

## **ASSET PURCHASE AGREEMENT**

**THIS ASSET PURCHASE AGREEMENT** (the “Agreement”) is entered into as of this 24<sup>th</sup> day of May, 2011 (the “Effective Date”) by and between **TOTAL LIVING INTERNATIONAL, INC.**, an Illinois corporation d/b/a **CHRISTIAN COMMUNICATIONS OF CHICAGOLAND, INC.** (“Seller”) and **OTA BROADCASTING (SFO), LLC**, a Delaware limited liability company (“Buyer”) (each a “Party” and, collectively, the “Parties”).

### **RECITALS**

**WHEREAS**, Seller is the licensee and operator of television station KTLN-TV, a full-power television station licensed to Novato, California, operating on Channel 47, and serving the San Francisco-Oakland-San Jose DMA, FCC Facility ID No. 49153 (the “Station”), holding valid authorizations for the operation thereof from the Federal Communications Commission (the “FCC”), and Seller owns or leases all other assets used in connection with the operation of the Station; and

**WHEREAS**, on the terms and conditions described herein, Seller desires to sell and Buyer desires to purchase substantially all of the assets owned or leased by Seller and used in connection with the operation of the Station;

**NOW, THEREFORE**, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree to the following terms and conditions:

### **ARTICLE 1: SALE AND PURCHASE**

1.1 **Station Assets**. Subject to the terms and conditions herein contained, Seller shall grant, convey, sell, assign, transfer and deliver to Buyer on the Closing Date (as defined below) all assets, properties, interest and rights of Seller used or useful in connection with the conduct of the business and the operation of the Station (collectively, the “Station Assets”), but excluding the Excluded Assets, as defined below. The Station Assets shall include, without limitation, the following:

(a) **Licenses and Authorizations**. All licenses, authorizations, permits and approvals issued or pending with respect to the Station by the FCC (the “FCC Authorizations”), by the Federal Aviation Administration (“FAA”), and by any other federal, state or local governmental authorities in connection with the conduct of the business and operation of the Station, as set forth on Schedule 1.1(a) attached hereto.

(b) **Tangible Personal Property**. All currently existing machinery and equipment, towers, transmitters, antennas, furniture, fixtures, computers, software, inventory and other tangible personal property (including associated manufacturers and vendor warranties) used or useful in connection with the conduct of the business and operation of the Station, including, without limitation, the personal property listed and described on Schedule 1.1(b)

attached hereto, and any additions and improvements thereto between the Effective Date and the Closing Date (collectively, the “Tangible Personal Property”).

(c) **Real Property.** All right, title and interest of Seller in any Site License Agreements, or leasehold interests in all real property used in connection with the operation of the Station (including Seller’s interests in the relay site license agreement, ground lease for the use of the transmitter and antenna site and the studio lease agreements for the studio location), each of which is listed and described on Schedule 1.1(c) attached hereto along with all of Seller’s rights to the buildings, improvements and fixtures, rights of way, easements, privileges and appurtenances thereto (the “Real Property”) and any additions or improvements thereto between the Effective Date and the Closing Date (collectively, the “Real Property Interests”). Each such lease, license or sublease shall be referred to herein as a “Real Property Lease,” and, collectively, as the “Real Property Leases.”

(d) **Contracts.** The contracts and agreements listed and described on Schedule 1.1(d) (collectively, the “Assumed Contracts”).

(e) **Intangible Property.** Those slogans, trademarks, service marks, trade names, copyrights, logos, domain names, the unrestricted right, after the termination of the Local Marketing Agreement contemporaneously executed by the parties, to use, on a non-exclusive basis, the content located and publicly accessible from such domain names and the “visitor” email databases for those sites, and other designated intangible property held for use or licensed exclusively in connection with the Station as described on Schedule 1.1(e) attached hereto (collectively, the “Intangible Property”).

(f) **Files and Records.** The Station’s public inspection file, filings with the FCC relating to the Station, and such other technical information, engineering data, books and records that relate to the Station and the Station Assets being conveyed hereunder; all sales and promotional literature, manuals and data, sales and purchase correspondence; and after the termination of the Local Marketing Agreement, the advertiser lists, lists of present and former suppliers, and lists of present and former customers that related to the Station and the Station Assets.

(g) **Claims.** Any and all claims and rights against third parties if and to the extent that they relate to Station Assets, including, without limitation, all rights under manufacturers’ and vendors’ warranties.

(h) **Prepaid Items.** All deposits, reserves and prepaid expenses relating to the Station Assets and prepaid taxes relating to the Station Assets, pro-rated as of Closing.

(i) **Call Letters.** All of Seller’s rights and interests to the use of the call letters of the Station as call letters or as part of a trade name.

1.2 **Excluded Assets.** The following shall be excluded from the Station Assets and retained by Seller (collectively, the “Excluded Assets”):

(a) **Cash.** All cash, cash equivalents or similar investments such as certificates of deposit, treasury bills and other marketable securities on hand and/or in banks and deposits of Seller.

(b) **Accounts Receivable.** All accounts receivable of Seller arising from the operation of the Station prior to the Closing which are outstanding and uncollected as of the Closing (the "Accounts Receivable").

(c) **Insurance.** Any insurance policies, intercompany accounts, promissory notes, amounts due from employees, bonds, letters of credit, or other similar items, any cash surrender value in regard thereto of Seller, and any proceeds from insurance claims made by Seller relating to property or equipment included in the Station Assets that has been repaired, replaced or restored by Seller prior to the Closing Date.

(d) **Benefit Plans.** Any pension, profit-sharing or cash or deferred (Section 401(k)) plans and trusts and assets thereof, or any other employee benefit plan or arrangement, and the assets thereof.

(e) **Tax Refunds.** Any interest in and to any refunds of federal, state or local franchise, income or other taxes of Seller for taxes incurred and actually paid by Seller prior to the Closing.

(f) **Personal Property.** All program inventories, vehicles and intangible personal property other than that listed on Schedule 1.1 (e), including that property described on Schedule 1.2(f) attached hereto, and all tangible and intangible personal property of Seller disposed of or consumed between the date of this Agreement and the Closing in the ordinary course of business.

(g) **Books and Records.** All donor lists and records, the financial records, account books and general ledgers, and all corporate records (including organizational documents) of Seller, including tax returns and transfer books.

(h) **Employees.** The employees of the Station or of Seller.

(i) **Contracts.** Any contracts or agreements not listed on Schedule 1.1(d).

1.3 **Liabilities.** The Station Assets shall be transferred by Seller to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements, equipment leases, and other liens, liabilities and encumbrances of every kind and nature ("Liens"), other than for taxes not yet due and payable, Liens that will be discharged prior to Closing and Buyer's obligations to perform on and after the Closing Date the obligations arising under the Real Property Leases, Assumed Contracts and other Station Assets ("Permitted Liens"). Buyer shall assume and undertake to pay, discharge and perform all obligations and liabilities relating to the Real Property Leases, Assumed Contracts and other Station Assets arising or occurring after the Closing. Buyer shall not assume (i) any obligations or liabilities under the Real Property Leases, Assumed Contracts or other Station Assets relating to the period prior to the Closing; (ii) any obligations or liabilities of Seller which are unrelated to the Station Assets being sold hereunder, (iii) any obligations or liabilities relating to employees of Seller,

(iv) any obligations or liabilities relating to the Excluded Assets, (v) any federal, state or local franchise, income or other taxes of Seller, or (vi) any other obligations or liabilities of Seller.

1.4 **Purchase Price.**

(a) **Purchase Price.** The purchase price to be paid for the Station Assets will be Eight Million Dollars (\$8,000,000) (the "Purchase Price"), subject to the adjustments described below. Buyer shall pay the Purchase Price less the Escrow Amount to Seller by wire transfer of immediately available funds, at Closing.

(b) **Escrow Deposit.** Simultaneously with the execution and delivery of this Agreement, Buyer's parent, OTA Broadcasting, LLC ("OTA Parent") will deposit Five Hundred Thousand Dollars (\$500,000) (the "Escrow Amount") of the Purchase Price into escrow. The Escrow Amount shall be held and disbursed by JP Morgan Chase Bank, National Association as the escrow agent (the "Escrow Agent") pursuant to the terms of a Deposit Escrow Agreement in the form attached hereto as Exhibit A (the "Escrow Agreement"). At the Closing, the Parties shall cause the Escrow Amount to be paid to Seller and all interest on the Escrow Amount to be paid to Buyer.

1.5 **Prorations.** The parties agree to prorate all expenses arising out of the operation of the Station which are incurred, accrued, or payable, as of 11:59 p.m. local time of the day preceding the Closing. The items to be prorated shall include, but not be limited to, power and utilities charges, FCC regulatory fees (based on the most recent publicly available information about the cost of such regulatory fees for the Station), real and personal property taxes upon the basis of the most recent tax bills and information available, security deposits, and similar prepaid and deferred items. Except for expenses already covered by the LMA (as defined hereafter), the prorations shall, insofar as feasible, be determined and paid on the Closing Date, with final settlement and payment to be made within forty-five (45) days after the Closing Date.

1.6 **Allocation of Purchase Price.** Buyer and Seller shall negotiate in good faith an allocation of the Purchase Price to the assets acquired hereunder in a manner which complies with Section 1060 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), prior to Closing.

ARTICLE 2: **FCC CONSENT; ENVIRONMENTAL; CLOSING**

2.1 **FCC Consent; Assignment Application.** Buyer and Seller shall execute, file, and vigorously prosecute an application to the FCC (the "Assignment Application") requesting the FCC's consent (the "FCC Consent") to the assignment from Seller to Buyer of all FCC Authorizations pertaining to the Station. The Assignment Application shall be filed not later than ten (10) business days after the date of the execution of this Agreement. Buyer and Seller shall take all reasonable steps to cooperate with each other and with the FCC in order to secure such FCC Consent without delay and to promptly consummate the transaction contemplated in this Agreement in full. Buyer shall reimburse Seller for one-half of the FCC filing fee paid in connection with the FCC application. Each party shall be responsible for all of its other costs with respect to the preparation, filing and prosecution of the Assignment Application. Buyer and Seller shall promptly notify each other of, and provide copies of, all documents filed with or

received from the FCC or any other governmental agency with respect to this Agreement, the FCC Application or the transaction contemplated hereby. If Buyer or Seller becomes aware of any fact which would prevent or delay the FCC Consent or the Final Order (as defined below), it shall promptly notify the other Party.

**2.2 Environmental Due Diligence.** Not later than forty-five (45) days after execution of this Agreement, Buyer may obtain a Phase I ("Phase I") environmental assessment of the Broadcast Tower site by an environmental engineer selected by Buyer. Within fourteen (14) days after Buyer's receipt of the Phase I, if the Phase I indicates Hazardous Materials may exist on, under or affect the Broadcast Tower site, then Buyer shall be entitled to obtain a Phase II ("Phase II") environmental assessment of the Broadcast Tower site (The Phase I and the Phase II, if obtained, shall be referred to herein as the "Environmental Assessment"). Buyer shall commission and pay the cost of such Environmental Assessment and shall provide a copy to Seller. The Environmental Assessment shall be subject to the confidentiality provisions of this Agreement. If after appropriate inquiry into the previous ownership of and uses of the Broadcast Tower site consistent with good commercial or customary practice, the engineer concludes that environmental conditions exist on, under or affecting such properties that would constitute a violation or breach of Seller's representations and warranties of this Agreement or cause the condition contained in Section 8.5 to not be satisfied, then Buyer may (i) elect to proceed with Closing, or (ii) terminate the Agreement at the sole option of Buyer. If Buyer elects to terminate the Agreement, the Escrow Amount shall be returned to Buyer and thereafter neither party shall have any further obligation to the other under this Agreement.

**2.3 Closing Date; Closing Place.** The closing (the "Closing") of the transaction contemplated in this Agreement shall occur on a date (the "Closing Date") that is no more than ten (10) business days following the date (y) on which the FCC Consent shall have become a Final Order (as defined below) unless such requirement shall have been waived by Buyer in its sole discretion, and (z) the other conditions to the Closing set forth in Articles 7 and 8 hereof shall have either been waived or satisfied; and Seller and Buyer agree to cooperate to the extent necessary to obtain the FCC's extension of the effectiveness of the FCC Consent as may be required. For purposes of this Agreement, the term "Final Order" means action by the FCC consenting to an FCC assignment application, and such consent shall not have been reversed, stayed, enjoined, set aside, annulled, or suspended, and with respect to which action no timely request for stay, petition for rehearing, petition for reconsideration, application for review, or notice of appeal is pending, and as to which the times for filing any such request, petition, application, notice, or appeal, or for reconsideration or review by the FCC on its own motion, shall have expired. The Closing shall be held at the offices of Buyer's counsel or by exchange of documents via email, or as Seller and Buyer may agree.

### ARTICLE 3: REPRESENTATIONS AND WARRANTIES OF SELLER

Seller makes the following representations and warranties to Buyer:

**3.1 Organization and Authorization.** Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of Illinois and is qualified to do business in the State of California. Seller has the power and authority to execute and deliver this

Agreement and to consummate the transaction contemplated hereby. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby on Seller's part, have been duly and validly authorized by Seller, and no other proceedings on the part of Seller are necessary to authorize the execution and delivery of, or the performance of Seller's obligations under, this Agreement, or to consummate the transaction contemplated hereby. This Agreement has been duly and validly executed and delivered by Seller. This Agreement constitutes the legal, valid, and binding obligation of Seller enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

3.2 **No Defaults.** The execution, delivery, and performance of this Agreement by Seller will not (i) constitute a violation of, or conflict with, Seller's articles of incorporation or bylaws, (ii) result in a default (or give rise to any right of termination, cancellation, or acceleration) under, or conflict with, any of the terms, conditions, or provisions of any note, bond, mortgage, indenture, agreement, lease, or other instrument or obligation relating to the business of the Station and to which Seller or any of the Station Assets may be subject, (iii) violate any statute, regulation, order, injunction, or decree of any federal, state, or local governmental authority or agency which is applicable to Seller or any of the Assets, (iv) result in the creation or imposition of any lien, charge, or encumbrance of any nature whatsoever upon any of the Assets, other than permitted liens or the Liens arising in favor of Buyer from this Agreement, or (v) require the consent or approval of any governmental authority, lending institution, or other third party other than the FCC Consent, except as otherwise noted in Schedule 3.10 hereto.

3.3 **Tangible Personal Property.** Schedule 1.1(b) hereto contains a list of all Tangible Personal Property owned by Seller that is used or useful in the operation of the Station in the manner and to the full extent the Station is presently operated. Seller owns and has, and will have on the Closing Date, good and marketable title to the Tangible Personal Property. Each material item of Tangible Personal Property (i) is in good condition and repair, ordinary wear and tear excepted, (ii) has been maintained in a manner substantially consistent with generally accepted standards of good engineering practice, and (iii) is operating in full compliance, in all material respects, with the FCC Authorizations and rules and regulations of the FCC and FAA.

3.4 **Real Property.** Seller holds no fee simple ownership interests in real property used in the operation of the Station. Seller holds valid leasehold (or license) interests for the studios and offices, transmitter site and an STL relay site for the Station. These Real Property Leases are listed on Schedule 1.1(c) hereto. The Real Property Leases set forth on Schedule 1.1(c) are all of the interests in real estate used in connection with the operation of the Station in the manner in which it is being operated. To the knowledge of Seller, there is no pending condemnation or similar proceeding affecting the real property which is subject to the Real Property Leases. Subject to obtaining applicable lessor consents, Seller has the full legal power and authority to assign its rights under the Real Property Leases to Buyer. To Seller's knowledge, Seller's present use of the premises leased in the Real Property Leases ("Leased Premises") is in compliance with all applicable zoning codes or other laws. To Sellers' knowledge, the Leased Premises have vehicular access and are served by all utilities which are required for adequate operation of the Station. All permanent certificates of occupancy and other

consents and approvals required to be obtained by Seller's for use of the Leased Premises from any governmental authority, association or board with jurisdiction over the Leased Premises has been issued and is in full force and effect.

3.5 **FCC Authorizations and Other Licenses.** Schedule 1.1(a) hereto contains a true and complete list of the FCC Authorizations and all other licenses, permits, or other authorizations from governmental or regulatory authorities that are required for the lawful conduct of the business and operations of the Station in the manner and to the full extent that the Station is presently operated. The FCC Authorizations and other licenses are in full force and effect, unimpaired by any act or omission of Seller. Seller lawfully holds each of the FCC Authorizations and the other licenses, permits, and authorizations listed on Schedule 1.1(a), none of which is subject to any restrictions or conditions that would limit in any material respect the operations of the Station, other than (i) as may be set forth on the faces of such FCC Authorizations and other licenses, or (ii) as may be applicable to substantial segments of the television broadcasting industry. Seller is operating the Station in compliance with the FCC Authorizations, the Communications Act of 1934, as amended, and all regulations and published policies of the FCC (the "Communications Laws"). To Seller's knowledge, the Station is not transmitting or receiving any objectionable interference to or from any other station. There is not now pending, or, to Seller's knowledge, threatened, any action by or before the FCC to revoke, cancel, rescind, modify, or refuse to renew any of such FCC Authorizations, and Seller has not received any notice of, and has no knowledge of, any pending, issued, or outstanding order by or before the FCC, or of any investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against either the Station or Seller. All material reports and filings required to be filed with the FCC by Seller with respect to the operation of the Station have been timely filed, and all such reports and filings are accurate and complete in all material respects. Seller maintains a public inspection file for the Station and such file complies with the Communications Laws in all material respects.

3.6 **Broadcast Tower.** Except as otherwise noted in Schedule 3.6 hereto, Seller has no actual knowledge that the Station's tower is not : (i) obstruction marked; (ii) lighted; and (iii) properly registered with the FCC by the tower owner to the extent required by, and in accordance with, the rules and regulations of the FAA and the FCC. The operations of the Station do not exceed permissible levels of exposure to non-ionizing electromagnetic radiofrequency ("RF") radiation specified in the FCC's rules and regulations concerning RF radiation. To Seller's knowledge, all of the towers, guy anchors, guy wires, cables, driveways, parking lots, ground systems, transmitting equipment, buildings and other improvements relating to the Station's operations are located entirely on and wholly within the lot limits and metes and bounds of the property subject to the Tower Site Lease and do not encroach on any adjoining premises.

3.7 **Cable and Satellite Matters.** Schedule 3.7 hereto contains a list, including channel positions, for the Station showing the carriage (or non-carriage) of the Station by (i) the cable television systems serving its local television market (as defined in Section 76.55 of the FCC Rules), (ii) satellite carriers providing local-into-local television service (as defined in Section 76.66 of the FCC Rules), and (iii) other multi-channel video programming distributors serving its local television market. Timely must-carry elections have been made or retransmission consent agreements have been entered into with respect to each multi-channel video programming distributor serving all or any part of the television market (as defined by the

FCC) of the Station and which is listed on Schedule 3.7 as carrying the Station. No multi-channel video programming distributor has provided written notice to the Station of any signal quality issue or failed to respond to a request for carriage, or to the knowledge of Seller sought any form of relief from carriage of the Stations from the FCC. To the knowledge of Seller, the Station has not received written notice of any multi-channel video programming distributor's intention to delete the Station from carriage or to change the Station's channel position or to modify its market, including any modification of the geographic scope of its Nielsen Designated Market Area ("DMA"). To the knowledge of Seller, no other broadcaster is seeking any modification of the geographic scope of the DMA.

3.8 **Title Documents.** The instruments to be executed by Seller and delivered to Buyer at the Closing, conveying the Station Assets to Buyer, will transfer good and marketable title to the Station Assets, free and clear of all Liens other than Permitted Liens.

3.9 **Employees.** Seller is not a party or subject to any collective bargaining agreements with respect to the Station. Seller, in the operation of the Station, has complied in all material respects with all applicable laws, rules and regulations relating to the employment of labor, including those related to wages, hours, collective bargaining, occupational safety, discrimination, and the payment of social security and other payroll-related taxes, and it has not received any notice alleging that it has failed to comply in any material respect with any such laws, rules or regulations. No labor union or other collective bargaining representative represents or, to the knowledge of Seller, claims to represent any of the employees of the Station. To the knowledge of Seller, there is no effort being made to organize the employees or any group of employees of the Station for purposes of collective bargaining. Seller acknowledges and agrees that Buyer shall have no obligation to offer employment to any employee of Seller or the Station or any post-closing liability with respect to any such employee or for any such employee's benefits of any kind or nature, except to the extent that Buyer shall offer employment to any such employee and then only from and after the time at which such offer shall have been extended, and accepted by such employee, and subject to the terms and conditions thereof.

3.10 **Brokers.** Other than Media Venture Partners, whose broker fees will be paid by Buyer, there is no broker or finder or other person who would have any valid claim for a commission or a brokerage fee in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding, or action on the part of Seller.

3.11 **Litigation; Compliance with Law.** Seller is not subject to any order, writ, injunction, judgment, arbitration, decision, or decree having a binding effect and affecting the business of the Station or the Station Assets or which restrains or enjoins, or purports to restrain or enjoin, or could reasonably be expected to restrain or enjoin, the transaction contemplated hereby, and to Seller's knowledge no such proceeding is pending. There is no material litigation pending by or against, or, to Seller's knowledge, threatened against, Seller which relates to the Station or which could materially and adversely affect any of the Station Assets. Seller, with respect to the Station, has complied in all material respects with all applicable laws, regulations, orders, or decrees. The present uses by Seller of the Station Assets do not violate any such laws, regulations, orders, or decrees in any material respect, and Seller has no knowledge of any basis for any claim for compensation or damage or other relief from any violation of the foregoing.



3.12 **Approvals and Consents.** Except as described in Schedule 3.12 hereto, the execution, delivery and performance by Seller of this Agreement and the consummation of the transaction contemplated hereby will not require any consent, permit, license or approval of any person, entity or government or regulatory authority other than the FCC Consent. Any consents required for the assignment of Seller's rights and obligations under the Real Property Leases or the Assumed Contracts are set forth on Schedule 3.12.

3.13 **Insurance.** All of the material Station Assets that are insurable are insured against loss, injury, or damage to the full extent of their replacement value.

3.14 **Environmental Matters.** (i) Seller has not, in connection with its business or assets, generated, used, transported, treated, stored, released or disposed of, or to its knowledge, has suffered or knowingly permitted anyone else to generate, use transport, treat, store, release or dispose of any Hazardous Substance (as defined below) in violation of any applicable environmental law; (ii) there has not been any generation, use, transportation, treatment, storage, release or disposal of any Hazardous Substance in connection with the conduct of Seller's business which has created or might reasonably be expected to create any material liability under any applicable environmental law or which would require reporting to or notification of any governmental entity; (iii) to the knowledge of Seller no asbestos or polychlorinated biphenyl or underground storage tank is contained in or located at any facility used in connection with its business; and (iv) any Hazardous Substance handled or dealt with in any way in connection with Seller's business has been and is being handled or dealt with in all material respects in compliance with all applicable environmental laws. To Seller's knowledge, Seller and the Station are in compliance in all material respects with all environmental, health and safety laws applicable to leased real property included in the Station Assets. There is no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller or the Station that asserts that Seller or the Station has violated any environmental, health or safety laws applicable to such real property. Seller has provided Buyer with copies of any Phase I environmental assessments of owned or leased real property included in the Station Assets. "Hazardous Substance" means substances that are defined or listed in, or otherwise classified pursuant to, any applicable laws as "hazardous substances," "hazardous materials," "hazardous wastes" or "toxic substances," or any other formulation of any applicable environmental law intended to define, list or classify substances by reason of deleterious properties such as ignitibility, corrosivity, reactivity, radioactivity, carcinogenicity, reproductive toxicity and petroleum and drilling fluids, produced waters and other wastes associated with the exploration, development, or production of crude oil, natural gas or geothermal energy.

3.15 **Taxes.** Seller has duly, timely, and in the required manner filed all federal, state, and local income, franchise, sales, use, property, excise, payroll, and other tax returns and forms required to be filed, and has paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies, and losses required to be paid. To Seller's knowledge, no event has occurred which could impose upon Buyer any liability for any taxes, penalties, or interest due or to become due from Seller from any taxing authority.

3.16 **Accuracy of Representations and Statements.** No representation or warranty made by Seller in this Agreement, and no statement made in any certificate, document, exhibit, or schedule furnished or to be furnished by Seller in connection with the transactions herein

contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to Buyer in the circumstance under which such representation, warranty, or statement was made.

3.17 **Performance of Real Property Leases and Assumed Contracts.** To Seller's knowledge, Seller has fully and timely performed all of its obligations pursuant to each of the Real Property Leases and the Assumed Contracts and is not in default or breach of any such agreements. Seller has not received notice from any party to any Real Property Lease or Assumed Contract that such party contends that it is in default or breach under any Real Property Lease or Assumed Contract. Each of the Real Property Leases and Assumed Contracts is in full force and effect and, to the knowledge of Seller there has not been, and is not, any default or breach under any Real Property Lease or Assumed Contract by the other party to any Real Property Lease or Assumed Contract. Except as set forth in Schedules 1.1(c) and 1.1(d) attached hereto, there have been no modifications, extensions, or amendments of any of the Real Property Leases or Assumed Contracts, whether oral or written, except as may be contemplated by this Agreement. Seller has not been notified by any other party to any Real Property Lease or Assumed Contract that such party has a present intent to terminate or not to renew any Real Property Lease or Assumed Contract. None of the Real Property Leases and Assumed Contracts included in the Station Assets has as the other party an entity controlled by any of Seller's owners.

3.18 **Sufficiency of Assets.** The Station Assets are sufficient for the conduct of the business and the operation of the Station as presently operated by Seller.

3.19 **Intellectual Property.** Seller owns or possesses, has valid licenses for or is an authorized user of all Computer Software, intellectual property and Information Technology necessary to carry on the Station's business as it is currently being operated by Seller. Seller has not received any notice of infringement of or conflict, or has any knowledge of any basis for any such claim, with asserted rights of others with respect to any intellectual property. As used herein, "Computer Software" means all computer software and databases (including source code, object code and all related documentation) and "Information Technology" means rights for use of the computers, Computer Software, firmware, middleware, servers, workstations, routers, hubs, switches, intra-office data communications lines, and all other information technology equipment and elements, and associated documentation, in each case, which are necessary for the operation of the Station, if any.

3.20 **Absence of Insolvency.** No insolvency proceedings of any character including without limitation, bankruptcy, receivership, reorganization, composition or arrangements with creditors, voluntary or involuntary, affecting the Seller or any of the Station Assets, are pending or, to the best knowledge of Seller, threatened, and Seller has made no assignment for the benefit of creditors, nor taken any action with a view to, or which would constitute the basis for the institution of, any such insolvency proceedings.

ARTICLE 4: **REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer makes the following representations and warranties to Seller:

4.1 Organization and Standing. Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Delaware, and, at Closing, will be qualified to do business in California.

4.2 Authorization. Buyer has the power and authority to execute and deliver this Agreement, and to consummate the transaction contemplated hereby. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly and validly authorized by Buyer, and no other proceedings on the part of Buyer are necessary to authorize the execution and delivery of, or the performance of Buyer's obligations under this Agreement, or to consummate the transaction contemplated hereby. This Agreement has been duly and validly executed and delivered by Buyer. This Agreement constitutes the legal, valid, and binding agreement of Buyer enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

4.3 No Defaults. The execution, delivery, and performance of this Agreement by Buyer will not (i) conflict with or result in any breach of any provision of the articles of organization, operating agreement, or other similar organizational documents of Buyer, or (ii) result in a default (or give rise to any right of termination, cancellation, or acceleration) under, or conflict with, any of the terms, conditions, or provisions of any note, bond, mortgage, indenture, agreement, lease, or other instrument or obligation relating to Buyer or its business, except for such defaults (or rights of termination, cancellation, or acceleration) or conflicts as to which requisite waivers or consents have been obtained and delivered to Seller, (iii) violate any statute, regulation, order, injunction, or decree of any federal, state, or local governmental authority or agency which is applicable to Buyer, or (iv) require the consent or approval of any governmental authority, lending institution, or other third party other than the FCC Consent.

4.4 Buyer's Qualification. Upon satisfaction of the conditions precedent to Closing set forth in Articles 7 and 8 below, Buyer will be legally, financially, and technically qualified to acquire, and to become the FCC licensee of, the Station and to perform its obligations under this Agreement.

4.5 Litigation. Buyer is not subject to any order, writ, injunction, judgment, arbitration, decision, or decree having a binding effect and affecting the business of Buyer or which restrains or enjoins, or purports to restrain or enjoin, or could reasonably be expected to restrain or enjoin, the transaction contemplated hereby, and no such proceeding is pending. There is no material litigation pending by or against, or, to the knowledge of Buyer, or threatened against Buyer, that would prevent or materially impede the consummation by Buyer of the transaction contemplated by this Agreement.

4.6 Brokers. Other than Media Venture Partners, whose broker fees will be paid by Buyer, there is no broker or finder or other person who would have any valid claim for a

commission or a brokerage fee in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding, or action on the part of Buyer.

4.7 **Accuracy of Representations and Statements.** No representation or warranty made by Buyer in this Agreement, and no statement made in any certificate, document, exhibit, or schedule furnished or to be furnished by Buyer in connection with the transactions herein contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to Seller in the circumstance under which such representation, warranty, or statement was made.

## **ARTICLE 5: COVENANTS OF SELLER**

The following terms of this Article 5 shall apply from the Effective Date until the completion of the Closing (except as otherwise specified).

5.1 **Station Documents.** The records, files and other documents kept in connection with the Station shall be maintained by Seller in the usual and ordinary manner consistent with standard broadcast industry practice. Seller shall maintain the FCC Authorizations in accordance with their terms and in compliance in all material respects with all applicable laws, rules and regulations and all applicable FCC regulations and published policies. Seller shall maintain the FCC Authorizations in full force and effect and shall take all actions necessary to so maintain them, including but not limited to the timely filing and prosecution of any necessary modification or renewal applications of the FCC Authorizations or other submissions to the FCC.

5.2 **Maintenance of Equipment.** Seller shall maintain the Tangible Personal Property included in the Station Assets in accordance with standards of good engineering practice and will replace any of such property which shall be worn out, lost, stolen, or destroyed with like property of substantially equivalent kind and value.

5.3 **FCC Compliance.** Seller shall continue to operate and maintain the Station in accordance in all material respects with the terms of the FCC Authorizations and in material compliance with all applicable laws and FCC regulations and published policies. Seller will deliver to Buyer, promptly after filing, copies of any material reports, applications, or responses to the FCC, or any material communications from the FCC, or if from any other party directed to the FCC, promptly after receipt by Seller, related to the Station that are filed or received by Seller between the date of this Agreement and the Closing Date. Seller will not file any application with the FCC requesting authority to modify the Station's facilities without Buyer's prior written consent and Seller shall take all actions necessary to keep the FCC Authorizations, including all material permits and applications pending before the FCC, valid and in full force and effect.

5.4 **Operation of Station in Ordinary Course.** In all other respects, except as disclosed in writing to and approved by Buyer, Seller shall operate the Station solely in the ordinary course of business and in accordance with past practice, and shall pay and perform all of its obligations with respect to the Station (including those required under the Assumed Contracts and Real Property Leases) in the ordinary course as such obligations become due.

5.5 **Insurance.** Seller shall maintain in full force and effect through the Closing Date adequate property damage, liability, and other insurance with respect to the Station Assets.

5.6 **Disposition of Assets.** Prior to the Closing Date, Seller shall not, without the prior written consent of Buyer, sell, lease, or transfer, or agree to sell, lease, or transfer, any of the Station Assets without replacement thereof with an asset of equivalent kind, condition, and value that satisfies industry standards for such assets, nor create any new Lien on the Station Assets other than Permitted Liens and Liens arising pursuant to, and in accordance with the terms of, this Agreement.

5.7 **Compliance with Law.** Seller shall comply in all material respects with all federal, state, and local laws, rules and regulations in connection with the operation of the Station.

5.8 **Access to Facilities, Files and Records.** At the request of Buyer, Seller shall from time to time give or cause to be given to Buyer full access during normal business hours to the Station Assets, and all accounts, books, insurance policies, licenses, agreements, contracts and equipment with respect to the Station; provided, however, that all such access shall require the express consent of Seller and shall be scheduled in a manner reasonably acceptable to Seller.

5.9 **Representations and Warranties.** Seller shall give detailed written notice to Buyer promptly upon learning of the occurrence of any event that would cause or constitute a breach, or that would have caused a breach had such event occurred or been known to Seller prior to the date hereof, of any of the representations or warranties contained in this Agreement. Seller shall use commercially reasonable efforts to cure any such event. Updates provided in order to comply with the covenant in this Section 5.9 will not have any impact on Buyer's Conditions to Closing or serve to limit Buyer's right to indemnification hereunder.

5.10 **Local Marketing Agreement.** Commencing upon a mutually-agreeable date at or after the Closing of the transactions contemplated hereunder, Seller will enter into a Local Marketing Agreement in the form attached hereto as Exhibit B (the "LMA") with Buyer, pursuant to which Seller will program the Station's main channel, subject to the limitations set forth in the Communications Laws.

5.11 **Consummation of Agreement.** Seller shall use all commercially reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement, and to cause the transaction contemplated by this Agreement to be fully carried out.

5.12 **Employees.** Buyer shall have no obligation to offer employment to any employee of Seller or the Station. Buyer shall have no liability with respect to any such employee or for any such employee's benefits of any kind or nature, except to the extent that Buyer shall offer employment to any such employee and then only from and after the time at which such offer shall have been extended, and accepted by such employee, and subject to the terms and conditions thereof.

## ARTICLE 6: COVENANTS OF BUYER

Buyer covenants and agrees that from the date hereof until the completion of the Closing:

6.1 **Representations and Warranties.** Buyer shall give detailed written notice to Seller promptly upon learning of the occurrence of any event that would cause or constitute a breach or would have caused a breach had such event occurred or been known to Buyer prior to the date hereof, of any of the representations and warranties of Buyer contained in this Agreement. Buyer shall use commercially reasonable efforts to cure any such event. Updates provided in order to comply with the covenant in this Section 6.1 will not have any impact on Seller's Conditions to Closing or serve to limit Seller's right to indemnification hereunder.

6.2 **Local Marketing Agreement.** Commencing upon a mutually-agreeable date at or after the Closing of the transactions contemplated hereunder, Buyer will enter into the LMA with Seller.

6.3 **Consummation of Agreement.** Buyer shall use all commercially reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement, and to cause the transaction contemplated by this Agreement to be fully carried out.

## ARTICLE 7: CONDITIONS TO THE OBLIGATIONS OF SELLER

The obligations of Seller under this Agreement are subject to the fulfillment of the following conditions prior to or on the Closing Date.

### 7.1 **Representations, Warranties and Covenants.**

(a) Each of the representations and warranties of Buyer contained in this Agreement was true and correct as of the date when made and is deemed to be made again on and as of the Closing Date and is then true and correct.

(b) Buyer shall have performed and complied with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

7.2 **Proceedings.** Neither Seller nor Buyer is subject to any restraining order or injunction (or similar action) and no action is pending which would restrain or prohibit the consummation of the transaction contemplated hereby.

7.3 **FCC Authorizations.** The FCC Consent has been issued by the FCC.

7.4 **Deliveries.** Buyer has complied with each and every one of its obligations set forth in Section 9.2.

## ARTICLE 8: CONDITIONS TO THE OBLIGATIONS OF BUYER

The obligations of Buyer under this Agreement are subject to the fulfillment of the following conditions prior to or on the Closing Date.

### 8.1 **Representations, Warranties and Covenants.**

(a) Each of the representations and warranties of Seller contained in this Agreement was true and correct as of the date when made and is deemed to be made again on and as of the Closing Date and is then true and correct.

(b) Seller shall have performed and complied with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

8.2 **Proceedings.** Neither Seller nor Buyer is subject to any restraining order or injunction (or similar action) and no action is pending which would restrain or prohibit the consummation of the transaction contemplated hereby.

8.3 **FCC Authorizations.** The FCC Consent has been issued by the FCC and shall have become a Final Order.

8.4 **Absence of Any Material Adverse Change.** There shall have been no material adverse change in the Station Assets, or in the business, operations or condition of the Station.

8.5 **Environmental Condition.** Any environmental or engineering issues identified in the Environmental Assessment shall have been remedied, to Buyer's reasonable satisfaction. This Agreement does not obligate either Party to bear the expense of any such remediation.

8.6 **Deliveries.** Seller has complied with each and every one of the obligations set forth in Section 9.1.

8.7 **Required Consents.** Seller shall have obtained and delivered to Buyer all of the Required Consents, if any, described in Schedule 3.12.

8.8 **Liens.** No Liens shall exist or have been filed or recorded against the Station Assets in the public records of the Secretary of State of Seller's state of incorporation or in any other jurisdiction in which the Station Assets are located. Duly executed UCC releases, mortgage terminations or other similar documents or instruments required to transfer the Station Assets free and clear of Liens (other than Permitted Liens) shall have been delivered by Seller.

## ARTICLE 9: ITEMS TO BE DELIVERED AT CLOSING

9.1 **Deliveries by Seller.** At Closing, Seller shall deliver to Buyer, duly executed by Seller or such other signatory as may be required by the nature of the document:

(a) a certificate for Seller, dated as of the Closing Date, executed by an officer of Seller, certifying on behalf of Seller that the closing conditions specified in Sections 8.1(a) and (b) have been satisfied;

(b) a bill of sale sufficient to sell, convey, transfer and assign the personal property and all other assets included in the Station Assets (other than the FCC Authorizations, Assumed Real Property Leases and Contracts) to Buyer free and clear of any Liens, in a form reasonably acceptable to Buyer and Seller (the “Bill of Sale”);

(c) an Assignment and Assumption Agreement sufficient to sell, convey, transfer and assign the Assumed Contracts to Buyer free and clear of any Liens, in a form reasonably acceptable to Buyer and Seller and which document will include a reference noting the indemnification obligations of the Parties under this Agreement (the “Assignment and Assumption Agreement”);

(d) An Assignment and Assumption Agreement sufficient to assign the FCC Authorizations (including the Station’s call letters) to Buyer, in a form reasonably acceptable to Buyer and Seller (the “FCC Authorizations Assignment and Assumption Agreement”);

(e) assignments of the Real Property Leases in a form reasonably acceptable to Buyer and Seller, which document(s) will include a reference noting the indemnification obligations of the Parties under this Agreement (each a “Lease Assignment and Assumption Agreement”);

(f) the Required Consents described in Schedule 3.12;

(g) the LMA;

(h) Estoppel certificates executed by the lessor of any leased property in a form reasonably satisfactory to Buyer, confirming the terms of such lease and that Sellers are not in default under, or in breach of, such lease and such other customary matters reasonably requested by Buyer;

(i) Executed releases, in suitable form for filing and otherwise in form and substance reasonably satisfactory to Buyer, of any security interests granted in the Station Assets as security for payment of loans and other obligations and of any other Liens (other than Permitted Liens).

(j) Certified copies of appropriate resolutions, duly adopted, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Seller of this Agreement, and the consummation of the transaction contemplated hereby.

9.2 **Deliveries by Buyer.** At the Closing, Buyer shall deliver to Seller, duly executed by Buyer or such other signatory as may be required by the nature of the document:

(a) a certificate for Buyer, dated as of the Closing Date, executed by an officer or other authorized representative of Buyer, certifying on behalf of Buyer that the closing conditions specified in Sections 7.1(a) and (b) have been satisfied;



- (b) the payment of the Purchase Price in accordance with Section 1.4;
- (c) the Bill of Sale;
- (d) the Assignment and Assumption Agreement
- (e) the FCC Authorizations Assignment and Assumption Agreement;
- (f) the Lease Assignment and Assumption Agreements
- (g) the LMA;
- (h) Intentionally omitted; and
- (i) certified copies of resolutions, duly adopted, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Buyer of this Agreement, and the consummation of the transaction contemplated hereby.

#### ARTICLE 10: SURVIVAL AND INDEMNITY

The rights and obligations of Buyer and Seller under this Agreement shall be subject to the following terms and conditions:

10.1 **Survival of Representations and Warranties.** Except as stated below, the representations and warranties of Buyer and Seller contained in this Agreement shall survive the Closing for two (2) years from the Closing Date. Except as stated below, neither Seller nor Buyer shall have any liability whatsoever with respect to any representation or warranty unless a claim is made hereunder or an action at law or in equity is commenced prior to expiration of the 2-year survival period for such representation or warranty. Buyer's obligations under Section 10.2 (c) with respect to any Real Property Lease for which Seller remains liable to the Landlord after Buyer's assumption thereof, shall continue for two (2) years from the end of its term and Seller may commence an action at law or in equity any time within said two (2) year period.

#### 10.2 **General Agreement to Indemnify.**

(a) Seller on the one hand, and Buyer on the other hand, shall indemnify, defend and hold harmless each other and any employee, representative, agent, director, officer, affiliate or permitted assign of each other (each, an "Indemnified Party") from and against any and all claims, claims, actions, suits, proceedings, liabilities, obligations, losses and damages, amounts paid in settlement, diminution of value, interest, costs and expenses (including reasonable attorneys' fees, court costs and other out-of-pocket expenses incurred in investigating, preparing or defending the foregoing) (collectively, "Losses") asserted against, incurred or suffered by any Indemnified Party as a result of, arising out of or relating to: (i) the failure of any representation or warranty of the Indemnifying Party made in the Agreement to have been true and correct when made or as of the Closing Date as though such representation or warranty were made at and as of the Closing Date; or (ii) the breach by the Indemnifying Party of any covenant or agreement of such party contained in this Agreement or any collateral agreement to the extent not waived by the other party hereto. The term "Losses" is expressly

limited to such party's actual out-of-pocket costs and expenses and does not and shall not include consequential or punitive damages unless paid in satisfaction of a Third Party Claim. Purchase Price Adjustments made pursuant to Section 1.5 of this Agreement shall not be included in any calculation of Party's total "Losses" for purposes of meeting the Loss threshold provided in Section 10.4

(b) Seller further agrees to indemnify and hold harmless Buyer and any other Indemnified Party of Buyer from and against any Losses asserted against, incurred or suffered by Buyer or any other Indemnified Party of Buyer arising out of, resulting from, or relating to the operation of the Station and ownership of the Station Assets prior to the Closing.

(c) Buyer further agrees to indemnify and hold harmless Seller and any other Indemnified Party of Seller from and against any Losses asserted against, incurred or suffered by Seller or any other Indemnified Party of Seller arising out of, resulting from, or relating to the operations of the Station and the Station Assets after the Closing.

### 10.3 **General Procedures for Indemnification.**

(a) The Indemnified Party seeking indemnification under this Agreement shall promptly notify in writing the party or parties against whom indemnification is sought (the "Indemnifying Party") of the assertion and basis of any claim, or the commencement and basis of any action, suit or proceeding by any third party in respect of which indemnity may be sought hereunder (a "Third Party Claim") and will give the Indemnifying Party such information with respect thereto as the Indemnifying Party may reasonably request, but failure to give such notice shall not relieve the Indemnifying Party of any liability hereunder (unless the Indemnifying Party has suffered material prejudice by such failure). The Indemnifying Party shall have the right, but not the obligation, exercisable by written notice to the Indemnified Party within thirty (30) days of receipt of notice from the Indemnified Party of the commencement of a Third Party Claim, to assume the defense and control the settlement of such Third Party Claim that involves (and continues to involve) solely money damages; provided, however, that prior to assuming any claim defense, the Indemnifying Party must show the other Party that they have the financial ability to pay out any potential monetary claim before they are allowed to assume its defense. Failure by the Indemnifying Party to so notify the Indemnified Party shall be deemed a waiver by the Indemnifying Party of its right to assume the defense of such claim.

(b) Whether or not the Indemnifying Party chooses to defend or prosecute any Third Party Claim, the parties hereto shall cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials and appeals, as may be reasonably requested in connection therewith.

(c) The Indemnifying Party or the Indemnified Party, as the case may be, shall have the right to participate in (but not control), at its own expense, the defense of any Third Party Claim that the other is defending, as provided in this Agreement.

(d) The Indemnifying Party, if it has assumed the defense of any Third Party Claim as provided in this Agreement, shall not consent to, or enter into, any compromise or

settlement of, or consent to the entry of any judgment arising from, any such Third Party Claim (which compromise, settlement, or judgment: (i) commits the Indemnified Party to take, or to forbear to take, any action; or (ii) does not provide for a complete release by such Third Party of the Indemnified Party) without the Indemnified Party's prior written consent. If the conditions set forth herein are met but the Indemnified Party refused to settle any Third Party Claim, the Indemnifying Party may tender the settlement amount and be relieved of further liability.

(e) The Indemnifying Party shall not be entitled to require that any action be brought against any other person before action is brought against it hereunder by the Indemnified Party, but shall be subrogated to any right of action to the extent that it has paid or successfully defended against any Third Party Claim.

10.4 **Limitations.** Neither Party shall be required to indemnify the other Party under this Article 10 unless (i) written notice of a claim under this Article 10 was received by a Party within two (2) years following the Closing or with respect to any Real Property Lease for which Seller remains liable to the Landlord after Buyer's assumption thereof, within two (2) years from the end of the term of such Real Property Lease, as the case may be, and (ii) the aggregate claim for Losses exceeds \$25,000, after which the claimant shall be entitled to recover only such portion of the Losses that exceed such amount. In calculating the amount of Losses to Buyer or Seller under Section 10.2 above, such Losses shall be reduced by any recovery from any third party (including insurance proceeds) as a result of the facts or circumstances giving rise to the Losses. The limitations set forth in this Section 10.4 shall not apply to Third Party Claims against a Party entitled to indemnification under Sections 10.2(b) or (c).

10.5 **Exclusive Remedy.** The right to indemnification, defense, hold harmless, payment or reimbursement provided in this Article 10 will be the exclusive remedy of any Party with respect to Losses after the Closing with respect to the transaction contemplated by this Agreement.

10.6 **Intentionally omitted.**

## ARTICLE 11: TERMINATION

11.1 **Termination.** This Agreement may be terminated at any time prior to Closing:

(a) by the mutual written consent of Seller and Buyer;

(b) by written notice of Seller to Buyer if Buyer: (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by Buyer on or before the Closing Date in any material respect; (ii) breaches in any material respect any of Buyer's representations or warranties; or (iii) defaults in any material respect in the performance of any of Buyer's covenants or agreements under this Agreement; and in any of which events such breach or default is not cured within the Cure Period (as defined below), if applicable;

(c) by written notice of Buyer to Seller if Seller: (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by Seller on or before the Closing Date in any material respect; (ii) breaches in any material respect any of Seller's

representations or warranties; or (iii) defaults in any material respect in the performance of any of Seller's covenants or agreements under this Agreement; and in any of which events such breach or default is not cured within the Cure Period (as defined below), if applicable;

(d) by Buyer as provided in Sections 2.2 and 12.6 (Risk of Loss);

(e) by written notice of Buyer to Seller, or Seller to Buyer, if the FCC Consent has not been issued within twelve (12) months of the filing date for the Assignment Application;

(f) by written notice of Seller to Buyer, or Buyer to Seller: (i) if the Closing has not been consummated by June 30, 2012; (ii) if, for any reason, the FCC denies or dismisses the Assignment Application and the time for reconsideration or court review under the Communications Act with respect to such denial or dismissal has expired and there is not then pending with respect thereto a timely filed petition for reconsideration or request for review; or (iii) if, for any reason, the Assignment Application is designated for an evidentiary hearing, provided, however, that the right to terminate this Agreement under this clause (f) shall not be available to any Party whose breach of this Agreement has been the cause of, or resulted in, the failure of the Closing to occur on or before such date;

**11.2 Cure Period.** The term "Cure Period" as used herein means a period commencing with the date that Buyer or Seller receives from the other Party written notice of breach or default hereunder and continuing until thirty (30) days thereafter; provided, however, that if the breach or default cannot reasonably be cured within such period but can be cured before the Closing Date, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date. Except as set forth below, the termination of this Agreement shall not relieve any Party of any liability for breach or default under this Agreement prior to the date of termination.

**11.3 Liability; Right to Terminate.** A termination of this Agreement shall not relieve any Party hereto of any liability for which it otherwise would be subject. Notwithstanding anything in this Agreement to the contrary, no Party that is in material breach of this Agreement shall be entitled to terminate this Agreement except with the written consent of the other Party.

**11.4 Payment of Escrow Amount.**

(a) **Buyer's Default.** Upon a termination of this Agreement by Seller pursuant to Section 11.1(b) above due to a breach by Buyer of any of its material obligations under this Agreement, Seller's sole remedy shall be delivery of the Escrow Amount, including all interest earned thereon, from the Escrow Agent, as liquidated damages. Seller and Buyer each acknowledge that these liquidated damages are reasonable in light of the anticipated harm that would be caused by Buyer's breach of any of its material obligations under this Agreement and the difficulty of ascertaining damages and proof of loss and that these damages are not a penalty.

(b) **Seller's Default.** Upon a termination of this Agreement by Buyer pursuant to Section 11.1(c) due to a breach by Seller of any of its material obligations under this Agreement, Buyer shall be entitled to the release of the Escrow Amount, including all interest

earned thereon. Instead of terminating this Agreement upon a default by Seller, Buyer may seek specific performance as provided in Section 11(d) below.

(c) **Other Termination.** Upon a termination of this Agreement for any reason other than as a result of a breach by either Party of its material obligations under this Agreement, Buyer shall be entitled to the release of the Escrow Amount, including all interest earned thereon, and thereafter neither Party shall have any further obligation to the other under this Agreement.

(d) **Specific Performance.** Seller acknowledges that the Station is a unique asset not readily obtainable on the open market and that, in the event that Seller fails to perform its obligation to consummate the transaction contemplated hereby, money damages alone will not be adequate to compensate Buyer for its injury. Therefore, Seller agrees and acknowledges that in the event of Seller's failure to perform its obligation to consummate the transaction contemplated hereby, Buyer shall be entitled to specific performance of the terms of this Agreement and of Seller's obligation to consummate the transaction contemplated hereby. If any action is brought by Buyer to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law, and the prevailing party in litigation shall be entitled to receive from the non-prevailing party all court costs, attorney's fees and other out-of-pocket expenses incurred by the prevailing party in enforcing or defending its rights under this provision.

## ARTICLE 12: MISCELLANEOUS

12.1 **Governing Law.** The construction and interpretation of this Agreement shall at all times and in all respects be governed by the laws of the State of California (exclusive of those relating to conflicts of laws). Any action at law, suit in equity or judicial proceeding arising directly, indirectly, or otherwise in connection with, out of, related to or from this Agreement, or any provision hereof, shall be litigated only in the courts of the State of California. The Parties hereby consent to the personal and subject matter jurisdiction of such courts and waive any right to transfer or change the venue of any litigation between them.

12.2 **Expenses; Taxes.** Each Party hereto shall bear all of its expenses incurred in connection with the transaction contemplated by this Agreement, including without limitation, accounting, engineering and legal fees incurred in connection herewith; provided, however, that Seller and Buyer shall share equally (i) all filing fees, including but not limited to FCC filing fees required to be paid in connection with the Assignment Application and (ii) all state or local sales, use, stamp or transfer taxes and other similar taxes payable in connection with consummation of the transactions contemplated herein.

12.3 **Entire Agreement; Amendment; No Waiver.** This Agreement, including the schedules and exhibits hereto, contain the entire agreement and understanding by and between the Parties, and no other representations, promises, agreements, or understanding, written or oral, not contained herein shall be of any force or effect, including the Letter of Intent by and between 4G Partners, LLC and Seller dated as of April 7, 2011, the terms of which are superseded and replaced by this Agreement. This Agreement may only be amended in a writing signed by the Parties. No oral agreement shall have any effect. No failure or delay in exercising any right hereunder shall be deemed or construed to be a waiver of such right, either prospectively or in

the particular instance. This Agreement has been prepared by all of the Parties hereto, and no inference of ambiguity against the drafter of a document therefore applies against any Party hereto.

12.4 **Confidentiality.** Except for information about the Station and the Station Assets acquired by Buyer at Closing and except where such information is known through other lawful sources or where its disclosure is required in accordance with applicable law, including requirements of the FCC pursuant to the Assignment Application, Buyer and Seller shall keep confidential all information obtained by it with respect to the other Party in connection with this Agreement. If the transaction contemplated hereby is not consummated for any reason, Buyer and Sellers shall return to each other or destroy, without retaining a copy thereof in any medium whatsoever, any schedules, documents or other written information, including all financial information, obtained from the other in connection with this Agreement and the transaction contemplated hereby.

12.5 **Public Announcements.**

(a) Prior to the Closing Date, no Party shall, without the approval of the other Party hereto, make any press release or other public announcement concerning the transaction contemplated by this Agreement, except (i) to announce that the transaction has been entered into, and (ii) as and to the extent that such Party shall be so obligated by law, in which case such Party shall give advance notice to the other Party and the Parties shall use their best efforts to cause a mutually agreeable release or announcement to be issued.

(b) Notwithstanding the foregoing, the Parties acknowledge that the rules and regulations of the FCC require that local public notice of the transaction contemplated by this Agreement be made after the Assignment Application has been filed with the FCC and that a copy of this Agreement be included as a material part of the Assignment Application, which will be made available for public inspection at the Station and in the FCC's records. The form and substance of the required public notice, to the extent not dictated by the rules and regulations of the FCC, shall be mutually agreed upon by Seller and Buyer.

12.6 **Risk of Loss.** The risk of loss to any of the Station Assets on or prior to the Closing Date shall be upon Seller. Seller shall use all commercially reasonable efforts to repair or replace any damaged or lost Station Assets; provided, however, that in the event that any Station Asset or Station Assets incurs damages which are expected to exceed Fifty Thousand Dollars (\$50,000) to repair or any Station Asset or Station Assets having a fair market value of Fifty Thousand Dollars (\$50,000), or more, is lost as of the date otherwise scheduled for the Closing, then Buyer may, at its option, upon prior written notice to Seller, either (i) postpone the Closing for a period of up to sixty (60) days while Seller shall repair or replace such Station Asset or Station Assets, (ii) elect to close the transaction contemplated herein with the Station Asset or Station Assets in their damaged or lost condition, in which case Seller shall assign to Buyer all proceeds of insurance on such damaged or lost Station Asset or Station Assets, and Buyer shall have the responsibility to repair or replace the damaged or lost Station Asset or Station Assets, or (iii) if such damage or loss exceeds Four Hundred Thousand Dollars (\$400,000), may terminate this Agreement without penalty upon written notice to Seller. Should the Station (i) not operate for a period of ten (10) consecutive days or more, or (ii) not operate

with its full, FCC-licensed facilities for a period of thirty (30) consecutive days, Buyer may elect to terminate this Agreement without penalty upon giving written notice thereof to Seller.

12.7 **Successors and Assigns.** Except as otherwise expressly provided herein, this Agreement shall be binding upon and inure to the benefit of the Parties hereto, and their respective representatives, successors and assigns. Seller may not assign this Agreement or any part hereof without the prior written consent of Buyer, which shall not be withheld unreasonably, and any attempted assignment without such consent shall be void. Buyer may not assign this Agreement or any part hereof without the prior written consent of Seller, which shall not be withheld unreasonably. In the event of any assignment of this Agreement, the assignee shall enter into a written agreement accepting joint and several liability for all obligations under this Agreement.

12.8 **Notices.** All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (which shall include notice by facsimile transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by facsimile communications equipment, delivered by such equipment, addressed as set forth below:

If to **Seller**, then to:

Total Living International, Inc.  
2880 Vision Court  
Aurora, IL 60506  
Attention: Jerry Rose  
Fax: (630) 801-3839

and to (which shall not constitute notice):

Louis E. Bellande  
Bellande & Sargis Law Group, LLP  
200 W. Madison St., Suite 2140  
Chicago, IL 60606  
Fax: (312) 853-8702

If to **Buyer**, then to:

OTA Broadcasting (SFO), LLC  
11710 Plaza America Drive, Suite 2000  
Reston, VA 20190  
Attention: Todd Lawyer  
Facsimile: (800) 827-5078

and to (which shall not constitute notice):

F. Thomas Moran, Esq.

Wilkinson Barker Knauer, LLP  
2300 N Street, NW, Suite 700,  
Washington, DC 20037  
Fax: (202) 783-5851

Any Party may change the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice.

12.9 **Further Assurances.** From time to time prior to, on and after the Closing Date, each Party hereto will execute all such instruments and take all such actions as any other party shall reasonably request, without payment of further consideration, in connection with carrying out and effectuating the intent and purpose hereof and all transactions contemplated by this Agreement, including without limitation the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered on the Closing Date, and any and all actions which may reasonably be necessary to complete the transaction contemplated hereby. The Parties shall cooperate fully with each other and with their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement.

12.10 **Partial Invalidity.** Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any provision contained herein, or its application to any particular circumstance shall, for any reason, be held to be invalid or unenforceable by a court of competent jurisdiction, such provision or such application shall be ineffective to the extent of such invalidity or unenforceability in such jurisdiction, without invalidating the remainder of such provision or any other provisions hereof, or its application in any other circumstance, unless such a construction would be unreasonable, and without invalidating such provision or its application in any other jurisdiction.

12.11 **Facsimile; Counterparts.** This Agreement may be executed by facsimile or email transmission and in counterparts, each of which shall constitute an original but together will constitute a single document.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**



SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first above written.

**SELLER:**

**TOTAL LIVING INTERNATIONAL, INC.  
d/b/a CHRISTIAN COMMUNICATIONS OF  
CHICAGOLAND, INC.**

By: 

Name: Jerry K. Rose  
Title: President / CEO

**BUYER:**

**OTA BROADCASTING (SFO), LLC**

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

Name: Todd Lawyer  
Title: President and Chief Executive Officer

**GUARANTEE**

Total Living Foundation, an entity affiliated with Seller, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, hereby unconditionally and irrevocably guarantees to Buyer the prompt and complete payment (if any) and performance by Seller of Seller's obligations (including Seller's indemnification obligations under Article 10) hereunder.

**TOTAL LIVING FOUNDATION**

By: 

Name: Jerry K. Rose  
Title: President / CEO

**SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT**

**IN WITNESS WHEREOF**, the Parties have duly executed this Agreement as of the date first above written.

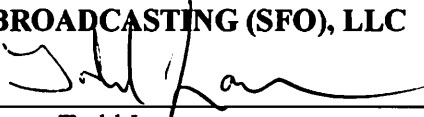
**SELLER:**

**TOTAL LIVING INTERNATIONAL, INC.  
d/b/a CHRISTIAN COMMUNICATIONS OF  
CHICAGOLAND, INC.**

By: \_\_\_\_\_  
Name:  
Title:

**BUYER:**

**OTA BROADCASTING (SFO), LLC**

By:  \_\_\_\_\_  
Name: Todd Lawyer  
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**TOTAL LIVING FOUNDATION**

By: \_\_\_\_\_  
Name:  
Title:

## **EXHIBITS**

- |           |                           |
|-----------|---------------------------|
| Exhibit A | Escrow Agreement          |
| Exhibit B | Local Marketing Agreement |

## **SCHEDULES**

- |        |   |
|--------|---|
| 1.1(a) | FCC & Other Governmental Authorizations   |
| 1.1(b) | Tangible Personal Property                |
| 1.1(c) | Real Property Interests                   |
| 1.1(d) | Assumed Contracts                         |
| 1.1(e) | Intangible Property                       |
| 1.2(f) | Excluded Personal Property                |
| 3.6    | Broadcast Tower                           |
| 3.7    | Cable and Satellite Matters               |
| 3.10   | Exceptions to Paragraph 3.2 (No Defaults) |
| 3.12   | Required Consents                         |