

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT (this "Agreement") dated as of May 10, 2005, by and between Nave Broadcasting, LLC, a Texas Limited Liability Company ("Buyer"), and WKOB Communications, Inc. ("Seller").

R E C I T A L S:

WHEREAS, Seller holds that certain license issued by the Federal Communications Commission (the "Commission"), File No. BLTTL-20020802AAP, for the operation of Low Power Television Station WKOB-LP, channel 53 (Facility ID# 51441) licensed to New York City, New York (the "Station");

WHEREAS, Seller desires to assign such license to Buyer, and Buyer desires to acquire such license, upon the terms and subject to the conditions herein set forth; and

WHEREAS, the assignment of such license for the Station is subject to the prior approval of the Commission;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, Seller and Buyer agree as follows:

ARTICLE 1 TERMS OF THE TRANSACTION

1.1 Assets to be Transferred. At the Closing, and on the terms and subject to the conditions set forth in this Agreement, Seller shall sell, assign, transfer, deliver and convey (collectively, "transfer"), or cause to be transferred, to Buyer, and Buyer shall purchase from Seller, all of the following assets and properties of Seller existing on the Closing Date:

(1) Commission Authorization, Tangibles, and Intangibles. The license for the Station as well as any pending applications or construction permits ("Commission Authorization") as well as the Station call letters and other intangible rights of the Station, if any.

(2) Personal Property. Any and all personal property of Seller devoted primarily to the operation of the Station, without any warranty as to the quantity or condition of such property, which shall be conveyed in all respects "as is, where is."

All the assets and properties being transferred to Buyer pursuant to this Agreement are collectively referred to herein as the "Assets".

1.2 Purchase Price and Payment

(1) In consideration of the transfer by Seller to Buyer of the Assets, Buyer shall pay to Seller the aggregate purchase price of one million two-hundred fifty thousand dollars \$1,250,00.00 (the "Purchase Price"). The Purchase Price shall be paid to Seller as follows:

- (1) Within three business days after the execution and delivery of this Agreement, Buyer shall deliver to Seller, a check in the amount of \$100,000 (the "Deposit");
- (2) Buyer shall pay to Seller at the Closing the aggregate amount of \$1,150,000 ("Balance of the Purchase Price"), by cashier's check or wire transfer to a bank account with wiring information specified by Seller at least two business days prior to the Closing.

(2) In addition, if the FCC license for the Station is sold, or control thereof is transferred, so as to require FCC consent other than on a *pro forma* application (currently FCC Form 316), and a contract for such transaction is executed within five (5) years after the Closing Date, then at the Closing on such future transaction, Seller shall receive twenty-five percent (25%) of the purchase price (including both cash and the fair market value at closing of non-cash or deferred cash consideration) in excess of the Purchase Price hereunder. The obligation to pay Seller shall be borne jointly and severally by both Buyer and any other party who may be the licensee of the Station at the time.

ARTICLE 2 CLOSING

2.1 Closing; Closing Date. The closing of the transactions contemplated hereby (the "Closing") shall take place (i) at the offices of Buyer, 710 Buffalo St., Suite 204, Corpus Christi, Texas, 78401 on the tenth business day after Commission initial consent to assignment of the License from Seller to Buyer, or (ii) at such other time or place or on such other date as the parties hereto shall agree. The date on which the Closing is required to take place is herein referred to as the "Closing Date". Closing shall take place by overnight delivery and facsimile, without the personal presence of the parties, if possible. If personal presence is required, Closing shall be held at the offices of Seller's or Buyer's counsel in Washington, D.C. (at Buyer's choice).

The Closing Date shall be no later than October 1, 2005. If the Commission has not granted consent to assignment by October 1, 2005, this contract may be terminated pursuant to Article 8.

At the Closing, subject to the satisfaction or waiver of the conditions to its obligations set forth in this Agreement, each of the parties hereto shall make the following deliveries or such deliveries in substitution therefor as are satisfactory to the indicated recipient:

2.2 Deliveries by Seller.

(1) Seller shall deliver to Buyer a General Conveyance and Bill of Sale substantially in the form of Exhibit A (the "Bill of Sale").

(2) Seller shall deliver possession of the Assets to Buyer.

2.3 Deliveries by Buyer.

(1) Buyer shall deliver to Seller the Balance of the Purchase Price.

(2) Buyer shall deliver to Seller the Bill of Sale.

(3) Buyer shall deliver to Seller a certified resolution of its Members approving Buyer's consummating the transactions contemplated by this Agreement.

ARTICLE 3. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that:

3.1 Authority Relative to this Agreement. Seller has full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby.

3.2 Title to Assets. Seller is the owner of, and has good and indefeasible title to, all the Assets. Upon Seller's transfer of the Assets to Buyer pursuant to this Agreement, Buyer will have good and indefeasible title to all the Assets, free and clear of all encumbrances.

3.3 Legal Proceedings. There are no legal or regulatory proceedings pending or, to the best knowledge of Seller, threatened against or involving Seller relating to the Assets other than the WKOB Communications v. Ortiz Broadcasting, et al in the Southern District of New York, Cause No. 1:02-cv-03664 and In Re: Ortiz Broadcasting in the Bankruptcy Court for the Southern District of Texas, Cause No. : 02-21146. This Agreement and all rights and obligations hereunder are subject to and contingent upon the cancellation of the right of the Trustee in Bankruptcy for Ortiz Broadcasting Corp to reclaim, redeem or in any way compel the assignment of the license of the Seller to low power channel 53 as provided for in the judgment entered in the Southern District of New York upon payment of the judgment.

3.4 The Station is presently silent and has been dark since January 5, 2005, which is less than one year from the date of this Agreement and will be less than one year from the date at Closing. Seller was granted authority by the Commission for the Station to remain dark until May 6, 2005, File No. BRSTA-20050203AEH; has applied for an extension of such authority, File No. BERSTA-20050425ADU; and will diligently request and pursue any necessary further extensions of authority to remain dark while the assignment application is pending.

3.5 The Commission license for the Station is currently valid and has not been revoked, dismissed, or otherwise terminated by the Commission. At the time of Closing, the Station license will be valid and will not have been revoked, dismissed, or otherwise terminated by the Commission. Notwithstanding the foregoing, the Station is licensed as a secondary spectrum user and is not authorized to transmit on Channel 53 if such transmission causes interference to Station WFUT-DT, Channel 53. Seller is not currently able to operate the Station without causing such interference. Seller explicitly disclaims any warranty as to the Station's ability to transmit on Channel 53 or any other channel without causing interference to a station that has primary spectrum rights.

ARTICLE 4. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that:

4.1 Authority Relative to this Agreement. Buyer has full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby.

4.2 Qualifications. Buyer knows of no reason related to its legal, technical, financial, or qualifications that would disqualify it from acquiring the Commission Authorization from Seller or that would require a waiver of any Commission rule or policy for Buyer to hold the license for and to operate the Station.

4.3 Buyer's principals are experienced and sophisticated operators of other low power television stations and are aware of and understand the implications of the fact that the Station is a secondary spectrum user and may not operate if it causes interference to primary spectrum users, including WFUT-DT, as set forth in Section 3.5.

ARTICLE 5 ADDITIONAL AGREEMENTS

5.1 Third Party Consents. Without suggesting that any are required, Seller shall use its best efforts to obtain all consents, approvals, orders, authorizations, and waivers of, and to effect all declarations, filings, and registrations with, all third parties (including governmental agencies) that are necessary, required, or reasonably deemed by Buyer to be desirable to enable Seller to transfer the Assets to Buyer as contemplated by this Agreement and to otherwise consummate the transactions contemplated hereby.

5.2 Commission Consent.

(1) Commission Consent. Consummation of the purchase and sale provided for herein and the performance of the obligations of Seller and Buyer under this Agreement are subject to the condition that the Commission shall have given its consent in writing, without any condition other than in the ordinary course that is materially adverse to a party wishing to terminate this Agreement without Closing, to the assignment of the Commission Authorization to Buyer.

(2) Application for Commission Consent. Seller and Buyer agree to proceed expeditiously and with due diligence and to cooperate with each other in seeking the Commission's approval of the transactions contemplated hereunder through the preparation, filing and prosecution of an appropriate application to assign the Commission Authorization from Seller to Buyer (the "Assignment Application"). However, neither party shall be required to participate in a trial-type hearing before the FCC, and Seller shall not be required to participate in any court appeal of an FCC denial of the Assignment Application unless Buyer pays all of Seller's reasonable costs of doing so, without regard to Section 5.3 hereof. The parties have each completed preparation of their respective portion of the Assignment Application, and such application is ready for electronic filing.

5.3 Fees and Expenses. Except as otherwise expressly provided in this Agreement, all fees and expenses, including fees and expenses of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such fee or expense, whether or not the Closing shall have occurred. Buyer shall pay the filing fee required by the Commission when applying for consent to assign the license for the Station and for the required publication of newspaper notice pursuant to Section 73.3580 of the FCC's Rules.

ARTICLE 6 CONDITIONS TO OBLIGATIONS OF SELLER

The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment on or prior to the Closing Date of each of the following conditions:

6.1 Representations and Warranties True. All the representations and warranties of Buyer contained in this Agreement shall be true and correct.

6.2 Payment of Purchase Price. Buyer shall have paid the Balance of the Purchase Price.

6.3 Closing Documents. Buyer shall have executed and delivered to Seller the Bill of Sale.

6.4 The consent of the FCC shall have been given with no condition materially adverse to Seller, no petition for reconsideration or application for review of the FCC grant shall be pending, no court shall have ordered that the Closing not be held, and no judicial proceeding shall be pending seeking to prohibit consummation of the transaction.

6.5 The right of the Trustee in Bankruptcy shall have been cancelled as contemplated in Section 3.3 hereof.

ARTICLE 7 CONDITIONS TO OBLIGATIONS OF BUYER

The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment on or prior to the Closing Date of each of the following conditions:

7.1 Representations and Warranties True. All the representations and warranties of Seller contained in this Agreement shall be true and correct on and as of the Closing Date.

7.2 Closing Documents. Seller shall have executed and delivered to Buyer the Bill of Sale and other closing documents.

7.3 Station License Validity. The license for the Station shall be valid and in full force and effect on the Closing Date and shall not have been revoked, dismissed, canceled or otherwise terminated by the Commission; but it shall not be a condition that the Station be authorized to transmit on Channel 53 without protecting WFUT-DT from interference or that it be possible to transmit on Channel 53 without causing such interference.

7.4 The consent of the FCC shall have been given with no condition materially adverse to Buyer, no petition for reconsideration or application for review of the FCC grant shall be pending, no court shall have ordered that Closing not be held, and no judicial proceeding shall be pending seeking to prohibit consummation of the transaction.

7.5 The right of the Trustee in Bankruptcy shall have been cancelled as contemplated in Section 3.3 hereof.

ARTICLE 8. TERMINATION

8.1 Termination. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing in the following manner:

- (1) by mutual written consent of Seller and Buyer; or
- (2) at the election of either party if the Commission has denied consent to assign license for Station to Buyer, unless such denial occurs as a result of a breach of this Agreement by the party seeking to terminate this Agreement; or
- (3) at the election of either party if the Commission has not granted continuing authority for the Station to remain dark until at least October 31, 2005; or
- (4) at the election of either party as a result of the Commission's designation of the Assignment Application for hearing or the Commission's designation of the Commission Authorization for revocation ; or
- (5) at the election of either party if the Commission has failed to grant consent to assignment of the Station from Seller to Buyer by October 1, 2005.
- (6) by either party if the other party becomes the subject of a voluntary or involuntary bankruptcy action that is not discharged by the earlier of sixty (60) days after initiation or the Closing Date.
- (7) by either party, upon ten (10) days notice to the other party, if the other party is in material breach of its obligations hereunder, the party wishing to terminate has given a separate

notice of the breach, and such breach has not been cured in all material respects within twenty (20) days after the giving of notice of the breach.

8.2 Amendment. This Agreement may not be amended except by an instrument in writing signed by or on behalf of all the parties hereto.

8.3 Return of Deposit. In the event that the Commission refuses to consent to the Assignment of the Station from Seller to Buyer, the Commission refuses to grant the continuing authority to remain dark called for in 8.1(3), the Commission has failed to grant consent to assignment by October 1, 2005, or the Commission commences proceedings to terminate or revoke the Commission Authorizations for the Station, Seller shall return to Buyer the Deposit, provided that Buyer is not then in material default of its obligations under this Agreement. Under all other circumstances, the Deposit shall remain the property of Seller.

ARTICLE 9 MISCELLANEOUS

9.1 Notices. All notices, requests, demands, and other communications required or permitted to be given or made hereunder by any party hereto shall be in writing and shall be deemed to have been duly given or made if (i) delivered personally, (ii) transmitted by first class registered or certified mail, postage prepaid, return receipt requested, (iii) sent by prepaid overnight courier service, (iv) sent by telecopy or facsimile transmission, answer back requested, or (v) sent by electronic mail, with confirmation of receipt, to the parties at the following addresses (or at such other addresses as shall be specified by the parties by like notice):

If to Buyer:

Nave Broadcasting, LLC
518 Peoples Street
Corpus Christi, TX 78401-2320
Fax: (361-883-3160)
Email: Minick@swbell.net

If to Seller:

WKOB Communications, Inc.
C/O Weltz & Posner
32 Woodland Drive
East Windsor, NJ 08520
Fax: (609) 448-7985
Email: herbertposner@mindspring.com

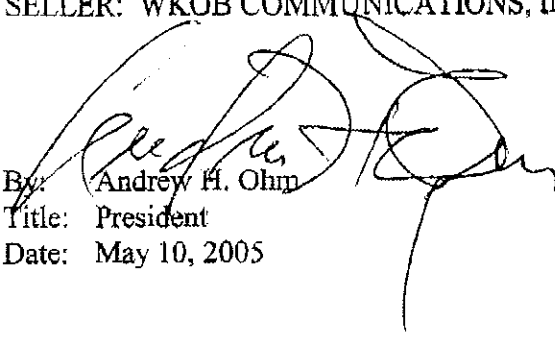
9.2 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

9.3 Modification Applications During Assignment Application Process. The station is presently dark, and Buyer will need to work diligently to rebuild the Station in a time frame that does not jeopardize the Station's license. As approval of the Assignment Application process will take at least ten weeks, Seller agrees to assist Buyer by filing any requested modifications, consents, applications, amendments, dismissals, cancellations, or clarifications reasonably requested by Buyer, other than anything that would limit, impair, or void the Station's existing authority from the FCC unless replaced by a more advantageous authority. Seller hereby grants consent to Buyer, pursuant to Section 73.3517 of the FCC's Rules, for Buyer to file facilities change applications in Buyer's own name if Buyer wishes to do so. Buyer's counsel in Washington, D.C. will assist Seller by making such filings on behalf of Seller, if requested to do so, subject to Seller's review; and Buyer will pay any and all legal and/or engineering expenses associated with such filings.

9.4 Governing Law. To the extent not governed by Federal law, this Agreement shall be governed by the laws of the State of Texas, without regard to the principles of the conflicts of laws.

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed by their duly authorized representatives, all as of the day and year first above written.

SELLER: WKOB COMMUNICATIONS, INC.

By:  Andrew H. Ohm

Title: President

Date: May 10, 2005

BUYER: NAVE BROADCASTING, LLC

By: _____


Title: Managing Member

Date: May __, 2005

SELLER: WKOB COMMUNICATIONS, INC.

By: Andrew H. Ohm
Title: President
Date: May 10, 2005

BUYER: NAVE BROADCASTING, LLC

By: 
Title: Managing Member
Date: May 11, 2005