to resolve the disputed items. If Sellers and Buyer do not agree on the Arbitrating Firm within five (5) calendar days after the end of such 90-day period, then the Arbitrating Firm shall be a nationally recognized independent accounting firm selected by lot (after excluding one firm designated by Sellers and one firm designated by Buyer). Buyer and Sellers each shall inform the Arbitrating Firm in writing as to their respective positions with respect to the Adjustment Amount, and each shall make available to the Arbitrating Firm any books and records and work papers relevant to the preparation of the Arbitrating Firm’s computation of the Adjustment Amount. The Arbitrating Firm shall be instructed to complete its analysis within thirty (30) days from the date of its engagement and upon completion to inform the parties in writing of its own determination of the Adjustment Amount, the basis for its determination and whether its determination is within the Mid-Range (defined below) or if not, whether it is closer to Buyer’s or Sellers’ written determination of the Adjustment Amount. Any determination by the Arbitrating Firm in accordance with this Section shall be final and binding on the Parties. Within five (5) calendar days after the Arbitrating Firm delivers to the Parties its written determination of the Adjustment Amount, Sellers shall pay to Buyer, or Buyer shall pay to Sellers, as the case may be, an amount equal to the difference between (i) the Adjustment Amount as determined by the Arbitrating Firm and (ii) the preliminary Adjustment Amount indicated in the Preliminary Adjustment Statement. Buyer and Sellers agree that a judgment may be entered upon the determination of the Arbitrating Firm in any court having jurisdiction over the Party against which such determination is to be enforced.

(g) If the Arbitrating Firm’s determination of the Adjustment Amount is within the Mid-Range, then Sellers and Buyer each shall pay one-half of the fees and disbursements of the Arbitrating Firm in connection with its analysis. If not, then (i) if the Arbitrating Firm determines that the written position of Buyer concerning the Adjustment Amount is closer to its own determination, then Sellers shall pay the fees and disbursements of the Arbitrating Firm in connection with its analysis, or (ii) if the Arbitrating Firm determines that the written position of Sellers concerning the Adjustment Amount is closer to its own determination, then Buyer shall pay the fees and disbursements of the Arbitrating Firm in connection with its analysis. As used herein, the term “Mid-Range” means a range

that (i) equals twenty percent (20%) of the absolute difference between the written positions of Buyer and Sellers as to the Adjustment Amount and (ii) has a midpoint equal to the average of such written positions of Buyer and Sellers.

(h) Concurrently with the payment of any amount required to be paid under Section 1.6(f) or (g), the payor shall pay the payee interest on such amount for the period from the Closing Date until the date paid at a rate equal to seven percent (7%) per annum. All payments to be made under Section 1.6 shall be paid by wire transfer in immediately available funds to the account of the payee at a financial institution in the United States and shall for all purposes constitute an adjustment to the Purchase Price.

1.7 **Allocation of Purchase Price.** The Purchase Price set forth in Section 1.4(a) and, to the extent properly taken into account in accordance with the Tax Regulations (as defined below), the Assumed Obligations, shall be allocated among the Purchased Assets in accordance with the provisions of Section 1060 of the Code, and as determined by mutual agreement of Sellers and Buyer. In the event Buyer and Sellers cannot reach an agreement on such allocation then such allocation shall be based upon an appraisal by a nationally recognized broadcast appraiser acceptable to Buyer and Sellers (whose fees shall be paid one-half by Buyer and one-half by Sellers). Buyer and Sellers each shall complete, execute and timely file Form 8594 with the Internal Revenue Service with their respective Tax Returns for the taxable year that includes the Closing Date (or such other Internal Revenue Service Form as may then be prescribed for use by the regulations promulgated under the Code (the “**Tax Regulations**”) to comply with applicable asset acquisition reporting requirements of Section 1060 of the Code and the Tax Regulations thereunder). Buyer and Sellers agree to act in accordance with the allocation of the Purchase Price established pursuant to this section in the preparation and filing of all Tax Returns, including Form 8594.

1.8 **Additional Fees.** Buyer and Sellers each shall pay one-half of any and all sales and use taxes arising out of the transaction contemplated by this Agreement, including any applicable “bulk sales” tax. Buyer and Sellers each shall pay one-half of any transfer, conveyance, recordation and filing fees, taxes or assessments. Buyer and Sellers shall bear equally all of the FCC filing fees incurred in connection with the assignment of the Full Power FCC Licenses.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF SELLER

As of the date hereof, except for representations and warranties that speak as of a specific date or time, in which case such representations and warranties shall be true and correct as of such date or time, Sellers jointly and severally represent and warrant to Buyer as follows:

2.1 **Organization; Good Standing; Power and Authority.** Each Seller is duly organized (in the case of SPII, as a limited partnership, and in the case of SSI, as a corporation), validly existing, and in good standing under the laws of the State of California.

Each Seller has all requisite power and authority (a) to own, lease, and use the Purchased Assets as presently owned, leased, and used, (b) to conduct the operations of the Full Power Stations as presently conducted, and (c) to execute and deliver this Agreement and the documents contemplated hereby, and to perform and comply with all of the terms and conditions to be performed and complied with by Sellers hereunder and thereunder. Neither Seller is a participant in any joint venture or partnership with any other Person with respect to any part of the operation of the Full Power Stations.

2.2 **Authorization; Binding Obligation**. Sellers have taken all requisite action in order to authorize the execution, delivery, and performance of this Agreement and the consummation of the sale of the Purchased Assets and the other transactions contemplated hereby. This Agreement has been duly executed and delivered by Sellers and is the legal, valid, and binding obligation of Sellers enforceable against them in accordance with its terms, except as enforceability may be limited by any bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditor's rights generally and the application of general principles of equity (regardless of whether that enforceability is considered in a proceeding at law or in equity).

2.3 **No Conflicts or Defaults**. Except as set forth on Schedule 2.3 hereto, neither the execution, delivery, nor performance of this Agreement by Sellers, nor the consummation of the sale and purchase of the Purchased Assets or any other transaction contemplated hereby, after the giving of notice, or the lapse of time, or both, (a) conflicts with or results in a breach of the articles of organization or other organizational instrument of Sellers, (b) violates any Law applicable to Sellers; (c) other than the Consents, constitutes grounds for termination of, results in a breach of, constitutes a default under, violates any right of first refusal or similar right granted to a third party under, or accelerates or permits the acceleration of any performance required by the terms of, any Assumed Contract to which Sellers are a party or by which Sellers or the Purchased Assets are bound and which relates to the operation of the Full Power Stations or the Purchased Assets; or (d) results in the creation of any Lien, other than Permitted Encumbrances, upon any of the Purchased Assets.

2.4 **Broker's Fee**. Except as set forth on Schedule 2.4 hereto, neither this Agreement, nor the sale and purchase of the Purchased Assets contemplated by this Agreement, was induced or procured through the services of any Person, acting on behalf of or representing Sellers as broker, finder, investment banker, financial advisor, or in any similar capacity.

2.5 **Authorizations**.

(a) Schedule 2.5(a) hereto lists all Full Power Authorizations held by Sellers. Sellers have delivered, or otherwise made available, to Buyer true and complete copies of the Full Power Authorizations. The Full Power Authorizations were validly issued by the FCC or other Governmental Authority, as applicable, and are in full force and effect, unimpaired by any act or omission by Sellers or their partners, shareholders, managers, officers, directors, employees, agents or Affiliates, and have not been revoked, suspended, cancelled, rescinded or terminated and have not expired. Other than the Full Power

Authorizations set forth in Schedule 2.5(a) hereto, no material franchises, licenses, permits, approvals, concessions, consents, qualifications, registrations or authorizations are required in order for Sellers to legally operate the Full Power Stations in the manner and to the full extent operated on the date hereof. Except as set forth on Schedule 2.5, none of the Full Power FCC Licenses or other Full Power Authorizations are subject to any material restriction or condition which would limit the full operation of the Full Power Stations as required by the FCC or other Governmental Authority and as presently operated, other than (x) restrictions set forth on the face of the Full Power FCC Licenses or other Full Power Authorizations as of the date hereof, and (y) restrictions of general applicability to the television broadcasting industry as a whole.

(b) Except as set forth on Schedule 2.5(b) hereto, other than proceedings of general applicability to the television broadcasting industry, there is not pending or, to Sellers' Knowledge, threatened (i) any action, investigation, or proceeding by or before the FCC or by or before any other Governmental Authority to revoke, suspend, cancel, rescind, terminate, refuse to renew, or modify any Full Power Authorization; (ii) any petition, investigation, inquiry, complaint, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against Sellers or the Full Power Stations; or (iii) any application, action, or proceeding by or before the FCC for the renewal of any Full Power FCC License as to which any petition to deny or objection has been filed.

(c) Except as set forth on Schedule 2.5(c) hereto, no applications of Sellers are pending before the FCC with respect to the Full Power Stations.

(d) Except as set forth on Schedule 2.5(d) hereto, the Full Power Stations are operating in compliance in all material respects with the Full Power FCC Licenses, the other Full Power Authorizations, and the Communications Act of 1934, as amended (the "**Communications Act**"), and the rules and published policies of the FCC (collectively, with the Communications Act, the "**Communications Laws**"). Except as set forth on Schedule 2.5(d) hereto and except as generally applicable to the television broadcasting industry, Sellers have no reason to believe that the FCC will not renew any of the Full Power FCC Licenses in the ordinary course. All material filings, returns, reports, and statements which the Full Power Stations currently are required to have filed with the FCC or with any other Governmental Authority have been filed, and all material reporting requirements of the FCC and any other Governmental Authority having jurisdiction over the Full Power Stations have been complied with. All of such reports, returns, and statements are complete and correct in all material respects as filed. The Full Power Stations' public inspection files are located at the Full Power Stations' main studio and are in material compliance with the Communications Laws. The Sellers have paid all FCC regulatory fees due and payable by the Sellers with respect to the Full Power Stations. To the extent that any renewal applications are due, Sellers have timely filed license renewal applications for the Full Power FCC Licenses. The Full Power FCC Licenses were issued by the FCC for full terms customarily issued by the FCC for each class of Full Power Station.

(e) Schedule 2.5(e) hereto identifies the tower(s) on which the main digital antenna of the Full Power Station(s) are mounted, as well as all antenna support structures,

including any guy anchors and guy wires, used or useful in connection with the operation of the Full Power Stations (together, the “**Tower**”). Except as set forth on Schedule 2.5(e) hereto, Sellers presence on any of the Transmission Structures (as defined below) has been registered to the extent required by Law, and Sellers have complied in all material respects with the Full Power Authorizations as relating to such Transmission Structures. To Sellers’ Knowledge, the owners of all such Transmission Structures have constructed, operated and maintained the Transmission Structures in compliance in all material respects with all applicable Laws (and including, to the extent applicable, all such Laws concerning the marking, painting, lighting, height and registration of the transmission structures). “**Transmission Structure**” shall mean all Towers, buildings (including transmitter buildings) and other structures and improvements used or useful in connection with the operation of the Full Power Stations.

(f) Except as set forth on Schedule 2.5(f) hereto, the Full Power Stations are operating at the effective radiated power authorized under the Full Power FCC Licenses or no less than 80% of their authorized power.

(g) Except as set forth on Schedule 2.5(g) hereto, the Full Power Stations do not cause any material interference that is in violation of the Communications Laws or any other applicable Laws.

(h) Except as set forth on Schedule 2.5(h) hereto, during the prior twelve (12) months no Full Power Station has been (i) off the air for a period of four (4) or more consecutive days for any reason or (ii) operated at substantially reduced power for a period of fourteen (14) or more consecutive days.

2.6 **Sellers’ Qualifications.** Except as set forth on Schedule 2.6 hereto, Sellers are legally, financially and otherwise qualified under the Communications Laws to perform their obligations hereunder, to be the licensee of, and to own and operate, the Full Power Stations, and Sellers are the authorized holders of the Full Power Authorizations. Except as set forth on Schedule 2.6, no fact or circumstance exists relating to the FCC qualifications of a Seller that (a) could reasonably be expected to prevent or delay the FCC from granting the FCC Consent (as defined in Section 4.1), or (b) would otherwise disqualify Sellers as the licensee, owner or operator of the Full Power Stations.

2.7 (a) **Tangible Personal Property.** Schedule 2.7(a) hereto (a) sets forth a list of all material items of Tangible Personal Property used or held for use in the operation of Full Power Stations as of the date hereof (including a designation of which such Tangible Personal Property constitutes shared assets), and (b) designates which items of such Tangible Personal Property constitutes Purchased Tangible Personal Property. Except as set forth on Schedule 2.7, the Tangible Personal Property comprises all of the tangible personal property necessary to operate the Full Power Stations. Except as described on Schedule 2.7, Sellers own and have good and marketable title to each item of Purchased Tangible Personal Property and none of the Purchased Tangible Personal Property owned by Sellers is subject to any Lien, except for Permitted Encumbrances. With allowance for normal repairs, maintenance, wear and obsolescence, each item of Purchased Tangible Personal Property is in good

operating condition and repair and is available for immediate use in connection with the operation of the Full Power Stations. Except as set forth on Schedule 2.7 hereto, all items of transmitting equipment included in the Purchased Tangible Personal Property (x) have been maintained in a manner consistent with generally accepted standards of good engineering practice, and (y) will permit the Full Power Stations to operate in accordance with the terms of the applicable Full Power FCC Licenses and other Full Power Authorizations and the Communications Laws and all other applicable Laws.

(b) **Intangible Property.** Schedule 2.7(b) hereto is a true and complete list of all Intangible Property (exclusive of Full Power Authorizations listed on Schedule 2.5(a)) that are required in connection with the operation of the Full Power Stations. Sellers own or have a valid license to use, free and clear of all Liens (other than Permitted Encumbrances), all of the Intangible Property listed on Schedule 2.7(b). Other than with respect to matters generally affecting the television broadcasting industry and not particular to Sellers, and, except as set forth on Schedule 2.7(b), Sellers are not infringing upon or otherwise acting adversely to any trademarks, trade names, service marks, service names, domain names, copyrights, patents, patent applications, know-how, methods, or processes owned by any other Person, and there is no claim or action pending or threatened with respect thereto. Except as set forth on Schedule 2.7(b), to Sellers' Knowledge, no other Person is infringing upon Sellers' rights or ownership interests in the Intangible Property. Except as set forth on Schedule 2.7(b), Sellers are not required to pay any royalty arising from the Intangible Property.

2.8 **Contracts.** Schedule 2.8 hereto sets forth a list of all (a) Assumed Contracts, including Shared Contracts applicable to the Full Power Stations and the Excluded Stations (as defined in Section 1.3) and allocated to the Full Power Stations, and Shared Contracts applicable to the Full Power Stations and the Excluded Stations (as defined in Section 1.3) and allocated to the Excluded Stations (the "**Excluded Contracts**"), as of the date hereof, (x) segregated by type of Contract (e.g. retransmission consent agreement, network affiliation agreement, Trade Agreement, Shared Contract, etc.), (b) setting forth with respect to Material Assumed Contracts (as defined in Schedule 2.8) the expiration dates thereof, and (c) setting forth whether a Consent (as defined in Section 2.13) is required in connection with the assignment thereof. Sellers have made or will make available to Buyer on or prior to Closing, true and complete copies of all written Assumed Contracts (including any and all amendments and other modifications to such Contracts). Section 2.8 describes the key terms of any material oral Assumed Contracts. Except as otherwise disclosed in Schedule 2.8, all of the Assumed Contracts are in full force and effect, and are legal, valid and binding obligations of Sellers, and, to Sellers' Knowledge, any other party thereto, and enforceable against Sellers and, to Sellers' Knowledge, any other party thereto, in accordance with their terms, except as enforceability may be limited by any bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and the application of general principles of equity. Sellers are not in material breach, nor, to Sellers' Knowledge, is any other party in material breach, of the terms of any of the Assumed Contracts that could give rise to a termination of any such Assumed Contract. Except as expressly set forth in Schedule 2.8, Sellers are not aware of any intention of any party to any Assumed Contract (x) to terminate such Assumed Contract other than in accordance with the terms of such Contract, or to amend the terms thereof, (y) to refuse to renew the same upon its expiration of

its term, if such Contract contemplates renewal or (z) if such Contract contemplates renewal, to renew the same upon its expiration only upon terms and conditions which are materially less favorable to Sellers. Except as disclosed on Schedule 2.8, all material oral Contracts set forth thereon are terminable by Sellers at will or upon no more than thirty (30) days' notice. Except for Contracts requiring a Consent to assign and as set forth on Schedule 2.8, Sellers have full legal power and authority to assign their rights under the Assumed Contracts to Buyer in accordance with this Agreement, and such assignment will not affect the validity, enforceability, and continuation of any of the Assumed Contracts.

2.9 **Sufficiency of Purchased Assets.** Except as disclosed on Schedule 2.7 or 2.8 or 2.9, the Purchased Assets constitute all of the properties, interests, assets and rights of Sellers necessary for the continued operation of the Full Power Stations.

2.10 **No Changes.** Except as set forth Schedule 2.10 hereto, since December 31, 2011, Sellers have operated the Full Power Stations only in the ordinary course of business consistent with past practice, and there has not been, in connection with or related to the operation of the Full Power Stations:

(a) except in the ordinary course of business consistent with past practice, any amendment, modification or termination of any Assumed Contract or a failure to renew the same (in accordance with its terms);

(b) any period of four (4) or more consecutive days during which any Full Power Station has been off the air for any reason or a period of fifteen (15) or more days during which any Station operated at substantially reduced power; or

(c) any agreement or commitment, whether in writing or otherwise, to take any of the actions specified in the foregoing items (a) and (b).

2.11 **Intentionally Omitted.**

2.12 **Litigation; Claims; Judgments; Compliance with Law.**

(a) Except for matters affecting the television broadcasting industry generally, and except for those matters set forth in Schedule 2.12 hereto, there is no claim or counterclaim, no litigation at law or in equity, no arbitration proceeding, or other legal, administrative or tax proceeding, nor any order, decree or judgment, before or by any Governmental Authority, pending or, to Sellers' Knowledge, threatened, which would reasonably be expected to have a Material Adverse Effect or materially adversely affect Seller's ability to perform its obligations in accordance with the terms of this Agreement.

(b) Sellers are in compliance in all material respects with all Laws, relating to the Full Power Stations, including the Communications Laws. Except as set forth on Schedule 2.12, since December 31, 2011, Sellers have not received any written notice from any third party regarding any actual, alleged or potential violation of any such Laws.

2.13 **Consents.** Schedule 2.13 hereto lists (a) all consents, approvals, waivers, permits and authorizations of third parties (other than Governmental Authorities) and declarations to, or filings with, any Governmental Authority or another third party (“**Consents**”) required in connection with the sale, assignment, conveyance and transfer of the Purchased Assets to Buyer, including, without limiting the generality of the foregoing, any Consent needed (in the form of a waiver or otherwise) to preclude a third party from terminating an Assumed Contract after the assignment thereof, purchasing a Full Power Station pursuant to a right of first refusal, or terminating an Assumed Contract on account of a Services Agreement between Buyer and CBI, and (b) those Consents required as a condition precedent to the obligation of Buyer to close the transaction contemplated herein (“**Required Consents**”).

2.14 **MVPD Matters.**

(a) To Sellers’ Knowledge, Schedule 2.14(a) hereto sets forth a true and complete list of:

(i) all multi-channel video programming distributors including cable systems, telephone companies and direct broadcasting systems (“**MVPD**”) that carry the Full Power Stations’ signals and the Full Power Stations carried by each MVPD; and

(ii) all currently effective retransmission consent Contracts entered into with any MVPD in the markets in which Sellers operate the Full Power Stations (“**Market MVPD System**”), and the expiration date for each such Contract.

(b) Except as set forth on Schedule 2.14(b), since January 1, 2012, no MVPD has advised Sellers in writing of any signal quality or copyright indemnity or other obstacle to carriage of the Full Power Stations’ signals, and no MVPD has declined or refused or threatened to decline or refuse such carriage or failed to respond to a written request for carriage or, to Sellers’ Knowledge, disputed the Full Power Stations’ right to carriage pursuant to the Full Power Stations’ must-carry or retransmission consent election, as the case may be, including seeking any form of relief from carriage from the FCC.

(c) Except as set forth in Section 2.14(c) hereto, all retransmission consent and copyright indemnification contracts entered into with any MVPD with respect to the Full Power Stations are consistent with the Full Power Stations’ network affiliation agreements.

(d) Sellers timely elected, for the current FCC must-carry/retransmission consent election cycle, retransmission consent for the Full Power Stations for all MVPDs listed on Schedule 2.14(a), and Sellers have no liability to any Person arising under or in respect of its performance of the Full Power Station’s carriage agreements with MVPDs, including copyright royalties. Except as set forth in Schedule 2.14(d) hereto each retransmission consent Contract is in full force and effect and to the Knowledge of Sellers, there is no reason that an MVPD would have the right to terminate such carriage during the current term. Except as set forth in Schedule 2.14(d) hereto, to the Knowledge of Sellers, since January 1, 2012, there has been (i) no change in the Full Power Stations’ carriage or

channel position on any material Market MVPD System and (ii) no written notification to the Full Power Stations that any Full Power Station may not be entitled to carriage on any Market MVPD System either because such Full Power Station fails to meet the requisite signal strength for such status or such Full Power Station would be considered a distant signal under the cable compulsory copyright license, 17 U.S.C. § 111. To the Knowledge of Sellers, no MVPD is carrying the signal of the Full Power Station without the written consent of Sellers.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF BUYER

As of the date hereof, except for representations and warranties that speak as of a specific date or time, in which case such representations and warranties shall be true and correct as of such date or time, Buyer represents and warrants to Sellers as follows:

3.1. **Organization, Standing and Authority.** Buyer is a duly organized limited liability company validly existing, and in good standing under the laws of the State of Delaware and has the requisite corporate power and authority to execute and deliver this Agreement and the documents contemplated hereby, and to perform and comply with all of the terms and conditions to be performed and complied with by Buyer hereunder or thereunder.

3.2. **Authorization; Binding Obligation.** Buyer has taken all requisite action in order to authorize the execution, delivery, and performance of this Agreement and the consummation of the acquisition of the Purchased Assets and the other transactions contemplated hereby. This Agreement has been duly executed and delivered by Buyer and is the legal, valid, and binding obligation of Buyer enforceable against it in accordance with its terms, except as enforceability may be limited by any bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and the application of general principles of equity (regardless of whether that enforceability is considered a proceeding at law or in equity).

3.3. **No Conflicts or Defaults.** Neither the execution, delivery, nor performance of this Agreement by Buyer, nor the consummation of the sale and purchase of the Purchased Assets or any other transaction contemplated hereby or thereby, after the giving of notice, or the lapse of time, or both, (a) conflicts with or results in a breach of the Articles of Organization, Operating Agreement or other organizational instruments of Buyer, (b) violates any Law applicable to Buyer, or (c) constitutes grounds for termination of, results in a breach of, constitutes a default under, or accelerates or permits the acceleration of any performance required by the terms of, any material Contract to which Buyer is a party or by which Buyer is bound.

3.4 **Buyer Qualifications.** Except as disclosed on Schedule 3.4 hereto, there is no fact known to Buyer that would, under the Communications Act, disqualify Buyer from holding the Full Power Licenses, and Buyer has taken no action that would be likely to cause such disqualification prior to the Closing Date. To Buyer's Knowledge, no waiver of or

exemption from any FCC rule in effect as of the date hereof is necessary for the FCC Consent (as defined in Section 4.1) to be obtained. Except as disclosed on Schedule 3.4 hereto, to Buyer's Knowledge, there are no matters which might reasonably be expected to result in the FCC's denial or delay of approval of the Assignment Applications. Except as set forth on Schedule 3.4 hereto, to Buyer's Knowledge, as of the date of this Agreement, Buyer's acquisition of the Full Power Stations complies with the FCC's multiple-ownership rules.

3.5 No Litigation or Violations of Law.

(a) Except for matters affecting the television broadcasting industry generally, and except for those matters set forth in Schedule 3.5(a) hereto, there is no claim or counterclaim, no litigation at law or in equity, no arbitration proceeding or other legal, administrative or tax proceeding, nor any order, decree or judgment before or by any Governmental Authority, pending or, to Buyer's Knowledge, threatened, which would reasonably be expected to have a material adverse effect upon Buyer's ability to perform in accordance with the terms of this Agreement.

(b) Buyer owns, leases and operates its properties and assets, and carries on and conducts its business and affairs, in material compliance with all Laws.

3.6 Consents. Except for the FCC Consent and consents to assignment of the Assumed Contracts, no Consent is required to be obtained by Buyer in order (a) to consummate the transactions contemplated by this Agreement, or (b) to permit Buyer to acquire the Purchased Assets from Sellers.

3.7 Broker's Fee. Neither this Agreement, nor the sale and purchase of the Purchased Assets contemplated by this Agreement, was induced or procured through the services of any person, firm, corporation or other entity acting on behalf of or representing Buyer as broker, finder, investment banker, financial advisor, or in any similar capacity.

ARTICLE IV

COVENANTS

4.1 FCC Approval.

(a) The consummation of the transactions contemplated hereby is subject to the prior consent and approval of the FCC. Buyer and Sellers jointly shall file with the FCC substantially complete applications (the "**Assignment Applications**") to request the FCC's consent to the voluntary assignment of the Full Power FCC Licenses from Sellers to Buyer (the "**FCC Consent**") within ten (10) Business Days after the execution of this Agreement; provided, however, that if any FCC-imposed freeze on the filing of broadcast license assignment applications is in effect during such ten (10) Business Day period, then the Assignment Applications shall be filed not more than one (1) Business Day after such freeze is lifted. Buyer and Sellers shall each pay their own expenses in connection with the preparation and prosecution of the Assignment Applications and shall share any filing fee(s)

associated with the Assignment Applications equally. The Assignment Applications shall include the Services Agreements. Sellers and Buyer shall prosecute the Assignment Applications before the FCC, including opposing any petitions to deny filed against the Assignment Applications, with all commercially reasonable diligence, and otherwise use commercially reasonable efforts in order to obtain the FCC Consent promptly and in order to carry out the provisions of this Agreement. If required by the FCC in connection with obtaining the FCC Consent, Sellers, as the licensees of KBVU(DT) and KCVU(DT), shall enter into a new tolling agreement, or extend the existing tolling agreement, with the FCC with respect to pending complaints against such Full Power Stations. Each Party promptly shall provide to the other Party a copy of any pleading, order or other document served on it or a copy of any formal inquiry or request by the FCC or the substance of any informal FCC inquiry relating to any such FCC Application. If FCC reconsideration or review, or judicial review, shall be sought with respect to the FCC Consent by a third party or upon the FCC's own motion, Buyer and Sellers shall cooperate in opposing such requests for FCC reconsideration or review or for judicial review.

(b) For purposes of this Section 4.1 and Section 4.2, "commercially reasonable efforts" shall not require either Party or its Affiliates to, except as expressly provided in this Section 4.1, (i) divest, sell or hold separate any material assets, business or properties or enter into any material consent decree or assume any other material obligations with respect to the ongoing operations of such Party and/or its Affiliates, (ii) commence or participate in any litigation, (iii) satisfy any condition imposed by any third party or Governmental Authority that such Party reasonably believes is likely to have a Material Adverse Effect, (iv) offer or grant any accommodation (financial or otherwise) to any third party or Governmental Authority that such Party reasonably believes is likely to adversely affect, in any material respect, such Party's condition (financial or otherwise), assets, liabilities, results of operations, business or prospects or (v) compensate any third party (other than payment of customary filing fees).

(c) Except as provided in clause (d) below, and subject to the "commercially reasonable efforts" standard in Section 4.1(b) above, each Party hereto covenants and agrees to (i) prepare, file and prosecute any alternative application, petition, motion, request or other filing (including any motion for leave to withdraw or dismiss any Assignment Application filed by the Parties with the FCC in connection with the transactions contemplated hereby); (ii) file any amendment or modification to the FCC Applications; (iii) otherwise take any other action with respect to the FCC as may be reasonably necessary in connection with the transactions contemplated hereby; and (iv) cooperate in good faith with the other Party hereto with respect to the foregoing, all as may be reasonably determined by Buyer or Sellers to be necessary, appropriate or advisable in order to consummate the transactions contemplated by this Agreement in a manner and within the time period contemplated by this Agreement.

(d) Each Party agrees to comply with any condition imposed on it by the FCC Consent, except that no party shall be required to comply with, or consummate the transaction subject to, a condition if compliance with the condition could reasonably be expected to (i) have a Material Adverse Effect, or (ii) substantially adversely affects the

benefits it contemplates deriving from the within transaction, including, without limitation, any condition to terminate or materially amend any of the Services Agreements or any other local marketing agreement, joint sales agreement, shared services agreement or other similar contract in respect of the programming or operations of the Full Power Stations. If any Party to this Agreement shall seek FCC reconsideration or review, or judicial review, of a condition imposed by the FCC that the Party deems would have a Material Adverse Effect, or a substantially adverse effect on the benefits it contemplates or deriving from the within transaction, the other Party, at the expense of the Party seeking FCC reconsideration or review, or judicial review, shall cooperate fully with the Party seeking reconsideration or review of such condition; provided, however, that neither Party shall seek or cause to be sought, without the prior written consent of the other Party, FCC reconsideration or review, or judicial review, of any condition or qualification that would not have a Material Adverse Effect or substantially adversely affect the benefits such Party contemplates deriving from the within transaction. For purposes of this Agreement, a condition having a “materially adverse effect” shall not include any condition generally applicable to the broadcast industry or a transaction of this kind.

(e) If the Closing shall not have occurred for any reason within the original effective period of any FCC Consent, and neither Party shall have terminated this Agreement pursuant to its rights under Section 8.1, the Parties jointly shall request an extension or extensions of the effective period of such FCC Consent. No extension of the effective period of any FCC Consent shall limit the exercise by either party of its right to terminate the Agreement under Section 8.1.

4.2 **Cooperation**. Subject to the terms and conditions of this Agreement, prior to the Closing, Buyer and Sellers shall use their commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things reasonably necessary under applicable Law to consummate the transactions contemplated hereby, including furnishing information to the other Party required in connection with obtaining the FCC Consent or other Consents, including making any filings with Governmental Authorities.

4.3 **Risk of Loss**.

(a) The risk of loss, forfeiture or damage to the Purchased Assets shall be upon Sellers at all times prior to the Closing. In the event of loss, forfeiture or damage to the Purchased Assets, Sellers promptly shall notify Buyer thereof (the “**Sellers’ Risk of Loss Notice**”) and if the lost, forfeited or damaged Purchased Assets are capable of being replaced or repaired for an aggregate amount equal to or less than \$25,000, then Sellers, at their sole cost and expense, shall replace or repair such Purchased Assets prior to the Closing or deliver to Buyer at the Closing an amount in cash equal to the cost of replacement or repair of such Purchased Assets; provided, however, that if the lost, forfeited or damaged Purchased Assets are essential to the continued operation of any of the Full Power Stations prior to Closing, then Sellers must repair or replace the same in a timely manner prior to Closing so as to avoid any material discontinuance in the operation of any of the Full Power Stations. If the amount required to replace or repair such Purchased Assets exceeds \$25,000, Sellers may elect in the Sellers’ Risk of Loss Notice not to replace or repair such Assets (which election must be set

forth in Sellers' Risk of Loss Notice); provided, however, that in the event Sellers elects not to replace or repair such Purchased Assets, Buyer, at its option, may elect within thirty (30) days after receipt of the Sellers' Risk of Loss Notice to (i) terminate this Agreement without either party being subject to a claim by the other for liquidated damages or any other claims for damages, or (ii) waive any default or breach with respect to the loss or damage and receive a credit at Closing equal to the cost of replacement or repair of such Purchased Assets, or (iii) where the lost, forfeited or damaged Purchased Assets are essential to the operation of any of the Full Power Stations prior to Closing, advance to Sellers the monies necessary to effectuate the repair or replacement (the "**Advance**"), in which event Sellers shall (A) effectuate said repair or replacement in a timely manner, and (B) secure the Advance by granting to Buyer a first priority lien on the Collateral (as defined in Section 1.4(b)(i)), which lien would be released in the event the Closing takes place and replaced by a credit against the Purchase Price to the extent of the Advance. Either party may extend the Closing Date by up to thirty (30) days in order to allow Sellers to complete the repair or replacement. This Section 4.3 shall not modify or limit any other conditions precedent to the obligation of the Buyer.

(b) Excepting the Stations set forth in Schedule 4.3(b), Sellers shall (i) use their commercially reasonable efforts to avoid any Full Power Station being off the air for three (3) or more consecutive days or five (5) or more days in any thirty (30) day period, and (ii) give prompt written notice to Buyer if either of the following (a "**Specified Event**") shall occur: (i) the regular broadcast transmissions of one of the Full Power Stations in the normal and usual manner are interrupted or discontinued for more than forty-eight (48) consecutive hours or seventy-two (72) or more hours, whether or not consecutive, during any period of thirty (30) consecutive days; or (ii) one of the Full Power Stations is operated at less than its licensed antenna height above average terrain or at less than ninety percent (90%) of its licensed effective radiated power for more than seventy-two (72) consecutive hours or five (5) or more days, whether or not consecutive, during any period of thirty (30) consecutive days. If a Specified Event shall occur, then, provided that Buyer is not in default under this Agreement, Buyer may, at its option: (i) terminate this Agreement by written notice given to Sellers not more than ten (10) days after the occurrence of the Specified Event (without either party being subject to a claim by the other for liquidated damages or any other claims for damages), or (ii) waive any default or breach with respect to the loss or damage and receive a \$250,000 credit at Closing (unless a waiver with respect thereto has been given by, and the credit is applied to, CBI, in which case no credit shall be given to Buyer hereunder). In the event of termination of this Agreement by Buyer pursuant to this Section 4.3, the parties shall be released and discharged from any further obligation hereunder (without being subject to a claim by Sellers for liquidated damages or any other claims for damages).

(c) If the parties are unable to agree upon the extent of any loss, forfeiture or damage, the cost to repair, replace or restore any lost, forfeited or damaged property, the adequacy of any repair, replacement, or restoration of any lost or damaged property, or any other non-legal matter arising under this Section 4.3, the disagreement shall be referred to a qualified consulting communications engineer mutually acceptable to Sellers and Buyer who is a member of the Association of Federal Communications Consulting Engineers, whose decision on all non-legal issues shall be final, binding upon and non-appealable by the parties, and whose fees and expenses shall be paid one-half by Sellers and one-half by Buyer;

provided, however, that the consulting communications engineer shall not resolve any issues relating to the interpretation of this Agreement or any other legal issues.

4.4 **Written Consents and Certain Other Documents**. Prior to the Closing Date, Sellers shall diligently proceed to use their commercially reasonable efforts to obtain all Full Power Authorizations and other Consents necessary for Sellers to consummate the transactions contemplated by this Agreement, including, without limitation, the Consents of the parties to the Assumed Contracts where required. If requested by Sellers, Buyer shall (a) cooperate with Sellers in their efforts to obtain such Authorizations and Consents, and (b) execute and deliver to the applicable third party and Sellers an assumption agreement with respect to Sellers' obligations and liabilities under each Assumed Contract to commence as of the Effective Time.

4.5. **Notifications**.

(a) Pending the Closing Date, Sellers and Buyer promptly shall notify each other in writing of any developments, except for matters affecting the television broadcasting industry generally, which singly or in concert with others are materially adverse to the ability of such notifying Party to consummate the transactions contemplated hereby and of any notice or other communication received from any Governmental Authority relating to the transactions contemplated by this Agreement.

(b) Sellers covenant and agree to give the appropriate party any advance notice required in connection with the assignment of the Assumed Contracts to Buyer.

4.6 **Control of the Full Power Stations**. Prior to Closing, Buyer shall not, directly or indirectly, control, supervise, direct, or attempt to control, supervise, or direct the operations of any of the Full Power Stations in contravention of the Communications Laws; all such operations, including control and supervision of all of the Full Power Stations' programs, Sellers' employees, finances and policies, shall be the responsibility of Sellers until the Closing.

4.7 **No Changes**. From and after the date hereof until the Closing Date, Sellers shall:

(a) (i) maintain in full force and effect the Full Power FCC Licenses and all other Full Power Authorizations required to carry on the operations of the Full Power Stations, including by not (A) entering into an agreement or arrangement alienating, relinquishing, surrendering or otherwise transferring the right to use all or a material portion of the spectrum associated with any Full Power Station's Full Power FCC License or (B) making a binding commitment to subject any Full Power FCC License, or any portion of the spectrum associated therewith, to any spectrum auction conducted by the FCC, (ii) take any actions and make any filings necessary before the FCC to preserve the Full Power FCC Licenses' effectiveness, including promptly filing renewal applications, timely filing required FCC reports, and timely paying annual regulatory fees, (iii) deliver to Buyer, within ten (10) Business Days after filing, copies of any reports, applications or responses to the FCC

related to the Full Power Stations which are filed during such period and which Buyer may request, and (iv) notify Buyer of any material proceeding or matter pending before the FCC other than proceedings affecting the television broadcasting business generally;

(b) operate the Full Power Stations in all material respects in the ordinary course of business and consistent with past practice, including, without limitation, paying when due all obligations arising under the Assumed Contracts or any other agreements or commitments relating to the Full Power Stations which accrued prior to the Closing Date, except where such conduct would conflict with the covenants in this Section 4.7 or with Sellers' other obligations under this Agreement;

(c) not dissolve, liquidate, or merge or consolidate with another Person, nor sell, assign, lease, mortgage, pledge, or otherwise transfer, or dispose of any of the Purchased Assets, or create, assume, or permit to exist any Lien upon any of the Purchased Assets, except for (i) Liens in favor of Buyer, Permitted Encumbrances or Liens which will be removed at or before Closing; (ii) immaterial items of Purchased Tangible Personal Property which are sold or otherwise disposed of in the ordinary and regular course of the operation of the Full Power Stations, and (iii) transactions engaged in with Buyer's prior written consent;

(d) not, except with Buyer's prior written consent, which consent shall not be unreasonably withheld, enter into, renew, amend, extend, modify or become obligated under any Contract with respect to a Full Power Station, except, in the case of Contracts for personal property or services, those entered into the ordinary and regular course of the operation of the Full Power Stations, consistent with past and present practices and this Agreement;

(e) maintain in full force and effect insurance policies in respect of the Full Power Stations in accordance with Sellers' normal and customary business practices;

(f) use commercially reasonable efforts to maintain and preserve the current operations of the Full Power Stations and, consistent with the ordinary course of business, the goodwill of, and the present relationships with suppliers, advertisers, and others having business relations with the Full Power Stations;

(g) use its commercially reasonable efforts to maintain all of the Purchased Assets (except for such Purchased Assets disposed of in accordance with the terms hereof) or replacements thereof (to the extent required pursuant to this Agreement) and improvements thereon in their current condition (ordinary wear and tear excepted) in the usual and customary manner, and in compliance with the Communications Laws, and use, operate, and maintain all of the Purchased Assets in a reasonable manner, with inventories of spare parts and expendable supplies being maintained at levels reasonably consistent with past practices;

(h) maintain its books and records, including the record keeping, public inspection file and political file, and reporting requirements imposed by the FCC, in accordance with past practices and in material compliance with the Communications Laws;

(i) make, by the Closing Date, all payments under the Assumed Contracts that are due to be paid by Sellers on or before the Closing Date, and, consistent with past practice, take all action reasonably necessary to preserve in full force and effect the existing rights of Sellers under the Assumed Contracts;

(j) prior to the Closing Date, deliver to Buyer a list of any Contracts relating to the Full Power Stations entered into by Sellers between the date hereof and the Closing Date of the type required to be listed in Schedule 2.8 hereto, together with copies of such Contracts;

(k) own, operate and control the Full Power Stations in compliance with all Laws, including the Communication Laws, and the Full Power FCC Licenses, and file and prosecute any FCC reports, notices and applications as required by the FCC in the ordinary course of business consistent with Sellers' past practice;

(l) not materially adversely modify any of the Full Power FCC Licenses, nor apply to the FCC for any license, construction permit, authorization or any modification thereto that would materially restrict any Full Power Station's operations;

(m) not enter into any arrangement or contract with any Affiliate or partner of Sellers, or any of any such partner's parents, spouse, descendants (whether natural, step or adopted) or other family member in respect of the Full Power Stations or the Purchased Assets, except in the ordinary and regular course of the operation of the Full Power Stations;

(n) not take any action, or omit to take any action, or enter into any agreement or contract which would, or could reasonably be expected to, prevent or interfere with the successful prosecution of the Assignment Applications or the consummation of the transactions contemplated by this Agreement or the CBI Asset Purchase Agreement, or which is or would be inconsistent with any Assignment Application or the consummation of the transactions contemplated by this Agreement or the CBI Asset Purchase Agreement;

(o) not agree or commit, whether in writing or otherwise, to take any of the actions specified in the foregoing clauses (a)-(n) of this Section 4.7.

4.8 **Exclusivity.** From the date hereof until the earliest of (a) the Closing Date or (b) the termination of this Agreement, Sellers shall not, and shall not permit any of its Affiliates or any partners, directors, officers or agents of the foregoing to, directly or indirectly, solicit, initiate or agree to any proposals for, or exchange information (including by way of furnishing information concerning Sellers or the Full Power Stations) or enter into any negotiations concerning, or respond in writing to any inquiries for, the acquisition of Sellers, the Full Power Stations, the Purchased Assets, the CBI Assets or any substantial part thereof. In addition, during such time period, Sellers shall notify Buyer of the identity of any Person that contacts Sellers regarding the acquisition of Sellers, the Full Power Stations, the Purchased Assets, the CBI Assets or any substantial part thereof, and the contents of any such proposals, inquiries or discussions.

4.9 **Confidentiality.** Except as necessary for the consummation of the transactions contemplated by this Agreement, and the CBI Asset Purchase Agreement and except as and to the extent required by Law, each party will keep confidential any information obtained from the other party in connection with the transactions specifically contemplated by this Agreement. If this Agreement is terminated, each party will return to any other party all information obtained by such party from the other party in connection with the transactions contemplated by this Agreement. Nothing shall be deemed to be confidential information that: (i) is already in such party's possession, provided that such information is not known by such party to be subject to another confidentiality agreement with or other obligation of secrecy to the other party hereto or another party; (ii) becomes generally available to the public other than as a result of a disclosure by such party or such party's officers, directors, stockholders, managers, members, employees, lenders, advisors, attorneys or accountants in breach of this Section 4.9; (iii) becomes available to such party on a nonconfidential basis from a source other than another party hereto or its advisors, provided that such source is not known by such party to be bound by a confidentiality agreement with or other obligation of secrecy to the other party hereto or another party; or (iv) is developed independently by either party without resort to the confidential information of the other party. Notwithstanding anything herein to the contrary, if the transactions contemplated in this Agreement are consummated then Buyer's obligations pursuant to this Section 4.9 shall terminate automatically on the Closing Date, but Sellers will continue to be bound hereby for a period of three (3) years from the Closing Date.

4.10. **Public Announcements.** Sellers and Buyer shall consult with each other before issuing any press releases or otherwise making any public statements with respect to this Agreement or the transactions contemplated herein and shall not issue any such press release or make any such public statement without the prior written consent of the other party, which shall not be unreasonably withheld; provided, however, that a party may, without the prior written consent of the other party, issue such press release or make such public statement as may be required by Law or any listing agreement with a national securities exchange.

4.11 **Bulk Sales Law.** Buyer hereby waives compliance by Sellers, in connection with the transactions contemplated hereby, with the provisions of any applicable bulk transfer laws; provided, however, that Sellers shall be liable for any liability arising from such non-compliance in accordance with Buyer's right to indemnification in accordance with Section 9.2 hereof.

4.12 **Protection From Interference.** Sellers shall take all actions reasonably necessary or appropriate to protect each Full Power Station from objectionable radio frequency interference from third parties, including the filing of any and all necessary notices, complaints and pleadings with the FCC to prevent or remedy such radio frequency interference.

4.13 **Actions With Respect to Full Power Stations.** Sellers covenant and agree that prior to or as of the time of Closing, Sellers shall have caused:

(a) The network affiliations set forth on Schedule 4.13 to be in place; and

(b) The Shared Services Agreement and Advertising Representation Agreement between Sainte and Raul Broadcasting of Eureka, Inc. or its affiliates to be modified so that KVIQ shall not be operated out of the studios housing the Chico Stations or the Eureka Stations.

ARTICLE V

CONDITIONS PRECEDENT TO THE OBLIGATION OF BUYER TO CLOSE

The obligation of Buyer hereunder to close the transactions herein contemplated is subject to the satisfaction or waiver by Buyer in its sole discretion of the following conditions at or prior to the Closing:

5.1 Conditions.

(a) All representations and warranties made by Sellers herein to Buyer that are not qualified by materiality, Knowledge or Material Adverse Effect shall be true and correct in all material respects and the representations and warranties made by Sellers herein to Buyer that are qualified by materiality, Knowledge or Material Adverse Effect shall be true and correct in all respects, in each case on and as of the Closing Date with the same effect as if such representations and warranties had been made by Sellers to Buyer on and as of the Closing Date, except for representations and warranties that speak as a specific date or time, which shall be true and correct as of such date or time;

(b) Sellers shall have performed and complied in all material respects with all agreements, covenants, and conditions herein required to be performed or complied with by Sellers on or prior to the Closing Date;

(c) Each of the Consents identified on Schedule 2.13 as being a Required Consent shall have been delivered to Buyer, with no change to the terms of the Assumed Contracts with respect to which such Consent shall have been obtained, unless Buyer shall have consented in writing to such change; provided that the Network Consent (as defined in Section 10.3) shall have been obtained in form and content reasonably acceptable to Buyer and shall be in effect or Buyer shall have entered into new station affiliation agreements with Fox Broadcasting Company upon terms and conditions acceptable to Buyer;

(d) All Material Assumed Contracts (as defined in Schedule 2.8), including Shared Contracts allocated to Buyer and designated as Material Assumed Contracts, shall be in full force and effect in accordance with their terms, and Sellers shall not have received any notice of termination or an intent to terminate any such Contracts;

(e) Sellers shall be the holder of the Full Power FCC Licenses and there shall not have been any modification with respect to such Full Power FCC Licenses to which Buyer has not consented;

(f) No proceeding shall be pending before the FCC, the effect of which would be to revoke, cancel, fail to renew, suspend, or materially adversely modify the Full Power FCC Licenses;

(g) The FCC Consent (i) shall have been granted, (ii) shall be in full force and effect, and (iii) unless waived by the Buyer, shall have become a Final Order. For the purpose of this Agreement, an action or order of the FCC granting the FCC's Consent shall be deemed to have become a "Final Order" when such action or order shall have been issued by the FCC in writing, setting forth the FCC Consent, and (x) so long as such action or order shall not have been reversed, stayed, enjoined, set aside, annulled or suspended, and (xi) so long as no protest, request for stay, reconsideration or review by the FCC on its own motion or by any third party, petition for FCC reconsideration or for rehearing, application for FCC review, or judicial appeal of such action or order shall be pending, when the period provided by law for initiating such protest, request for stay, reconsideration or review by the FCC on its own motion, petition for FCC reconsideration or for rehearing, application for FCC review, or judicial appeal of such action or order shall have expired;

(h) Sellers shall have taken, successfully, the actions set forth in Section 4.13.

(i) The Closing of the transactions contemplated by the CBI Asset Purchase Agreement shall have occurred concurrently with the Closing hereunder; and

(j) There shall have been no Material Adverse Effect.

5.2 **Challenges**. No action, proceeding or formal investigation by or before any Governmental Authority shall be pending or threatened which would reasonably be expected to prevent the consummation of the transactions contemplated by this Agreement.

5.3 **No Order**. No order, restraining order, writ, judgment, injunction, decree, stipulation, determination or award of any nature entered by or with any Governmental Authority shall enjoin, prevent, or prohibit the consummation of the transactions contemplated by this Agreement; and no action or proceeding by or before any Governmental Authority (other than an action or proceeding instituted or threatened by or on behalf of Buyer) shall have been instituted or threatened (and not subsequently dismissed, settled or otherwise terminated) that is reasonably likely to (a) restrain, prohibit or invalidate the transactions contemplated by this Agreement or (b) have a Material Adverse Effect.

5.4 **Closing Deliveries**. Sellers shall have delivered (or caused to be delivered) to Buyer the documents or items required to be delivered pursuant to Section 7.2(a) hereof.

ARTICLE VI

CONDITIONS PRECEDENT TO THE OBLIGATION OF SELLERS TO CLOSE

The obligation of Sellers hereunder to close the transactions herein contemplated is subject to the satisfaction or waiver by Sellers in their sole discretion of the following conditions at or prior to the Closing:

6.1 Conditions.

(a) All representations and warranties made by Buyer herein to Sellers that are not qualified by materiality, Knowledge or Material Adverse Effect shall be true and correct in all material respects and the representations and warranties made by Buyer herein to Sellers that are qualified by materiality, Knowledge or Material Adverse Effect shall be true and current in all respects, in each case on and as of the Closing Date, with the same effect as if such warranties and representations had been made by Buyer to Sellers on and as of the Closing Date, except for representations and warranties that speak as a specific date or time, which shall be true and correct as of such date or time;

(b) Buyer shall have performed and complied in all material respects with all agreements, covenants, and conditions herein required to be performed or complied with by Buyer on or prior to the Closing Date;

(c) Simultaneously with the Closing, Buyer shall make, all payments of monies and deliveries to Sellers required to be made pursuant to this Agreement including delivery of the Note and the other Loan Documents;

(d) The FCC Consent (i) shall have been granted and (ii) shall be in full force and effect and

(e) CBI shall have consummated the transactions contemplated by the CBI Asset Purchase Agreement concurrently with the Closing here under.

6.2 **Challenges.** No action, proceeding or formal investigation by or before any Governmental Authority shall be pending or threatened which would reasonably be expected to prevent the consummation of the transactions contemplated by this Agreement.

6.3 **No Order.** No order, restraining order, writ, judgment, injunction, decree, stipulation, determination or award of any nature entered by or with any Governmental Authority shall enjoin, prevent or prohibit the consummation of the transactions contemplated by this Agreement; and no action or proceeding by or before any Governmental Authority (other than an action or proceeding instituted or threatened by or on behalf of Buyer) shall have been instituted or threatened (and not subsequently dismissed, settled or otherwise terminated) that is reasonably likely to restrain, prohibit or invalidate the transactions contemplated by this Agreement.

6.4 **Closing Deliveries.** Buyer shall have delivered (or caused to be delivered) to Sellers the documents or items required to be delivered pursuant to Section 7.2(b) hereof.

ARTICLE VII

CLOSING AND CLOSING DELIVERIES

7.1 **Closing.** The term “**Closing**” as used herein shall refer to the actual conveyance, transfer, assignment, and delivery of the Purchased Assets to Buyer in exchange for the payment to Sellers by Buyer of the Purchase Price pursuant to Section 1.4 hereto and the assumption by Buyer of the Assumed Obligations pursuant to Section 1.5 hereto on the Closing Date, and shall be deemed effective as of 12:01 A.M., Eastern time, on the Closing Date (the “**Effective Time**”). The Closing shall take place at such place and hour as shall be mutually agreed upon by Buyer and Sellers, within seven (7) Business Days after the conditions set forth in Articles V and VI hereto have been satisfied or waived, or may be conducted by mail or courier delivery of documents executed in counterparts (such date referred to herein as the “**Closing Date**”).

7.2 **Closing Deliveries.**

(a) At the Closing, Sellers shall deliver (or cause to be delivered) to Buyer the following documents and instruments of conveyance and assignment, in each case reasonably satisfactory in form and substance to Buyer and its counsel and duly executed by Sellers or such other signatory as may be required by the nature of the document:

(i) duly executed bills of sale, certificates of title, endorsements, assignments, consents, waivers and other good and sufficient instruments of sale, conveyance, transfer and assignment sufficient to sell, convey, transfer and assign the Full Power Authorizations, the Purchased Tangible Personal Property, the Assumed Contracts and the other Purchased Assets to Buyer free and clear of any Liens (other than Permitted Encumbrances);

(ii) consents or resolutions of the directors, managers, shareholders, or partners of Sellers (or a committee thereof duly authorized), authorizing the execution, delivery and performance by Sellers of the transactions contemplated by this Agreement;

(iii) a certificate, dated as of the Closing Date, executed by an officer of each Seller certifying (A) that the representations and warranties of Sellers contained in this Agreement that are not qualified by materiality, Knowledge or Material Adverse Effect are true and correct in all material respects, and the representations and warranties of Sellers contained in this Agreement that are qualified by materiality, Knowledge or Material Adverse Effect are true and correct in all respects, in each case on and as of the Closing Date, except for representations and warranties that speak as of a specific date or time which shall be true and correct as of such date or time; and (B) that Sellers have,

in all material respects, performed all of their obligations and complied with all of their covenants set forth in this Agreement to be performed and complied with by them prior to or on the Closing Date;

(iv) a certificate from the appropriate governmental officials of the State of California as to the good standing of Sellers;

(v) the Required Consents listed in Schedule 2.13 hereto;

(vi) a certification signed by each Seller that it is not a “foreign person” as defined in Section 1445 of the Code; and

(vii) such other documents to be delivered by Sellers as are reasonably necessary to effectuate and document the transactions contemplated herein.

(b) At the Closing, Buyer shall deliver (or cause to be delivered) to Sellers the following documents and instruments of conveyance and assignment, in each case reasonably satisfactory in form and substance to Sellers and their counsel and duly executed by Buyer or such other signatory as may be required by the nature of the document:

(i) the Purchase Price, in accordance with Section 1.4;

(ii) an instrument or instruments of assumption of the Full Power Authorizations, the Assumed Contracts, and the Assumed Obligations to be assumed by Buyer pursuant to this Agreement;

(iii) a certificate, dated as of the Closing Date, executed by an officer of Buyer, certifying that (A) the representations and warranties of Buyer contained in this Agreement that are not qualified by Materiality, Knowledge or Material Adverse Effect are true and correct in all material respects and the representations and warranties of Sellers contained in this Agreement that are qualified by Materiality, Knowledge or Material Adverse Effect are true and correct in all respects, in each case on and as of the Closing Date, except for representations and warranties that speak as of specific date or time which shall be true and correct as of such date or time; and (B) Buyer has, in all material respects, performed all of its obligations and complied with all of its covenants set forth in this Agreement to be performed and complied with by it prior to or on the Closing Date;

(iv) certificates from the appropriate governmental officials of the State of Delaware as to the good standing of Buyer;

(v) consents or resolutions of the directors, members, managers, stockholders or partners of Buyer, (or a committee thereof duly authorized), authorizing the execution, delivery and performance by Buyer of the transactions contemplated by this Agreement;

(vi) the Loan Documents; and

(vii) such other documents to be delivered by Buyer hereunder as are reasonably necessary to effectuate and document the transactions contemplated herein.

ARTICLE VIII

RIGHTS OF BUYER AND SELLERS UPON TERMINATION OR BREACH

8.1 **Termination**. This Agreement may be terminated prior to Closing:

(a) by either Buyer or Sellers, if there shall have occurred a material breach of a representation or warranty of the non-terminating party contained herein, or a default in the performance by the non-terminating party of a covenant or obligation of such non-terminating party contained herein, and if such breach or default shall not have been cured within fifteen (15) days from and after the date upon which written notice thereof shall have been given to the non-terminating party by the terminating party; provided, however, that this Agreement may not be terminated pursuant to this Section 8.1(a) by a party then in breach of any of its representations or warranties contained herein, or in default of any of its covenants or obligations herein.

(b) by Buyer (i) pursuant to Section 4.3 of this Agreement;

(c) by either party (i) if the FCC denies the Assignment Applications and such denial becomes a Final Order, or (ii) in the event the CBI Asset Purchase Agreement is terminated or no closing takes place pursuant thereto;

(d) by mutual written agreement of Sellers and Buyer; or

(e) by either party if, other than as a result of the terminating party's failure to comply with or perform any of its covenants or obligations under this Agreement, the Closing has not occurred by twelve (12) months from the date hereof..

Termination shall be effective upon delivery of written notice by the terminating party to the non-terminating party indicating the termination provision claimed to provide a basis for termination of this Agreement.

8.2 **Effect of Termination**. No party shall have any recourse to the other party or any claim of damages or other remedy if this Agreement is terminated in accordance with Sections 8.1(b), (c), (d) or (e). If this Agreement is terminated pursuant to Section 8.1(a), except as otherwise provided in this Agreement, all further obligations and liabilities of the parties hereunder shall terminate.

8.3 **Attorneys' Fees and Costs**. If attorneys' fees or other costs are incurred to secure performance of any obligations hereunder, or to establish damages for the breach thereof or to obtain any other appropriate relief, whether by way of prosecution or defense,

the prevailing party will be entitled to recover reasonable attorneys' fees and costs incurred in connection therewith.

ARTICLE IX

INDEMNIFICATION

9.1 **Survival of Representations and Warranties.** All representations and warranties contained in this Agreement, or in any certificate, agreement, or other document or instrument, delivered pursuant hereto, shall survive (and not be affected in any respect by) the Closing for a period of eighteen (18) months, provided that the representations and warranties of Sellers (a) made in Section 2.2 (Authorization; Binding Obligation) and, to the extent it relates to title or ownership, Section 2.7 (Tangible Personal Property), or (b) that are fraudulent, shall survive indefinitely, and any Claims arising therefrom shall continue to be subject to this Article IX for such periods, as the case may be. All covenants, obligations and agreements contained in this Agreement, or in any certificate, agreement, or other document or instrument, delivered pursuant hereto, which are to be performed on or prior to Closing shall expire at the Closing, and all such covenants, obligations and agreements which are to be performed after the Closing shall survive the Closing, until the applicable statute of limitations therefor has expired with respect to any breach thereof or until such earlier date, if any, as may be specified in such covenants, obligations and agreements. Any right of indemnification or reimbursement pursuant to this Article IX with respect to a claimed breach, inaccuracy or non-fulfillment of any representation, warranty, covenant, agreement or obligation shall expire on the applicable date of termination of the representation, warranty, covenant, agreement or obligation claimed to be breached as set forth in this Section 9.1 (the "**Expiration Date**"), unless on or prior to the applicable Expiration Date, the Indemnifying Party (as defined below) has received written notice from the Indemnified Party (as defined below) of such breach, inaccuracy or non-fulfillment from the Indemnified Party, in which case the Indemnified Party may continue to pursue its right of indemnification or reimbursement hereunder beyond the Expiration Date of the applicable representation, warranty, covenant, agreement or obligation.

9.2 **Indemnification by Sellers.**

(a) Except as set forth in Schedule 9.2 hereto, from and after the Closing, Sellers shall indemnify, defend, and hold harmless Buyer and its Affiliates, any officer, director or member thereof, and their permitted assigns with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, obligations, liabilities, recoveries, deficiencies, and expenses (including interest, penalties and reasonable attorneys' fees) of every kind and description (individually or collectively, a "**Claim**") relating to or arising out of:

(i) the failure of any of Sellers' representations or warranties set forth in this Agreement to be true and correct on and as of the Closing Date (except for representations and warranties that speak as of a specific date or time, which must be true and correct only as of such date or time);

(ii) the non-fulfillment or breach of any covenants, obligations or agreements made by Sellers in this Agreement;

(iii) any Retained Liabilities;

(iv) any claim by any person or entity that any agent, broker, investment or commercial banker, person or firm acting on behalf of Sellers that it is entitled to any broker, finder, financial advisor fee or any other commission or similar fee directly or indirectly in connection with the transaction contemplated by this Agreement;

(v) fraud on the part of Sellers; and

(vi) the operation of the Full Power Stations prior to the Effective Time.

(b) Notwithstanding anything to the contrary contained in this Agreement, (i) Sellers shall not be obligated to pay an amount for indemnification under clause (i) of Section 9.2(a) unless and until the amount of all such Claims of Buyer Indemnified Parties exceeds \$25,000 in the aggregate (the “**Sellers Basket**”); in which event Buyer Indemnified Parties shall be entitled to indemnification for all such Claims including the amount of the Basket; provided, however, that the Basket shall not apply to Claims with respect to those representations and warranties contained in the first sentence of Section 2.2 (Authorization; Binding Obligation), Section 2.4 (Broker’s Fee), and, to the extent it relates to title or ownership, Section 2.7 (Tangible Personal Property), or with respect to Claims under clauses (ii)-(vi) of Section 9.2(a), and (ii) Seller shall not be obligated to pay an amount for indemnification under Section 9.2(a), in excess of (A) \$2,000,000, in the aggregate, with respect to Claims made by Buyer during the first nine (9) months following the Closing Date, and (B) \$1,000,000, in the aggregate, except in the case of fraud (in which case the \$2,000,000 limitation shall apply), with respect to Claims made by Buyer during the second nine (9) months following the Closing Date.

9.3 **Indemnification by Buyer.**

(a) Buyer shall indemnify, defend, and hold harmless Sellers and its Affiliates, any officer or director thereof, and their permitted assigns, with respect to any Claim of any kind and description relating to or arising out of:

(i) the failure of any of Buyer’s representations or warranties set forth in this Agreement to be true and correct on and as of the Closing Date;

(ii) the non-fulfillment or breach of any covenants, obligations or agreements made by Buyer in this Agreement;

(iii) any Assumed Obligation;

(iv) any Claim by any person or entity that any agent, broker, investment or commercial banker, person or firm acting on behalf of Buyer that it is entitled to any broker, finder, financial advisor fee or any other commission or similar fee directly or indirectly in connection with the transaction contemplated by this Agreement;

(v) fraud on the part of Buyer; or

(vi) the operation of the Full Power Stations after the Effective Time.

(b) Notwithstanding anything to the contrary contained in this Agreement, (i) Buyer shall not be obligated to pay an amount for indemnification under clause (i) of Section 9.3(a) unless and until the amount of all such Claims of Seller Indemnified Parties exceeds \$25,000 in the aggregate (“**Buyer’s Basket**”); in which event Seller Indemnified Parties shall be entitled to indemnification for all such Claims including the amount of the Buyer’s Basket; provided, however, that the Buyer’s Basket shall not apply to Claims with respect to those representations and warranties contained in the first sentence of Section 3.2 (Authorization; Binding Obligation) or Section 3.7 (Broker’s Fee), or with respect to Claims under clauses (ii) – (vi) of Section 9.3(a), and (ii) Buyer shall not be obligated to pay an amount for indemnification under Section 9.3(a) in excess of (A) \$2,000,000 in the aggregate with respect to Claims made by Sellers during the first nine (9) months following the Closing Date, and (B) \$1,000,000, in the aggregate, except in the case of fraud (in which case the \$2,000,000 limitation shall apply), with respect to Claims made by Sellers during the second nine (9) months following the Closing Date; provided, however, that the foregoing limitations shall not apply to Buyer’s obligation to pay the Purchase Price.

9.4 **Indemnification Procedure.** For purposes of administering the indemnification provisions set forth in this Article IX, the following procedure shall apply:

(a) Whenever a Claim shall arise under this Article IX, the party entitled to indemnification (the “**Indemnified Party**”) shall promptly and in no event later than ten (10) days after becoming aware of such a Claim, give written notice to the party from whom indemnification is sought (the “**Indemnifying Party**”) setting forth in reasonable detail, to the extent then available, the facts concerning the nature of such Claim and the basis upon which the Indemnified Party believes that it is entitled to indemnification hereunder, provided that the Indemnified Party’s failure to do so shall not preclude it from seeking indemnification hereunder unless such failure has materially prejudiced the Indemnifying Party’s ability to defend such Claim.

(b) In the event of any Claim hereunder resulting from or in connection with any Claim brought by a third party, the Indemnifying Party shall be entitled, at its sole expense, either:

(i) to participate therein, or

(ii) to assume the entire defense thereof with counsel who is selected by it and who is reasonably satisfactory to the Indemnified Party provided that:

(A) the Indemnifying Party agrees in writing that it does not and will not contest its responsibility for indemnifying the Indemnified Party in respect of such Claim, and

(B) no settlement shall be made without the prior written consent of the Indemnified Party which shall not be unreasonably withheld (except that no such consent shall be required if the claimant is entitled under the settlement to only monetary damages to be paid solely by the Indemnifying Party). After notice from the Indemnifying Party to the Indemnified Party of its election to assume the defense of such Claim, the Indemnifying Party shall not be liable to the Indemnified Party under this Article IX for any legal or other expenses subsequently incurred by the Indemnified Party in connection with the defense thereof. If, however, (1) the Claim would, if successful, result in the imposition of damages for which the Indemnifying Party would not be solely responsible hereunder, or (2) representation of both parties by the same counsel would otherwise be inappropriate due to actual or potential conflicts of interest between them, then the Indemnifying Party shall not be entitled to assume the entire defense and each party shall be entitled to retain counsel (in the case of Clause (A) of this sentence, at their own expense) who shall cooperate with one another in defending against such Claim.

(c) If the Indemnifying Party does not choose to defend against a Claim by a third party, the Indemnified Party may defend against such Claim in such manner as it deems appropriate or settle such Claim (after giving notice thereof to the Indemnifying Party) on such terms as the Indemnified Party may deem appropriate, and the Indemnified Party shall be entitled to periodic reimbursement of expenses incurred in connection therewith and prompt indemnification from the Indemnifying Party, including reasonable attorneys' fees, in accordance with this Article IX.

(d) The Indemnifying Party will not, without the Indemnified Party's written consent, settle or compromise any Claim or consent to any entry of judgment which does not include, as an unconditional term thereof, the giving by the claimant to the Indemnified Party of a release from all liability with respect to such Claim.

(e) In any event, the Indemnifying Party and the Indemnified Party shall cooperate in the defense of any Claim subject to this Section 9.4 and the records of each shall be available to the other with respect to such defense (except to the extent counsel of a party advises non-disclosure is reasonably necessary to preserve the attorney-client privilege or similar doctrine, including the work-product doctrine). The Indemnified Party and the Indemnifying Party shall each render to each other such assistance as may reasonably be requested in order to ensure the proper and adequate defense of any such Claim.

9.5 **Limitation on Indemnification Obligations.** Claims for which indemnification may be obtained under Section 9.2 or 9.3 shall be limited to the extent of the actual loss or damage suffered by the Indemnified Parties. No Indemnified Party shall be

entitled to recover from an Indemnifying Party any punitive damages, nor any damages calculated using a “multiplier” or any other method having a similar effect, except to the extent that a third party has claimed such damages against such Indemnified Party.

9.6 **Indemnification is Exclusive Remedy.** Following the Closing, Buyer and Sellers (i) agree that a Claim for indemnification pursuant to this Article IX shall be the sole and exclusive remedy which Buyer and Sellers shall have against each other under or with respect to this Agreement or the transactions contemplated by this Agreement, whether for breach or misrepresentation of any representation, warranty, covenant, obligation, agreement or condition or otherwise, and (ii) waive any and all other rights and remedies at law or in equity; provided, however, that a party shall have the right to seek equitable relief as may be required to enforce the covenants set forth in Sections 4.1, 4.7, 4.8, 4.9 and 4.10.

ARTICLE X

MISCELLANEOUS

10.1 **Respective Costs.** Except as otherwise specifically provided herein, Buyer on the one hand, and Sellers on the other, will each pay its own costs and expenses (including attorneys’ fees, accountants’ fees, and other professional fees and expenses) in connection with the negotiation, preparation, execution, delivery, and performance of this Agreement and the consummation of the purchase and sale of the Purchased Assets and the other transactions contemplated by this Agreement.

10.2 **Rules of Interpretation.** The following rules of interpretation shall apply to this Agreement:

(a) the defined terms in this Agreement shall apply equally to both the singular and plural forms of the terms defined;

(b) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms;

(c) the words “include,” “includes,” and “including” shall be deemed to be followed by the phrase “without limitation,” and any list or series following any such term(s) is (i) not exhaustive and (ii) not meant to be limited to elements or items of the same or similar kind;

(d) all references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules, to this Agreement unless the context shall otherwise require;

(e) all references to “herein,” “hereof,” “hereunder,” and words of similar import shall refer to this Agreement as a whole rather than specific sections hereof unless the context shall otherwise require;

(f) the word “or” is not exclusive;

(g) a reference to any law includes any amendment or modification of such law and all regulations, rulings, and other laws promulgated thereunder and any reference to the laws of any jurisdiction shall be deemed to include a reference to the analogous laws, if any, of another relevant jurisdiction;

(h) a reference to a person or entity includes its agents, successors and permitted assigns;

(i) a collective reference to a group of persons or entities shall be deemed also to be a reference to each person or entity contained in such group in each such person’s or entity’s individual capacity, unless stated otherwise, and, without limiting the generality of the foregoing, the term “Seller” and “Sellers” shall include and mean, as applicable, the applicable Seller or Sellers individually and not just collectively or as a group;

(j) references to any document, instrument, or agreement (i) shall include all exhibits, schedules, and other attachments thereto, which shall be deemed incorporated by reference in such document, instrument, or agreement, (ii) shall include all documents, instruments, or agreements issued or executed in replacement thereof, and (iii) shall mean such document, instrument, or agreement, or replacement thereof, as amended, modified, and supplemented from time to time and in effect at any given time; and

(k) this Agreement is the result of arm’s length negotiations among, and has been reviewed by, each party hereto and its respective counsel. Accordingly, this Agreement shall be deemed to be the product of the parties thereto, and no ambiguity shall be construed in favor of or against any party.

10.3 **Certain Definitions**

(a) **“Affiliate”** means, with respect to any Person, (a) any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such Person, or (b) an officer or director of such Person or of an Affiliate of such.

(b) **“Business Days”** means any day that is not a Saturday, Sunday or other day on which books are required or authorized by law to be closed (or actually closed) in the City of New York.

(c) **“Contracts”** means all contracts, consulting agreements, employment agreements, non-governmental licenses and other agreements, commitments or instruments (including leases, subleases and licenses of personal or real property), written or oral (including any amendments and other modifications thereto) to which Sellers are a party or that are binding upon Sellers, that relate to the Full Power Stations or affect the Purchased Assets, and that are in effect on the date of this Agreement.

(d) **“Governmental Authority”** shall mean any government, any governmental entity, department, commission, board, agency or instrumentality and any court, tribunal or judicial or arbitral body, whether state or local, but not federal.

(e) **“Knowledge”** or any derivative thereof with respect to a particular fact or other matter means (a) actual knowledge of the particular fact or matter, as opposed to implied or constructive knowledge thereof, and (b) a fact or matter of which an individual should been aware in the conduct of such individual’s duties. As applied to Sellers, it means the Knowledge of Robert Castro, Chief Executive Officer of Sellers.

(f) **“Law”** means any federal, state, local, municipal, foreign, international, multi-national, self-regulatory organization, or other administrative order, processes, constitution, law, decree, ordinance, principle of common law, rule, regulation, statute, treaty, by-laws or the like.

(g) **“Lien”** shall mean any mortgage, deed of trust, pledge, hypothecation, security interest, encumbrance, conditional sales agreements, claim, charge, or other lien of any kind, whether voluntarily incurred or arising by operation of law or otherwise, affecting any assets or property.

(h) **“Material Adverse Effect”** means a material adverse effect on the business, assets, liabilities, operations, financial condition or prospects of the Full Power Stations taken as a whole; provided, however, that it shall not include any effect to the extent arising out of or resulting from changes affecting the television broadcasting industry generally.

(i) **“Network Consent”** means shall mean the Consent necessary to assign a network affiliation agreement, and any amendments, extensions or supplemental agreements pertaining thereto, to Buyer. Without limiting the generality of the foregoing, the Network Consent shall include those Consents necessary (1) to allow Buyer, throughout the term of the Fox affiliation agreements to enter into the Services Agreements contemplated by this Agreement without triggering a termination right by the network, and (2) to prohibit Fox from terminating the network affiliation agreement, subsequent to the assignment thereof, based on such assignment.

(j) **“Permitted Encumbrances”** means (a) encumbrances of a landlord, or other statutory lien not yet due and payable, or a landlord’s liens arising in the ordinary course of business, (b) encumbrances arising in connection with equipment or maintenance financing or leasing under the terms of the Contracts set forth on the Schedules, which Contracts have been delivered to Buyer, (c) encumbrances for Taxes not yet delinquent or which are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on Seller’s books in accordance with generally accepted accounting principles, or (d) encumbrances that do not materially detract from the value of any of the Purchased Assets or materially interfere with the use thereof as currently used.

(k) “**Person**” means an individual, corporation, association, partnership, limited partnership, joint venture, trust, estate, limited liability company, limited liability partnership, or other entity or organization.

(l) “**Services Agreements**” means a Joint Sales Agreement, Shared Services Agreement, Option Agreement and related agreements, to be effective on or after the Closing Date, between Buyer and CBI with respect to each of the Full Power Stations.

10.4 **Entire Understanding**. This Agreement, including the Schedules and Exhibits hereto, and the Loan Documents contain the entire understanding among the parties hereto with respect to the transactions contemplated herein and therein, and supersede all negotiations, representations, warranties, commitments, offers, letters of intent, contracts, agreements, understandings, and writings not set forth herein or therein. No waiver and no modification or amendment of any provision of this Agreement shall be effective, unless specifically made in writing and duly signed by all parties hereto. 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 party’s ability to rely upon the representations, warranties, covenants, and other provisions of this Agreement shall be limited by any information or document provided to or obtained by such party, unless specifically set forth in a writing duly signed by all parties hereto.

10.5 **Further Assurances**. From time to time after Closing, Sellers shall, if reasonably requested by Buyer, make, execute and deliver to Buyer such additional assignments, bills of sale, deeds and other instruments of transfer, as may be necessary or proper to transfer to Buyer all of Sellers’ right, title, and interest in and to the Purchased Assets.

10.6 **Headings**. The Article and Section headings contained herein are for convenience and for reference purposes only, and shall not in any way affect the meaning or interpretation of this Agreement.

10.7 **Counterparts**. This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one (1) and the same instrument. Any such counterpart signature page may be delivered by electronic means or facsimile and shall become binding on the delivering party upon receipt by the other party.

10.8 **Choice of Law**. This Agreement shall be governed by, and shall be construed in accordance with, the internal laws of the State of New York governing contracts made and to be performed entirely within such State, without reference to any choice-of-law principles of the laws of such State. If any provision herein shall be held to be invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative or administrative action, such holding or action shall be strictly construed and shall not affect the validity or the enforceability of any other provision herein.

10.9 **Benefit and Binding Effect; Assignment.** This Agreement shall be binding upon, and shall inure to the benefit of, the successors and permitted assigns of the parties hereto. Except as otherwise provided for in this Agreement, no party may assign or transfer, by operation of law or otherwise, any of its rights, interests or obligations under this Agreement without the prior written consent of the other party hereto. Any attempted assignment in violation of this Section 10.9 shall be null and void. No assignment or other transfer permitted by this Section 10.9 shall operate as a release of the assignor's obligations or liabilities hereunder, and the assignor shall remain liable hereunder notwithstanding such assignment or other transfer. In the event of any assignment or other transfer permitted by this Section 10.9, an instrument of assignment shall be executed by the assignee and shall expressly state that the assignee assumes all of the applicable obligations and liabilities of the assignor contained herein.

10.10 **Notices.**

(a) All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be delivered in person or sent by overnight private commercial delivery service or by certified or registered United States mail, postage prepaid, or by facsimile, and addressed as follows:

To Buyer:

Esteem Broadcasting LLC
13865 E. Elliot Drive
Marshall, IL 62441
Attn: David Baily
Telephone: (217) 826-6095
Facsimile: N/A

With a required copy (which shall not constitute notice) to:

Breslow & Walker, LLP
100 Jericho Quadrangle, Suite 230
Jericho, NY 11753
Attn: Sheldon Greenblatt
Telephone: (516) 822-6505
Facsimile: (516) 822-6544

and with a required copy (which shall not constitute notice) to:

Drinker Biddle & Reath LLP
1500 K Street, NW -- Suite 1100
Washington, DC 20005
Attn: Howard M. Liberman
Telephone: (202) 842-8876
Facsimile: (202) 842-8465

To Sellers:

Sainte Partners II, L.P. or Sainte Sepulveda, Inc.
PO Box 4159
Modesto, CA 95352
Attn: Rob Castro
Telephone: (530) 893-1234
Facsimile: (209) 523-0839

With a required copy (which shall not constitute notice) to:

Edinger Associates PLLC
International Square
1875 I Street, NW
Suite 500
Washington, DC 20006
Attn: J. Ladd Johnson
Telephone: (202) 747-1695
Facsimile: (202) 747-1691

All notices and other communications required or permitted under this Agreement which are addressed as provided in this Section 10.10, shall be effective upon such delivery.

(b) Either party may from time to time change its address for the purpose of the giving of notices to that party, by giving to the other party a notice specifying a new address in compliance with the provisions of this Section 10.10.

10.11 **No Third-Party Beneficiaries.** This Agreement shall not confer any rights or remedies upon any Person other than the parties hereto and their respective successors and permitted assigns, other than any person or entity entitled to indemnity under Article IX.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized officers of Buyer and Sellers as of the date first written above.

SELLERS:
SAINTE PARTNERS II, L.P.

By: 
Name: ROB CASTRO
Title: CEO

SAINTE SEPULVEDA, INC.

By: 
Name: ROB CASTRO
Title: CEO

BUYER:
**ESTEEM BROADCASTING OF
CALIFORNIA LLC**

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized officers of Buyer and Sellers as of the date first written above.

SELLERS:

SAINTE PARTNERS II, L.P.

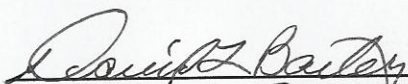
By: _____
Name: _____
Title: _____

SAINTE SEPULVEDA, INC.

By: _____
Name: _____
Title: _____

BUYER:

**ESTEEM BROADCASTING OF
CALIFORNIA LLC**

By: 
Name: DAVID L. BAILOV
Title: PRESIDENT

Schedule 1.1(a)
Full Power Authorizations

1.1(a)(i): Full Power FCC Licenses

<u>Station</u>	<u>License</u>	<u>Construction Permit/STA</u>	<u>Applications</u>	<u>Auxiliary Licenses</u>
KBVU(DT), Redding, CA	BLCDT- 20061215ACE	None	None	WMU283, WMU284, WMU285, WMU286, WMU288, WMU289, WMU290, WMU291, WPTH686, WPTH687, WPTN556, WPTN557, WPTY530, WPTY531, WPTY532, WPUV506, WQKA500
KCVU(DT), Paradise, CA	BLCDT- 20081222AAV	None	None	WLJ911, WLJ915, WLJ923, WMU287, WMU292, WMU293, WPOP467, WPOP468, WPOR985, WPTL248, WPUW363, WPXS216, WPKY369

1.1(a)(ii): None

* * * * *