

Asset Purchase Agreement

This Asset Purchase Agreement ("Agreement") is made effective December 29th, 2006 by and between Valley Public Television, Inc. ("Buyer"), on the one hand, and Michael Mintz ("Seller"), on the other.

Whereas, Seller is the owner and licensee of the of low power television station K18HD, Bakersfield, California, File No. BLTTL-20060814AAB (the "Station");

Whereas, Seller desires to sell the Station and Buyer desires to buy the Station and certain related assets;

Whereas, the sale of the Station to Buyer is subject to the prior consent of the Federal Communications Commission ("FCC");

Now, Therefore, Buyer and Seller agree as follows:

TERMS OF SALE

Section 1. OPTION

1.1 Due Diligence/Option Period. In consideration of receipt of five-hundred dollars (\$500.00) upon execution of this Agreement, Seller grants Buyer an Option to purchase the Station and certain related assets described herein. The Option granted to Buyer shall expire if not exercised by February 1, 2007. Buyer shall exercise the Option, the financial terms of which are described below, by providing written notice to Seller, on or before ~~March 1~~ ^{February 1}, 2007, of Buyer's intention to proceed with the Purchase of the Station. Seller shall cooperate fully with Buyer to facilitate this due diligence and shall provide all requested documents and information promptly.

1.2 Exercise of Option. In the event Buyer decides to exercise its Option to purchase the Station, Buyer shall make a two thousand dollar (\$2,000) non-refundable deposit ("Deposit") to Seller contemporaneously with Buyer's written notice of exercise of its option. Buyer's exercise of the Option, shall require Buyer to complete Buyer's portion of the FCC Form 345 application as described in Section 1.4 below.

1.3 Buyer's Determination not to Close after Exercise of Option. Buyer shall have no additional liability above and beyond the forfeiture of its \$2,000 non-refundable deposit for failure to close upon the purchase of the Station. Buyer may close anytime within the window provided below in Section 1.2. Buyer's failure to close by the last day specified in Section 1.10, shall result in the termination of this Agreement, the forfeiture of the Deposit, and the termination of all obligations of both Buyer and Seller under this Agreement. It is explicitly understood that Buyer shall have no liability to Seller for failure to close upon the purchase of

the Station, other than the forfeiture of Buyer's Deposit.

1.4 Assignment Application. Within five (5) business days of Buyer's exercise of its Option pursuant to Section 1.2, Buyer and Seller will jointly complete and file an FCC Form 345 application seeking consent to assign the Station from Seller to Buyer (such application, the "Assignment Application" and such consent the "FCC Consent"). Seller shall pay the filing fee for this application and shall file the application and both parties shall prosecute the Assignment Application diligently.

Section 2. Sale and Purchase of Assets

2.1 Assets to be Transferred. The assets and liabilities below described shall be conveyed from Seller to Buyer at the closing. Only those assets and liabilities explicitly listed below shall be conveyed to or assumed by the Buyer. For the avoidance of doubt, it is expressly understood and agreed that Buyer will not assume or otherwise be liable for any liabilities or obligations of Seller related to the business, ownership, or operation of Station insofar as they relate to the period prior to the Closing Date nor any tax liabilities of Seller, which liabilities shall be solely retained by the Seller. The assets to be transferred to Buyer shall include all FCC Licenses for the Station (the "FCC Licenses") and the following other assets (which other assets shall be collectively referred to as the "Non-FCC Assets"):

- (a) The tower lease for the station with American Tower Corporation. The tower lease in question was executed on April 17, 2006 and is for American Tower Site No. 8358. ("Tower Lease");
- (b) The electric utility account associated with the Station;
- (c) One 1.5 kw solid state transmitter;
- (d) One outdoor electronics cabinet with built in air conditioner
- (e) On 10 foot C-Band dish with associated feedhorn, LNB and mount;
- (f) One run of 1 5/8th inch heliax;
- (g) One UHF band broadcast panel array;
- (h) All equipment warranties; and
- (i) Any other materials currently owned by Seller and currently installed on or at the Tower Lease site and used in the operation of the Station.

2.2 Purchase Price Payment. In consideration of the assignment by Seller to Buyer of the license for the Station and assets above described, Buyer shall pay to Seller the sum of three hundred twenty-two thousand five-hundred dollars (\$322,500.00) (the "Purchase Price") on the Closing Date.



2.3 Representations. The following representations shall be true as of the date of execution of this Agreement and as of the Closing Date:

- (a) Each party has full power, authority and legal right to execute and deliver this agreement and to perform its obligations under this Agreement and that it is qualified to hold the FCC Licenses under the Communications Act of 1934, as amended, and the rules and regulations of the FCC (collectively, the "Communications Act").
- (b) Seller has good and marketable title to the Non-FCC Assets. The FCC Licenses and the Non-FCC Assets constitute all the licenses, authorizations, permits, rights and equipment necessary to own and operate the Station in substantially the same manner as it is being operated immediately prior to execution of this Agreement.
- (c) There is not any material investigation, proceeding, notice of violation, or order of forfeiture relating to the Station. There is not pending and, to Seller's knowledge, there is not threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the FCC Licenses.
- (d) The Station is owned and operated by Seller in material compliance with (i) the terms of the FCC Licenses and (ii) the Communications Act. Seller has filed or made all material applications, reports, and other disclosures required by the FCC to be made in respect of the Station.
- (e) The FCC Licenses are in full force and effect; and are not subject to any condition except conditions applicable to broadcast television licenses generally, or as otherwise disclosed on the face of the FCC Licenses.
- (f) Seller has not received any notice of displacement of the Station by any other party, nor does it have any reason to believe that the Station will be displaced or otherwise will receive a material amount of interference to its service.

2.4 Covenant Pending Closing. Seller shall use commercially reasonable steps to maintain the Station and the FCC Licenses (including, if necessary, the filing of a displacement application) (i) in compliance with the Communications Act, (ii) to protect the Station from receiving from any other source a material amount of interference, and (iii) to ensure that the representations of Seller set forth in Section 2.3 remain true up until and on the Closing Date.

2.5 Tower Lease. Upon giving notice of the exercise of its Option, Buyer shall file an application with American Tower Corporation in conjunction with Seller for the purposes of having the tower lease assigned from Seller to Buyer. The parties acknowledge that this process can take one to two months and that it must be timely commenced in order for the Tower Lease to be assigned on the Closing Date.

2.6 Electricity Account. Buyer and Seller shall cooperate to arrange for the transfer of the Station's electricity account from Seller to Buyer. The parties shall take such actions in a timely manner so as to allow the account to transfer on the Closing Date.

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2.7 Documents and Records. Seller shall provide to Buyer copies of all records regarding the Station that are in Seller's possession relating to the Station.

2.8 Closing. Closing on the sale of the Station shall occur on the date specified by Buyer. However, such date shall be no earlier than the date of the initial consent to assign the Station to Buyer by the FCC and no later than the third business day after such consent becomes final. ("Closing Date"). On or before the Closing Date:

- (a) Buyer shall have made a determination to close pursuant to Section 1.3
- (b) Seller shall deliver to Buyer a fully executed Bill of Sale concerning the Non-FCC Assets and an assignment and assumption agreement concerning the FCC Licenses and any other intangible assets
- (c) The FCC Consent shall have been granted and no timely request for stay, motion, or petition for reconsideration or rehearing, application or request for review or notice of appeal or other petition for review shall be pending, and the time for filing any such request, motion, petition, application, appeal or notice and for the entry of orders staying, reconsidering or reviewing on the FCC's or another governmental authority's own motion shall have expired.
- (d) Buyer shall have delivered the Purchase Price to Seller.

2.9 Return of Deposit. Should the FCC refuse to grant consent to assign the Station to Buyer for any reason other than due to the prior or current wrongdoing of Buyer or any current action or request of Buyer, or should the FCC fail to act within the period specified in 1.12 below, then the Deposit shall be returned to Buyer. Under all other set of circumstances the Deposit shall be retained by Seller.

2.10 Termination of Agreement. If the FCC does not grant consent to assignment of the Station with one hundred twenty days (120) of the filing of the application for consent, this Agreement shall terminate.

2.11 Miscellaneous. The laws of the State of California shall govern this Agreement. This written Agreement embodies all terms of the parties understanding and may not be amended except by written instrument executed by both Buyer and Seller.

Seller: Michael Mintz

By: 

Buyer: Valley Public Television, Inc.

By: 
Paula Castadio

Title

Date

President & CEO
Title

December 29, 2006
Date