

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

Una Vez Mas, LP,  
a Texas limited partnership,  
Una Vez Mas Tucson License, LLC,  
a Delaware limited liability company  
("Seller")

and

LM Media Group Inc.,  
an Arizona corporation  
("Buyer")

March 14, 2012

## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is made and entered into as of this 14th day of March 2012 by and among **Una Vez Mas, LP**, a Texas limited partnership ("UVM"), and **Una Vez Mas Tucson License, LLC**, a Delaware limited liability company ("Licensee," which together with UVM are referred to herein as "Seller"), and LM Media Group Inc., an Arizona corporation ("Buyer").

### RECITALS

A. Seller owns and operates the following television broadcast station (the "Station") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC"):

KUDF-LP, Tucson, Arizona (Facility ID #27278)

B. Pursuant to the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Station Assets (defined below).

**NOW, THEREFORE**, in consideration of the mutual covenants, agreements, representations, and warranties contained in this Agreement, and subject to the terms and conditions contained herein, the parties hereto do hereby agree as follows:

### ARTICLE I

#### Assets Being Sold and Purchased and Purchase Price

**1.1 Assets.** Subject to the terms and conditions herein contained, Seller agrees to sell, assign, convey, transfer, and deliver to Buyer at the Closing (defined below), and Buyer shall purchase at the Closing, all of Seller's right, title, and interest in and to the following tangible and intangible assets (except as expressly provided in Section 1.2 hereof) owned by, licensed to, or leased by Seller on the Closing Date (defined below) and used exclusively in connection with the operation of the Station (collectively, the "Station Assets"):

(a) the FCC licenses, permits and authorizations as set forth in Schedule 1.1(a) hereto, copies of which have been provided previously to Buyer (collectively, the "FCC Licenses"), including any renewals or modifications thereof between the date hereof and Closing;

(b) all of Seller's right, title and interest in and to the tangible personal property exclusively used or held for use by the Station, including, but not limited to, the tangible personal property set forth in Schedule 1.1(b) hereto (collectively, the "Tangible Personal Property"), plus such additions thereto and minus such deletions therefrom as are permitted by the provisions of this Agreement;

(c) all of Seller's real property used or held for use in the operation of the Station, including, without limitation, those listed on Schedule 1.1(c) hereto (the "Real Property");

(d) all agreements for the sale of advertising time on the Station entered into in the ordinary course of business, and all other contracts, agreements and leases entered into in the ordinary course of business, including those listed on Schedule 1.1(d) hereto, together with all contracts, agreements and leases entered into by Seller in accordance with the provisions of this Agreement between the date hereof and the Closing Date (collectively, the "Assumed Contracts");

(e) Seller's right, title and interest in and to the call letters used with respect to the Station, together with the goodwill associated therewith;

(f) books, files, and records specifically relating to the Station Assets, including proprietary information, schematics, technical information and engineering data, machinery and equipment, maps, computer discs and tapes, software, rights to use telephone numbers, drawings, blueprints, plans, and processes developed or acquired by Seller and used or intended for use exclusively in connection with the Station Assets, programming information, copies of the Assumed Contracts, and the FCC required logs, files, and records; and

(g) all warranties associated with the Tangible Personal Property, to the extent transferable by Seller.

**1.2 Excluded Assets.** Notwithstanding anything in this Agreement to the contrary, the Station Assets do not include, and Seller shall not, and is not hereby agreeing to, sell, assign, transfer, deliver, or convey to Buyer:

(a) cash and cash equivalents of Seller on hand or on deposit in banks, including, without limitation, certificates of deposit, commercial paper, treasury bills, marketable securities, money market accounts and all such similar accounts or investments, or inter-company or inter-affiliate accounts;

(b) any insurance policies, coverage's and proceeds thereunder and all rights in connection therewith, promissory notes, amounts due from employees, bonds, letters of credit, certificates of deposit, other similar items, and any cash surrender value in regard thereto;

(c) any pension, profit-sharing plans and trusts and the assets thereof, or employee benefit plans or arrangements and the assets thereof, including, without limitation, Seller's interest in any welfare plan or pension plan;

(d) any collective bargaining agreements;

(e) all tax returns and supporting materials, all original financial statements and supporting materials, all books of accounts, financial statements, state sales tax books, records, and returns, employment records, purchase and sales records, correspondence, files, literature, and all records of Seller relating to the sale of the Station Assets;

(f) any interest in and to any refunds of federal, state, or local franchise, income, or other taxes for periods prior to the Closing Date;

(g) any accounts receivable of Seller and any other right to payment of cash consideration for goods or services sold or provided prior to the commencement of the LMA (defined below) or otherwise during or attributable to any period prior to the commencement of the LMA (the "A/R");

(h) any non-transferable shrink-wrapped computer software and any other non-transferable computer licenses that are not material to the operation of the Station;

(i) deposits and prepaid expenses (and rights arising therefrom or related thereto) not subject to proration;

(j) all rights and claims of Seller, whether mature, contingent or otherwise, against third parties with respect to the Station and the Station Assets, to the extent arising during or attributable to any period prior to the Effective Time (defined below);

(k) assets owned personally by principals of Seller or its employees, assets used or held for use (in whole or in part) for any other station of Seller, and other assets not used exclusively in the operation of the Station which is not individually or in the aggregate material to the operation of Seller's business;

(l) all tangible and intangible personal property of Seller retired or disposed of between the date of this Agreement and the Closing in accordance with Article IV;

(m) Seller's corporate name and trade names unrelated to the operation of the Station, charter documents, and books and records relating to the organization, existence or ownership of Seller, duplicate copies of the records of the Station, and all records not relating to the operation of the Station;

(n) any contract, lease, or agreement other than the Assumed Contracts, including all studio and office leases used in the operation of the Station; and

(o) the assets listed on Schedule 1.2 hereto (if any).

### **1.3 Purchase Price.**

(a) Upon the terms and subject to the conditions set forth in this Agreement, and in consideration for the sale, assignment, conveyance, transfer, bargain, and delivery of the Station Assets to Buyer pursuant to the terms hereof, the purchase price hereunder (the "Purchase Price") shall be a total of Eight Hundred and Ten Thousand Dollars (\$810,000.00) in cash payable by Buyer on the Closing Date by wire transfer of immediately available funds, to an account designated by Seller, with the amount to be transferred to be subject to the adjustments and other provisions contained in Section 2.3 hereof.

**1.4 Earnest Money Deposit.** On the date hereof, Buyer shall place in escrow with Seller cash in the amount of One Hundred Fifty-Thousand Dollars (\$150,000) (the "Deposit"). At the Closing, the Deposit shall be paid to Seller and credited towards the Purchase Price. If this Agreement is terminated by Seller pursuant to Section 10.1(a), then the Deposit shall be disbursed to Seller as liquidated damages (and any interest accrued thereon shall be disbursed to Seller), in addition to all other legal and equitable remedies available to Seller. Seller acknowledges and agrees that Seller's recovery of such amount shall constitute payment of liquidated damages and not a penalty and that Seller's liquidated damages amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused by Buyer's material breach or default under this Agreement, the difficulty of proof of loss and damages, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder. If this Agreement is terminated for any other reason, the Deposit and any interest accrued thereon shall be disbursed to Buyer. Any failure by Buyer to make the Deposit on the date hereof constitutes a material default as to which the Cure Period under Section 10.1 does not apply, entitling Seller to immediately terminate this Agreement.

**1.5 Assumption of Obligations.** At the Closing, Buyer shall assume and agree to pay and otherwise fully perform and discharge, and shall indemnify Seller against, and hold Seller harmless from, all of Seller's obligations and duties arising on or after the Closing Date under the Assumed Contracts (the "Assumed Contract Obligations"). Except for the Assumed Contract Obligations and except as provided in the LMA, Buyer does not assume and will not assume, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to have assumed, any other liabilities or obligations of Seller.

**1.6 Shared Contracts.**

(a) Some of the Assumed Contracts may be used in the operation of multiple stations or other business units (the "Shared Contracts"). The rights and obligations under the Shared Contracts shall be equitably allocated among stations and such other business units in a manner reasonably determined by Seller in accordance with the following equitable allocation principles:

- (i) any allocation set forth in the Shared Contract shall control;

(ii) if none, then any allocation previously made by Seller in the ordinary course of Station operations shall control;

(iii) if none, then the quantifiable proportionate benefit to be received by the parties after Closing shall control, such proportionate benefit to be determined using generally accepted accounting principles ("GAAP") to the extent applicable; and

(iv) if not quantifiable, then reasonable accommodation shall control.

(b) Buyer shall cooperate with Seller (and any third party designated by Seller) in such allocation, and the Assumed Contracts (and Assumed Contract Obligations) will include only Buyer's allocated portion of the rights and obligations under the Shared Contracts (without need for further action and whether such allocation occurs before or after Closing). If designated by Seller, such allocation will occur by termination of the Shared Contract and execution of new contracts. Buyer's allocated portion of the Shared Contracts will not include any group discounts or similar benefits specific to Seller or its affiliates. Completion of documentation of any such allocation is not a condition to Closing.

## **ARTICLE II**

### **Closing and Closing Deliveries**

**2.1 Closing.** The term "Closing" as used herein shall refer to the consummation of the conveyance, transfer, assignment, and delivery of the Station Assets to Buyer in exchange for the Purchase Price on the Closing Date, and shall be deemed effective as of 12:01 a.m. local Tucson, Arizona time on the Closing Date (the "Effective Time"). The Closing shall take place at a location and time on the Closing Date mutually agreed upon by the parties, and may be accomplished by exchange of documents by facsimile, PDF and/or overnight courier. The Closing shall be held on a date (the "Closing Date") mutually agreeable to Buyer and Seller which is within ten (10) business days after the date on which either FCC Consent (defined below) occurs pursuant to the FCC's initial order or on the date the FCC Consent becomes a Final Order, at Buyer's option. As used in this Agreement, "Final Order" shall mean that action shall have been taken by the FCC which shall not have been vacated, reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely appeal, timely request for stay, or timely petition for reconsideration, rehearing or review by any person or the FCC on its own motion, is pending, and as to which the time for filing any such timely appeal, timely request, timely petition for reconsideration, rehearing or review by the FCC on its own motion has expired.

**2.2 Closing Deliveries.** At the Closing:

(a) Seller shall deliver, or shall cause to be delivered, to Buyer:

(i) a duly executed Bill of Sale, dated the Closing Date, in substantially the form of Exhibit "A" attached hereto;

(ii) a duly executed Assignment of FCC Licenses, dated the Closing Date, in substantially the form of Exhibit "B" attached hereto;

(iii) a duly executed Assignment and Assumption of Assumed Contracts, dated the Closing Date, in substantially the form of Exhibit "C" attached hereto (the "Assignment and Assumption Agreement");

(iv) a duly executed Consulting Agreement, dated the Closing Date, in substantially the form of Exhibit "D" attached hereto (the "Consulting Agreement");

(v) the Required Consents (defined below);

(vi) a certificate executed by Seller certifying the due authorization of this Agreement and the agreements contemplated hereby, together with copies of Seller's authorizing resolutions;

(vii) a good standing certificate issued by the Secretary of State of Seller's jurisdiction of formation;

(viii) all of the other documents that are required to be delivered by Seller to Buyer pursuant to Section 8.2 hereof;

(ix) such other assignments or documents, as are reasonably necessary in order to vest good and marketable title to the Station Assets in Buyer, free and clear of any claims, liabilities, mortgages, liens, pledges, conditions, charges or encumbrances of any nature, except for Permitted Encumbrances (defined below), or as may be otherwise permitted by this Agreement. "Permitted Encumbrances" shall mean (A) liens for current taxes not yet due and payable, (B) any liens satisfied, paid or released on or before Closing, (C) easements, covenants, and restrictions of record that affect any real or personal property and do not have a material adverse effect on the use of such real or personal property in the conduct of the business or operations of the Station as conducted by Seller as of the Closing Date; and

(x) such other documents as Buyer or its legal counsel may reasonably request that are reasonably necessary to carry out the purposes of this Agreement.

(b) Buyer shall deliver, or shall cause to be delivered, to Seller;

(i) cash in the amount of the Purchase Price pursuant to Section 1.3 hereof, with the amount of such payment to be subject to the adjustments and other provisions of Section 2.3 hereof;

(ii) a duly executed Assignment and Assumption Agreement;

(iii) a duly executed Consulting Agreement;

(iv) all other documents required to be delivered by Buyer to Seller pursuant to Section 9.2 hereof;

(v) a certificate executed by Buyer certifying the due authorization of this Agreement and the agreements contemplated hereby, together with copies of Buyer's authorizing resolutions;

(vi) a good standing certificate issued by the Secretary of State of Buyer's jurisdiction of formation; and

(vii) such other documents as Seller or its legal counsel may reasonably request that are reasonably necessary in order to carry out the purposes of this Agreement.

**2.3 Pro-Rated Amounts.** Except as otherwise provided in this Agreement and except as provided in the LMA, the following items shall be pro-rated as of the Effective Time and paid, as between Seller, on the one hand, and Buyer, on the other hand, at the Closing (to the extent possible) in the manner provided for herein below:

(a) All pre-paid expenses (including prepaid deposits) and all expenses and obligations for which liability has accrued but whose payment or satisfaction is not yet due as of the Closing Date, including but not limited to: (i) such expenses in connection with the Assumed Contract Obligations, (ii) rents, (iii) utility charges, including electricity, water and sewer charges, (iv) business and license fees and FCC regulatory fees, including any retroactive adjustments thereof, (v) property and equipment rentals, (vi) applicable copyright or other fees, (vii) sales and service charges, (viii) real and personal property taxes in connection with the Station Assets, and (ix) operating expenses, shall be pro-rated and adjusted between Buyer and Seller in accordance with the principle that except as otherwise provided in this Agreement and except as provided in the LMA, Seller shall be responsible for all expenses, costs, and liabilities allocable to the conduct of the business or operations of the Station up to the Effective Time and Buyer shall be responsible for all such expenses, costs and liabilities after the Effective Time. In addition, Seller shall receive all revenues, if any, allocable to the conduct of the business or operations of the Station up to the Effective Time and Buyer shall receive all revenues, if any, allocable to the conduct of the business or operations of the Station after the Effective Time. For purposes of determining pro-rated amounts under leases and other rental agreements, if the contract does not allocate specific amounts to specific



periods, payments under such leases and agreements shall be deemed to be due in equal installments over the terms thereof.

(b) Seller shall deliver to Buyer, no less than five (5) business days before the Closing Date, Seller's written good faith estimate of the prorated amounts set forth in Section 2.3(a) as of the Closing Date. Buyer and Seller will negotiate in good faith to resolve any amounts in such statement which Buyer may dispute based upon its preliminary review of such statement, and the undisputed portion of the prorated amounts set forth in such statement will then be used to adjust the cash payment on the Closing Date, but not the Purchase Price itself. Neither party's failure to dispute any pro-rated amount on such statement prior to Closing shall be deemed a waiver of its right to challenge any such amount during the post-Closing adjustment process contemplated by Section 2.3(c).

(c) At the conclusion of sixty (60) days following the Closing Date, a final adjustment of the remaining items to be pro-rated between Buyer and Seller pursuant to Section 2.3(a) hereof shall be made. In the event that there is a dispute as to certain amounts, Seller and Buyer shall adjust any amounts for which there is no dispute, and attempt in good faith to resolve any disputed amounts. If the parties are unable to resolve any disputed amounts within ninety (90) days after the Closing Date, (i) if the amount in dispute is less than \$10,000, such amount shall be divided equally between Buyer and Seller; and (ii) if the amount in dispute is \$10,000 or greater, either party may refer the adjustment of such disputed amounts to an independent firm of certified public accountants reasonably acceptable to both parties (the "Proration Arbitrator") which shall resolve such disputed amounts and such resolution shall be final and binding on the parties. The fees and expenses of the Proration Arbitrator shall be shared equally by the parties, unless one party prevails with respect to all disputed amounts in which case the non-prevailing party shall bear such fees and expenses. The Proration Arbitrator shall have no current or prospective affiliation with any party to this Agreement.

### **ARTICLE III**

#### **FCC Approval**

#### **3.1 FCC Approval.**

(a) Buyer and Seller shall join in and file with the FCC an application or applications (the "Applications") to request the FCC's consent to the voluntary assignment of the FCC Licenses from Seller to Buyer (the "FCC Consent"), within five (5) business days after the execution of this Agreement. Buyer and Seller shall each pay its own expenses in connection with the preparation and prosecution of the Applications, but Buyer shall pay any filing fees associated with the Applications. Seller and Buyer shall prosecute the Applications to the FCC, including opposing any petitions to deny filed against any of the Applications, with all reasonable diligence, in order to obtain the FCC Consent promptly. If FCC reconsideration or review, or if judicial review, shall be sought with respect to the FCC Consent, by a third party or upon the FCC's own motion,

Buyer and Seller shall cooperate in opposing such requests for FCC reconsideration or review or for judicial review.

(b) If the FCC Consent shall impose any condition upon any party hereto, such party shall use its best efforts to comply with such condition. If any party hereto shall seek FCC reconsideration or review, or judicial review, of a materially adverse condition imposed by the FCC, the other party shall cooperate fully with the party seeking reconsideration or review of such condition; provided, however, that neither party shall seek or cause to be sought, without the prior written consent of the other party, FCC reconsideration or review, or judicial review, of any condition or qualification that is not a materially adverse condition. For purposes of this Agreement, a "materially adverse condition" shall not include (i) any condition generally applicable to the broadcast industry or a transaction of this kind, or (ii) any condition imposed as a result of any act or failure to act by, or the ownership or qualifications of, Buyer.

#### **ARTICLE IV** **Covenants of Seller**

**4.1 No Changes.** Except as set forth in the LMA and except as permitted with the prior written consent of Buyer, which shall not be unreasonably withheld, conditioned or delayed, between the date hereof and the Closing Date, Seller shall:

(a) operate the Station in the ordinary course of business. Consistent with the foregoing, Seller shall keep and maintain the Station Assets in good operating condition and repair consistent with past practices (normal wear and tear excepted);

(b) not, other than in the ordinary course of business, sell, assign, lease, mortgage, pledge, or otherwise transfer, or dispose of any material item included in the Station Assets or create, assume, or permit to exist any claim, liability, lien, condition, charge, or encumbrance upon any material item included in the Station Assets, except for (i) liens, charges, and encumbrances in favor of Buyer, (ii) Permitted Encumbrances; (iii) surplus personal property and other immaterial items of personal property included in the Station Assets and sold, or otherwise disposed of in the ordinary and regular course of the operation of the Station;

(c) maintain insurance policies on the Station Assets in accordance with the ordinary course of business;

(d) not do any act which would reasonably be expected to result in the expiration, revocation, suspension, or modification of any of the FCC Licenses (other than to correct FCC records), nor fail to do any act necessary in order to prevent the expiration, revocation, suspension, or modification of the FCC Licenses;

(e) prior to the Closing Date, deliver to Buyer a list of all material contracts entered into by Seller between the date hereof and the Closing Date of the type required to be listed in Schedule 1.1(c) hereto, together with copies of such contracts; and

(f) comply in all material respects with all rules and regulations of the FCC, and all other laws, rules, and regulations to which Seller, the Station, and the Station Assets are subject.

#### **4.2 Written Consents.**

(a) The parties shall use commercially reasonable efforts to obtain (i) any third party consents necessary for the assignment of any Assumed Contract (which shall not require any payment to any such third party), and (ii) execution of reasonable estoppel certificates by lessors under any Real Property leases requiring consent to assignment (if any), but no such consents or estoppel certificates are conditions to Closing except for the Required Consents. Receipt of consent to assign to Buyer the Assumed Contracts designated with a diamond on Schedules 1.1(c) and 1.1(d) is a condition precedent to Buyer's obligation to close under this Agreement (the "Required Consents").

(b) To the extent that any Assumed Contract may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant to this Agreement shall not constitute an assignment of such Assumed Contract; provided, however, with respect to each such Assumed Contract, Seller and Buyer shall cooperate to the extent feasible in effecting a lawful and commercially reasonable arrangement under which Buyer shall receive the benefits under the Assumed Contract from and after Closing, and to the extent of the benefits received, Buyer shall pay and perform Seller's obligations arising under the Assumed Contract from and after Closing in accordance with its terms.

**4.3 Access to Station.** Subject to the LMA, between the date of this Agreement and the Closing Date, Seller shall give Buyer reasonable access during normal business hours to the Station and the Station Assets. The rights of Buyer under this Section 4.3 shall not be exercised in such a manner as to interfere unreasonably with or disrupt the business or operations of the Station.

### **ARTICLE V Joint Covenants**

**5.1 No Bulk Sales.** Seller and Buyer hereby agree that the transactions contemplated by this Agreement are not governed by either the bulk sales laws or the bulk transfer laws of the State of Arizona.

**5.2 Cooperation.** Buyer and Seller shall cooperate fully with each other and with their respective counsel and accountants in connection with any actions required to be taken as part of their respective obligations under this Agreement, and Buyer and Seller shall execute such other documents as may be necessary and reasonable for the implementation and consummation of the transactions contemplated by this Agreement,

and otherwise use their best efforts to consummate the transaction contemplated hereby and to fulfill their obligations hereunder. Notwithstanding the foregoing, Seller and Buyer shall have no obligation (a) to expend funds in order to obtain the any third party consents (other than any fee payable to the FCC in connection with the filing of the Applications), or (b) to agree to any material adverse change in any Assumed Contract in order to obtain a consent with respect thereto.

**5.3 Risk of Loss.** The risk of any loss, damage, impairment, confiscation, or condemnation of any of the Station Assets from any cause whatsoever shall be borne by Seller at all times prior to the Effective Time, and by Buyer at all times thereafter, subject to the provisions of this Section 5.3. In the event of any loss, damage, impairment, (including, without limitation, any restriction on an existing FCC License that would materially adversely reduce coverage), confiscation, or condemnation of any of the Station Assets (a "Loss") prior to the Effective Time, which Loss shall prevent the signal transmission of the Station in accordance with the terms of its FCC License, or which Loss shall materially impair the Station's signal coverage area, Seller shall use commercially reasonable efforts to repair, replace, or restore the Station Assets affected by such Loss in order to restore that Station's signal coverage substantially as it existed prior to the Loss. Seller and Buyer agree that if the Station is not operating on the scheduled Closing Date, the Closing Date shall be rescheduled to the date which is five (5) business days after the signal coverage of the Station has been so restored.

**5.4 No Inconsistent Act.**

Neither Seller nor Buyer shall (a) take any action which is materially inconsistent with their respective obligations hereunder, or which would reasonably be expected to materially hinder or delay the consummation of the transaction contemplated by this Agreement, except as specifically required or permitted herein, or (b) take or fail to take any action which would render any of its representations set forth in Article VI or VII, as the case may be, no longer accurate or which would be inconsistent with any warranty contained in Article VI or VII, as the case may be.

**5.5 Notifications.**

(a) Seller and Buyer shall promptly notify each other in writing of any developments, except for matters affecting the television broadcasting industry generally, which singly or in concert with others are material with respect to the ability of such notifying party to consummate the transactions contemplated hereby, and of any material change in any of the information contained in such party's representations and warranties contained in this Agreement; provided however, that such notice shall not constitute a waiver as to the other party's enforcement of such representation or warranty or otherwise under this Agreement.

(b) Buyer shall notify Seller promptly after Buyer becomes aware of any information, whether or not supplied by Seller or its affiliates, that would reasonably be expected to indicate that any of the representations or warranties of Seller contained in

this Agreement were inaccurate when made or would be inaccurate as of the Closing (“Material Information”). In the event Buyer fails to comply with its obligations under this Section 5.5 (b), Buyer shall not be entitled to the conditions set forth in Section 9.1 or indemnification from Seller pursuant to Section 11.2 hereof with respect to any representation or warranty of Seller which is inaccurate as of the Closing Date as a result of Material Information of which Buyer was aware but failed to inform Seller.

**5.6 Allocation of Purchase Price.** Within 120 days of Closing, Seller shall allocate the Purchase Price for tax purposes in accordance with the respective fair market values of the Station Assets and the goodwill being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the “Code”). Each of Buyer and Seller shall file a tax return reflecting this allocation as and when required under the Code.

**5.7 Further Assurances.** After the Closing Date, each party will take all action reasonably requested by the other to carry out the intent of this Agreement and to vest good and marketable title to the Station Assets in Buyer.

**5.8 Control of the Station.** Subject to the LMA, prior to Closing, Buyer shall not, directly or indirectly, control, supervise, direct, or attempt to control, supervise, or direct the operations of the Station; such operations, including complete control and supervision of all of the programs, employees, and policies of the Station, shall be the sole responsibility of Seller until the Closing.

**5.9 Local Marketing Agreement.** Simultaneous with the execution of this Agreement, LM Media Arizona Inc. (“LM Media Arizona”), an affiliate of Buyer, and Seller are entering into a Local Programming and Marketing Agreement (the “LMA”), pursuant to which, among other things, and subject to the terms and condition of the LMA, LM Media Arizona will provide programming for, and be entitled to receive the revenues from the sale of advertising time on, the Station.

**5.10 Accounts Receivable.** For the period commencing on the commencement of the LMA and ending one hundred fifty (150) days thereafter or on the Closing Date, whichever first occurs (the “Collection Period”), Buyer shall, without charge to Seller, use commercially reasonable efforts to collect (or cause LM Media Arizona to collect) the A/R in the ordinary course of business and shall apply all amounts collected from the Station’s account debtors to the oldest account first, unless the advertiser disputes in good faith in writing an older account and designates the payment to a newer account. Any amounts relating to the A/R that are paid directly to Seller shall be retained by Seller. Buyer shall not discount, adjust or otherwise compromise any A/R and Buyer shall refer any disputed A/R to Seller. Within ten calendar days after the end of the Collection Period, Buyer shall deliver to Seller a report showing A/R collections for the Collection Period and Buyer shall make a payment to Seller equal to the amount of all such collections. At the end of the Collection Period, any remaining A/R shall be returned to Seller for collection.

## ARTICLE VI

### Representations and Warranties of Seller

Seller represents and warrants to Buyer as follows:

#### 6.1 Good Standing.

Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and if required, is qualified to do business in each jurisdiction in which the Station Assets are located. Seller has all requisite power and authority (a) to own, lease, and use the Station Assets as presently owned, leased, and used, (b) to conduct the business and operations of the Station as presently conducted, and (c) to execute and deliver this Agreement and the documents contemplated hereby, and to perform and comply with all of the terms and conditions to be performed and complied with by Seller hereunder and thereunder.

**6.2 Right, Power and Authority.** This Agreement has been duly executed and delivered by Seller and is a legal, valid, and binding obligation of Seller enforceable against Seller in accordance with its terms, except to the extent limited by (a) bankruptcy, insolvency, moratorium, and other laws of general applicability relating to or affecting the enforcement of creditors' rights, (b) principles of public policy and (c) court-applied general principles of equity.

**6.3 No Conflicts or Defaults.** Neither the execution, delivery, nor performance of this Agreement by Seller, nor the consummation of the sale and purchase of the Station Assets or any other transaction contemplated hereby, after the giving of notice, or the lapse of time, or both, (a) conflicts with, results in a breach of, or constitutes a default under, the organizational documents of Seller, or any Federal, state or local law, statute, ordinance, rule, or regulation, or any court or administrative order or process applicable to Seller; (b) conflicts with, constitutes grounds for termination of, results in a breach of, constitutes a default under, violates any right of first refusal or similar right granted to a third party under, or accelerates or permits the acceleration of any performance required by the terms of, any contract, agreement, arrangement, commitment, plan, instrument, license, or permit to which Seller is a party or by which Seller or the Station Assets are bound and which relates to the ownership or operation of the Station or the Assets; provided, however, that certain Assumed Contracts listed in Schedule 1.1(c) hereto are not assignable without the consent of another party; or (c) results in the creation of any mortgage, pledge, lien, claim, liability, charge, condition, or encumbrance upon any of the Station Assets, other than as expressly contemplated by this Agreement.

**6.4 Broker's Fee.** Neither this Agreement, nor the sale and purchase of the Station Assets, was induced or procured through the services of any person, firm, corporation, or other entity acting on behalf of or representing Seller as broker, finder,

investment banker, financial advisor, or in any similar capacity, except for Mark Parechan, the fees of whom shall be the sole responsibility of Seller.

**6.5 FCC Licenses.** Except as set forth on Schedule 1.1(a), Seller holds the FCC Licenses identified on Schedule 1.1(a) hereto. Schedule 1.1(a) includes a true and complete list of all FCC Licenses, except as otherwise noted therein. Assuming the due regularity of the FCC's processes in connection therewith, as to which Seller has no contrary knowledge, the FCC Licenses were validly issued and are in full force and effect. Seller holds all FCC Licenses necessary to operate the Station. Other than the FCC Licenses set forth in Schedule 1.1(a) hereto and general business licenses required by local and state law, no franchises, licenses, permits, approvals, or authorizations issued are required in order for Seller to own and operate the Station in the manner and to the full extent that it is operated on the date hereof and as it will be operated on the Closing Date, and none of the FCC Licenses are subject to any restriction or condition which would limit the full operation of the Station as presently operated or as operated on the Closing Date, other than restrictions of general applicability to the Low Power Television ("LPTV") broadcasting industries as a whole. No action or proceeding is pending or, to the knowledge of Seller, threatened, by or before the FCC or by or before any other governmental body to revoke, refuse to renew, or modify the FCC Licenses, other than proceedings of general applicability affecting or purporting to affect all similarly-situated LPTV stations.

**6.6 Title to Assets.** Seller has, or at the Closing will have, good and marketable title to the Station Assets, free and clear of any mortgages, pledges, liens, encumbrances, or other charges or rights of others of any kind, except for Permitted Encumbrances, and has, or at the Closing will have, the unrestricted power and right to sell, assign and deliver the Station Assets to Buyer.

**6.7 Real Property.**

(a) Schedule 1.1(c) hereto describes all leasehold interests in Real Property used in the operation of the Station. All leases included in the Station Assets are valid, binding, and enforceable in accordance with their terms, subject to applicable provisions of any subsequently-enacted landlord-tenant laws of the jurisdiction in which each such lease is to be performed, and subject to the qualifications set forth in clauses (a), (b), and (c) of Section 6.2 hereof. Seller is not in material breach, nor to the best of Seller's knowledge is any other party in material breach, of the terms of any such leases. Seller owns no real property in fee simple which is used in connection with the operation of the Station.

(b) All utilities presently serving the Real Property are adequate to service the existing normal operation of the Station.

**6.8 No Litigation Or Violations of Law.**

(a) Except for matters affecting the LPTV broadcasting industry generally, to the knowledge of Seller, there is no litigation at law or in equity, no arbitration proceeding, and no proceeding before or by any court, commission, agency, or other administrative or regulatory body or authority, pending or threatened, which would reasonably be expected to have a material adverse effect upon the Station.

(b) Seller owns and operates the Station Assets, and carries on and conducts the business and affairs of the Station, in material compliance in all material respects with all applicable Federal, state, and local laws, statutes, ordinances, rules, and regulations.

**6.9 Intellectual Property.** To the knowledge of Seller, the ownership and operation of the Station and the Station Assets, as presently owned and operated, does not infringe upon nor conflict impermissibly in any material respect with any patent, trademark, trade name, service mark, brand name or copyright of any other person, firm, corporation, or entity.

**6.10 Contracts.** Seller made available to Buyer true and complete copies of all Assumed Contracts that are in writing, and true and complete memoranda of all oral contracts included in the Assumed Contracts (including any and all amendments and other modifications to such contracts). All of the Assumed Contracts are in full force and effect, and are valid, binding, and enforceable in accordance with their terms, subject to the qualifications set forth in clauses (a), (b), and (c) of Section 6.2 hereof. Seller is not in material breach, nor to Seller's knowledge is any other party in material breach, of the terms of any of the Assumed Contracts. Seller is not aware of any intention of any party to any Assumed Contract (a) to terminate such Assumed Contract, or to amend the terms thereof, (b) to refuse to renew the same upon its expiration of its term, or (c) to renew the same upon its expiration only upon terms and conditions which are more onerous than those pertaining to such existing Assumed Contract.

**6.11 Insurance.** Seller has in full force and effect insurance insuring the Station Assets.

**6.12 Assets in Operating Condition.** The Assets are in good operating condition (ordinary wear and tear excepted), and are available for immediate use in the business or operations of the Station.

**6.13 Environmental Matters.**

(a) To Seller's knowledge, Seller is in compliance in all material respects with all applicable environmental and safety laws that relate to the Station, the Real Property, the business or operation of the Station, including but not limited to, possession of all, and compliance with any, permits or other authorizations of any governmental authority required under applicable environmental and safety laws or the terms and conditions thereof, except where noncompliance with environmental and safety laws, or



failure to possess or comply with permits or other governmental authorizations is not reasonably likely to have a material adverse effect on the operations of the Station.

(b) Seller has not received any communication or notice, whether from a governmental authority or any other person, alleging any violation of or noncompliance with any environmental and safety law by Seller or for which it is responsible, and which relate to the Real Property, the business or operations of the Station.

(c) There is no pending or, to the knowledge of Seller, threatened claim, action, investigation or notice against or involving Seller relating to the Real Property, or the business or operations of the Station by any person or entity alleging liability under or a violation of any environmental and safety law, or for investigatory, cleanup or governmental response costs, or natural resources or property damages, or personal injuries, attorneys' fees or penalties relating to the presence or release into the environment of any materials of environmental concern at any location.

**6.14 Consents.** Except for the FCC Consent and the consents to be requested in connection with the Assumed Contracts, no consent, approval, permit, or authorization of, or declaration to, or filing with, any governmental or regulatory authority or any other third party is required to be obtained by Seller in order (a) to consummate the transactions contemplated by this Agreement or (b) to permit Seller to assign or transfer the Station Assets to Buyer.

**6.15 Taxes.** With respect to the Station's business, Seller has filed or caused to be filed all Federal income tax returns and all other Federal, state, county, local, or city tax returns which are required to have been filed, and Seller has paid or caused to be paid all taxes shown on said returns or on any tax assessment received by Seller to the extent that such taxes have become due, or has set aside on its books reserves (segregated to the extent required by generally accepted accounting practices) deemed by Seller to be adequate with respect thereto and except as specified, disclosed or scheduled, there is no known, threatened or anticipated tax liability.

**6.16 Reports.** All material returns, reports, and statements which the Station is currently required to have filed with the FCC or with any other governmental agency have been filed, and all material reporting requirements of the FCC and other governmental authorities having jurisdiction over the Station has been complied with. All of such reports, returns, and statements are substantially complete and correct as filed.

**6.17 No Other Representations.** Except for the representations and warranties contained in this Section 6 (as modified by the Schedules referred to in this Section 6), neither Seller nor any other person makes any other express or implied representation or warranty with respect to Seller, the Station, the Station Assets, the Assumed Contract Obligations or the transactions contemplated by this Agreement, and Seller disclaims any other representations or warranties, whether made by Seller, any affiliate of Seller or any of their respective officers, directors, employees, agents or representatives. Except for the representations and warranties contained in this Section 6 hereof (as modified by the

Schedules referred to in this Section 6), Seller (a) expressly disclaims any representation or warranty, expressed or implied, at common law, by statute, or otherwise, relating to the condition of the Station Assets (including any implied or expressed warranty of merchantability or fitness for a particular purpose, or of conformity to models or samples of materials) and (b) hereby disclaims all liability and responsibility for any representation, warranty, projection, forecast, statement, or information made, communicated, or furnished (orally or in writing) to Buyer or its affiliates or representatives (including any opinion, information, projection, or advice that may have been or may be provided to Buyer by any director, officer, employee, agent, consultant, or representative of Seller or any of its affiliates). Seller makes no representations or warranties to Buyer regarding the probable success or profitability of the Station. The disclosure of any matter or item in any schedule hereto shall not be deemed to constitute an acknowledgment that any such matter is required to be disclosed.

**6.18 Survival.** Each of Seller's representations and warranties set forth in this Agreement shall survive the Closing of the transactions herein contemplated, and shall not be merged therein, for a period of twelve (12) months from and after the Closing Date.

## **ARTICLE VII**

### **Representations and Warranties of Buyer**

Buyer represents and warrants to Seller as follows:

**7.1 Good Standing.** Buyer is a corporation, duly organized, validly existing and in good standing under the laws of the State of Arizona.

**7.2 Right, Power and Authority.** Buyer has the full power and authority to enter into, to execute and deliver, and to perform its obligations under, this Agreement and any other instruments contemplated hereby. Buyer has taken all requisite action in order to authorize the execution, delivery, and performance of this Agreement and any other instruments contemplated hereby, and the consummation of the purchase of the Station Assets and the other transactions contemplated hereby. This Agreement has been duly executed and delivered by Buyer and is the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except to the extent limited by (a) bankruptcy, insolvency, moratorium, and other laws of general applicability relating to or affecting the enforcement of creditors' rights, (b) principles of public policy and (c) court-applied general principles of equity.

**7.3 Licensee Qualifications.** Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC. LM Media Arizona is legally, financially and otherwise qualified to enter into the LMA and to assume the role of programmer thereunder. There are no facts that would, under existing law and the existing rules, regulations, policies and procedures of the FCC, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the

Station, or that would disqualify LM Media Arizona as the programmer under the LMA. No waiver of or exemption from any FCC rule or policy is necessary for the FCC Consent to be obtained. There are no matters which might reasonably be expected to result in the FCC's denial or delay of approval of the Applications.

**7.4 No Conflicts or Defaults.** Neither the execution, delivery, nor performance of this Agreement by Buyer, nor the consummation of the sale and purchase of the Assets or any other transaction contemplated hereby or thereby, after the giving of notice, or the lapse of time, or both, (a) conflicts with, results in a breach of, or constitutes a default under any Federal, state, or local law, statute, ordinance, rule, or regulation, or any court or administrative order or process applicable to Buyer, (b) conflicts with, constitutes grounds for termination of, results in a breach of, constitutes a default under, or accelerates or permits the acceleration of any performance required by the terms of, any material contract, agreement, arrangement, commitment, plan, instrument, license, or permit to which Buyer is a party or by which Buyer is bound and which might materially affect Buyer's ability to perform its obligations under this Agreement, or (c) conflicts with the organizational documents of Buyer.

**7.5 Consents.** Except for the FCC Consents and the consents to be requested in connection with the Assumed Contracts, no consent, approval, permit, or authorization of, or declaration to, or filing with, any governmental or regulatory authority or any other third party is required to be obtained by Buyer in order to (a) consummate the transactions contemplated by this Agreement or (b) permit Buyer to acquire the Station Assets from Seller.

**7.6 Broker's Fee.** Neither this Agreement, nor the sale and purchase of the Station Assets contemplated by this Agreement, was induced or procured through the services of any person, firm, corporation, or other entity acting on behalf of or representing Buyer as broker, finder, investment banker, financial advisor, or in any similar capacity.

**7.7 Absence of Litigation.** There is no claim, litigation, arbitration, proceeding or investigation pending, or, to the best of Buyer's knowledge, threatened against Buyer, which seeks to enjoin or prohibit, or which otherwise questions the validity of, or would materially hinder or impair Buyer's performance of its obligations under this Agreement.

**7.8 Sufficient Funds.** Buyer has, or will have prior to Closing, sufficient cash, available lines of credit or other sources of immediately available funds to enable it to pay the Purchase Price. Buyer acknowledges and agrees that the obligation of Buyer to consummate the transactions contemplated by this Agreement is not conditioned upon Buyer's ability to finance or pay the Purchase Price, and that any failure of Buyer to consummate the transactions contemplated by this Agreement as a result of the foregoing shall constitute a material breach by Buyer of this Agreement and entitle Seller to receive the Deposit pursuant to Section 10.1(a).

**7.9     Survival.** Each of Buyer's representations and warranties set forth in this Agreement shall survive the Closing of the transactions herein contemplated, and shall not be merged therein, for a period of twelve (12) months from and after the Closing Date.

## **ARTICLE VIII**

### **Conditions Precedent to the Obligations of Buyer**

The obligations of Buyer hereunder to close the transactions herein contemplated are subject to the following conditions precedent (unless any such conditions are waived in writing by Buyer, in Buyer's sole discretion):

#### **8.1     Conditions.**

(a)     The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the Closing Date, except for changes contemplated by this Agreement and except for representations and warranties expressly made as of a prior date;

(b)     Seller shall have, in all material respects, performed all of its obligations and complied with all of its covenants set forth in this Agreement to be performed and complied with by it prior to or on the Closing Date;

(c)     each of the Required Consents shall have been obtained and delivered to Buyer;

(d)     Seller shall be the holder of the FCC Licenses and there shall not have been any modification with respect to such FCC Licenses which has a materially adverse effect on the Station or the conduct of its business or operations other than proceedings generally applicable to the television or LPTV broadcast industries;

(e)     no proceeding shall be pending, the effect of which would be to revoke, cancel, fail to renew, suspend, or adversely modify the FCC Licenses other than (a) proceedings generally applicable to the television or LPTV broadcast industries and (b) proceedings disclosed in this Agreement, or the Schedules hereto, and (c) proceedings with respect to the Station that would not, in the aggregate have a material adverse effect on the coverage provided by the Station considered as a whole;

(f)     Seller shall have made, or shall stand willing and able to make, all deliveries to Buyer required to be made pursuant to this Agreement; and

(g)     the FCC Consent shall have been granted without any condition adverse to Buyer, such FCC Consent shall be in full force and effect and shall have become, at Buyer's option, a Final Order.

**8.2     Deliveries to Buyer.** At the Closing there shall be delivered to Buyer:

(a)     certificates dated as of the Closing Date, executed by an officer of Seller certifying (i) that the representations and warranties of Seller contained in this Agreement are true and correct in all material respects as of the Closing Date, except for changes contemplated by this Agreement and except for representations and warranties expressly made as of a prior date; and (ii) that Seller has, in all material respects, performed all of its obligations and complied with all of its covenants set forth in this Agreement to be performed and complied with by it prior to or on the Closing Date; and

(b)     the documents and instruments required to be delivered by Seller to Buyer at the Closing under Section 2.2(a) hereof.

**8.3     No Challenges.** No proceeding or formal investigation by or before any court or governmental agency shall be pending or threatened which would reasonably be expected to prevent the consummation of the transactions contemplated by this Agreement.

## **ARTICLE IX**

### **Conditions Precedent to the Obligations of Seller**

The obligations of Seller hereunder to close the transactions herein contemplated are subject to the following conditions precedent (unless any such conditions are waived in writing by Seller, in Seller's sole discretion):

#### **9.1     Conditions.**

(a)     The representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects as of the Closing Date, except for changes contemplated by this Agreement and except for representations and warranties expressly made as of a prior date.

(b)     Buyer shall have, in all material respects, performed all of its obligations and complied with all of its covenants set forth in this Agreement to be performed and complied with prior to or on the Closing Date.

(c)     Buyer shall have made, or shall stand willing and able to make, all deliveries to Seller required to be made pursuant to this Agreement;

(d)     the FCC Consent shall have been granted pursuant to the FCC's initial order.

**9.2     Deliveries to Seller.** At the Closing there shall be delivered to Seller:

(a) a certificate, dated as of the Closing Date, executed by an officer of Buyer, certifying that (i) the representations and warranties of Buyer contained in this Agreement are true and correct in all material respects as of the Closing Date, except for changes contemplated by this Agreement and except for representations and warranties expressly made as of a prior date; and (ii) Buyer has, in all material respects, performed all of its obligations and complied with all of its covenants set forth in this Agreement to be performed and complied with prior to or on the Closing Date; and

(b) the documents and instruments required to be delivered by Buyer to Seller at the Closing under Section 2.2(b) hereof.

**9.3 No Challenges.** No proceeding or formal investigation by or before any court or governmental agency shall be pending or threatened which would reasonably be expected to prevent or unreasonably delay the consummation of the transactions contemplated by this Agreement.

## **ARTICLE X**

### **Rights of Buyer and Seller Upon Termination or Breach**

**10.1 Termination.** This Agreement may be terminated by either Buyer or Seller, as appropriate (if the terminating party is not then in breach of any material provision of this Agreement), upon written notice to the other party, upon the occurrence of any of the following:

(a) if at any time prior to the Closing Date, there shall have occurred a material breach of a representation or warranty of the non-terminating party contained herein, or a material default in the performance by the non-terminating party of a covenant or obligation of such non-terminating party contained herein, and if such breach or default shall not have been cured within thirty (30) days (the "Cure Period"), with curative steps having been commenced within fifteen (15) days, from and after the date upon which written notice thereof shall have been given to the non-terminating party by the terminating party; provided, however, that no Cure Period shall apply with respect to any obligation of Buyer to pay the Purchase Price or the Deposit.

(b) by either party if the FCC designates the Applications for hearing or denies the Applications;

(c) by mutual agreement of Seller and Buyer;

(d) by either party if the Closing Date has not occurred within 12 months after the date hereof; provided, however, that this Agreement may not be terminated pursuant to this Section 10.1(d) by a party then in material breach of any of its representations or warranties contained herein, or in material default of any of its covenants or obligations herein.

Termination of this Agreement shall not relieve any party of any liability for

breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Sections 1.4 (Earnest Money Deposit), 12.4 (Confidentiality), 12.1 (Respective Costs), 12.7 (Choice of Law) and 12.10 (Specific Performance) shall each survive any termination of this Agreement.

## **10.2 Effect of Breach; Remedies.**

(a) If this Agreement is terminated by Seller pursuant to Section 10.1(a), Seller shall have sole authority to disburse the Deposit as and for liquidated damages for any damages suffered by Seller by reason of such event. The parties hereto agree in advance that actual damages would be difficult to ascertain and that the Deposit is a fair and equitable amount to reimburse Seller for damages sustained due to such event. If this Agreement is terminated under circumstances other than by Seller as set forth in Section 10.1(a), Seller shall disburse the Deposit to Buyer.

(b) If Seller wrongfully refuses to consummate this Agreement after the satisfaction of all conditions precedent, Buyer shall be entitled to bring an action in a court of competent jurisdiction to enforce this Agreement by an order of specific performance, in which event Seller shall not interpose an objection that Buyer has available to it an adequate remedy at law.

## **ARTICLE XI Indemnification**

**11.1 Continuing Effect.** All representations and warranties contained in this Agreement shall survive the Closing for the periods provided in Sections 6.18 and 7.9 of this Agreement. The covenants contained in Sections 2.3(c), 5.1, 5.2, 5.7, 11.2, 11.3, 11.4, 11.5, 11.6, 12.1, 12.2, 12.4 and 12.7 of this Agreement shall survive the Closing of the transactions herein contemplated, and shall not be merged therein. All other covenants contained in this Agreement shall expire at, and shall not survive, the Closing. Any investigations by or on behalf of any party hereto shall not constitute a waiver as to the enforcement of any representation, warranty, or covenant contained herein.

**11.2 Indemnification by Seller.** From and after Closing, Seller shall (subject to the provisions of Section 11.3 hereof) indemnify Buyer and hold Buyer harmless from and against, and shall reimburse Buyer for (other than damages relating to or resulting from LM Media Arizona's actions or inaction in connection with the LMA):

(a) any and all losses, liabilities, damages, obligations, actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses, including reasonable legal fees and expenses (collectively, "Losses"), from any untrue representation, breach of warranty, or non-fulfillment of any covenant by Seller that survives the Closing contained herein or in any certificate, document, or instrument delivered or to be delivered to Buyer under this Agreement;

(b) any and all obligations of Seller not included in the Assumed Contract Obligations;

(c) any and all liabilities to third persons resulting from Seller's operation or ownership of the Station Assets or the Station prior to the Effective Time, including any and all liabilities arising under the FCC Licenses or the Assumed Contracts which relate to events occurring prior to the Effective Time, except to the extent otherwise provided in this Agreement; and

(d) any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs, and expenses, including reasonable legal fees and expenses, incident to any of the foregoing.

**11.3 Indemnification Limitations of Seller.** Seller's obligation to indemnify Buyer and to hold Buyer harmless from and against, and to reimburse Buyer for Losses, pursuant to Section 11.2 hereof, shall be subject to the following limitations:

(a) Buyer shall not be entitled to any indemnification from Seller with respect to matters under Section 11.2 unless and until the total value of all of Buyer's claims for indemnification for Losses resulting from breaches of Seller's representations and warranties shall have exceeded Fifty Thousand Dollars (\$50,000), whereupon Seller shall then indemnify Buyer for all such claims in excess of Fifty Thousand Dollars (\$50,000);

(b) Buyer shall not be entitled to indemnification from Seller in excess of the amount of the Purchase Price; and

(c) Buyer shall not be entitled to indemnification from Seller for any claim with respect to matters under Section 11.2 unless Buyer shall have notified Seller in writing of such claim for indemnification no later than the first anniversary of the Closing Date.

**11.4 Indemnification by Buyer.** Notwithstanding the Closing, Buyer shall (subject to the provisions of Section 11.5 hereof) indemnify Seller and hold Seller harmless from and against, and shall reimburse Seller for:

(a) any Losses resulting from any untrue representation, breach of warranty, or non-fulfillment of any covenant by Buyer that survives the Closing contained herein or in any certificate, document, or instrument delivered or to be delivered to Seller under this Agreement;

(b) any and all liabilities to third persons resulting from Buyer's operation or ownership of the Station Assets, or the Station from and after the Effective Time, including any and all liabilities arising under the FCC Licenses or the Assumed Contracts which relate to events occurring on and after the Effective Time;



(c) any Assumed Contract Obligation; and

(d) any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs, and expenses, including reasonable legal fees and expenses, incident to any of the foregoing.

**11.5 Indemnification Procedure.** The procedure for indemnification pursuant to Sections 11.2 and 11.4 hereof shall be as follows:

(a) The party claiming indemnification (the "Claimant") shall promptly give notice to the party from whom such indemnification is claimed (the "Indemnifying Party") of any claim, whether between the parties hereto or brought by a third party against Claimant, specifying in such notice (i) the factual basis for such claim, and (ii) the amount of the claim, if known. If the claim relates to an action, suit, or proceeding filed by a third party against Claimant, such notice shall be given by Claimant within five (5) business days after written notice of such action, suit, or proceeding was given to Claimant; provided, however, that failure of Claimant to give such notice within such five business day period shall limit Claimant's right to indemnification hereunder only to the extent the Indemnifying Party's defense of such claim is actually prejudiced by such delay.

(b) Following receipt of notice from Claimant of a claim, the Indemnifying Party shall have thirty (30) days in which to make such investigation of the claim as Indemnifying Party shall deem necessary or desirable. For the purposes of such investigation, Claimant agrees to make available to Indemnifying Party and/or to its authorized representative(s) the information relied upon by Claimant to substantiate the claim. If Claimant and Indemnifying Party shall have agreed at or prior to the expiration of the said thirty (30) day period (or any mutually agreed-upon extension thereof) to the validity and amount of such claim, Indemnifying Party shall immediately pay to Claimant the amount so agreed upon. If Claimant and Indemnifying Party shall not have agreed to the validity and amount of such claim within the said thirty (30) day period (or any mutually agreed-upon extension thereof), Claimant may seek appropriate legal remedy.

(c) With respect to any claim by a third party as to which Claimant is entitled to indemnification hereunder, Indemnifying Party shall have the right at its own expense to participate in or to assume control of the defense of such claim, and Claimant shall cooperate fully with Indemnifying Party, subject to reimbursement for actual out-of-pocket expenses incurred by Claimant as the result of a request to Claimant by Indemnifying Party. If Indemnifying Party elects to assume control of the defense of any third-party claim, Claimant shall have the right to participate in the defense of such claim at Claimant's own expense; provided, however, that Claimant's participation shall not interfere with Indemnifying Party's defense of such claim. If Indemnifying Party does not elect to assume control or otherwise to participate in the defense of any third-party claim, Indemnifying Party shall be bound by the results obtained by Claimant with respect to such claim.

(d) If a claim, whether between the parties hereto or by a third party, shall require immediate action, the parties hereto will make every effort to reach a decision with respect thereto as expeditiously as possible.

(e) The indemnification rights provided in Sections 11.2 and 11.4 hereof shall extend to the members, partners, shareholders, directors, officers, employees, and representatives of Claimant, although for the purpose of the procedures set forth in this Section 11.5, any indemnification claims by such parties shall be made by and through Claimant.

**11.6 Exclusive Remedy.** After the Closing, the exclusive remedy of Seller or Buyer with respect to any claim of the type described in Section 11.2 or Section 11.4 shall be a claim for indemnification pursuant to the terms and conditions of this Article XI.

## **ARTICLE XII**

### **Miscellaneous**

**12.1 Respective Costs.** Buyer shall pay any and all sales and use taxes arising out of the transactions contemplated by this Agreement, and any transfer, conveyance, recordation and FCC and other filing fees, applicable to, imposed upon, or arising out of the sale, assignment, conveyance, and transfer to Buyer of the Station Assets as contemplated by this Agreement. Except as otherwise specifically provided herein, Buyer on the one hand, and Seller on the other, will each pay its own costs and expenses (including attorneys' fees, accountants' fees, and other professional fees and expenses) in connection with the negotiation, preparation, execution, delivery, and performance of this Agreement and the consummation of the purchase and sale of the Station Assets and the other transactions contemplated by this Agreement.

**12.2 Books and Records.** For a period of five (5) years from the Closing Date, Buyer will not destroy nor otherwise dispose of any of the books and records of Seller provided to Buyer by Seller, or applicable to the Station, unless consented to in advance in writing by Seller, without first offering to surrender to Seller such books and records or any portion thereof that Buyer may intend to destroy or dispose of. Buyer shall allow Seller's representatives, attorneys, and accountants access to such books and records, upon Seller's reasonable request therefor and during Buyer's normal business hours, for examination and/or copying.

**12.3 Entire Understanding.** This Agreement, including the Schedules and Exhibits hereto constitute the entire understanding among the parties hereto with respect to the transactions contemplated herein and therein, and supersede all negotiations, representations, warranties, commitments, offers, letters of intent, contracts, agreements, understandings, and writings not set forth herein or therein. No waiver and no modification or amendment of any provision of this Agreement shall be effective, unless specifically made in writing and duly signed by all parties hereto.

**12.4 Confidentiality.**

(a) Except as necessary for the consummation of the transactions contemplated by this Agreement, and except as and to the extent required by law, each party will keep confidential, and shall cause its representatives, advisors, attorneys and financing sources to keep confidential, any information obtained from the other party in connection with the transactions contemplated by this Agreement. If this Agreement is terminated, each party will return to any other party that furnished it with information in connection with the transactions contemplated by this Agreement all such information.

(b) No party shall publish any press release or make any other public announcement concerning this Agreement or the transactions contemplated hereby without the prior written consent of each other party, which shall not be withheld unreasonably; provided, however, that nothing contained in this Agreement shall prevent any party, after notification to and consultation with the other party, from making any filings with governmental authorities that, in its judgment, may be required or advisable in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

(c) Notwithstanding the foregoing, Buyer shall be permitted, from and after the date on which the FCC Applications is filed, to make announcements, in Buyer's reasonable judgment, to publicize the introduction of a new programming format to be established by Buyer for the Station upon the consummation of this Agreement.

**12.5 Headings.** The Article headings contained herein are for convenience and for reference purposes only, and shall not in any way affect the meaning or interpretation of this Agreement.

**12.6 Counterparts.** This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one (1) and the same instrument.

**12.7 Choice of Law.** This Agreement shall be governed by, and shall be construed in accordance with, the internal laws of the State of Arizona governing contracts made and to be performed entirely within such state, without reference to any choice-of-law principles of the laws of such state. If any provision herein shall be held to be invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative or administrative action, such holding or action shall be strictly construed and shall not affect the validity or the enforceability of any other provision herein.

**12.8 Benefit and Binding Effect.** This Agreement shall be binding upon, and shall insure to the benefit of, the successors and permitted assigns of the parties hereto. No party may assign any of its rights, interests or obligations under this Agreement without the prior written consent of the other party hereto, except that without the consent of Seller, Buyer may assign its rights, interests and obligations under this Agreement, in whole or in part, to any entity controlled by, controlling or under common control with, the Buyer (a "Buyer Affiliate") provided, however, that in no event shall such assignment

relieve the original Buyer of its obligations under this Agreement. Notwithstanding the foregoing, no assignment by Seller or Buyer shall be permitted after the FCC Applications have been filed with the FCC if (a) such assignment would result in a situation in which a new file number will be assigned to any such application under 47 C.F.R. § 73.3572, (b) the assignee is required to file for consent on a "long form" application, or (c) the FCC Consent or the Closing Date will be delayed as a consequence of such assignment. If Buyer assigns its rights, interests and obligations under this Agreement to a Buyer Affiliate, Seller and Buyer agree to amend this Agreement, if necessary, to reflect any such assignment.

**12.9 Notices.** (a) All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be delivered in person or sent by overnight private commercial delivery service or by certified or registered United States mail, postage prepaid, and addressed as follows:

to Seller:

Una Vez Mas, LP  
703 McKinney Avenue, Suite 240  
Dallas, TX 75202  
Attention: Terry Crosby, Chairman and CEO  
Facsimile: (214) 638-0006

with a copy to (which shall not constitute notice to Seller):

Wiley Rein LLP  
1776 K Street, N.W.  
Washington, DC 20006  
Attention: Kathleen Kirby  
Facsimile: (202) 719-7049

to Buyer:

LM Media Group Inc.  
245 S. Plumer Ave., Suite 14  
Tucson, AZ 85719  
Attention: Rodolfo Martin Velez Gonzalez, President  
Facsimile: (520) 577-1272

with a copy to (which shall not constitute notice to Buyer):

Fletcher, Heald & Hildreth, P.L.C.  
1300 North 17th Street, 11th Floor  
Arlington, VA 22209

Attention: Francisco R. Montero  
Facsimile: (703) 812-0486

All notices and other communications required or permitted under this Agreement which are addressed as provided in this Section 12.9, shall be effective upon such delivery.

(b) Either party may from time to time change its address for the purpose of the giving of notices to that party, by giving to the other party a notice specifying a new address in compliance with the provisions of this Section 12.9.

**12.10 Specific Performance.** In the event of failure or threatened failure by either party to comply with the terms of this Agreement, the other party shall be entitled to an injunction restraining such failure or threatened failure and, subject to obtaining any necessary FCC consent, to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement.

**12.11 Severability.** If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

**12.12 No Beneficiaries.** Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns.

**12.13 Amendments.** No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought.

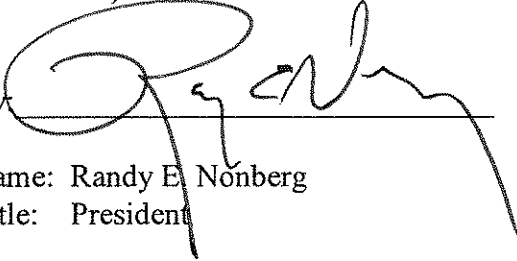
**12.14 Time of Essence.** Time is of the essence in the performance of this Agreement.

[SIGNATURE PAGE FOLLOWS]

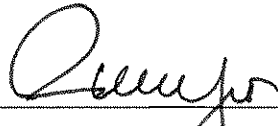
SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement below to be effective on the date and year first above written.

**UNA VEZ MAS TUCSON  
LICENSE, LLC**

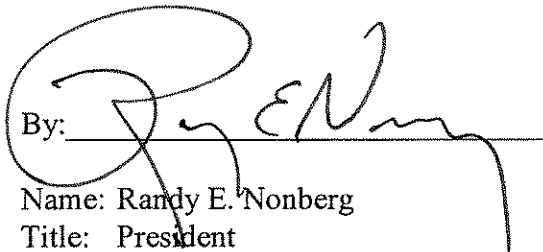
By:   
Name: Randy E. Nonberg  
Title: President

**LM MEDIA GROUP INC.**

By:   
Name: Ricardo Martin Veloz Gonzalez  
Title: President

**UNA VEZ MAS, LP**

By: **UNA VEZ MAS GP, LLC**, its  
general partner

By:   
Name: Randy E. Nonberg  
Title: President