

## **ASSET PURCHASE AGREEMENT**

This ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered into this 1st day of February, 2012, by and between Paulino Bernal Evangelism ("Seller"), a 501C3 Non-Profit Corporation, and Carlos Lopez ("Buyer"), individual.

WHEREAS, Seller is the licensee of K240CW licensed to Corpus Christi, Texas (the "Station"); and

WHEREAS, Seller desires to sell and Buyer desires to purchase certain assets used or useful in connection with the operation of the Station and the authorizations issued by the Federal Communications Commission ("FCC" or "Commission") for operation of the Station; and

WHEREAS, authorizations issued by the FCC may not be assigned to Buyer without the Commission's prior consent;

NOW THEREFORE, in consideration of the mutual promises made herein and intending to be legally bound, the parties agree as follows:

1. Sale of Station. Seller agrees to sell and Buyer agrees to purchase all of Seller's right, title and interest in, to and under all of the herein designated assets, properties, interests and rights of Seller of whatsoever kind and nature, real and personal, tangible and intangible, which are used or held for use primarily in the operation of the Station, including permits, licenses and other authorizations issued to Seller by the FCC for the operation of the Station. The purchase shall be on the following terms:

A. Assets to be Purchased. On February 1, 2012, Seller shall assign and deliver, and Buyer shall acquire, the following assets (the "Assets"):

i. The tangible personal property owned by Seller and used by it in the operation of the Station, including without limitation, the personal property listed in Schedule 1(A)(ii) attached hereto, together with replacements thereof and improvements and additions thereto made between the date hereof and the Closing Date (the "Tangible Personal Property").

ii. All intangibles of the Station, including all the Seller's right, title and interest in and the use of the call sign, "K240CW," slogans, logos, trademarks, copyrights, and similar materials and rights and the goodwill and other intangible assets used in or arising from the business of the Station, as listed and described in Schedule 1(A)(ii), attached hereto.

iii. All Seller's interest in and rights to the contracts and leases. At Buyer's sole discretion, Buyer shall have the right to reject and/or refuse to assume any such contract or lease, but such rejection or refusal by Buyer shall not affect the Purchase Price.

iv. All business records of Seller pertaining to the Station, including (but not limited to) FCC applications, engineering records and studies, and the Station's public inspection file.

B. Excluded Assets. The following assets and obligations related to the business of the Station shall be retained by Seller, excluded from this transaction:

- i. All cash, cash equivalents or similar type investments of Seller such as certificates of deposits, Treasury bills or other marketable securities on hand and in banks (or their equivalents);
- ii. All accounts receivable owed to Seller as of the Closing;
- iii. All deposits and all prepaid expenses and taxes;

- iv. Seller's corporate records; and other records not related to the Station;
- v. All rights and obligations relating to any Contracts; and
- vi. All employee pension and other benefit plans or collective bargaining agreements

C. Consideration. In consideration for the assignment of the Station and related assets, Buyer agrees to pay to Seller the sum of Twenty Thousand and No/100's Dollars (\$20,000.00) (the "Purchase Price"). At the request of either party, the parties shall cooperate to determine a reasonable allocation of the Purchase Price among the assets being purchased. The Purchase Price shall be paid as follows:

- i. On February 1, 2012 Seller shall receive from buyer a credited receipt in the amount of Two Thousand Five Hundred and No/100's Dollars (\$2,500.00) to be applied as payment.
- ii. On February 3, 2012, Buyer shall pay Seller Two Thousand Five Hundred and No/100's Dollars (\$2,500.00) payable via cashier's check or money order.
- iii. On February 1, 2012, Paulino Bernal shall receive from buyer a credited receipt in the amount of Five Thousand and No/100's Dollars (\$5,000.00).
- iv. On March 1, 2012, Paulino Bernal shall receive from buyer a credited receipt in the amount of Ten Thousand and No/100's Dollars (\$10,000.00)

D. Commission Approval. It is expressly agreed that consummation of the sale of the Station to Buyer is conditioned upon the prior approval of the FCC. Within ten days

of the execution of this Agreement, the parties shall prepare and file an Application requesting the consent of the Commission to the assignment of the Station from Seller to Buyer (the "Application").

E. Costs. Seller and Buyer shall each be responsible separately for its own costs, including attorneys' fees, incurred for the preparation of this Agreement and of the Application. Seller and Buyer shall each be responsible for payment one half of the FCC filing fee associated with the Application. Michael Mendoza has represented Seller and Buyer in this transaction. All compensation due to Mendoza shall be exclusively Seller's responsibility. It is understood that, aside from Mendoza's fees there has been no other broker or other such consultant involved in this transaction and that no brokerage commission, consulting fee, finder's fee or like fees are due to be paid to any person except for Mendoza.

F. Closing. Upon the Commission's grant of the Application having become final, the Closing on the sale of the Station shall take place at a mutually acceptable location on a date to be agreed upon by Buyer and Seller within fifteen days thereafter, or within such additional period of time to which the parties may agree. The Closing Date shall be the date upon which the Closing is consummated. The Closing shall take place at a mutually acceptable location. The order (or orders) by which the Commission grants the Application shall be deemed to be final when the time for filing any request for reconsideration, stay, review or administrative or judicial appeal of such order has expired and with respect to which no timely request for reconsideration, stay, review, rehearing or appeal is pending. Notwithstanding the foregoing, the parties may agree to

close at any time after the FCC has granted the Application even though such order has not become final. In such event, the Parties shall enter into an appropriate unwind agreement.

2. Seller's Covenants, Representations and Warranties. Seller makes the following covenants, representations and warranties, all of which have been relied upon by Buyer in entering into this Agreement and, except as otherwise specifically provided, all of which shall be true and correct at Closing:

A. Organization. Seller is or will be at the Closing a corporation validly existing and in good standing in and under the laws of the State of Texas.

B. Authorization. The execution, delivery and performance of this Agreement have been duly authorized by all requisite company actions, are valid and binding upon Seller, and enforceable according to the terms of this Agreement.

C. FCC Authorizations. Seller has or will have by the Closing Date all necessary licenses, permits and authorizations from the FCC necessary to operate the Station. All licenses, permits and authorizations listed in Schedule 1(A)(i) are in full force and effect and shall be in full force and effect as of the Closing Date. To Seller's knowledge, there is no proceeding, investigation, or complaint pending or threatened against the Station which would affect Seller's ability to assign said authorizations to Buyer, subject to FCC approval. The Station is operating in full compliance with its FCC Licenses and the Act and in material compliance with the current rules, regulations, and policies of the FCC and Seller has filed all Station reports, forms and statements required to be filed by Seller with the FCC.

D. Assets Free and Clear. On the Closing Date, Seller will convey, assign and transfer to Buyer good and marketable title to all the assets hereinabove described, free and clear of all liens, mortgages, judgments, or encumbrances except for those created in this transaction.

E. Solvency. No insolvency proceedings of any character affecting Seller or any of its assets or properties is now or on the Closing Date will be pending or, to Seller's knowledge, threatened. In the event of the commencement of any such proceeding against Seller or the Station, Seller shall use its reasonable and best efforts to seek removal or dismissal thereof within Thirty (30) days. Seller shall not have taken any action in contemplation of, or which would constitute the basis for, the institution of any such insolvency proceedings.

F. No Breach. Seller's execution and delivery of this Agreement and its performance of its obligations hereunder do not and will not:

- i. Require the consent of any third party except the FCC.
- ii. Contravene or conflict with, result in a breach of, or constitute a default under any applicable law, judgment, order, rule or regulation of any court or governmental authority.
- iii. Contravene or conflict with, constitute grounds for termination of, result in a breach of or constitute a default under any agreement, instrument, license or permit to which Seller is a party or by which Seller may be bound.
- iv. Create any claim, liability, mortgage, lien, pledge, condition, charge or encumbrance of any nature whatsoever upon the Assets.

G. Litigation. Except for proceedings of a general nature which may affect the broadcasting industry, there is no claim, legal action, arbitration, governmental investigation, application or rule making proceeding in progress, pending or, to the best of Seller's knowledge, threatened against or relating to Seller, the Assets, or the business, construction or operation of the Station.

H. Taxes and Assessments. Seller has filed all federal, state and local tax returns and all other reports to government agencies that it was required to file. Seller has paid when due all regulatory fees assessed by the FCC with respect to the Station, and Seller has paid and discharged all taxes, assessments, excises and other levies relating to the assets to be purchased hereunder, which, if due and not paid, would interfere with Buyer's full enjoyment and use of the purchased assets after Closing, except for such taxes, assessments and other levies as will not be due until after the Closing Date.

I. Equipment in Good Working Order. The Tangible Personal Property is now in good operating condition and repair, reasonable wear and tear in ordinary usage excepted; is adequate, fit and suitable for the particular purposes for which it is presently used; is performing satisfactorily; and is available for immediate use in the conduct of the business and operations of the Station.

J. No Misleading Statements. To Seller's knowledge, no statement made by Seller to Buyer and no information provided or to be provided by Seller to Buyer pursuant to this Agreement or in connection with the negotiations covering the Transaction contemplated herein contains or will contain any untrue statement of a material fact or omits or will omit a material fact necessary in order to make such statements or information not misleading.

3. Buyer's Covenants, Representations and Warranties. Buyer makes the following covenants, representations and warranties, all of which have been relied upon by Seller in entering into this Agreement and, except as otherwise specifically provided, all of which shall be true and correct at Closing.

A.     Organization. Buyer is or by the Closing Date will be a corporation duly organized, validly existing, and in good standing, under the laws of the State of Texas.

B.     Authorization. The execution and delivery of this Agreement by Buyer has been duly authorized by all necessary corporate action on the part of Buyer. Evidence of such authorizations shall be delivered to Seller at Closing. This Agreement has been duly executed by Buyer and delivered to Seller and constitutes a valid and binding agreement of Buyer, enforceable in accordance with its terms.

C.     No Breach. None of (i) the execution, delivery and performance of this Agreement by Buyer, (ii) the consummation of the Transaction, or (iii) Buyer's compliance with the terms and conditions hereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms and conditions of, constitute a default under, or violate Buyer's articles of incorporation, bylaws, any judgment, decree, order, agreement, lease or other instrument to which Buyer is a party or by which Buyer is legally bound, or any law, rule or regulation applicable to Buyer.

D.     Litigation. There is no action, suit, investigation or other proceedings pending or, to Buyer's best knowledge, threatened which may adversely affect Buyer's ability to perform in accordance with the terms of this Agreement, and Buyer is unaware of any facts which could reasonably result in any such proceeding.

E.     No Misleading Statements. To Buyer's knowledge, no statement made by Buyer to Seller and no information provided or to be provided by Buyer to Seller pursuant to this Agreement or in connection with the negotiations covering the Transaction contemplated herein contains or will contain any untrue statement of a material fact or omits or will omit a material



fact necessary in order to make such statements or information not misleading.

F. Qualification as Broadcast Licensee. Buyer is legally, financially and otherwise qualified under the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC, to become the licensee of the Station and consummate the transactions contemplated herein. There are no proceedings, complaints, notices of forfeiture, claims, or investigations pending or, to the knowledge of Buyer, threatened against any or in respect of any of the broadcast stations licensed to Buyer or its affiliates that would materially impair the qualifications of Buyer to become a licensee of the Station.

4. Rights of Seller upon Default of Buyer. In the event of a material default by Buyer under any term or condition of this Agreement or of Buyer's failure to timely perform its duties at the Closing, provided that Seller is not in default of this Agreement, Seller shall be entitled:

A. To terminate this Agreement.

B. To receive the agreed upon payment receipt as liquidated damages. Seller shall have no other remedy in law or equity. In any action brought by Seller to enforce this Agreement where Seller prevails, Seller shall be entitled to be reimbursed by Buyer for all reasonable attorney's fees and costs incurred in or as a result of such action.

5. Rights of Buyer upon Default by Seller. In the event of a material default by Seller, provided that Buyer is not in default of this Agreement, Buyer shall be entitled:

A. To terminate this Agreement.

B. To seek specific performance without providing or posting any bond to compel Seller to correct or satisfy its default or material breach and to close on the sale of the Station to Buyer pursuant to the terms and conditions of this Agreement. In the event Buyer

elects specific performance as a remedy, Seller agrees that specific performance is an appropriate remedy due to the unique nature of the Station, and agrees that it will not contest any such action on the ground that an adequate remedy at law exists.

C. In addition to the foregoing, Buyer shall have the right to pursue any other remedy available to it in law or equity. In any action brought by Buyer to enforce this Agreement where Buyer prevails, Buyer shall be entitled to be reimbursed by Seller for reasonable attorney's fees and costs incurred in or as a result of such action.

#### 6. Mutual Right of Indemnification

A. Following the Closing, Seller shall indemnify, defend and hold harmless Buyer with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including, without limitation, interest, penalties, court costs and reasonable attorneys' fees) ("Damages") asserted against, resulting from, imposed upon or incurred by Buyer directly or indirectly relating to or arising out of: (i) the breach by Seller of any of its representations or warranties that survive the Closing, or failure by Seller to perform any of its covenants, conditions or agreements set forth in this Agreement that survive the closing; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Assets and the Station prior to the Closing, including the Seller's Prior Liabilities and with respect to the Excluded Assets.

B. Following the Closing, Seller shall indemnify, defend and hold Buyer harmless with respect to any and all Damages asserted against, resulting from, imposed upon or incurred by Seller directly or indirectly relating to or arising out of: (i) the breach by Buyer of

any of its representations, warranties, or failure by Buyer to perform any of its covenants, conditions or agreements set forth in the Agreement; and (ii) any and all claims, liabilities and obligations of any nature, absolute or contingent, relating to the ownership and operation of the Station as conducted by Buyer subsequent to the Closing.

C. If either party hereto (the “Indemnitee”) receives notice or otherwise obtains knowledge of any matter with respect to which another party hereto (the “Indemnifying Party”) may be obligated to indemnify the Indemnitee under this Section, then the Indemnitee shall promptly deliver to the Indemnifying Party written notice describing such matter in reasonable detail and specifying the estimated amount of the Damages or liability that may be incurred by the Indemnitee in connection therewith. The Indemnifying Party shall have the right, at its option, to assume the complete defense of such matter at its own expense and with its own counsel, provided that such counsel is reasonably satisfactory to the Indemnitee. If the Indemnifying Party elects to assume the defense of such matter, then (i) notwithstanding anything to the contrary herein contained, the Indemnifying Party shall not be required to pay or otherwise indemnify the Indemnitee against any such matter following the Indemnifying Party’s election to assume the defense of such matter, (ii) the Indemnitee shall fully cooperate as reasonably requested by the Indemnifying Party in the defense or settlement of such matter, (iii) the Indemnifying Party shall keep the indemnitee informed of all material developments and events relating to such matter, and (iv) the Indemnitee shall have the right to participate, at its own expense, in the defense of such matter. In no event shall the Indemnifying Party be liable for any settlement or admission of liability with respect to such matter without its prior written consent.

D. The right to indemnification hereunder shall not be the exclusive remedy of either party in connection with any breach by the other party of its representations, warranties or covenants, nor shall such indemnification be deemed to prejudice or operate as a waiver of any remedy to which either party may otherwise be entitled as a result of any such breach by the other party.

7. Conditions Precedent to Seller's Obligations. The obligation of Seller to assign the Station and its related assets to Buyer under this Agreement is subject to the following terms and conditions each of which may be waived by an express written waiver at the sole discretion of Seller, except that the condition in Paragraph 7(A) may not be waived:

A. The prior grant by the FCC of the Application to assign the Licenses from Seller to Buyer.

B. The performance by Buyer of all of its obligations hereunder.

C. The representations and warranties of the Buyer contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of such time except for any changes permitted by the terms hereof or consented to in writing by Seller.

D. Buyer shall have in all material respects performed and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to and at the Closing Date.

8. Conditions Precedent to Buyer's Obligations. The obligation of the Buyer to consummate the transactions contemplated herein pertaining to the Station is subject to the fulfillment prior to and at the Closing Date of each of the following conditions, each of which

may be waived by an express written waiver at the sole discretion of the Buyer, except that the condition in Paragraph 8(A) may not be waived:

A. The prior grant by the FCC of the Application to assign the Licenses from Seller to Buyer.

B. The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of such time except for any changes permitted by the terms hereof or consented to in writing by Buyer.

C. Seller shall have in all material respects performed and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to and at the Closing.

D. On the Closing Date, Seller shall be the holder of the Licenses. No proceedings shall be pending that may result in the revocation, cancellation, suspension or modification of any such authorization, except for any modification application or proceeding that may be instituted by Buyer.

9. Seller's Performance at Closing. At the Closing, Seller shall perform as follows:

A. Seller shall execute and deliver to Buyer an Assignment in form and substance reasonably satisfactory to Buyer assigning to Buyer the FCC authorizations identified in Schedule 1(A)(i).

B. Seller shall execute and deliver to Buyer one or more Bills of Sale in form and substance reasonably satisfactory to Buyer conveying to Buyer all of the Tangible Personal

Property described in Schedule 1(A)(ii) and all of the intangible personal property described in Schedule 1(A)(iii).

C. Seller shall execute and deliver to Buyer one or more Assignments in form and substance reasonably satisfactory to Buyer of the Contracts listed in Schedule 1(A)(iv) that Buyer has elected to assume.

D. Seller shall transfer to Buyer's possession all files, records, documents, papers and information pertinent to the ownership and operation of the Station, including the Station's complete public inspection file, which are not privileged, proprietary or exclusive to Seller's ownership of Station or that are exclusive of any and all documents pertaining to Seller's internal business organization or operation.

E. Seller shall deliver to Buyer an opinion of Seller's legal counsel addressed to Buyer to the effect that:

- i. Seller is legally qualified to consummate the transaction.
- ii. The transaction has been duly authorized, executed and delivered by Seller.
- iii. To the knowledge of such counsel, there is no action, suit, claim or other legal proceeding pending or threatened against Seller that would materially adversely affect any of the Assets.
- iv. There are no defects in title, liens, encumbrances or other rights of third parties with respect to any of the Assets that would materially adversely affect the Assets except for such liens or encumbrances that will be discharged at Closing.

v. Seller is the lawful holder of the Licenses, the Licenses are in full force and effect and, to the knowledge of counsel, not subject to any material adverse conditions, apart from conditions set forth on the face of the Licenses or embodied in the rules, regulations and policies of the FCC of generally applicability to the radio broadcast industry.

vi. The Licenses are sufficient to authorize the construction and operation of the Station at K240CW, 95.9 FM on the frequency and with the power stated on the face thereof.

vii. The FCC has granted the application to assign the Licenses from Seller to Buyer as provided in this Agreement without material adverse conditions and such approval has become a Final Order.

viii. Except for rulemaking proceedings of general applicability, to counsel's knowledge, there are no FCC judgments, decrees, or orders that have been issued by the FCC that could reasonably be expected to impair the Licenses, and there are no proceedings or actions pending or threatened against Seller before the FCC with respect to the Station.

F. Seller shall execute and deliver to Buyer a certificate stating that

i. All representations and warranties of Seller set forth in this Agreement or in any statement, certificate, schedule, exhibit or other document delivered pursuant to this Agreement by Seller are true and correct in all material respects as of the Closing Date.

ii. Seller has, in all material respects, performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by Seller on or before the Closing Date.

iii. The Board of Directors of Seller has duly adopted resolutions approving the transactions contemplated by the Agreement, copies of which are attached to such Certificate.

G. Seller shall execute and deliver to Buyer such instruments, documents and/or certificates as may be reasonably requested by Buyer to consummate this Agreement and the transaction contemplated herein.

10. Buyer's Performance at Closing. At the Closing, Buyer shall perform as follows:

A. Buyer shall execute and deliver to Seller such instruments, documents and/or certificates as may be reasonably requested by Seller to consummate this Agreement and the transaction contemplated herein.

11. Control of Station. This Agreement shall not be consummated until after the Commission has granted the Assignment Application. Between the date hereof and the Closing Date, Seller shall control the Station. This paragraph shall not be deemed to preclude or prohibit the parties from entering into a Time Brokerage Agreement, Local Management Agreement, Construction Agreement or similar type of agreement, whereunder Buyer programs a substantial portion of the Station's airtime and/or manages the Station pursuant to the terms of such an agreement, provided that such agreement complies with the FCC's rules and policies concerning such agreements and arrangements.

12. Risk of Loss. The risk of loss or damage to the assets to be purchased hereunder shall be upon Seller at all times prior to Closing. In the event of material loss or damage, Seller shall promptly notify Buyer thereof and use its best efforts to repair, replace or restore the lost or damaged property to its former condition as soon as possible. If the cost of repairing, replacing



or restoring any lost or damaged property is Twenty-five Thousand Dollars (\$25,000) or less, and Seller has not repaired, replaced or restored such property prior to the Closing Date, Closing shall occur as scheduled and Seller shall pay to Buyer the amount necessary to restore the lost or damaged property to its former condition. If the cost to repair, replace or restore the lost or damaged property exceeds Twenty-five Thousand Dollars (\$25,000), and Seller has not repaired, replaced or restored such property prior to the Closing Date, Buyer may, at its option:

A. Elect to consummate the Closing, in which event Seller shall assign to Buyer all of Seller's rights under any applicable insurance policies, provided however that if there is no insurance or the insurance is inadequate, any shortfall in insurance coverage shall be deducted from the Purchase Price.

B. Elect to postpone the Closing, with the consent of the FCC if necessary, for such reasonable period of time (not to exceed ninety days) as is necessary for Seller to repair, replace or restore the lost or damaged property to its former condition. If, after the expiration of that extension period, the lost or damaged property has not been fully repaired, replaced or restored, Buyer may, at its option:

i. Close on the transaction and receive any assignment of Seller's rights under any applicable insurance policies, provided, however, that if there is no insurance or the insurance is inadequate, any shortfall in insurance coverage shall be deducted from the Purchase Price, or

ii. Terminate this Agreement, and the parties shall thenceforth cease to be obligated to each other hereunder. In such event, Buyer shall be entitled to keep the Earnest Money Deposit.

13. Prorations. Seller shall be entitled to all income attributable to, and shall be responsible for all expenses arising out of, the operation of the Station until 12:00 a.m. on the Closing Date. Buyer shall be entitled to all income attributable to, and shall be responsible for all expenses arising out of, the operation of the Station after 12:00 a.m. on the Closing Date. All overlapping items of income or expense (including FCC Regulatory Fees) shall be prorated, or reimbursed, as the case may be, as of 12:00 a.m. on the Closing Date, provided however, that no prorations shall be made with respect to advertising trade accounts. To the extent practical, the prorations shall be made on the Closing Date and any net amount due to Seller or Buyer as a result of the prorations shall be paid by separate check and not as an adjustment to the Purchase Price. Within sixty days after the Closing Date, Buyer and Seller shall agree to any final prorations that may be necessary to carry out the parties' intentions as reflected herein, except for prorations for any taxes that have not been assessed and are not payable until after the Closing Date. With respect to prorations for such taxes, Buyer shall submit to seller a request for proration of taxes within thirty days after receiving notice of taxes due to any taxing authority.

14. Operations Prior to Closing. Between the date hereof and the Closing, Seller shall conduct the Station's business in the ordinary course and in material compliance with all applicable laws, regulations and orders of the FCC and other governmental authorities. Seller shall not sell or otherwise dispose of any of the assets to be purchased hereunder except in the ordinary course of business and only if any material property disposed of is replaced by property of like or better kind, quality and utility prior to closing. Seller shall not enter into any contract, lease or agreement that would impose any material obligation on Buyer after Closing, or cancel,

terminate, modify, amend, renew or encumber any of the Contracts identified in Schedule 1(A)(iv) without Buyer's prior written consent.

15. Employees. Seller shall be responsible for assigning to other employment or terminating all employees of Seller at the Station and for paying any and all wages, salaries, bonuses, severance and other payments to which any of Seller's employees are entitled. Buyer shall not assume any liabilities or obligations with respect to any past or present employees of Seller or the Station, including, without limitation, for wages, salaries, commissions, retirement, pension, bonus, termination, vacation, sick or other pay, or for hospitalization, major medical, life or other insurance, or other employee benefits or any liabilities arising out of any termination by Seller of the employment of any employee of the Station or for any employee benefit plan or other arrangement of Seller for the Station's employees. All obligations, if any, as to the termination of any Seller's employees employed by Seller shall be the sole responsibility of Seller. Buyer shall have no obligation to offer employment to any employee of Seller or the Station.

16. Seller's Prior Liabilities. Buyer assumes no liability for Seller's past obligations. Seller agrees to indemnify and to hold Buyer harmless as against any claim asserted against Buyer with respect to any such past obligation. Buyer assumes no obligation, past, present or future, with respect to any employee of Seller relative to any cause of action accruing prior to the Closing Date.

18. Survival of Covenants. The covenants, representations and warranties contained herein shall be deemed to be material and relied upon by the party to which they are made and shall survive the execution, delivery and performance of this Agreement, consummation of the

transaction contemplated herein, and any investigation made by or on behalf of any party at any time, until the expiration of the applicable statute of limitations.

19. Termination. In addition to the conditions for termination otherwise stated in this Agreement, this Agreement may be terminated by either Buyer or Seller, if the party seeking to terminate is not in default or breach of any of its material obligations under this Agreement, upon written notice to the other upon the occurrence of any of the following:

A. On or prior to the Closing Date, the other party breaches any of its material obligations contained herein, and such breach is not cured within ten (10) days after receipt of the notice of breach from the non-breaching party.

B. The Application is denied by Final Order.

C. The Application is designated for evidentiary hearing.

D. The FCC has not issued a Final Order granting the Application with no condition materially adverse to Buyer within twelve (12) months of the date on which the Application is submitted to the FCC.

E.. Any judgment, final decree or order becomes effective that would prevent or make unlawful the Closing of this Agreement.

F. In the event of such termination pursuant to Subsection A above, the nonbreaching party shall be entitled to receive the Earnest Money Deposit. In the event of termination pursuant to Subsection B, C, D or E above, Buyer shall be entitled to receive the Earnest Money Deposit unless the failure to obtain a timely favorable FCC action or the existence of a preclusive order or decree by another forum is accountable to Buyer due to any defect in Buyer's qualifications or to any action or failure to act by Buyer the preclusive results

of which could have reasonably been foreseen by Buyer. In the event of any termination of this Agreement under any circumstances, Buyer shall be entitled to remove from the Station and take possession of any and all personal property that it has provided for use in connection with the Station.

20. Choice of Law and Choice of Forum. This Agreement shall be governed by and construed under the laws of the State of Texas without regard for that state's provisions regarding conflict of laws, and except for those matters governed by Federal Law under the Communications Act of 1934. The parties agree that any litigation arising out of this Agreement must be initiated in the state or Federal courts having jurisdiction over Nueces County, Texas, and they agree to submit to the jurisdiction of such courts.

21. Benefit. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. Neither party may assign any of its rights or obligations hereunder without the consent of the other party.

22. Entire Agreement. This document constitutes the entire Agreement between the parties as to the subject matter hereof. This Agreement may be amended or modified only by a written document executed by both parties.

23. Appendices. All appendices, schedules and other attachments attached to this Agreement shall be deemed part of this Agreement and incorporated herein, where applicable, as if fully set forth herein.

24. Covenant of Further Assurances. The parties agree to execute such documents and to cooperate with each other in any manner reasonably necessary to ensure the performance and consummation of this Agreement.

25. Notice. All notices required to be given under this Agreement shall be deemed duly given on the date sent if sent by certified mail, return receipt requested, or by overnight delivery, to the following addresses (or to such other address as the party may subsequently supply by proper written notice):

If to Seller:     Paulino Bernal  
                       P.O. Box 252  
                       McAllen, Texas 78505  
                       956-686-6382

If to Buyer:  
                       Carlos Lopez

26. Counterparts. This Agreement may be executed in counterparts with the same effect as if the signature on each such counterpart were on the same instrument.

27. Headings. The headings of the paragraphs of this Agreement are inserted as a matter of convenience and for reference purposes only, and in no respect define, limit or describe the scope of this Agreement or the intent of any paragraph.

28. Severability. If any court or administrative agency shall rule that any paragraph or provision of this Agreement is invalid or void, such ruling shall have no effect upon the validity or continuing effectiveness of the remainder of this Agreement.

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IN WITNESS WHEREOF, the parties or their duly authorized representatives have  
executed this Agreement as of the year and date hereinabove first written:

FOR SELLER:

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Paulino Bernal

FOR BUYER:

---

Carlos Lopez

**SCHEDULE 1(A)(i)**

FCC Authorizations

**SCHEDULE 1(A)(ii)**

Tangible Personal Property



**SCHEDULE 1(A)(iii)**

Intangible Personal Property

**SCHEDULE 1(A)(iv)**

Leases and Contracts to be Assigned

