

ASSET PURCHASE AGREEMENT

This Agreement, dated as of September 14, 2001, by and among **Northwestern College**, a Minnesota not-for-profit corporation ("Seller"), and **La Favorita Broadcasting, Inc.**, a California corporation ("Buyer").

WITNESSETH:

WHEREAS, Seller is the licensee of radio broadcast Station KCFA(FM), 106.1 MHz, FCC Facility No. 9995, Arnold, California (the "Station") pursuant to certain authorizations issued by the Federal Communications Commission (the "Commission" or "FCC") and owns or leases certain assets used or useful in connection with the operation of the Station); and

WHEREAS, Buyer desires to acquire and Seller desires to sell to Buyer substantially all of the assets used in the operation of the Station and to secure an assignment of certain of the Station's leases and agreements, and the licenses and other authorizations issued by the FCC for the operation of the Station, all on the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties herein contained, and upon the terms and subject to the conditions hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE 1

Purchase and Sale of Business and Assets

1.1 Purchased Assets. Subject to and upon the terms and conditions of this Agreement, at the Closing (as hereinafter defined) Seller shall sell, transfer, convey, assign, grant and deliver to Buyer, and Buyer shall purchase and accept from Seller, all of Seller's right, title and interest in and to all assets, real, personal, mixed, tangible and intangible, used or held for use in the operation of the Station (other than the Excluded Assets (as hereinafter defined)), including but not limited to the following (hereinafter collectively referred to as the "Purchased Assets"):

(a) Commission Authorizations. All right, title and interest of Seller in and to all licenses, permits, and other authorizations issued or granted by the FCC for the operation of, or used or useful in connection with the operation of, the Station, and any and all auxiliary and/or supportive transmit and/or receive facilities, boosters, and repeaters associated with the Station (hereinafter the "Commission Authorizations"), including, without limitation, all of those listed in Schedule 1.1(a), together with any applications therefor, renewals, extensions or modifications thereof and additions thereto.

(b) Other Authorizations. All right, title and interest of Seller in and to all licenses, permits, variances, franchises, certifications, approvals, construction permits and authorizations issued or granted by any administrative body or licensing authority or governmental or regulatory agency, other than Commission Authorizations, used or useful in connection with the operation of the Station and/or the ownership and/or use of the Purchased Assets (hereinafter the "Other Authorizations" and, collectively with the Commission

Authorizations, the "Authorizations"), including, without limitation, all of those listed in Schedule 1.1(b), together with any applications therefor, renewals, extensions or modifications thereof and additions thereto.

(c) Tangible Personal Property. All right, title, and interest of Seller in and to the fixed and tangible personal property used directly, or held for use, by the Station, including, but not limited to, physical assets and equipment, leasehold improvements, machinery, vehicles, furniture, fixtures, transmitting towers, transmitters, antennae, office materials and supplies, spare parts and music libraries, including, without limitation, those listed in Schedule 1.1(c), together with all replacements thereof, additions and alterations thereto, and substitutions therefor, made between the date hereof and the Closing Date (hereinafter collectively the "Tangible Personal Property").

(d) Real Property. All right, title and interest of Seller in all leaseholds and other interests in real property and the buildings and improvements thereon and appurtenances thereto, including, without limitation, easements, and variances with respect to any of the foregoing, used, or held for use, by the Station and/or Seller in connection with the business or operation of the Station, including the leases attached hereto in Schedule 1.1(d) (hereinafter collectively called the "Real Property").

(e) Agreements. All right, title and interest of Seller in and to the contracts, agreements, and leases listed in Schedule 1.1(e) (the "Assumed Contracts").

(f) Intangibles. All rights and interest of Seller in and to the call letters "KCFA" together with all copyrights, trademarks, trade names, logos, slogans, jingles, service marks, applications for any of the foregoing, telephone numbers and listings, trade secrets, confidential or proprietary information and other intangible property of the Station, and all goodwill associated with any of the above (hereinafter collectively the "Intangibles").

(g) Deposits and Prepaid Items. All right, title and interest in and to all deposits and prepaid items relating to any of the Purchased Assets and/or leased Real Property or the operation or business of the Station (other than unearned insurance premiums), to the extent there is an adjustment therefore to the Purchase Price (as hereinafter defined) in favor of Seller pursuant to Section 1.5, herein.

(h) Computer Programs. All computer systems hardware (including without limitation, management information and order systems, servers, computers, printers, scanners, monitors, peripheral and accessory devices and the related media, manuals, documentation and user guides) of the Station, all related claims, credits, and rights of recovery and set-off with respect thereto, and to the extent they are being transferred to Buyer, all rights, title and interest (including by reason of license or lease) of Seller or the Station in or to software, computer programs or software products owned, used, developed or being developed by or for the Station, whether for internal use or for sale or license to others, and software, computer programs or software products licensed by Seller for use by the Station, and all proprietary rights of the Station, whether or not patented or copyrighted, associated therewith (collectively, "Programs").

(i) Documentation. All documentation, records and software, whether in electronic or print form, in the possession or under the control of Seller evidencing, representing or containing or relating to any Program used in, or necessary for, the operation of the Station and that is being transferred to Seller, including, without limitation, any manuals, functional and design specifications, user and programmer instructions, coding, testing notes, error reports and logs, patches and patch instructions, itemizations of development tools, and all

other writings which would be necessary or helpful to a skilled programmer to understand, maintain and enhance any Program (collectively, "Documentation").

(j) FCC Logs. All FCC logs and similar records that relate to the operation of the Station ("FCC Logs").

(k) Records. All contents of the public inspection files required by the FCC, and all engineering reports, historical reports relating to advertisers, programming studies, consulting reports, marketing data, technical information, specifications, research and development information, engineering drawings, manuals, computer programs, tapes and software, business records, mailing and listener lists, lists of vendors or other suppliers and any other information in tangible form used or held for use by Seller in connection with the business or operation of the Station or relating to any of the Purchased Assets (hereinafter collectively "Station Records").

(l) Goodwill. All goodwill in and going concern value of the Station.

1.2 Excluded Assets. The Purchased Assets shall not include the following (the "Excluded Assets"):

(a) All cash, cash equivalents or similar type investments of Seller such as certificates of deposit, Treasury bills, and other marketable securities on hand and/or in banks;

(b) All supplies and similar items of tangible personal property consumed in the ordinary course of business between the date of this Agreement and the Closing Date and in conformity with the terms and provisions of this Agreement;

(c) Seller's corporate seal, minute books, organizational documents, and such books and records as pertain solely to the corporate organization and capitalization of Seller; Seller's legal files; and Seller's financial files, tax returns and associated files, financial statements, personnel records, general ledger and related subsidiary ledgers ("Financial Records" and, together with the Station Records, the "Business Records");

(d) Any assets of any compensation or benefit plan, contract or arrangement in effect as of the Closing Date including, without limitation, all pension, retirement, welfare, profit sharing, stock option or stock purchase, savings and thrift, bonus, incentive or deferred compensation, severance pay, vacation, sick pay, personal day and medical, vision, dental, accident, disability, life and other health and hospitalization insurance plans in which any current or former employee (or dependent of any such employee) of Seller or any Station participates or is entitled to benefits (the "Employee Benefit Plans");

(e) Any claims, rights and interest in and to any refunds of Federal, state or local franchise, income or other taxes or fees of any nature whatsoever for any period prior to the Closing Date;

(f) Any and all insurance proceeds of Seller or insurance claims made by Seller relating to property or equipment repaired, replaced or restored by Seller prior to the Closing Date and conveyed to Buyer hereunder; and

(g) The assets set forth in Schedule 1.2 attached hereto.

1.3 Title to Purchased Assets. Seller shall transfer title to all of the Purchased Assets to Buyer free and clear of any liens, pledges, charges, mortgages, security interests, restrictions, easements, liabilities, claims, title

defects, encumbrances or rights of others of every kind and description (collectively, "Liens"), except for "Permitted Liens." "Permitted Liens" shall consist only of (i) Liens for taxes, assessments, water and sewer charges, license fees, and all other fees, special assessments and charges assessed or imposed by a public body upon the Purchased Assets or any part thereof, provided such fees assessments or taxes are not yet due and payable or are being contested in good faith in an appropriate proceeding and disclosed in Schedule 1.3; (ii) zoning laws and ordinances; (iii) rights reserved to any governmental authority to regulate the affected property; (iv) any Liens that are reflected in the public records and that do not individually or in the aggregate interfere with the right or ability to own, use or operate the Purchased Assets as they are currently being used or operated; and (v) those additional liens described on Schedule 1.3.

1.4 Assignments of Contracts. Buyer and Seller acknowledge that certain of the Assumed Contracts to be included in the Purchased Assets, and the rights and benefits thereunder necessary or appropriate or relating to the conduct of the business and activities of Seller and/or the Station, may not, by their terms, be assignable. Anything in this Agreement or in the Assignment and Assumption Agreement (as hereinafter defined) to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any such contract and Buyer shall not be deemed to have assumed the same or to be required to perform any obligations thereunder, if an attempted assignment thereof without the consent of a third party thereto would constitute a breach thereof or in any way affect the rights under any such contract of Buyer or Seller thereunder. In such event, Seller will cooperate with Buyer in all lawful ways to provide for Buyer all benefits to which Seller is entitled under such contract so long as Buyer undertakes to perform or cause to be performed the obligations of Seller under such contract, and any transfer or assignment to Buyer by Seller of any such contract or any right or benefit arising thereunder or resulting therefrom which shall require the consent or approval of any third party shall be made subject to such consent or approval being obtained. Seller and Buyer will use their respective commercially reasonable efforts prior to, and if necessary, after the Closing Date to obtain all necessary consents to the transfer and assignment of the Assumed Contracts.

1.6 Satisfaction of Liens. At or prior to the Closing, Seller shall cause all Liens on or relating to any of the Purchased Assets (other than Permitted Liens), to be released, extinguished and discharged in full, and shall deliver to Buyer instruments releasing, extinguishing and discharging all such Liens, and all rights and claims of any holder(s) of any of such Liens with respect to any of the Purchased Assets, all in such form and substance as Buyer shall reasonably require (collectively the "Lien Release Instruments"). Fifteen days prior to Closing, Seller shall provide Buyer with a lien search conducted by a reputable private research firm acceptable to Buyer which, upon searching records with regard to Seller's corporate name and all applicable "d/b/a's" (e.g., KFCA), demonstrate that no financing statements, judgment liens and tax liens are of record with respect to the Purchased Assets except for those which will be released at Closing.

ARTICLE 2

Purchase Price; Payment; Escrow Deposit; Assumption of Obligations

2.1 Purchase Price. Subject to and upon the terms and conditions of this Agreement (including Section 2.3), at Closing Buyer shall pay to Seller by wire transfer of immediately available funds in accordance with Seller's instructions Nine Hundred Thousand Dollars (\$900,000.00) (the "Purchase Price"). The Purchase Price shall be paid as follows:

(a) Escrow Deposit. Concurrent with the execution of this Agreement, Buyer shall deliver Forty-Five Thousand Dollars (\$45,000.00) (the "Escrow Deposit") to Dan J. Alpert, Esq. (the "Escrow Agent") to be held and administered in accordance with terms of an escrow agreement between Buyer, Seller and Escrow Agent in the form of Exhibit A attached hereto. The Escrow Deposit and interest earned thereon shall be paid as follows:

(i) at Closing Seller and Buyer shall issue joint instructions to the Escrow Agent, instructing that the Escrow Deposit shall be released to Seller, and the interest thereon shall be released to Buyer;

(ii) in the event this Agreement is terminated pursuant to Section 8.1(a) as a result of a material breach, default, or failure of any of Buyer's representations, warranties, agreements or other obligations, or covenants set forth herein, Seller and Buyer shall issue joint instructions to the Escrow Agent instructing that the Escrow Deposit shall be released to Seller, and the interest thereon shall be released to Buyer; and

(iii) in the event this Agreement is terminated prior to Closing for any other reason, Seller and Buyer shall issue joint instructions to the Escrow Agent instructing that the Escrow Agent release the Escrow Deposit and all interest thereon shall be released to Buyer .

All fees, costs and expenses of the Escrow Agent shall be shared equally by Buyer and Seller.

(b) The balance of the Purchase Price shall be paid to Seller by Buyer at Closing.

2.2 Allocation. Seller and Buyer agree to allocate the Purchase Price among the Purchased Assets in accordance with the allocation schedule attached hereto as Schedule 2.2, which allocation schedule will be determined after the date hereof (the "Allocation Schedule").

2.3 Certain Closing Prorations and Adjustments.

(a) All utilities charges, real estate and personal property taxes, monthly rental payments under leases of Real Property to be assumed by Buyer pursuant to this Agreement, monthly equipment rental payments under Personal Property Leases (as hereinafter defined) assumed by Buyer pursuant to this Agreement, amounts payable in respect of contracts and agreements assumed by Buyer pursuant to this Agreement, association dues, business, license and annual FCC fees and similar deposits and prepaid items (to the extent included in the Purchased Assets) and similar accrued expenses, and those items, if any, specified in Schedule 2.3, shall be prorated between Seller and Buyer as of 12:01 AM (the "Effective Time") on the Closing Date to the extent such items are then ascertainable by the parties, and the net amount resulting from the foregoing in favor of Buyer or Seller, as the case may be, shall then be paid to such party at the Closing or credited against the Purchase Price in the event Seller is to pay Buyer any such amount. If all the prorations set forth above are not accomplished at the Closing, then, as soon as practicable thereafter, representatives of Seller and Buyer shall examine all appropriate books and records in order to make the determination of said prorations. Payments in respect thereof shall be made within ten (10) days after each such determination, provided that if payments with respect to real or personal property taxes are based in whole or in part on the previous year's taxes, there shall be a later adjustment to reflect the current year's taxes when the bills are finally rendered.

(b) In the event of any dispute between the parties as to prorations or adjustments under this Section 2.3, the amounts not in dispute shall nonetheless be paid and adjusted for at the Closing and such disputes shall be promptly presented for resolution to an independent certified public accountant mutually acceptable to the parties. The accountant's resolution of the dispute shall be final and binding on the parties and a judgment may be entered thereon, provided, however, that any such accountant shall have no authority to assess damages or award attorney's fees or costs. Seller on the one hand and Buyer on the other hand shall each pay a portion of the fees and expenses of such accounting firm based on the share of disputed amounts that are resolved in favor of the other party. For example, if \$10,000 is in dispute and \$3,000 is resolved in favor of Seller, then Buyer would pay 30% of the accountants fees and expenses and Seller would pay 70%.

2.4 Assumed Obligations. Seller shall assign and Buyer shall assume and undertake to pay, satisfy or discharge the following obligations (hereinafter, the "Assumed Obligations"): (a) the liabilities, obligations and commitments of Seller arising and/or accruing after the Effective Time under the Assumed Contracts; and (b) the liabilities, obligations and commitments arising out of Buyer's ownership of the Purchased Assets or operation of the Station after the Effective Time. Buyer shall, at the Closing, execute and deliver to Seller an Assignment and Assumption Agreement (the "Assignment and Assumption Agreement"), substantially in the form of Exhibit B hereto pursuant to which Buyer shall assume and agree to perform the Assumed Obligations. Except as expressly provided herein and in the Assignment and Assumption Agreement, Buyer shall not and does not assume any liability or obligation of Seller, fixed or contingent, disclosed or undisclosed (collectively the "Excluded Liabilities"). Except for the Assumed Obligations, Buyer shall not be required to defend any suit or claim arising out of any act, event or transaction occurring prior to the Closing in connection with the ownership or operation of or otherwise relating to the Station or Seller.

ARTICLE 3

Application to and Consent by Commission

3.1 Final Order. For purposes of this Agreement, the term "Final Order" shall mean a final order of the Commission which is not reversed, stayed, enjoined or set aside, and with respect to which no timely request for stay, reconsideration, review, rehearing or notice of appeal or determination to reconsider or review is pending, and as to which the time for filing any such request, petition or notice of appeal or for review by the Commission, and for any reconsideration, stay or setting aside by the Commission on its own motion or initiative, has expired.

3.2 Application For Commission Consent. Within five (5) business days after the date of this Agreement, Seller and Buyer shall join in and file an application (the "Assignment Application") with the Commission requesting its written consent to the assignment of the Commission Authorizations to Buyer. Seller and Buyer shall thereafter prosecute the Assignment Application with all reasonable diligence and otherwise use their reasonable efforts to obtain the grant of the Assignment Application as expeditiously as practicable; provided, however, that neither Seller nor Buyer shall have any obligation to satisfy any complainant or the FCC by taking any steps that would have a material adverse effect upon Seller or Buyer or upon any affiliated entity. If the FCC consent imposes any condition on any party hereto, such party shall use its reasonable efforts to comply with such condition; *provided, however*, that no party shall be required to comply with any condition that would have a material adverse effect upon it or any affiliated entity. Concurrently with the filing of the Assignment Application, Seller shall file an application with the FCC (FCC Form 302-FM) for issuance of a commercial station license to Buyer (the "License Application"), such commercial license for the Station to be contingent upon the Closing. Each party further agrees to expeditiously prepare any Assignment Application or

License Application amendments whenever such amendments are required by the Commission or its rules. For purposes of this Agreement, each party shall be deemed to be using its reasonable efforts, and to be otherwise complying with the foregoing provisions of this Section 3.2, so long as it expeditiously and truthfully provides information necessary in completing the application process, expeditiously provides its comments on any filing materials, and uses its reasonable efforts to oppose attempts by third parties to deny, modify or overturn the grant of the Assignment Application or the License Application, as the case may be; it being further understood that neither Seller nor Buyer, as the case may be, shall be required to expend any funds or efforts contemplated under this Article 3 unless the other of them is concurrently and likewise complying with its obligations under this Article 3. Except as otherwise provided herein, each party will be solely responsible for the expenses incurred by it in the preparation, filing and prosecution of its respective portion of the Assignment Application and the License Application. All filing fees and grant fees imposed shall be paid one-half (1/2) by Seller and one-half (1/2) by Buyer. Seller shall, at its expense, give due notice of the filing of the Assignment Application by such means as may be required by the rules and regulations of the Commission.

ARTICLE 4

Closing; Deliveries; Conditions Precedent

4.1 Closing.

(a) The consummation of the purchase and sale of the Purchased Assets pursuant to this Agreement (the "Closing") shall take place by fax and mail on a business day designated by the parties within seven (7) business days of a Final Order, *provided, however*, that Buyer may elect to proceed to Closing after initial FCC approval of the Assignment Application by giving Seller ten (10) days prior written notice. The date of the Closing is herein called the "Closing Date".

(b) All proceedings to be taken and all documents to be executed and delivered by the parties at the Closing shall be deemed to have been taken and executed simultaneously and no proceedings shall be deemed taken nor any documents executed or delivered until all have been taken, executed and delivered.

4.2 Seller's Deliveries. At the Closing, Seller shall deliver to Buyer:

(a) one or more bills of sale conveying to Buyer all of the Tangible Personal Property to be acquired by Seller hereunder;

(b) with respect to each real property lease listed in Schedule 1.1(d) hereto (each a "Lease"), the written consent of the landlord thereunder consenting to an assignment of the Lease, in form and substance reasonably required by Buyer or Buyer's lending institutions;

(c) copies of resolutions of Seller authorizing by approval of the board of trustees of Seller, the execution and delivery of this Agreement, and each exhibit hereto and the consummation of the transactions contemplated hereby and thereby, certified by the President of Seller;

(d) a certificate of good standing with respect to Seller, issued as of a recent date by the Secretary of State of the State of California and the Secretary of State of the State of Minnesota;

(e) separate instruments of assignment and transfer of all the Commission Authorizations and the Intangibles, executed by Seller, in form reasonably required by Buyer and such other good and sufficient

instruments of conveyance, assignment and transfer, as Buyer shall reasonably require, each in form and substance reasonably satisfactory to Buyer, and presented in advance of Closing for comment by Seller, and as shall be effective to vest in Buyer title to the Purchased Assets as contemplated by this Agreement; and

(f) all other documents required by the terms of this Agreement to be delivered to Buyer at the Closing.

4.3 Buyer's Deliveries. At the Closing, Buyer shall deliver to Seller:

(a) the Purchase Price, as the same may be adjusted in accordance with the terms of this Agreement;

(b) the Assignment and Assumption Agreement, duly executed by Buyer;

(c) a certificate of good standing with respect to Buyer, issued as of a recent date by the Secretary of State of California;

(d) copies of all necessary corporate resolutions of Buyer authorizing the execution and delivery of this Agreement and each exhibit hereto and the consummation of the transactions contemplated hereby and thereby, certified by an officer of Buyer; and

(e) all other documents required by the terms of this Agreement to be delivered to Seller at the Closing.

4.4 Further Assurances. At any time and from time to time after the Closing, Buyer and Seller shall, at the other's request, and without further consideration, execute and deliver such other instruments of sale, transfer, conveyance, assignment and confirmation, and take such other action, as is reasonably necessary to perform this Agreement and to consummate the transactions contemplated hereby.

4.5 Buyer's Conditions Precedent. The obligations of Buyer under this Agreement to proceed with the transactions contemplated hereby are, at the option of the Buyer, subject to the fulfillment of the following conditions at or prior to the Closing:

(a) no action, suit or proceeding shall have been instituted against Seller or against Buyer by, in or before any court, tribunal or governmental body or agency, and be unresolved, and no order shall have been issued, to restrain, prevent, enjoin or prohibit, or to obtain substantial damages by reason of, any of the transactions contemplated hereby (in each case other than any caused by any breach hereof by Buyer);

(b) the representations and warranties of Seller contained in this Agreement, any of the Schedules and Exhibits hereto and any certificates or documents delivered by it to Buyer in connection with this Agreement shall be true and correct in all material respects when made, and, except for changes expressly permitted by this Agreement, shall also be true and correct in all material respects at the time of Closing with the same force and effect as though such representations and warranties were made at that time;

(c) each covenant, agreement and obligation required by the terms of this Agreement to be complied with and performed by Seller at or prior to the Closing shall have been duly and properly complied with and performed in all material respects;

(d) the Commission shall have given its written consent to the Assignment Application and such consent shall have become a Final Order; *provided, however*, that Buyer may waive the condition that such consent shall have become a Final Order and agree to consummate the transaction contemplated hereby prior to the date such consent shall have become a Final Order;

(e) all Required Consents (as defined below) shall have been obtained, and there shall have been delivered to Buyer executed counterparts reasonably satisfactory in form and substance to Buyer of such consents; and

(f) there shall be delivered to and for the benefit of Buyer a certificate of Seller executed on the Closing Date that the conditions set forth in subsections (b) and (c) of this Section 4.5 have been fulfilled.

4.6 Seller's Conditions Precedent. The obligations of Seller under this Agreement to proceed with the transactions contemplated hereby are, at the option of Seller, subject to the fulfillment of each of the following conditions at or prior to the Closing:

(a) the representations and warranties of Buyer contained in this Agreement or any Exhibits hereto or any certificates or documents delivered by it to Seller in connection with this Agreement shall be true and correct in all material respects when made and, except for changes expressly permitted by this Agreement, shall also be true and correct in all material respects at the time of the Closing with the same force and effect as though such representations and warranties were made at that time,;

(b) each covenant, agreement and obligation required by the terms of this Agreement to be complied with and performed by Buyer at or prior to the Closing shall have been duly and properly complied with and performed in all material respects;

(c) the Commission shall have given its written consent to the Assignment Application and such consent shall have become a Final Order; *provided, however*, that Buyer may waive the condition that such consent shall have become a Final Order and agree to consummate the transaction contemplated hereby prior to the date such consent shall have become a Final Order;

(d) no action, suit or proceeding shall have been instituted against Seller or against Buyer by, in or before any court, tribunal or governmental body or agency, and be unresolved, and no order shall have been issued, to restrain, prevent, enjoin or prohibit, or to obtain substantial damages by reason of, any of the transactions contemplated hereby (in each case other than any caused by any breach hereof by Seller);

(e) all Required Consents shall have been obtained; and

(f) there shall be delivered to Seller a certificate of Buyer executed on the Closing Date that the conditions set forth in subsections (a) and (b) of this Section 4.6 have been fulfilled.

ARTICLE 5
Representations and
Warranties of Seller

Each representation and warranty set forth below is qualified by any exception or disclosures set forth in the appropriate Schedule attached hereto. Seller hereby makes each of the following representations and warranties to Buyer:

5.1 Organization, Standing and Qualification. Seller is a not-for-profit corporation validly existing and in good standing under the laws of the State of Minnesota, and is qualified to do business in the State of California; and has all requisite corporate power and authority and is entitled to own, lease and operate its properties and to carry on its business as and in the places such properties are now owned, leased or operated and where such business is presently conducted.

5.2 Sufficiency of Assets. Except for the Excluded Assets, the Purchased Assets are sufficient to operate the Station in all material respects and there is no material asset used in the operation of the Station that is not included in the Purchased Assets and being transferred as part of the transactions contemplated hereunder.

5.3 Authority of Seller. Seller has all requisite corporate power and authority to execute, deliver and perform this Agreement and each other agreement, document and instrument to be executed, delivered or performed by Seller in connection with this Agreement (the "Seller Documents") and to carry out the transactions contemplated hereby and thereby. This Agreement constitutes and, when executed and delivered at the Closing, each other Seller Document will constitute, the legal, valid and binding obligation of Seller, except as may be limited by laws affecting the enforcement of creditor's rights or equitable principles generally. All corporate proceedings and actions required to be taken by Seller for the execution, delivery and performance of this Agreement and the Seller Documents and the consummation of the transactions contemplated hereby and thereby have been duly taken.

5.4 No Violation. Except for the filing of the Assignment Application and the granting of the Commissions consent thereto and, except for the Required Consents (as defined below):

(a) The execution, delivery and performance of this Agreement and the Seller Documents and the consummation of the transactions contemplated hereby and thereby, will not (i) conflict with or violate any provision of the Certificate of Incorporation or By-Laws of Seller, (ii) with or without the giving of notice or the passage of time, or both, result in a breach of, or violate, or be in conflict with, or constitute a default under, or permit the termination of, or cause or permit acceleration under, any agreement or instrument or any debt or obligation to which Seller is a party or to or by which any the Purchased Assets is subject or bound, or result in the loss or adverse modification of any of the Authorizations or Intangibles, (iii) result in the creation or imposition of any Lien upon any of the Purchased Assets, or (iv) violate any law, rule or regulation or any order, judgment, decree or award of any court, governmental authority or arbitrator to or by which Seller or the Station or any of the Purchased Assets is subject or bound.

(b) No consent, approval or authorization of, or declaration, filing or registration with, or notice to, any governmental or regulatory authority, or any party to any agreement or commitment to which Seller or the Station is a party, or to or by which any of them or the Purchased Assets is subject or bound, is required to be obtained or made by Seller or the Station in connection with the execution, delivery and

performance of this Agreement or the Seller Documents or the consummation of the transactions contemplated hereby and thereby, except as listed on Schedule 5.4(b) (each so listed being a "Required Consent.").

5.5 Title to and Condition of Purchased Assets.

(a) Seller has, and upon Closing Buyer will acquire, title to all of the Purchased Assets, free and clear of Liens except for Permitted Liens.

(b) The Purchased Assets and the Real Property are in reasonably good operating condition and repair, ordinary wear and tear excepted, are suitable for the purposes used, and are adequate and sufficient for the operations of the Station as presently operated, and conform in all material respects to all applicable rules and regulations of the FCC and the Communications Act of 1934, as amended (the "Communications Act").

5.6 Real Property.

(a) Schedule 1.1(d) contains descriptions of all real property leased by Seller and used or held for use in connection with the operation of the Station.

(b) The leases listed in Schedule 1.1(d) hereto constitute all the leases of Real Property to which Seller is a party (either as lessor or lessee) which are required or useful in the conduct of the business of the Station. Seller has delivered to Buyer true and complete copies of such leases.

(c) With respect to the leases of Real Property listed in Schedule 1.1(d) hereto, (i) each such lease is in full force and effect, and is valid, binding and enforceable in accordance with its terms; (ii) Seller is the named tenant or is a duly authorized assignee of all such leases; (iii) all accrued and currently payable rents and other payments required thereunder have been paid; (iv) each such lease was entered into in the ordinary course of business and provides for peaceable possession since the beginning of the original term thereof; (v) Seller has complied with all material covenants and provisions of thereof; (vi) Seller is not in default in any respect thereunder; (vii) no party has asserted any defense, set off or counterclaim thereunder; (viii) no waiver, indulgence, or postponement of any obligations thereunder has been granted by any party; (ix) no notice of default or termination has been received (or, to Seller's knowledge, given), and to Seller's knowledge no event of default has occurred, no condition exists, and no event has occurred that, with the giving of notice, the lapse of time, or the happening of any further event would become a default or permit early termination thereunder; (x) neither Seller nor to Seller's knowledge any other party has violated any term or condition thereunder; and (xi) upon obtaining the Required Consents, the validity or enforceability thereof will in no way be affected by the sale of the Purchased Assets as contemplated herein. To Seller's knowledge, each such lease provides sufficient access to the Station's facilities without need to obtain any other access rights.

(d) To Seller's knowledge, the real property leases, conform in all material respects with all material restrictive covenants and with all applicable zoning, environmental, and building codes, laws, rules and regulations. To Seller's knowledge, there are no pending or threatened condemnation or eminent domain proceedings that may have a material adverse effect on Buyer's use of the real property for the operation of the Station after Closing. To Seller's knowledge, there are no structural defects in the towers, buildings, structures and other improvements located on the real property. To Seller's knowledge, Seller's use and occupancy of the real property comply in all material respects with all regulations, codes, ordinances, and statutes of all governmental authorities, including without limitation all zoning, health, environmental protection and sanitary

regulations and all occupational safety and health regulations. The transmitting facilities of the Station, including the tower, guy wires and ground systems, are now and on the Closing Date will be located entirely on the confines of the Real Property leased by Seller.

5.7 Litigation. Except as disclosed in Schedule 5.7, to Seller's knowledge there is no claim, action, suit, proceeding or investigation against Seller, or any of its officers, directors or employees relating to the Station or the Purchased Assets. There is no grievance or arbitration proceeding pending (or to Seller's knowledge, threatened), and there is no actual or, to Seller's knowledge, threatened strike or work stoppage with respect to the Station, the Purchased Assets or the Station's employees, nor is Seller aware of any basis for such proceeding or event. There is no outstanding order, writ, injunction, award or decree of any court or arbitrator or any federal, state, municipal or other governmental department, commission, board, agency or instrumentality to which the Station or Seller is subject or otherwise applicable to any of the Purchased Assets or to Seller's knowledge, any employee or agent of Seller at the Station.

5.8 Compliance; Properties; Authorizations.

(a) Except as disclosed in Schedule 5.8, Seller has operated and is operating the Station in compliance in all material respects with all applicable laws, rules, regulations, ordinances, orders, judgments and decrees, including, without limitation, any laws, rules, regulations, ordinances, codes, orders, judgments or decrees as to zoning, building requirements or standards, hiring, employment, or environmental, health and/or safety matters and the FCC's guidelines regarding RF radiation. To Seller's knowledge, neither the ownership nor use of the Purchased Assets, nor the operation of the Station, infringes upon the proprietary rights of any other person or entity or violates, or with or without the giving of notice or the passage of time, or both, will violate, conflict with or result in a default, right to accelerate or loss of rights under, any terms or provisions of Seller's certificate of incorporation or by-laws, or any order, judgment or decree, or any lease, license, agreement, commitment, law, ordinance, rule or regulation, to which Seller is a party or by which Seller or any of the Purchased Assets may be bound or affected.

(b) Seller holds all Authorizations necessary for the operation of the Station or the use of the Purchased Assets, all of which are identified in Schedule 1.1(a) and Schedule 1.1(b) and have the expiration dates indicated thereon. All of the Commission Authorizations are validly existing authorizations for the operation of the facilities described therein under the Communications Act. The Commission Authorizations identified in Schedule 1.1(a) constitute all of the licenses and authorizations required under the Communications Act or the current rules, regulations, and policies of the FCC in connection with the operation of the Station as currently operated. Except as disclosed in Schedule 5.8(b), the Commission Authorizations are in full force and effect and are unimpaired by any act or omission of Seller or any of the officers, directors, stockholders, employees, agents or affiliates of Seller. There are no conditions imposed by the FCC as part of any Commission Authorization that are neither set forth on the face thereof as issued by the FCC nor contained in the rules and regulations of the FCC applicable generally to stations of the type, nature, class or location of the Station. Except as disclosed in Schedule 5.8(b), all broadcast towers owned by Seller from which the Station operates have been duly registered with the FCC and the Federal Aviation Administration (the "FAA"). To the knowledge of Seller, there is no action pending nor, threatened by or before the FCC or other body to revoke, refuse to renew, suspend or modify any of the Commission Authorizations, or any action which may result in the denial of any pending application, the issuance of any cease and desist order, or the imposition of any administrative sanction with respect to the Station or its respective operation. To Seller's knowledge, except as disclosed in Schedule 5.8(b), there is not pending any investigation, by or before the FCC, or any order to

show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint by, before or with the FCC against Seller or any of the officers, directors, stockholders, employees, agents or affiliates of Seller nor, to the knowledge of Seller, is any of the foregoing threatened. Except as permitted under the FCC rules, the Station is not short-spaced to any present or proposed broadcast station or frequency/channel allotment. To Seller's knowledge, the Station is not causing, or receiving, any interference that the FCC would deem to be objectionable.

5.9 Schedules.

(a) The Schedules contain a true, complete and accurate list of the following: (i) all Real Property, together with each lease, sublease or license under which Seller holds any leasehold or other interest or right to the use thereof (the "Real Property Leases") or pursuant to which Seller has leased, assigned, sublet or granted any rights therein or with respect thereto; (ii) all items of Tangible Personal Property included in the Purchased Assets except for items having a value of less than \$1,000 which do not, in the aggregate, have a total value of more than \$10,000, setting forth with respect to all such listed property all leases relating thereto (the "Personal Property Leases"); and (iii) all Intangibles included in the Purchased Assets and all contracts, agreements, commitments or licenses relating to any of the foregoing.

(b) True and complete copies of all Assumed Contracts (to the extent in writing or if not in writing, an accurate summary thereof), together with any and all amendments thereto, have been delivered to Buyer and Buyer acknowledges receipt of same.

(c) Except as indicated in Schedule 5.9, all of the Assumed Contracts are in full force and effect, do not require the consent or approval of any party to the assignment thereof, except for the Required Consents, and will be unaffected by the sale or other transfer of the Purchased Assets to Buyer. There is not under any Assumed Contract, any material default or event which, after notice or lapse of time, or both, would constitute a material default or result in a loss of rights thereunder.

5.10 Absence of Changes or Events. Except as set forth in Schedule 5.10, since December 31, 2000, Seller has operated the Station only in the ordinary course in a manner consistent with past practices. Without limiting the foregoing, except as set forth on Schedule 5.10, since December 31, 2000, there has been no material adverse change in the Purchased Assets or operations of the Station. Since December 31, 2000, with respect to the operation of the Station, Seller has incurred no liabilities whatsoever, known or unknown, asserted or unasserted, liquidated or unliquidated, accrued, absolute, contingent or otherwise, and there is no basis for any claim against Seller for any such liability except (a) to the extent set forth in Schedule 5.10, or (b) liabilities incurred in the ordinary course of business, none of which, individually or in the aggregate, will have a material adverse affect on the operation of the Station.

5.11 Intangibles. Seller owns or possesses all rights necessary to use the Intangibles currently used in connection with and necessary to the operation of the Station as presently operated and that are included in the Purchased Assets. Seller has no knowledge of any infringement or unlawful, unauthorized or conflicting use of any of the foregoing, or of the use of any call letters, slogan or logo by any broadcast station in the areas served by the Station which may be confusingly similar to any of the call letters, slogans and logos currently used by the Station and that are included in the Purchased Assets. To Seller's knowledge, in connection with the operation of the Station, Seller is not infringing upon or otherwise acting adversely to any copyrights, trademarks,

trademark rights, service marks, service mark rights, trade names, service names, slogans, call letters, logos, jingles, licenses or any other proprietary rights owned or used by any other person or entity.

5.12 Environmental Matters.

(a) To Seller's knowledge (i) no Hazardous Substance (as hereinafter defined) is present or at any time has been stored, treated, released, disposed of or discharged on, about, from or affecting any of the Real Property in any material amounts, except such products that have been used and maintained in material compliance with all applicable rules, laws and regulations of all competent governmental authorities and all applicable manufacturer instructions; (ii) Seller has no liability which is based upon or related to the environmental conditions under or about any of the Real Property, and there is no reasonable basis for any such liability arising; and (iii) none of the Real Property contains any asbestos or asbestos-containing materials or any underground storage tank. The term "Hazardous Substance" as used in this Agreement shall mean gasoline, oil and other petroleum products, explosives, radioactive materials and any other substance or material defined as a hazardous, toxic or polluting substance or material by any federal, state or local law, ordinance, rule or regulation, including asbestos and asbestos-containing materials.

(b) Seller has not received (i) any notification from or given or been required give any report or notice to any governmental agency or authority involving the use, management, handling, transport, treatment, generation, storage, spill, escape, seepage, leakage, spillage, emission, release, discharge, remediation or clean-up of any Hazardous Substance on or about any of the Real Property (a "Hazardous Discharge"), or (ii) any complaint, order, citation or notice with regard to a Hazardous Substance or any other environmental, health or safety matter affecting any of the Real Property or the business or operations conducted thereat (an "Environmental Complaint"), under the federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") or under any other federal, state or local law, ordinance, rule or regulation.

5.13 Taxes. All material taxes, fees, assessments and charges, including, without limitation, income, property, sales, use, franchise, added value, employees' income withholding and social security taxes, imposed by the United States or by any foreign country or by any state, municipality, subdivision or instrumentality of the United States or of any foreign country, or by any other taxing authority, which are due and payable by Seller, or for which Seller may be liable, and all interest and penalties thereon (collectively, "Taxes" or "Tax"), relating to the Station have been paid in full and all Tax returns required to be filed in connection therewith have been filed. No deficiency for any Tax or claim for additional Taxes that could become a Lien on the Purchased Assets has been proposed, asserted or assessed against Seller.

5.14 Records. The FCC Logs of the Station are complete and correct in all material respects.

5.15 Disclosure. Seller is not aware of any facts pertaining to Seller, the Purchased Assets or the Station which affects the Station or the Purchased Assets in a materially adverse manner or which will in the future affect the Station or the Purchased Assets in a materially adverse manner. No representation or warranty by Seller contained in this Agreement nor any written statement or certificate furnished or to be furnished by or on behalf of Seller to Buyer in connection with this Agreement contains or will contain any untrue statement of a material fact. The representations and warranties contained in this Agreement or any document delivered in connection with this Agreement shall not be affected or deemed waived by reason of the fact that Buyer and/or

any of its representatives should have known that any such representation or warranty is or might be inaccurate in any respect.

5.16 Brokers and Finders. Neither Seller nor any of its officers, directors or employees has employed any broker or finder or incurred any liability for any brokerage fee, commission or finder's fee in connection with the transactions contemplated by this Agreement.

ARTICLE 6

Representations and Warranties of Buyer

Each representation and warranty set forth below is qualified by any exception or disclosures set forth in the appropriate Schedule attached hereto. Buyer represents and warrants to Seller as follows:

6.1 Organization and Standing. Buyer is a corporation validly existing and in good standing under the laws of the State of California.

6.2 Authority of Buyer. Buyer has all requisite corporate power and authority to execute, deliver and perform this Agreement and each other agreement, document and instrument to be executed, delivered or performed by Buyer in connection with this Agreement (the "Buyer Documents") and to carry out the transactions contemplated hereby and thereby. This Agreement constitutes, and, when executed and delivered at the Closing, each other Buyer Document will constitute, the legal, valid and binding obligation of Buyer, except as may be limited by laws affecting the enforcement of creditor's rights or equitable principles generally. All corporate proceedings and actions required to be taken by Buyer relating to the execution, delivery and performance of this Agreement and the Buyer Documents and the consummation of the transactions contemplated hereby and thereby have been duly taken.

6.3 No Violation. Except for the filing of the Assignment Application and the granting of the Commission's consent thereto, the execution, delivery and performance of this Agreement and the Buyer Documents and the consummation of the transactions contemplated hereby and thereby, will not (i) conflict with or violate any provision of the Articles of Incorporation or By-Laws of Buyer, (ii) with or without the giving of notice or the passage of time, or both, result in a breach of, or violate, or be in conflict with, or constitute a default under, or permit the termination of, or cause or permit acceleration under, any material agreement or instrument or any material debt or obligation to which Buyer is a party, (iii) require the consent of any party to any material agreement or commitment to which Buyer is a party, or (iv) violate any law, rule or regulation or any order, judgment, decree or award of any court, governmental authority or arbitrator to or by which Buyer is subject or bound.

6.4 Absence of Litigation. There is no claim, litigation, proceeding or investigation pending or, to Buyer's knowledge, threatened against Buyer that seeks to enjoin or prohibit, or that otherwise questions the validity of any action taken or to be taken in connection with this Agreement or that may affect Buyer's ability to consummate the transactions contemplated by this Agreement in any material respect.

6.5 FCC Qualification. To Buyer's knowledge, there are no facts that, under the provisions of the Communications Act or the current rules, regulations or policies of the FCC, would disqualify Buyer as an assignee of the Commission Authorizations or make it materially more difficult or expensive to obtain the FCC's consent to the assignment of the Commission Authorizations to Buyer.

6.6 Insolvency; Availability of Funds. No insolvency proceedings of any character including without limitation bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Buyer or any of its assets is pending or, to the knowledge of Buyer, threatened. Buyer has not made any assignment for the benefit of creditors nor has it taken any action in contemplation of, or which would constitute a basis for, the institution of any such insolvency proceeding. Buyer will have available on the Closing Date sufficient unrestricted funds to consummate the transactions contemplated hereby.

6.7 Disclosure. No representation or warranty by Buyer contained in this Agreement nor any written statement or certificate furnished or to be furnished by or on behalf of Buyer to Seller in connection with this Agreement contains or will contain any untrue statement of a material fact. The representations and warranties contained in this Agreement or any document delivered in connection with this Agreement shall not be affected or deemed waived by reason of the fact that Seller and/or any of its representatives should have known that any such representation or warranty is or might be inaccurate in any respect.

ARTICLE 7 Certain Covenants

7.1 Conduct of Business. During the period from the date of this Agreement to and including the Closing Date, Seller shall cause the Station to be operated and conducted in the ordinary and usual course of business consistent with Seller's past practices. Without limiting the foregoing, prior to the Closing, Seller, without the prior written consent of Buyer, shall not:

(a) by any act or omission surrender, modify adversely, forfeit, or fail to renew under reasonable terms any of the Authorizations, or give the FCC or FAA grounds to institute any proceeding for the revocation, suspension or modification of any of the Authorizations, or fail to prosecute with due diligence any pending application with respect to any of the Authorizations;

(b) dissolve, liquidate, merge or consolidate or sell, transfer, lease or otherwise dispose of any of the Purchased Assets, other than supplies consumed in the ordinary and customary course of business, or obligate itself to do so;

(c) amend, modify, change, alter, terminate, rescind or waive any material rights or benefits under any contract, agreement or commitment required to be listed, or enter into any contract, agreement or commitment which, if in existence as of the date of this Agreement would have been required to be listed, under Schedule 1.1(e); and

(d) fail to maintain the Purchased Assets in their current condition and otherwise in good repair and condition, reasonable and ordinary wear and tear excepted; or cancel or fail to renew any of the current insurance policies or any of the coverage thereunder maintained for the protection of the Station or any of the Purchased Assets.

7.2 Operations. During the period from the date of this Agreement to the Closing Date, Seller shall have ultimate responsibility for the Station and its operations, and during such period, Seller shall operate the Station in a manner consistent with and in accordance with the rules and regulations of the Commission and the Authorizations in all material respects, and file all ownership reports, employment reports and other documents required to be filed during such period, and deliver to Buyer within five (5) days after filing thereof with the

Commission copies of any and all reports, applications, and/or responses relating to the Station which are filed with the Commission on or prior to the Closing Date, including a copy of any Commission inquiries to which the filing is responsive (and in the event of an oral Commission inquiry, Seller will furnish a written summary thereof).

7.3 Changes in Information. During the period from the date of this Agreement to the Closing Date, Seller shall give Buyer, and Buyer shall give Seller, prompt written notice of any material change in the representations and warranties, or any of the information contained therein, made in or pursuant to this Agreement or of any event or circumstance which, if it had occurred on or prior to the date hereof, would cause any of such representations or warranties not to be true and correct.

7.4 Going Off the Air. If broadcast transmissions of the Station are interrupted or impaired for a period of 72 continuous hours or more, Buyer may elect to postpone the Closing until such time as normal broadcast transmissions are resumed, provided that, if normal broadcast transmissions are not resumed within 10 days after such interruption or impairment, Buyer may terminate this Agreement. If any postponement of the Closing Date under this Section would cause the Closing to occur at any time after the period permitted by the FCC, Seller and Buyer shall file an appropriate request with the FCC for any extension of time within which to complete the Closing.

7.5 Restrictions on Buyer. Nothing contained in this Agreement shall give Buyer any right to control the programming or operations of the Station prior to the Closing Date and Seller shall have complete control of the finances, programming and operation of the Station between the date hereof and the Closing Date and shall operate the Station in conformity with the public interest, convenience and necessity and with all other requirements of law.

7.6 Access to Information. During the period from the date of this Agreement to the Closing Date, Buyer and its accountants, counsel and other representatives shall, upon prior written or telephone notice, be given reasonable and continuing access during normal business hours to all of the facilities, properties, books and records of the Station, and they shall be furnished with such documents and information with respect to the affairs of the Station as from time to time may reasonably be requested and, in furtherance thereof, Buyer may retain an engineering firm of its own choosing to conduct engineering due diligence into the adequacy, operation and condition of the Station, and the transmission, receiving, broadcast, studio and production machinery, equipment, towers and facilities of and/or relating to the Station, and their compliance with the standards of applicable law.

7.7 Preservation of Business. During the period from the date of this Agreement to the Closing Date, Seller shall use its ordinary and customary efforts to preserve intact the goodwill and staff at the Station, and the relationships of the Station with customers, suppliers, employees, contracting parties, governmental authorities and others having business relations with the Station. Seller will assist Buyer in obtaining any licenses, permits or authorizations required for carrying on the business of the Station but which are not transferable.

7.8 Sales and Other Taxes. Seller shall pay all sales taxes, transfer taxes and intangibles taxes and similar government charges, filing fees and recording and registration fees applicable to the transactions contemplated by this Agreement, including, without limitation, all taxes and similar charges, if any, payable upon the transfer of title to any Purchased Assets. The foregoing shall not apply to taxes, governmental charges or fees incurred upon the granting or recording of mortgages or deeds of trust by Buyer to Buyer's lenders, which shall be the responsibility of Buyer. Buyer and Seller will cooperate to prepare and file with the proper public

officials, as and to the extent necessary, all appropriate sales tax exemption certificates or similar instruments as may be necessary to avoid the imposition of sales, transfer and similar taxes on the transfer of Purchased Assets pursuant hereto. The provisions of this Section 7.8 shall not apply to filing and grant fees associated with the Assignment Application. The payment of such fees shall be governed by Section 3.2 hereof.

7.9 No Shop. Seller agrees that from after the date hereof and until the termination of this Agreement in accordance with the terms hereof, it will not sell, transfer or otherwise dispose of any direct or indirect interest in any assets (except for dispositions of assets in the ordinary course of business as expressly permitted elsewhere in this Agreement) of Seller to be included in the Purchased Assets (or any rights in any such assets), or respond to inquiries or proposals, or enter into or pursue any discussions, or enter into any agreements (oral or written), with respect to the sale or purchase of, or any option or warrant with respect to such sale or purchase of, all or any portion of the Purchased Assets or the Authorizations. The provisions of this Section 7.9 shall not be deemed to limit or negate any other obligations of Seller under this Agreement.

7.10 Employee Matters. No provision in this Agreement shall create any third party beneficiary or other right in any person (including any beneficiary or dependent thereof) for any reason, including, without limitation, in respect of continued, resumed or new employment with Seller or Buyer or in respect of any benefits that may be provided, directly or indirectly, under any plan or arrangement maintained by Seller or Buyer. Except as otherwise expressly provided in this Agreement, Buyer is under no obligation to hire any employee of Seller, provide any employee with any particular benefits, or make any payments or provide any benefits to those employees of Seller whom Buyer chooses not to employ.

ARTICLE 8

Termination; Specific Performance

8.1 Termination. This Agreement may be terminated prior to the Closing by either Buyer or Seller, if the party seeking to terminate is not in material default or breach of this Agreement, upon written notice to the other upon the occurrence of any of the following:

(a) if the other is in material breach or default of its respective covenants, agreements, or other obligations herein, or if any of its representations herein are not true and accurate in all material respects when made or when otherwise required by this Agreement to be true and accurate, and such breach, default or failure, if curable, is not cured within twenty (20) business days of receipt of notice that such breach, default or failure exists or has occurred;

(b) if the FCC denies the Assignment Application or any part thereof or designates any part thereof for a trial-type hearing; or

(c) if the grant of the Assignment Application by the FCC has not become a Final Order within eight (8) months after the Assignment Application is accepted for filing with the FCC.

8.2 Specific Performance. Seller agrees that the Purchased Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall have the right specifically to enforce the performance of Seller under this Agreement without the necessity of posting any bond or other security, and Seller hereby waives the defense in any such suit that Buyer has an adequate remedy at law. The remedy of specifically enforcing any or all of the provisions of this Agreement in accordance with this Section 8.2 shall not be exclusive of any other

rights and remedies which Buyer may otherwise have under this Agreement or otherwise, all of which rights and remedies shall be cumulative.

8.3 Effect of Termination. The termination of this Agreement under Section 8.1 shall not relieve any party of any liability for breach or default of this Agreement prior to the date of termination. Upon termination of this Agreement for any reason other than breach hereof by Seller, Buyer shall return all documents and other information it has received from Seller regarding the Station and will keep confidential all information it has obtained concerning the Station's finances, operations and prospects.

ARTICLE 9 **Indemnification**

9.1 Obligation to Indemnify.

(a) Following the Closing, Buyer hereby agrees to save, indemnify and hold harmless Seller and Seller's officers, directors, agents, employees and representatives (collectively the "Seller Indemnitees") from and against, and shall on demand reimburse the Seller Indemnitees for any and all claims, demands, liabilities, obligations, actions, suits, proceedings, losses, damages, costs, expenses, assessments, judgments, recoveries and deficiencies, including interest, penalties and reasonable attorney's fees, of every kind and description, contingent or otherwise ("Losses") arising out of or resulting from:

- (i) any and all claims, liabilities and obligations arising from, or to be performed under, the Assumed Obligations;
- (ii) any misrepresentation or breach of warranty by Buyer or the breach or nonfulfillment of any covenant or agreement to be performed or complied with by Buyer under this Agreement or in any agreement, certificate, document or instrument executed by Buyer and delivered to Seller pursuant to or in connection with this Agreement;
- (iii) Buyer's operation of the Station following the Closing; and
- (iv) investigating or attempting to avoid the forgoing or to oppose the imposition thereof, or in enforcing any of the obligations under this Section 9.1(a).

(b) Seller hereby agrees to save, indemnify and hold harmless Buyer and Buyer's officers, directors, stockholders, agents, employees and representatives (collectively the "Buyer Indemnitees") from, against and in respect of, and shall on demand reimburse the Buyer Indemnitees for any and all Losses arising out of or resulting from:

- (i) any misrepresentation, breach of warranty or the breach or nonfulfillment of any covenant or agreement to be performed or complied with by Seller under this Agreement or any agreement, certificate, document or instrument executed by Seller and delivered to Buyer pursuant to or in connection with this Agreement;
- (ii) any and all claims, liabilities and obligations arising from, or to be performed under, the Excluded Liabilities,

(iii) Seller's operation of the Station prior to the Closing Date; and

(iv) investigating or attempting to avoid the forgoing or to oppose the imposition thereof, or in enforcing any of the obligations under this Section 9.1(b).

9.2 Survival.

Each representation, warranty, indemnity, covenant and agreement of each of the parties hereto shall survive the Closing for a period of one (1) year.

9.3 Provisions Regarding Indemnification.

(a) In connection with claims for indemnification or to be held harmless hereunder arising out of any action, suit or proceeding brought against a person or entity entitled to indemnification under this Article 9 (each, the "indemnified party") by any third party, the following shall be applicable:

(i) The indemnified party shall give prompt written notice to the indemnifying party of any action, suit or proceeding brought against the indemnified party by a third party, which gives rise to a claim by the indemnified party against the indemnifying party based on the indemnity agreements contained in this Agreement and copies of all pleadings relating thereto; *provided, however*, that the failure to so notify the indemnifying party shall relieve the indemnifying party from its obligation to indemnify the indemnified party in such action, suit or proceeding only to the extent the indemnifying party is actually prejudiced by such failure to notify. In the event any action, suit or proceeding is brought against an indemnified party with respect to which the indemnifying party may have liability under the indemnity agreements contained herein, the action, suit or proceeding shall (subject to the provisions of this Section 9.3) be settled, compromised or defended (including through all proceedings on appeal or for review which counsel for the indemnified party shall deem appropriate) by the indemnifying party as it sees fit, at the indemnifying party's sole cost and expense. If the indemnifying party within a reasonable time after notice of a claim fails to defend the indemnified party, the indemnified party shall be entitled to undertake the defense, compromise or settlement of such claim at the expense of and for the account and risk of the indemnifying party. Upon the assumption of the defense of such claim, the indemnifying party may settle, compromise or defend the same as it sees fit, *provided, however*, that anything in this Section 9.3 to the contrary notwithstanding: (i) if there is a reasonable probability that a claim may materially and adversely affect the indemnified party, the indemnified party shall have the right, at the indemnified party's cost and expense, to defend, compromise or settle such claim against it; (ii) if the facts giving rise to indemnification hereunder shall involve a possible claim by the indemnified party against a third party, the indemnified party shall have the right, at the indemnified party's own cost and expense, to undertake the prosecution, compromise and settlement of such claim; and (iii) the indemnifying party will not, without the indemnified party's written consent, settle or compromise any claim or consent to any entry of judgment that does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the indemnified party of a release from all liability in respect to such claim. The indemnified party shall be kept informed of such action, suit or proceeding at all stages thereof whether or not it is so represented, and each party shall make available to the other party and its attorneys and accountants all books and records in its possession relating to such action, suit or proceeding.

(b) Notwithstanding the foregoing provisions of this Section 9.3, the indemnifying party shall have no right to defend any action, suit or proceeding if such action, suit or proceeding is brought by or before the FCC or otherwise involves the FCC, any rules or regulations thereof, or any Commission Authorization, or such action, suit or proceeding seeks injunctive or other equitable relief against the indemnified party.

(c) Notwithstanding anything in his Agreement to the contrary, an indemnifying party shall not be obligated to reimburse an indemnified party until Losses incurred by such indemnified party by virtue of the indemnities provided in this Article 9 exceed the sum of \$5,000, in which case the indemnified party shall be entitled to indemnification for an amount equal to the total Losses incurred. From and after the Closing, the aggregate amount of all Losses that an indemnified party shall be entitled to receive shall in no event exceed the amount of the Purchase Price.

ARTICLE 10

Risk of Loss

10.1 Risk of Loss. The risk of loss, damage or destruction to the Purchased Assets and/or the Real Property from fire or other casualty or cause, shall be borne by Seller at all times up to the Closing. In the event such loss, damage or destruction to property that is reasonably required for the normal operation of the Station is not repaired, replaced or restored prior to the Closing, Buyer may, at its sole option and as its sole and exclusive remedy hereunder, upon written notice to Seller: (a) elect to postpone Closing until such time as the property has been repaired, replaced or restored, or (b) elect to consummate the Closing and accept the property in its then condition, in which event Seller shall assign to Buyer all proceeds of insurance theretofore, or to be, received, covering the property involved; *provided, however*, that Seller shall have no obligation to repair, replace or restore such property. In the event that Buyer extends the time for Closing pursuant to clause (a) above, and the repairs, replacements or restorations are not completed within sixty (60) days after the date on which Final Order has come into existence and effect, Buyer may terminate this Agreement by giving written notice thereof to Seller.

ARTICLE 11

Miscellaneous

11.1 Binding Agreement; Assignment. All the terms and provisions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties hereto and their respective heirs, legal representatives, successors and permitted assigns. This Agreement and all rights of Buyer shall be assignable by Buyer to one or more subsidiaries or affiliates of Buyer prior to the Closing upon prior notice to Seller and with the consent of Seller, such consent not to be unreasonably withheld or delayed. This Agreement shall not be assignable by Seller without the prior written consent of Buyer. No assignment shall relieve the assigning party of its obligations hereunder.

11.2 Notices. All notices shall be in writing and shall be deemed to have been duly given if (a) delivered personally; (b) two business days after being deposited in the mail if mailed via registered or certified mail, return receipt requested, postage prepaid to the other party hereto; or (c) upon delivery by a nationally recognized “next-day” deliver service, to the following addresses:

If to Buyer, to:

La Favorita Broadcasting, Inc.
P.O. Box 1039
Hughson, CA 95326
Attn: Mr. Nelson Gomez
Facsimile No. (209) 883-8769

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

Dan J. Alpert, Esq.
The Law Office of Dan J. Alpert
2120 N. 21st Road
Arlington, VA 22201
Facsimile No. (703) 243-8692

If to Seller, to:

Northwestern College
3003 Snelling Avenue North
St. Paul, MN 55113
Attn: Mr. Harv Hendrickson

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

Bryan Cave LLP
700 13th Street, N.W.
Washington, DC 20005
Attn: John R. Wilner, Esq.
Facsimile No. (202) 508-6200

or to such other addresses as any such party may designate in writing in accordance with this Section 11.2.

11.3 Law To Govern. This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of California, without regard to principles of conflict of laws.

11.4 Fees and Expenses. Except as expressly set forth in this Agreement, each of the parties shall pay its own fees and expenses with respect to the transactions contemplated hereby.

11.5 Entire Agreement; Waivers. This Agreement sets forth the entire understanding of the parties hereto in respect of the subject matter hereof and may not be modified or amended except by a written agreement specifically referring to this Agreement signed by all of the parties hereto. This Agreement supersedes all prior agreements and understandings among the parties with respect to such subject matter. Any failure by any party to this Agreement to comply with any of its obligations hereunder may be waived by Seller in the case of a default by Buyer and by Buyer in case of a default by Seller. No waiver shall be effective unless

in writing and signed by the party granting such waiver, and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or similar nature.

11.6 Severability. Any provision of this Agreement which is rendered unenforceable by a court of competent jurisdiction shall be ineffective only to the extent of such prohibition or invalidity and shall not invalidate or otherwise render ineffective any or all of the remaining provisions of this Agreement.

11.7 No Third-Party Beneficiaries. Nothing herein, express or implied, is intended or shall be construed to confer upon or give to any person, firm, corporation or legal entity, other than the parties hereto, any rights, remedies or other benefits under or by reason of this Agreement or any documents executed in connection with this Agreement.

11.8 Affiliate. For purposes of this Agreement, the term "affiliate" when used with respect to any person or entity, shall mean any person or entity which directly or indirectly, alone or together with others, controls, is controlled by or is under common control with such person or entity.

11.9 Counterparts; Headings. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement. The section and paragraph headings contained herein are for the purposes of convenience only and are not intended to define or limit the contents of said sections and paragraphs.

11.10 Use of Terms. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. The use of the words "include" or "including" in this Agreement shall be by way of example rather than by limitation. Reference to any agreement, document or instrument means such agreement, document or instrument as amended or otherwise modified from time to time in accordance with the terms thereof. Unless otherwise indicated, reference in this Agreement to a "Section" or "Article" means a Section or Article, as applicable, of this Agreement. When used in this Agreement, words such as "herein", "hereinafter", "hereof", "hereto", and "hereunder" shall refer to this Agreement as a whole, unless the context clearly requires otherwise. The use of the words "or," "either" and "any" shall not be exclusive. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

[the remainder of this page is intentionally left blank]

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

LA FAVORITA BROADCASTING, INC.

By: _____
Nelson Gomez
President

NORTHWESTERN COLLEGE

By: _____
Name: _____
Title: _____