

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT (this "Agreement") dated as of February 4, 2008, between Mako Communications, LLC, a Texas Limited Liability Company ("Buyer"), and The Lake County Television Club (the "Seller").

R E C I T A L S:

WHEREAS, Seller holds certain licenses, permits and authorizations issued by the Federal Communications Commission (the "Commission") for the operation of commercial low power television Stations K56AW in Lakeport, California on channel 56 (facility ID# 65789) and K64AZ in Lakeport, California on channel 64 (facility ID # 65782) (the "Stations"), and owns certain assets used in the operation and maintenance of the Stations, as more particularly described in this Agreement;

WHEREAS, Seller desires to assign such licenses, permits and authorizations to Buyer and sell such assets to Buyer, and Buyer desires to acquire such licenses and assets, upon the terms and subject to the conditions herein set forth;

WHEREAS, the assignment of such licenses, permits and authorizations of the Stations is subject to the prior approval of the Commission; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, Seller and Buyer agree as follows:

ARTICLE 1 TERMS OF THE TRANSACTION

1.1 Assets to be Transferred. At the Closing, and on the terms and subject to the conditions set forth in this Agreement, Seller shall sell, assign, transfer, deliver and convey (collectively, "transfer"), or cause to be transferred, to Buyer, and Buyer shall purchase from Seller, all of the following assets and properties of Seller existing on the Closing Date:

(1) Commission Authorizations. All licenses, permits and authorizations issued or granted by the Commission for the operation of or used in connection with the operation of the Stations, and all applications filed with the Commission (collectively, the "Commission Authorizations").

(2) Tower Lease. The current Tower Lease shall remain in the name of the Seller till its expiration on the last day of May 2008. Seller represents that the Tower Lease is paid in full through the last day of May 2008. As of June 1, 2008, responsibility for a new negotiating a new tower lease and finding a location from which the Stations can broadcast shall become the responsibility of the Buyer.

(3) Transmitting Equipment. Seller shall allow Buyer the full use of Stations'

transmitting equipment, specifically, transmitters, antenna feed line, and antennae associated with the Stations for a period of six months from the Closing Date. Full consideration for use of this equipment is included in the Purchase Price.

All the assets and properties being transferred to Buyer pursuant to this Agreement are collectively referred to herein as the "Assets".

1.2 Purchase Price and Payment

(1) In consideration of the transfer by Seller to Buyer of the Assets, Buyer shall pay to Seller the aggregate purchase price of \$42,500 (the "Purchase Price"). The Purchase Price shall be paid to Seller as follows:

(1) Contemporaneously with the execution and delivery of this Agreement, Buyer shall deliver to Seller, a check in the amount of \$4,250 (the "Deposit"); and

(2) Buyer shall pay to Seller at the Closing the aggregate amount of \$38,250.

(2) If this Agreement is terminated by Seller in accordance with Section 9.1(3), Seller shall be entitled to receive the Deposit.

(3) If the transactions contemplated hereby are not consummated and Seller shall not be entitled to receive the Deposit pursuant to Section 9.1(4) or Section 9.1(5), Buyer shall be entitled to an immediate return of the Deposit.

1.3 Liabilities Assumed by Buyer. As further consideration for the transfer of the Assets to Buyer, Buyer agrees, upon the terms and subject to the conditions set forth herein, to assume, at the Closing, and thereafter to pay, perform and discharge, the following liabilities and obligations of Seller (but only such liabilities and obligations and no others):

(1) all obligations of Seller accruing from and after the Closing Date under the Commission Authorizations ("Assumed Liabilities").

ARTICLE 2 CLOSING

2.1 Closing; Closing Date. The closing of the transactions contemplated hereby (the "Closing") shall take place (i) at the offices of Buyer at 518 Peoples Street, Corpus Christi, Texas, 78401, on the tenth business day following the Commission approval of the application for consent to assign the Stations from Seller to Buyer, or (ii) at such other time or place or on such other date as the parties hereto shall agree. The date on which the Closing is required to take place is herein referred to as the "Closing Date".

At the Closing, subject to the satisfaction or waiver of the conditions to its obligations set forth in this Agreement, each of the parties hereto shall make the following deliveries or such

deliveries in substitution as are satisfactory to the indicated recipient:

2.2 Deliveries by Seller.

(1) Seller shall deliver to Buyer a General Conveyance, Bill of Sale and Assignment and Assumption Agreement substantially in the form of Exhibit A (the "Bill of Sale"), and other instruments in form and substance reasonably satisfactory to Buyer and sufficient to transfer to Buyer and effectively vest in Buyer all right, title, and interest of Seller in and to the Stations and good and indefeasible title to the Assets.

(2) Seller shall deliver possession of the Assets to Buyer.

2.3 Deliveries by Buyer.

(1) Buyer shall deliver to Seller the Purchase Price

(2) Buyer shall deliver to Seller the Bill of Sale.

ARTICLE 3 WARRANTIES OF SELLER

Seller represents and warrants to Buyer that:

3.1 Authority Relative to this Agreement. Seller has full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby.

3.2 Exclusive Operation of Stations. Seller holds an authorized license for the Stations, which license was issued by the Commission.

3.3 Title to Assets. Seller is the owner of, and has good and indefeasible title to, all the Assets, free and clear of all encumbrances. Upon Seller's transfer of the Assets to Buyer pursuant to this Agreement, Buyer will have good and indefeasible title to all the Assets, free and clear of all encumbrances.

3.4 Legal Proceedings. There are no legal or regulatory proceedings pending or, to the best knowledge of Seller, threatened against or involving Seller relating to the Assets or the operation of the Stations.

3.5 Required Programming. On the Closing Date, Seller will be under no obligation to carry any third party programming. Furthermore, the Stations or the Assets are not the subject of any contractual obligation other than this Agreement or the Tower Lease.

ARTICLE 4 WARRANTIES OF BUYER

Buyer represents and warrants to Seller that:

4.1 Authority Relative to this Agreement. Buyer has full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby. Buyer has duly authorized the execution and delivery of this Agreement and the performance by Buyer of the acts and transactions contemplated hereby. This Agreement constitutes a legal, valid, and binding obligation of Buyer enforceable in accordance with its term.

4.2 Qualifications. Buyer knows of no reason related to its qualifications that would disqualify it from acquiring the Commission Authorizations from Seller.

4.3 Financial Qualifications. Buyer has the financial resources necessary to consummate the purchase contemplated by this Agreement.

ARTICLE 5 CONDUCT OF BUSINESS

5.1 Conduct and Preservation of Business. Except as expressly provided in this Agreement, during the period from the date hereof to the Closing, Seller (i) shall operate and maintain the Stations in accordance with sound engineering practices and in the ordinary course of business and in compliance with all laws (including without limitation the rules, regulations and practices of the Commission) consistent with present operations; and (ii) shall use its Best Efforts to preserve, maintain and protect the Assets..

5.2 Restrictions on Certain Actions. Without limiting the generality of the foregoing, and except as otherwise expressly provided in this Agreement, prior to the Closing, Seller shall not, without the prior written consent of Buyer:

- (1) incur, guarantee or assume any indebtedness for borrowed money in respect of the Stations or the Assets;
- (2) mortgage or pledge any of the Assets or create or suffer to exist any encumbrance;
- (3) directly or indirectly solicit, encourage, or engage in any offers or inquiries by third parties to make Seller enter into any transaction which would be inconsistent with this Agreement;
- (4) sell, lease, transfer or otherwise dispose of, directly or indirectly, any of the Assets without replacing those Assets;
- (5) amend, modify or change any existing lease, contract, permit or agreement relating to the Stations or the Assets;

ARTICLE 6 ADDITIONAL AGREEMENTS

6.1 Best Efforts. Each party hereto agrees that it will not voluntarily undertake any course of action inconsistent with the provisions or intent of this Agreement and will use its best efforts to take, or cause to be taken, all action and to do, or cause to be done, all things reasonably necessary,

proper or advisable under Applicable Laws to consummate the transactions contemplated by this Agreement.

6.2 Commission Consent.

(1) **Commission Consent.** Consummation of the purchase and sale provided for herein and the performance of the obligations of Seller and Buyer under this Agreement are subject to the condition that the Commission shall have given its consent in writing, without any condition other than in the ordinary course that is materially adverse to Buyer or Seller, to the assignment of the Commission Authorizations to Buyer.

(2) **Application for Commission Consent.** Seller and Buyer agree to proceed expeditiously and with due diligence and to use their Best Efforts and to cooperate with each other in seeking the Commission's approval of the transactions contemplated hereunder through the preparation, filing and prosecution of an appropriate application to assign the Commission Authorizations from Seller to Buyer (the "Assignment Application"). Within five (5) days after the date of this Agreement, each party shall have prepared its portion of the Assignment Application and all information, data, exhibits, resolutions, statements and other materials necessary and proper in connection with such Assignment Application, and Seller shall file it with the Commission. Each party further agrees expeditiously to prepare Application amendments, respond to oral or written inquiries and answer pleadings whenever such documents are required by the Commission or its rules.

6.3 Fees and Expenses. Except as otherwise expressly provided in this Agreement, all fees and expenses, including fees and expenses of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such fee or expense, whether or not the Closing shall have occurred. Seller shall pay the filing fee required by the Commission when applying for consent to assign the license for the Stations.

ARTICLE 7 CONDITIONS TO OBLIGATIONS OF SELLER

The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment on or prior to the Closing Date of each of the following conditions:

7.1 Representations and Warranties True. All the representations and warranties of Buyer contained in this Agreement shall be true and correct.

7.2 Payment of Purchase Price. Buyer shall have paid the Purchase Price.

7.3 Closing Documents. Buyer shall have executed and delivered to Seller its closing documents.

ARTICLE 8 CONDITIONS TO OBLIGATIONS OF BUYER

The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment on or prior to the Closing Date of each of the following conditions:

8.1 Representations and Warranties True. All the representations and warranties of Seller contained in this Agreement shall be true and correct on and as of the Closing Date.

8.2 Covenants and Agreements Performed. Seller shall have performed and complied with in all material respects all covenants and agreements required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

8.3 Consents. All consents, approvals, orders, authorizations, and waivers of, and all declarations, filings and registrations with, third parties (including Governmental Entities) required to be obtained or made by or on the part of the parties hereto or otherwise reasonably necessary for the consummation of the transactions contemplated hereby shall have been obtained or made, and all thereof shall be in full force and effect at the time of Closing, including, without limitation, consent to assignment of the Tower Lease.

8.4 Closing Documents. Seller shall have executed and delivered to Buyer the Bill of Sale and other closing documents, including executed copies of all consents and approvals of third parties required to be obtained by or on the part of Seller for the consummation of the transactions contemplated hereby.

ARTICLE 9 TERMINATION

9.1 Termination. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing in the following manner:

- (1) by mutual written consent of Seller and Buyer; or
- (2) by the Commission's Final Order denying consent to assign license for Stations to Buyer, unless such denial occurs as a result of a breach of this Agreement by the party seeking to terminate this Agreement; or
- (3) by Seller, if (i) any of the representations and warranties of Buyer contained in this Agreement shall not be true and correct in any material respect, when made or at any time prior to the Closing as if made at and as of such time, in any respect which is material to Buyer or the ability of Buyer to consummate the transactions contemplated hereby, or (ii) Buyer shall have failed to fulfill in any material respect any of its material obligations under this Agreement; or
- (4) by Buyer, if (i) any of the representations and warranties of Seller contained in this Agreement shall not be true and correct in any material respect, when made or at any time prior to the Closing as if made at and as of such time, in any respect which is material to Seller or the ability of Seller to consummate the transactions contemplated hereby, or (ii) Seller shall have failed to fulfill in any material respect any of its material obligations under this Agreement.

(5) by either party upon written notice to the other if the conditions to Closing set forth in Sections 7 and 8 have not been satisfied (or waived by the other party) within 120 days of the date of this Agreement.

9.2 Amendment. This Agreement may not be amended except by an instrument in writing signed by or on behalf of all the parties hereto.

9.3 Liquidated Damages. In the event of breach of this Agreement by Buyer, Seller shall be entitled to retain the Deposit as liquidated damages. Such liquidated damages shall be the limit of Buyer's liability for breach of this contract.

9.4 Return of Deposit. In the event of breach of any provision of this Agreement by Seller, Buyer shall be entitled to the immediate return of its Deposit.

ARTICLE 10 MISCELLANEOUS

10.1 Notices. All notices, requests, demands, and other communications required or permitted to be given or made hereunder by any party hereto shall be in writing and shall be deemed to have been duly given or made if (i) delivered personally, (ii) transmitted by first class registered or certified mail, postage prepaid, return receipt requested, (iii) sent by prepaid overnight courier service, (iv) sent by telecopy or facsimile transmission, answer back requested, or (v) sent by electronic mail, with confirmation of receipt, to the parties at the following addresses (or at such other addresses as shall be specified by the parties by like notice):

If to Buyer:

Mako Communications, LLC
518 Peoples St.
Corpus Christi, Texas 78401
Telefax: (361) 883-3160
Email: Minick@swbell.net

If to Seller: Lake County Television Club
P.O. Box 906
Lakeport, CA 95453
Fax (707) 263-9542
Email: jolliffed@saber.net

10.2 Entire Agreement. This Agreement, together with the Schedules, Exhibits, Annexes

and other writings referred to herein or delivered pursuant hereto, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

10.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all which together shall constitute one and the same instrument.

10.4 Governing Law. This Agreement shall be governed by the laws of the State of Texas, without regard to the principles of the conflicts of laws.

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed by their duly authorized representatives, all as of the day and year first above written.

SELLER:

The Lake County Television Club

By: D. Galligan

Title: Pres.

BUYER:

Mako Communications, LLC

By: [Signature]

Title: Member