

EXHIBIT NO. 4
FCC Form 314
Section II, Question 3
Harris Broadcasting Company (Permittee)
Valley Broadcasting Company (Assignee)
KBJN, Ch. 3, Ely, Nevada
Page 1 of 22 (including cover)

ASSET PURCHASE AGREEMENT
(Executed Copy to Follow by Federal Express)

ASSET PURCHASE AGREEMENT - KBJN (TV)

THIS AGREEMENT is made this 30th day of May 2001, by and between SUNBELT COMMUNICATIONS COMPANY, a Nevada corporation ("Sunbelt"), and Sunbelt's wholly owned subsidiary, Valley Broadcasting Company, a Nevada corporation ("Valley"), and Harris Broadcasting Company, Inc., a Nevada corporation ("Harris") (each a "Party" and collectively the "Parties").

RECITALS

WHEREAS, Harris owns the construction permit for KBJN (TV) channel 3, located in Ely, Nevada ("CP") (Harris is sometimes referred to herein as the "Selling Party").

WHEREAS, Selling Party, Sunbelt and Valley desire that the Selling Party sell and transfer to Sunbelt and Valley (Sunbelt and Valley are sometimes referred to herein individually as a "Purchasing Party" and collectively as the "Purchasing Parties"), and that Purchasing Parties purchase from the Selling Party, the CP.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants and agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. PURCHASE AND SALE OF ASSETS.

A. Assets.

On the Closing Date (as hereinafter defined), Selling Party will cause to be transferred, assigned and conveyed, to Purchasing Parties, by appropriate instruments, and Purchasing Parties will acquire, subject to the terms and conditions hereinafter set forth, the following assets relating to the Station (excluding the Excluded Assets as defined below) (collectively, the "Assets"), free and clear of all liens, claims, encumbrances and rights of others except as otherwise permitted herein:

- (i) The licenses and/or authorizations issued by the Federal Communications Commission ("FCC") and all other licenses, permits and authorizations issued by any other federal, state or local governmental agency or authority for the operation of the Station ("Licenses") including, but not limited to, those listed on **Schedule 1.A(i)** hereto and all other licenses, permits and authorizations now or hereafter obtained in connection with the CP.

- (ii) All assignable contracts, agreements, leases and easements relating to the CP listed and described on **Schedule 1.A(ii)** attached hereto (together with any other contracts entered into between the date hereof and the Closing which Purchasing Parties elect to assume), which are to be in effect on the Closing Date (except those which may have been unilaterally canceled by a party other than the Selling Party, provided that legal rights, if any, accruing to the Selling Party by virtue of any such unilateral cancellation by a party other than the Selling Party shall be assigned by the Selling Party to Purchasing Parties). To the extent that the assignment of any agreement, contract or lease listed on **Schedule 1.A(ii)** may require the consent of a third party, the Selling Party shall exercise its best efforts to secure such consent.
- (iii) The call letters "KBJN".
- (iv) All files, documents, books, records, reports, and logs pertaining to the Assets including, but not limited to, such files, records and logs as are required to be maintained by federal, state or local law or regulation and as Purchasing Parties may reasonably require.

B. Excluded Assets.

This Agreement is limited to the assets herein described in **Section 1.A** and Purchasing Parties are not purchasing from the Selling Party the following assets ("Excluded Assets"): (i) the Selling Party's corporate charters, corporate minute books, original accounting journals, books of accounts, ledgers, tax returns, and other books and records not directly relating to the operation of the Station, and books and records related to other Excluded Assets; (ii) cash in the bank accounts of Harris, accounts receivable, investment securities, notes receivable, insurance policies or contracts of insurance; (iii) any right to the use of the name "Harris Broadcasting Company, Inc." which shall be and remain the exclusive property of the Selling Party free and clear of any claim from Purchasing Parties whatsoever; and (iv) all other contracts not assigned to Purchasing Parties pursuant hereto.

C. Purchase Price; Earnest Money.

In consideration of the sale and transfer of the Assets, Purchasing Parties shall pay to the Selling Party a purchase price which shall be in the amount of five hundred dollars (\$1,255.00) ("Purchase Price"). The Purchase Price shall be paid on Closing Date.

2. ASSUMPTION OF LIABILITIES.

- A. The Assets shall be transferred and conveyed to Purchasing Parties free and clear of all deeds of trust, defects in title, mortgages, liens, security interests, pledges, restrictions, prior assignments, charges, assessments, conditional sales agreements, taxes, claims, encumbrances and rights of third parties of any kind or type whatsoever except the following: Purchasing Parties agree to assume the liability to pay the outstanding regulatory fees owed to the FCC for the fiscal years 1999 and 2000. Further, Purchasing Parties agree to pay the 25% penalty assessed on the payment of late regulatory fees (“Assumed Liabilities”).
- B. Except as expressly and specifically provided in this Agreement, Purchasing Parties will not assume or otherwise be responsible for any liabilities or obligations of the Selling Party or any of Selling Party’s affiliates, regardless of their nature. The Selling Party shall retain all liabilities, obligations, debts, expenses and commitments of the Selling Party other than the Assumed Liabilities. The Selling Party covenants to Purchasing Parties that (i) all debts of the Selling Party related to the CP other than the Assumed Liabilities will be paid in full as they fall due, and (ii) all other Retained Liabilities will be satisfied by the Selling Party in their ordinary course. Without limiting the foregoing, the Retained Liabilities shall include, but not be limited to, any liabilities relating to:
- (i) Any federal, state or local income tax liability of the Selling Party;
 - (ii) All claims, demands, liabilities or obligations of the Selling Party of any nature whatsoever which are based on events occurring on or before the Closing Date, or which are based on or relate to products sold or services performed by the Selling Party on or before the Closing Date, notwithstanding that the date on which such claim, demand, liability or obligation arose is after the Closing Date;
 - (iii) All liabilities and obligations of Selling Party under this Agreement;
 - (iv) All liabilities and obligations of the Selling Party with respect to litigation, suits, claims, or demands made by third parties or governmental proceedings to which the Selling Party or the Station are a party as of the Closing Date or arising out of actions or events prior to the Closing Date.

3. PAYMENT OF CERTAIN ITEMS.

- A. All FCC filing and grant fees, if any, shall be paid by Purchasing Parties.
- B. Filing and recordation fees and any other fees incurred in connection with the transfer of title to the Assets and any applicable transfer, sales or use taxes, and all expenses incurred in connection with such filing or recordation, shall be borne entirely by

Purchasing Parties.

4. REPRESENTATIONS AND WARRANTIES OF THE SELLING PARTY.

Selling Party makes the following representations and warranties, together with all other representations and warranties of Selling Party in this Agreement and the Exhibits and Schedules hereto, each of which is true and correct as of the date hereof, and shall be true and correct as of the Closing Date as if expressly restated on said date.

A. Organization and Authority.

The Selling Party is a corporation duly organized, validly existing and in good standing and authorized to do business under the laws of the State of Nevada, has full power and authority to own its properties and to carry on the business presently conducted by it, and has full power and authority to enter into this Agreement and to consummate the transactions contemplated herein. The Selling Party is in good standing in all jurisdictions where its present activities with respect to the Station require it to be so qualified, licensed or in good standing. The making and performance of this Agreement by the Selling Party does not and will not (i) violate any provisions of the Selling Party's Articles of Incorporation or By-laws, or, (ii) subject to such Selling Party obtaining those consents set forth on **Schedule 4.A** hereto, breach or constitute a default under any material agreement, instrument, order, judgment or decree to which the Selling Party is a party or by which it is bound, or (iii) violate any law or regulation applicable to the Selling Party or the Assets, or (iv) result in the creation of any security interest, lien, charge or encumbrance on any of the Assets. This Agreement has been duly executed and delivered by the Selling Party and constitutes the valid and binding obligation of the Selling Party, enforceable against the Selling Party in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights generally now or hereafter in effect, and subject to the availability of equitable remedies.

B. Compliance with Laws.

The Assets, are in compliance in all material respects with all applicable laws, rules and regulations of all federal, state and local authorities or agencies. There is not any judgment outstanding or litigation or proceeding pending or, to the best of Selling Party's knowledge, threatened, which relates to or affects the Assets, or the Selling Party's title or interest in or to the Assets, or the Selling Party's power or right to convey, transfer or assign the Assets to Purchasing Parties as provided in this Agreement, or which would prevent or affect the use of the Assets by Purchasing Parties. Except for the consent of the FCC, the filings under **Section 9**, and any such

consent set forth on **Schedule 4.A** hereto, no authorizations, approvals or consents from any governmental or regulatory authorities or agencies or any other person or entity are necessary to permit the Selling Party to execute and deliver this Agreement and to perform its obligations hereunder.

C. Authorization.

The CP is valid and issued by the FCC under the Communications Act of 1934, as amended, and in accordance with the Rules and Regulations of the FCC. All applications, reports and other disclosures required by the FCC with respect to the Station are now duly filed and are complete and accurate in all material respects. KBJN is an FCC construction permit in good standing and there are no proceedings (including proceedings which may materially and adversely modify the CP) pending or threatened by or before the FCC with respect to the CP. The Selling Party is not aware of any facts or circumstances that could reasonably provide a basis for any such proceeding or complaint. Harris now holds the CP and the CP is assignable to Purchasing Parties without any consent of any third party except for the FCC Consent as set forth in **Section 9**. The Selling Party has no reason to believe that the CP will not be renewed in the ordinary course or that the CP are subject to any material adverse modification. The CP are not subject to any condition not set forth on the face thereof other than conditions generally applicable to all broadcast stations of the same type and class.

D. Public Inspection File.

The public inspection file for KBJN is in material compliance with the regulations of the FCC relating thereto.

E. Contracts.

Selling Party shall provide Purchasing Parties with true and complete copies of all contracts, leases, understandings and/or agreements and all modifications, amendments and renewals thereof relating to or affecting the Assets. All material provisions of the contracts, understandings, leases and agreements listed on **Schedule 1.A(ii)** and all other contracts, leases, understandings and agreements which may be effectuated between the date hereof and the Closing have been complied with, and will have been complied with, in all material respects, as of the Closing, and no material default in respect to any duties or obligations required according to the terms of such contracts, leases, understandings and agreements has or will have occurred.

F. No Insolvency.

No insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting the Selling Party or any of the Assets are pending or, to the best of Selling Party's knowledge, threatened, and the Selling Party has made no assignment for the benefit of creditors, nor taken any action with a view to, the institution of any such insolvency proceedings.

G. Adverse Conditions.

The Selling Party does not know of any condition that may materially and adversely affect the Assets, including, but not limited to, pending or threatened litigation, other than changes in the ordinary course of business and conditions affecting the television broadcast industry generally.

H. Litigation.

There is no judgment, award, order, writ, injunction, arbitration decision or decree relating to the conduct of the business or any of the Assets, and there is no litigation, administrative action, arbitration, proceeding or investigation, pending or threatened, against the Selling Party relating to the conduct of the business or any of the Assets in any federal, state or local court, or before any administrative agency or arbitrator (including, without limitation, any proceeding which seeks the forfeiture of, the material adverse modification of, or opposes the renewal of, the CP) or before any other tribunal duly authorized to resolve disputes. In particular, but without limiting the generality of the foregoing, there are no proceedings pending or threatened by or before the FCC or any other governmental organization with respect to the Station Authorizations or the business or operation of the Station.

I. Undisclosed Liabilities.

There is not any liability or obligation of any nature, whether accrued, absolute, contingent or otherwise, relating to the Assets which could, after the Closing, result in any form of transferee liability against Purchasing Parties or subject the Assets to any lien, encumbrance, claim, charge, security interest or imposition whatsoever or otherwise affect the full, free and unencumbered use of the Assets by Purchasing Parties.

J. FCC Filings.

None of the information contained in the representations and warranties of the

Selling Party sets forth in any filing made by Selling Party with the FCC with respect to the transfer of the Assets or the assignment of the CP contains or will contain any untrue statement of a material fact or omits or will omit any material fact.

K. Representations and Warranties.

The representations and warranties made by Selling Party in this Agreement are accurate in all material respects.

5. REPRESENTATIONS AND WARRANTIES OF PURCHASING PARTIES.

Purchasing Parties make the following representations and warranties to Selling Party, together with all other representations and warranties of Purchasing Parties in this Agreement and the Exhibits and Schedules hereto, each of which is true and correct on the date hereof and shall be true and correct as of the Closing Date as if expressly restated on said date.

A. Organization and Authority.

Sunbelt and Valley are corporations validly existing and in good standing under the laws of the State of Nevada. Each Purchasing Party has full power and authority to own its properties and to carry on the business presently conducted by it, and has full power and authority to enter into this Agreement and to consummate the transactions contemplated herein. The making and performance of this Agreement by each Purchasing Party does not and will not (i) violate any provisions of such Purchasing Party's Articles of Incorporation or By-laws or, (ii) subject to obtaining those consents set forth on **Schedule 5.A** hereto, breach or constitute a default under any material agreement, instrument, order, judgment or decree to which such Purchasing Party is a party or by which it is bound, or (iii) violate any law or regulation applicable to such Purchasing Party. This agreement has been duly executed and delivered by each Purchasing Party and constitutes the valid and binding obligation of each Purchasing Party, enforceable against each Purchasing Party in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights generally now or hereafter in effect, and subject to the availability of equitable remedies.

B. Qualified Licensee.

Except as set forth on **Schedule 5.B** hereto, Purchasing Parties know of no reason why the FCC (i) would not approve an application for the assignment of the CP to Purchasing Parties or (ii) would require any type of waiver before approving an application for the assignment of the CP to Purchasing Parties.

C. Absence of Litigation.

There is no claim, litigation, proceeding or investigation pending or, to the best of the knowledge of Purchasing Parties, threatened against either Purchasing Party which seeks to enjoin or prohibit, or which otherwise questions the validity of, any action taken or to be taken in connection with this Agreement.

D. Representations and Warranties.

The representations and warranties made by Purchasing Parties in this Agreement are accurate in all material respects.

6. OPERATIONS PENDING CLOSING.

Pending the Closing hereunder, the Selling Party and each Purchasing Party shall act in accordance with the following:

A. Compliance with Laws.

Selling Party shall comply with all applicable federal, state and local laws, ordinances and regulations, including, but not limited to, the Communications Act of 1934 and the Rules and Regulations of the FCC.

B. Conduct of Business.

Selling Party shall (i) not change the call letters of the Station, (ii) not modify or apply for any FCC licenses or authorizations except for renewals of existing licenses or authorizations submitted in the ordinary course of business or without the written consent of the Purchasing Parties and will not allow the expiration or cancellation of any existing FCC authorizations.

C. Required Consents.

The Selling Party and Purchasing Parties shall use their commercially reasonable efforts to obtain all of the consents noted on **Schedule 4.A** or **Schedule 5.A** hereto, as the case may be, and in connection therewith promptly to commence and thereafter diligently prosecute application for all such consents, waivers and approvals required herein, and to keep the other party hereto currently informed of the status thereof and of any difficulties encountered in obtaining same and promptly to advise the other party hereto of all communications relevant to the transactions provided for in this Agreement received from the FCC subsequent to the date hereof, and to furnish the other party hereto copies of all written communications and documents it files with

the FCC or receives from the FCC subsequent to the date hereof. Set forth on **Schedule 4.A** under the separate heading, "Selling Party's Required Consents" are those consents the receipt of which is a condition precedent to Selling Party's obligation to close under this Agreement (the "Selling Party's Required Consents"). Set forth on **Schedule 5.A** under the separate heading "Purchasing Parties Required Consents" are those consents the receipt of which is a condition precedent to Purchasing Parties' obligation to close under this Agreement (the "Purchasing Parties Required Consents").

D. Representations and Warranties.

Each party shall promptly notify the other of any material adverse change in any of the information contained in their respective representations and warranties contained herein.

E. Cooperation.

Subject to express limitations contained elsewhere herein, each of the parties will cooperate fully with one another in taking any reasonable actions (including, without limitation, reasonable actions to obtain the required consent of any governmental instrumentality or any third party) necessary or helpful to accomplish the transactions contemplated by this Agreement, including but not limited to the satisfaction of any condition to Closing set forth herein.

F. Contracts.

Selling Party shall comply with, and not terminate or modify any of the contracts to be assumed by Purchasing Parties hereunder, or enter into any contract for a term extending beyond the Closing Date, without the prior written consent of Purchasing Parties, which consent will not be unreasonably withheld.

7. SELLING PARTY'S PERFORMANCE.

The obligations of Selling Party to close the transactions hereunder are subject to satisfaction (or waiver, at Selling Party's election) of the following conditions as of the Closing:

- A. The representations and warranties of Purchasing Parties contained in this Agreement shall be true and correct in all material respects and the covenants and agreements of Purchasing Parties to be performed on or prior to the Closing Date pursuant to the terms of this Agreement shall have been materially performed, and Purchasing Parties shall have delivered to Selling Party a certificate, dated as of the Closing Date, signed by a duly authorized officer of each Purchasing Party to that effect.

- B. The FCC Consent (as defined in **Section 9**) shall have been issued without the imposition of any conditions materially adverse to the Selling Party or Purchasing Parties, and such consent shall have become a Final Order, and any and all other governmental approvals necessary to consummate the transactions contemplated by this Agreement shall have been received without the imposition of any conditions adverse to Purchasing Parties or any of its affiliates.
- C. No suit, action or other proceeding against any party hereto shall be pending before any court or governmental agency of competent jurisdiction in which it is sought to restrain or prohibit any of the transactions contemplated by this Agreement or to obtain damages or other relief in connection with this Agreement or the transactions contemplated hereby.
- D. All of the Selling Party's Required Consents shall have been obtained.
- E. Purchasing Parties shall have executed and delivered to Selling Party the documents required herein to be executed and delivered by them.

8. PURCHASING PARTIES' PERFORMANCE.

The obligations of Purchasing Parties to close the transactions hereunder are subject to satisfaction (or waiver, at Purchasing Parties' election) of the following conditions as of the Closing:

- A. The representations and warranties of Selling Party contained in this Agreement shall be true and correct in all material respects and the covenants and agreements of the Selling Party to be performed on or prior to the Closing Date pursuant to the terms of this Agreement shall have been materially performed, and Selling Party shall have delivered to Purchasing Parties a certificate, dated as of the Closing Date, signed by a duly authorized officer of the Selling Party to that effect.
- B. The FCC Consent (as defined in **Section 9**) shall have been issued without the imposition of any conditions materially adverse to the Selling Party or Purchasing Parties, and such consent shall have become a Final Order, and any and all other governmental approvals necessary to consummate the transactions contemplated by this Agreement shall have been received without the imposition of any conditions adverse to Purchasing Parties or any of its affiliates.
- C. No suit, action or other proceeding against any party hereto shall be threatened or pending before any court or governmental agency of competent jurisdiction in which it is sought to restrain or prohibit any of the transactions contemplated by this

Agreement or to obtain damages or other relief in connection with this Agreement or the transactions contemplated hereby.

- D. There shall be outstanding no liability, judgment or litigation that could result in an encumbrance of, or otherwise substantially adversely affect, the Assets, except as permitted by this Agreement.
- E. All of the Purchasing Parties Required Consents shall have been obtained.
- F. The Selling Party shall have executed and delivered to Purchasing Parties the documents required herein to be executed and delivered by it.

9. FCC APPROVAL AND APPLICATION.

- A. The parties agree to proceed, as expeditiously as possible, but in no event later than five (5) business days after the date of this Agreement, to file or cause to be filed applications requesting FCC consent to the transactions herein involved ("FCC Consent").
- B. Consummation of the transactions contemplated hereunder is conditioned upon the FCC having given its prior consent in writing to the assignment to Purchasing Parties of the CP, and such prior consent becoming a Final Order (as defined below). If there shall be a challenge made to the FCC Consent to the assignment of the CP and/or an action by the FCC or its staff on its own motion to reconsider the consent to assignment of the CP prior to such consent becoming a Final Order, then, at Purchasing Parties' sole discretion, the parties will negotiate and enter into a mutually agreeable unwind arrangement to unwind the transactions in this Agreement upon FCC action vacating its consent or an equivalent action by a court of competent jurisdiction so as to put the parties in the positions they were in prior to the Closing. For purposes of this Agreement, "Final Order" shall mean an action by the FCC upon any application for its consent, approval or authorization, which action has not been reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which action no protest, petition to deny, petition for rehearing or reconsideration, appeal to federal court or request for stay is pending, and as to which action the time for filing of any such protest, petition, appeal or request and any period during which the FCC may reconsider or review such action on its own authority has expired. Each party shall diligently attempt to obtain, and not take any actions that could delay or prevent the obtaining of, such consents and Final Orders.

10. DATE, NOTICE AND PLACE OF CLOSING.

Subject to the satisfaction of the conditions to closing set forth herein, the closing of the

exchange of assets and other transactions contemplated hereby (the "Closing") shall be held at a time and date (herein referred to as the "Closing Date") as shall be mutually agreed upon by the parties, which shall be within two (2) days after the FCC Consent hereunder has become a Final Order. The Closing shall take place at Purchasing Parties' office located at 1500 Foremaster Lane, Las Vegas, Nevada.

11. SURVIVAL OF REPRESENTATIONS, WARRANTIES, AND COVENANTS.

- A. It is the express intention and agreement of the parties to this Agreement that all covenants and agreements (together, the "Agreements") and representations and warranties (together, the "Warranties") made by the parties in this Agreement shall survive the Closing (regardless of any knowledge, investigation, audit or inspection at any time made by or on behalf of the parties) as follows:
- (i) The Agreements and Warranties in **Sections 4.A** and **5.A**, the second sentence of **Section 4.H**, and **Section 12** shall survive the Closing without limitation.
 - (ii) The Agreements and Warranties in **Section 4.K** or otherwise relating to federal, state, local or foreign tax obligations shall survive the Closing for the period of the applicable statute of limitations plus any extensions or waivers granted or imposed with respect thereto.
 - (iii) All other Agreements and Warranties shall survive for a period of eighteen months from the Closing Date.
 - (iv) The right of any party to indemnification pursuant to **Section 12** shall not be affected by the expiration of any Warranties as set forth herein, provided that notice of the existence of any such claim (but not necessarily the fixed amount of any such claim) has been given by the indemnified party to the indemnifying party prior to such expiration.
 - (v) Notwithstanding any provision hereof to the contrary, there shall be no contractual time limit in which the parties may bring any action for actual fraud (a "Fraud Action"), regardless of whether such actual fraud also included a breach of any Agreement or Warranty; provided, however, that any Fraud Action must be brought within the period of the applicable statute of limitations plus any extensions or waivers granted or imposed with respect thereto.

12. RIGHTS OF INDEMNIFICATION; DEFAULT.

- A. Selling Party hereby agrees to indemnify and hold Purchasing Parties, and their employees, officers, directors, agents, successors and assigns, harmless from and against all actions, suits, proceedings, losses, costs, liabilities, damages, assessments, judgments, costs and expenses, including reasonable attorneys' fees, arising out of or relating to:
- (i) the ownership of the Assets prior to the Closing Date, including, but not limited to, any federal, state or local tax liability resulting from such operation and claims arising from events or from obligations required to be performed prior to the Closing Date under any contract or lease assumed by Purchasing Parties hereunder;
 - (ii) Any misrepresentation, breach of warranty or nonfulfillment of a covenant or an agreement on the part of the Selling Party under this Agreement, or from a misrepresentation in or omission from any certificate or other instrument furnished to Purchasing Parties pursuant to this Agreement, or in connection with any of the transactions contemplated hereby; and
 - (iii) The Excluded Assets.
- B. Purchasing Parties hereby agree to indemnify and hold Selling Party, its employees, directors, agents, successors and assigns, harmless from and against all actions, suits, proceedings, losses, costs, liabilities, damages, assessments, judgments, costs and expenses, including reasonable attorneys' fees, arising out of or relating to:
- (i) The ownership or operation of the Assets on or after the Closing Date, including, but not limited to, any federal, state or local tax liability from such operation and claims arising from events or from obligations required to be performed on or after the Closing Date under any contract or lease assumed by Purchasing Parties hereunder, except to the extent arising out of or relating to a misrepresentation, breach of warranty or nonfulfillment of a covenant or agreement of Selling Parties or its affiliates hereunder; and
 - (ii) Any misrepresentation, breach of warranty or nonfulfillment of a covenant or an agreement on the part of Purchasing Parties under this Agreement, or from a misrepresentation in or omission from any certificate or other instrument furnished to Selling Party pursuant to this Agreement, or in connection with any of the transactions contemplated hereby.

- C. Each indemnifying party agrees to give written notice within a reasonable time to the other of any demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder against such indemnifying party (hereinafter collectively "Claims," and individually a "Claim"), it being understood that the failure to give such notice shall not affect the indemnified party's right to indemnification and the indemnifying party's obligation to indemnify as set forth in this Agreement, unless the indemnifying party's ability to contest, defend or settle with respect to such Claim is thereby demonstrably and materially prejudiced. The parties also agree that any claim for indemnification arising directly between the parties relating to this Agreement may be brought at any time within the periods specified in **Section 11**. The obligations and liabilities of the indemnifying party with respect to its indemnities pursuant to this **Section 12** resulting from any Claim shall be subject to the following additional terms and conditions:
- (i) The indemnifying party shall have the right to undertake, by counsel or other representatives of its own choosing, the defense or opposition to such Claim.
 - (ii) In the event that the indemnifying party shall elect not to undertake such defense or opposition, or within ten (10) days after notice of any such Claim from the indemnified party, shall fail to defend or oppose, the indemnified party (upon further written notice to the indemnifying party) shall have the right to undertake the defense, opposition, compromise or settlement of such Claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the indemnifying party (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).
 - (iii) Anything in this **Section 12** to the contrary notwithstanding: (a) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim; (b) the indemnifying party shall not, without the indemnified party's written consent, which shall not be unreasonably withheld, settle or compromise any Claim or consent to entry of any judgment which 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 of such Claim; and (c) in the event that the indemnifying party undertakes defense of or opposition to any Claim, the indemnifying party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party

and its counsel or other representatives concerning such Claim and the parties and their respective counsel or other representatives shall cooperate in good faith with respect to such Claim.

- (iv) No undertaking of defense or opposition to a Claim shall be construed as an acknowledgment by such party that it is liable to the party claiming indemnification with respect to the Claim at issue or other similar Claims.

13. SELLING PARTY'S PERFORMANCE AT CLOSING.

- A. At the Closing hereunder, Selling Party shall deliver to Purchasing Parties all Closing obligations hereunder which include the following documents:
 - (i) Assignment of FCC Authorizations and such other instruments of conveyance and transfer as may be reasonably required to convey to Buyer good and marketable title to the Assets, free and clear of all liens, claims and encumbrances.
 - (ii) A certified copy of the resolution of the Board of Directors of Selling Party authorizing the execution of this Agreement and the consummation of the transactions described herein.
 - (iii) A certificate signed by a duly authorized officer of Selling Party and dated as of the Closing Date to the effect that all representations and warranties set forth in this Agreement shall be true and correct as of and as if made on the Closing Date (except those made as of a specific date) and that Selling Party has complied with all of its covenants under this Agreement.
 - (iv) Such other instruments and documents as may be reasonably requested by Purchasing Parties to effectuate the transactions contemplated hereby.
- B. At Closing hereunder Selling Party shall deliver to Purchasing Parties, the files, records and logs referred to in **Section 1.A(iv)** hereof.

14. PURCHASING PARTIES' PERFORMANCE AT CLOSING.

- A. At the Closing hereunder, Purchasing Parties shall deliver to Selling Party's satisfaction all Closing obligations hereunder which include the following documents:
 - (i) The Purchase Price as described herein.

- (ii) A certified copy of the resolution of the Board of Directors of Purchasing Parties authorizing the execution of this Agreement and the consummation of the transactions described herein.
- (iii) A certificate signed by a duly authorized officer of Purchasing Parties and dated as of the Closing Date to the effect that all representations and warranties set forth in this Agreement shall be true as of and as if made on the Closing Date (except those made as of a specific date) and that Purchasing Parties have complied with all of their respective covenants under this Agreement.
- (iv) Such other instruments and documents as may be reasonably requested by Selling Parties to effectuate the transactions contemplated hereby.

15. EVENTS OF TERMINATION.

A. FCC Approval.

- (i) If the FCC has failed or refused to grant its written consent to the assignment of the CP and/or any other transactions contemplated to be consummated hereunder, on or before July 1, 2001, the parties not at fault or whose qualifications (or whose affiliate's qualifications) are not in issue shall have the option of terminating this Agreement.
- (ii) If the FCC orders an evidentiary hearing with respect to the assignment of the KBJN CP, the parties whose qualifications (or whose affiliate's qualifications) are not in issue shall have the option of terminating this Agreement.

B. Mutual Consent.

This Agreement may be terminated at any time by the mutual written agreement of Selling Party and Purchasing Parties.

C. Party Not at Fault.

- (i) Selling Party may terminate this Agreement if (a) any of the conditions set forth in **Section 7, 9 or 10** of this Agreement have become incapable of fulfillment (or are otherwise not fulfilled) on or before the Termination Date, or if Purchasing Parties have breached in any material respect any of their representations and warranties contained herein or defaults in any material respect in the observance or in the due and timely performance of any of their

covenants or agreements contained herein, (b) Selling Party has given Purchasing Parties thirty (30) business days prior written notice of such matter, (c) Purchasing Parties have failed to cure such matter within that period, and (d) Selling Party's representations and warranties hereunder are not materially incorrect and Selling Party is not in material breach of their agreements and covenants under this Agreement.

- (ii) Purchasing Parties may terminate this Agreement if (a) any of the conditions set forth in **Section 8, 9 or 10** of this Agreement have become incapable of fulfillment (or are otherwise not fulfilled) on or before the Termination Date, or if Selling Party has breached in any material respect any of its representations and warranties contained herein or defaults in any material respect in the observance or in the due and timely performance of any of its covenants or agreements contained herein, (b) Purchasing Parties have given Selling Party thirty (30) business days prior written notice of such matter, (c) Selling Party has failed to cure such matter within that period, and (d) Purchasing Parties' representations and warranties are not materially incorrect and Purchasing Parties are not in material breach of their agreements and covenants under this Agreement.

Except as expressly set forth herein, or as set forth in **Section 16**, nothing in this **Section 15** shall relieve any party from liability it may have hereunder for a breach of this Agreement.

16. REMEDIES UPON REFUSAL OR FAILURE TO CLOSE.

- A. (i) If the Selling Party terminates this Agreement (i) pursuant to **Section 15.C(i)** of this Agreement as a result of Purchasing Parties' material default in their representations and warranties herein or the observance or the due and timely performance of their covenants or agreements hereunder, or (ii) as a result of Purchasing Parties' default in the performance of their obligation to close under this Agreement, then the Selling Party shall be entitled to the Purchase Price without proof of damages to Purchasing Parties, together with court costs and reasonable attorneys' fees incurred by the Selling Party in enforcing its rights to the Purchase Price (if it is determined that the Selling Party has the right to the Purchase Price), which shall be in lieu of all other remedies they may have against Purchasing Parties under applicable law. As a condition to their right to such amounts, the Selling Party shall not be required to have tendered the Assets specified in **Section 1.A** of this Agreement but shall be required only to demonstrate they are willing and able to do so and to perform their other closing obligations in all material respects. If this

Agreement is terminated for any reason other than as provided in the first sentence of this **Section 16.A(i)**, Purchasing Parties shall be entitled to their court costs and reasonable attorneys' fees incurred by Purchasing Parties in enforcing their rights hereunder, provided Purchasing Parties prevail.

- (ii) If the Purchasing Parties terminate this Agreement (i) pursuant to **Section 16.D(ii)** of this Agreement as a result of Selling Party's material default in their representations and warranties herein or the observance or the due and timely performance of their covenants or agreements hereunder, or (ii) as a result of Selling Party's default in the performance of their obligation to close under this Agreement, then the Purchasing Parties shall be entitled to the return of their Purchase Price, together with court costs and reasonable attorneys' fees incurred by the Purchasing Parties in enforcing their rights to the Purchase Price

- B. The parties recognize that if either Selling Party or Purchasing Parties refuse or otherwise fail to close as and when required under the provisions of this Agreement, monetary damages may not be adequate to compensate the non-refusing party for its injury. The non-refusing parties shall therefore be entitled, in lieu of the right to collect money damages, to obtain specific performance of the terms of this Agreement. If any action is brought by either Selling Party or Purchasing Parties to enforce this Agreement, the other party hereto shall waive the defense that there is an adequate remedy at law.

17. EXHIBITS AND SCHEDULES.

All Exhibits and Schedules attached to this Agreement shall be deemed part of this Agreement and incorporated herein as if fully set forth herein.

- A. All Purchasing Parties' schedules referenced within the Purchase Agreement must be finalized and received by Selling Party by May 25, 2001.
- B. All Selling Party's schedules referenced within the Purchase Agreement must be finalized and received by Purchasing Parties by May 25, 2001.

18. BENEFIT AND ASSIGNMENT.

- A. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. All covenants, agreements, statements, representations, warranties and indemnities in this

Agreement by and on behalf of any of the parties hereto shall bind and inure to the benefit of their respective successors and permitted assigns.

- B. Purchasing Parties shall have the right to assign and/or delegate all or any portion of their rights and obligations under this Agreement to any wholly owned subsidiary of Purchasing Parties, or any wholly owned subsidiary under common control with Purchasing Parties, provided that no such assignment and/or delegation shall relieve Purchasing Parties of their obligations hereunder in the event that their assignee fails to perform the obligations delegated. Specifically, but not in limitation of the immediately preceding sentence, in the event that Purchasing Parties determine that in order to make certain the consummation of the transactions contemplated hereby on or before the Termination Date, it would be advisable for their designee/assignee to purchase directly from the Selling Parties all or some portion of the Assets, Selling Party shall take such actions as are reasonably requested by Purchasing Parties to effectuate the same.

19. COUNTERPARTS.

This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

20. GOVERNING LAW.

The construction and performance of this Agreement shall be governed by the laws of the State of Nevada.

21. NOTICES.

All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (which shall include notice by telex or facsimile transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by telex, graphic scanning or other facsimile communications equipment, delivered by such equipment, addressed as set forth below:

- A. If to Selling Party, then to:

Harris Broadcasting Company
417 West Plumb Lane
Reno, Nevada 89509

Attn: Stephen R. Harris

Fax: (775) 786-7764

B. If to Purchasing Parties, then to:

Sunbelt Communications Company

Valley Broadcasting Company

1500 Foremaster Lane

Las Vegas, Nevada 89101

Attn: James E. Rogers

Fax: (702) 642-3093

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice.

22. ADDITIONAL DOCUMENTS.

Prior to, on or subsequent to the Closing Date, each party to this Agreement shall, at the request of the other, furnish, execute and deliver such documents and instruments as the requesting party shall reasonably require as necessary or desirable to implement and consummate the transactions contemplated hereunder.

23. PARAGRAPH HEADINGS.

Paragraph headings herein have been inserted for reference only and shall not be deemed to limit or otherwise affect, in any manner, or be deemed to interpret, in whole or in part, any of the terms or provisions of this Agreement.

24. ENTIRE AGREEMENT.

This Agreement, together with the Exhibits and Schedules attached hereto and thereto, contains all of the terms agreed upon by the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings between the parties and may not be changed or terminated orally. No attempted change, termination or waiver of any of the provisions hereof shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

25. EXPENSES.

Except as otherwise expressly provided in this Agreement, each party shall bear its own legal, accounting and other expenses in connection with the negotiation, preparation and consummation of this Agreement and the transactions contemplated hereby.

26. ATTORNEYS' FEES.

In the event of a dispute between or among the parties hereto arising out of or related to this Agreement or the interpretation or enforcement of this Agreement, the prevailing party or parties shall be entitled to recover reasonable attorneys' fees, costs and expenses from the other party or parties.

IN WITNESS WHEREOF, the parties hereto have hereunto set their respective hands as of the day and year first above written.

Harris Broadcasting Company, Inc.
A Nevada Corporation

By: _____

Name: Stephen R. Harris

Its: President

SUNBELT COMMUNICATIONS COMPANY
A Nevada Corporation

By: _____

Name: James E. Rogers

Its: President

VALLEY BROADCASTING COMPANY
A Nevada Corporation

By: _____

Name: James E. Rogers

Its: President