
ASSET PURCHASE AGREEMENT

By and between

PEDRO ROMAN COLLAZO

and

INTERNATIONAL BROADCASTING CORPORATION, collectively as Seller

and

CARIBEVISION STATION GROUP, LLC, as Buyer

Dated as of December 14, 2006

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ASSET PURCHASE AGREEMENT

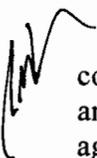
THIS ASSET PURCHASE AGREEMENT is made and entered into this 14th day of December, 2006, by, between and among PEDRO ROMAN COLLAZO ("Collazo") and INTERNATIONAL BROADCASTING CORPORATION, a Puerto Rico corporation, (collectively with Collazo, the "Seller"); and CARIBEVISION STATION GROUP, LLC, a Delaware limited liability company ("Buyer").

WITNESSETH:



WHEREAS, Seller owns and operates full power television broadcast Stations WTCV(TV), San Juan, Puerto Rico (Facility ID 28954); WVOZ-TV, Ponce, Puerto Rico (Facility ID 29000); and WVEO (TV), Aguadilla, Puerto Rico (Facility ID 61573); and Low Power Television Station WIVE-LP, Ceiba, Puerto Rico (Facility ID 20578) (the "Stations"); and

WHEREAS, Seller desires to sell, assign and transfer to Buyer, and Buyer desires to purchase from Seller, substantially all of the assets used or held for use in the operation of the Stations, on the terms and subject to the conditions set forth herein;



NOW, THEREFORE, in consideration of the above premises and of the mutual covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1: DEFINITIONS

1.1 Definitions. Capitalized terms used in this Agreement shall have the meanings ascribed to them in Annex A, which is incorporated herein by reference into this Agreement and made a part hereof.

1.2 Rules of Construction. Whenever the context requires, any pronoun shall include the corresponding masculine, feminine and neuter forms. Where the context so requires or permits, the use of the singular form includes the plural, and the use of the plural form includes the singular. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." All references to "party" and "parties" shall be deemed references to parties to this Agreement unless the context shall otherwise require. Except as specifically otherwise provided in this Agreement, a reference to an Article, Annex, Section, Schedule or Exhibit is a reference to an Article or Section of this Agreement or an Annex, Schedule or Exhibit of this Agreement. The term "or" is used in its inclusive sense ("and/or") and, together with the terms "either" and "any" shall not be exclusive. When used in this Agreement, words such as "herein", "hereinafter", "hereby", "hereof," "hereto", "hereunder" and words of similar import shall refer to this Agreement as a whole, including Annexes, Schedules and Exhibits hereto, and not to any particular provision of this Agreement, unless the context clearly requires otherwise. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

ARTICLE 2: PURCHASE AND SALE

2.1 Purchase and Sale. Upon all of the terms and subject to all of the conditions of this Agreement, at the Closing, Seller shall sell, transfer, convey, assign and deliver to Buyer on the Closing Date, and Buyer shall acquire and purchase, all of Seller's right, title and interest in and to the tangible and intangible assets owned, leased or licensed by Seller and used or held for use by Seller in the Business, together with any additions thereto between the date of this Agreement and the Closing Date, but excluding the Excluded Assets and any assets disposed of between the date of this Agreement and the Closing Date in accordance with the terms and provisions of this Agreement (such assets being conveyed being collectively referred to herein as the "Assets"), including all of Seller's right, title and interest in and to the following:

- (a) the Tangible Personal Property;
- (b) the Real Property;
- (c) all of Seller's rights and interests in or to the Licenses, including the Stations Licenses, and all rights of Seller in and to the call letters of the Stations;
- (d) the Assumed Contracts;
- (e) the Intangibles;
- (f) the Records;
- (g) the Accounts Receivable;
- (h) equipment warranties relating to items included in the Tangible Personal Property to the extent contractually assignable by Seller.

2.2 Excluded Assets. The Assets shall not include the following (collectively, the "Excluded Assets"):

- (a) all Cash Equivalents;
- (b) any and all contracts or policies of insurance and insurance plans and the assets thereof, promissory notes, amounts due from employees, bonds, letters of credit or other similar items and any cash surrender value with respect thereto, and all rights under any of the foregoing;
- (c) all tangible personal property disposed of or consumed in the ordinary course of the business consistent with the past practices of Seller, and in compliance with the terms and conditions of this Agreement, between the date of this Agreement and the Closing Date;
- (d) any and all claims of Seller with respect to transactions and events occurring prior to the Closing Date and all claims for refunds of monies paid to any Governmental Authority (including Tax refunds) and all claims for copyright royalties for broadcast prior to the Closing Date;
- (e) the Contracts listed on Schedule 2.2(e) (the "Excluded Contracts");
- (f) Seller's corporate records and other books and records that relate to internal corporate matters of Seller, Seller's account books of original entry with respect to the Stations and all original accounts, checks, payment records, Tax returns and records and other similar books,

records and information of Seller relating to the Business and any other Assets prior to Closing, and duplicate copies of any records as are necessary or desirable to enable Seller to prepare and file Tax returns and reports, financial statements and other documents deemed necessary or desirable by Seller;

(g) all rights of Seller to enforce (i) the obligations of Buyer to pay, perform or discharge the Assumed Liabilities and (ii) all other obligations of Buyer under or in connection with, as well as all other rights of Seller under or in connection with, this Agreement or any agreement, document, instrument or certificate required hereunder;

(h) any assets of any compensation or benefit plan or arrangement of Seller, including Employee Benefit Plans;

(i) any assets not expressly set forth in Section 2.2 above, including but not limited to: (a) any assets used solely the operation or business of Seller's Radio Stations WEKO(AM), Morovis, PR; WIBS(AM), Guayama, PR; WVOZ-FM, Carolina PR; WGIT(AM), Canovanas, PR; WCHQ(AM), Quebradillas, PR; WRSJ(AM), Bayamon, PR; WTIL(AM), Mayaguez, PR; or WXRF(AM), Guayama, PR;

(j) any and all insurance policies and contracts of insurance;

(k) any collective bargaining agreements

(l) all records and documents pertaining solely to the Excluded Assets.

2.3 Escrow Deposit.

(a) Pursuant to the terms of the Escrow Agreement, at the end of the Due Diligence Period except as otherwise provided in Section 12.1(b), Buyer will deliver the Escrow Deposit to the Escrow Agent to be held by the Escrow Agent to secure Buyer's timely performance and fulfillment of its obligations under this Agreement.

(b) At the Closing, Buyer and Seller shall jointly instruct the Escrow Agent to immediately (i) pay the Escrow Deposit over to Seller by wire transfer of immediately available Federal funds in accordance with the wire transfer instructions delivered by Seller to Buyer no later than one (1) Business Day prior to the Closing Date, and (ii) pay any interest accrued on the Escrow Deposit to Buyer.

(c) If this Agreement shall be terminated, then the Escrow Amount shall be paid in accordance with Section 12.2(b).

2.4 Purchase Price. In consideration for the sale of the Assets to Buyer pursuant to the terms and subject to the conditions of this Agreement, Buyer shall assume the Assumed Liabilities from Seller and shall pay to Seller an aggregate amount equal to sum of (i) Thirty-Six Million Five Hundred Thousand Dollars (\$36,500,000.00) (the "Base Purchase Price") plus (ii) Five Million Dollars (\$5,000,000.00) for broadcast time at the market rate on such of Seller's Radio Stations as Buyer in its sole discretion shall select to promote the Stations after the Closing pursuant to the terms of the Advertising Agreement to be executed and delivered by Buyer and Seller at the Closing ("Promotion Funds"), collectively, the "Purchase Price". At the Closing, Buyer shall pay the Purchase Price to Seller by wire transfer of immediately available Federal funds in accordance with

the wire transfer instructions delivered by Seller to Buyer no later than three (3) Business Days prior to the Closing Date.

2.5 Prorations and Adjustments as of Closing.

(a) All revenues and all expenses arising from the Assets and the Business, including tower rental, business and license fees, utility charges, real and personal property taxes and assessments levied against the Assets and rebates thereof, property and equipment rentals, sales commissions or other fees payable, applicable copyright or other fees, including program license payments, sales and service charges, Taxes (except for Taxes arising from the transfer of the Assets under this Agreement), any accrued expenses, employee compensation for Transferred Employees, including wages, salaries and commissions, all accrued vacation and sick pay of Transferred Employees, FCC regulatory fees, music and other license fees and similar prepaid and deferred items, shall be prorated between Buyer and Seller in accordance with GAAP and to effect the principle that Seller shall receive all revenues and shall be responsible for all expenses, costs and liabilities allocable to the Business for the period ended immediately prior to the Effective Time, and Buyer shall receive all revenues and shall be responsible for all expenses, costs and obligations allocable to the Business for the period commencing immediately on and after the Effective Time.

(b) There shall be no adjustment for or related to the Excluded Assets or the Retained Liabilities;

(c) An adjustment and proration shall be made in favor of Buyer to the extent that the aggregate amount of any advertising time remaining, as of the Effective Time, to be run by the Stations under its trade or barter agreements on and after of the Effective Time exceeds the aggregate fair market value of the goods or services, as of the Effective Time, to be received by the Stations on and after the Effective Time under such trade or barter agreements, or an adjustment and proration shall be made in favor of Seller to the extent that the aggregate fair market value of the goods or services, as of the Effective Time, to be received by the Stations under its trade and barter agreements on and after of the Effective Time exceeds the aggregate amount of any advertising time remaining, as of the Effective Time, to be run by the Stations under its trade or barter agreements on and after the Effective Time.

2.6 Assumption of Liabilities. On, from and after the Effective Time, Buyer shall assume and agree to duly and timely pay, discharge, defend and perform as and when due:

(a) any and all obligations and liabilities of Seller under the Assumed Contracts, the Licenses and the Stations Licenses to the extent that such obligations and liabilities arise or accrue on or after the Effective Time;

(b) any and all liabilities and obligations to any Transferred Employee attributable to any period of time on or after the Effective Time;

(c) any and all liabilities and obligations arising out of any litigation, proceeding or claim by any Person relating to any of the Assets or the Stations in connection with any events or circumstances that occur or arise on or after the Effective Time; and

(d) any and all liabilities and obligations of Seller for any advance payments or deposits for which Buyer receives an adjustment to the Purchase Price as part of pursuant to Sections 2.5;

(all of the foregoing under this Section 2.6, together with other liabilities or obligations expressly assumed by Buyer under this Agreement or any other document, agreement or instrument required of Buyer under this Agreement are referred to herein collectively as the “Assumed Liabilities”). Buyer shall perform all obligations arising out of the Assets (including the Assumed Contracts, the Licenses and the Stations Licenses) on or after the Effective Time. Seller shall retain all liabilities of Seller other than the Assumed Liabilities (such retained liabilities, the “Retained Liabilities”).

2.7 Allocation of Purchase Price. Seller and Buyer, in good faith, shall cooperate in preparing a joint schedule (the “Asset Allocation Schedule”) that sets forth the allocation of the Purchase Price under Section 2.4 (including, for purposes of this Section 2.7, the Assumed Liabilities and any other consideration paid or to be paid by Buyer) in accordance with Code §1060 and the regulations thereunder and to use such allocation in preparing and timely filing Form 8594. Seller and Buyer each agree to provide the other promptly with any other information required to complete the Asset Allocation Schedule. If, however, Seller and Buyer are unable to agree to the Asset Allocation Schedule prior to Closing, or such later date as agreed to by Buyer and Seller, then Buyer and Seller shall retain BIA Financial to perform such tax allocations, with the parties splitting the BIA Financial fee therefor and Buyer and Seller shall thereafter file IRS Form 8594 with their respective Tax returns for the taxable year that includes the Closing Date consistent with the BIA Financial allocation of the Purchase Price. The parties hereto further agree: (i) to use any agreed upon allocations set forth in the Asset Allocation Schedule or the BIA Financial tax allocations, as applicable, for Tax purposes and in any Tax returns filed with any Government Authority; and (ii) that any such agreed upon allocations set forth in the Asset Allocation Schedule or the BIA Financial tax allocations, as applicable, shall be in accordance with Code §1060 and the regulations thereunder. In any proceeding related to any Tax, neither Buyer nor Seller shall contend or represent a position inconsistent with the Asset Allocation Schedule or the BIA tax allocations, as applicable, or that any other party’s allocation is an incorrect allocation (unless inconsistent with the Asset Allocation Schedule or the BIA tax allocations, as applicable).

2.8 Deferred Consents. This Agreement shall not constitute an agreement to assign or transfer any Assumed Contract or any claim, right, or benefit arising thereunder or resulting therefrom, if an attempted assignment or transfer thereof, without the consent of a third party thereto would constitute a breach thereof. If such consent is not obtained prior to Closing (a “Deferred Consent”), or if an attempted assignment or transfer thereof would be ineffective or would affect the rights thereunder so that Buyer would not receive all such rights, then (i) Seller and Buyer will cooperate to obtain such Deferred Consents as soon as practicable; and (ii) until such Deferred Consent is obtained, Seller and Buyer will cooperate in all reasonable respects to provide to Buyer the benefits under the Assumed Contract to which such Deferred Consent relates and Buyer shall be responsible for all the liabilities and obligations thereunder arising after the Effective Time.

ARTICLE 3: GOVERNMENTAL APPROVALS AND CONTROL OF STATIONS

3.1 FCC Consent. Consummation of the purchase and sale of the Assets as contemplated by this Agreement is subject to, and conditioned upon, prior FCC Consent.

(a) Within forty-five (45) days after the execution and delivery of this Agreement, Buyer and Seller shall prepare, execute and file the Assignment Application with the FCC. Buyer and Seller agree to prosecute the Assignment Application with all reasonable diligence and use their reasonable best efforts to obtain the FCC Consent as expeditiously as possible,

including the filing of all appropriate or necessary supplemental filings and amendments and vigorously contesting and opposing any petitions, objections, challenges or requests for reconsideration thereof. No party hereto shall take any action that such party knows or should know would adversely affect obtaining the FCC Consent. Each party will promptly provide the other party with true, correct and complete copies of all pleadings, orders, filings or other documents served on them related to the Assignment Application or the FCC Consent. All filing fees related to the Assignment Application shall be borne and paid equally by Buyer and Seller.

(b) Each party agrees to comply with any condition imposed on it by any FCC Consent, except that no party shall be required to comply with a condition if: (i) the condition was imposed on it as the result of a circumstance the existence of which does not constitute a breach by that party of any of its representations, warranties or covenants hereunder; or (ii) compliance with the condition would have a material adverse effect upon it.

(c) If the Closing shall not have occurred for any reason within the original effective period of the FCC Consent and this Agreement shall not have been terminated by Buyer or Seller pursuant to Section 12.1, the parties hereto shall jointly request an extension (or extensions, as necessary) of the effective period of the FCC Consent. No extension of the FCC Consent shall limit the right of any party to exercise its rights under Section 12.1.

3.2 Control Prior to Closing. 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 Stations. Such operation, including complete control and supervision of all programs, employees and policies, shall be the sole responsibility of Seller.

3.3 Other Governmental Consents. Promptly following the date of this Agreement, Buyer and Seller shall prepare and file with the appropriate Governmental Authorities any notices and other requests for approval or waiver that are required in connection with the transactions contemplated hereby and shall cooperate to diligently and expeditiously prosecute such requests as necessary to secure such approvals and waivers.

ARTICLE 4: REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

4.1 Organization and Standing. Seller (other than Collazo) is a corporation duly formed, validly existing and in good standing under the laws of the Commonwealth of Puerto Rico. Seller has the requisite corporate power and authority to own, lease, and operate its properties and to carry on its business as now conducted.

4.2 Authorization; Enforceability. The execution, delivery and performance of this Agreement by Seller and the agreements, documents and instruments required under this Agreement to which Seller is a party, and the consummation by Seller of the transactions contemplated hereby and thereby, are within the corporate power of Seller and have been duly authorized by all necessary corporate action by Seller, and no approval from or notice to any of the shareholders of Seller is required regarding the same that has not be obtained or given, as applicable. This Agreement is, and the other agreements, documents and instruments required by this Agreement to which Seller is a party will be, when executed and delivered by Seller, the valid and binding obligation of Seller, enforceable against it in accordance with their respective terms, subject only to bankruptcy, insolvency, reorganization, moratorium or similar laws at the time in effect affecting the

enforceability or rights of creditors generally and by general equitable principles which may limit the right to obtain equitable remedies.

4.3 Absence of Conflicting Agreements; Consents. Except as set forth in Schedule 4.3, neither the execution, delivery or performance of this Agreement by Seller, nor the consummation of the transactions contemplated hereby by Seller, does or will, after the giving of notice, or the lapse of time or both, or otherwise:

(a) contravene, result in a breach of, or constitute a default under, any articles of organization, by-laws or other governing or organizational instruments of Seller;

(b) subject to obtaining the FCC Consent and obtaining and making any other Consents, contravene or violate in any material respect any material applicable law, statute, ordinance, rule or regulation, or any court or administrative order or process, of any Governmental Authority to which Seller is a party or by which Seller, the Stations or the Assets are bound;

(c) subject to obtaining the requisite Consents for the Assumed Contracts identified on Schedule 4.3, contravene in any material respect, or constitute a material default under, any material Assumed Contract; or

(d) require the Consent or notice to any Governmental Authority other than the FCC Consent.

4.4 Tangible Personal Property.

(a) Schedule 4.4(a) sets forth lists of the Tangible Personal Property at the Stations as of December 1, 2006.

(b) Seller owns and has good title to all Tangible Personal Property, free and clear of any and all Liens other than Permitted Liens and (b) the mortgages, pledges, liens, encumbrances, or other charges or rights of others listed in Schedule 4.4 (b) all of which will be removed on or before the Closing Date;

(c) To the Knowledge of Seller, each item of Tangible Personal Property is presently in use at the Stations, is in good operating condition and repair, ordinary wear and tear excepted, and will be transferred to Buyer at the Closing;

(d) The Tangible Personal Property includes all items of tangible personal property used or held for use by Seller in connection with the Stations and the Business; and

(e) Those items of Tangible Personal Property constituting transmitting and studio equipment that are currently used in the operations of the Stations are operating and have been serviced and maintained by Seller in accordance with normal industry standards and practices and applicable FCC rules and regulations.

4.5 Contracts.

(a) Schedule 4.5 lists all Assumed Contracts, except: (i) oral employment agreements terminable at will; and (ii) other Contracts entered into by Seller in the ordinary course of business not involving average annual payments or receipts by the Stations of greater than One Thousand Dollars (\$1,000) per Contract. Seller has delivered or made available to Buyer originals or

true and correct copies of all written Assumed Contracts and accurate summaries of the material terms all oral Assumed Contracts that in either case are required to be listed on Schedule 4.5.

(b) Except as set forth in Schedule 4.5:

(i) Neither Seller, nor to the Knowledge of Seller, any other Person that is a party to any such Assumed Contract, is in material default under any Assumed Contract; and

(ii) Each of the Assumed Contracts is valid, binding, enforceable and in full force and effect, in all material respects, and constitutes the legal and binding obligation of Seller and, to the Knowledge of Seller, each other Person that is a party thereto in accordance with its terms, subject only to bankruptcy, insolvency, reorganization, moratorium or similar laws at the time in effect affecting the enforceability or rights of creditors generally and by general equitable principles which may limit the right to obtain equitable remedies.

4.6 Intangibles.

(a) Schedule 4.6 is a complete list as of the date of this Agreement of all material items of Intangibles (exclusive of Licenses). Seller has provided to Buyer correct and complete copies of all documents in Seller's possession establishing or evidencing Seller's rights to the Intangibles listed on such Schedule.

(b) Except as set forth on Schedule 4.6 and other than with respect to matters generally affecting the television broadcasting industry:

(i) Seller's rights and interests in material Intangibles have been issued or granted to or are owned by Seller and are valid and uncontested;

(ii) To the Knowledge of Seller, Seller's use of the Intangibles does not infringe in any material respect upon any trademarks, trade names, service marks, service names, copyrights or intellectual property or other proprietary rights owned by any other Person; and

(iii) To the Knowledge of Seller, no other Person has infringed in any material respect upon the material rights of Seller with respect to the Intangibles.

4.7 Real Property; Leases.

(a) Schedule 4.7(a) lists the Real Property owned by Seller, including the Real Property owned by Collazo for the WVEO tower site. With respect to each parcel of Real Property owned by Seller, except as disclosed on Schedules 4.4(b), 4.7(a) or 4.7(b):

(i) Seller has good and marketable fee simple title thereto, free and clear of all Liens except for Permitted Liens;

(ii) There are no leases, subleases, licenses or other agreements granting any other Person the right of use or occupancy of any portion thereof;

(iii) There are no existing options or contracts to sell or assign Seller's interest therein, and there are no rights of first refusal outstanding with respect thereto;

(iv) Seller's use of each parcel of Real Property and all structures thereon are in compliance with current zoning, land use, building, health, fire or environmental protection codes or laws, and Seller has not received notice of any non-compliance with such zoning, land use, building, health, fire or environmental protection codes or laws. There are no condemnation or eminent domain proceedings pending affecting such owned Real Property or any portion thereof, and, to the Knowledge of Seller, no such action is presently threatened; and

(v) All of the owned Real Property, and the improvements located on the owned Real Property, are in good operating condition and repair, have been maintained in accordance with industry standards and are adequate for their intended use.

(b) The licenses, leases and subleases listed on Schedule 4.7(b) (collectively, the "Leases"), are true and complete copies of which, including all amendments and modifications thereto, constitute all of the licenses, leases or subleases for the use or occupancy of Real Property by Seller in connection with the Business and the Stations. With respect to each such Lease, except as disclosed in Schedule 4.7(b):

(i) Each of the Leases the leases is in full force and effect and Seller is not in material breach or in default thereof, and, to the Knowledge of Seller, no other Person that is a party to any such Lease is in material breach or default thereunder. Seller holds such leasehold interests free and clear of all Liens;

(ii) Each of the Leases is legal, valid, binding, enforceable and in full force and effect in all material respects, and constitutes the legal and binding obligation of Seller and, to the Knowledge of Seller, any other Person that is a party thereto in accordance with its terms, subject only to bankruptcy, insolvency, reorganization, moratorium or similar laws at the time in effect affecting the enforceability or rights of creditors generally and by general equitable principles which may limit the right to obtain equitable remedies;

(iii) Real Property that is the subject of the Leases and all of the fixtures, towers and improvements thereon owned or leased by Seller are in good operating condition and repair, reasonable wear and tear excepted, and have been maintained in accordance with industry standards and any standards or guidelines imposed by the FCC. Seller has received no notice alleging that the Real Property that is the subject of the Leases or the improvements thereon fail to comply with applicable zoning laws or the building, health, fire and environmental protection codes of applicable Governmental Authorities.

(iv) Seller has not assigned, transferred, conveyed, mortgaged, deeded in trust or caused any Lien (other than any Permitted Lien) to exist with respect to any interest of Seller in such Lease.

(c) With respect to any Real Property, within thirty (30) days after the date of this Agreement, to the extent that Seller has not already provided the same, Seller shall deliver to Buyer copies of (A) all existing soil, engineering and environmental reports and studies with respect to the ownership, maintenance, use, occupancy and operation of any parcel of the Real Property in its possession or accessible by Seller, (B) any existing surveys and plats for any parcel of the Owned

Real Property, in its possession or accessible by Seller (and the Leased Real Property, if available), (C) Seller's source deed for each parcel of owned Real Property, (D) any and all existing title insurance commitments and title insurance policies for any parcel of the owned Real Property, (E) the real property tax bill for the current fiscal year, if issued, for each parcel of owned Real Property, and (F) any permits issued to Seller by any Governmental Authority and related to the ownership, use or lease of any of the Real Property. Seller will allow Buyer, at Buyer's own expense, to conduct any and all investigations, examinations and studies for the Real Property as Buyer deems necessary including, but not limited to, a title examination, surveys and environmental studies of the Real Property before Closing. Seller shall deliver to Buyer title insurance commitments on each parcel of the owned Real Property, as of the Closing Date, showing no special exceptions other than the Permitted Encumbrances (and any Liens to be satisfied as part of the Closing). Seller will cooperate with Buyer and Seller will use its best efforts to obtain the consent of any lessor of any Leases to an environmental study of such parcel of Real Property.

4.8 Financial Statements.

(a) Attached as Schedule 4.8(a) are true and complete copies of the audited balance sheets of the Stations as of December 31, 2005 and 2004 and the related statements of operations for the fiscal years then ended (collectively, the "Annual Financial Statements"). Except as disclosed in Schedule 4.8(a), the Annual Financial Statements (i) were prepared in accordance with GAAP applied on a basis consistent throughout the periods covered thereby, (ii) present fairly, in all material respects, the financial condition of the Stations as at the dates indicated and the results of its operations for the years then ended, and (iii) are consistent with Seller's books and records.

(b) Attached as Schedule 4.8(b) is the statement of operations for the stations for the nine (9) month period then ended (collectively, the "Interim Financial Statements"). Except as disclosed in Schedule 4.8(b), the Interim Financial Statements (i) have been prepared in accordance with past practices of Seller; (ii) present fairly, in all material respects, the financial condition of Stations as at the date indicated and the results of its operations for the period then ended, and (iii) are consistent with Seller's books and records; provided that the Interim Financial Statements lack footnotes and other presentation items required under GAAP and are subject to year-end audit adjustments.

4.9 Conduct of Business. Except as disclosed in Schedule 4.9 or as contemplated or permitted under this Agreement, since the Most Recent Fiscal Month End:

(a) Seller has conducted the Business in the ordinary course of business; and

(b) Seller has not:

(i) made any material adverse amendment to or terminated any Assumed Contract, Lease, or License to which Seller is a party with respect to the Business, except in the ordinary course of business;

(ii) made any material increase in compensation paid, payable or to become payable by Seller to the Employees outside of the ordinary course of business consistent with the past practices of Seller;

(iii) incurred material loss of or to any material Assets not covered by insurance or voluntarily waived any rights of material value;

(iv) sold, assigned, leased or otherwise transferred or disposed of any tangible or intangible assets used or held for use in the Stations or the Business having a fair market value in excess of Ten Thousand Dollars (\$10,000) individually or in the aggregate, except (A) in the ordinary course of business, (B) in connection with the acquisition of similar or replacement property or assets, (C) inventory sold in the ordinary course of business, or (D) obsolete assets not used or held for use in the Business; or

(v) made any material change in any method of accounting or accounting practice.

4.10 Litigation. Except as set forth in Schedule 4.10 and except for proceedings (including FCC rulemaking proceedings) generally affecting the television broadcasting industry, there is no decree, judgment, order, litigation, arbitration proceeding or other legal or administrative proceeding pending or, to the Knowledge of Seller, threatened against Seller by or before any Governmental Authority that is reasonably likely to have a Material Adverse Effect.

4.11 Compliance with Laws. Seller is in compliance with all federal, state and local laws, statutes, ordinances, rules and regulations and all court or administrative orders or processes applicable to Seller or the Stations, except for any noncompliance by Seller that is not reasonably likely to have a Material Adverse Effect.

4.12 Taxes. Except as set forth on Schedule 4.12: Seller has, in respect of the Stations' business, filed all foreign, federal, state and local income, excise, employment and employee withholding, 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, segregated and set aside, all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable. To the best of Seller's knowledge, neither the IRS nor any other taxing authority is now asserting or is threatening to assert against Seller any deficiency or claim for additional taxes or interest thereon or penalties in connection with the Stations' business.

4.13 FCC Licenses.

(a) Consistent with FCC databases: (1) Schedule 4.13(a) identifies and includes a complete list of all Stations Licenses; (2) all Stations Licenses are in full force and effect; (3) Seller is the authorized holder thereof; and (4) the Stations Licenses listed on Schedule 4.13(a) constitute all of the licenses and authorizations issued by the FCC and the FAA and required under the Communications Act and the current rules, regulations and published policies of the FCC or any other Governmental Authority for the lawful conduct of the Stations as operated by Seller on the date hereof.

(b) Except as set forth on Schedule 4.13(b) and except for any FCC investigations, rulemakings or other proceedings affecting the broadcasting industry generally, to the Knowledge of Seller, as of the date of this Agreement, there is no pending or threatened investigation by or before the FCC, or any order to show cause, notice of violation, notice of apparent liability, notice of forfeiture or material complaint by, before or with the FCC with respect to Seller and the Stations.

(c) Each of the Stations is operating in all material respects in accordance with the specifications of its applicable Stations Licenses, and is in compliance in all material respects

with the Communications Act and the rules, regulations and published policies of the FCC and the FAA. All material filings, reports and statements that Seller is currently required to file with the FCC during the current applicable terms of the Stations Licenses have been filed and all such filings have been timely placed in the Station's public inspection file as required by the rules and regulations of the FCC.

(d) Except as set forth in Schedule 4.13 (d) each of the Stations is currently operating in compliance with Section 73.1560(c) of the FCC rules. All transmission towers and equipment included in the Assets have been operated and maintained by Seller in material compliance with the Communications Act of 1934, as amended, and with the rules and regulations of the FCC and the FAA and all such towers have been approved by the FAA, if required, and properly registered with the FCC as necessary. The operation of the Station does not cause or result in the exposure of workers or the general public to levels of radio frequency radiation in excess of the exposure limits set out in 47 C.F.R. §1.1310. The Stations are not causing or receiving electrical interference to any other stations or communications facilities in violation of the FCC rules and regulations and Seller has not received any complaints or allegations of such interference.

(e) Except as set further in Schedule 4.13(e), the DTV facility of each of the full power Stations has been, or prior to Closing will be, fully constructed and an application for license filed with the FCC. Each of the full power stations currently is, and until closing shall continue, operating its DTV facility either pursuant to a license or FCC special temporary authority. For any of the Stations with a currently pending application for DTV license, and to Seller's Knowledge there is no basis on which the applications should not be granted in the ordinary course.

 4.14 Insurance. Schedule 4.14 contains a true and complete list of all Seller's insurance policies related to the Stations and the Assets that are in effect as of the date of this Agreement. All policies of insurance of Seller listed on Schedule 4.14 are in full force and effect in all material respects as of the date of this Agreement. Seller maintains customary insurance policies covering its Assets and various occurrences that may be reasonably anticipated to arise in connection with the operation of the Stations.

 4.15 Employees.

(a) Seller has furnished to Buyer a true and complete list of all employees of the Stations in connection with Business (the "Employees") as of the date of this Agreement showing the names, titles and current annual base salary rate of each Employee. Except as set forth in Schedule 4.15(a) or as otherwise provided by applicable state or federal law, the employment of all Employees is terminable at will. Seller has delivered true and correct copies of all employee handbooks and written policies and procedures relating to employment by the Seller of the Employees, including, but not limited to, compensation, benefits, accrual of vacation and sick days, equal employment opportunity and safety.

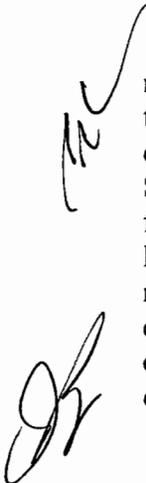
(b) Except as set forth in Schedule 4.15(b):

(i) Seller is not bound by any collective bargaining agreement covering any of the Employees, and, to the Knowledge of Seller, there exists no organizational effort presently being made or threatened by or on behalf of any labor union with respect to the Employees; and

(ii) Seller is not engaged in any material unfair labor practice or other material unlawful employment practice, and, to the Knowledge of Seller, there are no charges of any material unfair labor practice or other material unlawful employment practice pending against Seller before the National Labor Relations Board, the Equal Opportunity Commission, the Occupational Safety and Health Review Commission, the Department of Labor or any other Governmental Authority.

(iii) Seller has complied with in the past, and is now in compliance with, all labor and employment laws in all material respects including, without limitation, federal, state, local and other applicable laws, rules, regulations, ordinances, orders and decrees concerning collective bargaining, unfair labor practices, payments of employment taxes, occupational safety and health, worker's compensation, the payment of wages and overtime and equal employment opportunity. Seller is not liable for any arrears for wages, benefits, Taxes, damages or penalties for failing to comply with any law, rule, regulation, ordinance, order or decree relating in any way to labor or employment of the Station's Employees.

4.16 Employee Benefit Plans.

 (a) Except as set forth in Schedule 4.16, Seller neither maintains nor is a party to nor makes contributions to any of the following: (i) any "employee pension benefit plan," as such term is defined in Section 3(2) of ERISA; or (ii) any "employee welfare benefit plan," as such term is defined in Section 3(1) of ERISA. All employee benefit plans maintained by Seller or to which Seller is obligated to contribute ("Employee Benefit Plans") are in all material respects maintained, funded and administered in compliance with ERISA, the Code, and other applicable law. As to each Employee Benefit Plan for which an annual report is required to be filed under ERISA or the Code, no liabilities with respect to such plan existed on the date of the most recently filed annual report except as disclosed therein and, except as disclosed in Schedule 4.16, no material adverse change has occurred with respect to the financial data covered by the most recently filed annual report since the date thereof.

(b) Except as disclosed in Schedule 4.16, the execution of this Agreement and performance of the transactions contemplated hereby will not in and of itself constitute a triggering event under any Employee Benefit Plan that will result in any payment (whether of severance pay or otherwise) becoming due from Seller. Each Employee Benefit Plan that is an employee pension benefit plan (other than a plan that is unfunded and covers only employees who are among the select group of management or highly compensated employees of Seller), if any, has received a favorable determination letter stating that the plan is qualified under Section 401(a) of the Code, or it is in a prototype or volume submitter plan document whose language has been pre-approved by the IRS as is evidenced by a letter from the IRS, and no event has occurred that is reasonably likely to result in the loss of the qualification of such plan under Section 401(a) of the Code. Except as set forth in Schedule 4.16, Seller has never maintained a pension plan subject to Section 412 of the Code or Title IV of ERISA, and Seller has never maintained, contributed to or been required to contribute to any employee benefit plan that is a "multiemployer plan" (as defined in Section 3(37)(A) or (D) of ERISA) as amended by the Multiemployer Pension Plan Amendments Acts of 1980.

(c) No "prohibited transaction," within the meaning of Section 4975 of the Code or Sections 406 and 407 of ERISA, and not otherwise exempt under Section 408 of ERISA, has occurred with respect to any Employee Benefit Plan. There are no actions, suits or claims pending or, to the Knowledge of Seller, threatened (other than routine claims for benefits) against any

Employee Benefit Plan or against the assets of any Employee Benefit Plan. There are no audits, inquiries or proceedings pending or, to the Knowledge of Seller, threatened by the IRS, the U.S. Department of Labor, or any other Governmental Authority with respect to any Employee Benefit Plan. Seller is not subject to any penalty or tax with respect to any Employee Benefit Plan under Section 502(i) of ERISA or Sections 4975 through 4980 of the Code. Seller has timely made all contributions and other payments required by and due under the terms of each Employee Benefit Plan. Seller has complied in all material respects with the notice and benefit obligations regarding any Employee Benefit Plan mandated by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

4.17 Environmental Compliance. Except as set forth on Schedule 4.17:

(a) To the knowledge of Seller, Seller is in compliance in all material respects with all Environmental Laws, and, to the Knowledge of Seller, no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed, commenced or threatened against Seller that: (i) asserts or alleges that Seller violated in any material respect any Environmental Laws; (ii) asserts or alleges that Seller is required to clean up, remove or take remedial or other response action due to the disposal, depositing, discharge, leaking or other release of any Hazardous Materials at the Real Property; or (iii) asserts or alleges that Seller is required to pay all or a portion of the cost of any past, present or future cleanup, removal, remedial or other response action that arises out of, or is related to, the disposal, depositing, discharge, leaking or other release of any Hazardous Materials by Seller at any of the Real Property;

(b) Seller has not caused Hazardous Materials to be stored, deposited, treated, recycled, disposed of, or, to the Knowledge of Seller, released at any Real Property owned, leased, used, operated or occupied by Seller that would subject any owner or operator of such Real Property to liability for cleanup, removal or some other remedial action under any Environmental Laws;

(c) To the Knowledge of Seller, there are no tanks or other facilities on, under, or at the Real Property that contain any Hazardous Materials that, if known to be present in soils or ground water, would subject any owner or operator of such Real Property to liability for cleanup, removal or some other remedial action under any Environmental Laws; and

(d) Seller is not subject, as a result of its interest in the Real Property, to any judgment, order or citation related to or arising out of any Environmental Laws, and, to the Knowledge of Seller, none of Seller has been named or listed as a potentially responsible party in a matter related to or arising out of any Environmental Laws.

4.18 No Other Representations and Warranties. Except for the representations and warranties contained in this Agreement, in the Exhibits, Schedules and Annexes to this Agreement, and in the certificates required to be delivered pursuant to or in connection with this Agreement, none of Seller and any other Person acting for Seller makes any representation or warranty, express or implied, and Seller hereby disclaim any such representation or warranty, whether by Seller or their officers, directors, employees, agents, representatives or any other Person, with respect to the execution, delivery or performance by Seller of this Agreement or with respect to the transactions contemplated by this Agreement, notwithstanding the delivery or disclosure to Buyer or any of its officers, directors, employees, agents or representatives or any other Person of any documentation or other information by Seller or any of their officers, directors, employees, agents or representatives or any other Person with respect to any one or more of the foregoing.

ARTICLE 5: REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

5.1 Organization and Standing. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and is, or prior to Closing will be, duly qualified to do business and in good standing in each jurisdiction in which such qualification is necessary for Buyer to own its assets and conduct its business. Prior to Closing, Buyer will be qualified to do business in the Commonwealth of Puerto Rico. Buyer has full power to own, lease, and operate its properties and to carry on its business as such is now conducted.

5.2 Authorization; Enforceability. The execution, delivery and performance of this Agreement by Buyer and all of the agreements, documents and instruments required under this Agreement, and the consummation by Buyer of the transactions contemplated hereby and thereby, are within the power of Buyer and have been duly authorized by all necessary action by Buyer and its members, and no approval from or notice to any of the members of Buyer is required regarding the same that has not been obtained or given, as applicable. This Agreement is, and the other agreements, documents and instruments required by this Agreement will be, when executed and delivered by Buyer, the valid and binding obligations of Buyer, enforceable against it in accordance with their respective terms, subject only to bankruptcy, insolvency, reorganization, moratorium or similar laws at the time in effect affecting the enforceability or rights of creditors generally and by general equitable principles which may limit the right to obtain equitable remedies.

5.3 Absence of Conflicting Agreements; Consents. Neither the execution, delivery or performance of this Agreement by Buyer, nor the consummation of the transactions contemplated hereby by Buyer does or will, after the giving of notice, or the lapse of time or both, or otherwise:

(a) contravene, result in a breach of, or constitute a default under, any certificate of formation, operating agreement or other applicable organizational or governing instruments or documents of Buyer;

(b) subject to obtaining the FCC Consent, contravene or violate in any material respect any material applicable law, statute, ordinance, rule or regulation, or any court or administrative order or process, of any Governmental Authority to which Buyer is a party or by which Buyer or its assets are bound;

(c) contravene in any material respect, or constitute a material default under, any material contract or agreement to which Buyer is a party or by which Buyer or its assets are bound;

(d) require the Consent of or notice to any Governmental Authority other than the FCC Consent and any other Consents; or

(e) require the Consent of any Person under any agreement, arrangement or commitment of any nature which Buyer is a party to or bound by or which the assets or properties of Buyer are bound or subject.

5.4 Buyer Qualifications. Except that Buyer may need to seek and obtain a satellite waiver, Buyer is legally, technically, financially and otherwise qualified as, and is not taking action or contemplating taking action that might disqualify it from being, under present or pending law (including the Communications Act) and present and pending rules, regulations and published

policies or practices of the FCC, the holder of the Stations Licenses, as an owner or operator of the Business or of the Stations, or as the owner of any or all of the Assets. Except as otherwise provided herein, Buyer knows of no fact, reason or proceeding that would: (i) disqualify Buyer as the assignee of the Stations Licenses; (ii) cause the FCC to fail to approve in a timely fashion any Assignment Application; or (iii) cause the filing of any objection to any Assignment Application. Buyer further represents and warrants that it is financially qualified to meet all terms, conditions and undertakings contemplated by this Agreement, including the payment of the Purchase Price.

5.5 Absence of Litigation. There is no decree, judgment, order, litigation, arbitration proceeding or other legal or administrative proceeding pending or, to the Knowledge of Buyer, threatened against Buyer in any federal, state or local court, or before any other Governmental Authority that could reasonably be expected have a material adverse effect on the financial condition, the business, assets or properties of Buyer or on Buyer's ability to purchase the Assets under this Agreement or to perform its obligations under this Agreement or any agreement, document or instrument required hereunder. To the Knowledge of Buyer, there is no claim, demand or investigation pending or threatened against Buyer by or before any Governmental Authority that could reasonably be expected to have a material adverse effect on the financial condition, the business, assets or properties of Buyer or on Buyer's ability to purchase the Assets under this Agreement or to perform its obligations under this Agreement or any agreement, document or instrument required hereunder.

5.6 Financing. Buyer has, or will have at the Closing, all funds necessary to consummate the transactions contemplated by this Agreement, including payment of the Purchase Price and all necessary payments required of Buyer in connection with the transactions contemplated under this Agreement.

ARTICLE 6: PRE-CLOSING COVENANTS

6.1 Access Subject to the terms and provisions of Section 6.10, from the date of this Agreement until the earlier of the Closing Date or the termination of this Agreement pursuant to Section 12.1, Buyer and its authorized agents, officers and representatives shall have reasonable access upon reasonable advance notice, during normal business hours, to the offices, corporate-level management employees and Stations-level management employees, properties, books and records of the Stations that Buyer may reasonably request. Buyer's access under this Section 6.1 shall be exercised in a manner as to not unreasonably interfere with the Business.

6.2 Notice of Certain Events.

(a) From the date of this Agreement until the earlier of the Closing Date or the termination of this Agreement pursuant to Section 12.1, Seller shall give Buyer prompt written notice of the occurrence of any of the following:

(i) a loss, taking, condemnation, damage or destruction of or to any of the Assets involving in excess of Ten Thousand Dollars (\$10,000);

(ii) the commencement of any material proceeding or litigation at law or in equity or before the FCC or any other Governmental Authority that involves the Stations Licenses, other than proceedings or litigation of general applicability to the television broadcasting industry;

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- (iii) any material labor grievance, strike, or other material labor dispute;
 - (iv) any material violation by Seller of any federal, state or local law, statute, ordinance, rule or regulation Known to Seller;
 - (v) any notice of material breach, default, claimed default or termination of any material Assumed Contract; or
 - (vi) any change Known to Seller that would have a Material Adverse Effect on the Stations' current technical operations, and upon Seller's obtaining Knowledge that the Stations' normal broadcast transmissions are interrupted, interfered with or impaired in any material respect for more than eight (8) consecutive hours, and the best effort measures being taken to correct any such problems.



(b) Seller and Buyer shall promptly notify the other in writing upon becoming aware of any order or decree or any complaint praying for an order or decree restraining, enjoining or challenging the consummation of this Agreement or the transactions contemplated hereunder (including challenges to the Assignment Application), or upon receiving any notice from any Governmental Authority of its intention to institute an investigation into, or institute a suit or proceeding to restrain or enjoin the consummation of this Agreement or the transactions contemplated hereby. Seller and Buyer will each use commercially reasonable efforts to contest, defend and resolve any such suit, proceeding or injunction brought against it so as to permit the prompt consummation of the transactions contemplated hereby.

6.3 Operations Pending Closing.

(a) From the date of this Agreement until the earlier of the Closing Date or the termination of this Agreement pursuant to Section 12.1, Seller shall:

(i) operate the Business in all material respects in the ordinary course of business (except where such conduct would conflict with the covenants set forth herein or other obligations under this Agreement);

(ii) operate the Stations in compliance in all material respects with applicable law, including the Communications Act and the rules and regulations of the FCC and Stations Licenses;

(iii) maintain the Tangible Personal Property in the ordinary course of business consistent with past practice;

(iv) maintain policies of liability and casualty insurance of substantially similar coverage as the policies currently carried by Seller for the Business and the Assets; and

(v) maintain buildings and other improvements that are part of the Assets in the ordinary course of business.

(b) From the date of this Agreement until the earlier of the Closing Date or the termination of this Agreement pursuant to Section 12.1, Seller shall not, without the prior written consent of Buyer, which shall not be unreasonably withheld or delayed:

(i) sell, assign, lease, or otherwise dispose of any of the Assets, except for inventory or supplies or other assets consumed or disposed of in the ordinary course of business, assets no longer used or held for use in the Business, or assets transferred or disposed of in connection with the acquisition of replacement property of substantially equivalent, or better, kind and use;

(ii) except for Contracts that Seller is willing to designate Excluded Contracts, enter into, renew, or materially and adversely modify or amend any Assumed Contract, unless any such Contract: (A) requires the payment by or on behalf of the Stations of consideration consisting of no more than Fifteen Thousand Dollars (\$15,000) annually per contract and not exceeding a net aggregate value of Seventy-Five Thousand Dollars (\$75,000); (B) will be subject to termination on no more than ninety (90) days' notice; or (C) will be fully performed and satisfied on or prior to the Closing Date;

(iii) except as required by applicable law or existing Contract, increase the compensation (including wages, salaries and bonuses) that is paid or payable to any Employee in excess of four percent (4%) or enter into any new or modified employee contracts; provided, however, that Seller may pay bonuses to any of the Employees so long as such bonuses do not create binding obligations upon Buyer after the Closing Date;

(iv) except as required by applicable law or existing Contract, voluntarily agree to enter into any collective bargaining agreement applicable to any Employees or otherwise recognize any union as the bargaining representative of any such Employees;

(v) create, assume or permit to exist any Liens upon any of the Assets, except for Permitted Liens and Liens that will be discharged prior to or on the Closing Date; or

(vi) enter into trade agreements that would, in the aggregate, result in a net negative trade balance in excess of Fifteen Thousand Dollars (\$15,000).

Whenever, pursuant to this Section 6.3, Seller shall request the consent of Buyer, the request shall be sent to Buyer in accordance with Section 14.4. Unless Buyer gives or denies its written consent by the end of the tenth (10th) Business Day after the request for consent is deemed given to Buyer, Buyer's written consent will be presumed to have been given as of such deadline.

6.4 Leases and Consents. Seller shall use its best efforts to obtain, prior to Closing, signed Leases (in form satisfactory to Buyer and assignable to Buyer without the consent of any third Person) and the consent or approval of any third Person required under any Contract and the Leases to assign any such Contract and the Leases from Seller to Buyer, including providing adequate notice of the assignment where applicable. Buyer shall not be obligated to accept at Closing an assignment of any Contract or Real Property Lease or any liability under such Contract or the Leases for which a Consent is not obtained and, if such consent is obtained after the Closing, Buyer will not be required to assume any liability under such Contract or the Leases until such Consent is obtained and Buyer is placed in the position it would have been in if the Consent had been obtained before the Closing. Seller and Buyer shall each diligently make, and cooperate with the other in making, all commercially reasonable efforts to obtain or cause to be obtained prior to the Closing Date all Consents from third Persons that are parties to Assumed Contracts without any change in the terms or conditions of any Assumed Contract or Stations License that could reasonably be expected to be materially less advantageous to Buyer than those pertaining under the Assumed Contract or Stations License as in effect on the date of this Agreement.

With respect to the Consents described on Schedule 4.5 that are identified as “Specified Third Party Consents”, if such Consents are not obtained and delivered to Buyer at least two (2) Business Days prior to the Closing Date, then Buyer may, upon written notice delivered to Seller, extend the Closing Date for up to ten (10) Business Days in order for Buyer to assist Seller in obtaining such Specified Third Party Consents.

6.5 Estoppel Certificates; Lien Search Reports. Seller, at Seller’s expense, will obtain and deliver to Buyer (a) written estoppel certificates (the “Estoppel Certificates”) duly executed by the landlords for the Leases, in form and substance reasonably satisfactory to Buyer, and (b) Lien Search Reports to assure that no Liens (other than Liens that will be removed at or before Closing) are filed or recorded against the Assets. The Lien Search Reports shall be delivered no less than within 10 days before the Closing.

6.6 Updated Schedules. Seller shall promptly disclose in writing to Buyer, and Buyer shall promptly disclose in writing to Seller, any information contained in its or their respective representations and warranties or any of the Schedules hereto that, because of an event occurring after the date of this Agreement, is no longer correct in all material respects as of all times after the date of this Agreement and until the Closing Date. Any such disclosure shall be in the form of an updated Schedule, marked to reflect the new or amended information. Any such disclosure shall not adversely affect any rights of Buyer or Seller with respect to the existing representation and warranties set forth in Articles 4 and 5 as of the date of this Agreement, as the case may be, under Articles 8, 9 or 12 of this Agreement; provided, however, that in the event that Seller or Buyer makes any such disclosure prior to the Closing and the Closing occurs, such disclosure shall be deemed to amend and supplement the representations and warranties and any applicable Schedule hereto. However, such amendment or supplements shall not adversely affect the rights of the indemnified party for any matter contained in this Agreement as of the date of the Agreement. Nothing contained in this Section 6.6 above shall be construed as changing any party’s right to terminate this Agreement as provided in Section 12.1, or a party’s right to take certain actions permitted under Section 6.3.

6.7 Public Announcements. No party shall publish, issue or make any press release or make any other public announcement concerning this Agreement or the transactions contemplated by this Agreement without the prior written consent of the other party; provided, however, that (i) nothing contained in this Agreement shall prevent any party, after notification to the other party to the extent legally permissible, from making any filings with Governmental Authorities that, based on advice of legal counsel, may be required in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby and (ii) Seller shall be permitted to publish and broadcast public notices concerning the filing of the Assignment Application in accordance with the requirements of Section 73.3580 of the FCC’s Rules.

6.8 Efforts. Without limiting the specific obligations of any party hereto under any agreement or covenant hereunder, each party hereto shall use commercially reasonable efforts to take all action and do all things necessary in order to consummate the transactions contemplated by this Agreement, including satisfaction, but not waiver, of the closing conditions set forth in Article 8 and Article 9.

6.9 Exclusivity. From the date of this Agreement until the earlier of the Closing Date or the termination of this Agreement pursuant to Section 12.1, Seller shall not solicit nor entertain the submission of any proposal or offer from any other Person relating to the acquisition of the Stations or Assets nor participate in any discussions or negotiations with any other Person relating thereto.

6.10 Environmental.

(a) With respect to any owned or ground leased Real Property site for which Seller has not delivered to Buyer a 2006 Phase I environmental assessment, Buyer may at its option and expense conduct such an assessment (each a "Phase I") prior to Closing, provided that such assessments are conducted during normal business hours upon reasonable prior notice (and subject to landlord consent if necessary), but completion of such assessments (or the results thereof) is not a condition to Closing.

(b) If any phase I or any item set forth on Schedule 4.7(a) or any environmental report provided by Seller to Buyer identifies a condition requiring remediation under applicable environmental law, then:

(i) Except as set forth below, Seller shall use commercially reasonable efforts to remediate such condition in all material respects in the ordinary course of business prior to Closing; and

(ii) If such remediation is not completed prior to Closing, then Buyer in its sole discretion may elect to proceed to Closing (with Seller's representations and warranties deemed modified to take into account any such condition) and Seller shall remediate such item in all material respects after Closing (and Buyer will provide Seller access and any other reasonable assistance requested by Seller with respect to such obligation).

(c) Notwithstanding anything herein to the contrary, Seller shall not be obligated to expend in excess of an aggregate of \$250,000 to remedy all such conditions found to exist at any time before Closing. In the event that the reasonably estimated cost to remedy all such conditions exceeds \$250,000 and Seller will not pay the amount in excess of \$250,000, then Buyer, in its sole discretion, shall have the right to terminate this Agreement without breach, and shall exercise such right if at all upon written notice to Seller, and Buyer shall receive a return of the Deposit.

ARTICLE 7: SPECIAL COVENANTS AND AGREEMENTS

7.1 Employee Matters.

(a) Although Buyer is not hereby under any obligation to hire any employees of Seller in connection with the transactions contemplated by this Agreement, Buyer may, in its sole discretion, on the Closing Date or thereafter, offer employment to certain employees of Seller employed in operation of the Stations. Each Employee to whom an offer of employment is made by Buyer and who accepts Buyer's offer of employment shall hereinafter be referred to as a "Transferred Employee." Each Transferred Employee shall commence a new employment relationship with Buyer on terms offered by Seller and accepted by such Transferred Employee. Notwithstanding anything to the contrary contained herein, unless otherwise provided under the terms of a written employment agreement, each Transferred Employee shall be employed by Buyer on an at will basis. Further, notwithstanding anything to the contrary contained herein, Seller and Buyer do not intend this agreement to create any rights for person other than the parties hereto.

(b) With respect to Transferred Employees, except as set forth in Section 7.1(c), Seller shall be responsible for all compensation and benefits arising prior to the Effective Time and Buyer shall be responsible for all compensation and benefits arising after the Effective Time.

(c) Seller shall be responsible for providing notices and continuation options for any health plans of Seller that may be required by the Consolidated Omnibus Budget Reconciliation

Act of 1985 (COBRA) for Transferred Employees, for employees of Seller whose employment with Seller is terminated in connection with the purchase of the Assets, and for other employees of Seller (and such employees dependents) entitled to COBRA continuation benefits.

7.2 Further Assurances. From time to time after the Closing Date, upon the reasonable request of any party hereto, the other party or parties hereto shall execute and deliver or cause to be executed and delivered such further instruments of conveyance, assignment, transfer, acceptance and assumption, and take such further action as the requesting party may reasonably request in order to fully effectuate the purposes, terms and conditions of this Agreement and the other agreements specified in this Agreement.



7.3 Confidentiality. No party will use or disclose to any other Person (except as may be necessary for the consummation of the transactions contemplated hereby, or as required by applicable law, and then, to the extent legally permissible, only with prior notice to the other party hereto) this Agreement or any information received from any other party hereto or its agents in the course of investigating, negotiating and performing the transactions contemplated by this Agreement; provided, however, that each party may disclose such information to such party's officers, directors, members, managers, employees, lenders, advisors, attorneys and accountants who need to know such information in connection with the consummation of the transactions contemplated by this Agreement and who are informed by such party of the confidential nature of such information and agree to be bound by the confidentiality covenants set forth in this Section 7.3. Each party shall be responsible to the other party for any breach by its officers, directors, stockholders, managers, members, employees, lenders, advisors, attorneys or accountants of such confidentiality covenants. Nothing shall be deemed to be confidential information that: (i) is already in such party's possession, prior to receipt from the other party or parties hereto or its or their agents, provided that such information is not known by such party to be subject to another confidentiality agreement with or other obligation of secrecy to the other party hereto or another party; (ii) becomes generally available to the public other than as a result of a disclosure by such party or such party's officers, directors, stockholders, managers, members, employees, lenders, advisors, attorneys or accountants in breach of this Section 7.3; (iii) becomes available to such party on a nonconfidential basis from a source other than another party hereto or its advisors, provided that such source is not known by such party to be bound by a confidentiality agreement with or other obligation of secrecy to the other party hereto or another party; or (iv) is developed independently by either party without resort to the confidential information of the other party. If this Agreement is terminated, then each party will destroy all information, including all documents, work papers and other written confidential material obtained by such party from the other party in connection with the transactions contemplated by this Agreement. The covenant contained in this Section 7.3 shall survive for a period of two (2) years from the earlier of the Closing Date or the date in which this Agreement is terminated pursuant to Section 12.1.

7.4 Access to Books and Records. Seller shall provide Buyer reasonable access and the right to copy, at Buyer's expense, for a period of three (3) years from the Closing Date any books and records relating to the Assets but not included in the Assets. Buyer shall provide Seller reasonable access and the right to copy, at Seller's expense, for a period of three (3) years after the Closing Date any books and records relating to the Assets that are included in the Assets.

ARTICLE 8: CONDITIONS PRECEDENT OF BUYER

The obligation of Buyer to consummate the transactions to be performed by it at the Closing is subject to the satisfaction of each of the following conditions prior to or at the Closing Date:

8.1 Representations, Warranties and Covenants.

(a) All representations and warranties of Seller made in this Agreement shall be true and correct on and as of the Closing Date as if made on and as of that date and as though the Closing Date were substituted for the date of this Agreement, except to the extent that any such representations and warranties were made as of a specified date, and as to such representations and warranties the same shall continue on the Closing Date to have been true and correct as of the specified date.

(b) Seller shall have performed and complied in all respects with all covenants and agreements required by this Agreement to be performed or complied with by them prior to or on the Closing Date, except where such non-compliance does not, either individually or in the aggregate, have a Material Adverse Effect.

8.2 FCC Consent: Digital Facilities. The FCC Consent shall have been granted without any conditions materially adverse to the parties and other than conditions generally applicable to other similarly situated television licensees and, unless waived by Buyer, shall have become a Final Order.

8.3 Digital Facility Status. Seller shall have completed the construction and implementation of the construction permits for the digital facilities of Stations WVEO-DT and WVOZ-DT and filed applications for license to cover with the FCC before the expiration of the respective construction permit.

8.4 Leases and Required Consents. Seller shall have obtained written and signed Leases for the leased Real Property for the Stations (in form satisfactory to Buyer and assignable to the Buyer without the consent of any third Person) and all of the Consents listed on Schedule 8.4 attached hereto (collectively, the "Required Consents") shall have been obtained; provided, however, that if the Required Consents are not delivered to Buyer at least two (2) Business Days prior to the Closing Date, then Buyer may extend the Closing Date until the earlier of (i) the time that Buyer shall be reasonably satisfied that the Required Consents comply with the terms of this Section 8.4 or (ii) the third (3rd) Business Day following delivery of the Required Consents.

8.5 Absence of Proceedings. No injunction, restraining order or decree of any nature of any Governmental Authority of competent jurisdiction shall be in effect enjoining or preventing consummation of the transactions contemplated by this Agreement, and no action or proceeding by or before any Governmental Authority (other than an action or proceeding instituted or threatened by or on behalf of Buyer) shall have been instituted or threatened (and not subsequently dismissed, settled or otherwise terminated) that is reasonably likely to (i) restrain, prohibit or invalidate the transactions contemplated by this Agreement or (ii) have a Material Adverse Effect.

8.6 Deliveries at Closing. Seller shall have made or shall stand willing to make all deliveries required under Section 10.2.

If any of the conditions set forth in this Article 8 have not been satisfied prior to or at the Closing Date, then Buyer may waive any such condition (to the extent not prohibited by applicable law) and nevertheless elect to proceed with the consummation of the transactions contemplated hereby. Buyer may not rely on the failure of any condition set forth in this Article 8 if such failure was caused by Buyer's failure to comply with any term or provision of this Agreement.

ARTICLE 9: CONDITIONS PRECEDENT OF SELLER

The obligation of Seller to consummate the transactions to be performed by them at the Closing is subject to the satisfaction of each of the following conditions prior to or at the Closing Date:

9.1 Representations, Warranties and Covenants.



(a) All representations and warranties of Buyer made in this Agreement shall be true and correct on and as of the Closing Date as if made on and as of that date and as though the Closing Date were substituted for the date of this Agreement, except (i) to the extent that any such representations and warranties were made as of a specified date, and as to such representations and warranties the same shall continue on the Closing Date to have been true and correct as of the specified date, and (ii) where the breach of any such representations or warranties does not, either individually or in the aggregate, have a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby.



(b) Buyer shall have performed and complied in all respects with all covenants and agreements required by this Agreement to be performed or complied with by it prior to or on the Closing Date, except where such non-compliance does not, either individually or in the aggregate, have a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby.

9.2 FCC Consent. The FCC Consent shall have been granted without any conditions materially adverse to the parties and other than conditions generally applicable to other similarly situated television licensees.

9.3 Absence of Proceedings. No injunction, restraining order or decree of any nature of any Governmental Authority of competent jurisdiction shall be in effect enjoining or preventing consummation of the transactions contemplated by this Agreement, and no action or proceeding by or before any Governmental Authority (other than an action or proceeding instituted or threatened by or on behalf of Seller) shall have been instituted or threatened (and not subsequently dismissed, settled or otherwise terminated) that is reasonably likely to (i) restrain, prohibit or invalidate the transactions contemplated by this Agreement or (ii) have a Material Adverse Effect.

9.4 Deliveries at Closing. Buyer shall have made or stand willing to make all deliveries required under Section 10.3.

If any of the conditions set forth in this Article 9 have not been satisfied prior to or at the Closing, then Seller may waive any of such conditions (to the extent not prohibited by applicable law) and nevertheless elect to proceed with the consummation of the transactions contemplated hereby. Seller may not rely on the failure of any condition set forth in this Article 9 if such failure was caused by Seller's failure to comply with any term or provision of this Agreement.

ARTICLE 10: CLOSING AND CLOSING DELIVERIES

10.1 Closing. The Closing shall occur on (i) the fifth (5th) Business Day following the date on which the FCC Consent shall have become a Final Order, unless otherwise agreed to in writing by the parties, or (ii) if later, the first (1st) Business Day following the satisfaction or waiver of the conditions precedent set forth in Article 8 and Article 9, but in any event no later than the Termination Date, and shall be held at 9:00 a.m. local time at the offices of Fletcher Heald & Hildreth, PLC, 1300 N. 17th Street, Suite 1100, Arlington, VA, or at such other time and place as Seller and Buyer may mutually agree. Notwithstanding the actual time the deliveries of the parties hereto are made on the Closing Date, the parties hereto agree that the Closing shall be effective and deemed for all purposes to have occurred as of 12:01 a.m., local Puerto Rico time, on the Closing Date.

10.2 Deliveries by Seller. At the Closing, Seller shall deliver, or cause to be delivered, to Buyer the following:

(a) Duly executed assignments and other instruments of conveyance and transfer, in form and substance reasonably satisfactory to counsel to Buyer, effecting the sale, transfer, assignment and conveyance of the Assets to Buyer, including the following:

(i) Assignment and Assumption of Contracts;

(ii) Assignment and Assumption of Leases;

(iii) Assignment and Acceptance of the Stations Licenses;

(iv) Assignment and Assumption of Intangibles;

(v) Bill of Sale; and

(vi) General warranty deeds in recordable form conveying fee simple title to all owned Real Property subject to Permitted Liens (except those required by this Agreement to be satisfied at or prior to the Closing) and without expanding the indemnity limitations set forth in this Agreement;

(b) Opinion of Seller's FCC counsels;

(c) A certificate, dated as of the Closing Date, executed by an executive officer of Seller, certifying to the fulfillment of the conditions set forth in Section 8.1;

(d) A certificate, dated as of the Closing Date, executed by the secretary of Buyer, certifying that the resolutions, as attached to such certificate, were duly adopted by the board and shareholders of Seller, authorizing and approving the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and that such resolutions remain in full force and effect;

(e) A certificate of incumbency for the officers of Seller duly authorized to execute and deliver this Agreement and the agreements, instruments, certificates and documents contemplated hereby;

(f) Copies of all Consents and Required Consents;

(g) Any mortgage discharges, releases of deeds of trust, or releases of Liens that are necessary in order for the Assets to be free and clear of all Liens, other than the Permitted Liens which are not required to be satisfied at or prior to the closing, including (if appropriate) payoff letters in form and substance reasonably satisfactory to Buyer's counsel and UCC-3s for any Liens to be paid from the proceeds at Closing;

(h) A good standing certificate for Seller issued by the Commonwealth of Puerto Rico, dated not more than thirty (30) days before the Closing Date;

(i) Title insurance commitments for each parcel of owned Real Property on Schedule 4.7(a) showing no special exceptions other than the Permitted Encumbrances (and any Liens to be satisfied as part of the Closing) and any documentation required by the title company or reasonably requested by Buyer's counsel in connection with the issuance of title policies relating to the owned Real Property;

(j) The Advertising Agreement regarding the spot air time on Seller's Radio Stations;

(k) The Records;

(l) A complete and detailed itemization of the Accounts Receivable as of the Effective Time in 30, 60, 90 and over 120-day aged receivables format;

(m) Joint instructions to Escrow Agent for delivery of the Escrow Amount;

(n) Standard, customary documentation (including certain affidavits of Seller) that may be reasonably requested of Seller by Buyer's counsel in connection with Buyer obtaining title insurance policies relating to the owned Real Property;

(o) Such other documents as may reasonably be requested by Buyer or its counsel in order to effect the closing of transactions contemplated by this Agreement.

10.3 Deliveries by Buyer. At the Closing, Buyer shall deliver to Seller the following:

(a) An amount equal to difference of: (i) the Base Purchase Price as adjusted pursuant to Section 2.5; minus (ii) the Escrow Deposit;

(b) Appropriate assumption and acceptance agreements, in form and substance reasonably satisfactory to Seller's counsel, pursuant to which Buyer shall assume and undertake to perform the Assumed Liabilities, including the following:

(i) Assignment and Assumption of Contracts;

(ii) Assignment and Assumption of Leases;

(iii) Assignment and Acceptance of the Stations Licenses;

(iv) Assignment and Assumption of Intangibles; and

(v) Bill of Sale;

(c) A certificate, dated as of the Closing Date, executed by an executive officer of Buyer, certifying to the fulfillment of the conditions set forth in Section 9.1;

(d) A certificate, dated as of the Closing Date, executed by an officer or manager of Buyer, certifying that (i) the certificate of formation and limited liability company operating agreement of Buyer attached thereto are true, correct and complete and in full force and effect and (ii) the resolutions, as attached to such certificate, were duly adopted by the Members and managers, as applicable, of Buyer, authorizing and approving the execution of this Agreement and the consummation of the transactions contemplated hereby and that such resolutions remain in full force and effect;

(e) Certificates of incumbency for the officers of Buyer duly authorized to execute and deliver this Agreement and the agreements, instruments, certificates and documents contemplated hereby;

(f) A copy of Buyer's certificate or articles of incorporation, organization or formation issued by the Secretary of State of the State of Florida, dated not more than thirty (30) days before the Closing Date and certificates issued by the appropriate Governmental Authorities as to the qualification of Buyer to do business as a foreign corporation, limited liability company or other applicable Entity in each jurisdiction where such qualification is necessary for Buyer to own the Assets and operate the businesses of the Stations;

(g) A good standing certificate for Buyer issued by the State of Delaware, dated not more than thirty (30) days before the Closing Date and certificates issued by the appropriate Governmental Authorities as to the qualification of Buyer to do business as a foreign limited liability company or other applicable Entity in each jurisdiction where such qualification is necessary for Buyer to own the Assets and operate the Stations and the Business;

(h) The Advertising Agreement regarding the spot air time on Seller's Radio Stations;

(i) Joint instructions to Escrow Agent for delivery of the Escrow Amount; and

(j) Such other documents as may reasonably be requested by Seller or its counsel in order to effect the closing of transactions contemplated by this Agreement.

ARTICLE 11: SURVIVAL; INDEMNIFICATION

11.1 Survival. All of the representations and warranties of the parties hereto contained in the Agreement, and any claims related to the performance of any covenant or agreement of the parties contained in this Agreement prior to or at the Closing ("Pre-Closing Covenants"), shall survive the Closing and continue in full force and effect for a period of two (2) year after the Closing Date (the "Survival Period"), after which such representations, warranties and claims for Pre-Closing Covenants will terminate and be of no further force or effect, except for indemnity claims in respect thereof timely made pursuant to Section 11.2 or 11.3 within the Survival Period. The covenants and agreements of the parties set forth in this Agreement to be performed after the Closing shall survive the Closing until fully performed and discharged. Any claims as to a breach or default of a representation, warranty, or a Pre-Closing Covenant under Section 11.2 or Section 11.3 must be asserted in writing with reasonable particularity by the party making such claim within the Survival Period. Notwithstanding the foregoing, the representations of Sellers made in Sections 4.2, 4.4(b),

4.7(a)(i), and 4.12 shall survive for the period of the applicable statute of limitations, and any claims arising therefrom shall continue to be subject to this Article IX

11.2 Indemnification by Seller. After the Closing occurs and subject to the survival provisions set forth in Section 11.1, the other limitations set forth in this Article 11 and the other terms and provisions of this Agreement, Seller agrees to defend, indemnify and hold harmless Buyer from, against, and related to all Losses resulting from:

(i) Any breach or non-performance by Seller of, or misrepresentation with respect to, representations, warranties, covenants or agreements made by Seller in this Agreement or any failure by Seller to perform any covenant or agreement set forth herein or in any certificate, document or instrument prepared, executed and delivered by Seller to Buyer under this Agreement;

(ii) the operations or Business of Seller or the Stations prior to the Closing Date, to the extent such claim relates to any period before the Closing Date, regardless of whether disclosed in any schedule or document and regardless of whether constituting a breach by Seller of any representation, warranty, covenant or agreement, and any other liability or obligation of Seller other than the post-Closing obligations assumed by Buyer pursuant to the Assumed Contracts;

(iii) any hazardous or toxic substance in, or under the Real Property that existed on or prior to the Closing Date;

(iv) any legal, administrative or tax proceedings pursuant to which Sellers are or could be made liable for any taxes, penalties, interest or other charges and the liability of which is extended to Buyer in connection with the transactions contemplated by this Agreement; and

(v) Any failure by Seller to carry out, perform or otherwise fulfill any of the Retained Liabilities.

11.3 Indemnification by Buyer. After the Closing occurs and subject to the survival provisions set forth in Section 11.1, the other limitations set forth in this Article 11 and the other terms and provisions of this Agreement, Buyer agrees to defend, indemnify and hold harmless Seller from, against, and related to all Losses resulting from:

(i) Any breach or non-performance by Buyer of, or misrepresentation with respect to, representations, warranties, covenants or agreements made by Buyer in this Agreement or any failure by Buyer to perform any covenant or agreement set forth herein or in any certificate, document or instrument prepared, executed and delivered by Buyer to Seller under this Agreement;

(ii) the operations or Business of Seller or the Stations prior to the Closing Date, to the extent such claim relates to any period before the Closing Date and any other liability or obligation of Buyer other than the post-Closing obligations retained by Seller pursuant to the Retained Contracts; and

(iii) Any failure by Buyer to carry out, perform or otherwise fulfill any of the Assumed Liabilities.

11.4 Indemnification Limitations. Notwithstanding anything to the contrary in this Agreement, Seller's and Buyer's obligations to indemnify the other pursuant to Section 11.2 and 11.3 respectively shall be subject to all of the following limitations:

(i) Neither party shall be required to indemnify or hold the other party harmless under Section 11.2 or 11.3 respectively until the aggregate amount of Losses for which the Indemnifying Party is liable under Section 11.2 or 11.3, as applicable, exceeds the Indemnification Basket. Thereafter, the Claimant shall be entitled to indemnification under this Article 11 for the full amount of any Losses without any deduction for the Indemnification Basket; and

(ii) Indemnifying Party's obligation to indemnify and hold the Claimant harmless under this Agreement shall be limited to an aggregate amount equal to Two Million Fifty Thousand Dollars (\$2,050,000).

11.5 Indemnification Procedures. The procedures for indemnification under this Agreement shall be as follows:

(a) The party claiming indemnification (the "Claimant") shall promptly give notice to the party from which indemnification is claimed (the "Indemnifying Party") of any claim, specifying in reasonable detail the factual basis for the claim, the amount thereof, estimated in good faith, all with reasonable particularity and containing a reference to the provisions of this Agreement related to which such indemnification claim shall have occurred. If the claim relates to an action, suit or proceeding filed by another Person against Claimant, then such notice shall be given by Claimant within ten (10) Business Days after written notice of such action, suit or proceeding was given to Claimant and shall include true and complete copies of all suit, service and claim documents, all other relevant documents in the possession of the Claimant, and an explanation of the Claimant's contentions and defenses with as much specificity and particularity as the circumstances permit; provided, however, that the failure or delay of the Claimant to provide such notice shall not release the Indemnifying Party from any of its obligations under this Article 11 unless (and then solely to the extent that) the Indemnifying Party is materially prejudiced thereby.

(b) With respect to claims solely between the parties, following receipt of notice from the Claimant of a claim, the Indemnifying Party shall have forty-five (45) days to make such investigation of the claim as the Indemnifying Party reasonably deems necessary or desirable, and the Claimant agrees to make available to the Indemnifying Party and its authorized representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnifying Party agree at or prior to the expiration of such forty-five (45)-day period to the validity and amount of such claim, then the Indemnifying Party shall promptly pay to the Claimant the full amount of the claim, subject to the terms and limitations hereof. If the Claimant and the Indemnifying Party do not agree within such forty-five (45)-day period, then the Claimant may seek appropriate remedy at law or equity, as applicable, subject to the terms and limitations hereof.

(c) With respect to any claim by any other Person against the Claimant (a "Third Party Claim"), the Indemnifying Party shall have the right at its own expense, to participate in or assume control of the defense of such claim, and the Claimant shall cooperate fully with the Indemnifying Party. If the Indemnifying Party elects to assume control of the defense of any Third Party Claim, then (i) the Claimant shall have the right to participate in the defense of such claim at its own expense and shall not settle or compromise the Third Party Claim and (ii) the Indemnifying Party shall have the power and authority to settle or consent to the entry of judgment related to the

Third Party Claim without the consent of the Claimant if the judgment or settlement results only in the payment by the Indemnifying Party of the full amount of money damages and includes a release of the Claimant from any and all liability thereunder, and, in all other events, the Indemnifying Party shall not consent to the entry of judgment or enter into any settlement related to a Third Party Claim without the prior written consent of the Claimant, which consent shall not be unreasonably withheld or delayed. If the Indemnifying Party does not elect to assume control or otherwise participate in the defense of any Third Party Claim, then the Claimant may defend through counsel of its own choosing and in such manner as it reasonably deems appropriate but the Claimant may only settle such Third Party Claim with the consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed. The Claimant shall make available to the Indemnifying Party or its representatives all records and other materials in the Claimant's possession reasonably required by them for their use in contesting or defending any Third Party Claim.

(d) Subject to the limitations set forth herein and without expanding the total liability of Buyer or Seller hereunder, the indemnification rights provided in Section 11.2 and Section 11.3 shall extend to the Related Parties of any Claimant although for the purpose of the procedures set forth in this Section 11.5, any indemnification claims by such Related Parties shall be made by and through the Claimant.

11.6 Additional Indemnification Limitations; Exclusive Remedy.

(a) No Claimant shall be entitled to recover from an Indemnifying Party for any Losses as to which indemnification is provided under this Agreement any amount in excess of the actual compensatory damages, court costs and reasonable attorney fees suffered by such party; and Buyer and Seller, as the case may be, waive any right to recover punitive, special, indirect, exemplary and consequential damages arising in connection with or with respect to Losses under the indemnification provisions of this Agreement.

(b) Anything to the contrary in this Agreement notwithstanding, after the Closing, the sole and exclusive remedy for Buyer and Seller for any claim or Loss (whether such claim or Loss in respect thereof is framed in tort, contract or otherwise) arising out of a breach or default of any representation, warranty, covenant or other agreement under or pursuant to this Agreement or otherwise arising out of or in connection with the transactions contemplated by this Agreement or the operations of the Stations or the Business shall be a claim for indemnification pursuant to this Article 11.

11.7 Adjustment to Indemnification Payments. Any payment made by an Indemnifying Party to Claimant pursuant to Section 11.2 or Section 11.3 shall be reduced by an amount equal to Seller insurance payments with respect to such claim actually received by the Claimant. Seller shall be obligated to prosecute diligently and in good faith any claim for Losses with any applicable insurer. In any case where a Claimant or any of its Affiliates recovers from Seller insurer any payments related to a matter with respect to which an Indemnifying Party has indemnified and paid to it pursuant to Section 11.2 or Section 11.3, such Claimant shall promptly pay over to the Indemnifying Party the amount so recovered (after deducting therefrom the full amount of the expenses reasonably incurred by it in procuring such recovery), but not in excess of the sum of (i) any amount previously so paid by the Indemnifying Party to or on behalf of the Claimant related to such matter and (ii) any reasonable amount expended by the Indemnifying Party and its Affiliates in pursuing or defending any claim arising out of such matter.

ARTICLE 12: TERMINATION

12.1 Termination. This Agreement may be terminated at any time prior to the Closing as follows:

(a) by mutual written consent of Seller and Buyer;

(b) by Buyer, (i) if Seller is in material breach or default of its representations, warranties, covenants or obligations under this Agreement without giving any effect to any amendments or supplements pursuant to Section 6.7 unless agreed to in writing by Buyer, and either (A) such breach or default on the part of Seller shall not have been cured or waived within thirty (30) days after written notice thereof from Buyer to Seller; or (B) Seller shall not have provided reasonable assurance to Buyer that such breach or default on the part of Seller shall be cured on or before the Closing Date; but only if such breach or default on the part of Seller, singly or together with all other such breaches or defaults on the part of Seller, constitutes a failure of a condition set forth in Article 8 as of the date of such termination; provided that Seller shall have no right to any such cure period with respect to any breach or default of Seller's obligations to execute and deliver the agreements, certificates, instruments and documents set forth in Section 10.2, or (ii) if, at any time before the end of the Due Diligence Period, Buyer determines, in its sole discretion, that the Assets or the Stations are not of the type or operating condition acceptable to Buyer;



(c) by Seller, if Buyer is in material breach or default of its representations, warranties, covenants or obligations under this Agreement without giving any effect to any modifications pursuant to Section 6.7, unless agreed to in writing by Seller, including Buyer's obligation to consummate the Closing in accordance with Section 10.1, and either (i) such breach or default on the part of Buyer shall not have been cured or waived within thirty (30) days after notice thereof from Seller to Buyer; or (ii) Buyer shall not have provided reasonable assurance to Seller that such breach or default on the part of Buyer shall be cured on or before the Closing Date; but only if such breach or default on the part of Buyer, singly or together with all other such breaches or defaults on the part of Buyer, constitutes a failure of a condition set forth in Article 9 as of the date of such termination, provided that Buyer shall have no right to any such cure period with respect to any breach or default of Buyer's obligations to pay the Purchase Price in full and execute and deliver the agreements, certificates, instruments and documents set forth in Section 10.3;

(d) by either Buyer or Seller, if the Closing hereunder has not taken place by the Termination Date; provided, however, that if on the Termination Date, the Closing has not occurred solely because any required notice period for Closing under this Agreement has not lapsed, then such date shall be extended until the lapse of such period; or

Notwithstanding the foregoing, except for Buyer's election to terminate within the Due Diligence Period, no party may effect a termination of this Agreement if such party is in material breach or default of its representations, warranties, covenants or obligations under this Agreement.

12.2 Procedure and Effect of Termination.

(a) If this Agreement is terminated by either or both of Buyer or Seller pursuant to Section 12.1, prompt written notice thereof shall forthwith be given to the other party and this Agreement shall terminate and the transactions contemplated hereby shall be abandoned without further action by any of the parties hereto, but subject to and without limiting any of the rights of the

parties set forth in this Agreement if a party is in default or breach of its representations, warranties, covenants or obligations under this Agreement. If this Agreement is terminated as provided herein:

(i) None of the parties hereto nor any of their respective partners, directors, officers, managers, members, shareholders, owners, employers, agents, representatives or Affiliates (each, a "Related Party") shall have any liability or further obligation to the other party or any of their respective Related Parties pursuant to this Agreement with respect to which termination has occurred, except for the obligations of Seller and Buyer (but not including Seller's or Buyer's Related Parties) as stated in Sections **Error! Reference source not found.** (Seller's Broker), **Error! Reference source not found.** (Buyer's Broker), 7.3 (Confidentiality), 13.1 (Governmental Filing Fees), 13.2 (Expenses) and this Article 12; and

(ii) All filings, applications and other submissions relating to the transactions contemplated hereby as to which termination has occurred shall, to the extent practicable, be withdrawn from the Governmental Authority or other Person to which made.

(b) (i) If this Agreement is terminated: (A) by Seller, pursuant to Section 12.1(c); or (B) by Seller pursuant to Section 12.1(d), provided that, with respect to this clause (B), Buyer is in material breach or default of its representations, warranties, covenants or obligations under this Agreement, then Seller's sole and exclusive remedy shall be to claim and be paid the Escrow Deposit as liquidated damages with all interest and earnings on the Escrow Deposit paid to Buyer;

(ii) If this Agreement is terminated: (A) by Buyer, pursuant to Section 12.1(b); or (B) by Buyer pursuant to Section 12.1(d), provided that, with respect to this clause (B), only if Seller is in material breach or default of its representations, warranties, covenants or obligations under this Agreement, then the Escrow Amount shall be returned to Buyer without limitation of any other remedies available to Buyer;

(iii) If this Agreement is terminated: (A) pursuant to Section 12.1(a); (B) by either party pursuant to Section 12.1(d), provided that, with respect to this clause (B), only if neither Buyer nor Seller is in material default or breach of their respective representations, warranties, covenants or obligations under this Agreement, then the Escrow Amount shall be returned to Buyer, and neither Buyer nor Seller shall have any recourse against the other, including any right to pursue any legal or equitable remedy for breach of contract or otherwise (except for the terms and provisions of this Agreement that survive such termination);

(iv) Notwithstanding any termination of this Agreement pursuant to Section 12.1, the obligations of the parties described in Section **Error! Reference source not found.** (Seller's Broker), **Error! Reference source not found.** (Buyer's Broker), 7.3 (Confidentiality), 13.1 (Governmental Filing Fees), and 13.2 (Expenses) and this Article 12 will survive any such termination; and

(v) Each party agrees to take such action as is necessary or desirable to effectuate the payment of the Escrow Amount as set forth in this Section 12.2, including promptly providing to the Escrow Agent written instructions related to the payment thereof in the manner set forth in the Escrow Agreement.

12.3 Attorneys' Fees. In the event of a breach or default by either party that results in a claim for indemnification under this Agreement, lawsuit or other proceeding for any remedy available under this Agreement, the prevailing party shall be entitled to reimbursement from the other party of its reasonable legal fees and expenses (whether incurred in investigation, settlement, arbitration, at trial or on appeal).

12.4 Specific Performance. The parties recognize and agree that Buyer has relied on this Agreement and expended considerable effort and resources related to the transactions contemplated hereunder, that the right and benefits conferred upon Buyer herein are unique, and that damages may not be adequate to compensate Buyer in the event the other party improperly refuses to consummate the transactions contemplated hereunder. The parties therefore agree that Buyer shall be entitled, at their option and in lieu of terminating this Agreement pursuant to Section 12.1, to have this Agreement specifically enforced by a court of competent jurisdiction; provided, however, that Buyer may not specifically enforce this Agreement if Buyer or Seller has previously terminated this Agreement. No party shall assert as an objection to the imposition of specific performance by any court the defense that other party has an adequate remedy at law.

ARTICLE 13: TRANSFER TAXES; FEES AND EXPENSES

13.1 Governmental Filing Fees. All FCC filing fees incurred pursuant to Section 3.1 shall be borne and paid equally by Buyer and Seller.

13.2 Expenses. Each party hereto shall bear all of its expenses incurred in connection with the transactions contemplated by this Agreement including, without limitation, accounting and legal fees incurred in connection herewith; provided, however, Seller and Buyer shall each bear one-half of the sales or transfer taxes arising from the transfer of the Assets to Buyer.

ARTICLE 14: MISCELLANEOUS

14.1 Entire Agreement; Amendment. This Agreement, the Annexes, the Schedules and Exhibits hereto, and all documents and certificates executed and delivered herunder in connection with the Closing under Article 10, collectively constitute the entire agreement between the parties pertaining to the subject matter hereof, and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof. No amendment, supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby.

14.2 Waivers; Consents. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement or condition set forth in this Agreement may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver. Any of the conditions to Closing set forth in this Agreement may be waived at any time prior to or at the Closing hereunder by the party entitled to the benefit thereof. The failure of any party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of such party thereafter to enforce each and every such provision. No waiver of any breach of or non-compliance with this Agreement shall be held to be a waiver of any other or subsequent breach or non-compliance. Whenever this Agreement requires or permits consent by or on behalf of any party

hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 14.2.

14.3 Benefit; Assignment. This Agreement shall be binding upon and inure to the benefit of Buyer and Seller and their respective successors and permitted assigns. Seller may not assign any of its rights or delegate any of its duties hereunder without the prior written consent of Buyer. Upon prior written notice to Seller, Buyer may freely assign some or all of its rights and obligations hereunder to any Affiliate, and may collaterally assign said rights to its Agent and/or related lenders, as long as Buyer remains fully obligated hereunder. Any assignment in violation of this Agreement shall be null and void *ab initio*.

14.4 Notices. All communications, notices, demands and requests required or permitted to be given under the provisions of this Agreement shall be (i) in writing, (ii) sent by confirmed facsimile (with receipt personally confirmed by telephone), delivered by personal delivery or sent by nationally recognized commercial overnight delivery service or certified mail, return receipt requested, (iii) deemed to have been given on the date sent by facsimile if sent on a Business Day before 5:00 p.m. local time of the recipient, and if not then on the next Business Day immediately following, with receipt confirmed, the date of personal delivery or the date set forth in the records of the delivery service or on the return receipt, and (iv) addressed as follows, unless and until either of such parties notifies the other in accordance with this Section 14.4 of a change of address or change of facsimile number:

(a) If to Seller:

International Broadcasting Corporation
1554 Calle Bori
Caribe Dev, San Juan, Puerto Rico 00927-6113
Attention: Pedro Roman Collazo
Telephone No.: 787-274-1800
Facsimile No.: 787-281-9751

(b) If to Buyer:

CaribeVision Station Group, LLC
1401 Brickell Avenue, Suite 500
Miami, FL 33131
Attention: Marcell Felipe, Esq.
Telephone No.: (305) 381-8500
Facsimile No.: (305) 381-6225

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

Fletcher Heald & Hildreth, PLC.
1300 N 17th Street, Suite 1100
Arlington, VA 22209
Attention: Francisco Montero, Esq./Kathleen Victory, Esq.
Telephone No.: (703) 812-0400
Facsimile No.: (703) 812-0486



14.5 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument. This Agreement may be executed and delivered in counterpart signature pages executed and delivered via e-mail or facsimile transmission, and any such counterpart executed and delivered via e-mail or facsimile transmission shall be deemed an original for all intents and purposes.

14.6 Headings. The Article, Section and other headings set forth in this Agreement, the Annexes, Schedules or Exhibits hereto are inserted or used for convenience of reference only and shall not control or affect the meaning or construction of the provisions of this Agreement.

14.7 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by applicable law so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the greatest extent possible.

14.8 No Reliance. Except as expressly set forth in this Agreement, no Person other than the parties hereto is entitled to rely on any of the representations, warranties, covenants, agreements, rights or remedies of Buyer or Seller under or by virtue of this Agreement. Buyer and Seller assume no liability to any such Person because of any reliance on the representations, warranties, agreements, rights or remedies of Buyer or Seller under or by virtue of this Agreement.

14.9 Governing Law. This Agreement shall be governed, construed and enforced in accordance with the laws of the Commonwealth of Puerto Rico applicable to contracts made and performed in that Commonwealth without giving effect to any choice or conflict of law principle, provision or rule (whether the Commonwealth of Puerto Rico or any other jurisdiction), including all matters of construction, interpretation, validity and performance.

14.10 No Strict Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any Person by virtue of the authorship of any of the provisions of this Agreement.

14.11 Saturdays, Sundays and Legal Holidays. If the time period by which any acts or payments required hereunder must be performed or paid expires on a Saturday, Sunday or legal holiday, then such time period shall be automatically extended to the close of business on the next regularly scheduled Business Day.

14.12 Incorporation of Annexes, Exhibits and Schedules.

(a) The Schedules, Exhibits, Annexes and other agreements specifically referred to in and delivered pursuant to, this Agreement are an integral part of it. Any disclosure that is made in any of the Schedules delivered pursuant to this Agreement shall be deemed responsive to any other applicable disclosure obligation hereunder.

(b) The following are the Annexes, Exhibits and Schedules annexed hereto and incorporated by reference and deemed to be part of this Agreement:

(i) Annexes:

Annex A	--	Definitions
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(ii) Exhibits:

Exhibit A	--	Escrow Agreement

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(iii) Schedules:

Schedule 2.2(e)	--	Excluded Contracts
Schedule 2.7	--	Asset/Stations Allocation Schedule
Schedule 4.3	--	Conflicting Agreements
Schedule 4.4(a)	--	Tangible Personal Property
Schedule 4.4(b)	--	Existing Liens on Assets
Schedule 4.5	--	Assumed Contracts
Schedule 4.6	--	Intangibles
Schedule 4.7(a)	--	Owned Real Property
Schedule 4.7(b)	--	Leases
Schedule 4.8(a)	--	Audited Financial Statements
Schedule 4.8(a)	--	Interim Financial Statements
Schedule 4.9	--	Changes Since Most Recent Fiscal Month End
Schedule 4.10	--	Litigation
Schedule 4.12	--	Taxes
Schedule 4.13(a)	--	Stations Licenses
Schedule 4.13(b)	--	Stations License Exceptions
Schedule 4.13(d)	--	Stations' Operations Exceptions
Schedule 4.13(e)	--	Stations' DTV Exceptions
Schedule 4.14	--	Insurance
Schedule 4.15(a)	--	Employment Agreements
Schedule 4.15(b)	--	Labor Matters
Schedule 4.16	--	Employee Benefit Plans
Schedule 4.17	--	Environmental Matters
Schedule 8.4	--	Required Consents

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[SIGNATURE PAGE]

IN WITNESS WHEREOF, the parties have executed this Asset Purchase Agreement as of the day and year first above written.

BUYER:

CARIBEVISION STATION GROUP, LLC

By: 
Name: Carlos Barba, CEO

SELLER:

INTERNATIONAL BROADCASTING CORPORATION

By: _____
Name: Pedro Roman Collazo
Title: PRESIDENT

COLLAZO:

Agreed to as top the sale of the Real Property for the WVEO tower site



Pedro Roman Collazo, Individually

ANNEX A

Defined Terms

Capitalized terms used in the Agreement to which this Annex A is attached shall have (unless the context shall otherwise require) the following respective meanings, and all references to Sections, Exhibits, Schedules or Annexes in the following definitions shall refer to Sections, Exhibits, Schedules or Annexes of or to the Agreement:

“Accounts Receivable” shall mean all accounts receivable, billed and unbilled, with respect to the Business as of the Effective Time, including all rights to receive payments under any notes, bonds and other evidences of indebtedness and all other rights to receive payments with respect to the Business, including the sale of any advertising broadcast by the Stations or the provision of production services, prior to the Effective Time.

“Advertising Agreement” shall mean the fully agreement executed and delivered at closing establishing the obligations related to the Promotion Funds as set forth in Section 2.4.

“Affiliate” shall mean, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person.

“Agreement” shall mean this Asset Purchase Agreement, together with the Schedules, the Exhibits and Annexes attached hereto, as the same shall be amended and/or supplemented from time to time in accordance with the terms hereof.

“Annual Financial Statements” shall have the meaning set forth in Section 4.8(a).

“Asset Allocation Schedule” shall have the meaning set forth in Section 2.7.

“Assets” shall have the meaning set forth in Section 2.1.

“Assignment Application” shall mean the application to be filed by Buyer and Seller with the FCC requesting its consent to the assignment of the Stations Licenses from Seller to Buyer.

“Assumed Contracts” shall mean: (i) all Contracts listed on Schedule 4.5, Schedule 4.7(b) and Schedule 4.15(a), including the all Contracts of the type described in Sections 4.5, 4.7(b) and 4.15(a) that Buyer has agreed herein to assume; and (ii) Contracts entered into by Seller between the date of this Agreement and the Closing Date that Buyer agrees in writing to assume; and (iv) other Contracts entered into by Seller between the date of this Agreement and the Closing Date in compliance with Section 6.3; provided, however, that Assumed Contracts shall not include Excluded Contracts.

“Assumed Liabilities” shall have the meaning set forth in Section 2.6.

“Base Purchase Price” shall have the meaning set forth in Section 2.4.

“Business” shall mean the businesses and operations of the Stations conducted by Seller, including the broadcasting of television programming, the sale of commercial advertisements on the Stations and all activities incidental thereto.

“Business Days” shall mean any day excluding Saturdays, Sundays and any day that is a legal holiday under the laws of the United States or is a day on which the Escrow Agent or banking institutions located in New York City, New York, are authorized or required by law or other governmental action to close.

“Buyer” shall have the meaning set forth in the introductory paragraph.

“Cash Equivalents” shall mean all cash, cash equivalents and cash items of any kind whatsoever, money market instruments, marketable securities, other securities, commercial paper, short-term investments or deposits in banks or other financial institution accounts of any kind, and rights in and to all such accounts.

“Claimant” shall have the meaning set forth in Section 11.5(a).

“Closing” shall have the meaning set forth in Section 10.1.

“Closing Date” shall mean the date on which the Closing occurs, as determined pursuant to Section 10.1.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Communications Act” shall mean the Communications Act of 1934, as amended and in effect from time to time.

“Consents” shall mean the consents, permits or approvals of Government Authorities and/or other Persons necessary to transfer the Assets to Buyer or otherwise to consummate the transactions contemplated by this Agreement.

“Contracts” shall mean all contracts, leases, non-governmental licenses and other agreements (including leases for personal or real property and employment agreements), written or oral (including any amendments, supplements, restatements, extensions and other modifications thereto) of Seller or to which Seller is a party or that are binding upon Seller and that relate to or affect the Assets, the Stations or the Business, and (i) that are in effect on the date of this Agreement or (ii) that are entered into by Seller between the date of this Agreement and the Closing Date, but excluding any Contracts that terminate or expire between the date of this Agreement and the Closing Date.

“Control” (including, with correlative meanings, the terms “controlled by,” “controlling” and “under common control with”), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

“Deferred Consent” shall have the meaning set forth in Section 2.8.

“Due Diligence Period” shall mean the period of ninety (90) days from and after the execution of this Agreement by the Buyer and Seller.

“Effective Time” shall mean 12:01 a.m., local Stations time, on the Closing Date.

“Employee Benefit Plans” shall have the meaning set forth in Section 4.16.

“Employees” shall have the meaning set forth in Section 4.15(a).

“Entity” shall mean any Person other than an individual.

“Environmental Laws” shall mean any and all federal, state and local laws, rules and regulations, including statutes, regulations, ordinances, codes and rules, as amended, relating to the discharge or removal of air pollutants, water pollutants or process waste water or hazardous or toxic substances including, the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Occupational Safety and Health Act of 1970, each as amended, regulations of the Environmental Protection Agency, regulations of the Nuclear Regulatory Agency, regulations of the Occupational Safety and Health Administration and regulations of any state department of natural resources or state environmental protection agency, now in effect.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

“Escrow Agent” shall mean Marcell Felipe, PA.

“Escrow Agreement” shall mean the Escrow Agreement, dated as of the date hereof, by and among Seller, Buyer and Escrow Agent, in the form attached hereto as Exhibit A. The Escrow Agreement shall require the Escrow agent to maintain the escrow funds in an interest bearing account.

“Escrow Amount” shall mean the sum of the Escrow Deposit and all interest or earnings accrued thereon.

“Escrow Deposit” shall mean Two Million Four Hundred Ninety Thousand Dollars (\$2,490,000) that is being deposited by Buyer with the Escrow Agent in immediately available funds on the date hereof to secure the obligations of Buyer to close under this Agreement, with such deposit being held by the Escrow Agent in accordance with the Escrow Agreement.

“Excluded Assets” shall have the meaning set forth in Section 2.2.

“Excluded Contracts” shall have the meaning set forth in Section 2.2(e).

“Exhibits” shall mean those exhibits referenced in this Agreement, which exhibits are hereby incorporated and made a part hereof.

“FAA” shall mean the Federal Aviation Administration.

“FCC” shall mean the Federal Communications Commission.

“FCC Consent” shall mean the actions by the FCC granting the Assignment Application.

“Final Order” shall mean action by the FCC (including any action taken by FCC staff pursuant to delegated authority): (i) that has not been vacated, reversed, enjoined, stayed, set aside, annulled or suspended (whether under Section 402 or 405 of the Communications Act or otherwise); (ii) with respect to which no timely appeal, request for stay or petition for rehearing, reconsideration or review by any party or by the FCC on its own motion is pending; and (iii) as to which the time for filing any such appeal, request, petition, or similar document or for the reconsideration or review by any party or by the FCC on its own motion under the Communications Act and the rules and regulations of the FCC has expired or otherwise terminated.

“GAAP” shall mean United States generally accepted accounting principles, as in effect as of the date hereof.

“Governmental Authority” shall mean any government, any governmental entity, department, commission, board, agency or instrumentality and any court, tribunal or judicial or arbitral body, whether federal, state or local.

“Hazardous Material” shall mean any substance or waste containing any hazardous substance, pollutant or contaminant, as those terms are currently defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601 et seq., and any other substance similarly currently defined or identified in any applicable Environmental Laws, including toxic materials or harmful physical agents, as defined in the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. 651 et seq.

“Indemnification Basket” shall mean One Hundred Thousand Dollars (\$100,000).

“Indemnifying Party” shall have the meaning set forth in Section 11.5(a).

“Intangibles” shall mean all copyrights, trademarks, trade names, service marks, service names, licenses, computer programs and computer license interests to the extent owned by and transferable by Seller, the Stations’ call signs, patents, permits, jingles, proprietary information, trade secrets, technical information and data and other similar intangible property rights and interests (and any goodwill associated with any of the foregoing) applied for, issued to or owned by Seller or under which Seller is licensed or franchised and that are used or held for use in the Business, together with any additions thereto between the date of this Agreement and the Closing Date, provided that Intangibles shall not include the Licenses or the Stations Licenses.

“Interim Financial Statements” shall have the meaning set forth in Section 4.8(a).

“IRS” shall mean the Internal Revenue Service.

“Knowledge of Seller” (or any variations thereof, including “Known to Seller” and the like) shall mean the actual knowledge, without independent investigation or inquiry, of Pedro Roman Collazo.

“Knowledge of Buyer” shall mean the actual knowledge of J. Manuel Calvo, Jeffrey Benninghoff or Michael White.

“Leases” shall have the meaning set forth in Section 4.7(b).

“Licenses” shall mean all licenses, permits, construction permits and other authorizations issued by Governmental Authorities to Seller, currently in effect and used in connection with the Stations and the Business, together with any additions (including renewals or modifications of such licenses, permits and authorizations and applications therefor) thereto between the date of this Agreement and the Closing Date.

“Lien” shall mean any mortgage, deed of trust, pledge, hypothecation, security interest, encumbrance, claim, lien, or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, affecting any assets or property, including any written or oral agreement to give or grant any of the foregoing, any conditional sale or other title retention agreement, and the filing of or agreement to give any financing statement with respect to any assets or property under the Uniform Commercial Code or comparable law of any jurisdiction.

“Lien Search Reports” shall mean reports of UCC, judgment, and state and federal tax lien search in the name of Seller and the call letters of each of the Stations of the records of the Commonwealth of Puerto Rico and any local county or municipality in which any of the Assets or the Real Property are located.

“Losses” shall mean all losses, liabilities, damages, and out-of-pocket costs and expenses, including reasonable attorneys’ fees and expenses.

 “Material Adverse Effect” shall mean a material adverse effect on: (i) the financial condition, business, assets or results of operations of Seller or the Stations, in each case taken as whole, exclusive of (A) general changes to the national economy or the economies of the Stations’ DMA, (B) conditions affecting the national television broadcast industry generally or the television broadcast industry in the Stations’ Designated Market Area generally, (C) acts of terrorism or war (whether or not declared), (D) the effects of the transactions contemplated by this Agreement, including the effects of the announcement of such transactions and the effects of taking or not taking any action expressly required or contemplated by this Agreement, (E) the performance of any party of its obligations under this Agreement, the compliance by Seller with any covenant hereunder, or the performance by Seller of any action to which Buyer has consented, (F) the taking of any action by or on behalf of Buyer or its Affiliates, representatives or agents, or (G) the effects of new or changed legislation, rules or regulations; or (ii) the ability of Seller, taken as a whole, to perform its material obligations under this Agreement.

“Permitted Liens” shall mean: Any statutory lien which secures a payment not yet due that arises, and is customarily discharged, in the ordinary course of the Stations’ Business; any easement, right-of-way or similar imperfection in the Stations’ title to their assets or properties that, as reasonably perceived by Buyer individually and in the aggregate, are not material in character or amount, that do not render the title to the Asset or Real Property unmarketable, and do not and are not reasonably expected to materially impair or detract from the value or materially interfere with the use of any Asset or Real Property material to the operation of the Stations or the Business as it has been and is now conducted; liens in favor of Seller’s lenders which shall be removed at or prior to the Closing and any other claims which will be removed at or prior to the Closing, in each case solely at Seller’s expense, provided,

however, that (A) any unrecorded easements, rights-of-way, covenants, restrictions and other similar encumbrances of which Seller has Knowledge and (B) any encroachments by existing improvements creating a violation of the same of which Seller has Knowledge and, in either event, have failed to disclose to Buyer shall not be deemed a Permitted Lien hereunder.

“Person” shall mean any natural person, general or limited partnership, corporation, firm, limited liability company or partnership, association or other legal entity.

“Pre-Closing Covenants” shall have the meaning set forth in Section 11.1.

“Promotion Funds” shall have the meaning set forth in Section 2.4.

“Purchase Price” shall have the meaning set forth in Section 2.4.

“Real Property” shall mean: (i) fee estates in real property and buildings and other improvements thereon, owned or held by Seller that are used or held for use in the Business; and (ii) leases, subleases and licenses of real property used or held for use in the Business under which Seller is lessor, lessee, subtenant or licensee, together with any additions thereto between the date of this Agreement and the Closing Date.

“Records” shall mean all books of account and other records in Seller’s possession, including schematics, technical information, engineering data, programming information, original executed copies, if available, or true and correct copies of all Assumed Contracts, employment records (to the extent permitted by applicable law), customer files, lists, plats, architectural plans, drawings, and specifications, purchase and sales records, advertising records, creative materials, advertising and promotional material, and FCC logs, files and records of Seller relating primarily to the Business.

“Related Party” shall have the meaning set forth in Section 12.2(a)(i).

“Required Consents” shall have the meaning set forth in Section 8.4.

“Retained Liabilities” shall have the meaning set forth in Section 2.6.

“Schedules” shall mean the schedules referred to in this Agreement (as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms of this Agreement), which schedules are hereby incorporated herein and made a part hereof.

“Seller” shall have the meaning set forth in the introductory paragraph hereof.

“Stations” shall have the meaning set forth in the recitals.

“Stations Licenses” shall mean all licenses, permits, and other authorizations (including all broadcast auxiliary licenses, construction permits and all grants of Special Temporary Authority (“STA”) issued by the FCC to Seller related to the Stations as well as all pending applications related thereto.

“Survival Period” shall have the meaning set forth in Section 11.1.

“Tangible Personal Property” shall mean all machinery, equipment, tools, vehicles, trailers, trucks, furniture, office equipment, plant, inventory, spare parts and other tangible personal property owned by Seller that is used or held for use in the Business, together with any additions thereto between the date of this Agreement and the Closing Date.

“Tax” shall mean any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

“Termination Date” shall mean the first anniversary of the date on which the FCC issues public notice of the filing of the Assignment Application.

“Third Party Claim” shall have the meaning set forth in Section 11.5(c).

“Transferred Employee” shall have the meaning set forth in Section 7.1(a).

