

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of April 17, 2014 between Virgin Blue, Inc. ("Seller") and LeSEA Broadcasting Corporation ("Buyer").

Recitals

A. Seller owns and operates the following television broadcast station (the "Station") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC"): WCVI-TV, Christiansted, St. Croix, United States Virgin Islands (FCC Fac. Id. 83304).

B. Pursuant to the terms and subject to the conditions set forth in this agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Station Assets as defined below.

Agreement

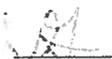
NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE I: PURCHASE OF ASSETS

1.1 Station Assets. On the terms and subject to the conditions hereof, on the Closing Date (defined below), Seller shall assign, transfer, convey and deliver to Buyer, and Buyer shall acquire from Seller, all right, title and interest of Seller in and to all assets, properties, interests and rights of Seller of whatsoever kind and nature, real and personal, tangible and intangible, which are used or held for use in the operation of the Station, free and clear of all liens and encumbrances, but excluding the Excluded Assets as hereafter defined ("the Station Assets"), including without limitation the following:

(a) All licenses, permits and other authorizations which are issued to Seller by the FCC with respect to the Station (the "FCC Licenses"), including those described on Schedule 1.1(a), including any renewals or modifications thereof between the date hereof and Closing:

(b) All of Seller's equipment, electrical devices, antennae, cables, furniture, fixtures, office materials and supplies, hardware, spare parts and other tangible personal property of every kind and description which are owned by Seller and used or held for use in the operation of the Station, including without limitation those listed on Schedule 1.1(b), except any retirements or dispositions thereof made between the date hereof and Closing in the ordinary course of business and consistent with the past practices of Seller, together with all replacements


VG 
PS

thereof and additions thereto between the date hereof and Closing (the "Tangible Personal Property");

(c) All agreements for the sale of advertising or airtime on the Station entered into in the ordinary course of business, and all other contracts, agreements, and leases entered into in the ordinary course of the Station's business that are listed on Schedule 1.1(c), including without limitation all Real Property Leases (defined below), together with all contracts, agreements, and leases made between the date hereof and Closing in the ordinary course of the Station's business and in compliance with Section 4.1(f) below (the "Station Contracts");

(d) All of Seller's right in and to the Station's call letters and Seller's rights in and to the trademarks, trade names, domain names, facebook, twitter or other social media accounts, hashtags, service marks, franchises, copyrights, computer software, programs and programming material, jingles, slogans, logos, and other intangible property which are used or held for use in the operation of the Station, including without limitation those listed on Schedule 1.1(d), and all goodwill associated therewith (the "Intangible Property"); and

(e) Seller's right in and to all files relating to the operation of the Station, including the Station's local public inspection file (online and at the Station main studio), programming information and studies, blueprints, technical information, lists of advertisers, and all FCC account codes, but excluding records relating to the Excluded Assets (defined below); and

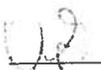
(f) All of Seller's right to carriage on cable or multichannel video programming distributor (MVPD) systems serving the U.S. Virgin Islands, whether pursuant to the Communications Act's mandatory carriage provisions and implementing FCC regulations, or through private contract.

1.2. Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the following assets along with all rights, title and interest therein (the "Excluded Assets"):

(a) All cash and cash equivalents of Seller, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, utility deposits, asset or money market accounts and all such similar accounts or investments; and

(b) All accounts receivable of the Station existing as of the Closing Date (the "Receivables").

1.3. Assumption of Obligations. Subject to the terms and conditions hereof, on the Closing Date (defined below), Buyer shall assume the obligations of Seller arising and relating to the period after Closing under the Station Contracts (the "Assumed Obligations"). Buyer does not assume or agree to discharge or perform, and will not be deemed by reason of the execution


VG


PS

and delivery of this Agreement or the consummation of the transaction contemplated hereby, to have assumed or to have agreed to discharge or perform, and Seller shall remain liable for all liabilities, obligations or commitments of Seller arising from the business or operation of the Station before Closing.

1.4. Purchase Price; Deposit. In consideration for the sale of the Station Assets to Buyer, Buyer shall pay Seller the sum of Four Hundred Forty-Three Thousand Seven Hundred Dollars (\$443,700). Said sum shall be paid by wire transfer at Closing in immediately available U.S. funds pursuant to wire instructions provided by Seller. The Purchase Price shall be subject to the prorations and adjustments set forth in Section 1.6 hereof. A nonrefundable sum of Twenty Two Thousand Five Hundred Dollars (\$22,500) (the "Deposit") shall be paid by Buyer to Seller at the time of signing of this agreement, which Deposit shall be applied to the Purchase Price at the Closing.

1.5. Non-Compete Agreements. At the Closing, Seller and Seller's shareholders Victor Gold and Martin Adamshick shall enter into a non-competition agreement with Buyer in the form attached hereto as *Schedule 1.4* (the "Non-Compete"), whereby Seller and Seller's designated shareholders shall agree not to compete in any way with Buyer or the Station or solicit their customers for a period of sixty (60) months after the Closing Date, provided this non-compete shall only apply to that geographic area encompassed by Station's coverage area or areas where the Station's signal is distributed by MVPD systems as of the Closing Date.

1.6. Prorations and Adjustments. Except as otherwise provided herein, all deposits, reserves and prepaid and deferred income and expenses arising from the conduct of the business and operation of the Station shall be prorated in accordance with generally accepted accounting principles as of 11:59 p.m. on the date immediately preceding the Closing Date. Such prorations shall include, without limitation, utility expenses, amounts due or to become due under contracts, rents, lease payments and similar prepaid and deferred items. Except as otherwise provided herein, the prorations and adjustments contemplated by this Section 1.6, to the extent practicable, shall be made on the Closing Date. As to those prorations and adjustments not capable of being ascertained on the Closing Date, an adjustment and proration shall be made within forty five (45) calendar days of the Closing Date. In the event of any disputes between the parties as to such adjustments, the amounts not in dispute shall nonetheless be paid at the time provided herein and such disputes shall be determined by an independent certified public accountant mutually acceptable to the parties, and the fees and expenses of such accountant shall be paid one-half by Seller and one-half by Buyer.

1.7. Allocation. At Closing, or in connection with the final adjustment after Closing under Section 1.6, Seller and Buyer shall, by mutual written agreement, allocate the value of the assets comprising the Station Assets in accordance with their respective fair market values. The parties shall file their respective tax returns consistent with such allocation.


VG


PS

1.8. Closing. The consummation of the sale and purchase of the Station Assets under this Agreement (the "Closing") shall take place on a mutually agreeable date within five (5) business days after the date the FCC Consent (defined below) becomes Final (defined below), unless otherwise agreed to by both Buyer and Seller. If a condition to a party's obligation to close pursuant to Article 6 or 7 below is not satisfied (or waived by such party) on or before such date, then such party may by written notice delay Closing until five business days after it is satisfied (or waived by such party) (subject to Section 10.1). The date on which the Closing is to occur is referred to herein as the "Closing Date."

1.9. FCC. (a) As soon as possible (but in no event later than five (5) calendar days after the date of this Agreement) Buyer, through a wholly owned subsidiary, and Seller shall file one or more applications with the FCC requesting the FCC's written consent to the assignment of each of the FCC Licenses from Seller to Buyer's subsidiary pursuant to this Agreement (the "FCC Application"). The FCC's written consent to the assignment of the last of the FCC Licenses (by initial order) without material adverse conditions is referred to herein as the "FCC Consent." The filing fee, if any, for said FCC Applications shall be shared equally by Buyer and Seller.

(b) Each party acknowledges that time is of the essence in obtaining a grant of the FCC Application and shall diligently prosecute the FCC Application and promptly provide the other with a copy of any pleading, order or other document served on it relating to such application, and shall furnish all information required by the FCC.

(c) In the event that Closing occurs hereunder prior to a Final FCC Consent, then each party's obligations under this Section 1.9 shall survive the Closing. For purposes of this Agreement, the term "Final" shall mean that action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF SELLER

Seller makes the following representations and warranties to Buyer:

2.1. Organization. Seller is qualified to do business in each jurisdiction in which the Station Assets are located. Seller has the requisite power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by Seller pursuant hereto (collectively, the "Ancillary Agreements"), to consummate the


VG


PS

transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

2.2. Authorization. The execution, delivery and performance of this Agreement and the Ancillary Agreements by Seller have been duly authorized and approved by all necessary action of Seller and do not require any further authorization or consent of Seller. This Agreement is, and each Ancillary Agreement when executed and delivered by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3. No Conflicts. Neither the execution and delivery by Seller of this Agreement and the Ancillary Agreements or the consummation by Seller of any of the transactions contemplated hereby or thereby nor compliance by Seller with or fulfillment by Seller of the terms, conditions and provisions hereof or thereof will conflict with any organizational documents of Seller or any law, judgment, order, or decree to which Seller is subject or, except as set forth on *Schedule 1.1(d)*, require the approval, consent, authorization or act of, or the making by Seller of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, except the FCC Consent.

2.4. FCC Licenses. Seller is the holder of the FCC Licenses described on *Schedule 1.1(a)*. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability), and there is not now issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture against Seller with respect to the Station. With respect to the Station, Seller is in compliance in all material respects with the FCC Licenses, the Communications Act, and the rules, regulations and policies of the FCC. Seller has no outstanding debts to the FCC in connection with the FCC Licenses or the operations of the Station.

2.5. Personal Property. *Schedule 1.1(b)* contains a list of all material items of Tangible Personal Property included in the Station Assets. Seller has full ownership and title to the Tangible Personal Property free and clear of all liens, security interests, or encumbrances of any kind.

2.6. Contracts. *Schedules 1.1(c) and 1.1(d)* collectively contain a list of the Station Contracts (including without limitation each of the Real Property Leases). Except as noted on


VG


PS

Schedule 1.1(c) with respect to the Station Tower Lease, each of these Station Contracts is in effect and is binding upon Seller and, to Seller's knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Seller has performed its obligations under each of the Station Contracts in all material respects, and is not in material default thereunder, and to Seller's knowledge, no other party to any of the Station Contracts is in default thereunder in any material respect. Prior to Closing, Seller shall provide the following items to Buyer:

(a) A consent/estoppel certificate signed by Studio landlord and a copy of the Certified letter sent to the Studio landlord notifying the landlord of the assignment of the studio lease.

(b) A consent/estoppel certificate signed by the tower/transmitter building landlord and a copy of the Certified letter sent to the tower and transmitter building landlord notifying the landlord of the assignment of the lease.

2.7. Intangible Property. *Schedule 1.1(e)* contains a description of the Intangible Property included in the Station Assets. Except as set forth on *Schedule 1.1(e)*, Seller has received no notice of any claim that its use of the Intangible Property infringes upon any third party rights. Except as set forth on *Schedule 1.1(e)*, Seller owns or has the right to use the Intangible Property free and clear of all liens, security interests, or encumbrances of any kind..

2.8. Compliance with Law. Seller has complied in all material respects with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any court or of any foreign, federal, state, municipal or other governmental authority which are applicable to the operation of the Station. There is no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller in respect of the Station that will subject Buyer to liability or which questions the legality or propriety of the transactions contemplated by this Agreement. To Seller's knowledge, there are no governmental claims or investigations pending or threatened against Seller in respect of the Station (except those affecting the industry generally).

2.9. No Finder. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller or any party acting on Seller's behalf.

2.10 Liens/Encumbrances. There are no liens, security interests or encumbrances of any kind or nature applicable to or filed against the Station Assets.

2.11 Station License Renewal. The FCC has granted Seller's application for renewal of the Station license, without conditions, for an eight (8) year term ending February 1, 2021.


VG


PS

2.12. Station Tower. The Station Tower is properly painted, lighted, fenced, and maintained in compliance with the FCC and FAA guidelines applicable to it. To the best of Seller's knowledge, the current placement and operation of all equipment on the Tower does not cause human exposure to levels of radiofrequency radiation in excess of the limits set by the FCC. Furthermore, to the best of Seller's knowledge, the Tower (a) is not located in an officially designated wilderness area or wildlife preserve, (b) does not affect threatened or endangered species or designated critical habitats listed on the U.S. Government's list of endangered and threatened species or identified by the U.S. Fish and Wildlife Service, (c) is not located on or is itself an Historic Property listed in or eligible for listing in the National Register of Historic Places, including properties of religious and cultural importance to an Indian tribe or Native Hawaiian organization that meet the National Register of Historic Places' criteria, (d) does not affect districts, sites, buildings, structures or objects significant in American history, architecture, archeology, engineering or culture that are listed in the National Register of Historic Places, (e) does not affect Indian religious sites, and (f) is not located in a flood plain. The Tower is not now and has not been in the past the subject of a pending environmental review or related proceeding before the FCC involving compliance with Section 106 of the National Historic Preservation Act ("Section 106"), or otherwise undergone or been the subject of a Section 106 review. In addition, the Tower has not previously been determined by the FCC to have an effect on one or more historic properties. Seller is not now in receipt of and has not previously received a written or electronic notification that the FCC is in receipt of a complaint from a member of the public, a Historical Preservation Officer, Tribal Historical Preservation Officer, or the Advisory Council on Historic Preservation, that the Tower or any antenna for an FCC-licensed operation affixed to the Tower has an adverse effect on one or more historic properties. Prior to Closing, Seller, at its sole expense, shall replace the chain link fence surrounding the tower.

2.13 Zoning. Seller's use of the Real Property Leases for the operation of the Station does not violate any zoning regulations, ordinances, orders or requirements of any state or local governmental authority. To Seller's knowledge, all necessary occupancy and other certificates and permits for the lawful use and occupancy of the Real Property Lease have been issued, including the construction and use of antenna structures or towers thereon for use by the Station.

2.14 Insurance. Seller maintains in force public liability insurance on the studio building and will maintain or cause to be maintained such presently existing insurance in force until the Closing.

2.15 Environmental. To Seller's knowledge: (i) except as consistent with applicable Environmental Laws, no Hazardous Substances are present on or below the surface of the Real Property used in the operation of the Station pursuant to the Real Property Leases ("Real Property Leased Premises") and such property has not previously been used for the manufacture, refining, treatment, storage, or disposal of any Hazardous Substances; (ii) none of the soil, ground water, or surface water of the Real Property Leased Premises is contaminated by any


- VG


PS

Hazardous Substance and there is no reasonable potential for such contamination from neighboring real estate; and (iii) no Hazardous Substances have been omitted, discharged or released from the Real Property Leased Premises, directly or indirectly, into the atmosphere or any body of ground water. To Seller's knowledge, neither Seller nor any present or former owner or operator of the Real Property Leased Premises is liable for clean up or response costs with respect to the admission, discharge or release of any Hazardous Substance or for any other matter arising under the Environmental Laws due to its use of the Real Property Leased Premises. No "underground storage tanks" as that term is defined in regulations promulgated by the EPA are used in the operation of the Station or are located, to Seller's knowledge, on the Real Property Leased Premises. As used herein, the term "Environmental Laws" means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601 et seq.) the Hazardous Materials Transportation Act (42 U.S.C. §1802 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), the Toxic Substances Control Act (15 U.S.C. §260-1 et seq.), the Clean Air Act (42 U.S.C. §7901 et seq.), the National Environmental Policy Act (42 U.S.C. §4231, et seq.), the Refuse Act (33 U.S.C. §407, et seq.), the Safe Drinking Water Act (42 U.S.C. §300(f) et seq.), the Occupational Safety and Health Act (29 U.S.C. §651 et seq.), and all rules, regulations, codes, ordinances and guidance documents promulgated or published thereunder, and the provisions of any licenses, permits, orders and decrees issued pursuant to any of the foregoing. The term "Hazardous Substance" as used herein means any pollutant, contaminant, or hazardous or toxic substance, waste or material as those or similar terms are defined in the Environmental Laws or listed as such by the EPA.

2.16 Carriage Rights. With respect to any MVPD system carrying the Station's signal, such carriage is based upon FCC's mandatory carriage rule provision that stations not electing between mandatory carriage and retransmission consent at the applicable deadline default to mandatory carriage status. Seller has not received any notice from a MVPD system that it will not carry or otherwise will cease carrying the Station's signal.

ARTICLE 3: REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer makes the following representations and warranties to Seller:

3.1. Organization. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and as of the Closing will be qualified to do business in each jurisdiction in which the Station Assets are located. Buyer's wholly owned subsidiary, formed for the sole purpose of holding the FCC licenses, is also duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Buyer has the requisite power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (collectively, the "Ancillary Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.


VG


PS

3.2. Authorization. The execution, delivery and performance of this Agreement and the Ancillary Agreements by Buyer have been duly authorized and approved by all necessary action of Buyer and do not require any further authorization or consent of Buyer. This Agreement is, and each Ancillary Agreement when executed and delivered by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3. No Conflicts. Neither the execution and delivery by Buyer of this Agreement and the Ancillary Agreements or the consummation by Buyer of any of the transactions contemplated hereby or thereby nor compliance by Buyer with or fulfillment by Buyer of the terms, conditions and provisions hereof or thereof will conflict with any organizational documents of Buyer or any law, judgment, order, or decree to which Buyer is subject or, require the approval, consent, authorization or act of, or the making by Buyer of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, except the FCC Consent and the consent of Buyer's lender.

3.4. No Finder. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyer or any party acting on Buyer's behalf.

3.5. Qualification. Buyer is qualified under the Communications Act and the existing rules, regulations and policies of the FCC to hold the FCC Licenses.

ARTICLE 4: SELLER COVENANTS

4.1. Station Operations. Seller covenants and agrees with respect to the Station that, between the date hereof and Closing, except as permitted by this Agreement or with the prior written consent of Buyer, Seller shall:

(a) operate the Station in the ordinary course of business consistent with past practice and in all material respects in accordance with FCC rules and regulations and with all other applicable laws, regulations, rules and orders;

(b) maintain the FCC Licenses in full force and effect and shall timely file and prosecute all required applications, reports, declarations, and submittals necessary to maintain the FCC Licenses;


VG


PS

(c) upon reasonable notice, give Buyer reasonable access during normal business hours to the Station Assets, and furnish Buyer with information relating to the Station Assets that Buyer may reasonably request; provided that such rights of Buyer shall be exercised at Buyer's sole expense and shall not be exercised in such a manner as to interfere unreasonably with the business of the Station;

(d) the risk of loss of or damage to any of the Station Assets, and the risk of any interruption in the Station's normal broadcast transmission, shall remain with Seller at all times until 12:01 a.m. local time on the Closing Date, and prior to Closing Seller shall repair and replace any lost or damaged Station Assets and restore any interrupted transmission;

(e) not sell, lease or dispose of any of the Station Assets, or permit to exist any Liens upon the Station Assets; and

(f) not renew, amend or terminate any Station Contract, or enter into any new contract with respect to the Station, in any manner that will be binding upon Buyer or the Station after Closing, except for (i) renewals or replacements in the ordinary course of business on terms no less favorable than the existing Station Contracts subject to Buyer's consent, and (ii) Seller's network affiliation agreement.

ARTICLE 5: JOINT COVENANTS

Buyer and Seller hereby covenant and agree that between the date hereof and Closing:

5.1. Confidentiality.

(a) Subject to the requirements of applicable law, Buyer and Seller shall each keep confidential all nonpublic information obtained by it with respect to the other parties hereto in connection with this Agreement and the negotiations preceding this Agreement ("Confidential Information"); provided that, the parties hereto may furnish such Confidential Information to its employees, agents and representatives who need to know such Confidential Information (including its financial, tax and legal advisers, its banks and other lenders) (collectively, "Representatives"). If the transactions contemplated hereby are not consummated for any reason, each party shall (i) return to such other party hereto, without retaining a copy thereof, any schedules, documents or other written information (and any derivative work product) obtained from such other party in connection with this Agreement and the transactions contemplated hereby, and (ii) provide, upon request, a written confirmation that all Confidential Information (and derivative work product) has been returned to the other party, and that the Confidential Information was used solely in connection with the transactions contemplated by this Agreement.


VG


PS

(b) Notwithstanding anything to the contrary in this Agreement, the term "Confidential Information" does not include information regarding the U.S. tax treatment or structure of the transactions set forth herein or any materials of any kind (including opinions and other analyses) provided to either party relating thereto, and this Agreement does not restrict disclosure thereof. Notwithstanding anything to the contrary in this Agreement, no party shall be required to keep confidential or return any Confidential Information which: (a) is known or available through other lawful sources, not bound by a confidentiality agreement with the disclosing party; (b) is or becomes publicly known through no fault of the receiving party or its agents; (c) is required to be disclosed pursuant to an order or request of a judicial or governmental authority (provided the disclosing party is given reasonable prior notice of the order or request and the purpose of the disclosure); or (d) is developed by the receiving party independently of the disclosure by the disclosing party. Notwithstanding anything to the contrary in this Agreement, Seller may, in accordance with its respective legal obligations (including but not limited to filings permitted or required by the applicable securities laws or any securities market) make such filings and public statements and announcements as necessary or appropriate in connection with this Agreement and the transactions contemplated hereby, and may provide information to the FCC with respect to the transactions contemplated hereby as reasonably necessary to obtain the FCC Consent.

5.2. Cooperation. Each party (i) shall use commercially reasonable efforts to obtain any governmental or third party consents necessary to accomplish the transactions contemplated by this Agreement, and to satisfy the conditions to Closing set forth herein, and (ii) shall not take any action that conflicts with its obligations hereunder or that causes its representations and warranties to become untrue in any material respect.

5.3. Control of Station. Buyer shall not, directly or indirectly, control, supervise or direct the operation of the Station prior to Closing. Consistent with FCC rules, control, supervision and direction of Station operations prior to Closing shall remain the responsibility of Seller.

5.4. Consents to Assignment. The parties shall obtain any third party consents necessary for the assignment of any Station Contract (which shall not require any payment to any such third party) and to obtain estoppel certificates requested by either party. To the extent that any such contract may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant hereto shall not constitute an assignment thereof, but to the extent permitted by law shall constitute an equitable assignment and assumption of rights and obligations under the applicable contract, with the conveying party making available to the acquiring party the benefits thereof and the acquiring party performing the obligations thereunder on the conveying party's behalf.

5.5. Public Announcements. Between the date hereof and the Closing Date, the parties shall consult and cooperate with each other before issuing any press release or otherwise making any public statements with respect to this Agreement or the transactions contemplated hereby


VG


PS

and shall not issue any such press release or make any such public statement without the consent of the other party, which consent shall not be unreasonably withheld, provided, however, that a party may, without the consent of the other party, issue such press release or make such public statements as may be required by law or any listing agreement with a national securities exchange to which either Seller or Buyer is a party.

ARTICLE 6: SELLER CLOSING CONDITIONS

The obligations of Seller hereunder are, at its option, subject to satisfaction, at or prior to Closing, of each of the following conditions:

6.1. Representations, Warranties and Covenants. Each of the representations and warranties of Buyer contained in this Agreement shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects except to the extent changes are permitted or contemplated pursuant to this Agreement. Buyer shall have performed and complied in all material respects with the covenants and agreements required by this Agreement to be performed or complied with by it prior to or on the Closing Date. Seller shall have received a certificate dated as of the Closing Date from Buyer executed by an authorized officer of Buyer, to the effect that the conditions set forth in this Section have been satisfied.

6.2. FCC Consent. The FCC Consent shall have been granted and become Final.

6.3. Deliveries. Buyer shall have made or simultaneously make the deliveries set forth in Section 8.2.

6.4. Legal Proceedings. No injunction, restraining order or decree of any nature of any court or governmental authority of competent jurisdiction shall be in effect that restrains or prohibits the transactions contemplated by this Agreement; and no material adverse action or proceeding by any governmental authority shall have been instituted or threatened in writing (and not subsequently dismissed, settled or otherwise terminated) which would be reasonably likely to restrain, prohibit or invalidate the transactions contemplated by this Agreement.

ARTICLE 7: BUYER CLOSING CONDITIONS

The obligations of Buyer hereunder are, at its option, subject to satisfaction, at or prior to Closing, of each of the following conditions:

7.1. Representations, Warranties and Covenants. Each of the representations and warranties of Seller contained in this Agreement shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects, except to the extent changes are permitted or contemplated pursuant to this Agreement. Seller shall have performed and complied in all material respects with the covenants and agreements required by this Agreement to be performed or complied with by it prior to or on the Closing Date. Buyer shall


VG


PS

have received a certificate dated as of the Closing Date from Seller, executed by an authorized officer of Seller to the effect that the conditions set forth in this Section have been satisfied.

7.2. FCC Consent. The FCC Consent shall have been granted and become Final.

7.3. Deliveries. Seller shall have made or simultaneously make the deliveries set forth in Section 8.1.

7.4. Legal Proceedings. No injunction, restraining order or decree of any nature of any court or governmental authority of competent jurisdiction shall be in effect that restrains or prohibits the transactions contemplated by this Agreement; and no material adverse action or proceeding by any governmental authority shall have been instituted or threatened in writing (and not subsequently dismissed, settled or otherwise terminated) which would be reasonably likely to restrain, prohibit or invalidate the transactions contemplated by this Agreement.

7.5. Updated Schedule 1.1(b). Seller shall have provided Buyer with an updated Schedule 1.1(b) listing of personal property, to include any additions made between the date of this Agreement and the Closing, and such list shall include all equipment necessary to operate the Station in full compliance with FCC regulations.

ARTICLE 8: CLOSING DELIVERIES

8.1. Seller Documents. At Closing, Seller shall deliver or cause to be delivered to Buyer:

(i) certified copies of resolutions authorizing its execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

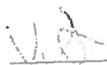
(ii) the certificate described in Section 7.1;

(iii) the consent/estoppel certificate described in Section 2.6(a) and notice to lessor of assignment of the transmitter site lease to Buyer;

(iv) the consent/estoppel certificate described in Section 2.6(b) and notice to lessor of assignment of the studio site lease to Buyer;

(v) such bills of sale, assignments and other instruments of conveyance, assignment and transfer as may be necessary to convey, transfer and assign the Station Assets to Buyer, free and clear of Liens, except for Permitted Liens; and

(vi) Non-Compete Agreements from Seller and Seller's shareholders Victor Gold and Martin Adamschickin a form reasonably acceptable to Buyer.


VG


PS

8.2. Buyer Documents. At Closing, Buyer shall deliver or cause to be delivered to Seller:

(i) the certified copies of resolutions authorizing its execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

(ii) the certificate described in Section 6.1; and

(iii) such documents and instruments of assumption as may be necessary to assume the Assumed Obligations.

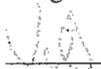
ARTICLE 9: SURVIVAL; INDEMNIFICATION

9.1. Survival. The representations and warranties in this Agreement shall survive Closing for a period of one (1) year from the Closing Date whereupon they shall expire and be of no further force or effect, except those under this Article 9 that relate to Damages (defined below) for which written notice is given by the indemnified party to the indemnifying party prior to the expiration, which shall survive until resolved, and the second sentences of Sections 2.6, which shall survive until expiration of the applicable statute of limitations.

9.2. Indemnification. (a) From and after Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or resulting from: (i) any breach of the representations and warranties of Seller in this Agreement; or (ii) any failure by Seller to comply with the covenants and agreements of Seller under this Agreement.

(b) From and after Closing, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or resulting from: (i) any breach of the representations and warranties of Buyer in this Agreement; (ii) any failure by Buyer to comply with the covenants and agreements of Buyer under this Agreement; or (iii) the Assumed Obligations.

9.3. Procedures. The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder against the indemnifying party (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's right to indemnification and the indemnifying party's obligation to indemnify as set forth in this Agreement, except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced. The obligations and liabilities of the parties with respect to any Claim shall be subject to the


VG


PS

following additional terms and conditions:

(a) The indemnifying party shall have the right to undertake, by counsel of its own choosing, the defense or opposition to such Claim. If the indemnifying party does not elect to undertake such defense or opposition, or, within twenty (20) days after written notice (which shall include sufficient description of background information explaining the basis for such Claim) of any such Claim from the indemnified party, the indemnifying party shall fail to undertake to defend or oppose, the indemnified party (upon further written notice to the indemnifying party) shall have the right to undertake the defense, opposition, compromise or settlement of such Claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the indemnifying party (subject to the right of the indemnifying party to assume defense of such Claim at any time prior to settlement, compromise or final determination thereof).

(b) Anything herein to the contrary notwithstanding: (i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim; (ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such Claim; and (iii) in the event that the indemnifying party undertakes defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel or other representatives concerning such Claim and the indemnifying party and the indemnified party and their respective counsel or other representatives shall cooperate in good faith with respect to such Claim.

(c) All claims not disputed shall be paid by the indemnifying party within thirty (30) days after receiving notice of the Claim. "Disputed Claims" shall mean claims for Damages by an indemnified party which the indemnifying party objects to in writing within thirty (30) days after receiving notice of the Claim. In the event there is a Disputed Claim with respect to any Damages, the indemnifying party shall be required to pay the indemnified party the amount of such Damages for which the indemnifying party has, pursuant to a final determination, been found liable within ten (10) days after there is a final determination with respect to such Disputed Claim. A final determination of a Disputed Claim shall be (i) a judgment of any court determining the validity of a Disputed Claim, if no appeal is pending from such judgment and if the time to appeal therefrom has elapsed; (ii) an award of any arbitration determining the validity of such disputed claim, if there is not pending any motion to set aside such award and if the time within which to move to set aside such award has elapsed; (iii) a written termination of the dispute with respect to such claim signed by the parties thereto or their attorneys; (iv) a written acknowledgment of the indemnifying party that it no longer disputes the validity of such claim; or (v) such other evidence of final determination of a disputed claim as shall be acceptable to the parties. No undertaking of defense or opposition to a Claim shall be construed as an


VG


PS

acknowledgment by such party that it is liable to the party claiming indemnification with respect to the Claim at issue or other similar Claims.

ARTICLE 10: MISCELLANEOUS PROVISIONS

10.1. Termination. This Agreement may be terminated at any time prior to Closing:

(a) by the mutual consent of Buyer and Seller;

(b) by any party hereto if the FCC has denied or designated for hearing the approvals contemplated by this Agreement;

(c) by Buyer or Seller, if the Closing has not taken place by the date eight (8) months months after the date of this Agreement;

(d) by Seller, if on the Closing Date Buyer has failed to satisfy the conditions set forth in Section 6.1 or 6.3;

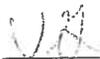
(e) by Seller, if Buyer has failed to cure a material breach of any of its representations, warranties or covenants under this Agreement within thirty (30) calendar days after it receives notice from Seller of such breach;

(f) by Buyer, if on the Closing Date Seller has failed to satisfy the conditions set forth in Section 7.1. 7.3 or 7.4; or

(g) by Buyer, if Seller has failed to cure a material breach of any of its representations, warranties or covenants under this Agreement within thirty (30) calendar days after it receives notice from Buyer of such breach. A termination pursuant to this Section 10.1 shall not relieve any party of any liability it would otherwise have for a breach of this Agreement.

10.2. Specific Performance. In the event of a breach or threatened breach by either party of any representation, warranty, covenant or agreement under this Agreement, at the nonbreaching party's election, in addition to any other remedy available to it, the non-breaching party shall be entitled to an injunction restraining any such breach or threatened breach and, subject to obtaining any requisite approval of the FCC, to enforcement of this Agreement by a decree of specific performance requiring the breaching party to fulfill its obligations under this Agreement, in each case without the necessity of showing economic loss or other actual damage and without any bond or other security being required.

10.3. FCC Consent Reversal. If the Closing occurs prior to a FCC Consent, and prior to becoming Final such FCC consent is reversed or otherwise set aside, and there is a Final order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Licenses


VG


PS

to Seller, then the transactions contemplated hereby shall be rescinded. Any such rescission shall be consummated on a mutually agreeable date within thirty days of such Final order (or, if earlier, within the time required by such order). In connection therewith, the parties shall each execute such documents and make such payments as are necessary to give effect to such rescission.

10.4. Expenses. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement, except that (i) all taxes (and any other governmental fees and charges) applicable to the transfer of the Station Assets to Buyer hereunder at Closing (including without limitation any real estate transfer taxes), shall be paid by Buyer, and (ii) all FCC filing fees in connection with the FCC Application shall be paid equally by Buyer and Seller.

10.5. Further Assurances. After Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may be reasonably necessary to complete the sale of assets contemplated by this Agreement and otherwise consummate the transactions contemplated hereby.

ARTICLE 11: GENERAL PROVISIONS

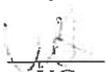
11.1. Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto, except as provided in Section 1.9(b) and this Section 11.1. No assignment shall relieve a party of its obligations or liability under this Agreement. All covenants, agreements, statements, representations, warranties and indemnities in this Agreement by and on behalf of any of the parties hereto shall bind and inure to the benefit of their respective successors and any permitted assigns.

11.2. Amendments. No amendment, waiver of compliance with any provision or condition hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of any waiver, amendment, change, extension or discharge is sought.

11.3. Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

11.4. Governing Law. The construction and performance of this Agreement shall be governed by the Communications Act, the rules, regulations and policies of the FCC, and laws of the U.S. Virgin Islands without giving effect to the choice of law provisions thereof.

11.5. Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing and shall be sent by overnight delivery or


VG


PS

facsimile transmission. Such notice shall be deemed to have been received on the day after delivery to a nationally recognized overnight courier service for next morning delivery or when delivered by facsimile transmission, and shall be addressed as set forth below (or to such other address as any party may request by written notice):

If to Seller: Virgin Blue, Inc.
Attn: Victor Gold
PO Box 24027
St. Croix, VI 00824

If to Buyer: LeSEA Broadcasting Corporation
Attn: Pete Sumrall
61300 Ironwood Road
South Bend, IN 46614

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

11.7. Severability. If one or more provisions contained in this Agreement shall be deemed or held to be invalid, illegal or unenforceable in any respect under any applicable law, then, so long as it does not deprive a party of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted, and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

11.8 Entire Agreement. This Agreement constitutes the full and entire understanding and agreement between the parties with regard to the subject matter hereof, and supersedes all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof. No modification or amendment of this Agreement shall be valid unless in writing and signed by the parties hereto.

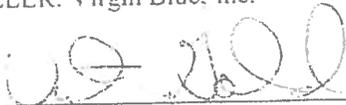
[Signature Page Follows]


VG


PS

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

SELLER: Virgin Blue, Inc.

By: 
Victor Gold, President

BUYER: LeSEA Broadcasting Corporation

By: 
Peter Sumrall, President

VG PS
VG PS