

## MEMBERSHIP INTEREST PURCHASE AGREEMENT

This Membership Interest Purchase Agreement (the "Agreement") is entered into on December 31st, 2009, by and between Denver TV Group, LLC, an Iowa limited liability company ("Denver Group"), Denver TV Licenses, LLC, an Iowa limited liability company ("Denver TV"), PLLW, LLC a Florida limited liability company ("PLLW") and Fusion Communications, Inc. d/b/a Fusion Entertainment, an Iowa corporation, ("Fusion Communications") (collectively, PLLW and Fusion Communications are the "Sellers") and PLLW Denver, LLC a Florida limited liability company ("PLLW Denver"), Fusion Denver, LLC, a Florida limited liability company, ("Fusion Denver") and Pegasus Minority Media, LLC, a Florida limited liability company ("Pegasus") (collectively, PLLW Denver, Fusion Denver and Pegasus are the "Purchasers"). Sellers, Denver Group, Denver TV and Purchasers are referred to collectively herein as the "Parties."

### RECITALS

WHEREAS, Fusion Communications owns fifty percent (50%) of the issued and outstanding Membership Interests of Denver Group.

WHEREAS, PLLW owns fifty percent (50%) of the issued and outstanding Membership Interests of Denver Group;

WHEREAS, Denver Group owns all of the issued and outstanding membership interests of Denver TV.

WHEREAS, Denver TV is the Federal Communications Commission ("FCC" or "Commission") licensee of KQCK-TV, Cheyenne, Wyoming, Facility Identification Number 18287 and KQDK-CA, Aurora, Colorado, Facility Identification Number 29455 (collectively the "Stations").

WHEREAS, this Agreement contemplates PLLW transferring thirty-five percent (35%) of its Membership Interests in Denver Group to Pegasus and Fusion transferring twenty (20%) of its Membership Interests in Denver Group to Pegasus in exchange for Pegasus providing certain management services and other consideration.

WHEREAS, this Agreement contemplates PLLW transferring all of its remaining fifteen percent (15%) of its Membership Interests in Denver Group to PLLW Denver and Fusion transferring all of its remaining thirty percent (30%) of its Membership Interests in Denver Group to Fusion Denver.

WHEREAS Denver Group and Pegasus are entering into a Management Agreement of the same date whereby Pegasus will provide certain services for the Stations and receive monthly cash remuneration for such services (the "Management Agreement").

## AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, the sufficiency of which are hereby acknowledged, and in consideration of the representations, warranties, and covenants herein contained, the Parties agree as follows:

### **Article 1. Purchase and Sale of Membership Interests**

1.1 Purchase and Sale of Denver Group Membership Interests. Subject to the terms and conditions set forth herein, Sellers hereby agree to sell to Purchasers, and Purchasers hereby agree to purchase from the Sellers on the Closing Date, all of the outstanding Membership Interests of Denver Group owned (including beneficially owned) (the "Membership Interests") as listed in Schedule 1.1. The Membership Interests are now (and at the time of the Closing will be) owned beneficially and of record by the Sellers and do (and will at Closing) represent all of the issued and outstanding Membership Interests of Denver Group.

1.2 Transfer of Title. The Sellers will deliver title to and ownership of the Membership Interests to Purchasers on the Closing Date, by making delivery of the share certificates representing the Membership Interests, duly endorsed for transfer to the order of the respective Purchasers.

### **Article 2. Management Agreement**

2.1 Purchase Price. In addition to the consideration cited above, the Membership Interests will be conveyed from Sellers to Purchasers in consideration of management services provided by Pegasus in accordance with the Management Agreement attached hereto as Exhibit A.

### **Article 3. Representations and Warranties of the Sellers, Denver Group and Denver TV**

Sellers, Denver Group and Denver TV hereby jointly and severally represent and warrant to, and covenant and agree with, the Purchasers as set forth in this Article 3, there being no other representations or warranties made by Sellers, Denver Group or Denver TV other than those set forth in this Agreement and the Exhibits and Schedules hereto, and acknowledge and confirm that the Purchasers are relying on such covenants, agreements, representations, and warranties in connection with the execution by the Purchasers of this Agreement each of which covenants, warranties and representations shall be deemed independently material, and each of which shall survive Closing for the period of time as set forth in Section 11.4:

3.1 Capitalization. The authorized membership interests of Denver Group consists of 1,000 Membership Interests of \$1, of which 1,000 Membership Interests are issued and outstanding. No Membership Interests are held in treasury. The authorized membership interests

of Denver TV consists of 1,000 Membership Interests of \$1, of which 1,000 Membership Interests are issued and outstanding. No Membership Interests are held in treasury. All of the issued and outstanding Membership Interests of Denver Group are duly authorized, validly issued, fully paid and non-assessable, and are owned by Sellers. All of the issued and outstanding Membership Interests of Denver TV are duly authorized, validly issued, fully paid and non-assessable, and are owned by Denver Group. There are no options, warrants, subscriptions or other rights to purchase membership interests of Denver Group or Denver TV, and no securities, either issued or granted pursuant to options, warrants, subscriptions or other rights, are convertible into its stock. Neither Denver Group or Denver TV nor Sellers, is party to, or bound by, any agreement, commitment or understanding of any character, (written or oral, express or implied), relating in any fashion to the membership interests of Denver Group or Denver TV. No Membership Interests of Denver Group or Denver TV have been issued or disposed of in violation of the preemptive rights, right of first refusal or any other rights of any person. All Membership Interests of Denver Group and Denver TV have been issued in compliance with applicable federal and state securities laws (or exemptions thereto). All accrued dividends on the membership interests of Denver Group and Denver TV, whether or not declared, have been paid in full. The Sellers have no further distributive rights with respect to the membership interests of Denver Group or Denver TV.

3.2 Ownership of the Membership Interests. (a) Sellers hold of record and own beneficially all Membership Interests of Denver Group and hold such Membership Interests free and clear of any restrictions on transfer (other than any restrictions under the Securities Act of 1933, as amended, and state securities laws), taxes, liens, options, warrants, purchase rights, contracts, commitments, equities, claims, demands, interests and other encumbrances. The Membership Interests represent all of the issued and outstanding membership interests of Denver Group. Sellers are not a party to any option, warrant, purchase right, or other contract or commitment that could require Sellers to sell, transfer, or otherwise dispose of any membership interests of Denver Group (other than this Agreement). Sellers are not a party to any voting trust, proxy, or other agreement or understanding with respect to the voting of any membership interests of Denver Group; provided, however, that Sellers covenant that at Closing PLLW will issue an irrevocable proxy to Pegasus whereby Pegasus will be entitled to vote the shares represented by PLLW's Membership Interests.

(b) Denver Group holds of record and owns beneficially all Membership Interests of Denver TV and holds such Membership Interests free and clear of any restrictions on transfer (other than any restrictions under the Securities Act of 1933, as amended, and state securities laws), taxes, liens, options, warrants, purchase rights, contracts, commitments, equities, claims, demands, interests and other encumbrances. The Membership Interests represent all of the issued and outstanding membership interests of Denver TV. Denver Group is not a party to any option, warrant, purchase right, or other contract or commitment that could require Denver TV to sell, transfer, or otherwise dispose of any membership interests of Denver TV (other than this Agreement). Denver Group is not a party to any voting trust, proxy, or other agreement or understanding with respect to the voting of any membership interests of Denver TV.

3.3 Due Incorporation and Good Standing. (a) Denver Group is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Iowa. Denver Group is registered as a foreign limited liability company in all jurisdictions where the operation of its business or ownership of its assets would require such registration.

(b) Denver TV is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Iowa. Denver TV is registered as a foreign limited liability company in all jurisdictions where the operation of its business or ownership of its assets would require such registration. Denver TV has the full power and authority (corporate and otherwise) to operate the Station, engage in the businesses in which it is now engaged and to own and operate its respective properties.

3.4 Authority; Enforceability; Defaults; Compliance.

(a) Authority. Sellers have full legal capacity and authority to execute and deliver this Agreement and to perform their obligations hereunder.

(b) Enforceability. Sellers have duly executed and delivered this Agreement. This Agreement constitutes valid and legally binding obligation of Sellers enforceable against Sellers in accordance with its terms, except as such enforcement may be limited by bankruptcy or insolvency laws, laws relating generally to the rights of creditors or the application of equitable principles.

(c) Defaults. The execution, delivery and performance of this Agreement by the Sellers with or without the giving of notice or the lapse of time, or both, (i) is not and will not be prohibited or limited by any agreement; (ii) will not result in the termination of or a default by Denver Group, Denver TV or Sellers under; and (iii) will not accelerate any obligation of Denver Group, Denver TV or of Sellers; nor will it conflict with or require any consent, or other action by, (or notice to) any court, governmental body or private person, on behalf of Denver Group, Denver TV or Sellers, except as set forth in Sections 8 and 3.7(b) hereof.

(d) Compliance. Denver Group and Denver TV have not received any written notice stating or suggesting that it has not complied with any laws or statutes governing its formation and operations. Denver Group and Denver TV have timely filed with and paid to the appropriate authorities all reports, statements and fees.

3.5 Corporate Records, Officers and Members. As set forth on Schedule 3.5, the Articles of Formation and the Operating Agreement of Denver Group and Denver TV, and all amendments thereto are true, correct and complete copies, as in effect on the date thereof. Other than as set forth therein, there are no other managers, managing members or officers of Denver Group or Denver TV.

3.6 Subsidiaries; Investments in Other Entities. Denver Group has no subsidiaries, or any equity interest in any other entity, with the exception of Denver Group's Interest in Denver TV. Denver TV has no subsidiaries, or any equity interest in any other entity.

3.7 Books and Records; Financial Statements; Absence of Undisclosed Liabilities.

(a) Books and Records. The financial books and records of Denver Group and Denver TV are true, complete and correct in all material respects, fairly and accurately reflect all items of income and expense and all assets and liabilities, and have been maintained in accordance with all applicable laws.

(b) Absence of Undisclosed Liabilities. Except as set forth on Schedule 3.7(b), Denver Group and Denver TV have no material debts, obligations and liabilities of any kind or nature, whether accrued, contingent or otherwise (known or unknown, asserted or unasserted), other than liabilities and obligations for liquidated amounts incurred by Denver Group and Denver TV in the ordinary course of its business consistent with its past practice. Denver Group and Denver TV have no liability on guarantees or accommodations of third party obligations, or to indemnify or make whole others.

3.8 Machinery and Equipment and Other Tangible Personal Property. Schedule 3.8 sets forth a listing of all machinery and equipment and other tangible personal property owned by or leased to Denver Group and Denver TV and transferred hereby as of the Closing Date.

3.9 Real Estate. Schedule 3.9 sets forth the location of all real estate leased by Denver Group (the "Real Estate"). Denver TV owns no real estate.

3.10 Title to Assets; Location; Necessary Assets.

(a) Title to Assets. Denver Group and Denver TV have good, marketable and valid record title to all assets set forth in this Agreement, and to all assets acquired since the date thereof, as the legal and beneficial owner thereof. None of the said assets is held by Denver Group or Denver TV under any lease, conditional sales contract or consignment agreement, or are subject to any mortgage, security agreement or encumbrance (other than inchoate liens for real property and personalty taxes not yet due and payable or as set forth on Schedule 3.7(b)).

(b) Necessary Assets. There are no material assets utilized by Denver Group or Denver TV in the conduct of its business operations and otherwise necessary to permit the ongoing conduct of the business operations by Denver Group or Denver TV under the ownership of Purchasers following Closing, which are not currently owned or leased by Denver Group or Denver TV. All such assets shall remain the property of Denver Group or Denver TV following the Closing. Such use will not be interrupted by the transfer of ownership of Denver Group or Denver TV from the Sellers to Purchasers, nor will the transfer of ownership result in the payment of any transfer, administrative or other fees or increased costs.

3.11 Intellectual Property; Limitations. Schedule 3.12 sets forth the intellectual property owned by Denver Group or Denver TV.

3.12 Labor Relations. Denver Group and Denver TV are not unionized, and no unionization activity has been undertaken or threatened while Sellers have owned Denver Group or Denver TV. Denver Group and Denver TV are and have been in material compliance with all laws relating to the employment of labor, and are not obligated for any arrears in wages or benefits, or any penalties or fines in connection therewith. There are no pending or threatened investigations, claims or proceedings involving Denver Group or Denver TV based upon assertions of age, gender, racial, religious, health or other discrimination in respect of its past or present employees; and no such proceeding has been commenced during Sellers' ownership of Denver Group or Denver TV.

3.13 Employment Matters.

(a) Agreements and Policies. Schedule 3.13 contains a complete and accurate list of oral or written employment and consulting agreements.

(b) Accrued Claims. Except as reflected in the Financial Statements, Denver Group and Denver TV have no accrued obligations relating to past or present employees and agents of Denver Group or Denver TV (or the heirs or estates of any of the same) for unemployment compensation, employment-related benefits or any other amounts, however and whenever arising.

(c) Employment of Aliens. Denver Group and Denver TV do not now employ (and has not previously employed) any person not a citizen of the United States, except in compliance with applicable law.

3.14 Employee Benefit Plans. Denver Group and Denver TV have no employee benefit plans or employee pension benefit plans.

3.15 Insurance. Denver Group or Denver TV have insured all of their assets against loss or damage by all insurable hazards or risks normally insured against by similar well managed businesses on a replacement cost basis, and maintains product liability insurance and insurance against all other liability, risks and hazards associated with ownership of assets, maintenance of facilities and conduct of operations by it, in each case in such amounts and on such terms as are customary for other well managed businesses similar to those of Denver Group and Denver TV. Denver Group and Denver TV are not in default with respect to any of the provisions contained in any such insurance policy now in effect, or has failed to give any notice of any present claim under any insurance policy applicable to such a claim, in due and timely fashion.

3.16 Lawful Operation; Licenses, Permits, Authorizations.

(a) Lawful Operation. To the best of their knowledge, Denver Group and Denver TV are not in breach of any laws, rules or regulations where such breach would have a material adverse effect on Denver Group, Denver TV or the Stations.

(b) Licenses, Permits, Authorizations. Denver Group and Denver TV have all approvals, licenses, and permits of all governmental agencies ("Authorizations") necessary to the operation of the business as and where it is presently conducted. Schedule 3.16 contains a complete list of all such Authorizations, all of which are valid and in good standing with the issuing agencies. None of the Authorizations are presently subject to any proceedings for suspension, modification or revocation. The continued validity and good standing of the Authorizations will in no way be affected by the transactions contemplated by this Agreement, and no consents are required prior to the transfer of the Membership Interests to Purchasers at Closing, except as contemplated in Section 8 hereof.

3.17 Litigation and Proceedings. There are no pending litigation actions, investigations, or proceedings of any kind by a private party or a governmental body concerning Denver Group or Denver TV, and none are threatened which would have a material adverse affect on Denver Group, Denver TV or its assets. There is no existing basis known to Denver Group or Denver TV from which it has concluded that any of the foregoing might be commenced against Denver Group or Denver TV.

3.18 Environmental Matters. To the best of Sellers' knowledge Denver TV has complied in all material respects with all laws, rules, and regulations of all federal, state, and local governments (and all agencies thereof) concerning the environment, public health and safety, and employee health and safety, and no charge, complaint, action, suit, proceeding, hearing, investigation, claim, demand, or notice has been filed or commenced against Denver TV in connection with Denver TV's ownership or operation of the Station alleging any failure to comply with any such law, rule, or regulation.

3.19 Contracts; Commitments; Government Contracts.

(a) Existing Contracts. Schedule 3.19 contains a complete and accurate list of all existing contracts and amendments thereto (both written and oral) to which Denver Group and Denver TV are a party or by which it is bound (collectively the "Contracts"). True and complete copies of all documents referred to in Schedule 3.19 have been delivered to Purchasers. The terms of any oral contracts that exist are described with particularity on Schedule 3.19. The Contracts requiring notice to and/or consent of the other contracting party because of the transactions contemplated in this Agreement are set forth on Schedule 3.19 and all such consents or notices shall be obtained or given, as the case may be, on or prior to Closing.

(b) Enforceability Against Denver Group. All Contracts are in full force and effect, and constitute legal, valid and binding obligations of Denver Group or Denver TV, as the case may be. Except as such enforcement may be limited by bankruptcy or insolvency laws, laws relating generally to the rights of creditors or the application of equitable principles, the

Contracts will continue to be enforceable by Denver Group and Denver TV, as the case may be, following the Closing in accordance with their existing terms and conditions.

3.20 Leases. All personal property leases or agreements in the nature of a lease, whether as lessor or lessee, are identified in Schedule 3.20 (the "Personalty Leases"). Each of the Personalty Leases is in good standing and in full force and effect without amendment thereto except as noted on Schedule 3.20. Neither Denver Group or Denver TV nor any other party thereto is in material breach of any of the covenants, conditions or agreements contained in any Personalty Lease. The Personalty Leases which require the notice and/or consent of the other contracting party because of the transactions contemplated herein are set forth on Schedule 3.20, and all such consents or notices shall be obtained or given, respectively, on or prior to Closing. All equipment leased by Denver Group and Denver TV is in good working order and repair, and is in such condition that, if such property were returned in its present condition to its owner Denver Group and Denver TV would not be liable in any material amount to such owner on account of its condition.

3.21 Brokers. Sellers, Denver Group and Denver TV have not incurred or become liable for any other broker's commission, finder's fee or other similar fees or payments relating to or in connection with the transactions contemplated by this Agreement. Sellers, Denver Group and Denver TV jointly and severally, agree to indemnify, defend and hold harmless Purchasers against any such fee of any person or entity claiming to be entitled thereto through or because of the actions of Sellers, Denver Group and Denver TV.

3.22 No Material Misrepresentations. Neither this Agreement, the Exhibits and Schedules hereto, or any supporting document or certificate presented by Denver Group, Denver TV or the Sellers in connection herewith and therewith, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements contained therein not misleading.

#### **Article 4. Representations and Warranties of Purchasers**

Purchasers hereby represents and warrants to, and covenants and agrees with, Denver Group, Denver TV and the Sellers as set forth in this Article 4, there being no other representations or warranties made by Purchasers other than those set forth in this Agreement and the Schedules hereto, and acknowledges and confirms that Denver Group, Denver TV and the Sellers are relying on such covenants, agreements, representations, and warranties in connection with the execution by the Sellers of this Agreement, each of which warranties and representations shall be deemed independently material, and each of which shall survive Closing for the period of time as set forth in Section 11.4:

4.1 Due Incorporation: PLLW Denver and Pegasus are both Florida limited liability companies validly existing and in good standing under the laws of the State of Florida, and Fusion Denver is an Iowa limited liability company validly existing and in good standing under the laws of the state of Iowa, and at Closing will be duly qualified to transact business and in



good standing as a foreign limited liability company where its ownership of the Station's assets or conduct of the Station's business would require such registration. Each Purchaser has full power and authority to engage in the business in which it is now engaged.

#### 4.2 Authority; Enforceability; Defaults.

(a) Authority: Purchasers have full legal power and authority to execute, deliver and perform this Agreement, and to acquire the Membership Interests. The execution and delivery of this Agreement and the performance by Purchasers of its obligations hereunder and thereunder have been duly authorized by all requisite company action. Purchasers are legally and financially qualified to acquire the Stations. Purchasers know of no fact or circumstance which would, under the federal antitrust laws, the Communications Act of 1934, as amended, or the rules, regulations, and policies of the FCC, disqualify or preclude Purchasers from being approved as an assignee of the Licenses. Should Purchasers become aware of any such fact or circumstance, it will promptly so inform Sellers and Purchasers will use its best efforts to remove any such disqualification or preclusion. Purchasers will not take any action that Purchasers know, or has reason to believe, would result in such disqualification. There are no facts which, under the Communications Act of 1934, as amended, or the rules, regulations and policies of the FCC, or the antitrust policies as applied to the broadcasting industry by the Federal Trade Commission and the U.S. Department of Justice, would delay the consummation of the transactions contemplated by this Agreement. Purchasers have no reason to believe that the Assignment Application contemplated by this Agreement might be challenged by a governmental agency or third party or might not be granted by the FCC in due ordinary course. To Purchasers' knowledge, there are no proceedings, complaints, notices of forfeiture, claims, or investigations pending or threatened against Purchasers or any principal, officer, Member, or owner of Purchasers that would materially impair the qualification of Purchasers to assume the FCC Licenses or which would materially impede Purchasers' ability to prosecute FCC applications or seek the grant of the FCC Consents.

(b) Enforceability: Purchasers have duly executed and delivered this Agreement. This Agreement constitutes the valid and legally binding obligations of Purchasers enforceable against it in accordance with its terms, except as such enforcement may be limited by bankruptcy or insolvency laws, laws relating generally to the rights of creditors or the application of equitable principles.

(c) Defaults: The execution, delivery and performance of this Agreement by Purchasers with or without the giving of notice or the lapse of time, or both, is not and will not be prohibited or limited by, will not result in the breach or termination of, or a default under, will not terminate any of its rights or accelerate any of its obligations, or conflict with or require any consent, approval, authorization, exemption or other action by, or notice to any third party or any court or other governmental body.

4.3 Litigation: There are no actions, investigations, arbitrations, suits or proceedings pending or, to the knowledge of Purchasers, threatened seeking to restrain, enjoin or otherwise

prevent (i) the consummation of the transactions contemplated by this Agreement, or (ii) the fulfillment by Purchasers of its obligations under this Agreement.

4.4 **Brokers:** Neither Purchasers nor any of its affiliates or principals, has incurred or become liable for any broker's commission, finder's fee or other similar fees or payments relating to or in connection with the transactions contemplated hereby. Purchasers agree to indemnify, defend and hold harmless Denver Group, Denver TV and Sellers against any such fee of any person or entity claiming to be entitled thereto through or because of the actions of Purchasers.

#### **Article 5. Covenants of the Sellers, Denver Group and Denver TV Prior to the Closing.**

5.1 **Access and Information.** Sellers, Denver Group and Denver TV shall give Purchasers and its representatives full but reasonable access during normal business hours throughout the period prior to Closing to the operations, properties, books, contracts, agreements, leases, commitments and records of Denver Group and Denver TV; provided, however, that Purchasers shall give Denver Group and Denver TV reasonable advance notice of exercising this right. Sellers, Denver Group and Denver TV shall furnish to Purchasers all information concerning Denver Group's and Denver TV's business affairs as Purchasers may reasonably request.

5.2 **Business Operations.** Denver Group and Denver TV's business, the operation of the Station and other activities shall be conducted in the ordinary course, consistent with past practices.

#### **Article 6. Conditions Precedent to Closing by Purchasers**

The obligations of Purchasers to purchase the Membership Interests is subject to the fulfillment, in all material respects, of the conditions set forth in this Article 6 at or prior to the Closing, any of which may be waived by Purchasers in writing:

6.1 **Performances; Satisfaction of Conditions.** All of the agreements and covenants contained in this Agreement that are to be complied with, satisfied and performed by the Sellers, Denver Group and Denver TV on or before the Closing Date shall, in all material respects, have been complied with, satisfied and performed. All conditions precedent to Purchasers' obligation to close which are to be satisfied by Sellers, Denver Group and Denver TV shall have been met to Purchasers' satisfaction. Purchasers shall receive a certificate of an officer of Sellers at Closing to this effect.

6.2 **Accuracy of Representations and Warranties.** All of the representations and warranties made by Sellers, Denver Group and Denver TV in this Agreement or any certificate or document furnished or to be furnished to Purchasers hereunder, shall be true, accurate and complete in all material respects both on and as of the date of this Agreement and on and as of the Closing Date, and Purchasers shall have received a certificate executed by an officer of

Sellers and a member of Denver Group and Denver TV certifying that the aforementioned is true and correct.

6.3 Certificates; Resignations. Purchasers shall have received a certificate of an officer of Sellers dated as of the Closing Date certifying as to the due adoption by its governing body of resolutions authorizing this Agreement and the transactions contemplated hereby.

6.4 No Litigation. No action or proceeding before a court, other governmental body or arbitration shall have been instituted or threatened by any government or agency thereof, or by any other third party, to restrain or prohibit the consummation of any of the transactions herein contemplated.

6.5 Consents, Permits, Licenses and Approvals. All consents of third parties to the transactions contemplated by this Agreement shall have been obtained, without any payments or other consideration having been provided, as are necessary. In addition, Purchasers shall have obtained any and all necessary governmental permits, licenses or approvals required to enter into and consummate the transactions contemplated by this Agreement, including without limitation the consent of the FCC, or to continue Denver TV's ownership of its assets, exercise of rights and conduct of business after Closing, continuously and on the same basis as is presently the case.

6.6 Best Efforts. Sellers will devote (and cause Denver Group and Denver TV to devote) best good faith efforts to satisfy all conditions precedent to Purchasers' obligation to Close; but in doing so, will not be required to incur material additional expenses or additional legal obligations not contemplated by this Agreement.

6.7 FCC Consent. The Federal Communications Commission ("FCC") shall have given the consent contemplated by Article 8.

6.8 PLLW Denver Proxy. PLLW shall at Closing give its irrevocable proxy to Pegasus to vote its interest in Denver Group.

#### **Article 7. Conditions Precedent to Closing By Sellers, Denver Group and Denver TV**

The obligation of Sellers to convey the Membership Interests is subject to the fulfillment, in all material respects, of the conditions set forth in this Article 7 at or prior to the Closing, any of which may be waived by the Sellers, in writing.

7.1 Performance; Satisfaction of Conditions. All of the agreements and covenants contained in this Agreement that are to be complied with, satisfied and performed by Purchasers on or before the Closing Date shall, in all materials respects, have been complied with, satisfied and performed. All conditions precedent to Sellers obligations to close which are to be satisfied by Purchasers shall have been met to Sellers' satisfaction. Sellers shall receive a certificate to this effect from an officer of Purchasers at Closing.

7.2 Accuracy of Representations and Warranties. All of the representations and warranties made by Purchasers in this Agreement or in any certificate or documents furnished or to be furnished to Sellers hereunder, shall be true, accurate and complete in all material respects both on and as of the date of this Agreement and on and as of the Closing Date and Sellers shall have received a certificate executed by an officer of Purchasers certifying that the foregoing is true and correct.

7.3 No Litigation. No action or proceeding before a court on any governmental body shall have been instituted or threatened by any government or agency, or by any other third party, to restrain or prohibit consummation by the Sellers, Denver Group or Denver TV of any of the transactions herein contemplated.

7.4 Best Efforts. Purchasers will devote best good faith efforts to satisfy all conditions precedent to Sellers' obligations to close; but in doing so will not be required to incur material additional expenses or additional legal obligations after Closing which are not contemplated by this Agreement.

7.5 FCC Consent. The FCC shall have given the consent contemplated by Article 8.

#### **Article 8. Application for FCC Approval**

8.1 Filing and Prosecution of Application. Within five (5) business days of execution of this Agreement, Denver TV, Sellers and Purchasers shall file an application with the FCC requesting its written consent to the transfer of control of Denver Group from the Sellers to Purchasers. Purchasers, Denver Group and Sellers shall proceed with due diligence and promptly take all steps necessary to the expeditious prosecution of such applications to a favorable conclusion, using their best efforts throughout.

8.2 Expenses. Each party shall bear its own expenses in connection with the preparation of the applicable sections of the FCC applications and in connection with the prosecution of such applications, except to the extent that any cost or delay is solely attributable to one party or the other, in which case such party shall solely bear such costs and/or expense. Denver Group will pay any filing fee or grant fee imposed by the FCC or any fees or expenses incurred with respect to a joint application. Notwithstanding the foregoing, if any costs or expenses arise out of objections to the FCC applications that relate solely to only one of the parties (illustratively, issues of other holdings, qualifications, suitability, etc.), such costs and expenses shall be borne solely by the party to whom they relate.

8.3 Designation for Hearing. If, for any reason, with respect to any application for the FCC's consent to the transfer of control of Denver Group from the Sellers to Purchasers, the staff of the FCC advises that designation for hearing will be required, the Sellers or Purchasers, if not then in default, shall have the right, by written notice within 30 days of such notification, to

terminate this Agreement, in which event neither party shall have any rights or liabilities hereunder.

8.4 Time of FCC Consent. If approval of the transfer of control has not become final (all protests and appeals having been decided or dismissed, or barred by the expiration of time) within one year from the date of filing the applications for transfer with the FCC, the Sellers or Purchasers, if not then in default, may terminate this Agreement by giving written notice to the other. Upon such termination, neither party shall have any right or liability hereunder. Purchasers may elect, however, at its sole risk to consummate the transactions contemplated by this Agreement under an FCC approval which has not become final as herein provided.

8.5 Control of Station. This Agreement shall not be consummated until the FCC has given its written consent to the transfer of control of Denver Group from the Sellers to Purchasers. Until the Closing, Purchasers shall not, directly or indirectly, control, supervise, direct or attempt to control, supervise or direct the operation of the Station, but such operation shall be the sole responsibility of Denver Group, except as provided for in the Management Agreement.

## **Article 9. Closing; Closing Deliveries**

9.1 Closing. The Closing shall be held within five (5) days of the FCC's consent becoming a final order (i.e. no action, request for stay, petition for rehearing or reconsideration, or appeal is pending and the time for filing such request, petition or appeal has expired), at 10AM (Eastern Standard Time) (the "Closing") by exchange of documents by overnight carrier or facsimile, or such other date as shall be mutually agreed to by the parties, contingent on satisfaction of all conditions precedent to the parties' obligations to close (the "Closing Date").

9.2 Sellers', Denver Group's and Denver TV's Deliveries. At Closing, Sellers, Denver Group and Denver TV, as the case may be, shall deliver and/or execute (or cause the delivery and/or execution of) the following, upon a tender of performance by Purchasers of its Closing obligations:

- (a) original certificates for all of the Membership Interests, endorsed for transfer to the order of Purchasers;
- (b) general releases of all claims against Denver Group by the Sellers, and by other officers and Members of Denver Group, excepting only claims arising under this Agreement;
- (c) the delivery of all certificates as set forth in Article 6; and
- (d) such other documents consistent with their undertakings in this Agreement as may be requested by Purchasers or its counsel.

9.3 Purchasers' Deliveries. At Closing, Purchasers shall deliver and/or execute (or cause the delivery and/or execution by Denver Group of) the following, upon a tender of performance by the Sellers:

- (a) general releases by Denver Group of all claims against the Sellers, and of other officers and Members, excepting only claims arising under this Agreement;
- (b) the delivery of all certificates as set forth in Article 7;
- (c) such other documents consistent with its undertakings in this Agreement as may be requested by Sellers or its counsel; and
- (d) the proxy of PLLW Denver to Pegasus.

#### **Article 10. Additional Covenants**

10.1 Further Assurances. From time to time after the Closing, at Purchasers' request and without further consideration the Sellers will execute and deliver such other and further instruments of conveyance, assignment, transfer and consent, and take such other actions, as Purchasers may reasonably request for the more effective conveyance and transfer of ownership of the Membership Interests and control of Denver Group's assets and operations, and to otherwise give effect to the other transactions contemplated hereby. Similarly, Purchasers agrees from time to time after the Closing and without payment of consideration, to cooperate with Sellers in providing reasonable access to or copies of the historical pre-Closing records of Denver Group and Denver TV relating to employee issues, taxes or other financial records necessary for the filing of taxes and other similar events.

10.2 Confidential Information. Sellers shall not, without Purchasers' prior written consent, disclose, directly or indirectly, to any person or use in any way, except as required (a) in the course of any services provided by such person to Purchasers or (b) by law, any Confidential Information (as hereinafter defined). For purposes of this Agreement, "Confidential Information" shall mean all information used in Denver Group's and Denver TV's business, including, without limitation, Intellectual Property information, unless such information is or becomes available in the public domain through no fault, action or inaction on the part of the Sellers.

10.3 Consistency. All parties will report the transactions undertaken on this Agreement in a fashion consistent with the characterizations given to them herein and therein, both in tax reports and returns; administrative filings; and in any judicial or administrative proceeding, including by way of example only, tax audits and proceedings. Each party will notify the other promptly in writing if these characterizations are put in question in any judicial or administrative proceeding.

10.4 FCC Filings. The Parties shall proceed with due diligence and promptly take all steps necessary to the filing and expeditious prosecution of all FCC applications to a favorable conclusion, using their best efforts throughout, including without implied limitation, the Petition and the Permit.

10.5 Operating Agreements. The Parties shall amend the Operating Agreement to provide for a supermajority vote for the sale of substantially all of the assets of Denver Group or Denver TV or to borrow any money above \$50,000 or encumber the assets except in the ordinary course of business.

## **Article 11. Indemnification**

11.1 General Indemnification by Sellers. The Sellers shall indemnify, defend and hold harmless Purchasers and Denver Group and each of their respective Sellers, officers, members, principals, managers, employees, subsidiaries, affiliates, agents, and successors (the "Purchasers Indemnified Parties") from and against any and all loss, damage, claim, action, suit, proceeding (civil or criminal), deficiency or expense arising or resulting from, or attributable to, any of the following (a "Purchasers Claim"):

(a) any misrepresentation or breach of any representation or warranty of any of the Sellers or Denver Group (pre-Closing) or Denver TV contained herein or any Exhibit or Schedule or any closing document delivered in connection with the transactions contemplated by such documents;

(b) any breach or default by the Sellers of any covenant, obligation or undertaking on their part contained herein or in any Exhibit or Schedule or any closing document delivered in connection with the transactions contemplated by such documents;

(c) all undisclosed or underdisclosed liabilities, debts, obligations and commitments of Denver Group or Denver TV, fixed or contingent, known or unknown, incurred in respect of any statement of fact, occurrence or circumstance existing prior to or at the Closing Date;

(d) any cost, expense or liability incurred by Purchasers or Denver Group as a result of a claim for brokerage, transactional or similar fees by any person asserting it was engaged by Denver Group or the Sellers;

(e) any and all additions to tax, interest, penalties or the like for any taxable period up to and including the Closing Date which are not specifically reserved for, whenever and however they are asserted, and for whatever reason the additions are asserted;

(f) any out-of-pocket costs of any nature including without limitation, legal and accounting fees, resulting from or attributable to any matter or thing mentioned or described in clauses (a) through (e) above, and all such expenses incurred by Purchasers in seeking enforcement against the Sellers, including without limitation, attorneys' and other professionals'

fees and costs, with respect to any matter or thing mentioned or described in clauses (a) through (e) above (if in any such case it is ultimately determined that Purchasers is entitled to indemnification).

11.2 Indemnification by the Purchasers. Purchasers shall indemnify, defend and hold harmless the Sellers and its successors (the "Sellers Indemnified Parties") from, against and with respect to any and all loss, damage, claim, action, suit, proceeding (civil or criminal), deficiency or expense arising or resulting from, or attributable to, any of the following ("Sellers Claims"):

(a) any misrepresentation or breach of any representation or warranty of Purchasers contained herein or in any Exhibit or Schedule or any closing document delivered in connection with the transactions contemplated by such documents;

(b) any breach or default by Purchasers of any covenant, obligation or undertaking on its part contained herein or in any Exhibit or Schedule or any closing document delivered in connection with the transactions contemplated by such documents;

(c) any cost, expense or liability incurred by the Sellers as a result of a claim for brokerage, transactional or similar fees by any person asserting he was engaged by Purchasers; and

(d) any out-of-pocket costs, including without limitation, legal and accounting fees, resulting from or attributable to any matter or thing mentioned or described in clauses (a) through (c) above, and all such expenses incurred by the Sellers in seeking enforcement against Purchasers with respect to any matter or thing mentioned or described in clauses (a) through (c) above (if it is ultimately determined that the Sellers are entitled to indemnification).

11.3 Notice and Management of Claims. If any party seeks indemnification (the "Indemnified Party") from another party hereto (the "Indemnifying Party"), the Indemnified Party shall notify the Indemnifying Party and shall consult with the Indemnifying Party on the matter at hand, provided however, that failure to give such notice shall not constitute a waiver of the Indemnified Party's right to indemnification or a defense to any claim by the Indemnified Party hereunder. If the claim for indemnification is a claim brought or asserted by a third party against the Indemnified Party (a "Third Party Claim"), the Indemnified Party may, if it wishes, participate with the Indemnifying Party, at its own expense, in the defense of any such action, suit, or proceeding, but the defense (and any settlement of any such action, suit or proceeding) shall generally be under the reasonable control of the Indemnifying Party, unless such claim could interfere with the business, operations or prospects of Denver Group or Purchasers, in which event Purchasers shall alone control the defense or settlement. The parties agree to render to each other such assistance, information, documents and access to personnel and records as may reasonably be requested in order to insure the proper and adequate defense of any Third-Party Claim against the Purchasers, Sellers or Denver Group.

11.4 Limitations on Periods During Which Claims Can Be Made.



(a) Unlimited Claims. Any claim by Purchasers for indemnification with respect to a breach of Section 3.20 may be made by Purchasers within ninety (90) days of the expiration of the applicable statute of limitations period for governmental enforcement, notwithstanding any investigation by the claimant or any knowledge acquired by the claimant.

(b) Third Party Claims. Any claim by Purchasers for indemnification with respect to a Third Party Claim may be made at any time prior to ninety (90) days after the expiration of the applicable statute of limitations, or ten (10) days after Purchasers' receipt of notice of the Third Party Claim, if such notice is received after ninety (90) days from the expiration of the applicable statute of limitations.

(c) Limited Claims. All other claims by any of the parties for indemnification, along with associated claims for expense reimbursement under Sections 11.1(f) and 11.2(d) hereof, must be asserted by the party or parties seeking indemnification in writing within one (1) year after the Closing Date.

(d) Exceptions to Limitations. Notwithstanding the foregoing, there shall be no time limitation for asserting claims alleging fraud on the part of any one or more Indemnifying Parties, or any willful or intentional breach or violation by them, of any representation, warranty, covenant or indemnity contained herein, or the Exhibits or Schedules to the foregoing.

11.5 Waiver. No waiver by any party of any default or breach by another party of any representation, warranty, covenant or condition contained herein or any Exhibit or Schedule or any document, instrument or certificate contemplated thereby shall be deemed to be a waiver of any subsequent default or breach by such party of the same or any other representation, warranty, covenant or condition. No act, delay, omission or course of dealing on the part of any party in exercising any right, power or remedy hereunder or at law or in equity shall operate as a waiver thereof or otherwise prejudice any of such party's rights, powers and remedies. All remedies, whether at law or in equity, shall be cumulative and the election of any one or more shall not constitute a waiver of the right to pursue other available remedies.

11.6 Resolution of Responsibility for Claims. In the event that any dispute arises as to either party's responsibility with respect to a claim for indemnification, the parties hereto agree that the matter will be submitted for binding arbitration to a panel of three (3) arbitrators, appointed and acting under the Rules of the American Arbitration Association, in Miami, Florida. The parties will cooperate in requesting expedited hearing and resolution. The panel will have the authority to award expenses of the proceeding (including but not limited to the panel's fees, and reasonable expense of counsel) to the party prevailing, on the merits, to the extent the panel determines that party so prevailed. Discovery may be had pursuant to the Federal Rules of Civil Procedure, subject however to the entry of confidentiality agreements or orders to implement the provisions of Section 10.2 above. The parties agree to undertake mediation or another mutually acceptable alternative dispute resolution methodology for a period of thirty (30) days prior to initiation of an arbitration demand. All determinations of the panel

shall be final, binding and non-appealable, except in cases of fraud or plain mistake on the face of the record. Adoption of arbitration as the sole methodology for dispute resolution shall not preclude either party from seeking injunctions or other non-monetary equitable relief with the proviso that no finding of fact by the court in those circumstances will be binding upon the panel, or may be considered by it as evidence. An arbitral award shall have the effect of a final judgment, and the prevailing party may sue on any arbitral award in a court of proper personal and subject matter jurisdiction as if proceeding with an action on a final judgment.

11.7 Interest. In the case of any payments made or costs or damages incurred and paid by a party, interest on the amount in question shall accrue beginning thirty (30) days after written notice of the claim is given, provided, that such notice is accompanied by documentation describing the basis of such claim in reasonable detail for evaluation. However, the claiming party shall only be entitled to receive that interest to the extent that it is determined that such party is entitled to indemnification hereunder. Interest shall accrue until the claim is paid in full at a variable rate equal to the prime interest rate (as published in the Money Rates column of the *Wall Street Journal*) plus two percent (2%) compounded monthly.

11.8 Limitations on Claims. The Indemnifying Party shall have no liability for any claims until the aggregate amount of the claims incurred exceeds Ten Thousand Dollars (\$10,000.00) (the "Minimum Loss"); after the Minimum Loss is exceeded, the Indemnified Party shall be entitled to be paid the entire amount of the claims, including the Minimum Loss, subject to the limitations on recovery and recourse set forth in this Section 11; the Indemnifying Party's aggregate liability for all claims under this Section 11 shall not exceed five percent of the Purchase Price.

## **Article 12. Termination**

This Agreement may be terminated at any time prior to the Closing Date, as follows:

- (a) by the mutual consent of Sellers and Purchasers;
- (b) by Purchasers, upon notice to Sellers, if on the Closing Date, without any breach by Purchasers of its obligations hereunder, Sellers have not complied with one or more of the conditions set forth in Article 6 (and such compliance is not waived by Purchasers); or
- (c) by Sellers, upon notice to Purchasers, if on the Closing Date, without any breach by Sellers of their obligations hereunder, Purchasers has not complied with one or more of the conditions set forth in Article 7 (and such compliance is not waived by Sellers); or
- (d) as provided by Sections 6.1, 8.3 or 8.4 of this Agreement.

In the event of any termination as provided by this Article 12, this Agreement shall thereupon become void and of no effect, without any liability on the part of any party.

### **Article 13. Remedies**

13.1 Breach by Purchasers. In the event the Closing does not occur due to Purchasers' breach, the Sellers shall be entitled to seek equitable relief. It is agreed that the rights and privileges granted to Sellers hereunder are special and unique in nature and not quantifiable in terms of monetary damages and that Sellers shall be entitled to seek injunctive or other equitable relief, including without limitation, specific performance, and if such relief is granted, the Sellers shall be entitled to recover from the breaching party, all costs and expenses (including reasonable attorneys' fees) incurred in obtaining such injunctive or equitable relief. In lieu of seeking injunctive or equitable relief, Purchasers may seek monetary damages, but Sellers may not seek both injunctive or equitable relief and monetary damages.

13.2 Breach by Sellers, Denver Group or Denver TV. In the event the Closing does not occur due to Sellers', Denver Group's or Denver TV's breach, Purchasers shall be entitled to seek equitable relief. It is agreed that the rights and privileges granted to Purchasers hereunder are special and unique in nature and not quantifiable in terms of monetary damages and that Purchasers shall be entitled to seek injunctive or other equitable relief, including without limitation, specific performance, and if such relief is granted, the Purchasers shall be entitled to recover from the breaching party, all costs and expenses (including reasonable attorneys' fees) incurred in obtaining such injunctive or equitable relief. In lieu of seeking injunctive or equitable relief, Purchasers may seek monetary damages, but Purchasers may not seek both injunctive or equitable relief and monetary damages.

### **Article 14. Miscellaneous**

14.1 Press Releases and Announcements. No earlier than the date of filing of the FCC application set forth in Article 8, Purchasers may make a public announcement of this transaction which it will review with the Sellers prior to release. Except to the extent a party is required by law to make a filing with a governmental agency, to issue a press release or to ensure other disclosures concerning this transaction are made, all parties agree to use good faith efforts to coordinate the timing and content of any further public announcement concerning this Agreement and the subject matter hereof. Where a party is obligated unilaterally to make such a disclosure, it will notify all other parties of that fact, and the surrounding circumstances, at the earliest possible point in time. Except to the extent a party is required by law, under no circumstances will the Purchase Price or historical or projected financial performance of Denver Group be disclosed by any party except to professionals retained by the parties hereto.

14.2 Amendment. An amendment to this Agreement must be mutually agreed upon and signed by all of the Parties.

14.3 Severability; Effect of Breach.

(a) Severability. If any provision of this Agreement shall finally be determined to be invalid, unlawful or incapable of being enforced, that such provision shall be severed from this Agreement and every other provision of this Agreement shall remain in full force and effect. Upon any determination that any term or other provision is invalid, unlawful or incapable of being enforced, the parties hereto will 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, so that the transaction contemplated hereby is consummated to the extent possible.

(b) Effect of Breach. Should any party breach its covenants or warranties or fail to perform any of its obligations under this Agreement, the nonbreaching party or parties shall not be relieved or discharged from any of her, his or its obligations under those agreements, but shall otherwise be free to exercise such rights and remedies as the nonbreaching party or parties may have at law or in equity, as limited by this Agreement.

14.4 Notices. All notices, requests and other communications hereunder shall be in writing and shall be deemed to have been duly given at the time of receipt if delivered by hand or communicated by electronic transmission; on the next business day if sent via prepaid nationally recognized overnight courier service; or, if mailed, on delivery after mailing registered or certified mail, return receipt requested, with postage prepaid:

If to Denver TV Group, LLC and Denver TV Licenses, LLC:  
5000 Tremont Avenue  
Suite 102  
Davenport, IA 52807  
Attn: Dave McAnally

If to Sellers, then to:

PLLW, LLC  
2822 NE 187 Street  
Aventura, FL 33180  
Attn: Paul Libovitz

Fusion Communications, Inc. d/b/a Fusion Entertainment  
5000 Tremont Avenue  
Suite 102  
Davenport, IA 52807  
Attn: Dave McAnally

If to Purchasers:

PLLW Denver, LLC  
2822 NE 187 Street  
Aventura, FL 33180  
Attn: Paul Libovitz  
Fusion Denver, LLC,  
5000 Tremont Avenue  
Suite 102  
Davenport, IA 52807  
Attn: Dave McAnally

Pegasus Minority Media, LLC  
10155 Collins Avenue  
Suite 1505  
Bal Harbour, FL 33154  
Attn: Barbara Laurence

provided, however, that if any party shall have designated a different address by notice to the others given as provided above, then to the last address so designated.

14.5 Assignment. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their heirs, estates, successors in interest and assigns. No part of this Agreement shall be assignable by any party, either directly or indirectly, without the prior written consent of the other.

14.6 No Third Party Beneficiaries. Neither this Agreement nor any provision set forth herein is intended to, or shall, create any rights in or confer any benefits upon any person other than the parties hereto.

14.7 Governing Law and Jurisdiction: This Agreement shall be governed by and construed in accordance with the internal substantive laws of the State of Florida without regard to the conflicts of laws principles thereof. This Agreement shall not be construed more strictly against one party than against the other party. It is recognized that each of the parties has had the assistance of legal counsel and has significantly contributed to the negotiation and preparation of this Agreement.

14.8 Complete Agreement. This Agreement and the Schedules and Exhibits hereto and other documents expressly referred to herein set forth the entire understanding of the parties hereto with respect to the subject matter hereof and supersede all prior letters of intent, agreements, covenants, arrangements, communications, representations, or warranties, whether oral or written, by any officer, employee, or representative of any party relating hereto or thereto.

14.9 Incorporation By Reference. The Exhibits and Schedules to this Agreement constitute integral parts of this Agreement and are hereby incorporated into this Agreement by this reference.

14.10 Gender. All references to a party in the masculine gender shall be construed in the feminine or the neuter, as the context may require.

14.11 Counterpart Copies. This Agreement may be executed in two or more counterpart copies, all of which collectively shall constitute an integrated and fully executed original; and each of which shall be fully enforceable, notwithstanding no single copy shall have been executed by all parties. Facsimile signatures shall have the same effect as original signatures.

#### Article 15. Expenses

Except as is otherwise provided herein, whether or not those transactions are consummated, each party shall bear all expenses incurred by her, him or it in negotiating and completing the transactions envisioned hereby.

**IN WITNESS WHEREOF**, the undersigned have executed or caused the execution of this Agreement, in the case of Purchasers and Denver Group by its duly authorized representative, with the intention that it be deemed effective as of the date first written above.

#### **SELLERS**

**PLLW, LLC**

By: 

**FUSION COMMUNICATIONS, INC.  
D/B/A FUSION ENTERTAINMENT**

By: \_\_\_\_\_

14.9 Incorporation By Reference. The Exhibits and Schedules to this Agreement constitute integral parts of this Agreement and are hereby incorporated into this Agreement by this reference.

14.10 Gender. All references to a party in the masculine gender shall be construed in the feminine or the neuter, as the context may require.

14.11 Counterpart Copies. This Agreement may be executed in two or more counterpart copies, all of which collectively shall constitute an integrated and fully executed original; and each of which shall be fully enforceable, notwithstanding no single copy shall have been executed by all parties. Facsimile signatures shall have the same effect as original signatures.

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Except as is otherwise provided herein, whether or not those transactions are consummated, each party shall bear all expenses incurred by her, him or it in negotiating and completing the transactions envisioned hereby.

**IN WITNESS WHEREOF**, the undersigned have executed or caused the execution of this Agreement, in the case of Purchasers and Denver Group by its duly authorized representative, with the intention that it be deemed effective as of the date first written above.

#### **SELLERS**

**PLLW, LLC**


By: \_\_\_\_\_

**FUSION COMMUNICATIONS, INC.  
D/B/A FUSION ENTERTAINMENT**

By: David M. Bailey

**PURCHASERS**

**PLLW DENVER, LLC**

By: \_\_\_\_\_

**FUSION DENVER, LLC**

By: \_\_\_\_\_

**PEGASUS MINORITY MEDIA, LLC**

By: \_\_\_\_\_



**PURCHASERS**

**PLLW DENVER, LLC**

By: \_\_\_\_\_

**FUSION DENVER, LLC**

By: David McAnally

**PEGASUS MINORITY MEDIA, LLC**

By: \_\_\_\_\_

**PURCHASERS**

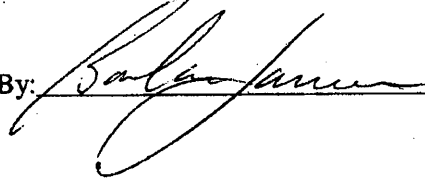
**PLLW DENVER, LLC**

By: \_\_\_\_\_

**FUSION DENVER, LLC**

By: \_\_\_\_\_

**PEGASUS MINORITY MEDIA, LLC**

By:  \_\_\_\_\_

## **LIST OF SCHEDULES AND EXHIBITS**

Schedule 1.1	Membership Interests
Schedule 3.5	Corporate Records; Officers and Members
Schedule 3.7(b)	Absence of Undisclosed Liabilities
Schedule 3.8	Tangible Assets
Schedule 3.9	Real Estate Leases
Schedule 3.12	Labor Relations
Schedule 3.13	Employment Matters
Schedule 3.16	Authorizations
Schedule 3.19	Contracts
Schedule 3.20	Leases
Exhibit A	Management Agreement
Exhibit B	Proxy

## **Schedule 1.1**

### **Membership Interests**

<b>Member</b>	<b>No. Units</b>	<b>Capital Contribution</b>
PLLW, LLC 2822 NE 187 Street Aventura, FL 33180	500	Facility
Fusion Communications Incorporated 5000 Tremont Avenue Suite 102 Davenport, IA 52807	500	Facility