

ASSET PURCHASE AGREEMENT

by and between

Telemundo Fresno LLC, Purchaser

and

Sainte 51, L.P., Seller

Dated as of September 30, 2002

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Exhibits

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered into this 30th day of September, 2002, by and between Telemundo Fresno LLC, a Delaware limited liability company (the "Purchaser"), and Sainte 51, L.P., a California limited partnership (the "Seller"). Certain capitalized terms used in this Agreement are defined on Exhibit A hereto.

RECITALS

WHEREAS, Seller owns and operates television station KNSO and its associated auxiliary facilities (the "Station"), licensed by the FCC (Federal Communications Commission) to broadcast on analog channel 51 and digital channel 5 in Merced, California, and assigned to the Fresno-Visalia DMA;

WHEREAS, subject to all necessary Consents of the FCC, Seller wishes to sell and Purchaser wishes to purchase certain of the assets of Seller used in the business of the Station (the "Business"), and in connection therewith Purchaser is willing to assume certain specified obligations of Seller relating to the Business, as hereinafter set forth, all on the terms and conditions hereinafter set forth; and

WHEREAS, concurrent with the execution of this Agreement, Seller has delivered to Purchaser a true and correct copy of a Consent of Partners substantially in the form attached hereto as Exhibit B (the "Partners' Consent"), executed by all the partners of Seller, approving the Transactions and authorizing Sainte Network Corporation and C&N Broadcast Division, Inc., which are the sole general partners of the Seller (the "General Partners"), to execute this Agreement on behalf of Seller and take such other actions as are reasonably necessary or appropriate to consummate the Transaction, including (but not limited to) entering into a mutually acceptable transition services agreement, the effectiveness of which will be conditioned upon the Closing of the Transaction (the "Transition Services Agreement").

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual representations, warranties, covenants and promises contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

ARTICLE 1. THE TRANSACTION

1.1 Purchased Assets.

Subject to the terms and conditions of this Agreement, at the Closing, Seller shall sell, transfer, convey, assign and deliver to Purchaser, and Purchaser shall purchase from Seller, all of Seller's right, title and interest in, to and under the assets, properties, goodwill and rights of Seller used in the conduct of the Business of every nature, kind and description, tangible and intangible, wherever located, whether or not carried on the books of Seller (other than the Excluded Assets) (collectively, the "Purchased Assets"), including the following:

(a) Governmental Approvals. All Governmental Approvals and pending applications therefor, including FCC Authorizations, obtained by Seller in connection with the Business or otherwise used in the Business, including the Governmental Approvals listed on Schedule 1.1(a), together with any additions, renewals, extensions or modifications thereof;

(b) Furniture, Fixtures, Equipment. All furniture, trade fixtures, equipment, machinery and other tangible personal property, wherever located and whether held by Seller or third parties, used or stored for use at the locations from which any of the Business is conducted, or otherwise owned by Seller and used in the Business (the "Personal Property"), including the Personal Property listed on Schedule 1.1(b);

(c) Call Letters. All of Seller's rights in the television call letters "KNSO," "KNSO-TV," "KNSO-DT" and the names or styles "Channel 51," "51-TV," "TV-51," "Channel 5," "5-TV," "TV-5" and any derivation, variant or modification thereto and any logograms, jingles and other Intellectual Property incorporating or using such call letters, names or styles, *provided, however*, that Purchaser's rights to the exclusive use of the channel numbers granted under this Section 1.1(c) shall be limited to the Fresno-Visalia DMA;

(d) Programming. (i) All films, film libraries, programs, programming material and inventories and production material of whatever form or nature (whether recorded on film, tape or any other substance or whether intended for live performance, television broadcast or any other medium, and whether completed or in production) owned by Seller and used or intended for use in the Business, (ii) all licenses and broadcast and other rights thereto and all amendments, extensions, renewals, substitutions and replacements thereof, and (iii) other licenses, rights and Contracts related thereto as may be entered into in accordance with the terms of this Agreement from the date hereof through the Closing Date, all as listed on Schedule 1.1(d);

(e) Station Logs and Records. All logs and other records relating to the Station, including those required by the FCC to be maintained by Seller at the Station;

(f) Intellectual Property. All Seller Intellectual Property, including the Seller Intellectual Property listed on Schedule 1.1(f);

(g) Leased Real Property. All rights in, to and under the real estate leases listed on Schedule 1.1(g) (the "Real Property Leases"), together with all of Seller's right, title and interest in and to all land, buildings, structures, easements, appurtenances, improvements (including construction in progress) and fixtures located thereon (the "Leased Real Property");

(h) Personal Property Leases. All rights in, to and under leases of personal property to which Seller is a party (the "Personal Property Leases"), including the Personal Property Leases listed on Schedule 1.1(h);

(i) Owned and Leased Vehicles. All vehicles owned by Seller that are used by Seller in connection with the Station and, to the extent Seller leases any vehicles that are used by Seller in connection with the Station, all rights in, to and under such vehicle leases

(collectively, the “Owned and Leased Vehicles”), including the Owned and Leased Vehicles listed on Schedule 1.1(i);

(j) Assumed Contracts. All rights in, to and under those Contracts listed on Schedule 1.1(j) (which schedule shall also specify those Contracts the assignment of which requires third-party Consent), including network affiliation agreements, programming agreements, employment agreements, talent agreements, trade and barter agreements, commercial time sales agreements and any other agreements which relate to the sale of time on the Station, together with all Contracts that have been entered into between the date hereof and the Closing Date to the extent expressly permitted by this Agreement (collectively, “Assumed Contracts”);

(k) Barter Benefits. All benefits for trade, barter or similar arrangements for other than cash and listed on Schedule 1.1(k) to be received for advertising time on the Station that have not been received prior to the Closing Date;

(l) Deposits and Advances. All performance and other bonds, security and other deposits, advances, advance payments, prepaid credits and deferred charges (the “Deposits and Advances”), including the Deposits and Advances listed on Schedule 1.1(l);

(m) Rebates and Credits. All rights in, to and under claims for refunds, rebates or other discounts due from suppliers or vendors and rights to offset in respect thereof (the “Rebates and Credits”), including those Rebates and Credits listed on Schedule 1.1(m);

(n) Claims. All claims, choses-in-action, rights in action, rights to tender claims or demands to Seller’s insurance companies, rights to any insurance proceeds, and other similar claims (the “Seller Claims”), including the Seller Claims listed on Schedule 1.1(n);

(o) Books and Records. All data, books, records, correspondence, accounts, customer lists, advertiser lists, archives, morgues, files, papers, sales and advertising materials and related materials used or held for use in the Business or relating to the Purchased Assets or the Assumed Liabilities or other matters contemplated by this Agreement on whatever medium other than Excluded Employment Records (the “Books and Records”), it being agreed that if originals of any books, records or other materials are required by law to be retained by Seller, only copies thereof shall be delivered to Purchaser; and

(p) Other Assets. Except as otherwise provided in this Agreement, all other items of tangible property, whether real, personal or mixed, owned or held by Seller and used in the Business or relating to the Station, and any replacements or additions thereto after the date hereof, and all other assets, properties and other rights (including goodwill and intangible assets) of Seller of every kind and nature used in the Business or relating to the Station, including inventory, Contract rights, licenses, franchise rights, privileges, graphics used to promote or identify the Station, warranties, guaranties and to the extent the same are assignable, business licenses, certificates of occupancy and other governmental and regulatory licenses and permits, and telephone, telex, telecopy and telecommunication numbers.

1.2 Excluded Assets.

Notwithstanding Section 1.1, the following assets of Seller (the “Excluded Assets”) shall not be included in the Purchased Assets:

- (a) Cash. Cash, cash equivalents and marketable securities;
- (b) Accounts Receivable. All amounts owed to Seller for the sale of advertisements or broadcast time on the Station aired on or prior to the Closing Date or for any other services rendered or products delivered by Seller on or prior to the Closing Date, which shall be subject to the collect-and-remittance procedure described in Section 2.4.
- (c) Certain Debt. Any intercompany or intracompany receivable cash balances between Seller and any of its Affiliates or between any of its Affiliates;
- (d) Charter Documents. Any seals, certificates of limited partnership, limited partnership meeting record books or other records related to the organization of Seller;
- (e) Other Stations. Except as provided in the Transition Services Agreement, any assets used exclusively by any television station licensed to or owned by Seller, or any business of Seller other than the Business;
- (f) Employee Benefit Contracts. Seller Benefit Plans and Contracts of insurance for employee group medical, dental and life insurance plans;
- (g) Certain Other Property. The assets listed on Schedule 1.2(g);
- (h) Insurance Policies. All insurance policies (except to the extent specified in Section 1.1(n));
- (i) Deposits. Any Deposits and Advances, Rebates and Credits or Seller Claims related to any Excluded Liability;
- (j) Rights Under Certain Agreements. All rights under a Transaction Agreement; and
- (k) Excluded Employment Records. All Excluded Employment Records.

1.3 Assumed Liabilities.

Subject to the terms and conditions of this Agreement, at the Closing, Seller shall assign, and Purchaser shall assume, only the Assumed Liabilities. Thereafter, Purchaser shall pay and discharge all such Assumed Liabilities as and when such Assumed Liabilities become due and owing. For the purposes of this Agreement, the “Assumed Liabilities” shall mean only the following Liabilities of Seller:

(a) Any Liability arising after the Closing Date under the Assumed Contracts (including, but not limited to, any commercial inventory make-goods obligations permitted under Section 6.2(f)); and

(b) The Liabilities of Seller specifically listed on Schedule 1.3.

1.4 Excluded Liabilities.

Except for the Assumed Liabilities, Purchaser shall not assume and shall not be liable or responsible for any Liability of Seller, any direct or indirect subsidiary of Seller (each, a “Subsidiary”) or any Affiliate of Seller (collectively, the “Excluded Liabilities”). Without limiting the foregoing, Purchaser shall not be obligated to assume, and does not assume, and hereby disclaims any of the following Liabilities of Seller, its Subsidiaries or its Affiliates:

(a) Any Liability attributable to any assets, properties or Contracts that are not included in the Purchased Assets, except Liabilities attributable to Non-Assignable Assets for which Seller and Purchaser have reached a mutually acceptable arrangement pursuant to Section 1.5(b);

(b) Any Liability for breaches of any Assumed Contract on or prior to the Closing Date or any Liability for payments or amounts due under any Assumed Contract on or prior to the Closing Date;

(c) Any Liability for Taxes attributable to or imposed upon Seller or its Affiliates, or attributable to or imposed upon the Purchased Assets for the Pre-Closing Period, including any Transfer Taxes;

(d) Any Liability for or with respect to any loan, other indebtedness, or account payable, including any such Liabilities owed to Affiliates of Seller;

(e) Any Liability arising from accidents, occurrences, misconduct, negligence, breach of fiduciary duty or statements made or omitted to be made (including libelous or defamatory statements) on or prior to the Closing Date, whether or not covered by workers’ compensation or other forms of insurance;

(f) Any Liability arising as a result of any legal or equitable action or judicial or administrative proceeding initiated at any time, to the extent related to any action or omission on or prior to the Closing Date, including any Liability for (i) infringement or misappropriation of any Intellectual Property Rights or any other rights of any Person (including any right of privacy or publicity); (ii) defamation, libel or slander; or (iii) violations of any Legal Requirements;

(g) Any Liability arising out of any Seller Benefit Plans or any Contract of insurance for employee group medical, dental or life insurance plans;

(h) Any Liability for making payments of any kind to employees (including, but not limited to, severance payments and any payments owed or paid to any employees as a

result of the Transaction, the termination of an employee by Seller, or other claims arising out of the terms of employment with Seller) or with respect to payroll Taxes;

(i) Any Liability incurred in connection with the making or performance of this Agreement and the Transaction;

(j) Any costs or expenses incurred in connection with shutting down, deinstalling and removing equipment not purchased by Purchaser and any costs or expenses associated with any Contracts not assumed by Purchaser hereunder;

(k) Any Liability for expenses and fees incurred by Seller incidental to the preparation of the Transaction Agreements, preparation or delivery of materials or information requested by Purchaser, and the consummation of the Transaction, including all broker, counsel and accounting fees and Transfer Taxes;

(l) Any Liability related to or arising from the acquisition of the Station or the Business by Seller;

(m) Any Liability to any partners of Seller; and

(n) Any Liability pursuant to that certain Partnership Agreement dated January 1, 1998, by and between Sainte Partners II, LP and Seller pursuant to which Seller borrowed monies from Sainte Partners II, LP as described more particularly on Schedule 1.4(n).

1.5 Non-Assignable Assets

(a) Notwithstanding the foregoing, if any of the Assumed Contracts or other Purchased Assets (other than Governmental Approvals) are not assignable or transferable (each, a "Non-Assignable Asset") without the Consent of, or waiver by, a third party (each, an "Assignment Consent"), either as a result of the provisions thereof or applicable Legal Requirements, and any of such Assignment Consents are not obtained by Seller on or prior to the Closing Date, Purchaser may elect to either (i) have Seller permanently retain the Non-Assignable Asset and all Liabilities relating thereto at the Closing; or (ii) have Seller continue its efforts to obtain the Assignment Consents after Closing, and, in either case, this Agreement and the related instruments of transfer shall not constitute an assignment or transfer of such Non-Assignable Assets, and Purchaser shall not assume Seller's rights or obligations under such Non-Assignable Asset (and such Non-Assignable Asset shall not be included in the Purchased Assets). If Purchaser elects item (ii) above, Seller shall use its Best Efforts to obtain all such Assignment Consents as soon as reasonably practicable after the Closing Date and thereafter assign to Purchaser such Non-Assignable Assets. Following any such assignment, such assets shall be deemed Purchased Assets for purposes of this Agreement. This Section 1.5(a) shall at all times remain subject to Article 9.

(b) After the Closing, Seller shall cooperate with Purchaser in any reasonable arrangement designed to provide Purchaser with all of the benefits of the Non-Assignable Assets as if the appropriate Assignment Consents had been obtained, including by granting subleases

and establishing arrangements whereby Purchaser shall undertake the work necessary to perform under the Assumed Contracts.

ARTICLE 2. CONSIDERATION FOR TRANSFER

2.1 Purchase Price, Payment and Security for Indemnification Obligations.

(a) Subject to the terms of this Agreement, as full consideration for the sale, assignment, transfer and delivery of the Purchased Assets and the execution and delivery of the Transaction Agreements by Seller to Purchaser, Purchaser shall deliver to Seller at the Closing \$33,000,000 (the "Purchase Price"), [REDACTED] of which shall be payable by wire transfer of immediately available U.S. funds and [REDACTED] of which shall be payable in accordance with Section 2.1(b), and an executed Assignment and Assumption.

(b) Notwithstanding the provisions of Section 2.1(a), as security for the indemnification obligations of Seller set forth in this Agreement or any other Transaction Agreement, at the Closing, Purchaser shall retain from the Purchase Price otherwise deliverable pursuant to Section 2.1(a) an amount of cash equal to [REDACTED], which will be retained and held by the Escrow Agent as the holdback amount and together with any earnings thereon (the "Holdback Amount"), and shall be subject to an indemnification escrow agreement (the "Indemnification Escrow Agreement") substantially in the form attached hereto as Exhibit C. Notwithstanding anything herein or in the Indemnification Escrow Agreement to the contrary, the parties agree (and shall maintain no contrary position) that the Holdback Amount shall be treated as the property of and realized by Seller for Tax purposes, unless otherwise required by the Code and Treasury Regulations, provided that any portion of the Holdback Amount shall be treated as property of Purchaser for such purposes upon return or payment to Purchaser.

2.2 Prorations; Network Compensation; Manner of Determining Prorations.

(a) Seller shall be responsible for all expenses, costs and liabilities allocable to the operation of the Station and the Business for the period prior to and including the Closing Date, and Purchaser shall be responsible for all expenses, costs and obligations allocable to the operation of the Station and the Business for the period after the Closing Date, *provided, however*, that (i) Seller shall remain solely liable with respect to Liabilities and obligations under all Contracts other than the Assumed Contracts whether arising before or after the Closing Date and (ii) certain expenses associated with and incurred in the operation of the Station and the Business shall be allocated between Seller and Purchaser as provided in the Transition Services Agreement.

(b) For a period of nine (9) months from the date of this Agreement, Purchaser's Affiliate, Telemundo Network Group LLC, shall be excused from the obligation to pay network compensation otherwise due and owing to Seller under the Telemundo Network Affiliation Agreement dated as of May 12, 2000. If this Agreement is terminated for reasons other than Seller's default hereunder or under the Transition Services Agreement, Purchaser shall pay to Seller within sixty (60) days of such termination the excused network compensation payments.

(c) The Purchase Price, taking into account the adjustments specified in Section 2.2(a), shall be determined in accordance with the following procedures:

(i) Prorated Obligations. The Seller shall, no later than five (5) Business Days prior to the Closing Date, prepare a document (the "Proration Statement") listing by item, all of the expenses, costs, obligations and other Liabilities of Seller that are attributable solely to the operations of the Station and the Business, either in whole or in part, during the period after the Closing Date ("Prorated Obligations") but either payable in advance prior to the Closing Date or in arrears after the Closing Date. For each Prorated Obligation, there shall be listed (i) the estimated aggregate amount thereof remaining to be paid after the Closing Date, (ii) the amount of such Prorated Obligation incurred by Seller or attributable to operations of the Station or the Business on or prior to Closing ("Pre-Closing Incurred Obligations") and (iii) the actual amount paid by Seller with respect to such Prorated Obligation prior to Closing ("Pre-Closing Paid Obligations").

(ii) Closing Adjustment. The Purchase Price paid to Seller shall be adjusted on an estimated basis at Closing (with a final adjustment to be completed in accordance with Section 2.2(c)(iii) below): (A) upward dollar-for-dollar by the amount, if any by which Pre-Closing Paid Obligations exceed Pre-Closing Incurred Obligations; or (B) downward dollar-for-dollar by the amount, if any, by which, Pre-Closing Incurred Obligations exceed Pre-Closing Paid Obligations.

(iii) (A) As promptly as possible after the Closing, but in any event not later than sixty (60) days after the Closing Date, Purchaser shall deliver to Seller a statement setting forth Purchaser's determination of the Purchase Price and the calculation thereof pursuant to Section 2.2(c)(ii). Purchaser's statement shall contain all information reasonably necessary to determine the adjustments to the Purchase Price under Section 2.2(c)(ii) (including Purchaser's best estimate of the FCC regulatory fees attributable to the period prior to the Closing and such other information as may be reasonably requested by Seller). If Seller disputes the amount of the Purchase Price determined by Purchaser, it shall deliver to Purchaser within forty-five (45) days after its receipt of Purchaser's statement a statement setting forth its determination of the amount of the Purchase Price. If Seller notifies Purchaser of its acceptance of Purchaser's statement, or if Seller fails to deliver its statement within the forty-five (45) day period specified in the preceding sentence, Purchaser's determination of the Purchase Price shall be conclusive and binding on the parties as of the last day of the forty-five (45) day period. Notwithstanding anything to the contrary contained herein, Prorated Obligations payable by Purchaser shall, subject to Section 2.2(iii)(B), below be expressly limited to amounts listed as payable by Purchaser on the final statement delivered under this Section 2.2 as amended by the mutual agreement of the parties from time to time, with any obligations in excess of such amounts remaining obligations of Seller.

(B) Seller and Purchaser shall use good faith efforts to resolve any dispute involving the determination of the Purchase Price. If the parties are unable to resolve the dispute within thirty (30) days following the delivery of Seller's statement pursuant to Section 2.2(iii)(A), Seller and Purchaser shall jointly designate an independent accounting firm to resolve the dispute, or, in the absence of an agreement to designate such a firm, the Seller and

Purchaser shall request a court of competent jurisdiction to appoint an independent accounting firm for purposes of this Section 2.2. The independent accounting firm's resolution of the dispute shall be final and binding on the parties, and a judgment may be entered thereon in any court of competent jurisdiction. Any fees of the independent accounting firm incurred under this Section 2.2(iii)(B) shall be split equally between Seller and Purchaser.

2.3 Allocation of Purchase Price.

Within a reasonable period of time following the signing this Agreement the parties will agree on an allocation the Purchase Price and Assumed Liabilities among the Purchased Assets. Such allocation is intended to comply with the requirements of Section 1060 of the Code. The parties covenant and agree that (a) any allocation will be determined in an arm's length negotiation and none of the parties shall take a position on any Tax Return (including IRS Form 8594), before any Tax Authority or in any judicial proceeding that is in any way inconsistent with such allocation without the written Consent of the other party to this Agreement or unless specifically required pursuant to a determination by an applicable Tax Authority; (b) they shall cooperate with each other in connection with the preparation, execution and filing of all Tax Returns related to such allocation; (c) they shall promptly advise each other regarding the existence of any Tax audit, controversy or litigation related to such allocation; and (d) they shall cooperate with each other in connection with any adjustments to the Purchase Price reasonably required for Tax purposes in connection with a return of all or a portion of the Holdback Amount to Purchaser and/or the payment of any indemnity claims hereunder.

2.4 Accounts Receivable.

(a) Schedule 2.4 sets forth an accurate and complete breakdown and aging of all Accounts Receivable as of June 30, 2002, which shall be updated immediately preceding the Closing Date.

(b) As of the Closing Date, Seller appoints Purchaser, as Seller's agent without compensation but without liability except for willful misconduct, to collect the Accounts Receivable. Purchaser shall account to Seller, and remit to Seller, all amounts collected during the period in respect of Accounts Receivable as follows: (a) on or before the twentieth (20th) day of the second complete calendar month after the Closing Date, pay all amounts collected up to the end of the prior month; and (b) on or before the twentieth (20th) day of each succeeding month, remit all amounts collected during the month prior thereto. With each remittance, Purchaser shall furnish a statement of the amounts collected and the Persons from whom such amounts were collected. Purchaser shall, unless the remittance or an Account Receivable debtor specified otherwise, apply all amounts it receives from or for the benefit of any Account Receivable debtor first to pay the oldest undisputed Accounts Receivable of such debtor before applying any of such amounts to pay any obligation of such debtor to Purchaser arising during, or otherwise attributable to, the period after the Closing Date.

(c) Purchaser's agency to collect the Accounts Receivable shall expire as of midnight on the ninetieth (90th) day following the Closing Date. Within fifteen (15) Business Days thereafter, Purchaser shall remit to Seller all amounts collected from the Closing Date until

the date thereof. Upon expiration of the agency, Purchaser may retain all Accounts Receivable collected or received. Purchaser shall use commercially reasonable collection efforts to collect the Accounts Receivable, but shall not be required to institute any legal proceedings to collect the Accounts Receivable or to otherwise incur any cost or obligation in respect thereof other than in the ordinary course of business.

(d) In the event the parties enter into the Pre-Closing LMA, the Accounts Receivable generated on and after the effective date of the Pre-Closing LMA shall be for Seller's account, as more fully set forth in the Pre-Closing LMA, and this Section 2.4 shall not apply to such Accounts Receivable.

(e) Seller makes no representation or warranty to Purchaser as to the collectibility of any of the Accounts Receivable.

2.5 Tax Matters.

(a) Notwithstanding any Legal Requirements, Seller shall be responsible for and shall pay any Transfer Taxes when due arising in connection with the consummation of the Transaction, and shall, at its own expense, file all necessary Tax Returns and other documentation with respect to all such Transfer Taxes, *provided, however*, that, if required by any Legal Requirements, Purchaser will join in the execution of any such Tax Returns and other documentation.

(b) Seller shall be responsible for and shall pay any Taxes arising or resulting from or in connection with the conduct of the Business or the ownership of the Purchased Assets attributable to the Pre-Closing Period. Purchaser shall be responsible for and shall pay any Taxes arising or resulting from or in connection with the conduct of the Business or the ownership of the Purchased Assets attributable to the Post-Closing Period.

(c) All real property, personal property, ad valorem or other similar Taxes (not including income Taxes) levied with respect to the Purchased Assets or the Business for a taxable period which includes (but does not end on) the Closing Date shall be apportioned between Purchaser and Seller based on the number of days included in such period through and including the Closing Date and the number of days included in such period after the Closing Date.

(d) Seller shall, at its sole cost and expense, deliver to Purchaser on or before the Closing Date clearance certificates with respect to Seller, such as those issued by the State of California pursuant to California Revenue and Taxation Code Section 6812 (sales tax) and California Unemployment Insurance Code Section 1732 (employment taxes) (or similar provisions of law of another jurisdiction) and dated not earlier than fifteen (15) days before the Closing Date certifying that Purchaser is not liable for any amounts referred to in California Revenue and Taxation Code Section 6811 or California Unemployment Insurance Code Section 1731 (or similar provisions of law of another jurisdiction) and that Purchaser is not required to withhold any of the Purchase Price thereunder. Seller hereby acknowledges that for Federal Insurance Contribution Act and Federal Unemployment Tax Act purposes, Purchaser

qualifies as a successor employer with respect to any Fresno Employees. In connection with the foregoing, at Purchaser's option, the parties agree to follow the "Alternative Procedures" set forth in Section 5 of Revenue Procedure 96-60, 1996-2 CB 399. Purchaser shall notify Seller of its intention to follow the Alternative Procedures on or before the Closing Date. If the Alternative Procedures are followed, Seller and Purchaser understand that Purchaser shall assume Seller's entire obligation to furnish a Internal Revenue Service Form W-2, Wage and Tax Statement, to each Fresno Employee. Seller shall timely provide Purchaser with any and all other information Purchaser needs to properly comply with the requirements of this Section 2.5(d) which in no event shall be more than ten (10) Business Days from the date of a written request for such information.

(e) Seller acknowledges that for state unemployment Tax purposes, Seller will permit Purchaser to apply for a transfer of Seller's rating account with respect to the Business. Seller shall deliver to Purchaser within ten (10) Business Days hereof, with respect to the Business, copies of Seller's (i) Internal Revenue Service Form 940, Employer's Annual FUTA returns for 2000 and 2001, (ii) state unemployment tax rate notices for 2000 and 2001, and (iii) benefit change statements that itemize claims charged against the state account of Sellers in each state in which the Business is operated for the four most recent calendar quarters.

(f) The parties shall cooperate to determine federal, state and local social security, medicare, disability and unemployment tax withholding and other obligations with respect to any Fresno Employees

(g) The parties shall comply with the provisions of Section 1445 of the Code and the Treasury Regulations issued thereunder and applicable California State laws. Section 1445 of the Code may require that a portion of the Purchase Price be withheld from the Seller and paid over to the IRS by the Purchaser. Purchaser may also have certain reporting requirements under Section 1445 of the Code, and shall comply with them. To the extent that the cash to be paid over to the Seller at Closing is insufficient to cover the Purchaser's withholding obligation, the Seller shall provide to the Purchaser at Closing cash equal to such excess for purposes of making such withholding payment. If the Seller provides the Purchaser with a certificate of non-foreign status in the time and manner provided in the Treasury Regulations Section 1445-2 (a "FIRPTA Certificate") and a duly executed California Form 590, and if the Purchaser is otherwise permitted to rely on such certificate or form under those Treasury Regulations and applicable California State laws, the Purchaser shall not withhold under Section 1445 of the Code or Sections 18662 and 18668 of the California Revenue and Taxation Code, as applicable.

ARTICLE 3. CLOSING AND CLOSING DELIVERIES

3.1 Closing; Time and Place.

The closing of the purchase and sale provided for in this Agreement (the "Closing") shall occur, by mutual agreement of the parties, either: (i) by transfer of facsimiles of all deliveries required by each party pursuant to this Article 3, provided that original versions of such deliveries shall be exchanged by the parties via overnight mail within one (1) Business Day of

the Closing by facsimile; or (ii) at the offices of Morrison & Foerster LLP, 425 Market Street, San Francisco, California at 10:00 A.M. local time, in either case on the fifth (5th) Business Day after the day on which all of the conditions to closing set forth in Article 9 are satisfied or waived (other than receipt of the FCC Order and conditions that are intended to be satisfied at the Closing), or at such other date, time or place as the parties may agree following receipt of the FCC Order (the "Closing Date").

3.2 Deliveries by Seller.

At the Closing, Seller shall (i) take all steps necessary to place Purchaser in actual possession and operating control of the Business and the Purchased Assets and (ii) deliver the following items, duly executed by Seller as applicable, all of which shall be in a form and substance reasonably acceptable to Purchaser and Purchaser's counsel:

(a) General Assignment and Bill of Sale. General Assignment and Bill of Sale covering all of the applicable Purchased Assets, substantially in the form attached hereto as Exhibit D (the "General Assignment and Bill of Sale");

(b) Assignment and Assumption Agreement. Assignment and Assumption Agreement, covering all of the Assumed Liabilities, substantially in the form attached hereto as Exhibit E (the "Assignment and Assumption");

(c) Intentionally Deleted;

(d) Assignments of Leases. Assignments of all Real Property Leases and Personal Property Leases;

(e) Owned and Leased Vehicles. Vehicle titles and assignments sufficient to transfer title to the Owned and Leased Vehicles;

(f) Other Conveyance Instruments. Such other specific instruments of sale, transfer, conveyance and assignment as Purchaser may reasonably request;

(g) Assumed Contracts. Originals of all Assumed Contracts;

(h) Request for Reconveyance of Deed of Trust; Payoff and Release Letters. Request for Reconveyance of Deed of Trust, and payoff and release letters from creditors of Seller, together with UCC-3 termination statements with respect to any financing statements filed against the Business or any of the Purchased Assets, terminating all Encumbrances (including Tax liens) on any of the Purchased Assets;

(i) Books and Records. The Books and Records;

(j) Opinion of Counsel. An opinion of Seller's counsel, substantially in the form attached hereto as Exhibit G;

(k) Opinion of FCC Counsel. An opinion of Seller's FCC counsel substantially in the form attached hereto as Exhibit H;

(l) Certificate of Representations and Warranties and Partners' Approval. A certificate executed on behalf of Seller by the President of one of the General Partners certifying (i) the matters in Section 9.1(a); and (ii) that the partners of Seller have approved this Agreement and the Transaction in accordance with Section 9.1(h);

(m) Partners' Consent and Spousal Consent. A copy of (i) the duly executed Partners' Consent, and (ii) the Spousal Consent duly executed by each of Chester Smith and Naomi L. Smith attached hereto as Exhibit I ("Spousal Consent").

(n) Certificate of Good Standing. A certificate from the Secretary of State of California as to Seller's good standing;

(o) Exempt Status Certifications. A FIRPTA Certificate, substantially in the form attached hereto as Exhibit J, and a California Form 590, attached hereto as Exhibit K prepared and executed by Seller; and

(p) Other Documentation. Such other certificates, instruments or documents (i) required pursuant to the provisions of this Agreement or (ii) as requested by Purchaser and otherwise necessary or appropriate to transfer the Purchased Assets in accordance with the terms hereof and consummate the Transaction, and to vest in Purchaser and its successors and assigns full, complete, absolute, legal and equitable title to the Purchased Assets, free and clear of all Encumbrances.

3.3 Deliveries by Purchaser.

At the Closing, Purchaser shall deliver the following items, duly executed by Purchaser as applicable, all of which shall be in a form and substance reasonably acceptable to Seller and Seller's counsel:

(a) Wire Transfer. A wire transfer to Farmers & Merchants Bank, 3001 McHenry Avenue, Modesto, CA 95310 (or such other bank as may be designated by Seller in writing no less than five (5) Business Days prior to Closing) for credit to Seller's account, in the amount of the Purchase Price, as adjusted, less the Holdback Amount;

(b) Certificate of Representations and Warranties. A Certificate executed on behalf of Purchaser by its President, certifying the matters in Section 9.2(a); and

(c) Opinion of Counsel. An opinion of Purchaser's in-house legal counsel, substantially in the form attached hereto as Exhibit L.

ARTICLE 4. REPRESENTATIONS AND WARRANTIES OF SELLER

Except as specifically set forth on Schedule 4 (the "Seller Disclosure Schedule") attached to this Agreement (the parts of which are numbered to correspond to the individual Section

numbers of this Article 4), Seller hereby represents and warrants (without limiting any other representations or warranties made by Seller in this Agreement or any other Transaction Agreement) to Purchaser as follows:

4.1 Organization, Good Standing, Qualification.

Seller (a) is a limited partnership duly organized, validly existing and in good standing under the laws of California; (b) is duly qualified to conduct business and is in good standing under the laws of each jurisdiction in which the nature of its business (including the Business), the operation of its assets (including the Purchased Assets) or the ownership or leasing of its properties (including the Real Property and Personal Property) requires such qualification; and (c) has full power and authority required to own, lease and operate its assets and to carry on its business (including the Business) as now being conducted, except where the failure to have such power and authority would not have a Material Adverse Effect on Seller.

4.2 Charter Documents.

(a) Seller has delivered to Purchaser accurate, correct and complete copies of the Certificate of Limited Partnership and the Limited Partnership Agreement of Seller, including all amendments thereto, as presently in effect.

(b) Seller is not in violation of any of the provisions of its Certificate of Limited Partnership, its Limited Partnership Agreement, and to the Knowledge of Seller, no condition or circumstance exists that likely would (with or without notice or lapse of time) constitute or result directly or indirectly in such a violation.

4.3 Authority; Binding Nature of Agreements.

Seller has all requisite power and authority to execute and deliver this Agreement and all other Transaction Agreements to which it is a party and to carry out the provisions of this Agreement and the other Transaction Agreements (subject, in the case of the Seller's obligation to consummate the Transaction, to the approval of Seller's partners as contemplated in Section 9.1(h)). The execution, delivery and performance by Seller of this Agreement and the other Transaction Agreements have been approved by all requisite action on the part of Seller, subject to the approval of the partners of Seller. The partners of Seller must approve this Agreement and the consummation of the Transaction. This Agreement has been duly and validly executed and delivered by Seller. Each of this Agreement and the other Transaction Agreements constitutes, or upon execution and delivery, will constitute, the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws and equitable principles related to or limiting creditors' rights generally and by general principles of equity and further subject, in the case of the Seller's obligation to consummate the Transaction, to the approval by Seller's partners as contemplated by Section 9.1(h).

4.4 No Conflicts; Required Consents.

The execution, delivery and performance of this Agreement or any other Transaction Agreement by Seller do not and will not (with or without notice or lapse of time):

- (a) conflict with, violate or result in any breach of (i) any of the provisions of Seller's Certificate of Limited Partnership or Limited Partnership Agreement; (ii) any resolutions; (iii) any of the terms or requirements of any Governmental Approval held by Seller or any of its employees or that otherwise relates to the Business or any of the Purchased Assets or Assumed Liabilities; or (iv) any provision of any Assumed Contract;
- (b) give any Governmental Authority (other than the FCC) or other Person the right to (i) approve or challenge the Transaction; (ii) exercise any remedy or obtain any relief under any Legal Requirement or any Order to which Seller, or any of the Purchased Assets or Assumed Liabilities, is subject; (iii) declare a default of, exercise any remedy under, accelerate the performance of, cancel, terminate, modify or receive any payment under any Assumed Contract; or (iv) revoke, suspend or modify any Governmental Approval;
- (c) result in the imposition or creation of any Encumbrance upon or with respect to any of the Purchased Assets; or
- (d) require Seller to obtain any Consent or make or deliver any filing or notice to a Governmental Authority other than the FCC.

4.5 Financial Statements.

(a) Seller has previously delivered to Purchaser the following financial information (collectively, the "Financial Statements"): (i) the unaudited balance sheet of Seller as of June 30, 2002 (the "Interim Balance Sheet"), and (ii) the profit and loss statements with depreciation of Seller as of and for the accounting periods ended June 30, 2002, and December 31, 2001 and 2000. Except as set forth on Schedule 4.5, all of the Financial Statements (i) are true, accurate and complete in all respects; (ii) are consistent with the Books and Records of Seller; (iii) present fairly and accurately the financial condition of Seller as of the respective dates thereof; and (iv) have been prepared on a consistent basis throughout the periods covered; *provided, however*, that the Interim Balance Sheet is subject to year-end adjustments consistent with past practice (which will not be material individually or in the aggregate). All reserves established by Seller and set forth in the Interim Balance Sheet are adequate for the purposes for which they were established.

(b) Except as set forth on Schedule 4.5, from the Interim Balance Sheet Date, there has been no material adverse change in the financial condition, Business or assets of the Station, and Seller has conducted the Business in the ordinary course of business and in the same manner as it was before the Interim Balance Sheet Date in all material respects.

(c) The Seller Disclosure Schedule sets forth an accurate, correct and complete breakdown of each of Seller's accounts payable (including to all of its suppliers) as of June 30, 2002.

4.6 Absence of Undisclosed Liabilities.

Seller has no Liabilities other than (a) those set forth in the Interim Balance Sheet; (b) those incurred in the ordinary course of business and not required to be set forth in the Interim Balance Sheet under Seller's past custom and practice; (c) those incurred in the ordinary course of business since the Interim Balance Sheet Date; (d) those incurred in connection with the execution of any of the Transaction Agreements; (e) monies loaned to Seller by Sainte Partners II, L.P. as set forth on Schedule 1.4(n); and (f) any and all liabilities arising out of the letter agreement by and between Seller and Cocola Broadcasting Co. for KGMC-TV, Clovis, California, dated as of August 14, 2001, concerning the Station's use of the Meadow Lakes tower, as more particularly described in Schedule 1.3 (the "Cocola Agreement").

4.7 Absence of Changes.

Other than entering into this Transaction and completing the Upgrade, since the Interim Balance Sheet Date, (a) Seller has conducted the Business in the ordinary course of business; (b) no event or circumstance has occurred that could reasonably have a Material Adverse Effect on Seller; and (c) Seller has not taken any action, agreed to take any action, or omitted to take any action that would constitute a breach of Section 6.1 or 6.2 if such action or omission were taken between the date of this Agreement and the Closing Date.

4.8 Transactions with Affiliates.

Except as set forth on Schedule 4.8, no Affiliate of Seller (a) owns, directly or indirectly, any debt, equity or other interest in any Entity with which Seller is affiliated, has a business relationship or competes other than Affiliates that own less than five percent (5%) of the issued and outstanding capital stock of a publicly-traded competitor of Seller; (b) is indebted to Seller, nor is Seller indebted (or committed to make loans or extend or guarantee credit) to any Affiliate other than with respect to any of Seller's obligations to pay accrued salaries, reimbursable expenses or other standard employee benefits; (c) has any direct or indirect interest in any asset (including the Purchased Assets), property or other right used in the conduct of or otherwise related to the Business; (d) has any claim or right against Seller, and no event has occurred, and no condition or circumstance exists, that might (with or without notice or lapse of time) directly or indirectly give rise to or serve as a basis for any claim or right in favor of any Affiliate against Seller; (e) is a party to any Assumed Contract or has had any direct or indirect interest in, any Assumed Contract, transaction or business dealing of any nature involving Seller; or (f) received from or furnished to Seller any goods or services (with or without consideration) since the Interim Balance Sheet Date.

4.9 Motor Vehicles.

Schedule 1.1(i) sets forth an accurate and complete list of all Owned and Leased Vehicles. All such Owned and Leased Vehicles are (a) properly licensed and registered in accordance with applicable law; (b) insured as set forth in the Seller Disclosure Schedule; (c) in good operating condition and repair (reasonable wear and tear excepted); and (d) not subject to any Encumbrance.

4.10 Material Contracts.

(a) Schedule 4.10 sets forth an accurate, correct and complete list of all Contracts to which any of the descriptions set forth below may apply (the "Material Contracts"):

(i) Any Real Property Lease, Personal Property Lease or Contract affecting any right, title or interest in or to real property;

(ii) Any Contract with respect to the discharge, storage or removal of effluent, waste or pollutants;

(iii) Any Contract affecting any Seller Intellectual Property;

(iv) Any Seller Benefit Plan and employment, bonus or consulting agreement;

(v) Any Contract with any labor union or collective bargaining organization or other labor agreements;

(vi) Any Contracts among partners of Seller;

(vii) Any television network affiliation agreement;

(viii) Any license or Contract relating to the Station under which Seller is authorized to broadcast programming supplied by others;

(ix) Any Contract providing for advertising representatives to serve as representatives of Seller with respect to the sale or furnishing of advertising time by the Station;

(x) Any Contract relating to the Station and evidencing sales to advertisers or advertising agencies which (A) are prepaid, (B) will not expire within ninety (90) days and are not terminable without penalty by Seller upon notice of ninety (90) days or less, or (C) are "trade" or "barter" transactions which require the furnishing of advertising time after the Closing Date;

(xi) Any Contract for capital expenditures or for the purchase of goods or services in excess of \$1,000;

(xii) Any Contract involving financing or borrowing of money, or evidencing indebtedness, any Liability for borrowed money, any obligation for the deferred purchase price of property in excess of \$1,000 (excluding normal trade payables) or guaranteeing in any way any Contract in connection with any Person;

(xiii) Any joint venture, partnership, cooperative arrangement or any other Contract involving a sharing of profits;

(xiv) Any Contract with any Governmental Authority, or affecting or concerning any Governmental Approvals;

(xv) Any Contract relating to any license, performance rights or royalty arrangements;

(xvi) Any Contract containing covenants not to compete in any line of business or with any Person in any geographical area;

(xvii) Any other Contract which (A) provides for payment or performance by either party thereto having an aggregate value of \$1,000 or more; (B) is not terminable without payment or penalty on thirty (30) days (or less) notice; or (C) is between, *inter alia*, an Affiliate of Seller and Seller;

(xviii) Any other Contract that involves future payments, performance of services or delivery of goods or materials to or by Seller of an aggregate amount or value in excess of \$1,000, on an annual basis, or that otherwise is material to the Business or prospects of Seller; and

(b) Seller has delivered to Purchaser accurate, correct and complete copies of all Assumed Contracts (or written summaries of the material terms thereof, if not in writing) and all Material Contracts, including all amendments, supplements, modifications and waivers thereof. All Material Contracts are in writing.

(c) Each Assumed Contract is currently valid and in full force and effect, and is enforceable by Seller in accordance with its terms.

(d) (i) Seller is not in default, and no party has notified Seller that it is in default, under any Assumed Contract. To the Knowledge of Seller, no event has occurred, and no circumstance or condition exists, that might (with or without notice or lapse of time) (a) result in a violation or breach of any of the provisions of any Assumed Contract; (b) give any Person the right to declare a default or exercise any remedy under any Assumed Contract; (c) give any Person the right to accelerate the maturity or performance of any Assumed Contract or to cancel, terminate or modify any Assumed Contract; or (d) otherwise have a Material Adverse Effect on Seller in connection with any Assumed Contract; and

(ii) Seller has not waived any of its rights under any Assumed Contract.

(e) To the actual Knowledge of Seller, each Person against which Seller has or may acquire any rights under any Assumed Contract is (i) solvent and (ii) able to satisfy such Person's material obligations and liabilities to Seller.

(f) The performance of the Assumed Contracts will not result in any violation of or failure by Seller to comply with any Legal Requirement.

(g) The Assumed Contracts (together with the Transition Services Agreement) constitute all of the Contracts necessary to enable Seller to conduct the Business in the manner in which such Business is currently being conducted.

4.11 Insurance.

The Seller Disclosure Schedule sets forth an accurate and complete list of all insurance policies, self-insurance arrangements and fidelity bonds, currently in effect, that insure the Business and/or the Purchased Assets (collectively, the "Insurance Policies"). Seller has delivered to Purchaser true, correct and complete copies of all Insurance Policies. Each Insurance Policy is valid, binding, and in full force and effect. Seller is not in breach of any Insurance Policy, and no event has occurred which, with notice or the lapse of time, would constitute such a breach, or permit termination, modification, or acceleration, of any Insurance Policy. Seller has not received any notice of cancellation or non-renewal of any Insurance Policy. The consummation of the Transaction will not cause a breach, termination, modification, or acceleration of any Insurance Policy. There is no claim under any Insurance Policy that has been improperly filed or as to which any insurer has questioned, disputed or denied Liability. Seller has not received any notice of, nor does Seller have any actual Knowledge of any facts that might result in, a material increase in the premium for any Insurance Policy.

4.12 Title; Sufficiency; Condition of Assets.

(a) Seller has good and marketable title to, is the exclusive legal and equitable owner of, and has the unrestricted power and right to sell, assign and deliver the Purchased Assets. Upon Closing, Purchaser will acquire exclusive, good and marketable title or license to or a valid leasehold interest in (as the case may be) the Purchased Assets free and clear of all Encumbrances of any kind or nature, except (i) restrictions imposed in any Governmental Approval; and (ii) Encumbrances disclosed on Schedule 4.12 which will be removed and released at or prior to Closing.

(b) The Purchased Assets include all the assets currently used by Seller to conduct the Business.

(c) All Purchased Assets are (i) in good operating condition and repair, ordinary wear and tear excepted; (ii) suitable and adequate for continued use in the manner in which they are presently being used; (iii) adequate to meet all present requirements of the Business; and (iv) free of patent defects except as set forth in Schedule 1.1(b) and Schedule 1.1(i).

4.13 Real Property Leases; Personal Property Leases.

(a) Schedule 1.1(g) sets forth an accurate, correct and complete list of all Real Property Leases (including the street address of each Leased Real Property and the name of the lessor) and a list of Contracts to which Seller (or any Affiliate of Seller) is a party affecting each Leased Real Property. Seller has provided to Purchaser copies of all notices or similar documents or information that Seller has received restricting, limiting or in any way encumbering the use of the Leased Real Property and to the Knowledge of Seller, no other such

documents exist or restrictions are in place. Seller has been in lawful possession of the premises covered by each Real Property Lease since the commencement of the original term of such Lease. Seller has delivered to Purchaser accurate, correct and complete copies of each Real Property Lease and copies of existing title insurance policies, title reports, surveys and Environmental Reports in Seller's possession, if any, for the real property subject to the Real Property Leases. All Real Property Leases are in good standing and are valid and effective in accordance with their respective terms and, to the Knowledge of Seller, there exists no default thereunder or occurrence or condition which could result in a default thereunder or termination thereof.

(b) Schedule 1.1(h) sets forth an accurate, correct and complete list of all Personal Property Leases. Seller has delivered to Purchaser accurate, correct and complete copies of each Personal Property Lease. All Personal Property Leases are in good standing and are valid and effective in accordance with their respective terms and, to the Knowledge of Seller, there exists no default thereunder or occurrence or condition which could result in a default thereunder or termination thereof.

4.14 Intellectual Property.

(a) Schedule 1.1(f) lists all Seller Intellectual Property, specifying in each case whether such Seller Intellectual Property is owned or controlled by or for, licensed to or otherwise held by or for the benefit of Seller, including all Registered Intellectual Property Rights owned by, filed in the name of or applied for by Seller and used in the Business.

(b) Except as set forth on Schedule 1.1(f), each item of Seller Intellectual Property listed on Schedule 1.1(f) (i) is valid, subsisting and in full force and effect; (ii) has not been abandoned or passed into the public domain; and (iii) is free and clear of any Encumbrances.

(c) The Seller Intellectual Property constitutes all the Intellectual Property Rights used in and/or necessary to the conduct of the Business as it is currently conducted, and as it is currently planned or contemplated to be conducted by Seller prior to the Closing and, to the actual Knowledge of Seller, by Purchaser following the Closing, including all of the Copyrights, Trademarks, trade names, service marks, service names, slogans and assumed names owned or used by Seller in the Business.

(d) Seller has no Knowledge of any facts, circumstances or information that (i) would render any Seller Intellectual Property listed on Schedule 1.1(f) invalid or unenforceable; (ii) would adversely affect any pending application for any Registered Intellectual Property Right; or (iii) would adversely affect or impede the ability of Seller to use any Seller Intellectual Property listed on Schedule 1.1(f) in the conduct of the Business as it is currently conducted or as it is currently planned or contemplated to be conducted by Seller prior to Closing or, to the actual Knowledge of Seller, by Purchaser following the Closing.

(e) Seller has not made any claim of violation or infringement by others of its rights to or in connection with its Intellectual Property Rights and knows of no basis for the making of any such claim.

(f) The operation of the Business as it is currently conducted, or as it is currently planned or contemplated to be conducted by Seller prior to the Closing, does not and will not, and will not when operated by Purchaser substantially in the same manner following the Closing, infringe or misappropriate any Intellectual Property Rights of any Person, violate any right of any Person (including any right to privacy or publicity), defame or libel any Person or constitute unfair competition or trade practices under the laws of any jurisdiction, and Seller has not received notice from any Person claiming that such operation infringes or misappropriates any Intellectual Property Rights of any Person (including any right of privacy or publicity), or defames or libels any Person or constitutes unfair competition or trade practices under the laws of any jurisdiction (nor does Seller have Knowledge of any basis therefor).

(g) All Seller Intellectual Property will be fully transferable, alienable or licensable by Purchaser without restriction and without payment of any kind to any third party. The consummation of the Transaction as contemplated hereby will not result in any loss of, or the diminishment in value of, any Seller Intellectual Property or the right to use any Seller Intellectual Property.

(h) Neither this Agreement nor the Transaction, including the assignment to Purchaser, by operation of law or otherwise, of any Assumed Contracts will result in (i) Purchaser granting to any third party any right to, or with respect to, any Intellectual Property Right owned by, or licensed to, Purchaser; (ii) Purchaser being bound by, or subject to, any non-compete or other restriction on the operation or scope of its businesses, including the Business; or (iii) Purchaser being obligated to pay any royalties or other amounts to any third party.

4.15 Cable and Satellite Matters.

(a) Schedule 4.15 sets forth:

(i) a list of all multichannel video programming distributors, including but not limited to, cable systems, SMATV, open video systems, MMDS, MDS and DBS systems (hereinafter "MVPDs") that carry the Station's signal, other than those MVPDs with fewer than 1,000 subscribers, and the channel on which the Station's signal is carried;

(ii) a list of all MVPDs in the Fresno-Visalia DMA to which Seller has provided a must-carry notice or retransmission consent notice in accordance with the provisions of the Communications Act of 1934, as amended, and the rules and written policies of the FCC (the "Communications Act") for the three-year period ending December 31, 2002, for cable systems, and the four-year period ending December 31, 2005, for DBS systems, including a detailed description of the disposition and current status of each such must-carry or retransmission consent notice; and a list of all MVPDs in the Fresno-Visalia DMA to which Seller has not provided any such must-carry or retransmission consent notice;

(iii) a list of all retransmission consent and/or Copyright indemnification Contracts entered into by Seller or the Station with any MVPD in the Fresno-Visalia DMA with respect to the Station for the three-year period ending December 31, 2002, for cable systems and the four-year period ending December 31, 2005 for DBS systems, and the expiration date for each such Contract; and

(iv) a list of all retransmission consent and/or Copyright indemnification Contracts entered into by Seller with any MVPD other than an MVPD in the Fresno-Visalia DMA with respect to the Station as of the date of this Agreement and the expiration date for each such Contract.

(b) Seller has delivered to Purchaser true and complete copies of all material notices, Contracts, correspondence and other items described in clauses (a)(i)-(iv) of this Section 4.15. Except as set forth on the Seller Disclosure Schedule, consummation of the transactions contemplated hereunder will not require Consent of any person with respect to carriage pursuant to a retransmission consent agreement on any MVPD identified on the Seller Disclosure Schedule.

4.16 Digital Build-Out and Operation.

The Station has been assigned digital channel 5 by the FCC for the provision of digital television service. The Station is in compliance in all material respects with the FCC's build-out and operation requirements for digital television. Schedule 4.16 describes all steps taken by Seller to comply with such requirements.

4.17 Employees and Consultants.

(a) Employees and Contracts. Seller has not granted any of its employees the right to continued employment by Seller or Purchaser or the right to any material compensation following termination of employment with Seller. Seller has no actual Knowledge that any employee or consultant of Seller (collectively, the "Contractors") intends to terminate his or her employment or other engagement with Seller, nor does Seller have a present intention to terminate the employment or engagement of any Contractor.

(b) Compensation. The Seller Disclosure Schedule sets forth an accurate, correct and complete list of all (i) employees of Seller, including each employee's name, title or position, present compensation per pay period and date of hire; and (ii) individuals who are currently performing services for Seller related to the Business who are classified as "consultants" or "independent contractors." No employee of Seller is eligible for payments that would constitute "parachute payments" under Section 280G of the Code.

(c) Disputes. There are no claims, disputes or controversies pending or, to the Knowledge of Seller, threatened involving any employee or group of employees. Seller has not suffered or sustained any work stoppage and no such work stoppage is threatened.

(d) Compliance with Legal Requirements. Seller has complied with all Legal Requirements related to the employment of its employees, including provisions related to wages,

hours, leaves of absence, equal opportunity, occupational health and safety, workers' compensation, severance, employee handbooks or manuals, collective bargaining and the payment of social security and other Taxes. Seller has no Liability under any Legal Requirements related to employment and attributable to an event occurring or a state of facts existing prior to the date thereof.

(e) WARN Act. Seller is in full compliance with the Worker Readjustment and Notification Act (the "WARN Act") (29 USC §2101), including all obligations to promptly and correctly furnish all notices required to be given thereunder in connection with any "plant closing" or "mass layoff" to "affected employees", "representatives" and any state dislocated worker unit and local government officials. No reduction in the notification period under the WARN Act is being relied upon by Seller. The Seller Disclosure Schedule sets forth an accurate, correct and complete list of all employees (listed by job titles only) terminated (except with cause, by voluntarily departure or by normal retirement), laid off or subjected to a reduction of more than 50% in hours or work during the two full calendar months and the partial month preceding this representation and warranty.

(f) Unions. Seller has no collective bargaining agreements with any of its employees. There is no labor union organizing or election activity pending or, to the Knowledge of Seller, threatened with respect to Seller.

4.18 Seller Benefit Plans.

Seller has maintained and funded all of its Employee Benefit Plans (collectively, the "Seller Benefit Plans") in accordance with their terms and all applicable laws. Neither Seller nor any Member of the Controlled Group maintains or contributes to, or has ever maintained or contributed to, any Defined Benefit Plan or Multiemployer Plan. Nothing contained in any of the Seller Benefit Plans will obligate Purchaser to provide any benefits to employees, former employees or beneficiaries of employees or former employees, or to make any contributions to any plans from and after the Closing. There are no pending or, to Seller's Knowledge, threatened, claims by or on behalf of any Seller Benefit Plan by any employee or former employee or beneficiary covered under any Seller Benefit Plan.

4.19 Compliance with Laws.

(a) Except as set forth in Schedule 4.19(a): (i) Seller is, and at all times has been, in full compliance, with each Legal Requirement, including the Communications Act, that is applicable to Seller or any of Seller's properties, assets (including the Purchased Assets), operations or businesses (including the Business), and no event has occurred, and no condition or circumstance exists, that might (with or without notice or lapse of time) constitute, or result directly or indirectly in, a default under, a breach or violation of, or a failure comply with, any such Legal Requirement, except as such failure to be in full compliance would not be expected to have a Material Adverse Effect on Seller or the Business; and (ii) Seller has not received any notice from any third party regarding any actual, alleged or potential violation of any Legal Requirement.

(b) Except as set forth in Schedule 4.19(a): (i) the Station, its physical facilities, electrical and mechanical systems, and transmitting and studio equipment are operated in all material respects in accordance with the specifications of the FCC Authorizations and in accordance with the Communications Act; (ii) the antenna structures owned or used by Seller are in compliance with the Communications Act and the requirements of the Federal Aviation Administration; (iii) the location of the Station's main studio complies with the Communications Act; (iv) all reports and other filings required by the FCC with respect to the FCC Licenses and the Station, including, without limitation, material required to be placed in the Station's local public inspection files or other records, have been timely filed; and (v) all FCC regulatory fees assessed with respect to the FCC Authorizations have been timely paid.

(c) To the Knowledge of Seller, no Governmental Authority has proposed or is considering any Legal Requirement that may affect Seller, Seller's properties, assets (including the Purchased Assets), operations or businesses (including the Business), or Seller's rights thereto, except to the extent that any such Legal Requirement, if adopted or otherwise put into effect, individually or in the aggregate, will not have a Material Adverse Effect on Seller. There is no FCC order, judgment, decree, notice of apparent Liability or order of forfeiture outstanding, and no action, suit, notice of apparent Liability, order of forfeiture, investigation or other proceeding pending or, to Seller's Knowledge, threatened, by or before the FCC against Seller or affecting the FCC Authorizations, except FCC rulemaking proceedings generally affecting the television broadcast industry or stations of Station's type or class, or that might otherwise generally affect business interests in the State of California. Seller has no knowledge of any reason to believe that the FCC Authorizations will not be renewed in the ordinary course.

4.20 Governmental Approvals.

(a) Except as set forth in Schedule 4.19(a), Seller has all Governmental Approvals that are necessary or appropriate to permit it to operate the Station as the Station is now being operated or otherwise in connection with Seller's ownership and use of its properties or assets (including the Purchased Assets) or Seller's operation of its businesses (including the Business). Except for any filing required under the Hart Scott Rodino Antitrust Improvement Act of 1976, as amended, and the rules and regulations thereunder (the "HSR Act") (15 USC §18(a)), Seller has made all filings with, and given all notifications to, all Government Authorities as required by all applicable Legal Requirements. Schedule 1.1(a) contains an accurate, correct and complete list and summary description of each such Governmental Approval, filing or notification, including all television broadcast licenses, construction permits and other authorizations issued to Seller by the FCC for the operation of the Station and of all other Governmental Approvals issued to Seller by the FCC authorizing any activity ancillary or incidental to the ownership or operation of the Station (collectively the "FCC Authorizations") and all antenna structure registrations required by the FCC. Each such Governmental Approval, filing and notification is valid and in full force and effect, and there is not pending or, to the Knowledge of Seller, threatened any Proceeding which could result in the suspension, termination, revocation, cancellation, limitation or impairment of any such Governmental Approval, filing or notification. No violations have been recorded in respect of any Governmental Approvals, and Seller knows of no meritorious basis therefor. No fines or penalties are due and payable in respect of any Governmental Approval or any violation thereof.

(b) Seller has delivered to Purchaser accurate and complete copies of all of the Governmental Approvals, filings and notifications identified in Schedule 1.1(a), including all renewals thereof and all amendments thereto. All Governmental Approvals are freely assignable to Purchaser, except as may be limited by applicable regulations, statutes or ordinances.

4.21 Proceedings and Orders.

(a) There is no Proceeding pending or, to the actual Knowledge of Seller, threatened against or affecting Seller, any of Seller's properties, assets (including the Purchased Assets), operations or businesses (including the Business), or Seller's rights relating thereto. To Seller's Knowledge, no event has occurred, and no condition or circumstance exists, that might directly or indirectly give rise to or serve as a basis for the commencement of any such Proceeding. Seller has delivered to Purchaser true, accurate and complete copies of all pleadings, correspondence and other documents relating to any such Proceeding. No insurance company has asserted in writing that any such Proceeding is not covered by the applicable policy related thereto.

(b) Neither Seller, its General Partners, partners, agents or employees, nor any of Seller's properties, assets (including the Purchased Assets), operations or businesses (including the Business), nor Seller's rights relating to any of the foregoing, is subject to any Order or any proposed Order, except to the extent that any such proposed Order, if issued or otherwise put into effect, individually or in the aggregate, will not have a Material Adverse Effect on Seller.

4.22 Environmental Matters.

(a) Seller is in compliance in all material respects with all applicable Environmental and Safety Laws that relate to the Station, the Leased Real Property, the Business or the operation of the Business, 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;

(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 Leased Real Property, the Business or the operation of the Business;

(c) There is no pending or, to the Knowledge of Seller, no threatened claim, action, investigation or notice against or involving Seller relating to the Leased Real Property, the Business or the operation of the Business by any person or entity alleging Liability under or a violation of any Environmental and Safety Law or Liability 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 (an "Environmental Claim"); and

(d) To the Knowledge of Seller, there are no past or present facts or circumstances that are reasonably likely to form the basis of any Environmental Claim.

4.23 Taxes.

(a) No claim has ever been made by any Governmental Authority in a jurisdiction where Seller does not file Tax Returns that it is or may be subject to taxation by that jurisdiction.

(b) Seller has prepared and timely filed or caused to be timely filed, or will have prepared and timely filed or caused to be timely filed before the Closing Date, all Tax Returns required to be filed through the Closing Date. All Taxes owed by Seller for periods covered by such Tax Returns (regardless of whether such Taxes are shown on such Tax Returns), and all claims, demands, assessments, judgments, costs and expenses connected therewith, have been paid in full or will have been paid in full on a timely basis before the Closing Date. Except as disclosed on Schedule 4.23, Seller is not a party to any action or proceeding, nor to the Knowledge of Seller, is any such action or proceeding contemplated or threatened against Seller for the assessment or collection of any Taxes, and no written deficiency notices or reports have been received by Seller in respect of any Taxes. There are no outstanding agreements or waivers extending the statutory period of limitation applicable to any Tax Return of Seller. Seller has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party. Seller has no liability for unpaid Taxes accruing after the Interim Balance Sheet Date, except for Taxes incurred in the ordinary course of business. There are no liens for Taxes on the properties of Seller, other than liens for Taxes not yet due and payable.

(c) Seller is not obligated under any agreement, contract or arrangement that may result in the payment of any amount that would not be deductible by reason of Section 280G or Section 404 of the Code.

(d) Seller is not a party to or bound by any tax indemnity agreement, tax sharing agreement or similar contract. Except with respect to its own status, Seller is not a party to any joint venture, partnership, or other arrangement or contract which could be treated as a partnership or "disregarded entity" for federal income tax purposes.

(e) Seller has treated itself as owner of each of the Purchased Assets for Tax purposes. None of the Purchased Assets is the subject of a "safe-harbor lease" within the provisions of former Section 168(f)(8) of the Code, as in effect prior to amendment by the Tax Equity and Fiscal Responsibility Act of 1982. None of the Purchased Assets directly or indirectly secures any debt the interest on which is tax exempt under Section 103(a) of the Code. None of the Purchased Assets is "tax-exempt use property" within the meaning of Section 168(h) of the Code.

(f) Seller is a “United States person” within the meaning of Section 7701(a)(30) of the Code.

(g) Seller is and, at all times since its formation, has been properly classified as a “partnership” for all federal and state income Tax purposes, and no elections have been made with respect to the Seller under United States Treasury Regulation Section 1.7701-3.

4.24 Brokers.

Neither Seller nor any of its Affiliates has entered into any Contract or arrangement entitling any agent, broker, investment banker, financial advisor or other firm or Person to any brokers’ or finders’ fee or any other commission or similar fee in connection with the transactions contemplated by this Agreement, except for Kalil & Co., Tucson, Arizona, the fees and expenses of which shall be paid by Seller.

4.25 Solvency.

Seller is not entering into the Transaction with the intent to hinder, delay or defraud any Person to which it is, or may become, indebted. The Purchase Price is not less than the reasonably equivalent value of the Purchased Assets less the Assumed Liabilities. Seller’s assets, at a fair valuation, exceed its liabilities, and Seller is able, and will continue to be able after the Closing of the Transaction, to meet its debts as they mature and will not become insolvent as a result of the Transaction. After the Closing of the Transaction, Seller will have sufficient capital and property remaining to conduct the business in which it will thereafter be engaged.

4.26 Full Disclosure.

(a) Neither this Agreement nor any of the other Transaction Agreements, (i) contains or will contain as of the Closing Date any untrue statement of fact or (ii) omits or will omit to state any material fact necessary to make any of the representations, warranties or other statements or information contained herein or therein (in light of the circumstances under which they were made) not misleading.

(b) To the Knowledge of Seller, there is no fact (other than publicly known facts related exclusively to political, regulatory, legislative or economic matters of general applicability that will adversely affect all Entities comparable to Seller) that may have a Material Adverse Effect on Seller.

(c) All of the information set forth in the Seller Disclosure Schedule, and all other information regarding Seller or Seller’s properties, assets (including the Purchased Assets), operations, businesses (including the Business), Liabilities, financial performance, net income and prospects that has been furnished to Purchaser or any of its Representatives by or on behalf of Seller or any of Seller’s Representatives, is accurate, correct and complete in all material respects.

(d) Each representation and warranty set forth in this Article 4 is not qualified in any way whatsoever except as explicitly provided therein, will not merge on Closing or by reason of the execution and delivery of any Contract at the Closing, will remain in force on and immediately after the Closing Date, is given with the intention that Liability is not limited to breaches discovered before Closing, is separate and independent and is not limited by reference to any other representation or warranty or any other provision of this Agreement, and is made and given with the intention of inducing Purchaser to enter into this Agreement.

(e) The conduct of due diligence by Purchaser shall in no way limit or modify the representations and warranties made by Seller in this Article 4; *provided, however*, (i) Seller's representations and warranty under Section 4.12 (c) shall expire for those Purchased Assets being moved by Purchaser to Fresno, CA immediately upon the date such Purchased Assets are so moved, and (ii) Seller shall have the opportunity to cure any breach of the representations and warranties made by Seller within twenty-one (21) days of becoming aware of such breach. Purchaser agrees that if Purchaser has actual Knowledge of a claim caused by the breach of the representations and warranties made by Sellers, Purchaser shall notify Seller of such breach.

4.27 Partners' Consent and Spousal Consent.

The Partners' Consent has been executed by the requisite number of partners required under Section 15637 of the California Corporations Code and is otherwise in full force and effect and has not been modified or revoked. The Spousal Consent is in full force and effect and has not been modified or revoked.

4.28 No Signal Interference.

Operation of the Station as presently conducted does not result in any KGMC Interference.

ARTICLE 5. REPRESENTATIONS AND WARRANTIES OF PURCHASER

Except as specifically set forth on Schedule 5 (the "Purchaser Disclosure Schedule") attached to this Agreement (the parts of which are numbered to correspond to the applicable Section numbers of this Agreement), Purchaser hereby represents and warrants as of the date hereof to Seller as follows:

5.1 Organization and Good Standing.

Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware. Purchaser is a wholly-owned subsidiary of National Broadcasting Company, Inc.

5.2 Authority; Binding Nature of Agreements.

Purchaser has all requisite power and authority to execute and deliver this Agreement and all other Transaction Agreements to which it is a party and to carry out the provisions of this Agreement and the other Transaction Agreements. The execution, delivery and performance by Purchaser of this Agreement and the other Transaction Agreements have been approved by all requisite action on the part of Purchaser. This Agreement has been duly and validly executed and delivered by Purchaser. Each of this Agreement and the other Transaction Agreements constitutes, or upon execution and delivery, will constitute, the legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws and equitable principles related to or limiting creditors' rights generally and by general principles of equity.

5.3 No Conflicts; Required Consents.

The execution, delivery and performance of this Agreement or any other Transaction Agreement by Purchaser do not and will not (with or without notice or lapse of time):

(a) conflict with, violate or result in any breach of (i) any of the provisions of Purchaser's certificate of formation; (ii) any resolutions adopted by Purchaser, including any resolutions adopted by Purchaser's board of directors or committees thereof; (iii) any of the terms or requirements of any Governmental Approval held by Purchaser or any of its employees or that otherwise relates to Purchaser's business; or (iv) any provision of a Contract to which Purchaser is a party;

(b) give any Governmental Authority (other than the FCC) or other Person the right to (i) approve or challenge the Transaction; (ii) exercise any remedy or obtain any relief under any Legal Requirement or any Order to which Purchaser or any of its assets is subject; or (iii) declare a default of, exercise any remedy under, accelerate the performance of, cancel, terminate or modify any Contract to which Purchaser is a party; or

(c) require Purchaser to obtain any Consent or make or deliver any filing or notice to a Governmental Authority (other than the FCC).

5.4 Brokers.

Neither Purchaser nor any of its Affiliates has entered into any Contract or arrangement entitling any agent, broker, investment banker, financial advisor or other firm or Person to any brokers' or finders' fee or any other commission or similar fee in connection with the transactions contemplated by this Agreement.

5.5 Full Disclosure.

None of the representations and warranties contained in this Article 5, when all such representations and warranties are read together in their entirety, (i) contains any untrue statement of fact or (ii) omits or will omit to state any fact necessary to make such

representations and warranties (in light of the circumstances under which they were made) not misleading.

ARTICLE 6. PRE-CLOSING COVENANTS

6.1 Seller's Conduct of the Business Prior to Closing.

From the date of this Agreement until the Closing Date, Seller shall, and shall cause its partners, including its General Partners, and employees, to:

(a) Conduct the Business in the ordinary course of business and in compliance with Legal Requirements (for purposes of this Section 6.1(a), "ordinary course of business" shall include, but not be limited to, compliance with the terms of its affiliation agreement with Telemundo Network Group LLC dated as of May 12, 2000, continued production and broadcast of news programs, and ongoing promotional and community service activities);

(b) Pay all of its Liabilities and Taxes when due, subject to good faith disputes over such Liabilities or Taxes;

(c) Utilize the film rights and packages of the Station and make all payments on film and programming rights and Contracts in the ordinary course of business and consistent with past practice;

(d) Provide Purchaser with prompt notice of opportunities about which Seller becomes aware to acquire film and program packages for the Station and consult with Purchaser regarding the acquisition of film and program rights and packages having a term of more than two (2) months;

(e) Take all appropriate, reasonable action in the ordinary course of business and in accordance with FCC guidelines to protect the service areas of the Station from objectionable interference from other stations;

(f) Maintain insurance coverage in amounts adequate to cover the reasonably anticipated risks of Seller; use Best Efforts to (i) preserve intact all rights of the Business to retain its employees; and (ii) maintain good relationships with employees, licensors, licensees, suppliers, contractors, distributors, customers, and others having business dealings with the Business; and

(g) Provide Purchaser with full access and information rights with respect to all of the Station's facilities and operations insofar as such access and information rights requests do not materially impair Seller's ability to operate the Business. Nothing in this Section 6.1(h) shall grant Purchaser or its representatives access to Excluded Employment Records.

6.2 Restrictions on Seller's Conduct of the Business Prior to Closing.

From the date of this Agreement until the Closing Date, Seller shall not, and shall cause its partners, including its General Partners, and employees, not to:

(a) Enter into, create, incur or assume (i) any borrowings under capital leases or (ii) any obligations which would have a Material Adverse Effect on Seller or Purchaser's ability to conduct the Business in substantially the same manner and condition as currently conducted by Seller;

(b) Acquire by merging or consolidating with, or by purchasing any equity securities or assets (which are material, individually or in the aggregate, to Seller) of, or by any other manner, any business or any Entity;

(c) Sell, transfer, lease, license or otherwise encumber any of the Purchased Assets, except for the sale of inventory in the ordinary course of business;

(d) Take any action not announced prior to the date of this Agreement to the customers, suppliers or distributors of Seller, including providing promotions, coupons, discounts or price increases, except to the extent any such action is: (i) in the ordinary course of business; (ii) consistent with Seller's past practices; or (iii) consistent with industry practices;

(e) Enter into any Contracts or commitments with another Person, except on commercially reasonable terms in the ordinary course of business;

(f) Enter into any Contracts for the sale of advertising time that contemplate or require any commercial inventory make-goods after the Closing Date, except as consistent with Seller's past practice;

(g) Violate any material Legal Requirement applicable to Seller;

(h) Violate, terminate or amend any Assumed Contract or Governmental Approval;

(i) Fail to file any report or pay any FCC regulatory or filing fee pertaining to the Station which is required to be filed with or paid to the FCC or operate the Station other than in accordance with the Communications Act and the FCC Authorizations;

(j) (i) Cause the FCC to institute any proceedings for the cancellation, revocation, non-renewal or modification of the FCC Authorizations; or (ii) take or permit to be taken any other action within its control that results in material non-compliance with requirements of the Communications Act;

(k) Enter into, amend or extend any trade or barter Contracts with respect to the sale of advertising time, which create any obligations or liabilities of the Station, except in the ordinary course of business or except for advertising time which will have been expended prior to the Closing Date;

(l) Commence a Proceeding other than for (i) a dispute between Purchaser or its Affiliates and Seller or its Affiliates; (ii) the routine collection of Receivables or (iii) injunctive relief on the grounds that Seller has suffered immediate and irreparable harm not compensable in money Damages if Seller has obtained the prior written Consent of Purchaser;

(m) Declare, authorize, pay or make any distributions to the partners or the General Partners other than (i) ordinary course distributions for payment of Seller's partners' partnership income tax obligations arising from the allocation to them of the partnership's income; and (ii) those payments set forth on Schedule 6.2 (m) owing to a partner for services rendered to Seller in a capacity other than as partner of Seller.

(n) Purchase, lease, license or otherwise acquire any assets, except for supplies acquired by Seller in the ordinary course of business;

(o) Write off as uncollectible, or establish any extraordinary reserve with respect to, any Receivable or other indebtedness in excess of \$1,000, individually or in the aggregate;

(p) Provide any credit, loan, advance, guaranty, endorsement, indemnity, warranty or mortgage to any Person, including any of the customers, partners, General Partners, employees or directors of Seller, other than those made in the ordinary course of business;

(q) Borrow from any Person by way of a loan, advance, guaranty, endorsement, indemnity, or warranty;

(r) Discharge any Encumbrance, indebtedness or other Liability in excess of \$1,000, individually or in the aggregate, except for Liabilities reflected or reserved against in the Financial Statements and accounts payable in the ordinary course of business;

(s) Change its credit practices, accounting methods or practices or standards used to maintain its books, accounts or business records;

(t) Change the terms of its accounts or other payables or Accounts Receivable or take any action directly or indirectly to cause or encourage any acceleration or delay in the payment, collection or generation of its accounts or Accounts Receivable;

(u) Incur or become subject to any Liability, contingent or otherwise, except current Liabilities in the ordinary course of business;

(v) Make any material change affecting the Business, including (i) changes in management organization or personnel arrangements with sales brokers, advertising agencies, market research projects, advertising and promotion budgets or the content of advertisements or working capital levels (payables, receivables and inventory); (ii) changes in discretionary costs, such as advertising, maintenance and repairs, research and development, and training; (iii) any capital expenditures or deferrals of capital expenditures; (iv) deviations from operating budgets or plans on sales and profitability; or (v) other than in the ordinary course of business, change any of its business policies, including, advertising, investments, marketing, pricing, purchasing, production, personnel, sales, returns, budget or product acquisition policies;

(w) Amend its Certificate of Limited Partnership or Limited Partnership Agreement in any manner that may: (i) adversely affect Purchaser's rights hereunder, or (ii) impact or alter the Partners' Consent;

(x) Make any changes in the capital structure of Seller or its General Partners that would affect the Partners' Consent in any manner whatsoever;

(y) Hire any new employee other than in the ordinary course of business, terminate any partner or key employee of Seller listed on Schedule 6.2 (y)-1, increase the annual level of compensation of any existing employee, establish or adopt any Employee Benefit Plan, or grant any bonuses, benefits or other forms of direct or indirect compensation to any employee, partner, General Partner or consultant other than bonuses, benefits or other forms of direct or indirect compensation set forth on Schedule 6.2(y)-2. Nothing in this Section 6.2(y) shall prevent Seller from providing benefits or paying salaries to its employees in accordance with its practice in effect as of the date of this Agreement, provided any and all such benefits and salary information is set forth on Schedule 6.2(y)-2;

(z) Make any severance payments to any employee, partner, General Partner, except as set forth on Schedule 6.2(z);

(aa) Make or change any election in respect of Taxes, adopt or change any accounting method in respect of Taxes, file any amendment to a Tax Return, enter into any closing Contract, settle any claim or assessment in respect of Taxes, or Consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes;

(bb) Fail to maintain the Purchased Assets in good repair, order and condition, reasonable wear and tear excepted; or

(cc) Enter into any Contract or agree, in writing or otherwise, to take any of the actions described in this Section 6.2, or any action that would make any of its representations or warranties contained in this Agreement untrue or incorrect in any material respect or prevent it from performing or cause it not to perform its covenants hereunder.

6.3 No Solicitation.

Until the earlier of (a) the Closing and (b) the termination of this Agreement pursuant to its terms, Seller shall not, and Seller shall cause its Representatives not to, directly or indirectly, (i) initiate, solicit or encourage (including by way of furnishing information regarding the Business or the Purchased Assets or Assumed Liabilities) any inquiries, or make any statements to third parties which may reasonably be expected to lead to any proposal concerning the sale of Seller (unless the Business is excluded), the Business or the Purchased Assets or Assumed Liabilities (whether by way of merger, or purchase of assets or otherwise) (a "Competing Transaction"); or (ii) hold any discussions or enter into any Contracts with, or provide any information or respond to, any third party concerning a proposed Competing Transaction or cooperate in any way with, agree to, assist or participate in, solicit, consider, entertain, facilitate or encourage any effort or attempt by any third party to do or seek any of the foregoing. If at any time prior to the earlier of (x) the Closing and (y) the termination of this Agreement pursuant to its terms, Seller is approached in any manner by a third party concerning a Competing Transaction (a "Competing Party"), Seller shall promptly inform Purchaser regarding such contact and furnish Purchaser with a copy of any inquiry or proposal, or, if not in writing, a

description thereof, including the name of such Competing Party, and Seller shall keep Purchaser informed of the status and details of any future notices, requests, correspondence or communications related thereto.

6.4 Certain Notifications.

From the date of this Agreement until the Closing, Seller shall promptly notify Purchaser in writing regarding any:

- (a) Action taken by Seller not in the ordinary course of business and any circumstance or event that could reasonably be expected to have a Material Adverse Effect on the Business;
- (b) Fact, circumstance, event, or action by Seller (i) which, if known on the date of this Agreement, would have been required to be disclosed in or pursuant to this Agreement; or (ii) the existence, occurrence, or taking of which would result in any of the representations and warranties of Seller contained in this Agreement or in any Transaction Agreement not being true and correct when made or at Closing;
- (c) Breach of any covenant or obligation of Seller hereunder;
- (d) Circumstance or event which will result in, or could reasonably be expected to result in, the failure of Seller to timely satisfy any of the closing conditions specified in Article 9 of this Agreement;
- (e) Actions, suits or proceedings threatened against or affecting the Business or the assets or properties of the Station, in any court, or before any arbitrator, or before or by any Governmental Authority;
- (f) Termination or any threatened termination of any Material Contract or other right which is necessary for the ownership by Purchaser of any of the Purchased Assets or the operation by Purchaser following the Closing Date of any of the Business;
- (g) Notice or other communication from any third party alleging that the Consent of such third party is or may be required in connection with the transactions contemplated by this Agreement; and
- (h) Notice or other communication from the FCC or any other Governmental Authority relating to the FCC Authorizations or any approval or Consent being sought in connection with the transactions contemplated by this Agreement.

6.5 Risk of Loss.

The risk of any loss, damage or impairment, confiscation or condemnation of the Purchased Assets or any part thereof from fire or any other casualty or cause shall be borne by Seller at all times prior to Closing.

(a) If the Purchased Assets are damaged or destroyed by fire or other casualty or cause between the date hereof and the Closing Date and the repair cost (i.e. the lesser of the cost to return the damaged Purchased Assets to substantially the same condition they were in prior to the fire or other casualty or the cost of replacing such Purchased Assets with replacements of similar quality), individually or in the aggregate (the "Repair Cost"), will exceed \$150,000, Purchaser shall have the option: (i) to accept the Purchased Assets in their damaged or destroyed condition and reduce the Purchase Price by the Repair Cost; (ii) to accept the Purchased Assets in their damaged or destroyed condition without a reduction in the Purchase Price but with Seller assigning or delivering to Purchaser all of Seller's rights to any insurance proceeds for such damage or destruction; or (iii) terminate this Agreement by giving written notice to Seller not later than fifteen (15) days after the Repair Cost is determined. Seller shall promptly notify Purchaser in writing of any fire or other casualty occurring with respect to the Purchased Assets. Seller shall provide Purchaser and its agents and contractors with access to any damaged Purchased Assets following any fire or other casualty so that Purchaser can obtain an estimate of the Repair Cost after Seller notifies Purchaser of the fire or other casualty.

(b) If any of the Purchased Assets are damaged or destroyed by fire or other casualty or cause between the date hereof and the Closing Date and the Repair Cost is equal to or less than \$150,000, Purchaser shall have the option: (i) to accept the Purchased Assets in their damaged or destroyed condition and reduce the Purchase Price by the Repair Cost; or (ii) to accept the Purchased Assets in their damaged or destroyed condition with a reduction in the Purchase Price but with Seller assigning or delivering to Purchaser all of Seller's rights to any insurance proceeds for such damage or destruction.

(c) If any of the Purchased Assets are damaged or destroyed by fire or other casualty or cause between the date hereof and the Closing Date and Purchaser elects to have Seller repair such damage, all repairs shall be (i) completed at least fifteen (15) days prior to the Closing Date; (ii) completed in a good and workmanlike manner, using materials, labor and finishes resulting in the completed repairs being of the same or better quality than immediately prior to the damage; and (iii) subject to the reasonable approval of Purchaser.

(d) If any condemnation proceedings are instituted, or notice of intent to condemn is given, with respect to any Leased Real Property or portion thereof, Seller shall promptly notify Purchaser thereof. If such condemnation applies to a substantial portion of such Leased Real Property, so that the condemnation would render the balance of the Leased Real Property not reasonably suitable for Purchaser's purposes, then Purchaser shall have the option: (i) to terminate this Agreement; (ii) to consummate the purchase and reduce the Purchase Price by an amount equal to the diminution in value of such Leased Real Property; or (iii) to consummate the purchase without a reduction in the Purchase Price but with Seller assigning or delivering to Purchaser the condemnation award. If such condemnation does not apply to a substantial portion of the Leased Real Property, then Purchaser shall have the option: (i) to consummate the purchase and reduce the Purchase Price by an amount equal to the diminution in value of such Leased Real Property; or (ii) to consummate the purchase without a reduction in the Purchase Price but with Seller assigning or delivering to Purchaser the condemnation award. Prior to Closing, Seller shall not agree to or accept any compromise or condemnation award without obtaining Purchaser's written Consent thereto.

6.6 Broadcast Transmission Interruption.

Notwithstanding any provision of this Agreement to the contrary, Seller shall promptly notify Purchaser if the Station's normal broadcast transmission is interrupted, interfered with or in any way impaired and shall describe the measures being taken to correct such problem, *provided, however*, that (i) if broadcast transmission is not resumed within three (3) days after such event, (ii) if operation of the Station is not restored to its previous operating power and antenna height within two (2) weeks after such event, (ii) if more than three (3) such events occur within any forty-five (45) day period, or (iii) if the Station shall be off the air for more than twenty-four (24) consecutive hours, then Purchaser shall have the right to terminate this Agreement without further obligation to Seller (other than payments required under Section 2.2(b)), for a period of sixty (60) days after receiving notice from Seller of such occurrences described in clauses (i), (ii) or (iii), and the thirty (30) day cure provision set forth in Section 10.1(b) shall not apply; and *provided further*, that if Purchaser elects not to terminate this Agreement hereunder, the Closing Date shall be delayed until a date mutually agreed to by the parties after all interruptions have been fully remedied.

6.7 Updating the Seller Disclosure Schedule.

If any event, condition, fact or circumstance that is required to be disclosed pursuant to Section 6.4 would require a change to the Seller Disclosure Schedule if the Seller Disclosure Schedule were dated as of the date of the occurrence, existence or discovery of such event, condition, fact or circumstance, then Seller shall promptly deliver to Purchaser an update to the Seller Disclosure Schedule specifying such change and shall use its Best Efforts to remedy same, as applicable, *provided, however*, that no such update shall be deemed to supplement or amend the Seller Disclosure Schedule for the purpose of (a) determining the accuracy of any of the representations and warranties made by Seller in this Agreement or (b) determining whether any of the conditions set forth in Article 9 have been satisfied.

6.8 Access to Information.

From the date of this Agreement until the Closing, Seller shall (a) permit Purchaser and its Representatives to have free and complete access during regular business hours, and in a manner so as not to interfere with the normal business operations of the Business or Seller's operations associated with the Business, to all premises, properties, personnel, Persons having business relationships with Seller (including suppliers, licensees, customers and distributors), books, records (including Tax records related to the Business or Seller's operations associated with the Business), Contracts, and documents of or pertaining to the Business; (b) furnish Purchaser with all financial, operating and other data and information related to the Business (including copies thereof), as Purchaser may reasonably request; and (c) otherwise cooperate and assist, to the extent reasonably requested by Purchaser, with Purchaser's investigation of the Business, the Purchased Assets and the Assumed Liabilities. No information or knowledge obtained in any investigation pursuant to this Section 6.8 shall affect or be deemed to modify any representation or warranty contained herein or the conditions to the obligations of the parties to consummate the Transaction. Any such access by Purchaser shall not materially interfere with

the normal operation of the Business. Nothing in this Section 6.8 shall grant Purchaser or its representatives access to Excluded Employment Records.

6.9 FCC Application.

Within five (5) Business Days of the execution of this Agreement, Seller and Purchaser shall jointly prepare and file with the FCC complete and accurate applications requesting the FCC Order consenting to the assignment of the FCC Authorizations from Seller to Purchaser or its permitted assign as contemplated herein (the "FCC Application"). Seller and Purchaser shall each pay one-half of all FCC filing fees in connection with the FCC Application. Each party shall notify the other party hereto in the event it becomes aware of any facts, actions, communications or occurrences that might directly or indirectly affect the parties' ability to obtain the FCC Order. Seller and Purchaser shall diligently take all necessary, desirable and appropriate actions, provide any additional information reasonably required or requested by the FCC and otherwise use their Best Efforts to obtain the FCC Order. Seller and Purchaser shall oppose any petitions to deny or other objections filed with respect to the FCC Application, *provided, however*, that neither Seller nor Purchaser shall have any obligation to participate in any evidentiary hearing on the FCC Application or to pay a third party to obtain an FCC Order.

6.10 Consents.

As promptly as possible after the date of this Agreement, Seller shall use Best Efforts to obtain all Consents and make and deliver all filings and notices listed or required to be listed on Schedule 6.10, and Purchaser shall use its Best Efforts to obtain all Consents and make and deliver all filings and notices listed or required to be listed on Schedule 6.10. Purchaser shall not be required to (a) agree to any material changes in, or the imposition of any material condition to the transfer to Purchaser of, any Assumed Contract or Governmental Approval as a condition to obtaining any Consent; or (b) dispose of or make any changes to its business, expend any material funds or incur any other burden in order to comply with this Section 6.10.

6.11 Intentionally Omitted.

6.12 Station Upgrade.

The parties acknowledge that Seller has relocated the Station's transmitter and tower site from its former site to a new site at the Meadow Lakes Antenna Farm and upgraded the Station's transmission facilities as authorized by the FCC in File No. BMPCT-20010213ABN (the "Upgrade").

6.13 Possession and Control of the Station.

Notwithstanding any other provision of this Agreement, between the date of execution of this Agreement and the Closing Date, Seller shall retain ultimate control over the management and operation of the Station.

6.14 Make-Goods.

If Seller has entered into any Contracts for the sale of advertising time that require any commercial inventory make-goods, Seller shall use reasonable efforts to satisfy all such make-good obligations prior to the Closing Date. To the extent Seller does not satisfy such obligations prior to the Closing Date so that any such make-good must be aired after the Closing Date, Purchaser shall be entitled to receive from Seller within five (5) Business Days after Purchaser provides Seller with an affidavit customary in the broadcast industry evidencing the airing of such make-good all amounts received by Seller from the advertiser prior to Closing attributable to the advertisement aired as a make-good after Closing. If Seller has not actually received from the advertiser the amounts attributable to the advertisement aired as a make-good after Closing, (i) Seller shall pay the amounts to Purchaser as provided in this Section 6.14 as if Seller had received such amounts from the advertiser and (ii) any amounts attributable to such advertisement received by Purchaser from the advertiser after the Closing shall remain subject to the collect-and-remit procedure described in Section 2.4. Amounts paid by Seller pursuant to this Section 6.14 shall not be subject to Article 11 of this Agreement.

ARTICLE 7. POST-CLOSING COVENANTS

7.1 Seller Intellectual Property.

(a) Except as is necessary or advisable in connection with fulfillment by Seller of its obligations under the Transition Services Agreement, Seller agrees that, from and after the Closing Date, it shall not, and it shall cause its Representatives not to, use any of the Seller Intellectual Property. If Seller or any assignee of Seller owns or has any right or interest in any Seller Intellectual Property that cannot be, or for any reason is not, assigned to Purchaser at the Closing, Seller shall grant or cause to be granted to Purchaser, at the Closing, a worldwide, royalty-free, fully paid up, perpetual, irrevocable, transferable, sublicensable, and exclusive license to exercise all rights in and to such Seller Intellectual Property.

(b) If Purchaser is unable to enforce its Intellectual Property Rights against a third party as a result of any Legal Requirement that prohibits enforcement of such rights by a transferee of such rights, Seller agrees to assign to Purchaser such rights as may be required by Purchaser to enforce its Intellectual Property Rights in its own name. If such assignment still does not permit Purchaser to enforce its Intellectual Property Rights against the third party, Seller agrees to initiate proceedings against such third party in Seller's name, *provided, however*, that Purchaser shall be entitled to participate in such proceedings and *provided, further*, that Purchaser shall be responsible for the costs and expenses of such proceedings.

7.2 Cooperation.

After the Closing, upon the request of Purchaser, Seller shall (a) execute and deliver any and all further materials, documents and instruments of conveyance, transfer or assignment as may reasonably be requested by Purchaser to effect, record or verify the transfer to, and vesting in Purchaser, of Seller's right, title and interest in and to the Purchased Assets, free and clear of all Encumbrances, in accordance with the terms of this Agreement; and (b) cooperate with

Purchaser, at Purchaser's expense, to enforce the terms of any Assumed Contracts, including terms relating to confidentiality and Intellectual Property Rights, and to contest or defend against any Proceeding relating to the Transaction or to the operation of Seller's Business before the Closing Date. After the Closing, Seller shall (w) cooperate with Purchaser in its efforts to continue and maintain for the benefit of Purchaser those business relationships of Seller existing prior to the Closing and relating to the business to be operated by Purchaser after the Closing; (x) satisfy the Excluded Liabilities in a manner that is not detrimental to any of such relationships; (y) refer to Purchaser all inquiries relating to such business; and (z) promptly deliver to Purchaser (1) any mail, packages and other communications addressed to Seller relating to the Business and (2) any cash or other property that Seller receives and that properly belongs to Purchaser, including any insurance proceeds, payments with respect to Receivables, and interest payable thereon. Neither Seller nor any of its employees, agents, partners or General Partners shall take any action that would tend to diminish the value of the Purchased Assets after the Closing or that would interfere with the business of Purchaser to be engaged in after the Closing, including disparaging the name or business of Purchaser.

7.3 Limited Power of Attorney.

Effective upon the Closing, Seller hereby irrevocably appoints Purchaser and its successors, agents and assigns as its true and lawful attorney, in its name, place and stead, with power of substitution, to take any action and to execute any instrument which Purchaser may deem necessary or advisable to fulfill Seller's obligations or rights under, or to accomplish the purposes of, this Agreement, including, (a) to demand and receive any and all Purchased Assets and to make endorsements and give receipts and releases for and in respect of the same; (b) to institute, prosecute, defend, compromise and/or settle any and all Proceedings with respect to the Purchased Assets and Assumed Liabilities other than Proceedings between Seller or its Affiliates and Purchaser or its Affiliates; (c) to make any filings required to transfer any Seller Intellectual Property or any other Purchased Assets; (d) to receive and open all mail, packages and other communications addressed to Seller and relating to the Business; and (e) collect all Accounts Receivables and endorse and cash and/or deposit any and all checks or drafts received on account of any Accounts Receivable in accordance with Section 2.4. The foregoing power of attorney is a special power of attorney coupled with an interest and is irrevocable.

7.4 Return of Purchased Assets.

If, for any reason after the Closing, any of the Purchased Assets or Assumed Liabilities are ultimately determined to be Excluded Assets or Excluded Liabilities, respectively, (a) Purchaser shall transfer and convey (without further consideration) to Seller, and Seller shall accept, such Purchased Assets; (b) Seller shall assume, and agree to pay, perform, fulfill and discharge (without further consideration) such Assumed Liabilities; and (c) Purchaser and Seller shall execute such documents or instruments of conveyance or assumption and take such further acts which are reasonably necessary or desirable to effect the transfer of such Purchased Assets back to Seller and the re-assumption of such Assumed Liabilities by Seller.

7.5 Records and Documents.

For a period of five (5) years after the Closing, at Purchaser's request, Seller shall provide Purchaser and its representatives with access to and the right to make copies of those records and documents retained by Seller related to the Business. If during such period Seller elects to dispose of such records and documents, Seller shall give Purchaser sixty (60) days' prior written notice, during which period Purchaser shall have the right to take such records and documents without further consideration.

7.6 Bulk Sales Indemnification.

Subject to Section 11.2, Purchaser hereby waives compliance by Seller with any applicable bulk sales Legal Requirements in connection with the Transaction.

7.7 Non-Competition.

(a) For and in consideration of the Transaction contemplated herein, during the period commencing with the Closing Date and ending on the second anniversary of the Closing Date (the "Noncompetition Period"), Seller shall not engage in any "Competitive Activity" in the "Restricted Territory" (as both are defined below).

(b) "Competitive Activity" shall mean directly or indirectly (or having any interest in, or performing any services for, any Person directly or indirectly) (i) engaging in any activity that is the same as, similar to, or competitive with Business; (ii) owning, operating or holding an interest in an over-the-air television station that broadcasts programming in the Restricted Territory; (iii) soliciting for employment or recommending for employment (other than providing standard confirmation of employment position and periods of employment) any Person employed by Purchaser or any Affiliate or Subsidiary of Purchaser during such Person's employment with Purchaser (or any Affiliate or Subsidiary of Purchaser) or for one year thereafter; or (iv) diverting or attempting to divert from Purchaser or any Affiliate or Subsidiary of Purchaser any business of any kind in which they are engaged, including the solicitation of or interference with any suppliers, contractors, or customers.

(c) "Restricted Territory" shall mean the Fresno-Visalia DMA.

(d) Notwithstanding the foregoing, the provisions of this Section 7.7 shall not prevent Seller from beneficially owning up to five percent (5%), on a full-diluted basis, of the total shares of all classes of stock outstanding of any corporation having securities listed on the New York Stock Exchange, the American Stock Exchange, or traded on NASDAQ.

(e) It is the understanding of the parties that the scope of the covenants contained in this Section 7.7, both as to time and area covered, are necessary to protect the rights of Purchaser and the goodwill that is a part of the Business of Seller to be acquired by Purchaser. It is the parties' intention that these covenants be enforced to the greatest extent (but to no greater extent) in time, area, and degree of participation as is permitted by the law of that jurisdiction whose law is found to be applicable to any acts in breach of these covenants. If any such agreement or any part of such agreement is held invalid, void or unenforceable by any court

of competent jurisdiction, such invalidity, voidness, or unenforceability shall in no way render invalid, void, or unenforceable any other part of them or any separate agreement not declared invalid, void or unenforceable; and this Agreement shall in such case be construed as if the invalid, void, or unenforceable provisions were omitted.

(f) The parties agree that the covenants of Seller not to compete contained in this Section 7.7 may be assigned by Purchaser to any Person to whom may be transferred the Business of Seller by the sale or transfer of their business and assets or otherwise. It is the parties' intention that these covenants of Seller shall inure to the benefit of any Person that may succeed to the Business and Purchased Assets of Seller (as acquired by Purchaser under this Agreement) with the same force and effect as if these covenants were made directly with such successor.

(g) The parties agree that, in the event of breach or threatened breach of Seller's covenants in this Section 7.7, the damage or imminent damage to the value and the goodwill of Purchaser and the Business will be irreparable and extremely difficult to estimate, making any remedy at law or in Damages inadequate. Accordingly, the parties agree that Purchaser shall be entitled to injunctive relief against Seller in the event of any breach or threatened breach of any of such covenants by Seller, in addition to any other relief (including Damages) available to Purchaser under this Agreement or under applicable law.

7.8 Collocation of Facilities

For a period of up to six (6) months after the Closing Date, Purchaser shall be entitled to collocate the facilities of the Station with Seller's Station KCSO facilities in Modesto, California, on a rent-free basis, as set forth more fully in the Transition Services Agreement.

7.9 Access to Documents

Seller and Seller's agents may reasonably request, and Purchaser shall provide within a reasonable time after such request, copies of books, station logs and records transferred pursuant to this Agreement upon prior written notice to Purchaser if Seller or Seller's agents reasonably believe that such information is required as a result of any legal proceeding or any inquiry or investigation by any Governmental Authority to which Seller or any of Seller's Affiliates are a party.

ARTICLE 8. EMPLOYEES

8.1 Seller Termination.

(a) Seller shall terminate the employment of only the employees of the Station listed on Schedule 8.1 (collectively, the "Fresno Employees") effective as of the Closing Date, and Seller shall not be required to terminate any other employees of Seller who perform services for Seller that relate to the Station or the Business. Purchaser may elect, but shall in no event be obligated, to employ any Fresno Employees. To the extent Purchaser elects to make an offer of employment to any Fresno Employees prior to Closing, Seller shall use reasonable efforts to encourage such Fresno Employees to continue their employment with Seller until Closing and

upon termination by Seller to accept employment with Purchaser. Upon request from Purchaser, Seller agrees to use reasonable efforts to assist Purchaser in selecting employees for hire, if any, including providing good faith recommendations for such employees. Nothing in this Section 8.1(a) shall require the Seller to transfer any Excluded Employment Records to Purchaser.

(b) In order to secure orderly and effective hiring of any Fresno Employees by Purchaser, Seller and Purchaser shall cooperate, both before and after the Closing Date, to (i) exchange information related to the Fresno Employees, and (ii) take any other actions with respect to the Fresno Employees and their respective beneficiaries and dependents. Nothing in this Section 8.1(b) shall require the Seller to transfer to Purchaser any Excluded Employment Records.

(c) Nothing in this Section 8.1 shall be construed to entitle any Fresno Employee to continue his or her employment with Purchaser for any period of time, nor to interfere with the rights of Purchaser or Seller to discharge or discipline any Fresno Employee, to change the terms of any Fresno Employee's employment or to amend or terminate any Employee Benefit Plans at any time.

8.2 No Liability for Employee Plans.

Purchaser shall not be required to assume any Seller Benefit Plan or any Liabilities with respect thereto. Nothing herein shall obligate or be deemed to obligate Purchaser to create, adopt or maintain any Employee Benefit Plan.

8.3 Compliance with Legal Requirements and Other Obligations.

Prior to the Closing, at its sole cost and expense, Seller shall take all actions necessary to comply with all appropriate Legal Requirements in connection with Seller's employment of its employees, including any Legal Requirements under the WARN Act. Seller shall be solely responsible, before and after the Closing, for the payment of any amounts required to be paid under any Legal Requirement, including the WARN Act and any similar state laws, as a result of the termination or layoff of any employee of Seller who is not a Fresno Employee in connection with this Transaction. Prior to the Closing, Seller shall perform all of its contractual and other obligations in connection with the employment of its employees.

8.4 No Benefit to Seller Employees Intended.

This Article 8 is not intended to, and does not, create any rights or obligations to or for the benefit of anyone other than Purchaser and Seller.

ARTICLE 9. CONDITIONS TO CLOSING

9.1 Conditions to Purchaser's Obligation to Close.

The obligations of Purchaser to consummate the Transaction shall be subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions, any of which may be waived by Purchaser in writing (except for the requirement to obtain the FCC Order):

(a) Representations, Warranties and Covenants. (i) All of the representations and warranties of Seller in this Agreement shall have been true and correct in all material respects (considered collectively and individually) as of the date of this Agreement and shall be true and correct in all material respects (considered collectively and individually) as of the Closing Date (or, to the extent such representations and warranties speak only as of an earlier date, they shall be true and correct in all material respects as of such earlier date), except that as of the Closing Date, Seller shall have cured the matters set forth in Schedule 4.19(a) other than those matters set forth in Schedule 4.19(a)(i), and Sections 4.19 and 4.20 will only be qualified by Schedule 4.19(a)(i); (ii) all of the representations and warranties of Seller in Sections 4.4, 4.6, 4.7 and 4.13 of this Agreement and all of the other representations and warranties of Seller in this Agreement that contain an express materiality qualification shall have been true and correct in all respects (considered collectively and individually) as of the date of this Agreement and shall be true and correct in all respects (considered collectively and individually) as of the Closing Date (or, to the extent such representations and warranties speak only as of an earlier date, they shall be true and correct in all respects as of such earlier date); and (iii) Seller shall have performed, in all material respects (considered collectively and individually), all covenants and obligations in this Agreement required to be performed by Seller as of the Closing Date;

(b) Documents. Seller shall have delivered to Purchaser all of the documents and agreements set forth in Sections 3.2;

(c) Consents. Seller shall have delivered to Purchaser all Assignment Consents and other Consents required (i) for the transfer of the Station, the Business and the Purchased Assets; (ii) for the consummation of the Transaction; and (iii) to prevent a breach or termination of any Assumed Contract;

(d) FCC Final Order. The FCC shall have granted the FCC Order consenting to the assignment to Purchaser of the FCC Authorizations, and that FCC Order shall have become a Final Order, *provided, however*, that Purchaser, in its sole discretion, may elect to waive the requirement that the FCC Order shall have become a Final Order;

(e) Estoppel Letters. Seller shall have delivered to Purchaser Estoppel Letters, substantially in the form attached hereto as Exhibit M and Exhibit N (the "Estoppel Letters"), from each lessor of Real Property or Personal Property;

(f) Opinion of Counsel. Seller shall have delivered to Purchaser an opinion of Seller's counsel, substantially in the form attached hereto as Exhibit G;

(g) Opinion of FCC Counsel. Seller shall have delivered to Purchaser an opinion of Seller's FCC counsel substantially in the form attached hereto as Exhibit H; and

(h) Partners' Consent and Spousal Consent. Seller shall have delivered to Purchaser the Partners' Consent duly executed by all the partners of Seller and the Spousal Consent duly executed by Chester Smith and Naomi L. Smith;

(i) Facilities Upgrade. Purchaser shall have completed the Upgrade so that the Station delivers a signal of at least Grade A (as defined by Section 73.683 of the FCC's rules)

to at least as many households as are reached by the Grade A signal of any other television station licensed within the DMA (the "Optimal DMA Coverage") and Seller and Purchaser agree to the following procedure by which Purchaser may confirm the Optimal DMA Coverage:

(i) Purchaser shall have forty-five (45) days from the later of (A) the date of this Agreement or (B) the first date on which the Station is operating with the full power and facilities authorized in the Upgrade (the "Signal Investigation Period") within which (x) to investigate the Station's over-the-air signal and to determine whether or not such signal provides the Optimal DMA Coverage and (y) to inspect the equipment installed and construction techniques used in implementing the Upgrade;

(ii) If, as a result of such investigation and inspection, Purchaser reasonably believes that (A) the Station does not provide the Optimal DMA Coverage or (B) either the equipment installed for the Upgrade or the construction techniques used in the Upgrade do not comply with FCC requirements or with good engineering practice, Purchaser shall have the option to terminate this Agreement during the Signal Investigation Period and, upon such termination, Purchaser shall not be required to pay the Termination Fee, except Purchaser shall be required to make the payments due under Section 2.2(b) of this Agreement, and Purchaser shall not be entitled to any type of damages, payment or reimbursement of expenses on account of termination of this Agreement pursuant to this Section 9.1(i).

(iii) Failure by Purchaser to terminate this Agreement within the Signal Investigation Period shall constitute a waiver of the condition set forth in Section 9.1(i).

(j) Main Studio Compliance. The FCC shall have granted a waiver in writing to allow the Station's main studio to continue to be located in Modesto for a time period equal to or greater to the term of the Transition Services Agreement.

(k) Digital Build-Out. If the Closing has not occurred prior to November 1, 2002, Seller shall have either: (i) completed construction of the digital facilities for the Station and filed an application for a covering license on Form 302-DT; or (ii) received one or more valid extensions of the date by which the digital build-out must be completed resulting in a construction period that expires no less than five (5) months after the Closing Date. Purchaser and Seller agree to cooperate in order to obtain such extension or extensions from the FCC; *provided, however*, nothing contained herein shall prevent Purchaser from seeking to obtain from the FCC an extension of the digital construction permit. The pendency of an application to extend the digital construction permit will not satisfy this condition to Closing;

(l) Completion of Due Diligence. Purchaser shall have completed to Purchaser's satisfaction, within (forty-five) 45 days of the date of this Agreement, full due diligence on the Purchased Assets and the Business; *provided, however*, Seller shall have the opportunity to cure any errors or deficiencies within twenty-one (21) days of receipt of notice from Purchaser of such errors or deficiencies; and, *provided further* if Purchaser has not given notice to Seller of Purchaser's completion of due diligence by the (forty-fifth) 45th day after the date of this Agreement, the due diligence review shall be deemed to have been completed to Purchaser's satisfaction. For purposes of this Section 9.1(l), Purchaser may terminate the

Agreement for failure of the condition set forth herein only (i) if Purchaser discovers one or more matters during its due diligence review adversely affecting the Station, the Business or Seller's ability to perform any and all of its obligations under the Transaction Documents and such matters are not cured by Seller within the time period set forth above, or (ii) if Seller does not reasonably cooperate with any reasonable requests for information made by Purchaser after the date of this Agreement (provided such requests are made in writing through Seller's counsel, Folger Levin & Kahn LLP (attn.: Kenneth R. Hillier or Mary E. King)).

(m) No Material Adverse Change. Between the date of this Agreement and the Closing Date, there shall not have occurred any Material Adverse Effect or any development that, insofar as reasonably can be foreseen, is reasonably likely to result in any Material Adverse Effect; and

(n) No Proceedings. Since the date of this Agreement, no Proceeding shall have been commenced or threatened against Purchaser, or against any Representative of Purchaser (a) involving any challenge to, or seeking Damages or other relief in connection with, the Transaction; or (b) that may have the effect of preventing, delaying, making illegal, imposing limitations or conditions on or otherwise interfering with the Transaction.

9.2 Conditions to Seller's Obligation to Close.

The obligations of Seller to consummate the Transaction shall be subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions, any of which may be waived by Seller in writing (except for the requirement to obtain the FCC Order):

(a) Representations, Warranties and Covenants. (i) All of the representations and warranties of Purchaser in this Agreement shall have been true and correct in all material respects (considered collectively and individually) as of the date of this Agreement and shall be true and correct in all material respects (considered collectively and individually) as of the Closing Date (or, to the extent such representations and warranties speak as of an earlier date, they shall be true and correct in all material respects as of such earlier date); (ii) all of the representations and warranties of Purchaser in this Agreement that contain an express materiality qualification shall have been true and correct in all respects (considered collectively and individually) as of the date of this Agreement and shall be true and correct in all respects (considered collectively and individually) as of the Closing Date (or, to the extent such representations and warranties speak only as of an earlier date, they shall be true and correct in all respects as of such earlier date); and (iii) Purchaser shall have performed, in all material respects (considered collectively and individually), all covenants and obligations in this Agreement required to be performed by Purchaser as of the Closing Date;

(b) Documents. Purchaser shall have delivered to Seller all of the documents and agreements set forth in Sections 3.3; and

(c) FCC Final Order. The FCC shall have granted the FCC Order consenting to the assignment to Purchaser of the FCC Authorizations, and that FCC Order shall have become a Final Order.

9.3 Conditions to Obligations of Each Party to Close.

The respective obligations of each party to this Agreement to consummate the Transaction shall be subject to the satisfaction, on or prior to the Closing Date, of each of the following condition(s), any of which may be waived by Purchaser or Seller, as applicable, in writing to the extent permitted by law:

(a) No Legal Impediments to Closing. There shall not be in effect any Order issued by any Governmental Authority preventing the consummation of the Transaction, seeking any Damages as a result of the Transaction, or otherwise affecting the right or ability of Purchaser to own, operate or control the Business, the Purchased Assets or the Assumed Liabilities, nor shall any Proceeding be pending that seeks any of the foregoing. There shall not be any Legal Requirement prohibiting Seller from selling or Purchaser from owning, operating or controlling the Business, the Purchased Assets or the Assumed Liabilities or that makes this Agreement or the consummation of the Transaction illegal.

ARTICLE 10. TERMINATION

10.1 Circumstances for Termination.

At any time prior to the Closing, this Agreement may be terminated by written notice explaining the reason for such termination (without prejudice to other remedies which may be available to the parties under this Agreement, at law or in equity):

- (a) by the mutual written Consent of Purchaser and Seller;
- (b) by either Purchaser or Seller if (i) the non-terminating party is in material breach of any material provision of this Agreement and such breach shall not have been cured within thirty (30) days of receipt by such party of written notice from the terminating party of such breach; and (ii) the terminating party is not, on the date of termination, in material breach of any material provision of this Agreement;
- (c) by either Purchaser or Seller if any condition set forth herein for the benefit of Seller or Purchaser, respectively, shall not have been timely met and cannot be met by the other party thereto on or before the Closing Date and such condition has not been waived by the terminating party;
- (d) by Seller if (i) an FCC Order has not become a Final Order twelve (12) months after the filing of the FCC Application, or (ii) the FCC designates the FCC Application for an evidentiary hearing, *provided, however*, that Seller is not in material breach under any provision of this Agreement which breach is the basis for the event giving rise to Seller's right to terminate this Agreement pursuant to this subsection (d); or
- (e) by Purchaser if (i) an FCC Order has not become a Final Order twelve (12) months after the filing of the FCC Application, (ii) the FCC designates the FCC Application for an evidentiary hearing, or (iii) the FCC issues an order in connection with such application with conditions that Purchaser in its reasonable judgment determines to be materially adverse to

Purchaser or which in any way diminish the operating rights with respect to the Assets and the Station (except any such conditions expressly accepted by Purchaser in writing), *provided, however,* that Purchaser is not in material breach under any provision of this Agreement which breach is the basis for the event giving rise to Purchaser's right to terminate this Agreement pursuant to this subsection (e);

(f) by either Purchaser or Seller if (i) the Closing has not occurred on or prior to fourteen (14) months after the date hereof for any reason; and (ii) the terminating party is not, on the date of termination, in material breach of any material provision of this Agreement;

(g) by either Purchaser or Seller under the circumstances set forth in Section 12.12; or

(h) by Purchaser under the circumstances set forth in Section 7.5 of the Transition Services Agreement.

10.2 Effect of Termination.

If this Agreement is terminated in accordance with Section 10.1, all obligations of the parties hereunder shall terminate, except for the obligations set forth in this Article 10 and Sections 7.8, 12.1, 12.8 and 12.14; *provided, however,* that subject to Section 10.3, nothing herein shall relieve any party from Liability for the breach of any of its representations, warranties, covenants or agreements set forth in this Agreement.

10.3 Purchaser's Right to Terminate.

Purchaser shall have the right, in its sole discretion, to terminate this Agreement and all of its obligations hereunder for any reason upon fifteen (15) days written notice to Seller and payment to Seller of (i) the sum of \$500,000 and, within the sixty (60) day period set forth in Section 2.2(b), any amounts owing under Section 2.2(b) in immediately available U.S. funds (collectively, the "Termination Fee"). Such Termination Fee shall be Seller's sole and exclusive remedy for Purchaser's decision to terminate this Agreement and to decline to consummate the Transaction contemplated hereby, regardless of whether Purchaser is in breach of any of its obligations hereunder. Seller acknowledges that, notwithstanding any other provision of this Agreement, Purchaser shall have no Liability to Seller other than the Termination Fee if it terminates the Agreement pursuant to this Section 10.3, and Seller shall not be entitled to invoke any of the remedies for breach or non-performance set forth in any other provision of this Agreement in the event of such termination by Purchaser.

ARTICLE 11. INDEMNIFICATION

11.1 Survival of Representations and Warranties.

All representations and warranties of Seller or Purchaser in this Agreement or any other Transaction Agreement shall survive the Closing until the first anniversary of the Closing Date (the "Survival Date"); *provided, however,* that (a) any claim for indemnification based upon a breach of any such representation or warranty and asserted prior to the Survival Date by written

notice in accordance with Section 11.4 shall survive until final resolution of such claim and (b) all representations and warranties relating to Taxes, Environmental and Safety Laws or Seller Benefit Plans shall survive indefinitely. The representations and warranties contained in this Agreement (and any right to indemnification for breach thereof) shall not be affected by any investigation, verification or examination by any party hereto or by any Representative of any such party or by any such party's Knowledge of any facts with respect to the accuracy or inaccuracy of any such representation or warranty.

11.2 Indemnification by Seller.

Subject to the limitations set forth in this Article 11, Seller shall indemnify, defend and hold harmless Purchaser and its Representatives ("Purchaser Indemnified Persons") from and against any and all Damages, whether or not involving a third party claim, including attorneys' fees (collectively, "Purchaser Damages"), arising out of, relating to or resulting from (a) any breach of a representation or warranty of Seller contained in this Agreement or in any other Transaction Agreement; (b) any breach of a covenant of Seller contained in this Agreement or in any other Transaction Agreement; (c) Excluded Assets or Excluded Liabilities; (d) any noncompliance with applicable bulk sales or fraudulent transfer Legal Requirements in connection with the Transaction.

11.3 Indemnification by Purchaser.

Subject to the limitations set forth in this Article 11 and Section 10.3, Purchaser shall indemnify, defend and hold harmless Seller and its Representatives (collectively, the "Seller Indemnified Persons") from and against any and all Damages, whether or not involving a third party claim, including attorneys' fees (collectively, "Seller Damages"), arising out of, relating to or resulting from (a) any breach of a representation or warranty of Purchaser contained in this Agreement or in any other Transaction Agreement; (b) any breach of a covenant of Purchaser contained in this Agreement or in any other Transaction Agreement; or (c) an Assumed Liability.

11.4 Procedures for Indemnification.

Promptly after receipt by a party entitled to indemnification hereunder (the "Indemnatee") of written notice of the assertion or the commencement of any Proceeding by a third party with respect to any matter referred to in Sections 11.2 or 11.3, the Indemnatee shall give written notice thereof to the party obligated to indemnify Indemnatee (the "Indemnitor"), and thereafter shall keep the Indemnitor reasonably informed with respect thereto, *provided, however*, that failure of the Indemnatee to give the Indemnitor notice as provided herein shall not relieve the Indemnitor of its obligations hereunder except to the extent that the Indemnitor is prejudiced thereby. A claim for indemnification for any matter not involving a third party Proceeding may be asserted by notice to the party from whom indemnification is sought and shall be paid promptly after such notice.

11.5 Limitations on Indemnification.

(a) Notwithstanding anything herein to the contrary, Seller shall not be obligated to indemnify Purchaser under this Article 11: (i) unless the aggregate of all Purchaser

Damages exceeds Twenty-Five Thousand Dollars (\$25,000) (the "Seller's Basket"), in which case the Purchaser shall be entitled to recover all Purchaser Damages, including the amount equal to the Seller's Basket or (ii) to the extent that the aggregate of all Purchaser Damages exceeds the Purchase Price (the "Seller's Indemnification Cap"); *provided, however*, that the Seller's Indemnification Cap and the Seller's Basket shall not apply to any Seller indemnification obligation (x) arising out of, relating to or resulting from fraud or intentional misrepresentation by Seller; (y) arising out of, relating to or resulting under Section 11.2(b), (c) or (d) or Section 11.6(c) (with respect to the Seller's Basket only) or from a breach of any of Seller's representations or warranties in Section 4.12, Section 4.22 or Section 4.23; or (z) if the Transaction does not close.

(b) Notwithstanding anything herein to the contrary, Purchaser shall not be obligated to indemnify Seller under this Article 11: (i) unless the aggregate of all Seller Damages exceeds Twenty-Five Thousand Dollars (\$ 25,000) (the "Purchaser's Basket"), in which case Seller shall be entitled to recover all Seller Damages, including the amount equal to the Purchaser's Basket or (ii) to the extent that the aggregate of all Seller Damages exceeds the Purchase Price (the "Purchaser's Indemnification Cap"); *provided, however*, that the Purchaser's Indemnification Cap and the Purchaser's Basket shall not apply to any Purchaser indemnification obligation (x) arising out of, relating to or resulting from fraud or intentional misrepresentation by Purchaser; (y) arising out of, relating to or resulting under Section 11.3(b) or (c) or from a breach of any of Purchaser's representations or warranties in Section 5.4; or (z) if the Transaction does not close.

11.6 Cocola Agreement Indemnity.

(a) Notwithstanding anything herein to the contrary, Seller shall indemnify, defend and hold harmless Purchaser Indemnified Persons from and against any and all Purchaser Damages or Liabilities arising from or in connection with the Cocola Agreement (the "Cocola Indemnity"); *provided, however*, in the event Purchaser wishes to replace any items of equipment or make any of the types of changes to the Station's transmission facilities requiring the prior approval of the FCC as set forth in 47 C.F.R. § 73.1690(b) at the Meadow Lakes Antenna Farm (collectively, "Meadow Lakes Changes"), the Cocola Indemnity shall apply only as set forth below in this Section 11.6, and *provided further* that Purchaser may elect at any time to implement Meadow Lakes Changes without notice to Seller and without following the procedures set forth in Section 11.6(i) and (ii), in which event the Cocola Indemnity shall cease to apply upon implementation of such Meadow Lakes Changes:

(i) Purchaser shall provide Seller fifteen (15) days advance written notice of its intention to make any Meadow Lakes Changes, which notice shall include a proposal with sufficient detail (the "Proposal") to allow Seller's engineers to evaluate whether the Proposal would reasonably be expected to trigger an obligation to correct any degradation in the reception of the KGMC signal as described in the Cocola Agreement and as referenced in the letter from Roy J. Stewart to Seller dated September 4, 2001, both of which are attached hereto as Exhibit O ("KGMC Interference"). Seller's engineer may conduct such an evaluation within said fifteen (15) day period. If Seller's engineer concludes that the Proposal would not reasonably be expected to cause KGMC Interference, or if Seller fails to provide Purchaser with

a written copy of the conclusions of Seller's engineer within such fifteen (15) day period, the parties agree that Purchaser may implement the Proposal and the Cocola Indemnity shall continue in full force and effect.

(ii) If Seller's engineer concludes that the Proposal would reasonably be expected to cause KGMC Interference, Seller and Purchaser shall jointly designate an independent engineer to evaluate the Proposal, or, in the absence of an agreement to designate such an engineer within two (2) Business Days of Purchaser's receipt of the conclusions of Seller's engineer, the Seller and Purchaser shall request a court of competent jurisdiction to appoint an independent engineer for purposes of this Section 11.6. The parties agree that: (A) such appointed independent engineer shall conduct his or her evaluation of the proposal within seven (7) Business Days of designation or appointment; (B) the conclusions of such independent engineer shall be binding upon the parties, and (C) each party shall pay fifty percent (50%) of such independent engineer's fees for conducting such evaluation. If the independent engineer concludes that the Proposal would not reasonably be expected to cause KGMC Interference, Purchaser may implement the Proposal and the Cocola Indemnity shall continue in full force and effect; *provided, however*, (1) if the independent engineer concludes that the Proposal would reasonably be expected to cause KGMC Interference, and (2) Purchaser nevertheless elects to implement the Proposal, the Cocola Indemnity shall cease to apply upon implementation of the Proposal.

(iii) If, during the Signal Investigation Period, Purchaser determines that the Station's signal does not deliver Optimal DMA Coverage but declines to exercise its right to terminate this Agreement as set forth in Section 9.1(i)(ii), Purchaser may, at any time after Closing, replace any items of equipment at the Meadow Lakes Antenna Farm in order to achieve Optimal DMA Coverage, in which case the Cocola Indemnity shall continue in full force and effect; *provided, however*, that (x) Purchaser shall consult with an engineer designated by Seller prior to replacing any equipment in an effort to minimize the potential for such equipment replacement to cause KGMC Interference, and (y) Seller shall have the opportunity to propose an alternative solution for achieving Optimal DMA Coverage, which is certified as FCC-compliant by an engineer whose qualifications are known to the FCC. If Purchaser elects not to implement Seller's alternative solution, Seller shall pay only those costs arising under the Cocola Agreement attributable to its alternative solution, and Purchaser shall pay the incremental costs above such amounts.

(b) In the event the Cocola Indemnity is triggered by complaints of KGMC Interference, the Purchaser agrees to consult with the Seller in an effort to identify and implement remedies at affected viewers' receivers for the KGMC Interference in the most cost-effective manner consistent with the Cocola Agreement and the FCC's rules and requirements.

(c) The Survival Date and the Seller's Indemnification Cap shall apply to the Cocola Indemnity, but the Seller's Basket shall not apply to the Cocola Indemnity such that (i) Seller shall be liable under this Section 11.6 regardless of whether Purchaser Damages or Liabilities exceed the \$25,000 threshold set forth in Section 11.5(a)(i), and (ii) amounts paid by Seller pursuant to this Section 11.6 shall be disregarded in determining whether Purchaser

Damages have exceeded Seller's Basket for purposes of Seller's Indemnification under Section 11.2.

11.7 Remedies Cumulative.

Except as otherwise set forth herein, the remedies provided in this Agreement shall be cumulative and shall not preclude any party from asserting any other right, or seeking any other remedies, against the other party. Nothing in this Section 11.7 shall be construed as limiting the Liability of Purchaser to Seller for Purchaser Damages to the Holdback Amount; nor shall payments from the Holdback Amount be considered as liquidated damages for any breach under this Agreement or any other Transaction Agreement.

ARTICLE 12. MISCELLANEOUS PROVISIONS

12.1 Expenses.

Whether or not the Transaction is consummated, each party shall pay its own costs and expenses in connection with this Agreement and the Transaction (including the fees and expenses of its advisers, accountants and legal counsel). Seller shall remain solely liable for, and shall pay in a timely fashion, all FCC regulatory fees imposed or incurred by reason of Seller's ownership of the Station as of October 1, 2001, and October 1, 2002 (if the Closing Date shall not have occurred by such date), or such other date prior to the Closing Date as may be established by the FCC for the assessment and collection of FCC regulatory fees for Fiscal Year 2002 or Fiscal Year 2003, as the case may be.

12.2 Interpretation.

Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed, as the context indicates, to be followed by the words "but (is/are) not limited to."

12.3 Further Assurances.

Each party agrees (a) to furnish upon request to each other party such further information, (b) to execute and deliver to each other party such other documents, and (c) to do such other acts and things, all as another party may reasonably request for the purpose of carrying out the intent of this Agreement and the Transaction.

12.4 Entire Agreement.

This Agreement and the documents and agreements contemplated in this Agreement constitute the entire agreement between and among the parties with regard to the subject matter hereof. This Agreement supersedes all previous agreements between or among the parties. There are now no agreements, representations, or warranties between or among the parties other than those set forth in the Transaction Agreements.

12.5 Amendment, Waivers and Consents.

This Agreement shall not be changed or modified, in whole or in part, except by supplemental agreement signed by the parties. Any party may waive compliance by any other party with any of the covenants or conditions of this Agreement, but no waiver shall be binding unless executed in writing by the party making the waiver. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. Any Consent under this Agreement shall be in writing and shall be effective only to the extent specifically set forth in such writing.

12.6 Successors and Assigns.

(a) This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns, *provided, however*, that neither party may assign its rights and obligations hereunder without the prior written consent of the other party, except as set forth in this Section 12.6. For purposes of this Section 12.6(a), a sale or transfer of a controlling interest in a party to this Agreement shall constitute an assignment of such party's rights and obligations under this Agreement.

(b) Notwithstanding Section 12.6(a), Purchaser may, without obtaining the prior written consent of Seller, assign its rights hereunder to any of its Affiliates upon prior notice to Seller, provided if such assignment were made by an FCC licensee, it would not require prior FCC approval or such approval could be sought using the FCC's "short form" assignment procedures pursuant to 47 C.F.R. Section 73.3540(f).

(c) Notwithstanding Section 12.6(a), Seller may assign all or a portion of its rights hereunder to a qualified intermediary (as such term is defined in Section 1031 of the Code and related regulations), prior to the Closing Date, for the purpose of effecting a like-kind exchange under Section 1031 of the Code. In the event of an assignment under this Section 12.6(c), Purchaser agrees to perform the following ministerial tasks: (i) execute and deliver in a timely manner such documents as are reasonably necessary and requested by Seller to acknowledge any such assignment, provided that Seller provides any such documents to Purchaser in a timely manner to allow Purchaser a reasonable period of time to review such documents; and (ii) transfer at Closing any portion of the Purchase Price designated by Seller to an account designated by Seller (which account shall be in the name of such qualified intermediary) instead of transferring such portion of the Purchase Price to Seller at Closing as provided in Section 2.1. Seller acknowledges that the structuring of the transaction contemplated by this Agreement as a like-kind exchange is for Seller's benefit and agrees that all expenses or liabilities arising out of such structuring as a like-kind exchange shall be the responsibility of Seller. Seller further acknowledges that Purchaser shall have no liability whatsoever to Seller if the transaction fails to qualify as a like-kind exchange for any reason, other than failure by Purchaser to perform any of its obligations set forth in Section 12.6(c)(i) and (ii).

12.7 Governing Law.

The rights and obligations of the parties shall be governed by, and this Agreement shall be construed and enforced in accordance with, the laws of the State of California, excluding its conflict of laws rules to the extent such rules would apply the law of another jurisdiction.

12.8 Arbitration of Disputes.

The parties hereby submit to the exclusive jurisdiction of the state and federal courts located in the County of Los Angeles, State of California. Any controversy between the parties regarding the construction or application of this Agreement, and any claim arising out of this Agreement or its breach, shall be submitted to confidential arbitration upon the written request of one party after service of that request on the other party(ies). The parties shall jointly designate one (1) arbitrator. In the event that the parties cannot agree on the appointment of an arbitrator, an arbitrator will be selected in accordance with JAMS Arbitration Rules and Procedures as set forth in Section 12.8(b). The terms of the mandatory arbitration are as follows:

(a) Arbitration of Claims. This section concerns the resolution of any controversies or claims between or among the parties hereto, including but not limited to those that arise from: (i) the Agreement, as such term is defined above (including any renewals, extensions or modifications of the Agreement); (ii) any document, agreement or procedure related to or delivered in connection with the Agreement; or (iii) any violation of the Agreement. Notwithstanding the foregoing, this section does not limit the right of either party to: (x) exercise any self-help remedies provided for herein, or (y) seek equitable relief (including injunctive relief) to which it is otherwise entitled.

(b) Application of JAMS Arbitration Rules and Procedures. At the request of any party to this Agreement, any such controversies or claims shall be settled by arbitration in Los Angeles, California in accordance with the California Code of Civil Procedure and in accordance with the JAMS Arbitration Rules and Procedures and the California Code of Civil Procedure, except as expressly set forth in this Section 12.8. The parties shall not be entitled to conduct any discovery; *provided, however*, that nothing in this Section 12.8(b) shall preclude either party from exercising its right to receive information from the other party pursuant to the express terms of this Agreement; *provided, further*, that either party may ask the arbitrator to order the deposition of a witness to be taken for use as evidence and not for discovery if (i) such deposition is permitted under California Code of Civil Procedure Section 1283 and (ii) the JAMS Arbitration Rules and Procedures permit such deposition. To implement the foregoing limitation on discovery, the parties expressly decline to incorporate California Code of Civil Procedure Section 1283.05 into this agreement to arbitrate. For purposes of the application of the statute of limitations, the filing of an arbitration pursuant to this paragraph is the equivalent of the filing of a lawsuit, and any claim or controversy which may be arbitrated under this paragraph is subject to any applicable statute of limitations. The arbitrator will have the authority to decide whether any such claim or controversy is barred by the statute of limitations, and, if so, to dismiss the arbitration on that basis. If there is a dispute as to whether an issue is arbitrable, the arbitrator will have the authority to resolve such dispute.

(c) Enforcement. The decision that results from an arbitration proceeding may be submitted to any authorized court of law to be confirmed and enforced. The judgment upon award of the arbitrator shall be final and binding and may be enforced in any court of competent jurisdiction, and each of the parties hereto unconditionally submits to the jurisdiction of such court for the purpose of any proceeding seeking such enforcement. Subject to the provisions of applicable law and Section 12.8(a), the procedure described in this Section 12.8(c) shall be the exclusive means of resolving disputes arising under this Agreement and all other agreements to be executed in accordance herewith.

(d) No Waiver. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the suing party, to submit the controversy or claim to arbitration or reference if the other party contests the lawsuit.

12.9 Attorneys' Fees.

If any party brings any suit, action, counterclaim, or arbitration proceeding to enforce the provisions of this Agreement (including without limitation enforcement of any award or judgment obtained with respect to this Agreement), the prevailing party shall be entitled to recover a reasonable allowance for attorneys' fees and litigation expenses in addition to court costs.

12.10 Rules of Construction.

The parties acknowledge that each party has read and negotiated the language used in this Agreement. The parties agree that, because all parties participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement which construes ambiguous language in favor of or against any party by reason of that party's role in drafting this Agreement.

12.11 Additional Documents.

Each of the parties agrees, without further consideration, to execute and deliver such other documents and take such further action as may be reasonably required to effectuate the provisions of this Agreement.

12.12 Severability.

If any term or provision of this Agreement, as applied to either party or to any circumstance, is declared by a court of competent jurisdiction to be illegal, unenforceable or void in any situation and in any jurisdiction, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending provision in any other situation or in any other jurisdiction. The parties agree that the court making such determination shall have the power to reduce the scope, duration, area or applicability of the term or provision, to delete specific words or phrases or to replace any illegal, unenforceable or void term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or

provision, *provided, however*, that if the invalid or unenforceable term or provision cannot be so deleted or replaced without materially depriving either party of the benefit of its bargain hereunder, this Agreement may be terminated as set forth in Section 10.1(g).

12.13 Exhibits.

All Exhibits and Schedules attached hereto shall be deemed to be a part of this Agreement and are fully incorporated in this Agreement by this reference.

12.14 Press Releases.

Neither party shall publish any press release, make any other public announcement or otherwise communicate with any news media concerning this Agreement or the transactions contemplated hereby without the prior written Consent of the other party, *provided, however*, that nothing contained herein shall prevent either party from promptly making all filings with Governmental Authorities, including without limitation the FCC, or securities exchanges as may, in its judgment, be required or advisable in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby or by law or the rules and regulations of any securities exchange

12.15 Notices.

Any notice required or permitted to be given hereunder shall be sufficient if in writing and (a) delivered in person or by express delivery or courier service, (b) sent by facsimile, or (c) deposited in the mail registered or certified first class, postage prepaid and return receipt requested (provided that any notice given pursuant to clause (b) is also confirmed by the means described in clause (a) or (c)) to such address or facsimile of the party set forth below or to such other place or places as such party from time to time may designate in writing in compliance with the terms hereof. Each notice shall be deemed given when so delivered personally, or sent by facsimile transmission, or, if sent by express delivery or courier service one (1) Business Day after being sent, or if mailed, five (5) Business Days after the date of deposit in the mail. A notice of change of address or facsimile number shall be effective only when done in accordance with this Section 12.15.

To Purchaser at:

Telemundo Fresno LLC
30 Rockefeller Plaza
New York, NY 10112
Attn: Bruce Campbell
Fax: 212-664-4766

With copies to:

National Broadcasting Company, Inc.
Law Department
30 Rockefeller Plaza
New York, NY 10112
Attn: Vice President, Corporate & Transactions Law
Fax: 212-664-2147

To Seller at: Sainte 51, L.P.
P.O. Box 4159
Modesto, CA 95352
Attn: Chester Smith
Fax: 209-523-0839

With copies to: Folger Levin & Kahn LLP
275 Battery Street, 23rd Floor
San Francisco, CA 94111
Attn: Kenneth R. Hillier and Mary E. King
Fax: 415-986-2827

Womble Carlyle Sandridge & Rice
Suite 700, 1401 Eye Street
Washington, DC 20005
Attn: Gregg P. Skall
Fax: 202-261-0041

12.16 Rights of Parties.

Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any Persons other than the parties to it and their respective successors and assigns (subject to Section 12.6 herein), nor is anything in this Agreement intended to relieve or discharge the obligation or Liability of any third Person to any party to this Agreement, nor shall any provision give any third Person any right of subrogation or action over or against any party to this Agreement.

12.17 Counterparts.

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

12.18 Confidentiality.

(a) Purchaser recognizes and acknowledges that it has had access to certain Confidential Information of Seller. Purchaser agrees that it shall not disclose such Confidential Information to any Person, for any purpose or reason whatsoever, except (i) to authorized representatives of Purchaser and (ii) to counsel and other advisers to Purchaser provided that such advisers agree to keep such information confidential as set forth in the provisions of this Section 12.18(a).

(b) Seller recognizes and acknowledges that it may have had access to certain Confidential Information of Purchaser. Seller agrees that it shall not disclose such Confidential Information to any Person, for any purpose or reason whatsoever, except (i) to authorized representatives of Seller and (ii) to counsel and other advisers to Seller provided that such

advisers agree to keep such information confidential as set forth in the provisions of this Section 12.18(b).

(c) “Confidential Information” shall mean all Trade Secrets and other confidential and/or proprietary information of a Person, including information derived from reports, investigations, research, work in progress, codes, marketing and sales programs, financial projections, cost summaries, pricing formula, contract analyses, financial information, projections, confidential filings with any state or federal agency, and all other confidential concepts, methods of doing business, ideas, materials or information prepared or performed for, by or on behalf of such Person by its employees, officers, directors, agents, representatives, or consultants. Information shall not be deemed Confidential Information for the purposes of this Section 12.18 if (i) such information becomes available to or known by the public generally through no fault of Seller (in the case Confidential Information of Purchaser) or Purchaser (in the case of Confidential Information of Seller) or (ii) disclosure is required by law or the order of any Governmental Authority under color of law, *provided, however*, that prior to disclosing any information pursuant to this clause (ii), the party from whom Confidential Information of the other party is sought shall, if possible, give prior written notice thereof to such other party and, at such other party’s election, either provide such other party with the opportunity to contest such disclosure or seek to obtain a protective order narrowing the scope of such disclosure and/or use of the Confidential Information; or (iii) the party seeking to disclose Confidential Information of the other party reasonably believes that such disclosure is required in connection with the defense of a lawsuit against such party. Nothing herein shall be construed as prohibiting either party from pursuing any other available remedy for such breach or threatened breach, including the recovery of Damages.

(d) Each party agrees that, in the event of breach or threatened breach of this Section 12.18, the damage or imminent damage to the other party will be irreparable and extremely difficult to estimate, making any remedy at law or in Damages inadequate. Accordingly, the parties agree that either party shall be entitled to seek injunctive relief in the event of any breach or threatened breach of this Section 12.18, in addition to any other relief (including Damages) available to Purchaser under this Agreement or under applicable law.

12.19 NBC Guaranty.

(a) National Broadcasting Company, Inc. (“NBC”) irrevocably guarantees (the “NBC Guaranty”), as principal and not as surety, to Seller, the full and prompt payment and performance by Purchaser of all of its obligations under this Agreement, the Transition Services Agreement and the Indemnification Escrow Agreement (the “NBC Guaranty Documents”). The NBC Guaranty shall apply and survive until all obligations of Purchaser under the NBC Guaranty Documents are performed and indefeasibly satisfied in accordance with the terms hereof. This NBC Guaranty is an absolute, unconditional, present, and continuing guarantee of payment and not of collection, and, in the event that Purchaser shall fail or be unable punctually to make any payment or perform any obligation required to be made or performed by Purchaser under the NBC Guaranty Documents, NBC shall make such payment to the order of Seller or perform such obligation immediately without demand, presentment, protest, or notice of any kind, all of which are unconditionally waived by NBC. In the event of a lawsuit or other

proceeding relating to the enforcement of this NBC Guaranty, the prevailing party shall be entitled to reimbursement from the other party of its reasonable legal fees and expenses. NBC's obligations under this Section 12.19 shall not be assigned to any other Person without Seller's prior written consent, and each attempted assignment of such obligations without such consent shall be null and void. This NBC Guaranty shall be binding upon NBC and its successors and assigns.

(b) Except as a result of a breach by Seller of its obligations hereunder, this NBC Guaranty shall not be subject to any counterclaim, setoff, reduction or defense based upon any claim which NBC or Purchaser may have against Seller, or any other Person, and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected or impaired by any thing, event, happening, matter, circumstance or condition whatsoever (whether or not NBC shall have any knowledge or notice thereof or shall consent thereto).

(c) NBC expressly waives any right it may have to require any Person seeking enforcement of this NBC Guaranty to (a) proceed against Purchaser or any other Person, (b) proceed against or exhaust any security or (c) pursue any other remedy in the power of the Person seeking such enforcement. NBC waives any defense arising out of the absence, impairment or loss of any right of reimbursement, contribution or subrogation or any other right or remedy of NBC against Purchaser, whether resulting from election by Seller or otherwise, and, except as a result of a breach by Seller of their obligations hereunder, NBC further waives any other defense it may now or hereafter have in any way relating to or arising out of any other circumstance that might otherwise constitute a defense available to Purchaser, NBC or any other Person.

(d) NBC agrees that its obligations hereunder shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of Purchaser is avoided, recovered, rescinded or must be otherwise restored by Seller, whether as a result of any proceedings in bankruptcy, or reorganization or otherwise.

(e) NBC hereby represents and warrants to Seller as follows: (i) NBC is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has the requisite corporate power and authority to execute, deliver and perform this NBC Guaranty according to its terms; (ii) the execution, delivery and performance of this NBC Guaranty and the consummation of the transactions contemplated hereby by NBC have been duly authorized by all necessary corporate action on the part of NBC; (iii) this NBC Guaranty has been duly executed and delivered by NBC and constitutes the legal, valid and binding obligation of NBC enforceable against NBC in accordance with its terms, except as the enforceability of this NBC Guaranty may be affected by bankruptcy, insolvency or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies; and (iv) the execution, delivery and performance of this NBC Guaranty: (1) do not require the consent of any third party, (2) do not conflict with the Certificate of Incorporation or bylaws of NBC, and (3) do not conflict in any material respect with, result in a material breach of, or constitute a material default under any law, judgment, order, ordinance, injunction, decree,

rule, regulation or ruling of any court or governmental authority applicable to NBC or any material contract or agreement to which NBC is a party or by which NBC may be bound.

(f) Any dispute between Seller and NBC under this Section 12.19 shall be arbitrated in accordance with the terms of Section 12.8; provided, that, for such purpose, all references to Purchaser in Section 12.8 shall also refer to NBC.

[Signatures Follow On a Separate Page]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf by their respective officers or partners thereunto duly authorized all as of the date first written above.

"Purchaser"

Telemundo Fresno LLC

By:

Name:

Title:

Brian G. Hill
VP

"Seller"

SAINTE 51, L.P., a California limited partnership

By: Sainte Network Corporation, a
California corporation,
Its General Partner

By:

Chester Smith, Its President

By:

J. Wilmar Jensen, Its Secretary

By: C & N Broadcast Division, Inc., a
a California corporation,
Its General Partner

By:

Chester Smith, Its President

By:

Naomi L. Smith, Its Secretary

Signature Page

dc-323241

01/30/02 MON 17:32 FAX 1 415 986 2827

FOLGER LEVIN & KAHN LLP

003

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf by their respective officers or partners thereunto duly authorized all as of the date first written above.

"Purchaser"

Telemundo Fresno LLC

By:

Name: _____

Title: _____

"Seller"

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By: Sainte Network Corporation, a
California corporation,
its General Partner

By: 
Chester Smith, Its President

By: _____
J. Wilmar Jensen, Its Secretary

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dc-323241

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Telemundo Fresno LLC

By:

Name: _____

Title: _____

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Telemundo Fresno LLC

By:

Name: _____

Title: _____

"Seller"

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By: Sainte Network Corporation, a
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Its General Partner

By: _____
Chester Smith, Its President

By: _____
J. Wilmar Jensen, Its Secretary

By: C & N Broadcast Division, Inc., a
a California corporation,
Its General Partner

By: _____
Chester Smith, Its President

By: Naomi L. Smith
Naomi L. Smith, Its Secretary

NATIONAL BROADCASTING COMPANY, INC.
JOINS IN THE EXECUTION AND DELIVERY OF THIS
AGREEMENT
SOLELY FOR THE PURPOSE OF SECTION 12.19.

NATIONAL BROADCASTING COMPANY, INC.

By:  _____

Name: Brandon Burgess

Title: Executive Vice President

Signature Page

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EXHIBIT A

CERTAIN DEFINITIONS

“Accounts Receivable” shall have the meaning specified in Section 1.2(b).

“Affiliate” shall mean (i) with respect to Seller, any member of the immediate family (including spouse, brother, sister, descendant, ancestor or in-law) of any partner or General Partner of Seller or any corporation, partnership, trust or other entity in which Seller or any such family member has a five percent (5%) or greater interest or is a director, officer, partner or trustee or (ii) with respect to Purchaser, any shareholder of Purchaser owning more than five percent (5%) of the outstanding common stock of Purchaser, any officer or director of Purchaser or any corporation, partnership, trust or other entity in which Purchaser has a five percent (5%) or greater interest or is a director, officer, partner or trustee. The term Affiliate shall also include any entity which controls, or is controlled by, or is under common control with any of the individuals or entities described in the preceding sentence.

“Agreement” shall mean the Asset Purchase Agreement to which this Exhibit A is attached (including the Seller Disclosure Schedule and all other schedules and exhibits attached hereto), as it may be amended from time to time.

“Assignment and Assumption” shall have the meaning specified in Section 3.2(b).

“Assignment Consent” shall have the meaning specified in Section 1.5(a).

“Assumed Contracts” shall have the meaning specified in Section 1.1(j).

“Assumed Liabilities” shall have the meaning specified in Section 1.3.

“Best Efforts” shall mean the efforts that a prudent Person desiring to achieve a particular result would use in similar circumstances to achieve such result as expeditiously as possible.

“Books and Records” shall have the meaning specified in Section 1.1(o).

“Business” shall have the meaning set forth in the second Recital.

“Business Day” means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking and savings and loan institutions are authorized or required by law to be closed.

“Certificate of Limited Partnership” shall mean Seller’s Certificate of Limited Partnership filed in the State of California on July 31, 1997, as amended from time to time.

“Cocola Indemnity” shall have the meaning specified in Section 11.6.

“Closing” shall have the meaning specified in Section 3.1.

“Closing Date” shall have the meaning specified in Section 3.1.

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

“Communications Act” shall have the meaning specified in Section 4.15(a)(ii).

“Competing Party” shall have the meaning specified in Section 6.3.

“Competing Transaction” shall have the meaning specified in Section 6.3.

“Competitive Activity” shall have the meaning specified in Section 7.7(b).

“Confidential Information” shall have the meaning specified in Section 12.18.

“Consent” shall mean any approval, consent, ratification, permission, waiver or authorization (including any Governmental Approval).

“Contract” shall mean any agreement, contract, consensual obligation, promise, understanding, arrangement, commitment or undertaking of any nature (whether written or oral and whether express or implied), whether or not legally binding.

“Contractors” shall have the meaning specified in Section 4.17(a).

“Cocola Agreement” shall have the meaning specified in Section 4.6.

“Copyrights” shall mean all copyrights, including in and to works of authorship and all other rights corresponding thereto throughout the world, whether published or unpublished, including rights to prepare, reproduce, perform, display and distribute copyrighted works and copies, compilations and derivative works thereof.

“Damages” shall mean and include any loss, damage, injury, decline in value, lost opportunity, Liability, claim, demand, settlement, judgment, award, fine, penalty, Tax, fee (including any legal fee, accounting fee, expert fee or advisory fee), charge, cost (including any cost of investigation) or expense of any nature.

“Defined Benefit Plan” shall mean either a plan described in Section 3(35) of ERISA or a plan subject to the minimum funding standards set forth in Section 302 of ERISA and Section 412 of the Code.

“Deposits and Advances” shall have the meaning specified in Section 1.1(l).

“DMA” shall mean the Designated Market Area as determined by Nielsen Media Research.

“Employee Benefit Plan” shall have the meaning specified in Section 3(3) of ERISA.

“Encumbrance” shall mean any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, equity, trust, equitable interest, claim, preference, right of possession, lease, tenancy, license, encroachment, covenant, infringement, interference, Order, proxy, option, right of first refusal, preemptive right, community property interest, legend, defect, impediment, exception, reservation, limitation, impairment, imperfection of title, condition or restriction of

any nature (including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the receipt of any income derived from any asset, any restriction on the use of any asset and any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset).

“Entity” shall mean any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust or company (including any limited liability company or joint stock company).

“Environmental and Safety Laws” shall mean each and every federal, state, local and foreign law, statute, treaty, directive, decision, judgment, award, recognition, decree, rule, code of practice, guidance, order, direction, Consent, authorization, permit, requirement, approval, standard and regulation relating to pollution, protection or preservation of human health and safety or the environment including ambient air, surface water, ground water, land surface or subsurface strata, and natural resources, including health and safety matters, and including each law relating to emissions, discharges, releases or threatened releases of Materials of Environmental Concern, or otherwise relation to the manufacturing, processing, distribution, use, treatment, generation, storage, containment (whether above ground or underground), disposal, transport or handling of Materials of Environmental Concern, or the preservation of the environment including buildings, equipment, soil, sub-surface strata, air, surface water or ground water or mitigation of adverse effects thereon and each law with regard to record keeping, notification, disclosure and reporting requirements respecting Materials of Environmental Concern.

“Environmental Claim” shall have the meaning specified in Section 4.22(c).

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

“Escrow Agent” shall mean the escrow agent designated in the Indemnification Escrow Agreement.

“Estoppel Letters” shall have the meaning specified in Section 9.1(e).

“Excluded Assets” shall have the meaning specified in Section 1.2.

“Excluded Employment Records” shall mean all employment records of Seller relating to Seller’s employees, other than a list of such employees and their respective dates of hire, title or position and present compensation per pay period as set forth in the Seller Disclosure Schedule.

“Excluded Liabilities” shall have the meaning specified in Section 1.4.

“FCC” shall mean the Federal Communications Commission of the United States of America and any successor agency.

“FCC Application” shall have the meaning specified in Section 6.9.

“FCC Authorizations” shall have the meaning specified in Section 4.20(a).

“FCC Order” means an order or orders of the FCC, or of its staff, acting under delegated authority, Consenting to the assignment to Purchaser or Purchaser’s permitted assign of the FCC Authorizations, as proposed in the FCC Applications, without conditions which are materially adverse to Purchaser or which in any way diminish the operating rights with respect to the Purchased Assets and the Station, except any such conditions expressly accepted by Purchaser in writing.

“Final Order” means an FCC Order which has not been vacated, reversed, stayed, 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.

“Financial Statements” shall have the meaning specified in Section 4.5(a).

“FIRPTA Certificate” shall have the meaning specified in Section 2.5(g).

“Fresno Employees” shall have the meaning specified in Section 8.1.

“General Assignment and Bill of Sale” shall have the meaning specified in Section 3.2(a).

“General Partners” shall have the meaning specified in the third recital.

“Governmental Approval” shall mean any: (a) permit, license, certificate, concession, approval, Consent, ratification, permission, clearance, confirmation, exemption, waiver, franchise, certification, designation, rating, registration, variance, qualification, accreditation or authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Legal Requirement; or (b) right under any Contract with any Governmental Authority.

“Governmental Authority” shall mean any: (a) nation, principality, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or Entity and any court or other tribunal); (d) multinational organization or body; or (e) individual, Entity or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.

“Holdback Amount” shall have the meaning specified in Section 2.1(b).

“HSR Act” shall have the meaning specified in Section 4.20(a).

“Indemnification Escrow Agreement” shall have the meaning specified in Section 2.1(b).

“Indemnatee” shall have the meaning specified in Section 11.4.

“Indemnitor” shall have the meaning specified in Section 11.4.

“Insurance Policies” shall have the meaning specified in Section 4.11.

“Intellectual Property Rights” shall mean any or all rights in and to intellectual property and intangible property rights, including, without limitation, (i) Trademarks, Copyrights, Patents, Trade Secrets and (ii) any rights similar, corresponding or equivalent to any of the foregoing anywhere in the world.

“Interim Balance Sheet” shall have the meaning specified in Section 4.5(a).

“Interim Balance Sheet Date” shall have the meaning specified in Section 4.5(a).

“IP Assignment” shall have the meaning specified in Section 3.2(c).

“IRS” means the Internal Revenue Service.

“JAMS” means JAMS arbitration and mediation service.

“KGMC Interference” shall have the meaning specified in Section 11.6(a)(i).

“Knowledge” An individual shall be deemed to have “Knowledge” of a particular fact or other matter if: (i) such individual is actually aware of such fact or other matter or (ii) (except when Knowledge is stated to be “actual Knowledge”) a prudent individual could be expected to discover or otherwise become aware of such fact or other matter in the course of conducting a reasonably comprehensive investigation concerning the truth or existence of such fact or other matter. Seller and Purchaser shall be deemed to have “Knowledge” of a particular fact or other matter if any of their respective directors, officers, partners, General Partners, or employees with the authority to establish policy for the company has actual knowledge of such fact or other matter after due and diligent inquiry.

“Leased Real Property” shall have the meaning set forth in Section 1.1(g).

“Legal Requirement” shall mean any federal, state, local, municipal, foreign or other law, statute, legislation, constitution, principle of common law, resolution, ordinance, code, Order, edict, decree, proclamation, treaty, convention, rule, regulation, permit, ruling, directive, pronouncement, requirement (licensing or otherwise), specification, determination, decision, opinion or interpretation that is, has been or may in the future be issued, enacted, adopted, passed, approved, promulgated, made, implemented or otherwise put into effect by or under the authority of any Governmental Authority.

“Liability” shall mean any debt, obligation, duty or liability of any nature (including any unknown, undisclosed, unmatured, unaccrued, unasserted, contingent, indirect, conditional, implied, vicarious, derivative, joint, several or secondary liability), regardless of whether such debt, obligation, duty or liability would be required to be disclosed on a balance sheet prepared in accordance with generally accepted accounting principles and regardless of whether such debt, obligation, duty or liability is immediately due and payable.

“Limited Partnership Agreement” shall mean that certain limited partnership agreement dated as of July 21, 1997 and entered into by and among (1) Chester Smith and Naomi L. Smith; (2) Sainte Network Corporation; (3) J. Wilmar Jensen; (4) Sharon Sepulveda; (5) Albert I. Chance and Virginia C. Chance, Trustees of the Albert I. Chance and Virginia C. Chance 1993 Trust; (6) Madeline J. Roddy and Robert M. Hagopian, Co-Trustees of the Hennings Grandchildren Trust FBO Sean Roddy and Danny Roddy; (7) Madeline J. Roddy; (8) William David Center and Vera Inez Center, Trustees of the Center Family Trust; and (9) Dorothy Ibarra, as amended from time to time, and as such partnership interests have been transferred from time to time. The owners of and ownership interest in Seller as of the date of this Agreement are as set forth in the Partners’ Consent.

“Material Adverse Effect” means (i) with respect to Purchaser, any event, change or effect that, when taken individually or together with all other adverse events, changes and effects, is or is reasonably likely (a) to be materially adverse to the condition (financial or otherwise), properties, assets, liabilities, business, operations, results of operations or prospects of Purchaser or its subsidiaries, taken as a whole or (b) to prevent or materially delay consummation of the Transaction or otherwise to prevent Purchaser or its subsidiaries from performing their obligations under this Agreement and (ii) with respect to Seller, any event, change or effect that, when taken individually or together with all other adverse events, changes and effects, is or is reasonably likely (a) to be materially adverse to the condition (financial or otherwise), properties, assets (including Purchased Assets), liabilities (including Assumed Liabilities), business, operations, results of operations or prospects of Seller, its Subsidiaries, or the Business or (b) to prevent or materially delay consummation of the Transaction or otherwise to prevent Seller or its Subsidiaries from performing their obligations under this Agreement.

“Material Contracts” shall have the meaning specified in Section 4.10(a).

“Materials of Environmental Concern” shall mean hazardous or toxic wastes, chemicals, substances, constituents, pollutants or related material, whether solids, liquids, or gases, defined or regulated under § 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 6901-6992k; the Toxic Substances Control Act, 15 U.S.C. §§ 2601-2671; the Safe Drinking Water Act, 42 U.S.C. §§ 300f-300j-11; the Clean Air Act, as amended, 42 U.S.C. §§ 7401-7671q; the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251-1387; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001-11050; or any similar federal or state laws, together with petroleum and petroleum products; asbestos and asbestos-containing materials; and polychlorinated biphenyls.

“Meadow Lakes Changes” shall have the meaning specified in Section 11.6(a).

“Member of the Controlled Group” shall mean each trade or business, whether or not incorporated, that would be treated as a single employer with Seller under Section 4001 of ERISA or Section 414(b), (c), (m) or (o) of the Code.

“Multiemployer Plan” shall mean a plan described in Section 3(37) of ERISA.

“MVPDs” shall have the meaning specified in Section 4.15(a)(i).

“NBC” shall have the meaning specified in Section 12.19(a).

“NBC Guaranty” shall have the meaning specified in Section 12.19(a).

“NBC Guaranty Documents” shall have the meaning specified in Section 12.19(a).

“Non-Assignable Asset” shall have the meaning specified in Section 1.5(a).

“Noncompetition Period” shall have the meaning specified in Section 7.7(a).

“Optimal DMA Coverage” shall have the meaning specified in Section 9.1(i).

“Order” shall mean any: (a) temporary, preliminary or permanent order, judgment, injunction, edict, decree, ruling, pronouncement, determination, decision, opinion, verdict, sentence, stipulation, subpoena, writ or award that is or has been issued, made, entered, rendered or otherwise put into effect by or under the authority of any court, administrative agency or other Governmental Authority or any arbitrator or arbitration panel; or (b) Contract with any Governmental Authority that is or has been entered into in connection with any Proceeding.

“Owned and Leased Vehicles” shall have the meaning specified in Section 1.1(i).

“Partners’ Consent” shall have the meaning specified in the third Recital.

“Patents” shall mean all United States and foreign patents and utility models and applications therefor and all reissues, divisions, re-examinations, renewals, extensions, provisionals, continuations and continuations-in-part thereof, and equivalent or similar rights anywhere in the world in inventions and discoveries, including invention disclosures related to the Business or any Purchased Assets or Assumed Liabilities.

“Person” shall mean any individual, Entity or Governmental Authority.

“Personal Property” shall have the meaning specified in Section 1.1(b).

“Personal Property Leases” shall have the meaning specified in Section 1.1(h).

“Post-Closing Period” shall mean any Taxable period beginning after the close of business on the Closing Date or, in the case of any Taxable period which includes, but does not begin, after the close of business on the Closing Date, the portion of such period beginning after the close of business on the Closing Date.

“Pre-Closing Incurred Obligations” shall have the meaning specified in Section 2.2(c)(i).

“Pre-Closing LMA” shall mean the Pre-Closing Local Marketing Agreement referenced in the Transition Services Agreement.

“Pre-Closing Paid Obligations” shall have the meaning specified in Section 2.2(c)(i).

“Pre-Closing Period” shall mean any Taxable period ending on or before the close of business on the Closing Date or, in the case of any Taxable period which includes, but does not end on, the Closing Date, the portion of such period up to and including the Closing Date.

“Proceeding” shall mean any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), prosecution, contest, hearing, inquiry, inquest, audit, examination or investigation that is, has been or may in the future be commenced, brought, conducted or heard at law or in equity or before any Governmental Authority or any arbitrator or arbitration panel.

“Proposal” shall have the meaning set forth in Section 11.6.

“Prorated Obligations” shall have the meaning set forth in Section 2.2(c)(i).

“Proration Statement” shall have the meaning set forth in Section 2.2(c)(i).

“Purchase Price” shall have the meaning specified in Section 2.1(a).

“Purchased Assets” shall have the meaning specified in Section 1.1.

“Purchaser” shall mean Telemundo Fresno LLC, a Delaware limited liability company.

“Purchaser Damages” shall have the meaning specified in Section 11.2.

“Purchaser Disclosure Schedule” shall have the meaning specified in Article 5.

“Purchaser Indemnified Persons” shall have the meaning specified in Section 11.2.

“Purchaser’s Indemnification Cap” shall have the meaning specified in Section 11.5(b).

“Purchaser’s Basket” shall have the meaning specified in Section 11.5(b).

“Real Property Leases” shall have the meaning specified in Section 1.1(g).

“Rebates and Credits” shall have the meaning specified in Section 1.1(m).

“Registered Intellectual Property Rights” shall mean all United States, international and foreign: (i) registered Trademarks, applications to register Trademarks, including intent-to-use applications, or other registrations or applications related to Trademarks; (ii) Copyright registrations and applications to register Copyrights; (iii) Patents, including applications therefor; and (iv) any other Intellectual Property Rights that is the subject of an application, certificate, filing, registration or other document issued by, filed with, or recorded by, any state, government or other public legal authority at any time.

“Repair Cost” shall have the meaning specified in Section 6.5(a).

“Representatives” shall mean officers, directors, partners, General Partners, employees, attorneys, accountants, advisors, agents, distributors, licensees, shareholders, subsidiaries and

lenders of a party. In addition, all Affiliates of Seller shall be deemed to be “Representatives” of Seller.

“Restricted Territory” shall have the meaning specified in Section 7.7(c).

“Seller” shall mean Sainte 51, L.P., a California limited partnership.

“Seller Benefit Plans” shall have the meaning specified in Section 4.18.

“Seller Claims” shall have the meaning specified in Section 1.1(n).

“Seller Damages” shall have the meaning specified in Section 11.3.

“Seller Disclosure Schedule” shall have the meaning specified in Article 4.

“Seller Intellectual Property” shall mean all Intellectual Property Rights related to the Business, the Purchased Assets or the Assumed liabilities and held by Seller, whether owned or controlled, licensed, owned or controlled by or for, licensed to, or otherwise held by or for the benefit of Seller including Registered Intellectual Property Rights.

“Seller’s Basket” shall have the meaning specified in Section 11.5(a).

“Seller’s Indemnification Cap” shall have the meaning specified in Section 11.5(a).

“Signal Investigation Period” shall have the meaning specified in Section 9.1(i)(ii).

“Spousal Consent” shall have the meaning specified in Section 3.2(m).

“Station” shall have the meaning specified in the first Recital.

“Subsidiary” shall have the meaning specified in Section 1.4.

“Survival Date” shall have the meaning specified in Section 11.1.

“Tax” (and, with correlative meaning, “Taxes” and “Taxable”) means any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom, duty or other tax, governmental fee or other assessment or charge of any kind whatsoever, together with any interest or any penalty, addition to tax or additional amount and any interest on such penalty, addition to tax or additional amount, imposed by any Tax Authority.

“Tax Authority” means Governmental Authority responsible for the imposition, assessment or collection of any Tax (domestic or foreign).

“Tax Return” shall mean any return, statement, declaration, notice, certificate or other document that is or has been filed with or submitted to, or required to be filed with or submitted to, any Governmental Authority in connection with the determination, assessment, collection or payment

of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Legal Requirement related to any Tax.

“Termination Fee” shall have the meaning specified in Section 10.3.

“Trade Secrets” shall mean all trade secrets under applicable law and other rights in know-how and confidential or proprietary information, processing, manufacturing or marketing information, including new developments, inventions, processes, ideas or other proprietary information that provide Seller with advantages over competitors who do not know or use it and documentation thereof (including related papers, blueprints, drawings, chemical compositions, formulae, diaries, notebooks, specifications, designs, methods of manufacture and data processing software, compilations of information) and all claims and rights related thereto.

“Trademarks” shall mean any and all trademarks, service marks, logos, trade names, corporate names, Internet domain names and addresses and general-use e-mail addresses, and all goodwill associated therewith throughout the world.

“Transaction” shall mean, collectively, the transactions contemplated by this Agreement.

“Transaction Agreements” shall mean this Agreement and all other agreements, certificates, instruments, documents and writings delivered by Purchaser and/or Seller in connection with the Transaction.

“Transfer Taxes” shall mean all federal, state, local or foreign sales, use, transfer, real property transfer, mortgage recording, stamp duty, value-added or similar Taxes that may be imposed in connection with the transfer of Purchased Assets or assumption of Assumed Liabilities, together with any interest, additions to Tax or penalties with respect thereto and any interest in respect of such additions to Tax or penalties.

“Transition Services Agreement” shall have the meaning specified the third Recital.

“UCC” shall mean the Uniform Commercial Code.

“Upgrade” shall have the meaning specified in Section 6.12.

“WARN Act” shall have the meaning specified in Section 4.17(e).

EXHIBIT C

INDEMNIFICATION ESCROW AGREEMENT

THIS INDEMNIFICATION ESCROW AGREEMENT (this "Agreement") is made and entered into as of September 30, 2002, by and among Sainte 51 L.P., a California limited partnership, ("Seller"), Telemundo Fresno LLC, a Delaware limited liability company ("Purchaser"), and [Citibank, NA] (the "Escrow Agent").

RECITALS

A. Pursuant to the Asset Purchase Agreement, dated as of September 30, 2002 (the "Purchase Agreement"), by and between Purchaser and Seller, Purchaser has agreed to acquire substantially all of the assets and properties of Seller used or held for use in the operations of the Station identified in the Purchase Agreement (the "Acquisition"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to them in the Purchase Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of the recitals and of the respective agreements and covenants contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties, intending to be legally bound hereby, agree as follows:

Section 1. Establishment of Escrow Account. Concurrently with the execution hereof and pursuant to the Purchase Agreement, Purchaser will deliver to the Escrow Agent to be placed into an account designated by the Escrow Agent as the "Telemundo Fresno LLC Escrow Account" (the "Escrow Account") the sum of [REDACTED] in cash (the "Escrowed Property") to be funded (a) by wire transfer of immediately available funds or (b) by such other means as Purchaser and Seller shall agree to in writing. The Escrowed Property and any interest, dividends, income, or other proceeds earned thereon from and after the Closing Date (the "Interest") shall be held, administered and disposed of by the Escrow Agent in accordance with the terms and conditions hereinafter set forth.

Section 2. Investment of Proceeds of Escrowed Property.

a. The Escrow Agent shall from time to time invest and reinvest the Escrowed Property, if any, in such of the following investments as Seller may from time to time elect by notice in writing ("Permitted Investments"):

- i. Any U.S. Government or U.S. Government Agency security;
- ii. Any commercial paper rated A1/P1 or better;

iii. Any certificate of deposit or time deposit in any bank with a long-term debt rating of A or better from Moody's Investors Services, Inc. or Standard & Poor's Corporation; or

iv. Escrow Agent's money market fund or any other interest-bearing savings or deposit accounts with any federally-insured bank (including the Escrow Agent).

In the absence of written instructions to the contrary from Seller, the Escrow Agent shall invest the Escrowed Property in Permitted Investments set forth in clause (iv) of this Section 2(a).

b. Any Interest shall be set aside and distributed as provided in Section 2(d).

c. The Escrow Agent will act upon investment instructions the Business Day after such instructions are received, provided the requests are communicated within a sufficient amount of time to allow the Escrow Agent to make the specified investment. Instructions received after an applicable investment cutoff deadline will be treated as being received by the Escrow Agent on the next Business Day, and the Escrow Agent shall not be liable for any loss arising directly or indirectly, in whole or in part, from the inability to invest Escrowed Property on the day the instructions are received. The Escrow Agent shall not be liable for any loss incurred by the actions of third parties or by any loss arising by error, failure or delay in the making of an investment or reinvestment, and the Escrow Agent shall not be liable for any loss of principal or income in connection therewith, unless such error, failure or delay results from the Escrow Agent's gross negligence or willful misconduct or the failure of the Escrow agent to comply with any of the terms of this Agreement. As and when the Escrowed Property or any Interest or any portion thereof is to be released under this Agreement, the Escrow Agent shall cause the Permitted Investments or any such portion thereof as is to be released under this Agreement (as applicable) to be converted into cash, and the Escrow Agent shall not be liable for any loss of principal or income in connection therewith, unless such loss results from the Escrow Agent's gross negligence or willful misconduct or the failure of the Escrow Agent to comply with any of the terms of this Agreement. None of the parties hereto shall be liable for any loss of principal or income due to the choice of Permitted Investments in which the Escrowed Property is invested or the choice of Permitted Investments that are converted into cash pursuant to this Section 2(c).

d. Subject to Section 2(e), any Interest on the Escrowed Property shall be distributed to Seller upon the termination of this Agreement pursuant to Section 15.

e. The Escrowed Property (and any Interest thereon) shall be treated as the property of and realized by Seller for Tax purposes, unless otherwise required by the Code and Treasury Regulations, *provided* that any portion of the Escrowed Property paid to Purchaser shall be treated as property of Purchaser for such purposes upon return or payment to Purchaser. Purchaser and Seller shall file Tax Returns and the Escrow Agent shall file a Form 1099 consistent with such treatment. In the event that the IRS or any other Governmental Authority claims that the Interest is Taxable to Purchaser and is not Taxable to the Seller for a Taxable period, Seller shall promptly pay to Purchaser the amount of Taxes required to be paid by Purchaser or withheld by the Escrow Agent as a result of the claim owing to the IRS or other

Governmental Authority. For purposes of the preceding sentence, the amount required to be paid by Purchaser to Seller shall include such Taxes, any interest and penalties thereon, and any Taxes imposed on such payments.

Section 3. Release of the Escrowed Property to Purchaser Indemnified Persons. The Escrow Agent shall disburse to Purchaser (for its own account or for the account of any Purchaser Indemnified Person) such portion of the Escrowed Property as instructed pursuant to this Section 3 to pay to Purchaser Damages for which the Purchaser Indemnified Persons are entitled to reimbursement pursuant to this Agreement and Article 11 of the Purchase Agreement. Payment shall be made not more than three Business Days after: (a) the delivery to the Escrow Agent of joint written instructions signed by Purchaser and Seller specifying an amount to be paid to a Purchaser Indemnified Person or (b) the delivery to the Escrow Agent and Seller of a copy of a Final Determination (as defined below) establishing the Purchaser Indemnified Person's right to reimbursement under this Agreement and/or Article 11 of the Purchase Agreement with respect to such Purchaser Damages. A "Final Determination" shall mean a final judgment of a court of competent jurisdiction. Except as set forth in Section 20, the Escrow Agent shall not be concerned with, nor shall it have any duties or obligations under the Purchase Agreement, but instead its sole duties shall be to comply with this Escrow Agreement and any instructions given pursuant hereto. Further, Escrow Agent shall not be deemed to have any Knowledge of any matter set forth in the Purchase Agreement, which has not been set forth in this Escrow Agreement.

Section 4. No Distribution of Expenses. Except as provided in Section 8 of this Agreement with respect to Purchaser, neither Seller nor Purchaser shall be entitled to reimbursement out of the Escrowed Property for any costs and expenses incurred by them in connection with exercising their rights or performing their duties under this Agreement.

Section 5. Segregation of the Fund.

a. The Escrow Agent shall segregate from the Escrow Account and transfer into a separate account (the "Pending Claims Account") maintained by the Escrow Agent for the benefit of Purchaser and Seller the portion of the Escrowed Property (together with the Interest) that may be necessary to satisfy in full all Pending Claims (as defined below), and shall hold such portion in accordance with this Section 5. "Pending Claims" shall mean unresolved Claims (as defined in Section 8) that are the subject of Claims Notices delivered under Section 8(b). Such segregated Escrowed Property (together with the Interest) will be invested pursuant to Section 2.

b. Any portion of the Escrowed Property segregated under Section 5(a) shall continue to be segregated (together with the Interest thereon) by the Escrow Agent until the Escrow Agent is directed to release such Escrowed Property by written instructions signed by Purchaser and Seller instructing the Escrow Agent how to distribute all or any portion of such segregated Escrowed Property or a copy of a Final Determination establishing the Purchaser Indemnified Person's or Seller's right to reimbursement under Section 8. The Escrow Agent shall be entitled to rely conclusively on the written notice of Purchaser or Seller, as the case may be, that the judgment delivered to the Escrow Agent pursuant to this Section 5(b) is a Final Determination, unless it has reason to believe otherwise.

Section 6. Distribution of Escrowed Property to Seller. Not later than the second Business Day after the date which is twelve (12) months from the Closing Date (the "Release Date"), the Escrow Agent shall distribute to Seller the Escrowed Property minus the sum of the total amount of Escrowed Property that is then being segregated with respect to Pending Claims under Section 5. Any amounts segregated with respect to Pending Claims shall be released as provided in Section 5(b).

Section 7. Taxpayer Identification Numbers. The parties acknowledge that payment of any Interest earned on the Escrowed Property invested in this escrow, or the distribution of any other amounts under this escrow, will be subject to backup withholding penalties unless a properly completed Internal Revenue Service Form W-8 or W-9 certification is submitted to the Escrow Agent by the party entitled to receive such payment. Any Form W-8 or W-9 certification shall be submitted to the Escrow Agent on or before the date hereof.

Section 8. Claims Against the Escrowed Property. From and after the Closing, but subject to the conditions and limitations set forth in this Agreement and the Purchase Agreement, Purchaser Indemnified Persons shall be entitled to reimbursement out of the Escrowed Property for any and all Purchaser Damages pursuant to and as provided in Article 11 of the Purchase Agreement (collectively, the "Claims"). Notwithstanding any of the provisions of the Purchase Agreement, the Escrow Agent shall be entitled to conclusively rely upon the provisions of Sections 8(a) through (d) hereof in determining whether a Claim for indemnification shall be paid out of the Escrowed Property.

(a) Claims against the Escrowed Property may be made by Purchaser, on its own behalf or on behalf of any other Purchaser Indemnified Person, for indemnification of any Purchaser Damages. No person other than Purchaser shall be permitted to make a claim on behalf of Purchaser or any other Purchaser Indemnified Person against the Escrowed Property for Purchaser Damages under this Section 8 unless Purchaser provides written notice to Escrow Agent and Seller that Purchaser has authorized another Purchaser Indemnified Person to make such claims.

(b) Purchaser shall promptly notify Seller and the Escrow Agent in writing of any sums which Purchaser claims are subject to indemnification ("Claims Notice"). Purchaser shall submit to the Escrow Agent proof of delivery (e.g. signed receipt, written acknowledgement of receipt of a facsimile, etc.) of the Claims Notice to Seller and the Escrow Agent shall be entitled to rely on such proof. Failure of Purchaser to exercise promptness in such notification shall not amount to a waiver of such claim unless the resulting delay materially and adversely prejudices Seller. Such notice shall consist of a description of the Claim and specify each Purchaser Indemnified Person and the amount (which may be estimated) of the Claim in United States dollars.

(c) Seller may contest the Claims (or any portion thereof) specified in any Claims Notice by giving the Escrow Agent and Purchaser written notice of such contest within fifteen Business Days after receipt by Seller and the Escrow Agent of such Claims Notice, which notice of contest shall include a statement of the grounds of such contest and shall state the amount of any such claim by Purchaser that Seller does not dispute.

(d) Payment of any Claim for indemnification (or portion thereof) shall become due and payable as follows:

(i) If, notwithstanding Section 3 of this Agreement, at 5:00 p.m. (Pacific Standard Time) on the fifteenth Business Day after receipt by the Escrow Agent of a Claims Notice pursuant to Section 8(b) above, the Escrow Agent has not received written notice from Seller that Seller contests the Claim (or portion thereof) pursuant to Section 8(c) above, the Claim (or the uncontested portion thereof) shall be promptly paid by the Escrow Agent to Purchaser;

(ii) If Seller contests the Claim (or portion thereof) pursuant to Section 8(c) and the Claim (or portion thereof) is settled by a written agreement of Seller and Purchaser, the amount provided in such written agreement shall, upon receipt by the Escrow Agent of a copy of such written agreement, be promptly paid by the Escrow Agent pursuant to the terms of such written agreement; and

(iii) If Seller contests the Claim (or portion thereof) pursuant to Section 8(c) hereof and a Final Determination has been obtained, the amount set forth in such Final Determination shall be promptly paid by the Escrow Agent pursuant to the terms of such Final Determination.

Section 9. Expiration of Indemnification Claims. Any claim for reimbursement from the Escrow Account must be asserted in writing by Purchaser or any of Purchaser Indemnified Persons designated pursuant to Section 8(a) in accordance with Section 8 by a writing received by Seller and the Escrow Agent prior to 5:00 p.m. (Pacific Standard Time) on the Release Date.

Section 10. The Escrow Agent. To induce the Escrow Agent to act hereunder, it is further agreed by Purchaser and Seller that:

a. The Escrow Agent shall not be under any duty to give the Escrowed Property held by it hereunder any greater degree of care than it gives its own similar property and shall not be required to invest any Escrowed Property held hereunder except as directed in this Agreement. Uninvested Escrowed Property held hereunder shall not earn or accrue interest.

b. This Agreement expressly sets forth all the duties of the Escrow Agent with respect to any and all matters pertinent hereto. No implied duties or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent shall not be bound by the provisions of any agreement among the other parties hereto except this Agreement.

c. The Escrow Agent shall not be liable, except for its own gross negligence or willful misconduct and, except with respect to claims based upon such gross negligence or willful misconduct, Purchaser and Seller shall jointly and severally indemnify and hold harmless the Escrow Agent (and any successor escrow agent permitted hereunder) from and against any and all losses, liabilities, claims, actions, damages and expenses, including reasonable attorneys' fees and disbursements, arising out of and in connection with this Agreement. Without limiting the foregoing, the Escrow Agent shall in no event be liable in connection with its investment or reinvestment of any cash held by it hereunder in good faith, in accordance with the terms hereof, including without limitation, any liability for any delays (not resulting from its gross negligence

or willful misconduct) in the investment or reinvestment of the Escrowed Property or any loss of Interest incident to any such delays. This Section 10(c) shall survive notwithstanding any termination of this Agreement or the resignation of the Escrow Agent.

d. The Escrow Agent shall be entitled to rely in good faith upon any order, judgment, certification, demand, notice, instrument or other writing delivered to it hereunder in accordance with the terms hereof without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity or the service thereof, unless it has reason to believe otherwise. The Escrow Agent may act in reliance upon any instrument or signature believed by it in good faith to be genuine and may assume that any person purporting to give receipt or advice or make any statement or execute any document in connection with the provisions hereof has been duly authorized to do so, unless it has reason to believe otherwise.

e. The Escrow Agent may act pursuant to the written advice of counsel with respect to any matter relating to this Agreement and shall not be liable for any action taken or omitted in good faith in reasonable reliance upon such written advice.

f. The Escrow Agent does not have any interest in the Escrowed Property deposited hereunder but is serving as escrow holder only and having only possession thereof. Purchaser and Seller shall on a 50%/50% basis pay or reimburse the Escrow Agent upon request for any transfer Taxes or other Taxes relating to the Escrowed Property incurred in connection herewith and shall indemnify and hold harmless the Escrow Agent from any amounts that it is obligated to pay in the way of such Taxes. Any payments of income from the Escrow Account shall be subject to withholding regulations then in force with respect to United States Taxes. It is understood that the Escrow Agent shall be responsible for income reporting only with respect to income earned on investment of the Escrowed Property and is not responsible for any other reporting. This Section 10(f) shall survive notwithstanding any termination of this Agreement or the resignation of the Escrow Agent.

g. The Escrow Agent makes no representation as to the validity, value, genuineness or the collectability of any security or other document or instrument held by or delivered to it.

h. The Escrow Agent shall not be called upon to advise any party as to the wisdom in selling or retaining or taking or refraining from any action with respect to any securities or other property deposited hereunder.

i. The Escrow Agent (and any successor escrow agent) may at any time resign as such by delivering the Escrowed Property to any successor escrow agent jointly designated by Seller and Purchaser in writing or to any court of competent jurisdiction, whereupon the Escrow Agent shall be discharged of and from any and all further obligations arising in connection with this Agreement. The resignation of the Escrow Agent will take effect on the date (the "Resignation Date") which is the earlier to occur of: the date a successor is appointed (including a court of competent jurisdiction) or the date which is 30 days after the date of delivery of its written notice of resignation to the other parties hereto. Upon the appointment of a successor escrow agent, such successor escrow agent shall deliver written notice to Purchaser and Seller on the appointment of such successor escrow agent. If at the Resignation

Date the Escrow Agent has not received a designation of a successor escrow agent, the Escrow Agent's sole responsibility after the Resignation Date shall be to safekeep the Escrowed Property until receipt of a designation of successor escrow agent or a joint written disposition instruction by the other parties hereto or a Final Determination.

j. The Escrow Agent shall have no responsibility for the contents of any writing of any third party contemplated herein as a means to resolve disputes and may rely without any liability upon the contents thereof.

k. In the event of any disagreement between Purchaser and Seller resulting in adverse claims or demands being made in connection with the Escrowed Property, or in the event that the Escrow Agent in good faith is in doubt as to what action it should take hereunder, the Escrow Agent shall be entitled to retain the Escrowed Property until the Escrow Agent shall have received a Final Determination directing delivery of the Escrowed Property or a written agreement executed by Purchaser and Seller directing delivery of the Escrowed Property, in which event the Escrow Agent shall disburse the Escrowed Property in accordance with such Final Determination or agreement. The Escrow Agent shall act on such Final Determination or agreement without further question.

l. Escrow Agent's fees will include: (i) Escrow Agent's standard fees set forth on the fee schedule attached hereto; (ii) any actual expenses incurred in performing its duties hereunder; and (iii) any setup fees and/or annual fees (collectively, the "Escrow Agent Fees"). Each Party shall pay one-half of the Escrow Agent Fees. In addition, Escrow Agent will receive its usual sweep fee for any Escrowed Property (the "Sweep Fee"), which is invested in a sweep vehicle permitted under this Agreement and selected by Seller, which Sweep Fee shall be paid by Seller. Unless other payment arrangements are set forth herein or are agreed to by Escrow Agent in writing, Escrow Agent may disburse from the Escrow Funds sufficient funds to pay its compensation and expenses. If at any time cash is not available in the Escrow Funds to pay the Escrow Agent's compensation and expenses, then Escrow Agent may bill parties for such amounts.

m. No prospectuses, press releases, reports and promotional material, or other similar materials which mention in any language the Escrow Agent's name or the rights, powers, or duties of the Escrow Agent shall be issued by the other parties hereto or on such parties' behalf unless the Escrow Agent shall first have given its specific written consent thereto.

n. The other parties hereto authorize the Escrow Agent, for any securities held hereunder, to use the services of any United States central securities depository it deems appropriate, including, but not limited to, the Depository Trust Company and the Federal Reserve Book Entry System.

Section 11. Notices. All notices, requests, consents, waivers, and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if: (a) transmitted by facsimile, upon acknowledgment of receipt thereof in writing by facsimile or otherwise; (b) personally delivered, upon delivery or refusal of delivery; (c) mailed by registered or certified United States mail, return receipt requested, postage prepaid, upon delivery or refusal of delivery; or (d) sent by a nationally

recognized overnight delivery service, upon delivery or refusal of delivery. All notices, consents, waivers, or other communications required or permitted to be given hereunder shall be addressed to the respective party to whom such notice, consent, waiver, or other communication relates at the following addresses:

- i. if to Purchaser or to any Purchaser Indemnified Person:

Telemundo Fresno LLC
30 Rockefeller Plaza
New York, NY 10112
Attn: Bruce Campbell

With copies to: National Broadcasting Company, Inc.
Law Department
30 Rockefeller Plaza
New York, NY 10112
Attn: Vice President, Corporate & Transactions Law

- ii. if to Seller, to:

Sainte 51, L.P.
P.O. Box 4159
Modesto, CA 95352
Attn: Chester Smith
Fax: 209-523-0839

With copies to: Folger Levin & Kahn LLP
275 Battery Street, 23rd Floor
San Francisco, CA 94111
Attn: Kenneth R. Hillier and Mary E. King
Fax: 415-986-2827

Womble Carlyle Sandridge & Rice
Suite 700, 1401 Eye Street
Washington, DC 20005
Attn: Gregg P. Skall
Fax: 202-261-0041

- iii. if to the Escrow Agent, to:

[Citibank, NA]
[New York]

Any party by written notice to the other parties pursuant to this Section 11 may change the address or the persons to whom notices or copies thereof shall be directed.

Section 12. Waivers; Amendments. Any waiver by any party hereto of any breach of or failure to comply with any provision of this Agreement by any other party hereto shall be in writing and shall not be construed as, or constitute, a continuing waiver of such provision, or a waiver of any other breach of, or failure to comply with, any other provision of this Agreement. This Agreement may only be modified by a writing signed by all of the parties hereto.

Section 13. Construction. The headings in this Agreement are solely for convenience of reference and shall not be given any effect in the construction or interpretation of this Agreement. Unless otherwise stated, references to Sections are references to Sections of this Agreement.

Section 14. Assignment; Third Parties. Neither Seller nor Purchaser may assign its rights and obligations hereunder without the prior written consent of the other party; provided, however, Purchaser may, without obtaining the prior written consent of Seller, assign its rights hereunder to any of its Affiliates upon prior notice to Seller, provided if such assignment were made by an FCC licensee, it would not require prior FCC approval or such approval could be sought using the FCC's "short form" assignment procedures pursuant to 47 C.F.R. Section 73.3540(f); and, provided, further, this Agreement may only be assigned in conjunction with a corresponding assignment of the assigning party's rights under the Purchase Agreement. In the event of such an assignment, the provisions of this Agreement shall inure to the benefit of and be binding on Purchaser's assigns.

Section 15. Termination. This Agreement shall terminate at the time of the final distribution by the Escrow Agent of all Escrowed Property in accordance with the provisions of this Agreement.

Section 16. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute a single instrument.

Section 17. Governing Law; Choice of Forum. This Agreement shall be construed in accordance with and governed by the internal law of the State of California (without reference to its rules as to conflicts of law). Subject to Section 20, the parties hereby irrevocably submit to the jurisdiction of any state or federal court in Los Angeles, California with respect to any action or proceeding arising out of or relating to this Agreement. The parties hereby consent to and grant to any such court jurisdiction over the persons of such parties and over the subject matter of any such dispute and agree that delivery or mailing of any process or other papers in the manner provided herein, or in such other manner as may be permitted by law, shall be valid and sufficient service thereof.

Section 18. Severability. The invalidity, legality or enforceability of any provisions of this Agreement shall in no way affect the validity, legality or enforceability of any other provision; and if any provision is held to be unenforceable as a matter of law, the other provisions shall not be affected thereby and shall remain in full force and effect.

Section 19. Waiver of Offset Rights. The Escrow Agent hereby waives any and all rights to offset that it may have against the Escrowed Property including, without limitation,

claims arising as a result of any claims, amounts, liabilities, costs, expenses, Indemnified Costs, or other losses (collectively "Escrow Agent Claims") that the Escrow Agent may be otherwise entitled to collect from any party to this Agreement or any Purchaser Indemnified Persons, other than Escrow Agent Claims arising under this Agreement.

Section 20. Arbitration. The parties acknowledge and agree that this Agreement is subject to the arbitration clause set forth in Section 12.8 of the Purchase Agreement. The Escrow Agent agrees to be bound by Section 12.8 of the Purchase Agreement as if such section were set forth in full in this Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

SAINTE 51, L.P., a California limited partnership

By: Sainte Network Corporation, a
California corporation,
Its General Partner

By: _____
Chester Smith, Its President

By: _____
J. Wilmar Jensen, Its Secretary

By: C & N Broadcast Division, Inc., a
California corporation,
Its General Partner

By: _____
Chester Smith, Its President

By: _____
Naomi L. Smith, Its Secretary

Telemundo Fresno LLC

By: _____

Name: _____

Title: _____

[CITIBANK, NA]

By: _____

Name: _____

Title: _____

[ATTACH ESCROW AGENT FEE SCHEDULE]

EXHIBIT E

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (the "Assignment and Assumption") is made and entered into as of August __, 2002, by and among Sainte 51, L.P., a California limited partnership ("Assignor") and Telemundo Fresno LLC, a Delaware limited liability company ("Assignee").

WHEREAS, Assignor and Assignee are parties to that certain Asset Purchase Agreement dated as of September __, 2002, (the "Purchase Agreement"), pursuant to which Assignee has agreed to purchase from Assignor the Purchased Assets (as defined in the Purchase Agreement); and

WHEREAS, pursuant to the Purchase Agreement, Assignor has agreed to assign certain rights and agreements to Assignee, and Assignee has agreed to assume certain obligations of Assignor, as set forth herein, and this Assignment and Assumption is contemplated by Section 3.2(b) of the Purchase Agreement;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Capitalized Terms. Capitalized terms used but not defined herein shall have the meanings for such terms that are set forth in the Purchase Agreement.

2. Assignment and Assumption. Effective as of ____:____.m. (____ time) on __, 2002 (the "Effective Time"), Assignor hereby assigns, sells, transfers and sets over (collectively, the "Assignment") to Assignee all of Assignor's right, title, benefit, privileges and interest in and to, and all of Assignor's burdens, obligations and Liabilities in connection with, each of the Assumed Liabilities. Assignee hereby accepts the Assignment and assumes and agrees to observe and perform all of the duties, obligations, terms, provisions and covenants, and to pay and discharge all of the Liabilities of Assignor to be observed, performed, paid or discharged from and after the Closing, in connection with the Assumed Liabilities. Assignee assumes no Excluded Liabilities, and the parties hereto agree that all such Excluded Liabilities shall remain the sole responsibility of Assignor.

3. Terms of the Purchase Agreement. The terms of the Purchase Agreement, including but not limited to Assignor's representations, warranties, covenants, agreements and indemnities relating to the Assumed Liabilities, are incorporated herein by this reference. Assignor acknowledges and agrees that the representations, warranties, covenants, agreements and indemnities contained in the Purchase Agreement shall not be superseded hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms hereof, the terms of the Purchase Agreement shall govern.

4. Further Actions. Each of the parties hereto covenants and agrees, at its own expense, to execute and deliver, at the request of the other party hereto, such further instruments of transfer and assignment and to take such other action as such other party may reasonably request to more effectively consummate the assignments and assumptions contemplated by this Assignment and Assumption.

IN WITNESS WHEREOF, the parties have executed this Assignment and Assumption Agreement as of the date first above written.

SAINTE 51, L.P., a California limited partnership

By: Sainte Network Corporation, a
California corporation,
Its General Partner

By: _____
Chester Smith, Its President

By: _____
J. Wilmar Jensen, Its Secretary

By: C & N Broadcast Division, Inc., a
a California corporation,
Its General Partner

By: _____
Chester Smith, Its President

By: _____
Naomi L. Smith, Its Secretary

ASSIGNOR:

Sainte 51, L.P., a California limited partnership

By: _____

Name: _____

Title: _____

ASSIGNEE:

Telemundo Fresno LLC, a Delaware limited liability company

By: _____

Name: _____

Title: _____

SCHEDULE 1.1(a)

GOVERNMENTAL APPROVALS AND FCC AUTHORIZATIONS

Analog Facility Authorizations for KNSO-TV, Merced, CA

BLCT-19960329KE – Current License Authorization

BMPCT-20010213ABN – Current and Outstanding Construction Permit (modified BPCT-20000710AAV – the authorization to relocate tower from Mt. Bullion to Meadow Lakes)

Digital Facility Authorizations for KNSO-DT, Merced, CA

BPCDT-20010628AAB – underlying construction permit

BPCDT-20000501ABN – original construction permit

BEPCDT-20020304AHC – extension application (extension granted through November 1, 2002)

Auxiliary Authorizations and Antenna Structure Registrations

WPNG727 – Television Studio Transmitter Link (FCC File No. 502552)

WPNG728 – Television Studio Transmitter Link (FCC File No. 502553)

1012284 – Antenna Structure Registration

Previous Assignments of Authorizations and Transfer of Control of Licensee

BTCCT-20000920ABD – providing for transfer of control of Sainte 51, L.P., from Chester and Naomi Smith to C&N Broadcast Division

BAPCT-19970908IA – providing for assignment of license from original licensee Sainte Partners II, L.P, to Sainte 51, L.P.