

## **ASSET PURCHASE AGREEMENT**

This Agreement is entered into as of this 12th day of February 2003, by and between Channel Twenty Television Company, LLC, a Utah limited liability company (ASeller@, and Alpha & Omega Communications, LLC ("Buyer"), also a Utah limited liability company.

**WHEREAS**, Seller is the holder of the license and other authorizations (the "Licenses") issued by the Federal Communications Commission ("FCC" or "Commission") for the operation of television broadcast station KTMW, licensed to Salt Lake City, Utah (the "Station"); and

**WHEREAS**, Seller desires to sell and Buyer desires to purchase all of the assets used or useful in connection with the operation of the Station, including the Licenses, such sale and purchase being referred to herein as Ahe Transaction@ and

**WHEREAS**, the Licenses may not be assigned to Buyer without the Commission's prior consent; and

**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 certain tangible and intangible property owned by Seller and associated with the operation of the Station, as described more particularly below. The purchase shall be on the following terms:

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

i. All of the Licenses, a list of which is attached as Appendix 1 hereto.

ii. All of Seller's right, title and interest in and to the tangible personal property and fixtures used by Seller and used by it in the operation of the Station, including without limitation, the personal property listed in Appendix 2 hereto, together with replacements thereof and improvements and additions thereto made between the date hereof and the Closing Date (the "Tangible Personal Property").

iii. Seller's leasehold interest in and to that certain lease by and among Alpha Communications Sites, Inc. (as Master Landlord), Skaggs Communications Companies, Inc. (as Tenant) and Seller (as Subtenant) for appropriate space inside the Tenant's transmitter building and on the adjacent antenna tower and other facilities, all situated on Little Farnsworth Peak, and used as the antenna/transmitter site for the Station. To the extent required, Seller will obtain the consent of the Master Landlord and Tenant to such assignment of the lease to Buyer. The lease to be assigned to Buyer is described in Appendix 3 hereto.

iv. Seller's leasehold interest in and to that certain lease for space in the studio building currently occupied by the Station on Redwood Road in Salt Lake City. To the extent required, Seller will obtain the consent of the Landlord to such assignment of the lease to Buyer.

v. All of Seller's interest in and rights to the contracts listed in Appendix 4 hereto. However, at Buyer's sole discretion, Buyer shall have the right to reject and/or refuse to assume any such contract.

vi. All business records of Seller pertaining to the Station, including (but not limited to) FCC applications and engineering records and studies.

B. Consideration. In consideration for the assignment of the Assets to Buyer by Seller, Buyer shall pay the total sum of One Million Five Hundred Thousand Dollars (\$1,500,000) in cash, assumption of liabilities and/or forgiveness of debt that may be owed by Seller to Buyer.

C. Commission Approval. It is expressly agreed that consummation of the sale of the Assets to Buyer is conditioned upon the prior written approval of the FCC. Buyer and Seller shall cooperate to file an application promptly with the FCC seeking the consent of the agency for the proposed assignment of the Licenses to Buyer (the "Application").

D. Costs. Each party shall be responsible for its own legal expenses associated with this Agreement and the Application. No broker or other such consultant has been involved in this transaction and no brokerage commission, consulting fee, finder's fee or like fees are due to be paid to any person in consequence of the Transaction.

E. Closing. The Closing on the Transaction shall take place (at a time, date and location specified by Buyer by written notice to Seller) as soon as is practical after the grant of the Application shall have become a final order, but in no event more than fifteen days thereafter. The Closing Date shall be the date upon which the Transaction is

consummated. 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, at the option of Buyer, Buyer may require Seller to close at any time after the FCC has granted the Application even though such grant has not become final.

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. Seller is or will be at the Closing a limited liability company validly existing and in good standing in and under the laws of the state of Utah.

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

C. Seller has or will have by the Closing Date all licenses, permits and authorizations necessary to operate the Station. Except as described in the recitals hereto and identified in Schedule B attached hereto, all the Licenses are in full force and effect and shall be in full force and effect as of the Closing Date. Except as identified in Schedule B, to Seller's knowledge, there is no proceeding, investigation, or complaint pending or threatened

against the Station that would affect Seller's ability to assign the Licenses to Buyer, subject to FCC consent.

D. On the Closing Date, Seller will convey, assign and transfer to Buyer all of Seller's title to the Assets, free and clear of all liens, mortgages, judgments or encumbrances, except for such liens, mortgages, judgments or encumbrances as Buyer shall agree to assume.

E. The Tangible Personal Property is now and on the Closing Date will be 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. All such Tangible Personal Property and the state of maintenance thereof is, and on the Closing Date will be, in compliance in all material respects with the rules and regulations of the FCC and with all other federal, state and local applicable statutes, ordinances, rules and regulations. The Station is, and on the Closing date will be, in all respects, operating in accordance with the FCC Licenses, and the rules and policies of the FCC.

F. Appendices 3 and 4 are true and complete copies of all contracts, agreements, leases and understandings to which either Seller is a party in connection with its operation of the Station. Except as set forth in Schedule B:

i. Seller is not now (and on the Closing Date will not be) in default under any of these contracts, leases or agreements.

ii. To Seller's knowledge, no breach or default of any such contract, lease or agreement is impending or threatened.

iii. Seller has no knowledge of the breach of any material provision of, and is not in default in any material respect under the terms of, any other contract, agreement or lease or any plan, license, insurance policy or other instrument concerning or affecting the Tangible Personal Property or to which any of the Tangible Personal Property is subject, a breach or default of which would have an adverse effect on the business and financial condition of the Station.

iv. To Seller's knowledge, no such breach or default is impending or threatened.

v. Seller has not granted, and has not been granted, any material waiver or forbearance with respect to any of the contracts listed in Appendix 4.

G. Except as otherwise provided herein, or as set forth in Schedule B, 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.

H. Except for proceedings of a general nature that may affect the television broadcasting industry, and except as described in the recitals or Schedule B hereto, 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.

I. Seller has filed all federal, state and local tax returns and all other reports required to be filed with government agencies relating to the Station. 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, except for such taxes, assessments and other levies as will not be due until after the Closing Date.

J. Except as otherwise provided herein, or as set forth in Schedule B, there is no action, suit, investigation or other proceeding pending (or, to the best of Seller's knowledge, threatened) that may adversely affect Seller's abilities to perform in accordance

with the terms of this Agreement, and Seller is unaware of any facts that could reasonably result in any such proceeding.

K. 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 relating to the Transaction 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 Representations and Warranties. Buyer makes the following representations and warranties, all of which have been relied upon by Seller in entering into this Agreement and all of which shall be true and correct at Closing.

A. Buyer is a limited liability company duly organized, validly existing, and in good standing, under the laws of the State of Utah.

B. The execution and delivery of this Agreement by Buyer has been duly authorized by all necessary 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. 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 organization or operating agreement, or 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. There is no action, suit, investigation or other proceeding pending (or, to Buyer's best knowledge, threatened) that may adversely affect Buyer's ability to perform in accordance with the terms of this Agreement, and Buyer is unaware of any facts that could reasonably result in any such proceeding.

E. 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. Buyer is legally 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 to consummate the Transaction. 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 principals or affiliates that is reasonably likely to materially impair the qualifications of Buyer to become the 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 sue at law for money damages. 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 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. Buyer shall have no other remedy at law or in equity. 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. 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. Except to the extent that a party's rights may be limited pursuant to Section 5 hereof, each party hereby agrees to indemnify and hold the other party harmless against any and all just and lawful claims, suits, judgments and expenses brought or incurred as a result of said party's failure to perform its obligations hereunder.

B. The procedure for indemnification shall be as follows:

i. The party claiming indemnification (the "Claimant") shall give written notice to the party from which indemnification is sought (the "Indemnitor") promptly after the Claimant learns of any claim or proceeding covered by the foregoing agreement to indemnify and hold harmless. Notwithstanding the foregoing, the Claimant's failure to give the Indemnitor prompt notice shall not bar the Claimant's right to indemnification unless such failure has materially prejudiced the Indemnitor's ability to investigate or defend against the claim or proceeding.

ii. With respect to claims between the parties, following receipt of notice from the Claimant of a claim, the Indemnitor shall have twenty-one days to make any investigation of the claim that the Indemnitor deems necessary or desirable. For the purpose of this investigation, the Claimant agrees to make available to the Indemnitor and its authorized representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnitor cannot agree as to the validity and amount of the

claim within the 21-day period (or any mutually agreed upon extension thereof), the Claimant may seek appropriate legal remedies.

iii. With respect to any third-party claims as to which the Claimant is entitled to indemnification, the Indemnitor shall have the right to employ counsel reasonably acceptable to the Claimant to defend against any such claim or proceeding, or to compromise, settle or otherwise dispose of the same, if the Indemnitor deems it advisable to do so, all at the Indemnitor's expense. The parties will fully cooperate in any such action, and shall make available to each other any information, books or records useful for the defense of any such claim or proceeding. If the Indemnitor fails to acknowledge in writing its obligation to defend against or to settle such claim or proceeding within fifteen days after receiving notice thereof from the Claimant (or such shorter time specified in the notice as the circumstances of the matter may dictate), the Claimant shall be free to engage counsel of its choice and to defend against or to settle the matter, all at the Indemnitor's expense.

iv. 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 the 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 FCC 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 at the request of Buyer. The Station shall be operating in accordance with the provisions of the FCC Licenses.

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 Appendix 1 hereof.

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 Appendix 2 and any intangible property of the Station.

C. Seller shall cause to be executed and delivered to Buyer in form and substance reasonably satisfactory to Buyer an assignment of the tower site lease identified in Appendix 3 and the lease for studio space described in Section 1(A)(iv) hereof.

D. Seller shall execute and deliver to Buyer one or more Assignments in form and substance reasonably satisfactory to Buyer of the Contracts listed in Appendix 4 that Buyer has elected to assume.

E. Seller shall transfer to Buyer's possession all files, records, documents, papers and information pertinent to the ownership, construction and operation of the Station - 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.

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

A. Buyer shall execute and deliver to Seller an instrument or instruments reasonably satisfactory to Seller evidencing Buyer's assumption of and obligation to pay, perform, and discharge Seller's liabilities as (but only to the extent) shown in Schedule A, and the obligations of Seller arising from and after the Closing Date under the Contracts identified in Appendix 4 and the leases identified in Sections 1(A)(iii) and 1(A)(iv) hereof...

B. Buyer shall tender to Seller the balance of the Purchase Price owing to Seller over and above the amounts represented by Buyer's assumption of Seller's liabilities as finally determined at Closing, and forgiveness of any indebtedness owed by Seller to Buyer.

C. Buyer shall execute and deliver to Seller such other instruments, documents and/or certificates as may be reasonably requested by Seller to consummate the Transaction.

11. Control of Station. The Transaction shall not be consummated until after the Commission has granted the Application. Between the date hereof and the Closing Date, Buyer shall not directly or indirectly control, supervise or direct or attempt to control, supervise or direct the operation of the Station. Notwithstanding the foregoing, this Paragraph 11 shall not be deemed to preclude or invalidate any marketing agreement or time brokerage agreement into which Seller may enter in the future with Buyer and/or any principal or affiliate of Buyer pursuant to which Buyer and/or Buyer's principal or affiliate programs or markets time on the Station and that complies with the FCC's rules and policies pertaining to such agreements.

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.

13. Prorations. Seller shall be entitled to all income attributable to, and shall be responsible for all expenses for, the operation of the Station until 11:59 p.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 11:59 p.m. on the Closing Date. All overlapping items of income or expense shall be prorated, or reimbursed, as the case may be, as of 11:59 p.m. on the Closing Date. To the extent practical, the prorations shall be made on the Closing Date. Any net amount due to Seller or Buyer as a result of the prorations shall be paid by separate check. 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 (if any) 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 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 Appendix 4 without Buyer's prior written consent.

15. 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.

16. Commission Action. In the event that the FCC has not issued a final order (as defined in ' 1(E) hereof) granting the Application within twelve months of the date on which the Application was filed with the Commission, then Buyer (if not then in default under this Agreement) may terminate this Agreement by written notification to the Seller given not less than ten days in advance of such termination. In the event of such termination, the parties shall thenceforth cease to be obligated to each other hereunder.

17. Choice of Law and Choice of Venue. This Agreement shall be governed by and construed under the laws of the State of Utah. The parties agree that the appropriate and only permissible venue for litigation arising out of this Agreement shall be in the state courts sitting in Salt Lake City, Utah.

18. Benefit. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. Either party may assign any of its rights or obligations hereunder without the consent of the other party.

19. 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 all parties.

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

21. 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.

22. 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.

23. 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.

24. Waiver. The parties acknowledge that the firm of Wood, Maines & Brown, Chtd. (the "Firm") has performed services for both parties in the past; that the interests of the parties with respect to this Transaction could conflict; that the Firm has explained to them the potential ramifications of such conflicts and the advantages and disadvantages of joint representation; and has encouraged them to retain independent counsel in connection herewith; that they have waived such conflict, and that they have granted their informed consent to the joint representation of the parties by the Firm in connection with the drafting

of this Agreement, securing the approval hereof by the Commission, and consummating the Transaction.

25. Notices: All notices and other communications hereunder shall be in writing and be deemed to have been duly given when delivered in person (against receipt) by Federal Express or other overnight delivery service, by facsimile with written confirmation of receipt, or by express or certified mail, postage prepaid, as follows:

If to Assignor:

Channel Twenty Television, LLC  
530 East 100 South, No. 204  
Salt Lake City, Utah 84102

with copy (which shall not constitute notice) to

Barry D. Wood  
Wood, Maines & Brown, Chtd.  
1827 Jefferson Place, NW  
Washington, DC 20036

If to Assignee:

Alpha & Omega Communications, L.L.C.  
131 North 900 West  
Salt Lake City, Utah 84116

with copy (which shall not constitute notice) to

Robert Whitney  
4050 Splendor Circle  
Salt Lake City, UT 84124

