

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of this 8th day of December, 2005, between Philip J. Plank, an individual resident of the State of California, or his assigns ("Seller"), and Lazer Broadcasting Corporation, a California corporation, or assigns ("Buyer"), under the terms and conditions specified herein. The parties hereto are individually referred to herein as a "Party" or, collectively, the "Parties."

WITNESSETH

WHEREAS, Seller owns and operates radio broadcast Station KSSB(FM), licensed to Calipatria, California, FCC Facility Identification Number 52469 (the "Station") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC");

WHEREAS, Seller and Buyer entered into an Option Agreement (the "Option") granting Buyer an option to purchase the Station, subject to the consent of the FCC;

WHEREAS, pending Buyer's purchase of the Station under the Option, Seller and Buyer have also entered into a Time Brokerage Agreement ("TBA") pursuant to which Buyer has acquired time on the Station for the provision of programming and the generation of advertising sales and Seller agreed to accept Buyer's programming and to make broadcasting time on the Station available to Buyer on terms and conditions which conform to the FCC's Rules and the TBA;

WHEREAS, Buyer has exercised its option to purchase, and Seller desires to sell, all of the assets used or usable in conjunction with the Station's operations, all on the terms set forth in the Option as modified in this Agreement;

NOW, THEREFORE, taking the foregoing into account, and for good and valuable consideration, the receipt of which is hereby acceptable, and in light of the of the mutual covenants and provisions set forth herein, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1: PURCHASE OF ASSETS

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

(a) all licenses, permits and other authorizations which are issued to Seller by the FCC or any other governmental authority with respect to the Station as listed in Schedule

1.1(c) hereto (the “FCC Licenses”), including any renewals or modifications thereof between the date hereof and Closing;

(b) all of Seller’s equipment, electrical devices, antennas, transmitters, transmission lines, cables, furniture, fixtures, towers, office materials and supplies, hardware, tools, spare parts and other tangible personal property of every kind and description which are used or held for use in the operation of the Station as listed in Schedule 1.1(b) hereto, except any retirements or dispositions thereof made between the date hereof and Closing in the ordinary course of business and consistent with past practices of Seller, together with all replacements thereof and additions thereto between the date hereof and Closing (the “Tangible Personal Property”);

(c) all contracts, agreements, and leases entered into in the ordinary course of the Station’s business that are listed in Schedule 1.1(c) hereto, including but not limited to leases for the use of the Station’s studio and transmitter sites (the “Leased Real Property”), together with all contracts, agreements, and leases made between the date hereof and Closing in the ordinary course of the Station’s business and in compliance with Section 4.1(f) below (the “Station Contracts”);

(d) all of Seller’s rights in and to the Station’s call letters and Seller’s rights in and to the trademarks, trade names, domain names, service marks, franchises, copyrights, computer software, programs and programming material, jingles, slogans, logos, and other intangible property which are used or held for use in the operation of the Station, including all goodwill associated therewith (the “Intangible Property”); and

(e) Seller’s rights in and to all the files, documents, records, and books of account (or copies thereof) relating to the operation of the Station, including the Station’s local public file, programming information and studies, blueprints, technical information and engineering data, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports, and logs, but excluding records relating to the Excluded Assets (defined below).

The Station Assets shall be transferred to Buyer free and clear of liens, mortgages, claims and encumbrances (“Liens”) except for (i) Assumed Obligations (defined below), (ii) liens for taxes not yet due and payable for which Buyer receives a credit pursuant to Section 1.5, and (iii) with respect to the Leased Real Property, such easements, rights of way, building and use restrictions and other similar exceptions that do not in any material respect detract from the value of the property subject thereto or impair the use thereof in the ordinary course of the business of the Station (collectively, “Permitted Liens”).

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

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

(b) all tangible and intangible personal property of Seller disposed of or consumed in the ordinary course of business of Seller between the date of this Agreement and Closing;

(c) Station Contracts that are terminated or expire prior to Closing in the ordinary course of business of Seller;

(d) Seller's name, corporate minute books, charter documents, corporate stock record books and such other books and records as pertain to the organization, existence or share capitalization of Seller, duplicate copies of the records of the Station, and all records not relating to the operation of the Station;

(e) contracts of insurance, and all insurance proceeds or claims made thereunder;

(f) any pension, profit sharing or cash or deferred (Section 401(k)) plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller; and

(g) any of Seller's Station accounts receivable existing as of the Closing Date (the "Accounts Receivable"), which and not otherwise have been assigned to Buyer pursuant to Section 6(c) of the TBA.

1.3. Assumption of Obligations. Subject to the terms and conditions hereof and the terms and conditions of the TBA, on the Closing Date (defined below), Buyer shall assume the obligations of Seller arising and relating to the period after Closing under the Station Contracts (the "Assumed Obligations"). Buyer does not assume or agree to discharge or perform, and will not be deemed by reason of the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, to have assumed or to have agreed to discharge or perform, and Seller shall remain liable for, all liabilities, obligations or commitments of Seller arising from the business or operation of the Station before Closing, including without limitation all obligations under Seller's employee benefit plans (the "Retained Liabilities"), other than the Assumed Obligations.

1.4. Purchase Price. In consideration for the sale of the Station Assets to Buyer, at Closing (defined below) Buyer shall pay Seller the sum of Eight Hundred Seventy-Eight Thousand Dollars (\$925,000), subject to adjustment pursuant to Section 1.5 (the "Purchase Price"). Payment shall be made in the following manner:

(a) Escrow Deposit. On the date of this Agreement, Buyer shall deposit One Hundred Fifty Thousand Dollars (\$125,000) (the "Deposit") with MCH Enterprises (the

“Agent”), pursuant to the escrow agreement (the “Escrow Agreement”) attached hereto among Buyer, Seller and the Agent. At Closing, the Deposit shall be paid to Seller, with all accrued interest thereon paid to Buyer. If this Agreement is terminated by Seller pursuant to Section 10.1 (d) or (e) hereinbelow, the Deposit and any interest accrued thereon shall be paid to Seller. If this Agreement is terminated for any other reason, the Deposit and any interest accrued thereon shall be paid to Buyer. The Parties shall each instruct the Agent to disburse the Deposit and all interest thereon to the Party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement.

(b) Option Payment. The One Hundred Twenty-Five Thousand Dollar (\$125,000.00) payment made by Buyer to Seller pursuant to the terms of the Option, as consideration for the grant of the Option to Buyer (the Option Payment”), shall be applied to the Purchase Price.

(c) Promissory Note. On the Closing Date, Buyer will execute and deliver to Seller a promissory note in the form attached hereto in the principal amount of Six Hundred Seventy-Five Thousand Dollars (\$675,000) (the “Note”).

(d) Security Agreement. The Note will be secured by a Security Agreement in the form attached hereto (the “Security Agreement”) which will be executed by Buyer and delivered to Seller at Closing.

1.5. Prorations and Adjustments. Except as otherwise provided herein, all deposits, reserves and prepaid and deferred income and expenses arising from the conduct of the business and operation of the Station (including but not limited to prepayments of amounts due to Seller under the TBA) shall be prorated in accordance with generally accepted accounting principles as of 11:59 p.m. on the date immediately preceding the Closing Date. Such prorations shall include, without limitation, all tangible personal property taxes (but excluding taxes arising by reason of the transfer of the Station Assets as contemplated hereby which shall be paid as set forth in Section 10.3), business and license fees, music and other license fees (including any retroactive adjustments thereof), utility expenses, amounts due or to become due under contracts, rents, lease payments, FCC annual regulatory fees and similar prepaid and deferred items. Except as otherwise provided herein, the prorations and adjustments contemplated by this Section 1.5, to the extent practicable, shall be made on the Closing Date. As to those prorations and adjustments not capable of being ascertained on the Closing Date, an adjustment and proration shall be made within ninety (90) calendar days of the Closing Date. In the event of any disputes between the Parties as to such adjustments, the amounts not in dispute shall nonetheless be paid at the time provided herein and such disputes shall be determined by an independent certified public accountant mutually acceptable to the Parties, and the fees and expenses of such accountant shall be paid one-half by Seller and one-half by Buyer.

1.6. Allocation. At Closing, or in connection with the final adjustment after Closing under Section 1.5, Seller and Buyer shall allocate the value of the assets comprising the Station Assets in accordance with their respective fair market values. The Parties shall file their respective tax returns consistent with such allocation.

1.7. Closing. The consummation of the sale and purchase of the Station Assets under this Agreement (the “Closing”) shall take place on a mutually agreeable date within five (5) business days after the date of the FCC Consent (defined below). At Buyer’s option, the Closing may be delayed to a date no later than ten (10) business days after the FCC Consent becomes Final. “Final” means an order (i) which is effective, (ii) with respect to which no appeal, request for stay, request for reconsideration or other request for review is pending, (iii) with respect to which the time for appeal, requesting a stay, requesting reconsideration or requesting other review has expired, and (iv) which cannot be set aside by the FCC *sua sponte*. If a condition to a Party’s obligation to close pursuant to Article 6 or 7 below is not satisfied (or waived by such Party) on or before such date, then such Party may by written notice delay Closing until five (5) business days after it is satisfied (or waived by such Party) (subject to Section 10.1). The date on which the Closing is to occur is referred to herein as the “Closing Date.”

1.8. FCC.

(a) Not less than five (5) business days and not more than ten (10) business days after the date of this Agreement, Buyer and Seller shall file an application with the FCC requesting the FCC’s written consent to the assignment of the FCC Licenses from Seller to Buyer pursuant to this Agreement (the “FCC Application”). The FCC’s written consent to the FCC Application without material adverse conditions is referred to herein as the “FCC Consent.”

(b) Each Party shall diligently prosecute the FCC Application and promptly provide the other with a copy of any pleading, order or other document served on it relating to such applications, shall furnish all information required by the FCC, and shall be represented at all meetings or hearings scheduled to consider such applications.

(c) If for any reason the FCC Application is not approved by the FCC within twelve (12) months of the date of this Agreement or if such approval does not become a Final Order on or before that date, either Party may terminate this Agreement upon fifteen (15) days written notice to the other Party, as long as the terminating Party is not in material default hereunder.

1.9 Accounts Receivables. The collection of the Station’s accounts receivable shall be governed by the provisions of Section 6(c) of the TBA.

1.10 Employees. Buyer may, but has no obligation to employ any of Seller’s employees. No later than ten (10) business days prior to the Closing Date, Buyer will advise Seller with respect to those of Seller’s employees Buyer wishes to employ. Buyer shall have no obligation to Seller or to any of Seller’s employees, whether or not they are hired by Buyer, for unpaid salary, benefits or unused vacation or leave.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF SELLER

Seller makes the following representations and warranties to Buyer:

2.1. Organization. Seller has the requisite power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by Seller pursuant hereto (collectively, the “Ancillary Agreements”), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

2.2. Authorization. This Agreement is, and each Ancillary Agreement when executed and delivered by Seller will be, a legal, valid and binding agreement of Seller enforceable in accordance with its respective terms.

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

2.4. FCC Licenses. Seller is the holder of the FCC Licenses. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability), and there is not now issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture against Seller with respect to the Station. With respect to the Station, Seller is in compliance in all material respects with the FCC Licenses, the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC.

2.5. Taxes. Seller has, in respect of the Station’s business, filed all foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable.

2.6. Personal Property. Seller has title to the Tangible Personal Property free and clear of Liens other than Permitted Liens. Seller maintains insurance policies (or other arrangements) with respect to the Station and the Station Assets consistent with its practices for other stations, and will maintain such policies until Closing.

2.7. Contracts. Each of the Station Contracts (including without limitation each of the Real Property Leases) is in effect and is binding upon Seller and, to Seller’s knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors’ rights generally). Seller has performed its obligations under each of the Station Contracts in all material respects, and is not in material default

thereunder, and to Seller's knowledge, no other party to any of the Station Contracts is in default thereunder in any material respect.

2.8. Intangible Property. Seller has received no notice of any claim that its use of the Intangible Property infringes upon any third party rights. Seller owns or has the right to use the Intangible Property free and clear of Liens other than Permitted Liens.

2.9. Employees. Seller has complied in all material respects with all labor and employment laws, rules and regulations applicable to the Station's business, including without limitation those which relate to prices, wages, hours, discrimination in employment and collective bargaining.

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

2.11 Environmental. Seller is unaware of any condition on the Leased Real Property which violates any county, state or federal environmental law or regulation. Seller warrants that, to Seller's knowledge, there are no underground storage tanks, PCBs or asbestos located on the Leased Real Property or in any equipment or other facilities located on the Leased Real Property.

2.12. No Finder. Seller represents and warrants that no broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller or any party acting on Seller's behalf, other than MCH Enterprises, Inc., which has acted as the Parties' broker whose fees were paid one-half (1/2) by Seller and one-half (1/2) by Buyer on the Effective Date of the TBA, as that term was defined therein.

ARTICLE 3: REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer makes the following representations and warranties to Seller:

3.1. Organization. Buyer is duly organized, validly existing and in good standing under the laws of the State of California, Buyer has the requisite power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (collectively, the "Ancillary Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

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

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

3.4. No Finder. Buyer represents and warrants that no broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyer or any party acting on Buyer's behalf, other than MCH Enterprises, Inc., which has acted as the Parties' broker as set forth more fully in Section 2.12 hereinabove.

3.5. Qualification. Buyer is qualified under the Communications Act of 1934, as amended (the "Act") and the existing rules, regulations and policies of the FCC to hold the FCC Licenses.

ARTICLE 4: SELLER COVENANTS

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

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

(b) maintain the FCC Licenses in full force and effect and shall timely file and prosecute any necessary applications for renewal of the FCC Licenses;

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

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

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

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

ARTICLE 5: JOINT COVENANTS

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

5.1. Confidentiality. Subject to the requirements of applicable law, Buyer and Seller shall each keep confidential all nonpublic information obtained by it with respect to the other Parties in connection with this Agreement and the negotiations preceding this Agreement ("Confidential Information"); provided that, the Parties may furnish such Confidential Information to their respective employees, agents and representatives who need to know such Confidential Information (including financial, tax and legal advisers, banks and other lenders).

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

5.3. Control of Station. Buyer shall not, directly or indirectly, control, supervise or direct the operation of the Station prior to Closing. Consistent with FCC rules, control, supervision and direction of Station operations prior to Closing shall remain the responsibility of Seller. Notwithstanding the foregoing, Seller and Buyer hereby acknowledge that they have entered into a TBA, a copy of which is attached hereto, whereby Buyer provides programming and marketing services to the Station until the Closing Date. Buyer, or Buyer's representatives shall, however, between the date hereof and the Closing Date, be entitled to reasonable inspection of the Station Assets and to notice by Seller of any unusual operating problems or developments with the purpose that an uninterrupted and efficient transfer of ownership will be accomplished. It is further understood and agreed that, effective on the Closing Date and

thereafter, Seller shall have no control over, or right to intervene or participate in, the business and operation of the Station.

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

ARTICLE 6: SELLER CLOSING CONDITIONS

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

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

6.2. FCC Consent. The FCC Consent shall have been granted.

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

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

ARTICLE 7: BUYER CLOSING CONDITIONS

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

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

7.2. FCC Consent. The FCC Consent shall have been granted or at Buyer's election under Section 1.7, the FCC Consent shall have become Final.

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

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

7.5 Lien Search Report. Buyer shall have received a lien search report showing that there are no Liens on the Tangible Personal Property, other than Permitted Liens, and that there are no judgments or tax liens on Seller and/or the Station.

ARTICLE 8: CLOSING DELIVERIES

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

- (i) the certificate described in Section 7.1;
- (ii) such bills of sale, assignments, documents of title and other instruments of conveyance, assignment and transfer as may be necessary to convey, transfer and assign the Station Assets to Buyer, free and clear of Liens, except for Permitted Liens.

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

- (i) copies of resolutions authorizing its execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;
- (ii) the certificate described in Section 6.1; and

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

ARTICLE 9: SURVIVAL; INDEMNIFICATION

9.1. Survival. The representations and warranties in this Agreement shall survive Closing for a period of one (1) year from the Closing Date whereupon they shall expire and be of no further force or effect, except those under this Article 9 that relate to Damages (defined below) for which written notice is given by the indemnified party to the indemnifying party prior to the expiration, which shall survive until resolved, and except Section 2.5 (taxes) and the first sentence of Section 2.6 (Lien-free Tangible Personal Property), which shall survive until expiration of the applicable statutes of limitations.

9.2. Indemnification.

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

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

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

(a) The indemnifying party shall have the right to undertake, by counsel of its own choosing, the defense or opposition to such Claim. If the indemnifying party does not elect to undertake such defense or opposition, or, within twenty (20) days after written notice (which shall include sufficient description of background information explaining the basis for such Claim) of any such Claim from the indemnified party, the indemnifying party shall fail to undertake to defend or oppose, the indemnified party (upon further written notice to the indemnifying party) shall have the right to undertake the defense, opposition, compromise or

settlement of such Claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the indemnifying party (subject to the right of the indemnifying party to assume defense of such Claim at any time prior to settlement, compromise or final determination thereof).

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

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

ARTICLE 10: MISCELLANEOUS PROVISIONS

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

(a) by the mutual consent of Buyer and Seller; (b) by either Party if the FCC has denied or designated for hearing the FCC Application or if the FCC Application has not been approved or that approval has not become a Final Order, pursuant to Section 1.8(c) hereinabove, or Closing has not occurred prior to the time specified in Section 1.7 above; (c) if the TBA is terminated under its terms; (d) by Seller, if Buyer has failed to perform any of its material

obligations under the provisions of the TBA, or, if, on the Closing Date, Buyer has failed to satisfy the conditions set forth in Sections 6.1 or 6.3 hereinabove; (e) by Seller, if Buyer has failed to cure a material breach of any of its representations, warranties or covenants under this Agreement within ten (10) calendar days after it receives notice from Seller of such breach; (f) by Buyer, if Seller has failed to perform any of its material obligations under the provisions of the TBA, or, if, on the Closing Date, Seller has failed to satisfy the conditions set forth in Sections 7.1, 7.3, 7.4 or if the lien search report obtained by Buyer under Section 7.5 is unsatisfactory to Buyer; or (g) by Buyer, if Seller has failed to cure a material breach of any of its representations, warranties or covenants under this Agreement within ten (10) calendar days after it receives notice from Buyer of such breach. Notwithstanding the foregoing, neither Party is entitled to terminate this Agreement while such Party is in material breach hereunder. A termination pursuant to this Section 10.1 shall not relieve any Party of any liability it would otherwise have for a breach of this Agreement.

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

10.3. Expenses. Each Party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement, except that (i) all taxes (and any other governmental fees and charges) applicable to the transfer of the Station Assets to Buyer hereunder at Closing, shall be divided as is customary for such transactions in the State of California, and (ii) all FCC filing fees in connection with the FCC Application shall be paid equally by Buyer and Seller.

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

ARTICLE 11: GENERAL PROVISIONS

11.1. Assignment. Neither Party may assign this Agreement without the prior written consent of the other Party. No assignment shall relieve a Party of its obligations or liability under this Agreement. All covenants, agreements, statements, representations, warranties and indemnities in this Agreement by and on behalf of any of the Parties shall bind and inure to the benefit of their respective successors and any permitted assigns. Buyer further acknowledges and consents to the Seller's reserved right, pursuant to the provisions of Sections 13(b) of the Option and 15(c) of the TBA, to implement certain estate planning strategies as deemed

beneficial so long as such strategies do not jeopardize the standing of the FCC Licenses nor Buyer's rights to acquire the Station as contemplated in the Option or in this Agreement. These rights could include but would not be limited to placing the Station, its FCC Licenses, its pending applications, and the Station Assets into an irrevocable trust with the beneficiary remaining the Seller or Seller's spouse. In such an event, all of Seller's obligations would inure to the trust and the trust would agree to be bound by the terms of this Agreement, the Option, the TBA, and any Ancillary Agreements. Notwithstanding the foregoing, no such assignment by Seller shall be made for estate planning purposes, except through a *pro forma* application on FCC Form 316, without the prior written consent of Buyer, which consent shall not be unreasonably withheld.

11.2. Waivers. No waiver of compliance with any provision or condition hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the Party against whom enforcement of any waiver, change, extension or discharge is sought. No waiver or delay by a Party of any provision of this Agreement shall be considered a waiver of any other provisions or any subsequent breach of the same or any other provision.

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

11.4. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of California without giving effect to the choice of law provisions thereof.

11.5. Notices. Any notice required or allowed under this Agreement shall be in writing and shall be deemed given when delivered personally, mailed by certified mail, return receipt requested (postage prepaid), or sent by an overnight delivery service (charges prepaid), and addressed to the following:

(a) If to Seller:

Mr. Philip J. Plank
201 North 8th Street
St. Maries, Idaho 83861

(b) If to Buyer:

Alfredo Plascencia, President
Lazer Broadcasting Corporation
200 South A Street, Ste. 400
Oxnard, CA 93030

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

Harry C. Martin, Esquire
Fletcher, Heald & Hildreth, P.L.C.
1300 North 17th Street, 11th Floor
Arlington, VA 22209

or to any other address that the Parties may from time-to-time designate in writing.

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

11.7. Entire Agreement/Amendment. This Agreement constitutes the full and entire understanding and agreement between the Parties with regard to the subject matter hereof, and supersedes all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof, including the Option. This Agreement may be modified only by a document executed by both Parties.

11.8. Severability. If any provision in this Agreement is held to be invalid, illegal, or unenforceable, this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein, provided that the provision held to be invalid, illegal, or unenforceable is not central to the purpose of this Agreement to afford Buyer the right to purchase the Station Assets for consideration.

11.9 Contract Interpretation. The Parties acknowledge that both Parties have caused this Agreement to be reviewed and approved by legal counsel of their own choice, or have consciously chosen not to seek such counsel. This Agreement has been specifically negotiated, and any presumption that an ambiguity contained in this Agreement shall be construed against the Party that caused this Agreement to be drafted shall not apply to the interpretation of this Agreement.

11.10 Other Parties. Nothing contained in this Agreement shall be construed as giving any person, firm, corporation or other entity, other than the Parties and their successors and permitted assigns, any right, remedy or claim under or in respect of this Agreement or any term or condition contained in this Agreement.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER:

LAZER BROADCASTING CORPORATION

By: 

Alfredo Plascencia, President

SELLER:

PHILIP J. PLANK

Philip J. Plank

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER: **LAZER BROADCASTING CORPORATION**

By: _____
Alfredo Plascencia, President

SELLER: **PHILIP J. PLANK**

Philip J. Plank

Philip J. Plank
1/1

SCHEDULE 1.1(b)

EQUIPMENT LIST AS OF MARCH 2005

PHILIP PLANK KSSB
Item Physical Count List
As of 3/2/05

3/2/05
 8:52:28 PM

Page 1

Item Code	Description	Qty on Hand	Count. Qty
119	TAN 10 DRAWER FILE CABINET	1	_____
124	BROTHER FAX MACHINE 770	1	_____
162	KENWOOD STEREO SYNTHISIZER TUNER RT-42B	1	_____
163	RAMCO LA-5 S LINE AMPLIFIER	1	_____
164	P1-963 PROGRAM INTERRUPT SWITCH (FOR EAS)	1	_____
165	EAS SYSTEM HOLLYANNE	1	_____
166	SEIHOSHA PRINTER FOR EAS	1	_____
167	VOICE PROCESSOR VALLEY INTERNATIONAL INC.	1	_____
168	SONY 2 DECK CASSETTE PLAYER	1	_____
169	SONY SINGLE PLAY CD PLAYER	3	_____
170	CETEC 10 CHANNEL BOARD (1 FOR PARTS)	2	_____
171	TRIP LINE (VOID) DUPLICATE	1	_____
172	SIOSCAN ATOMIC CLOCK	1	_____
175	TRIP LINE UBS	1	_____
176	LA CROSS TECHNOLOGY WEATHER STATION CLOCK COMBO	1	_____
177	HARRIS TRANSMITTER HT 10 FM	1	_____
178	RCA TRANSMITTER 10 K NON OP	1	_____
179	HARRIS EXCITER THE-1 FM	1	_____
180	STL RECIEVER (VOID) DUPLICATE	1	_____
181	STL DISHES SCALA	2	_____
182	2 BAY JAMPRO ANTENNA	1	_____
183	TOWER ROHN G 25 131	1	_____
184	BROWN OFFICE CHAIR	1	_____

PHILIP PLANK KSSB
Item Physical Count List
As of 3/2/05

3/2/05
 8:52:30 PM

Page 2

<u>Item Code</u>	<u>Description</u>	<u>Qty on Hand</u>	<u>Count. Qty</u>
185	EXCALIBUR HC-1 HANDI-COUPLER	2	_____
186	HEAD PHONE SETS KOSS	2	_____
187	LARGE MIC STAND RADIO SHACK 33-345	1	_____
188	RACKS 5'	2	_____
189	RACKS 3'	1	_____
190	REALISTIC GRAFF EQUALIZER	1	_____
191	5 CHANNEL HARRIS BOARD	1	_____
192	MARTI PRE AMP RACK MOUNTED	1	_____
193	GENTNER PRISIMS WITH INTERFACE BOARD	2	_____
194	SECOND HARMONIC FLITER COPPER	1	_____
195	24" ELECTRIC COOLING FAN	1	_____
196	SWAMP COOLER	1	_____
197	TFT STEREO 785 FM PRELECTOR FM MONITOR	1	_____
198	MOSLEY TRC-15 REMOTE CONTROL SYSTEM STUDIO END NOT IN SERVICE	1	_____
199	MOSLEY SCG-8 SUBCARRIER	1	_____
200	ELCOM WBL COMPOSIT CLIPPER	1	_____
201	TFT STL RECIEVER	1	_____
202	IN LINE DIRECTIONAL COUPLER	1	_____
203	300' 2 1/4" COAXAL CABLE ESTIMATE	1	_____
204	300' 1/2" COAXAL ESTIMATE	1	_____
205	RADIO SHACK CONDINSER MIKE	1	_____
206	RADIO SHACK P A MIKE	1	_____
207	TRANSMITTER BUILDING WOOD 8 X 12	1	_____
11	T I 5045SV TEXUS INSTRUMENTS	1	_____

PHILIP PLANK KSSB
Item Physical Count List
As of 3/2/05

3/2/05
 8:52:32 PM

Page 3

<u>Item Code</u>	<u>Description</u>	<u>Qty on Hand</u>	<u>Count. Qty</u>
I10	COMPUTER INTERNET WINDOWS 2000 XP	1	_____
I11	PRINTER HP DESKJET 840C	1	_____
I117	LARGE GREY 4 DRAWER	1	_____
I118	FILE CABINET SMALL TAN 2 DRAWER	1	_____
I119	FILING SYSTEM 8 SLOT	1	_____
I12	PRINTER HP 1210	1	_____
I120	ROLLING CART STAINLESS STEEL	1	_____
I121	ROLLING CART STAINLESS STEEL	1	_____
I122	ROLLING CART SMALL	1	_____
I123	FAX MACHINE BROTHER MFC 4550	1	_____
I125	TYPING CART SMALL DROP LEAF	1	_____
I126	AT&T ANSWER MACHINE	1	_____
I127	TECHNICS RS-TR373 CASSETTE MACHINE	1	_____
I128	FISHER AM - FM STEREO TUNER FM 226	1	_____
I129	FISHER STEREO AMPLIFIER CA 226	1	_____
I13	CHAIRS GREY EXECUTIVE	1	_____
I130	SYMETRIX VOICE PROCESSOR 528E	1	_____
I131	SONY CD PLAYER SINGLE DISK	1	_____
I132	TEAC CD PLAYER SINGLE DISK	1	_____
I133	EURORACK MIXER UB1204 FX-PRO 8 CHANNEL	1	_____
I134	MICROPHONE STANDS	2	_____
I135	POLK AUDIO SPEAKER	2	_____
I136	KLM SPEAKERS	2	_____
I137	RADIO SHACK SPEAKER PA	2	_____
I138	Q SPEAKER AUTO CONCERT	1	_____

PHILIP PLANK KSSB
Item Physical Count List
As of 3/2/05

3/2/05
 8:52:34 PM

Page 4

<u>Item Code</u>	<u>Description</u>	<u>Qty on Hand</u>	<u>Count. Qty</u>
I14	CHAIR BLACK EXECUTIVE	1	
I140	RADIO SHACK AMPLIFIER PA 40 WATT	1	
I141	SENNHEISER MICROPHONES MD 518	2	
I142	ELECTRA VOICE RE 16	2	
I143	RADIO SHACK WIRELESS MICS	2	
I144	RADIO SHACK RECEIVER FOR WIRELESS MICS	1	
I145	XL ADAPTERS	5	
I146	ROLLS HEADPHONE AMP 4 JACK	1	
I147	SURE MIXER SE 3D	1	
I148	RADIO SHACK 4 CHANNEL MIXER	1	
I149N	SONY CASSETTE NON-OP	1	
I15	CHAIR BROWN EXECUTIVE	1	
I150N	SONY 5 DISK CD CHANGER NON-OP	1	
I151N	TECHNICS FM TERE0 RECEIVER NON-OP	1	
I152	NOVITEC PAPER SHREDDER	1	
I153	GBC PRO CLICK BINDING SYSTEM	1	
I154	PIONEER AM/FM TUNER F90	1	
I155	MOSLEY SCG-8 SUBCARRIER (VOID) DUPLICATE	1	
I156	BEXT STL 6 WATT TRANSMITTER	1	
I157	ORBAN OPTIMOD FM 8100 A	1	
I158	SCA MONITOR 730 A TFT	1	
I159	SCA SUB CARRIER	1	
I16	FILE CABINET TAN 4 DRAWER	1	
I160	TFT FM MONITOR 724 A	1	
I161	YAMAHA AM/FM TUNER EAS	1	

PHILIP PLANK KSSB Item Physical Count List As of 3/2/05

3/2/05
8:52:37 PM

Item Code	Description	Qty on Hand	Count. Qty
12	DESK RECEPTION MEDIUM U SHAPE BROWN & GREY	1	_____
13	PRODUCTION DEST MEDIUM L SHAPE LITE OAK	1	_____
14	STUDIO LARGE U SHAPE LIGHT AND DARK GREY	1	_____
15	SMALL DESK OAK	1	_____
16	SMALL DESK LIGHT OAK	1	_____
17	COMPUTER AUDIMATION	1	_____
18	COMPUTER IBM CLONE BILLING AND GENERAL USE	1	_____
19	COMPUTER PRODUCTION WINDOWS 2000 XP	1	_____

105 item(s) listed

6 pk CD Sony Player 1

SCHEDULE 1.1(c)

CONTRACTS AND LEASES

1. Lease Agreement, March 25, 2005 between Philip Plank as lessee and the City of Calipatria as lessor, for transmitter/tower site, at 525 South Sorensen, Calipatria, California.
2. Lease Agreement, October 1, 2004, between Philip Plank as lessee and Huot Sim as lessor, for office space at 1167 Cabana Street, Calexico, California (now a month-to-month tenancy).