

**Execution Version**

ASSET PURCHASE AGREEMENT BY AND BETWEEN

ENTRAVISION COMMUNICATIONS CORPORATION

RENO LICENSE, LLC,

and

PAPPAS TELECASTING OF NEVADA, L.P.

DATED AS OF

September 6, 2008

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## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "**Purchase Agreement**"), made as of this 16<sup>th</sup> day of September, 2008, is by and between ENTRAVISION COMMUNICATIONS CORPORATION, a Delaware corporation ("**Buyer**"), RENO LICENSE, LLC, a Delaware limited liability company ("**Reno License**") and PAPPAS TELECASTING OF NEVADA, L.P., a Delaware limited partnership ("**PTN**" collectively, PTN with Reno License, the "**Sale Debtors**" or "**Seller**").<sup>1</sup>

### PRELIMINARY STATEMENT

Seller holds the Federal Communications Commission (the "**FCC**") authorizations set forth on *Schedule 3.4* attached hereto (collectively, the "**Reno Stations**")

On May 10, 2008, the Sale Debtors each filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (as now in effect or hereafter amended, the "**Bankruptcy Code**"). On August 14, 2008, E. Roger Williams was appointed the chapter 11 trustee (the "**Chapter 11 Trustee**") of the Sale Debtors. Prior to the appointment of the Chapter 11 Trustee, Mohsin Y. Meghji of Loughlin Meghji & Company was appointed the Chief Restructuring Officer of the Sale Debtors and remains in said capacity as of the date of the execution of this agreement (the "**CRO**"). The Chapter 11 Trustee has authorized the CRO to enter into this Purchase Agreement and to take whatever steps are necessary to effectuate the transaction contemplated herein.

Subject to the terms and conditions set forth herein, Seller desires to assign to Buyer, and Buyer desires to acquire from Seller, the certain licenses and other specified tangible and intangible assets and properties used or useful in the business and operation of the Reno Stations, as defined herein, pursuant to, *inter alia*, Sections 363 and 365 of the Bankruptcy Code.

### PURCHASE AGREEMENT

In consideration of the statements above and the mutual agreements and covenants contained in this Purchase Agreement, the Parties to this Purchase Agreement, intending to be bound legally, hereby agree as follows:

#### SECTION 1 - DEFINITIONS

**1.1 Certain Defined Terms.** The terms set forth on Exhibit A hereto, as used in this Purchase Agreement, have the meanings set forth in Exhibit A hereto.

**1.2 Rules of Construction.** A reference to one gender shall include any other gender. The Parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Purchase Agreement. Except as specifically otherwise provided in this Purchase Agreement, a reference to a Section, the Schedules or any Exhibit is a reference to a Section of this Purchase

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<sup>1</sup> Collectively, the Buyer and the Seller shall be referred to as the "**Parties**".

Agreement or the Schedules or Exhibits hereto, and the terms "hereof," "herein," and other like terms refer to this Purchase Agreement as a whole, including the Schedules and Exhibits to this Purchase Agreement. All references to "Dollars" and "\$" refer to the currency of the United States.

**1.3 Sections.** The division of this Purchase Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Purchase Agreement.

## **SECTION 2 - PURCHASE AND SALE**

**2.1 Purchase and Sale of the Reno Station Assets.** Subject to the terms and conditions set forth in this Purchase Agreement, Seller hereby agrees to transfer, convey, assign and deliver to Buyer at the Closing, and Buyer agrees to acquire, in accordance with Sections 363 and 365 of the Bankruptcy Code and pursuant to the Sale Approval Order, all of the assets set forth in *Schedules 3.4, 3.5, 3.6(a), and 3.6(c)* attached hereto (collectively the "**Reno Station Assets**").

**2.2 Excluded Assets.** All other assets of Seller of every kind, character, nature, and description, whether tangible or intangible, choate or inchoate, corporeal or incorporeal, matured or unmatured, known or unknown, contingent or fixed, including, but not limited to, all causes of action, all rights, claims, of any of the jointly administered debtors against former or current officers, directors, employees, members, interest holders, principals, agents, lenders, lienholders, representatives of such Debtor and any party asserting rights, suits, claims, causes of action, judgments, damages, rights to payment and litigation rights of any kind or nature whatsoever (whether arising in contract, tort or otherwise, or any equitable remedy for breach of performance), whether or not such breach gives rise to a right to payment, against any jointly administered debtor or jointly administered debtor's estate, all vehicles (other than the Sale Vehicles), and all assets located at Seller's studio at 5166 Meadowood Mall Circle, Reno, Nevada 89502, and 5250 South Virginia Street, Reno, Nevada 89502 (other than Reno Station Assets) not expressly assumed by Buyer, shall be retained by Seller (the "**Excluded Assets**").

### **2.3 Assumption of Liabilities and Obligations.**

(a) Except for liabilities assumed by Buyer under the TBA, as of the Closing Date, Buyer shall assume and undertake to pay, discharge and perform only the obligations and liabilities of Seller under the Licenses, the Real Property and the Leases that relate to the period on and after the Effective Time and arise out of events related to Buyer's ownership of the Reno Station Assets (other than Cure Costs, which shall remain an obligation of Seller) (the "**Assumed Liabilities**").

(b) Seller shall retain all liabilities of Seller not expressly assumed by Buyer as an Assumed Liability (the "**Retained Liabilities**").

### **2.4 Purchase Price.**

(a) Pursuant to the terms of the Escrow Agreement dated as of the date hereof, Buyer shall deliver into escrow an amount equal to Two Hundred Thousand Dollars and No/100s

(\$200,000.00) (the "**Escrow Deposit**") to be held by the Escrow Agent. The Escrow Deposit and Escrow Proceeds shall be held and disbursed by the Escrow Agent in accordance with the terms of the Escrow Agreement and the terms hereof.

(b) As consideration for the sale of the Reno Station Assets pursuant to the terms and subject to the conditions hereof, at the Closing, Buyer shall pay to, and for the benefit of Seller, by wire transfer of immediately available funds to such account for which instructions are delivered by Seller to Buyer not less than three (3) Business Days prior to the Closing Date, a total aggregate amount equal to Four Million Dollars and No/100s (\$4,000,000.00), subject to closing adjustment pursuant to Section 2.5 and 2.6 (the "**Purchase Price**").

## **2.5 Prorations and Adjustments at Closing.**

(a) Subject to the TBA, all expenses arising from the Reno Station Assets shall be allocated between Buyer and Seller in accordance with generally accepted accounting principles, consistently applied, and to effect the principle that Seller shall be responsible for all expenses, costs and liabilities related to the period prior the Effective Time, and Buyer shall be responsible for all expenses, costs and obligations related to the period on and after the Effective Time and arising out of events related to Buyer's ownership of the Reno Station Assets on or after the Effective Time.

(b) Notwithstanding anything else in this Section 2.5 to the contrary, there shall be no prorations or adjustment pursuant to Section 2.5(a) for, and Seller shall remain solely liable with respect to, the Excluded Assets and Retained Liabilities.

## **2.6 Closing Adjustment.**

(a) All adjustments shall be apportioned as of the date of Closing, with said date being a day of expense to Buyer.

(b) Notwithstanding the above, if any adjustment cannot be accurately calculated as of the Closing, then such adjustment of cost shall be calculated as soon as reasonably possible thereafter and the party owing the other party a sum as a result of such calculation shall promptly pay said sum to the other party.

(c) In the event Seller and Buyer fail to agree on any or all of the proposed adjustments within thirty (30) days after Closing, the Parties may retain a nationally-recognized independent certified public accounting firm as may be mutually agreed upon by the Parties of the need for its services as an independent auditor and not for Seller or Buyer (the "**Independent Auditor**"). The Independent Auditor shall be instructed to make the final determination with respect to the proposed adjustments within thirty (30) days of the submission thereof. The Parties will equally share the costs and expenses of the Independent Auditor, but each Party hereto shall bear its own legal and other expenses.

**2.7 Allocation of Purchase Price.** Seller shall prepare an allocation of the Purchase Price among the Reno Station Assets (the "**Allocation**"), no later than ten (10) days prior to the Closing Date. The Allocation shall be subject to Buyer's consent, which consent shall not be unreasonably withheld. Seller and Buyer hereby agree that the Allocation shall be final and

conclusive with respect to the allocation of the Purchase Price among the Reno Station Assets, and Seller and Buyer hereby further agree (a) to use the Allocation for all accounting, financial reporting and Tax purposes; (b) that any Tax Returns or other Tax information they may file or cause to be filed with any governmental agency or fiscal intermediary shall be prepared and filed in a manner consistent with such Allocation; and (c) in furtherance of the foregoing and to the extent required, they will each properly and timely file Form 8594 in accordance with Section 1060 of the Code.

**2.8 Transfer Taxes.** All recordation, transfer, documentary, excise, sales, value added, use, stamp, conveyance or other similar Taxes, duties or governmental charges, and all recording or filing fees or similar costs, imposed or levied by reason of, in connection with or attributable to this Purchase Agreement or the transactions contemplated hereby, which are not specifically exempt under law, but excluding all income taxes and other fees based upon gain realized by Seller as a result of the sale of the Reno Station Assets (collectively, "**Transfer Taxes**") shall be borne equally by Buyer on the one hand, and Seller on the other hand.

**2.9 Time Brokerage Agreement.** Entravision Holdings and Seller shall enter in the TBA as of the date specified therein.

### **SECTION 3 - REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller hereby represents and warrants to Buyer as follows:

**3.1 Organization, Qualification and Authority.** PTN is a limited partnership, duly formed, validly existing and in good standing under the laws of the State of Delaware and duly qualified to do business and is in good standing as a foreign limited partnership in the State of Nevada. Reno License is a limited liability company, duly formed, validly existing and in good standing under the laws of the State of Delaware. The Chapter 11 Trustee has the requisite power and authority to own and operate the Reno Station Assets, to carry on the business and operation of the Reno Stations. Subject to the approvals of the Bankruptcy Court set forth in Section 3.3, the Chapter 11 Trustee has authorized the CRO to execute, deliver and perform this Purchase Agreement and the documents contemplated hereby according to their respective terms.

**3.2 Authorization and Binding Obligation.** The execution, delivery and performance of this Purchase Agreement, and the consummation of the transactions contemplated hereby, by the CRO as authorized by the Chapter 11 Trustee on behalf of each of the Sale Debtors have been duly and validly authorized by all necessary action on the part of the Sale Debtors, as applicable. This Purchase Agreement has been duly executed and delivered by the CRO as authorized by the Chapter 11 Trustee on behalf of each of the Sale Debtors and, subject to the approvals of the Bankruptcy Court set forth in Section 3.3, constitutes the legal, valid and binding obligation of the Sale Debtors, enforceable against the Sale Debtors in accordance with its terms.

**3.3 Absence of Conflicting Agreements; Consents.** Except as set forth in *Schedule 3.3*, and subject both to the receipt of the FCC Consent, the consent of those Lenders set forth in the Order dated September 10, 2008, entered by the Bankruptcy Court authorizing the Sale Debtors, among others, acting by and through the Chapter 11 Trustee to obtain first priority



secured post-petition financing, and the Required Consents, and the approval and entry by the Bankruptcy Court of the Bidding Procedures Order and the Sale Approval Order (and any related order of the Bankruptcy Court relating solely to matters of procedure), the execution, delivery and performance by Seller of this Purchase Agreement (with or without the giving of notice, the lapse of time, or both), and the consummation by Seller of the transactions contemplated hereby: (a) will not conflict with the organizational or governing documents of Seller; (b) will not conflict in any material respect with, result in a material breach of, or constitute a material default under any Applicable Law of any Governmental Authority applicable to Seller; and (c) will not result in the creation of any Encumbrance on the Reno Station Assets other than Permitted Liens. Seller is not a party to, nor is Seller bound by, any agreement or commitment that prohibits the execution and delivery by Seller of this Purchase Agreement or the consummation of the transactions by Seller contemplated hereby.

### **3.4 Licenses.**

(a) To the Seller's Best Knowledge, *Schedule 3.4* identifies and includes an accurate and complete list of all Licenses. Each FCC License is in full force and effect and the Reno License is the authorized legal holder thereof. The Licenses listed on *Schedule 3.4* constitute all of the licenses and authorizations required under the Communications Act or the current rules, regulations and policies of the FCC for the Reno Stations. The conduct of the business and operation of the Reno Stations is in accordance with the Licenses and the Communications Act or the current rules, regulations and policies of the FCC for the Reno Stations.

(b) To Seller's Best Knowledge, *Schedule 3.4* sets forth a true, correct and complete list of any and all pending applications filed with the FCC with respect to the Reno Stations, true, correct and complete copies of which have been delivered by Seller to Buyer.

(c) There is not any pending or, to Seller's Best Knowledge, threatened investigation or proceeding by or before the FCC, nor any pending or, to Seller's Best Knowledge, threatened order to show cause, notice of violation, notice of apparent liability, notice of forfeiture or complaint by, before or with the FCC with respect to Seller or any or all the Reno Stations. To the best of the Seller's Knowledge, there are no facts, conditions or events relating to Seller or the Reno Stations that would disqualify Reno License under the Communications Act or the existing rules, regulations and policies of the FCC as assignor of the Licenses as provided in this Purchase Agreement or from obtaining the FCC Consent to the transactions contemplated herein within the times contemplated herein.

(d) To Seller's Best Knowledge, all returns, reports and statements that Seller is required to file with the FCC or the Federal Aviation Administration have been filed in a timely manner and such returns, reports and statements are true, correct and complete.

(e) To Seller's Best Knowledge, the Reno Stations are in substantial compliance with all rules and regulations of the Federal Aviation Administration. Each Class A Station license held by Reno License is in substantial compliance with the requirements of Section 73.6001(b) of the FCC's rules.

(f) To Seller's Best Knowledge, as of the date hereof, KREN is in substantial compliance with all requirements and deadlines related to the KREN's conversion to digital television. To Seller's Best Knowledge, Seller is not subject to any sanctions with respect to such digital conversion for KREN, nor are sanctions against Seller pending or threatened with respect to such digital conversion. Seller has not taken any actions to convert Seller's low-power television stations to digital operations. Buyer has agreed under the TBA to cooperate with Seller to ensure that Seller remains in compliance with the digital television transition deadlines promulgated by the FCC.

(g) Other than the filing of the Sale Debtors' Chapter 11 Cases and issues arising therefrom, or as otherwise set forth herein, no fact or circumstance exists relating to the FCC qualifications of Seller that could reasonably be expected to prevent or delay the FCC from granting the Assignment Application.

### **3.5 Real Property; Leases.**

(a) To the Seller's Best Knowledge, *Schedule 3.5* contains an accurate and complete list of all real property (including, but not limited to, broadcast tower sites) leased that is used or useful in connection with the Tower Facilities (the "**Real Property**"), and all leases (i) with Seller as tenant with respect to Real Property that is not owned by Seller, and all improvements located on such leasehold estates, and (ii) with Seller as landlord with respect to the Real Property (the "**Leases**")<sup>2</sup>. Seller has good and marketable fee simple title or leasehold title to the Real Property, free and clear of all Encumbrances, except Permitted Liens. As set forth in *Schedule 3.5*, Tower Site-Slide Mountain, NV is not accessible by a public right of way. Buyer shall have the right, but not the obligation, at any time on or prior to October 20, 2008 to require the removal of any of the Leases from *Schedule 3.5*.

(b) There are (i) no actual, pending or, to Seller's Best Knowledge, threatened impositions or assessments for public improvements with respect to any Real Property for which Seller would be liable or which would be an Encumbrance on the Real Property, other than Permitted Liens; (ii) no improvements constructed or, to Seller's Best Knowledge, planned that would be paid for by means of public assessments upon any Real Property for which Seller would be liable or which would be an Encumbrance on the Real Property; and (iii) no completed, pending or, to Seller's Best Knowledge, threatened or contemplated condemnation proceeding affecting any Real Property or any part thereof or of any sale or any disposition of any Real Property or any portion thereof in lieu of condemnation.

(c) All of the Tower Facilities are located on the Real Property.

### **3.6 Tower Facilities.**

(a) *Schedule 3.6(a)* lists all non- *de minimus* equipment located at, or otherwise used and useful in the operation of each of the transmitter site facilities of the Reno Stations, including, but not limited to, all antennas, transmitters, transmission lines, auxiliary generators, ancillary equipment, racks, spare parts, and maintenance tools used for all full-

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<sup>2</sup> Seller to provide copy of land lease for KREN tower.

service, Class A and low-power analog Reno Stations, and auxiliary broadcast (including both transmit and received ends) stations (the "**Tower Facilities**"). Seller owns and has good title to the Tower Facilities that are a part of this transaction and none of the Tower Facilities that are a part of this transaction is subject to any conditional sale or other title retention agreement or any Encumbrances, except for Permitted Liens. All items of the Tower Facilities that are a part of this transaction are in operating condition (ordinary wear and tear excepted), except as otherwise set forth in *Schedule 3.6(a)* attached hereto. In the event that the Sale Debtors do not have good title to the Tower Facilities and Buyer exercises its right to terminate this Agreement as a result thereof, Buyer's damages shall be limited to the return of the Escrow Deposit and the Escrow Proceeds as set forth in Section 9.4 below, and payment of the Break-Up Fee, the Fees and Expenses Reimbursement, and the Net TBA Costs as set forth in Section 9.3 below, and Buyer shall have no other remedy or causes of action against the Sale Debtors, the Chapter 11 Trustee, the CRO or any other of their retained professionals.

(b) *Schedule 3.6(b)* lists equipment and other items which are specifically not included as part of the Tower Facilities.

(c) The Ford 2005 F250 Turbo Diesel truck, the Thiokol Imp snowcat all terrain vehicle, any vehicle trailers owned by PTN, and all spare parts related to such vehicles (the "**Sale Vehicles**") shall be transferred to Buyer as set forth in *Schedule 3.6(c)*.

**3.7 Contracts.** The Leases are the only Contracts being assumed by Buyer. Seller has delivered, or will continue to deliver prior to Closing, or otherwise made available, to Buyer true, correct and complete copies of all of the Leases. Seller is not in default under any Lease (and no event has occurred that with the giving of notice or passage of time, or both, would constitute such a default) and, to Seller's Best Knowledge, no other party to any such Lease is in default thereunder (and, to Seller's Best Knowledge, no event has occurred that with the giving of notice or passage of time, or both, would constitute such a default).

**3.8 Insurance.** To Seller's Best Knowledge *Schedule 3.8* is a true, correct and complete list of all insurance policies with respect to the Reno Stations. To the Seller's Best Knowledge, all policies of insurance listed in *Schedule 3.8* are in full force and effect and Seller is not in default of any provision thereof.

**3.9 Claims and Legal Actions.** Except for the Sale Debtors' Chapter 11 Cases and Claims arising therein and except as set forth on *Schedule 3.9*, to Seller's Best Knowledge there is no claim, legal action, counterclaim, suit, arbitration, or other legal, administrative or tax proceeding, nor any order, decree or judgment, in progress or pending, or to Seller's Best Knowledge, threatened against the Reno Station Assets.

**3.10 Compliance with Laws.** Except as otherwise provided herein, Seller is in compliance with the Licenses, has sought the appropriate waiver, or will seek the appropriate waiver as well as having complied with all Applicable Law with respect to the Reno Stations.

**3.11 Conduct of Business in Ordinary Course.** Except as set forth on *Schedule 3.11*, from June 30, 2008 through the date of this Agreement, other than the filing of the Chapter 11

Cases and acts related thereto, to Seller's Best Knowledge, Seller's and Sale Debtors' operation with respect to the Stations has been in the ordinary course and Seller has not:

- (a) made any sale, assignment, lease or other transfer of any of the Reno Station Assets properties other than in the normal course of business with suitable replacements being obtained therefore;
- (b) incurred loss of, or injury to, any of the Reno Station Assets or waived any rights of material value;
- (c) mortgaged, pledged or subjected to any Encumbrance any of the Reno Station Assets, other than Permitted Liens and as otherwise set forth in the Order dated September 10, 2008, entered by the Bankruptcy Court authorizing the Sale Debtors, among others, acting by and through the Chapter 11 Trustee to obtain first priority secured post-petition financing; or
- (d) incurred any liability with respect to the Reno Station Assets except in the ordinary course of business or as expressly permitted or disclosed elsewhere in this Agreement.

### **3.12 *Environmental Matters.***

- (a) To Seller's Best Knowledge, true, correct and complete copies of all environmental assessments, reports, studies, and investigations, if any, related to the Real Property that Seller has received or caused to be conducted have been delivered to Buyer.
- (b) To Seller's Best Knowledge, there are no underground storage tanks on the Real Property.

**3.13 *No Broker.*** Other than professionals retained with the approval of the Bankruptcy Court in the Sale Debtors' Chapter 11 Cases, neither Seller nor any other Person acting on its behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Purchase Agreement.

**3.14 *Good Title Conveyed.*** Subject to the receipt of the FCC Consent and the Required Consents, and the approval of the Bankruptcy Court set forth in Section 3.3, Seller has complete and unrestricted power and the unqualified right to sell, transfer, assign, convey and deliver to the Buyer, and upon consummation of the transaction contemplated by this Purchase Agreement Buyer will acquire, good title to the Reno Station Assets, in each case free and clear of all Encumbrances other than Permitted Liens. Except as noted on *Schedule 3.14*, Seller is in sole and exclusive possession, and is the sole and exclusive owner of, the Reno Station Assets, free and clear of all Encumbrances. All Required Consents are listed in *Schedule 3.14*. In the event that the Sale Debtors do not have good title to the Reno Station Assets and Buyer exercises its right to terminate this Agreement as a result thereof, Buyer's damages shall be limited to the return of the Escrow Deposit and the Escrow Proceeds as set forth in Section 9.4 below, and payment of the Break-Up Fee, the Fees and Expenses Reimbursement, and the Net TBA Costs as set forth in Section 9.3 below, and Buyer shall have no other remedy or causes of action against the Sale Debtors, the Chapter 11 Trustee, the CRO or any other of their retained professionals.

**3.15 No Restrictions.** Other than as listed and described in *Schedule 3.15*, there are no contracts, agreements, arrangement or other documents to which Seller is a party that prohibit or restrict (i) the Reno Stations' ability to compete in any business anywhere in the Reno Nevada area, (ii) the customers with which the Reno Stations may do business, or (iii) the prices the Reno Stations may charge.

## **SECTION 4 - REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer hereby represents and warrants to Seller as follows:

**4.1 Organization, Standing and Authority.** Buyer is a Delaware corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Entravision Holdings is a California limited liability company, duly organized, validly existing and in good standing under the laws of the State of California. Buyer is duly qualified to conduct business in each jurisdiction in which such qualification is necessary for Buyer to own the Reno Station Assets and operate the Reno Stations and conduct the business of the Reno Stations. Buyer has the requisite power and authority to (a) execute, deliver and perform this Purchase Agreement and consummate the transactions contemplated hereby and (b) own the Reno Station Assets, subject to obtaining the FCC Consent. Entravision Holdings has the requisite power and authority to (a) execute and file the Assignment Application, (b) execute, deliver and perform the Assignment and Acceptance Agreement, and (c) hold the Licenses, subject to obtaining the FCC Consent.

**4.2 Authorization and Binding Obligation.** The execution, delivery and performance of this Purchase Agreement and the consummation of the transactions contemplated hereby by Buyer have been duly and validly authorized by all necessary action on the part of Buyer. This Purchase Agreement has been duly executed and delivered by Buyer and constitutes a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as the enforceability of this Purchase Agreement may be affected by bankruptcy, insolvency or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies. The execution, delivery and performance of the Assignment and Acceptance Agreement and the consummation of the transactions contemplated thereby by Entravision Holdings will be duly and validly authorized by all necessary action on the part of Entravision Holdings. The Assignment and Acceptance Agreement will be duly executed and delivered by Entravision Holdings and will constitute a legal, valid and binding obligation of Entravision Holdings, enforceable against Entravision Holdings in accordance with its terms, except as the enforceability of the Assignment and Acceptance Agreement may be affected by bankruptcy, insolvency or similar laws affecting creditors' rights, generally and by judicial discretion in the enforcement of equitable remedies.

**4.3 Absence of Conflicting Agreements.** Subject both to the receipt of the FCC Consent, and the approvals of the Bankruptcy Court set forth in Section 3.3, the execution, delivery and performance by Buyer of this Purchase Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time or both): (a) do not require the consent of any other Person; (b) will not conflict with the certificate of incorporation or the bylaws of Buyer; and (c) will not conflict in any material respect with, result in a material breach of or constitute a material default under any Applicable Law or any material contract or

agreement to which Buyer is a party. Subject both to the receipt of the FCC Consent, and the approvals of the Bankruptcy Court set forth in Section 3.3, the execution, delivery and performance by Entravision Holdings of the Assignment and Acceptance Agreement (with or without the giving of notice, the lapse of time or both): (a) do not require the consent of any other Person; (b) will not conflict with the Limited Liability Company Agreement of Entravision Holdings; and (c) will not conflict in any material respect with, result in a material breach of or constitute a material default under any Applicable Law or any material contract or agreement to which Entravision Holdings is a party.

**4.4 Buyer Qualifications.** No fact or circumstance exists relating to the FCC qualifications of Entravision Holdings that (a) could reasonably be expected to prevent or delay the FCC from granting the Assignment Application or (b) would otherwise disqualify Entravision Holdings as the licensee of the Reno Stations.

**4.5 No Broker.** Neither Buyer nor any other Person acting on behalf of Buyer has incurred any liability for any finders' or brokers' fees or commissions in connection with this Purchase Agreement or the transactions contemplated hereby.

## **SECTION 5 - OPERATION OF THE RENO STATIONS PRIOR TO CLOSING**

### **5.1 Generally.**

(a) During the period commencing on the date hereof and ending on the earlier of the Closing Date or the Termination Date, Seller shall operate and control the Reno Stations, subject to the TBA, in all material respects in the ordinary course of business and refrain from any extraordinary transactions (except where such conduct would conflict with the other covenants set forth in this Section 5.1 or with Seller's other obligations under this Purchase Agreement) in all cases in accordance with the covenants contained in this Section 5.

(b) Subject to the TBA, Seller shall maintain and repair the Reno Station Assets, maintain inventory of supplies, parts and other materials and keep books of account, records and files, in each case in the ordinary course of business consistent with past practice.

(c) Seller shall continue to operate and control the Licenses in accordance with the terms thereof and in compliance with all Applicable Law. Seller shall execute and file promptly all necessary applications for renewal of the Licenses and timely file with the FCC all required reports, including, but not limited to, the conversion to digital television, and pay all required annual regulatory fees for the operation of the Stations. Seller will deliver to Buyer, within ten (10) Business Days after filing, copies of any reports, applications or responses to the FCC related to the Stations which are filed prior to the Closing Date.

(d) Prior to the Closing Date, except as otherwise permitted by any provision of this Section 5, subject to the TBA, Seller shall not, without the prior written consent of Buyer:

(i) incur any receivables relating to the Stations other than in the ordinary course of business of the Stations consistent with past practice, including, without limitation, in respect of the amount and nature of such receivables;

(ii) apply to the FCC for or seek to amend any construction permit or other pending application that would restrict the Stations' operation or make any material change to the Reno Station Assets that is not in the ordinary course of business, except when such change is necessary to maintain or continue the transmission of the Stations' signal at substantially the same power and strength and interference level as transmitted on the date hereof; or

(iii) assign, lease or otherwise transfer or dispose of any of the Reno Station Assets, except in connection with the acquisition of replacement property of equivalent kind and use.

**5.2 Insurance.** Seller shall maintain the existing insurance policies on the Reno Station Assets or other policies providing substantially similar coverages until the Closing, and shall name Buyer as an additional insured on such policies. Buyer shall maintain insurance to cover Buyer's activities under the TBA, and shall name the Chapter 11 Trustee and Sale Debtors as additional insureds on such policy or policies.

**5.3 Financial Information.** Seller shall furnish Buyer, within thirty (30) days after the end of each month ending between the date of this Purchase Agreement and the Closing, an unaudited statement of income and expense for the Reno Stations and such other financial information relating to the Reno Stations as Buyer may reasonably request.

**5.4 Notice of Certain Matters.** Seller shall give prompt written notice to Buyer and Buyer shall give prompt written notice to Seller of any failure of Seller or Buyer, as the case may be, to comply with or satisfy any representation, warranty, covenant, condition or agreement to be complied with or satisfied by it hereunder. The Schedules to this Purchase Agreement must be complete upon execution of this Purchase Agreement. Seller may, at any time prior to the Closing, deliver written notice to Buyer in the event of any updates to the Schedules. No such updates shall be deemed to amend the Schedules or the Purchase Agreement for purposes of determining whether the conditions set forth in Section 7.1(a) have been satisfied with respect to a breach of the representation, warranty or covenant to which such revisions or updates relate unless Seller obtains the prior written consent of Buyer, which shall not be unreasonably withheld.

**5.5 Notice of Proceedings.** Seller and Buyer shall promptly notify the other in writing upon becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Purchase Agreement or the transactions contemplated hereunder, or upon receiving any notice from any Governmental Authority of its intention to institute an investigation into, or institute a suit or proceeding to restrain or enjoin the consummation of this Purchase Agreement or the transactions contemplated hereby. Seller and Buyer will each use commercially reasonable efforts to contest, defend and resolve any such suit, proceeding or injunction brought against it so as to permit the prompt consummation of the transactions contemplated hereby. Seller shall notify Buyer promptly of any material action filed or threatened against the Reno Stations or the Reno Station Assets.

**5.6 WARN Act.** Seller shall determine whether any notification may be required under the WARN Act, as a result of the transactions contemplated under the Purchase Agreement and, if such notices are required, Seller shall provide such notice.

## **SECTION 6 - SPECIAL COVENANTS AND AGREEMENTS**

### **6.1 FCC Consent.**

(a) The assignment of the Licenses from Seller to Entravision Holdings as contemplated by this Purchase Agreement is subject to the prior consent and approval of the FCC.

(b) Seller and Entravision Holdings shall prepare and file with the FCC the Assignment Application on FCC Form 314 requesting the FCC's consent to the assignment of the Licenses from Reno License to Entravision Holdings within five (5) Business Days of the date of this Purchase Agreement, but not prior to the filing of an FCC Application on FCC Form 316 seeking assignment of the Licenses from the Sale Debtors, if not previously filed in accordance with the Summary Term Sheet. The parties shall, and Buyer shall cause Entravision Holdings to, thereafter prosecute the Assignment Application with commercially reasonable diligence and otherwise use their commercially reasonable efforts to obtain the grant of the Assignment Application as expeditiously as practicable. Each party hereto will, and Buyer shall cause Entravision Holdings to, promptly provide to the other party hereto a copy of any pleading, order or other document served on them relating to either Assignment Application.

(c) Each party hereto agrees to comply, and Buyer shall cause Entravision Holdings to comply, with any condition imposed on it by any FCC Consent, except that no party hereto shall, nor shall Entravision Holdings, be required to comply with a condition if compliance with the condition would have a material adverse effect upon such party. Entravision Holdings and Seller shall cooperate with each other in deciding whether to oppose and in opposing any petitions to deny or other objections filed with respect to any application for FCC Consent and any requests for reconsideration or review of any FCC Consent.

(d) If the Closing shall not have occurred for any reason within the original effective period of any FCC Consent, and none of the parties shall have terminated this Purchase Agreement under Section 9, the parties hereto and Entravision Holdings shall jointly request an extension of the effective period of such FCC Consent. No extension of the effective period of any FCC Consent shall limit the exercise by any party hereto of its right to terminate this Purchase Agreement under Section 9. All FCC filing fees shall be paid equally by Buyer and Seller.

### **6.2 Confidentiality.**

(a) Other than with respect to the Bankruptcy Motions in the Sale Debtors' Chapter 11 Cases, none of the Parties hereto will use or disclose to any other Person (except as may be necessary for the consummation of the transactions contemplated hereby, or as required by Applicable Law, and then only with prior notice to the other party hereto) this Purchase Agreement or any information received from the other party hereto or their agents in the course of investigating, negotiating and performing the transactions contemplated by this Purchase



Agreement; *provided, however*, that each party hereto may disclose such information to such party's officers, directors, employees, lenders, advisors, attorneys, accountants, the CRO and his staff, and financial advisors who need to know such information in connection with the consummation of the transactions contemplated by this Purchase Agreement and who are informed by such party of the confidential nature of such information. 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, or (ii) becomes generally available to the public other than as a result of a disclosure by such party or such party's officers, directors, employees, lenders, advisors, attorneys or accountants, or (iii) becomes available to such party on a nonconfidential basis from a source other than another party 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, any the other party hereto or another party, or (iv) is developed independently by any party hereto without resort to the confidential information of the other party hereto. In the event this Purchase Agreement is terminated and the transactions contemplated hereby abandoned, each party hereto will return to the other party hereto all information, including, without limitation, all documents and other written confidential material, obtained by such party from the other party hereto in connection with the transactions contemplated by this Purchase Agreement.

(b) Other than the Bankruptcy Motions, including the necessary marketing process needed to solicit higher and better offers concerning the sale of the Reno Station Assets in the Sale Debtors' Chapter 11 Cases, no Party hereto shall publish any press release or make any other public announcement concerning this Purchase Agreement or the transactions contemplated hereby without the prior written consent of the other Party hereto, which shall not be withheld unreasonably; *provided, however*, that nothing contained in this Purchase Agreement shall prevent any Party hereto from making any filings with governmental authorities, including, without limitation, in respect of filings or public announcements in accordance with federal securities laws and the Communications Act, that, in the judgment of the disclosing Party, may be required or advisable in connection with the execution and delivery of this Purchase Agreement or the consummation of the transactions contemplated hereby. The Parties acknowledge that this Purchase Agreement shall be filed with the Bankruptcy Court and that the transaction is subject to higher and better offers in accordance with Section 6.8 below.

**6.3 Cooperation.** In addition to the filing of the Bankruptcy Motions in accordance with Section 10.13, Buyer and Seller shall cooperate fully with each other and their respective counsel and accountants in connection with any actions required to be taken as part of their respective obligations under this Purchase Agreement, and Buyer and Seller shall execute such other documents as may be necessary or desirable to implement and consummate this Purchase Agreement, and otherwise use their commercially reasonable efforts to consummate the transactions contemplated hereby and to fulfill their obligations under this Purchase Agreement. The Parties shall cooperate to obtain any necessary FCC extensions as to the digital conversion contemplated in this Agreement.

**6.4 Control of the Reno Stations.** Prior to the Closing Date, and subject to the TBA, Buyer shall not, directly or indirectly, assume ultimate control, or attempt to assume ultimate control of the Reno Stations or the operation thereof.

**6.5 Access to Information.** From the date hereof until the Closing or termination of this Purchase Agreement, Seller shall, and shall cause its officers and representatives to, provide Buyer, and its representatives, agents and employees, full and free access to and the right to copy, if applicable, during normal business hours, all of the Reno Station Assets and any facilities, books, records and representatives of Seller to the extent related to the Reno Station Assets or the business and operation of the Reno Stations, as reasonably requested by Buyer or its representatives, agents or employees. Prior to the Closing and for two (2) years after the Closing, Seller shall provide to Buyer copies of such accounting information and reports relating to the Reno Stations that are reasonably available to Seller in the ordinary course of business as Buyer deems reasonably necessary to enable Buyer to satisfy disclosure requirements of lenders or other reasonable business purposes. Seller agrees to use commercially reasonable efforts to make its outside independent accountants available to Buyer and its accountants. For two (2) years after the Closing, Buyer shall provide Seller and the Chapter 11 Trustee, the Committee and its professionals, any reorganized debtors and any other subsequently appointed estate fiduciary with copies of any books or records transferred as part of this sale.

**6.6 Further Assurances.** From and after the Closing, each party hereto shall from time to time, at the request of any other party hereto and without further cost or expense to such requesting party, execute and deliver such other instruments of conveyance and transfer and take such other actions as such other party hereto may reasonably request in order more effectively to carry out this Purchase Agreement and the other agreements specified in this Purchase Agreement and to vest in the Buyer good title to the Reno Station Assets, in all cases free and clear of all Encumbrances, except Permitted Liens.

**6.7 Environmental Issues.** Within sixty (60) days of the date hereof (the "**Environmental Due Diligence Period**"), Buyer may cause to be conducted any environmental due diligence, including a Phase I environmental audit (the "**Environmental Due Diligence**") with respect to the Real Property. Buyer and Seller shall reasonably cooperate in scheduling such Environmental Due Diligence and providing reasonable access to the Real Property for such Environmental Due Diligence. Buyer shall promptly deliver written notice to Seller ("**Environmental Notice**") of any environmental issues that Buyer identifies during such Environmental Due Diligence Period. Seller shall either: (i) prior to the Closing, remedy any and all environmental issues identified by Buyer with respect to the Real Property, and such remedies shall be to Buyer's satisfaction, in Buyer's sole discretion, or (ii) deliver written notice to Buyer within five (5) Business Days of receipt of the Environmental Notice that Seller has elected not to remedy all of the environmental issues. In the event that the remedies are not to Buyer's satisfaction, in Buyer's sole discretion, or in the event that Seller elects not to remedy all of the environmental issues, then Buyer may elect to terminate this Agreement in accordance with Section 9.

**6.8 Limit on Solicitation.**

(a) Except as set forth in any motion filed with the Bankruptcy Court, the Seller shall not (and it will use its commercially reasonable efforts to procure that none of its officers, directors, agents or Affiliates shall), directly or indirectly, (x) solicit, initiate, encourage or accept any inquiries, proposals or offers from, negotiate with, execute agreements with, or provide nonpublic information to, any party other than Buyer with respect to an Acquisition

Proposal, (y) enter into any agreement providing for or relating to any Acquisition Proposal, or (z) make or authorize any statement, recommendation or solicitation in support of any Acquisition Proposal, provided that Seller may sell inventory in the ordinary course and any Excluded Asset until the first to occur of (i) the entry by the Bankruptcy Court of the Bidding Procedures Order, and (ii) the termination of this Purchase Agreement in accordance with Section 9.

(b) The commitments and agreements contained in Section 6.8(a) shall expire and be of no further force and effect upon the entry of the Bidding Procedures Order by the Bankruptcy Court. Thereafter, the Bidding Procedures Order shall govern all actions and proceedings relating to the consideration by the Seller (and its officers, directors, agents and Affiliates) of any Acquisition Proposal.

**6.9 Third Party Consents.** Seller shall use commercially reasonable efforts to obtain the Required Consents in a form and substance reasonably acceptable to Buyer, and shall use commercially reasonable efforts to obtain any other third party consent that may be necessary. In addition, Seller shall use commercially reasonable efforts to obtain from the lessors under all of the Leases estoppels and consents substantially in the form attached hereto as Exhibit B. If a Required Consent is not obtained, or if an attempted assignment of the related Lease would be ineffective, Seller shall provide to Buyer the benefits of such Lease and, to the extent Buyer is provided with the benefits of such Lease, Buyer shall perform or discharge on behalf of Seller the obligations and liabilities under such Lease in accordance with the provisions thereof. In the event that the Sale Debtors are compelled to assume or reject any such Lease, the Sale Debtors shall have no obligation to assume such Lease unless Buyer shall agree to indemnify and make whole the Sale Debtors for all obligations and liabilities under such Lease arising from such assumption. Notwithstanding anything to the contrary, the Sale Debtors shall assume and assign the Leases pursuant to Section 365 of the Bankruptcy Code, and following payment of any Cure Costs in connection therewith, the Sale Debtors shall have no further liability under the Leases after Closing.

## **SECTION 7 - CONDITIONS TO OBLIGATIONS OF BUYER AND SELLER**

**7.1 Conditions to Obligations of Buyer.** All obligations of Buyer at the Closing are subject at Buyer's option to the satisfaction or waiver on or prior to the Closing Date of each of the following conditions:

(a) All representations and warranties of Seller contained in this Purchase Agreement, if specifically qualified by materiality, shall be true and accurate in all respects, and, if not so qualified, shall be true and accurate in all material respects, at and as of the Closing Date as though made at and as of that time.

(b) Seller shall have performed and complied in all material respects with all covenants, agreements and conditions required by this Purchase Agreement or the TBA to be performed or complied with by it prior to or on the Closing Date.

(c) There shall not have been any modification of any FCC License that could have a Material Adverse Effect. Excluding any proceeding relating to the FCC Consent or

disclosed on *Schedule 3.3*, no proceeding shall be pending the effect of which could be to revoke, cancel, fail to renew, suspend or modify adversely any FCC License.

(d) Except for the Permitted Liens, the Real Property shall not be subject to any exceptions that interfere with the permitted or intended use of the Real Property by Buyer.

(e) Seller shall have delivered the items required to be delivered pursuant to Section 8.3.

(f) No injunction, order, judgment or decree of any nature of any Governmental Authority of competent jurisdiction shall be in effect that restrains or prohibits the consummation of the transactions contemplated by this Purchase Agreement.

(g) There shall not have been a material adverse change to any of the Reno Station Assets, Assumed Liabilities or the Reno Stations, except for the construction and obligations set forth in the TBA.

(h) Unless waived by Buyer, the FCC Consent shall have been granted by Final Order.

(i) The build out of Seller's digital television facilities for KREN shall have been completed, or Seller shall have been granted an extension of the deadline by the FCC, and such extension shall be in full force and effect.

(j) The Reno Stations shall be on the air and fully operational or Seller shall have been granted Special Temporary Authority by the FCC for any Station not on the air or fully operational to be in its current status; provided, however, that KREN-TV, KREN-DT and KAZR-CA shall be operational in accordance with their Licenses as of the date hereof, and there shall be no Special Temporary Authority by the FCC for KREN-TV or KAZR-CA.

(k) The Bankruptcy Court shall have entered the Sale Approval Order, and such order shall be in full force and effect and shall not have been stayed, modified, reversed or amended.

**7.2 Conditions to Obligations of Seller.** All obligations of Seller at the Closing hereunder are subject at Seller's option to the satisfaction or waiver on or prior to the Closing Date of each of the following conditions:

(a) All representations and warranties of Buyer contained in this Purchase Agreement, if specifically qualified by materiality, shall be true and accurate in all respects, and, if not so qualified, shall be true and accurate in all material respects, at and as of the Closing Date as though made at and as of that time.

(b) Buyer shall have performed and complied in all material respects with all covenants, agreements and conditions required by this Purchase Agreement or the TBA to be performed or complied with by it prior to or on the Closing Date.

(c) Buyer shall have delivered the items required to be delivered pursuant to Section 8.4.

(d) No injunction, order, judgment or decree of any nature of any Governmental Authority of competent jurisdiction shall be in effect that restrains or prohibits the consummation of the transactions contemplated by this Purchase Agreement.

(e) The Bankruptcy Court shall have entered the Sale Approval Order, and such order shall be in full force and effect and shall not have been stayed, modified, reversed or amended.

(f) The Buyer's submission of a written plan to the Seller no later than September 19, 2008, that will detail Buyer's undertaking to perform the digital conversion as set forth in the TBA ("**Conversion Plan**"). The Conversion Plan, among other things shall require Buyer to provide Seller bi-weekly reports setting forth Buyer's progress on the conversion contemplated by the TBA

## **SECTION 8 - CLOSING AND CLOSING DELIVERIES**

### **8.1 Closing.**

(a) Subject to the satisfaction or waiver (by the party for whose benefit the condition is imposed) of the conditions described in Article 7, the Parties hereto shall consummate the transactions contemplated hereby at the Closing, which shall take place as of 12:01a.m., Washington D.C. time, on a date that is within five (5) Business Days following the date the FCC Consent becomes a Final Order (or, upon waiver of such Final Order condition by Buyer, in its sole discretion, within ten (10) Business Days following the publication of the grant of the FCC Consent) and as Buyer shall specify in writing to Seller at least five (5) Business Days in advance or, if Buyer fails to so specify, on the last date in the time period provided for in the foregoing (the "**Closing Date**").

(b) Subject to the TBA, the risk of any loss, damage, impairment, confiscation or condemnation of any of the Reno Station Assets from any cause whatsoever shall be borne by Seller at all times prior to the Closing. If the regular broadcast transmission in the normal and usual manner is interrupted for a continuous period of seventy-two (72) hours or more at any time prior to the Closing for reasons not caused by or within the control of Buyer, then Buyer, in its sole discretion, by providing written notice to Seller, may postpone the Closing to a date that is fifteen (15) days after the end of such interruption and, if applicable, Seller's completion of the restoration and replacement of any of the Reno Station Assets at Seller's sole expense. If any Reno Station Assets shall suffer any material damage or destruction prior to the Closing Date that is not caused by the Seller, Seller shall promptly notify Buyer in writing of such damage and destruction, and shall advise Buyer in writing of the estimated cost to complete such restoration, repair or replacement. If such restoration, repair or replacement exceeds \$200,000 and is not accomplished prior to the Closing Date, as the same may be extended by the parties, Buyer may terminate this Purchase Agreement in Buyer's sole and absolute discretion.

**8.2 Closing Place.** The Closing shall be held at such place that is agreed in writing by Buyer and Seller, and in the absence of agreement, as determined by Buyer.

**8.3 Deliveries by Seller.** Prior to or on the Closing Date, Seller shall deliver to Buyer (or to such other Person as instructed by Buyer in writing) the following, in form and substance reasonably satisfactory to Buyer and its counsel:

(a) Duly executed assignments and other conveyancing documents to convey and vest good title in and to the Reno Station Assets to Buyer, free and clear of all Encumbrances, except for Permitted Liens. Such documents shall include, without limitation, the following:

(i) An Assignment and Assumption Agreement (the “**Assignment and Assumption Agreement**”), duly executed by Seller;

(ii) An Assignment and Acceptance Agreement of the Licenses (the “**Assignment and Acceptance Agreement**”), duly executed by Reno License;

(iii) A Bill of Sale (the “**Bill of Sale**”), duly executed by Seller;

(b) A certificate, dated as of the Closing Date, executed by Seller, certifying to the fulfillment of the conditions set forth in Sections 7.1(a) and (b);

(c) A copy of the order from the Bankruptcy Court appointing the Chapter 11 Trustee of the Sale Debtors.

(d) Standard documentation (including, without limitation, certain affidavits of Seller) that may be reasonably requested of Seller by Buyer in connection with Buyer obtaining a title insurance policy relating to the Real Property;

(e) An acknowledgement of receipt of the Purchase Price;

(f) All forms and other documents required by the State or County in which the Real Property is located;

(g) A copy of the Sale Approval Order conveying the Reno Station Assets free and clear of all liens, claims and encumbrances other than the Permitted Liens.;

(h) All Required Consents in form and substance acceptable to Buyer in Buyer’s sole discretion;

(i) Instructions to the Escrow Agent to release the Escrow Deposit to Seller, and the Escrow Proceeds to Buyer; and

(j) Such other documents as may reasonably be requested by Buyer.

**8.4 Deliveries by Buyer.** Prior to or on the Closing Date, Buyer shall deliver to Seller and Seller the following, in form and substance reasonably satisfactory to Seller and its counsel:

(a) The Purchase Price, in accordance with Section 2.4 hereof, as reduced by the Escrow Deposit,

(b) Instructions to the Escrow Agent to release the Escrow Proceeds to Seller.

(c) Appropriate assumption and acceptance agreements pursuant to which Buyer shall assume and undertake to perform Seller's obligations under the Real Property and under the Licenses to the extent such obligations arise after Closing, including, without limitation, the following:

(i) The Assignment and Assumption Agreement, duly executed by Buyer;

(ii) The Assignment and Acceptance Agreement, duly executed by Entravision Holdings; and

(iii) The Bill of Sale, duly executed by Buyer.

(d) A certificate, dated as of the Closing Date, executed by Buyer, certifying to the fulfillment of the conditions set forth in Sections 7.2(a) and (b);

(e) A certificate, dated as of the Closing Date, executed by Buyer, certifying that the resolutions, as attached to such certificate, were duly adopted by the board of directors of Buyer, authorizing and approving the execution of this Purchase Agreement and the consummation of the transactions contemplated hereby and that such resolutions remain in full force and effect;

(f) Certificates of incumbency for the officers of Buyer duly authorized to execute and deliver this Purchase Agreement and the agreements contemplated hereby; and

(g) Such other documents as may be reasonably requested by Seller.

## SECTION 9 - TERMINATION

**9.1 Termination of Agreement.** This Purchase Agreement may be terminated only as follows:

(a) at any time by mutual written consent of Seller, on the one hand, and Buyer, on the other;

(b) by Buyer in the event of a breach by Seller of any material representation, warranty, covenant or other obligation contained herein that (i) would give rise to the failure of a condition set forth in Section 7.1(a) or 7.1(b) and (ii) has not been cured within thirty (30) days after the giving of written notice to Seller of such breach; *provided, however*, that the Buyer is not then in default or breach in any material respect of its obligations under this Purchase Agreement;

(c) by Seller (i) in the event of a breach by Buyer of any material representation, warranty, covenant or other obligation contained herein that (x) would give rise to the failure of a condition set forth in Section 7.2(a) or 7.2(b) and (y) cannot be or has not been cured within thirty (30) days after the giving of written notice to Buyer of such breach; *provided*,

*however*, that the Seller is not then in default or breach in any material respect of its obligations under this Purchase Agreement; or (ii) in the event of a material breach by Buyer of Section 7.2(f) or in the event Buyer does not complete the construction of facilities for the Seller's KREN-DT digital television facility, in full compliance with the construction permit issued by the FCC for KREN-DT in FCC File No. BMPCDT-20080317AEK, on or before February 17, 2009, and the FCC has not granted an extension of the construction permit for KREN-DT, to a date following February 17, 2009;

(d) by any party hereto, upon written notice to the other party, if any Governmental Authority of competent jurisdiction shall have issued a final and permanent order enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Purchase Agreement;

(e) by Buyer, if:

(i) within fifteen (15) days of the filing of the Bankruptcy Motions, the Bidding Procedures Order shall not have been approved by the Bankruptcy Court; or

(ii) within sixty (60) days of the filing of the Bankruptcy Motions, the Sale Approval Order shall not have been approved by the Bankruptcy Court;

(f) by Buyer, if:

(i) Seller shall (x) prior to approval of the Bidding Procedures Order, accept any Acquisition Proposal or seek the approval by the Bankruptcy Court of any Acquisition Proposal (whether pursuant to Section 363 of the Bankruptcy Code, in a Chapter 11 plan of reorganization or otherwise), or (y) following approval of the Bidding Procedures Order, take any action to pursue any Acquisition Proposal other than as expressly permitted by the Bidding Procedures Order;

(ii) any Person or group shall have entered into a definitive agreement or any agreement in principle with Seller with respect to any Acquisition Proposal;

(iii) the board of directors of Seller, or any committee thereof, shall have resolved to do any of the foregoing; or

(iv) the Bankruptcy Court shall have entered an order approving (A) an Acquisition Proposal, (B) any sale of the Reno Station Assets (or any material portion thereof) other than to Buyer, or (C) any of the foregoing;

(g) by Buyer in accordance with Sections 6.7 or 8.1(b);

(h) by Seller or Buyer, upon written notice to the other party, in the event that the Closing has not taken place on or before the date that is twelve (12) months from the date on which the Assignment Application was accepted for filing by the FCC (other than as a result of any failure on the part of Buyer to comply with or perform in any material respect any covenant or obligations set forth in this Purchase Agreement), or if Seller shall not have obtained the FCC Consent within one year of filing the FCC Application; or



(i) by Buyer upon (A) the dismissal of the Sale Debtors' Chapter 11 Cases or the conversion of the Sale Debtors' Chapter 11 Cases to a case under Chapter 7 of the Bankruptcy Code; or (B) the filing of a plan of reorganization for Seller that is in any manner or respect materially inconsistent with, or would otherwise reasonably be expected, directly or indirectly, to delay materially, affect materially adversely, or materially conflict with the transactions contemplated or the benefits reasonably expected to be gained by Buyer under this Purchase Agreement.

(j) Neither Buyer nor Seller may terminate this Purchase Agreement solely because of a Construction Permit Termination.

### ***9.2 Procedure and Effect of Termination.***

(a) In the event of termination of this Purchase Agreement by any party or parties hereto pursuant to Section 9.1, written notice thereof shall be given promptly to the other party and this Purchase Agreement shall terminate and the transactions contemplated hereby shall be abandoned without further action by any of the parties hereto, but subject to and without limiting any of the rights of the parties specified herein in the event a party hereto is in default or breach in any material respect of its obligations under this Purchase Agreement. In the event that this Purchase Agreement is terminated pursuant to the terms and subject to the conditions hereof, upon the Termination Date:

(i) Except for the obligations of Seller and Buyer as stated in Sections 6.2, 9.2, 9.3 and 10 (which sections shall survive termination of this Purchase Agreement), none of the Parties hereto nor any of their respective partners, directors, officers, shareholders, employers, agents, retained professionals or Affiliates (each, a "**Related Party**") shall have any liability or further obligation to the other party or any of their respective Related Parties pursuant to this Purchase Agreement with respect to which termination has occurred; and

(ii) All filings, applications and other submissions relating to the transactions contemplated hereby as to which termination has occurred shall, to the extent practicable, be withdrawn by the parties from the agency or other Person to which made.

(b) Nothing in this Purchase Agreement shall require that the Bankruptcy Court approve the termination of this Purchase Agreement in order for such termination to be effective.

### ***9.3 Break-up Fee; Fees and Expenses Reimbursement; Net TBA Costs; Digital Conversion Equipment Costs.***

(a) Seller acknowledges (i) that Buyer has made a substantial investment of management time and incurred substantial out-of-pocket expenses in connection with the negotiation and execution of this Purchase Agreement, its due diligence of the Reno Stations, and its effort to consummate the transactions contemplated hereby; and (ii) that Buyer's efforts have substantially benefited Seller and will benefit Seller and will benefit the bankruptcy estate of the Seller through the submission of the offer that is reflected in this Purchase Agreement, that will serve as a minimum bid on which other potential interested bidders can rely, thus increasing the likelihood that the price at which the Reno Station Assets are sold will reflect its true worth.

Therefore, as compensation for entering into this Purchase Agreement, taking action to consummate the transactions hereunder and incurring the costs and expenses related thereto and other losses and damages, including foregoing other opportunities, Seller agrees to pay to Buyer, in accordance with the provisions of this Section 9.3, (x) the amount of One Hundred Twenty Five Thousand and No/100s Dollars (\$125,000.00) (the "**Break-Up Fee**"), (y) the reimbursement by Seller of the reasonable, actual and documented out-of-pocket expenses of Buyer incurred in connection with the transactions contemplated by this Purchase Agreement (including, without limitation, reasonable professional fees and expenses), in an amount up to \$75,000 (the "**Fees and Expenses Reimbursement**"), and (z) the Net TBA Costs.

(b) In the event of a termination by Buyer pursuant to Sections 9.1(b), (f), or (i)(B), Seller shall pay to Buyer the Break-Up Fee, the Fees and Expenses Reimbursement, and the Net TBA Costs not later than the close of business on the third Business Day following such termination.

(c) In the event of a termination by Buyer pursuant to Sections 9.1(e), (g), (h), (i)(A), or a termination by either Seller or Buyer pursuant to Section 9.1(d), Seller shall immediately pay to Buyer the Net TBA Costs not later than the close of business on the third Business Day following such termination. If such termination results from actions of Fortress or any Pre-Petition Lenders in the Sale Debtors' Chapter 11 Cases unrelated to the Bankruptcy Motions, Seller shall, in addition, pay to Buyer the Fees and Expenses Reimbursement not later than the close of business on the third Business Day following such termination.

(d) If applicable in accordance with Section 10.12(c), in the event of a termination of this Purchase Agreement for any reason, in addition to payment of the Break-Up Fee, the Fees and Expenses Reimbursement and/or the Net TBA Costs, as the case may be, Seller shall pay to Buyer the Digital Conversion Equipment Costs not later than the close of business on the third Business Day following receipt of the written notice provided for therein.

(e) Payment of the Break-Up Fee, the Fees and Expenses Reimbursement, the Net TBA Costs and/or the Digital Conversion Equipment Costs, as the case may be, shall be made by check of immediately available funds to an account designated by Buyer.

(f) The Break-Up Fee and the Fees and Expenses Reimbursement, until indefeasibly paid in full in cash, shall constitute an administrative expense of the Sale Debtors' bankruptcy estates, ranking (A) junior and subordinate in priority to (i) the Debtors' adequate protection obligations to the Pre-Petition Agent and/or the Pre-Petition Lenders under orders entered or to be entered by the Bankruptcy Court, (ii) any superpriority claims under section 507(b) or section 364(c) of the Bankruptcy Code granted to (x) the Pre-Petition Agent and/or the Pre-Petition Lenders under orders entered or to be entered by the Bankruptcy Court and (y) Fortress Credit Corp., as agent for certain lenders, under a post-petition credit facility entered into or to be entered into with the Debtors, and/or the lenders party thereto, and orders approving such credit facility, (iii) any fees payable under Section 1930(a), title 28 of the United States Code, and (iv) any carve-out for the fees, costs and commissions of the Seller and his retained professionals, and other professional legal fees and expenses in the Sale Debtors' chapter 11 cases, and (B) *pari passu* with any other administrative expenses of the kind specified in sections 503(b) and 507 of the Bankruptcy Code in any of the Sale Debtors' chapter 11 cases. Without

limiting the generality of the foregoing, the Buyer's administrative expense claim for the Break-Up Fee and the Fees and Expenses Reimbursement shall not encumber, and shall expressly exclude, all Chapter 5 Claims arising under chapter 5 of the Bankruptcy Code (the "Chapter 5 Claims"), together with any and all proceeds thereof.

(g) The Buyer's incurrence of the Net TBA Costs and Digital Conversion Equipment Costs for the benefit of the Sale Debtors' estates prior to the approval of this Purchase Agreement shall have the priority afforded by section 364(c)(1); provided, however, that such superpriority claim shall rank (A) junior and subordinate in priority to (i) the Debtors' adequate protection obligations to the Pre-Petition Agent and/or the Pre-Petition Lenders under orders entered or to be entered by the Bankruptcy Court, (ii) any superpriority claims under section 507(b) or section 364(c) of the Bankruptcy Code granted to (x) the Pre-Petition Agent and/or the Pre-Petition Lenders under orders entered or to be entered by the Bankruptcy Court and (y) Fortress Credit Corp., as agent for certain lenders, under a post-petition credit facility entered into or to be entered into with the Debtors, and/or the lenders party thereto, and orders approving such credit facility, (iii) any fees payable under Section 1930(a), title 28 of the United States Code, and (iv) any carve-out for the fees, costs and commissions of the Seller and his retained professionals, and other professional legal fees and expenses in the Sale Debtors' chapter 11 cases, and (B) *pari passu* with any other superpriority claims granted in any of the Sale Debtors' chapter 11 cases under section 364(c)(1). Without limiting the generality of the foregoing, the Buyer's section 364 superpriority claim for the incurrence of Net TBA Costs and the Digital Conversion Equipment Costs shall not encumber, and shall expressly exclude, all Chapter 5 Claims.

(h) Nothing in this Section 9.3 shall be deemed to prevent or in any manner limit any claims for any equitable remedies available under this Purchase Agreement.

**9.4 Seller's Remedies.** If this Purchase Agreement is terminated by Seller pursuant to Section 9.1(c)(i) hereof, Seller shall have the right to receive the Escrow Deposit as liquidated damages and as Seller's sole and exclusive remedy, and Buyer shall not be entitled to receive the Break-Up Fee, the Fees and Expenses Reimbursement or Net TBA Costs; *provided that* in the event this Purchase Agreement is terminated for any other reason, including, without limitation, Section 9.1(c)(ii), Buyer shall receive the Escrow Deposit and the Escrow Proceeds in accordance with the Escrow Agreement.

## SECTION 10 - MISCELLANEOUS

**10.1 Fees and Expenses.** Except as otherwise provided in this Purchase Agreement with respect to the Break-Up Fee, the Fees and Expenses Reimbursement, the Net TBA Costs and the Digital Conversion Equipment Costs, each party hereto shall pay its own expenses incurred in connection with the authorization, preparation, execution and performance of this Purchase Agreement, including, without limitation, all fees and expenses of counsel, accountants, agents and representatives.

**10.2 Notices.** All notices, demands and requests required or permitted to be given under the provisions of this Purchase Agreement shall be (i) in writing, (ii) delivered by personal delivery or sent by commercial delivery service or certified mail, return receipt requested,

(iii) deemed to have been given the date of personal delivery or the date set forth in the records of the delivery service or on the return receipt and (iv) addressed as follows:

(a) If to Seller:

McElroy, Deutsch, Mulvaney & Carpenter, LLP  
Three Gateway Center  
100 Mulberry Street  
Newark, NJ 07102  
Attention: Charles A. Stanziale, Jr., Esq.  
Jeffrey T. Testa, Esq.  
*Counsel to Chapter 11 Trustee*

and

E. Roger Williams  
Roger Wilco Productions L  
114 Ferris Hill Road  
New Caanan, CT 06840  
*Chapter 11 Trustee*

and

Mohsin Y. Meghji  
Kevin Shea  
Loughlin Meghji & Company  
220 West 42<sup>nd</sup> Street, 9<sup>th</sup> Floor  
New York, NY 10036

(b) If to Buyer:

Entravision Communications Corporation  
2425 Olympic Boulevard, Suite 6000 West  
Santa Monica, CA 90404  
Attention: Walter F. Ulloa, Chairman and  
Chief Executive Officer

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

Entravision Communications Corporation  
2425 Olympic Boulevard, Suite 6000 West  
Santa Monica, CA 90404  
Attention: General Counsel

and

Thompson Hine LLP

1920 N Street, Suite 800  
Washington, DC 20036  
Attention: Barry Friedman, Esq.  
*Counsel to Buyer*

and

Thompson Hine LLP  
335 Madison Avenue  
Twelfth Floor  
New York, NY 10017  
Attention: Benjamin D. Feder, Esq.  
*Counsel to Buyer*

or to any other or additional persons and addresses as the parties may from time to time designate in a writing delivered in accordance with this Section 10.2.

**10.3 *Benefit and Binding Effect.*** No party hereto may assign this Purchase Agreement without the prior written consent of the other party hereto, except that Buyer shall have the right, with the consent of Seller, which consent shall not be unreasonably withheld, to assign its rights and obligations under this Purchase Agreement, in whole or in part, to an Affiliate of Buyer. This Purchase Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

**10.4 *Further Assurances.*** Subject to the terms and conditions of this Purchase Agreement, from time to time prior to, at and after the Closing Date, each party hereto will use commercially reasonable efforts to take, or cause to be taken, all such actions and to do or cause to be done, all things necessary, proper or advisable under Applicable Law to consummate and make effective the transactions contemplated by this Purchase Agreement.

**10.5 *Governing Law; Venue.*** This Purchase Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed and enforced in accordance with, the Bankruptcy Code, and to the extent that the Bankruptcy Code does not address the matter at hand, then in accordance with the laws of the State of Delaware without regard to its conflict of law rules. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Purchase Agreement may be brought by either party hereto in the Bankruptcy Court, and each of the parties hereto consents to the jurisdiction of such court (and of the appropriate appellate courts) in any action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in this Section may be served on either party hereto anywhere in the world.

**10.6 *Waiver of Compliance; Consents.*** Except as otherwise provided in this Purchase Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement or condition herein may be waived by the party hereto entitled to the benefits thereof only by a written instrument signed by the party or parties granting such waiver, but such waiver shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Purchase Agreement requires or permits consent by

or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 10.6.

**10.7 Severability.** If any provision of this Purchase Agreement shall be invalid or unenforceable to any extent, the remainder of this Purchase Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by Applicable Law so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid or unenforceable, the parties hereto shall negotiate in good faith to modify this Purchase Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the greatest extent possible.

**10.8 Exculpation.** The Chapter 11 Trustee shall be exculpated from, and shall have no personal liability for, his acts and actions taken in good faith in furtherance of his duties under this Purchase Agreement, *provided, however*, the foregoing exculpation shall not apply in the event of the Chapter 11 Trustee's gross negligence, willful misconduct, bad faith or fraud.

**10.9 Specific Performance.** The parties recognize and agree that the Reno Station Assets are unique and that if, prior to Closing, Seller breaches this Purchase Agreement and refuses to perform under the provisions hereof, Buyer would be damaged irreparably and the award of monetary damages alone would not be adequate to compensate Buyer for its injury. Buyer shall therefore be entitled to obtain specific performance of the terms of this Purchase Agreement, and to injunctive or other equitable relief as remedies or any such breach or failure to perform. If any action for specific performance is brought by Buyer to enforce this Purchase Agreement, Seller shall waive the defense that there is adequate remedy at law.

**10.10 Entire Agreement.** This Purchase Agreement, the Schedules and Exhibits hereto, and all documents, certificates and other documents to be delivered by the parties pursuant hereto, collectively represent the entire understanding and agreement between Buyer and Seller with respect to the subject matter of this Purchase Agreement. This Purchase Agreement supersedes all prior negotiations between the Parties, including but not limited to the Summary Term Sheet, and cannot be amended, supplemented or changed except by an agreement in writing that is signed by the parties hereto.

**10.11 Counterparts.** This Purchase Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document. Each party hereto agrees that the delivery of this Purchase Agreement by facsimile or other electronic transmission will be deemed to be an original of this Purchase Agreement so transmitted.

**10.12 Digital Transition.**

(a) Within two (2) Business Days of the entry by the Bankruptcy Court of the Bidding Procedures Order, Buyer shall be authorized to incur the necessary costs and expenses to lease, purchase, and install on Seller's property all equipment (the "**Digital Conversion Equipment**") that is, in Buyer's reasonable business judgment, after consultation with Seller,

necessary to cause KREN to be able to operate in compliance with all of the FCC's requirements for conversion of KREN from analog broadcasting facilities to digital broadcasting facilities and in accordance with the construction permit issued by the FCC to Seller. The expenses incurred or obligated in connection therewith shall be referred to as the "**Digital Conversion Equipment Costs**". Buyer agrees that the Digital Conversion Equipment Costs will not exceed Seven Hundred Thousand Dollars and No/100s (\$700,000.00), without first obtaining Seller's consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Title to the Digital Conversion Equipment shall remain with Buyer until such time as title to the Digital Conversion Equipment may be transferred by Buyer to a successful overbidder for the Reno Station Assets, or to Seller.

(b) Upon termination of this Purchase Agreement pursuant to Section 9.1, except as otherwise provided in Section 10.11(c) below, Buyer shall retain the Digital Conversion Equipment and, not later than the close of business on the twentieth Business Day following such termination, remove the Digital Conversion Equipment from Seller's property at its own expense; provided, however, that, subject to Section 10.11(c) below, in the event that, as determined by Buyer in its sole discretion, weather conditions prevent Buyer from safely and efficiently removing the Digital Conversion Equipment from Seller's property within such twenty day period of time, then such period of time shall be extended (an "Extension") for a period of time that is sufficient to allow weather conditions to improve, as determined by Buyer in its sole discretion, such that Buyer can safely and efficiently remove the Digital Conversion Equipment (the "Extended Period") from Seller's property. As part of the consideration provided for herein, in the event of an Extension, Buyer and Seller hereby agree that a license shall automatically be granted to Buyer for the Extended Period to allow the Digital Conversion Equipment to remain on Seller's property. Subject to Section 10.11(c) below, title to the Digital Conversion Equipment shall remain with Buyer during the Extended Period, and in no event shall Seller be permitted to use or otherwise handle the Digital Conversion Equipment.

(c) Seller may, in its sole discretion, elect to acquire the Digital Conversion Equipment. In such event, Seller shall deliver written notice to Buyer within three (3) Business Days of termination of this Purchase Agreement stating that Seller is electing to acquire the Digital Conversion Equipment. Buyer shall, within three (3) Business Days of receipt of Seller's written notice, transfer title to the Digital Conversion Equipment to Seller, and Seller shall assume all of Buyer's liabilities in connection with the Digital Conversion Equipment Costs and promptly reimburse Buyer for all reasonable out of pocket expenses in connection therewith. This obligation shall survive termination of this Purchase Agreement.

### **10.13 Bankruptcy Motions.**

(a) Seller filed with the Bankruptcy Court on September 5, 2008 the Bankruptcy Motions to obtain (i) on an expedited basis, the Bidding Procedures Order reasonably satisfactory to Buyer; (ii) an order (which may be the Bidding Procedure Order) providing that, in the event Buyer fails to acquire the Assets, Buyer, if required in accordance with Section 10.12(c) above shall be required to transfer title to the Digital Conversion Equipment to Seller and Seller shall be required to assume all of Buyer's liabilities in connection with the Digital Conversion Equipment Costs and reimburse Buyer for all reasonable out of pocket expenses in connection therewith; and (iii) the Sale Approval Order.

(b) Within three (3) Business Days of the entry by the Bankruptcy Court of the Bidding Procedures Order, Seller shall file with the Bankruptcy Court, and serve on all counter-parties to the Leases, a notice of (i) Seller's intent to assume and assign to Buyer the Leases in accordance with Section 365 of the Bankruptcy Code, and (ii) the Cure Costs (if any) with respect to each Lease.

(c) Seller and Buyer shall each use their commercially reasonable efforts, and shall cooperate, assist and consult with each other, and take all actions reasonably necessary, in order to secure the Bankruptcy Court's approval of the Bidding Procedures Order, the Sale Approval Order, and any other order that could reasonably be anticipated to effect the transactions contemplated by this Purchase Agreement. None of Seller or Buyer will file any pleading or take any position that is inconsistent with obtaining the Bankruptcy Court's approval of the Bidding Procedures Order or the Sale Approval Order. Seller shall provide notice to Buyer of all the pleadings filed by Seller in the Sale Debtors' Chapter 11 Cases pertaining to this Purchase Agreement.

*[The Remainder Of This Page Is Intentionally Left Blank]*



IN WITNESS WHEREOF, this Asset Purchase Agreement has been executed  
by the duly authorized officers of Buyer and Seller.

**ENTRAVISION COMMUNICATIONS  
CORPORATION**

By: \_\_\_\_\_  
Walter F. Ulloa  
Chief Executive Officer

and

Debtors PAPPAS TELECASTING OF NEVADA,  
L.P., a Delaware limited partnership, and RENO  
LICENSE, LLC, a Delaware limited liability  
company, in the U.S. Bankruptcy Court for the  
District of Delaware, Case No. 08-10916 (Jointly  
Administered), by Mohsin Y. Meghji, Chief  
Restructuring Officer

By: \_\_\_\_\_  
Mohsin Y. Meghji  
Chief Restructuring Officer

*[Signature page to Asset Purchase Agreement]*

## **EXHIBIT A**

### **DEFINED TERMS**

**Acquisition Proposal** means any proposal or offer from any Person other than Buyer for the acquisition, transfer, purchase or other disposition of the Reno Station Assets (or any material portion thereof), including, without limitation, (i) the acquisition, transfer, purchase or other disposition of any equity interests of Seller, (ii) any business combination involving or otherwise relating to Seller, (iii) any offer or proposal to restructure all or any portion of the liabilities of Seller, or (iv) any other similar transaction, the consummation of which would reasonably be expected (a) to prevent or materially delay the transactions contemplated by this Purchase Agreement or, (b) to dilute materially the benefits to Buyer of such transactions.

**Affiliate** means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such Person.

**Allocation** has the meaning ascribed thereto in Section 2.7.

**Applicable Environmental Law(s)** means any and all laws, statutes, regulations and judicial interpretations thereof of the United States, of any state in which the Reno Station Assets, or any portion thereof, or the Reno Stations are located, and of any other government or quasi-government authority having jurisdiction, that relate to the prevention, abatement and elimination of pollution and/or protection of the environment, including the federal Comprehensive Environmental Response, Compensation, and Liability Act, the Resource Conservation and Recovery Act, the Clean Water Act, the Clean Air Act, the Safe Drinking Water Act, the Toxic Substances Control Act and the Hazardous Materials Transportation Act, together with all state statutes serving any similar or related purposes, as in effect on or prior to the date of this Purchase Agreement.

**Applicable Law** means any applicable constitution, treaty, statute, rule, regulation, ordinance, order, directive, code, interpretation, judgment, decree, injunction, writ, determination, award, permit, license, authorization, directive, requirement, ruling or decision of, agreement with, or by a Governmental Authority.

**Assignment and Acceptance Agreement** has the meaning ascribed thereto in Section 8.3(a)(ii).

**Assignment and Assumption Agreement** has the meaning ascribed thereto in Section 8.3(a)(i).

**Assignment Application** means the application to be filed with the FCC in order to obtain the consent of the FCC to the assignment of the Licenses from Seller to Entravision Holdings.

**Assumed Liabilities** has the meaning ascribed thereto in Section 2.3(a).

**Bankruptcy Code** has the meaning ascribed thereto in the Preliminary Statement.

**Bankruptcy Court** means the United States Bankruptcy Court for the District of Delaware.

**Bankruptcy Motions** means the motion or motions filed with the Bankruptcy Court by Seller within one (1) Business Day of the date hereof, if not already accomplished in accordance with the Summary Term Sheet.

**Best Knowledge** means the actual knowledge of the officers and directors of Seller, Buyer, or CRO as the case may be, and the knowledge that they would have after due and diligent inquiry into the relevant subject matter, which shall be deemed to include the knowledge that they could obtain through discussions with the employees and representatives of Seller, Buyer or CRO as the case may be, with knowledge of or responsibility for the subject matter in question.

**Bidding Procedures Order** means an order in the form of Exhibit E and subject only to such changes as Buyer in its sole discretion may consent to in writing (*provided* that, with respect to non-material changes only, Buyer's consent to such non-material changes shall not be unreasonably withheld) providing, among other things, for (A) procedures and requirements pursuant to which competitive bids for the Reno Station Assets may be submitted by other potential bidders and considered by Seller (which, in addition to customary bid qualifications and minimum overbid requirements, shall include, among other things, the requirement that a potential competitive bidder must undertake as part of its bid, in the event that it is ultimately the successful bidder, to pay Entravision, no later than one (1) business day following its bid being approved by the Bankruptcy Court, all of Entravision's liabilities in connection with (x) the Digital Conversion Equipment Costs (including assuming any equipment purchase contracts that Entravision has entered into in connection therewith) and reimburse Entravision for all reasonable out-of-pocket expenses in connection therewith), and (y) the Net TBA Costs), and (B) bid protections for Entravision, including the Break-Up Fee and the Fees and Expenses Reimbursement (each as hereinafter defined), and the Termination Provisions described below; (ii) an order (which may be the Bidding Procedures Order) providing that, in the event Entravision fails to acquire the Reno Station Assets, Entravision shall retain the Digital Conversion Equipment and remove it from Seller's property (or, at Seller's request, to transfer title to the Digital Conversion Equipment to Seller, in which event Seller shall be required immediately to assume all of Entravision's liabilities in connection with the Digital Conversion Equipment Costs and to reimburse Entravision for all reasonable out-of-pocket expenses in connection therewith (with such reimbursement claims of Entravision for the Digital Equipment Conversion Costs, together with the Net TBA Costs, constituting a superpriority administrative expense of the Sale Debtors' bankruptcy estates, ranking (A) junior and subordinate in priority to (i) the Debtors' adequate protection obligations to Fortress Credit Corp., as agent for the Debtors' pre-petition lenders, and/or the Pre-Petition Lenders under orders entered or to be entered by the Bankruptcy Court, (ii) any super-priority claims under section 507(b) or section 364(c) of the Bankruptcy Code granted to (x) Fortress and/or the Pre-Petition Lenders under orders entered or to be entered by the Bankruptcy Court and (y) Fortress Credit Corp., as agent for certain lenders under a post-petition credit facility entered into or to be entered into with the Debtors, and/or the lenders party thereto, and orders approving such credit facility, (iii) any fees payable under section 1930(a), title 28 of the United States Code, and (iv) any carve-out for the fees, costs and commissions of the Seller and his retained professionals, and other professional legal fees and expenses in the Chapter 11 Cases and (B) *pari passu* with any other superpriority claims granted by or in any of the Sale Debtors' chapter 11 cases under section 364(c)(1). Without limiting the generality of the foregoing, the Buyer's section 364 superpriority claim for the incurrence of Net TBA Costs and Digital Conversion Equipment Costs shall not encumber,

and shall expressly exclude, all claims arising under chapter 5 of the Bankruptcy Code, together with any and all proceeds thereof; and (iii) an order satisfactory to Entravision approving the Reno Stations Sale and the Transaction Documents pursuant to Sections 363 and 365 of the Bankruptcy Code. Seller and Entravision hereby agree to use all commercially efforts to execute the Purchase Agreement and the TBA and to file them with the Bankruptcy Court as a supplement to the Bankruptcy Motions no later than two (2) business days prior to the scheduled date of the hearing to consider the Bidding Procedures Order. Without limiting the generality of the foregoing, the Entravision section 364 superpriority administrative claim for the incurrence of the Net TBA Costs and the Digital Conversion Equipment Costs and reasonable out-of-pocket expenses in connection therewith and the Buyer's administrative expense claim for the Break-Up Fee and Fees and Expenses Reimbursement (as defined herein) shall not encumber, and shall expressly exclude, all Chapter 5 Claims, together with any and all proceeds thereof.

**Bill of Sale** has the meaning ascribed thereto in Section 8.3(a)(iii).

**Break-Up Fee** has the meaning ascribed thereto in Section 9.3(a).

**Business Day** means any day excluding Saturdays, Sundays and any day that is a legal holiday under the laws of the United States or is a day on which federal banking institutions located in or around Reno, Nevada are authorized or required by law or other governmental action to close.

**Buyer** has the meaning ascribed thereto in the Preamble.

**Chapter 11 Trustee** has the meaning ascribed thereto in the Preliminary Statement.

**Claim** means a claim as defined in Section 101(5) of the Bankruptcy Code.

**Closing** means the consummation of the purchase and sale of the Reno Station Assets pursuant to this Purchase Agreement in accordance with the provisions of Section 8.

**Closing Date** has the meaning ascribed thereto in Section 8.1.

**Code** means the Internal Revenue Code of 1986, as amended.

**Communications Act** means the Communications Act of 1934, as amended, and the rules, regulations, and policies of the FCC promulgated thereunder.

**Construction Permit Termination** means the termination of a construction permit for KBVG, KBVE or KBVH.

**Contracts** means all contracts, leases, non-governmental licenses and other agreements (including, without limitation, leases for personal or real property, employment agreements and Trade Agreements), written or oral (including, without limitation, any amendments and other modifications thereto).

**Control** means having the power to direct the affairs of a Person by reason of either (i) owning or controlling the right to vote a sufficient number of shares of voting stock or other voting

interest of such Person or (ii) having the right to direct the general management of the affairs of such Person by contract or otherwise.

**Conversion Plan** has the meaning ascribed thereto in Section 7.2(f).

**CRO** has the meaning ascribed thereto in the Preliminary Statement.

**Cure Costs** means the liabilities and obligations of Seller that must be paid or otherwise satisfied to cure all defaults by Seller in accordance with Section 365 of the Bankruptcy Code under the Leases at the time of assignment thereof to, and the assumption thereof by, Buyer as provided herein.

**Debtors** means the following jointly administered debtors, along with the last four digits of each Debtor's federal tax identification number, are: Pappas Telecasting Incorporated (2213), Pappas Telecasting of Central California, a California Limited Partnership (3051); Pappas Telecasting of the Midlands, L.P. (8586); WCWG of the Triad, LLC (7903); Pappas Telecasting of Sioux City, L.P. (2089); Pappas Telecasting of Concord, a California Limited Partnership (2459); Pappas Telecasting of Houston, L.P. (2089); Pappas Telecasting of El Paso-Juarez, L.P. (2202); Pappas Telecasting of Nevada, L.P. (8024); Pappas Telecasting of Siouxland, LLC (2069); CASA of Washington, LLC (7196); KMPH (TV) License, LLC (None); KFRE (TV) License, LLC (None); Concord License, LLC (None); KTNC License, LLC (None); KPTM (TV) License, LLC (None); WCWG License, LLC (None); KPTII License, LLC (None); KAZH License, LLC (None); KDBC License, LLC (None); Reno License, LLC (None); and KCWK License, LLC (None).

**Digital Conversion Equipment** shall have the meaning ascribed thereto in Section 10.11.

**Digital Conversion Equipment Costs** shall have the meaning ascribed thereto in Section 10.11.

**Effective Time** means 12:01 a.m., Eastern Time, on the Closing Date.

**Encumbrances** means, with respect to any asset, any and all Claims, Liens and other interests, including, without limitation, rights of first refusal, equities, or similar third party rights of any kind or nature whatsoever in respect of such asset.

**Entravision Holdings** means Entravision Holdings, LLC, an affiliate of Buyer.

**Environmental Due Diligence** has the meaning ascribed thereto in Section 6.7.

**Environmental Due Diligence Period** has the meaning ascribed thereto in Section 6.7.

**Environmental Notice** has the meaning ascribed thereto in Section 6.7.

**Escrow Agent** means Union Bank of California.

**Escrow Agreement** means that certain Escrow Agreement, dated as of even date herewith, by and among Seller, Buyer and Escrow Agent. The Escrow Agreement is attached hereto as Exhibit F.

**Escrow Deposit** has the meaning ascribed thereto in Section 2.4(a).

**Escrow Proceeds** has the meaning ascribed thereto in the Escrow Agreement.

**Excluded Assets** has the meaning ascribed thereto in Section 2.2.

**FCC** has the meaning ascribed thereto in the Preliminary Statement.

**FCC Consent** means action by the FCC granting its consent to the Assignment Application and the consummation of the transactions contemplated thereby.

**Fees and Expenses Reimbursement** has the meaning ascribed thereto in Section 9.3(a).

**Final Order** means an action by the FCC or other regulatory authority having jurisdiction (i) with respect to which action no timely request for stay, motion or petition for reconsideration or rehearing, application or request for review or notice of appeal or other judicial petition for review is pending and (ii) as to which the time for filing any such request, motion, petition, application, appeal or notice and for the entry of orders staying, reconsidering or reviewing on the FCC's or such other regulatory authority's own motion has expired.

**Financial Statements** has the meaning ascribed thereto in Section 3.8.

**Fortress** means Fortress Credit Corporation.

**Governmental Authority** means any government, any governmental entity, department, commission, board, agency or instrumentality and any court, tribunal or judicial or arbitral body, whether federal, state or local.

**Hazardous Substance** means petroleum, petroleum hydrocarbons or petroleum products, petroleum by-products, radioactive materials, asbestos or asbestos-containing materials, gasoline, diesel fuel, pesticides, lead or lead-containing materials, polychlorinated biphenyls, and any other chemicals, materials, substances, or wastes which are defined as or included in the definitions of "hazardous substances," "hazardous materials," "hazardous wastes," or words of similar import under Applicable Environmental Laws.

**Independent Auditor** has the meaning ascribed thereto in Section 2.6(c).

**KBVE** has the meaning ascribed thereto in the Preliminary Statement.

**KBVG** has the meaning ascribed thereto in the Preliminary Statement.

**KBVH** has the meaning ascribed thereto in the Preliminary Statement.

**KREN** has the meaning ascribed thereto in the Preliminary Statement.

**Leases** has the meaning ascribed thereto in Section 3.5.

**Licenses** means the licenses, permits, construction permits and other authorizations issued by or pending before the FCC necessary or useful for the business or operation of the Reno Stations or

the conduct of the Reno Stations (including, without limitation, the rights in and to the Reno Stations' call signs) listed and described in *Schedule 3.4*.

**Lien** means, with respect to any asset, any mortgage, lien, pledge, charge, security interest, or restriction of any kind, whether statutory or otherwise, in respect of such asset.

**Material Adverse Effect** means an adverse effect that is material to business or operation of the Stations and the Reno Station Assets, taken together as a whole, financially or otherwise.

**Net TBA Costs** means the total Monthly Costs as provided for in the TBA net of any revenues received by Buyer under the TBA (not to exceed \$10,000 per month or any portion thereof) plus an additional \$10,000 for related costs during the term of the TBA.

**PTN** has the meaning ascribed thereto in the Preamble.

**Parties** has the meaning ascribed thereto in Footnote 2 of the Preamble.

**Permitted Liens** means (i) liens for Taxes not yet due and payable; (ii) liens for property Taxes not delinquent; and (iii) any Liens disclosed in *Schedule 3.4*, *3.5* or *3.6(a) and 3.6(c)*.

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

**Pre-Petition Agent** means Fortress, as agent for the Pre-Petition Lenders.

**Pre-Petition Lenders** means the lender parties to that certain Credit Agreement dated as of March 1, 2006 by and among Fortress, as Administrative Agent and Facility Agent, certain of the Debtors and the lenders party thereto.

**Purchase Agreement** has the meaning ascribed thereto in the Preamble.

**Purchase Price** has the meaning ascribed thereto in Section 2.4(b).

**Real Property** has the meaning ascribed thereto in Section 3.5(a).

**Related Party** has the meaning ascribed thereto in Section 9.2(b)(i).

**Reno License** has the meaning ascribed thereto in the Preamble.

**Reno Station Assets** has the meaning ascribed thereto in Section 2.1.

**Reno Stations** has the meaning ascribed thereto in the Preliminary Statement.

**Required Consent(s)** means any and all consents, approvals, waivers, clearances and estoppels, if applicable, to those certain Leases that may require consent to assign to Buyer or its designee as set forth in *Schedule 3.3*.

**Retained Liabilities** has the meaning ascribed thereto in Section 2.3(b).

**Sale Approval Order** means an order in the form substantially similar to Exhibit D and subject only to such changes as Buyer in its sole discretion may consent to in writing (*provided* that, with respect to non-material changes only, Buyer's consent to such non-material changes shall not be unreasonably withheld) pursuant to Sections 105, 363, 365 and other applicable provisions of the Bankruptcy Code, among other things, (i) authorizing and approving the sale to Buyer pursuant to this Purchase Agreement of the Reno Station Assets, and approving the terms of this Purchase Agreement, (ii) authorizing and approving the assumption by Seller, and the assignment to Buyer, of the Leases, (iii) finding Buyer is acting in good faith, and is entitled to the protections of a good faith purchaser under Section 363(m) of the Bankruptcy Code, and (iv) containing such other findings and provisions consistent with applicable Law as may be reasonably requested by Buyer.

**Sale Debtors** has the meaning ascribed thereto in the Preamble.

**Sale Debtors' Chapter 11 Cases** has the meaning ascribed thereto in the Preliminary Statement.

**Sale Vehicles** has the meaning ascribed thereto in Section 3.6(c).

**Seller** has the meaning ascribed thereto in the Preamble.

**Summary Term Sheet** shall mean that certain term sheet setting in abbreviated form the terms of this Purchase Agreement, executed by Buyer and the Chapter 11 Trustee on September 4, 2008. To any extent the terms of the Summary Term Sheet are different than the terms of this Purchase Agreement, then this Purchase Agreement shall control.

**TBA** means that certain Time Brokerage Agreement, dated the date thereof, by and between Buyer and Seller. The TBA is attached hereto as Exhibit C.

**Tax** means any federal, state, local or foreign income, gross receipts, windfall profits, severance, property, production, sales, use, license, excise, franchise, capital, transfer, employment, withholding or other tax or governmental assessment, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

**Tax Return** means any tax return, declaration of estimated tax, tax report or other tax statement or any other similar filing required to be submitted by Seller relating to the Reno Stations to any governmental authority with respect to any Tax.

**Termination Date** means the date on which a termination of this Purchase Agreement pursuant to the terms and subject to the conditions of this Purchase Agreement shall be effective.

**Tower Facilities** has the meaning ascribed thereto in Section 3.6.

**Transfer Taxes** has the meaning ascribed thereto in Section 2.8.

**WARN Act** means the Worker Adjustment and Retraining Notification Act.



**Exhibit B**

**FORM OF ESTOPPEL/CONSENT FROM LESSORS**

[\_\_\_\_\_,] 2008

Via [Federal Express and Facsimile ( )]

**[Lessor]**

Re: **[Lease Agreement]** (the "**Lease**") (a copy of which is attached hereto)  
Dear Madam or Sir:

Reno License, LLC ("**Seller**") has entered into an agreement with Entravision Communications Corporation ("**Buyer**") pursuant to which Seller will transfer to Buyer certain television station assets, including its rights under the Lease (the "**Assets**").

The purpose of this letter is to notify you about the assignment by Seller to Buyer of all of its right, title and interest in and under the Lease. Such assignment shall be effective as of 12:01 a.m. on the closing date of the transfer of the Assets to Buyer (the "**Effective Time**"), which presently is scheduled to occur on or about [\_\_\_\_\_,] 2008. Buyer has agreed to accept such assignment and to pay, discharge and perform all of Seller's obligations under the Lease that relate to the period after the Effective Time and arise out of events related to Buyer's use of the Lease after the Effective Time. Seller shall remain responsible for any other obligations and liabilities that are not expressly assumed by Buyer. Buyer's assumption of the Lease in no way changes the terms of the Lease other than to substitute Buyer for Seller as lessee/tenant for all purposes from and after the Effective Time.

By executing below:

1. \_\_\_\_\_ ("**Lessor**") represents that the Lease constitutes the entire understanding of the parties with respect to the subject matter thereof, the Lease is in full force and effect according to its terms and has not been modified or amended (except as may be reflected in any written modification or amendment to the Lease attached hereto), and no defaults have occurred and are continuing under the Lease, nor have any events occurred that, after notice or lapse of time, or both, would constitute such default as a result of which any party would have the right to terminate the Lease.

2. Lessor holds fee title interest in the leased premises.

3. Lessor has not given or threatened to give any notice of default, or taken any action to terminate, cancel, rescind, or procure a judicial reformation of the Lease.

4. The base rent under the Lease is \$ \_\_\_\_\_. All base rent, additional rent, and other charges due under the Lease have been paid in the normal course through \_\_\_\_\_, 2008.

5. Lessor holds a security deposit under the Lease in the amount of \$\_\_\_\_\_ (if none, so state).

6. The current term of the Lease will expire on\_\_\_\_\_, unless renewed in accordance with the terms of the Lease.

7. The address for notice to be sent to the Lessor and the place for payment of rent is listed below:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. Lessor acknowledges that Buyer is relying on, without independent verification, the accuracy and completeness of the statements of Lessor made herein, in consummating the transactions set forth in the Purchase Agreement.

Seller respectfully requests that Lessor signify its acknowledgement and confirmation of the above by executing this letter and returning it to the undersigned in the enclosed self-addressed, stamped envelope. Your prompt reply would be greatly appreciated.

Thank you in advance for your assistance. Should you have any questions in connection with this request, please feel free to call me at \_\_\_\_\_.

Sincerely,

\_\_\_\_\_

By:

ACKNOWLEDGED AND CONFIRMED:

[Lessor]

By:

Name:

Title:

Date: