

ASSET PURCHASE AGREEMENT

Venture Technologies Group, LLC,  
(“Seller”)

and

NBC Telemundo Phoenix, Inc.  
(“Purchaser”)

ARTICLE I  
Assets Being Sold and Purchased  
and Purchase Price

1.1	<u>Assets</u> .....	1
1.2	<u>Excluded Assets</u> .....	3
1.3	<u>Clear Title</u> .....	3
1.4	<u>Purchase Price</u> .....	4

ARTICLE II  
Closing and Closing Deliveries

2.1	<u>Closing</u> .....	5
2.2	<u>Closing Deliveries</u> .....	5
2.3	<u>Pro-Rated Amounts</u> .....	7

ARTICLE III  
FCC Approval

3.1	<u>FCC Approval</u> .....	9
-----	---------------------------	---

ARTICLE IV  
Covenants of Seller

4.1	<u>Inspection Rights</u> .....	9
4.2	<u>No Changes</u> .....	10
4.3	<u>Written Consents</u> .....	13
4.4	<u>Financial Information</u> .....	13
4.5	<u>Station Employees</u> .....	13
4.6	<u>Broadcast Transmission Interruption</u> .....	13

ARTICLE V  
Special Covenants and Agreements

5.1	<u>Indemnification Regarding Brokers</u> .....	14
5.2	<u>No Bulk Sales</u> .....	14
5.3	<u>Cooperation</u> .....	14
5.4	<u>Risk of Loss</u> .....	15
5.5	<u>No Inconsistent Act</u> .....	15
5.6	<u>Notifications</u> .....	16
5.7	<u>Allocation of Purchase Price</u> .....	16
5.8	<u>Further Assurances</u> .....	16
5.9	<u>Control of the Stations</u> .....	17
5.10	<u>Accounts Receivable</u> .....	17
5.11	<u>Indemnification Holdback Agreement</u> .....	17
5.12	<u>Additional Fees and Taxes</u> .....	18
5.13	<u>Holbrook Studios</u> .....	18

ARTICLE VI  
Representations and Warranties of Seller

6.1	<u>Good Standing</u> .....	18
6.2	<u>Right, Power and Authority</u> .....	19
6.3	<u>No Conflicts or Defaults</u> .....	19
6.4	<u>FCC Licenses and Other Authorizations</u> .....	19
6.5	<u>FCC Compliance</u> .....	20

6.6	<u>Title to Assets</u> .....	20
6.7	<u>Real Estate</u> .....	20
6.8	<u>No Litigation Or Violations of Law</u> .....	22
6.9	<u>Intellectual Property</u> .....	23
6.10	<u>Contracts</u> .....	23
6.11	<u>Insurance</u> .....	24
6.12	<u>Assets in Good Repair</u> .....	24
6.13	<u>Operational Assets</u> .....	24
6.14	<u>Required Consents</u> .....	24
6.15	<u>Employee Benefits</u> .....	24
6.16	<u>Labor Matters</u> .....	25
6.17	<u>Environmental Matters</u> .....	25
6.18	<u>Taxes in General</u> .....	27
6.19	<u>Sales Taxes</u> .....	27
6.20	<u>Reports</u> .....	27
6.21	<u>Financial Statements</u> .....	27
6.22	<u>No Changes</u> .....	28
6.23	<u>Survival</u> .....	28
6.24	<u>Brokers</u> .....	28
6.25	<u>Disclosure</u> .....	28

## ARTICLE VII

### Representations and Warranties of Purchaser

7.1	<u>Good Standing</u> .....	29
7.2	<u>Right, Power and Authority</u> .....	29
7.3	<u>No Conflicts or Defaults</u> .....	30
7.4	<u>Required Consents</u> .....	30
7.5	<u>Survival</u> .....	30
7.6	<u>Brokers</u> .....	30
7.7	<u>Disclosure</u> .....	30

## ARTICLE VIII

### Conditions Precedent to the Obligations of Purchaser

8.1	<u>Conditions</u> .....	31
8.2	<u>Deliveries to Purchaser</u> .....	32
8.3	<u>No Challenges</u> .....	33
8.4	<u>Organizational Documents</u> .....	33

## ARTICLE IX

### Conditions Precedent to the Obligations of Seller

9.1	<u>Conditions</u> .....	33
9.2	<u>Deliveries to Seller</u> .....	34
9.3	<u>No Challenges</u> .....	34
9.4	<u>Organizational Documents</u> .....	34

## ARTICLE X

### Rights of Purchaser and Seller Upon Termination or Breach

10.1	<u>Termination</u> .....	34
10.2	<u>Release of Escrow; Liquidated Damages</u> .....	35

ARTICLE XI  
Indemnification

11.1	<u>Continuing Effect</u> .....	35
11.2	<u>Indemnification by Seller</u> .....	36
11.3	<u>Indemnification Limitations of Seller</u> .....	36
11.4	<u>Indemnification by Purchaser</u> .....	37
11.5	<u>Indemnification Limitations of Purchaser</u> .....	37
11.6	<u>Indemnification Procedure</u> .....	38
11.7	<u>Tax Purposes</u> .....	39
11.8	<u>Exclusive Remedy</u> .....	39

ARTICLE XII  
Miscellaneous

12.1	<u>Respective Costs</u> .....	39
12.2	<u>Books and Records</u> .....	39
12.3	<u>Entire Understanding</u> .....	39
12.4	<u>Confidentiality</u> .....	40
12.5	<u>Headings</u> .....	40
12.6	<u>Counterparts</u> .....	40
12.7	<u>Choice of Law</u> .....	40
12.8	<u>Parties in Interest; Assignment</u> .....	40
12.9	<u>Notices</u> .....	40
12.10	<u>No Liability</u> .....	41
12.11	<u>Specific Performance</u> .....	41
12.12	<u>No Reversionary Interest</u> .....	41
12.13	<u>No Third Party Beneficiaries</u> .....	42

## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this “Agreement”) is made and entered into as of this 19th day of April, 2002, by and between Venture Technologies Group, LLC, a Delaware limited liability company (“Seller”), and NBC Telemundo Phoenix, Inc., a Delaware corporation (“Purchaser”):

### RECITALS

A. Seller holds the FCC Licenses and other Assets described in this Agreement. For purposes of this Agreement, the term “FCC Licenses” shall mean all licenses, permits and other authorizations issued by the Federal Communications Commission (the “FCC”), and any applications therefore submitted to the FCC, relating to or used in the business or operations of (i) commercial broadcast television station KPHZ, Holbrook, Arizona (FCC facility 81458), (ii) commercial Class A television station KPSW-LP, Phoenix, Arizona (FCC facility 73764) or (iii) commercial low power television station KPHZ-LP, Phoenix, Arizona (FCC facility 3169) (collectively, the “Stations”), together with any renewals, extensions or modifications thereof and additions between the date of this Agreement and the Closing (as defined, in Section 2.1 hereof).

B. Seller desires to sell to Purchaser, and Purchaser desires to purchase and acquire the Assets from Seller for the consideration and upon the terms and conditions herein provided.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations, and warranties contained in this Agreement, the parties hereto, intending to be legally bound, do hereby agree as follows:

### ARTICLE I

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

**1.1 Assets.** Upon the terms and subject to the conditions set forth in this Agreement, Seller agrees to sell, assign, convey, transfer, and deliver to Purchaser at the Closing (as defined, in Section 2.1 hereof), and Purchaser shall purchase at the Closing, all of the Seller’s right, title, and interest in, the tangible and intangible assets (except as expressly provided in Section 1.2 hereof) that are used or held for use in connection with the operation of the Stations (collectively, the “Assets”), and specifically described in this Section 1.1:

(a) The FCC Licenses, and all other licenses, permits and other authorizations, if any, issued by the Federal Aviation Administration (the “FAA”), or other regulatory agency, or any federal, state or local governmental authority to Seller in connection with the ownership or operation of any of the Stations (collectively, the “Authorizations”) and are set forth in Schedule

1.1(a) hereto, including any renewals, extensions or modifications thereof and additions between the date of this Agreement and the Closing.

(b) All transmitters, antenna towers, antenna systems, fixtures, equipment, machinery, tools, inventories of supplies, film, video tapes, including recorded commercials and programming, blank video stock, spare parts, automobiles and other vehicles, furniture, office equipment, and other tangible assets or personal property, which are owned or leased by Seller and used or held by Seller for use in the operation of any of the Stations and are set forth in Schedule 1.1(b) hereto (collectively, the “Tangible Personal Property”), plus such additions thereto or dispositions thereof between the date hereof and Closing;

(c) All film and program contracts and other leases, contracts, agreements, and commitments entered into in the ordinary course of business of the Stations, and any renewals or extensions thereof, to which Seller is a party or which are binding upon Seller, the Assets, or any of the Stations, and (i) which are in effect on the date hereof and are listed and described in Schedule 1.1(c) hereto, or (ii) which are entered into by Seller in the ordinary course of business of any of the Stations in accordance with the provisions of this Agreement (collectively, the “Assumed Contracts”). Schedule 1.1(c) identifies, as to each Assumed Contract listed thereon, whether (w) the consent of the other party thereto is required, (x) notice must be given to the other party (including when such notice must be given), (y) any payment is required (including the amount thereof), in order for such Assumed Contract to continue in full force and effect upon the consummation of the transactions contemplated hereby, and (z) whether such Assumed Contract can be canceled by the other party without liability to such other party due to the consummation of the transactions contemplated hereby. For purposes of this Agreement, the term “Material Contracts” shall refer to those Assumed Contracts designated as “Material Contracts” in Schedule 1.1(c) hereto. Seller shall, no later than two (2) business days prior to the Closing Date, provide Purchaser with a written summary of all items described in clause (c)(ii) above;

(d) The call letters “KPHZ”, “KPSW” and “KPHZ-LP”, and all trade names, trademarks, service marks, copyrights (including Internet Domain Names), and patents (registered or unregistered, and including applications and licenses therefor), together with the goodwill associated therewith and any logograms, jingles, and other intangible personal property associated therewith that are listed in Schedule 1.1(d) hereto;

(e) The real property, including the fee estates and buildings, fixtures, and improvements thereon, leasehold interests (excluding security deposits), easements, rights to access, rights-of-way, and other real property interests which are owned or held by Seller and used or held by Seller for use in the operation of any of the Stations as of the date hereof, all of which is listed in Schedule 1.1(e) hereto, plus such additions thereto and minus such deletions therefrom between the date hereof and Closing as are permitted pursuant to Section 4.2 hereof (collectively, the “Real Property”);

(f) Books, files, and records specifically relating to the Assets, the Stations, and the business or operation of the Stations, including without limitation coverage maps, machinery and equipment warranties, programming information, books of accounts, financial statements, state sales tax books, records, and returns, employment records, customer lists and files, purchase and sales records, correspondence, advertising records, files, literature, copies of the Assumed Contracts, and the FCC required logs, files, and records, but not including (i) those books, files, and records set forth in Section 1.2 below, and (ii) any corporate or accounting books or records of Seller which do not relate to the operation of any of the Stations or the Assets (collectively, the “Documents”);

(g) All other rights, properties, goodwill or assets owned by, licensed to, or leased to Seller in connection with the ownership or operation of any of the Stations not specifically listed elsewhere herein that are located in or about Phoenix, Arizona or Holbrook, Arizona.

**1.2 Excluded Assets.** Notwithstanding anything in this Agreement to the contrary, the Assets do not include, and Seller shall not, and is not hereby agreeing to, sell, assign, transfer, deliver, or convey to Purchaser, any rights, properties and assets not described in Section 1.1, including, without limitation, (a) cash and cash equivalents on hand or on deposit in banks, (b) the name “Venture Technologies Group, LLC” or the name of any affiliate thereof, or any logograms, trade names, trademarks, service marks, copyrights, and patents (including applications and licenses therefor) related thereto, except as provided in Section 1.1(d), (c) any insurance policies, promissory notes, amounts due from employees, bonds, letters of credit, certificates of deposit, other similar items, and any cash surrender value in regard thereto, (d) any pension, profit-sharing, or employee benefit plans, including Seller’s interest in any welfare plan, pension plan, or benefit arrangement, (e) any collective bargaining agreements, (f) all tax returns and supporting materials (provided that Purchaser shall be provided reasonable access to such tax returns and supporting materials to the extent useful for the operation of the Stations or necessary to carry out the provisions of this Agreement), (g) all books and records that Seller is required by law to retain (provided Purchaser shall be furnished with copies to the extent permitted by law and if necessary or useful for the operation of the Stations or as provided in Section 1.1(f)), (h) any interest in and to any refunds of federal, state, or local franchise, income, or other taxes for periods prior to the Closing Date, (i) any accounts receivable of the Stations accrued prior to the Closing Date, (j) any contract, lease, or agreement other than the Assumed Contracts, (k) corporate minute books, charter documents, corporate stock, record books and such other books and records as pertain to the organization, existence or share capitalization of Seller, duplicate copies of the records of the Stations, and all records not relating exclusively to the operation of the Stations, except to the extent any such items are referred to specifically as an “Asset” in Section 1.1 and (l) all rights, properties and assets not specifically described in Section 1.1.

**1.3 Clear Title.** Seller shall convey the Assets to Purchaser free and clear of all liens, pledges, voting agreements, voting trusts, proxy agreements, claims, security interests, restrictions, mortgages, deeds of trust, tenancies, and other possessory interests, conditional sale or other title retention agreements, assessments, easements, rights of way, covenants, restrictions, rights of first refusal, defects in title, encroachments, and other burdens, options or encumbrances of any kind (collectively, “Liens”) except for Permitted Encumbrances (as

hereinafter defined), or as may be otherwise permitted by this Agreement. “Permitted Encumbrances” shall mean (i) liens for current taxes not yet due and payable, (ii) easements, covenants, conditions, and restrictions that are disclosed on Schedule 1.3, and (iii) other easements, covenants, and restrictions of record that affect any real or personal property and do not, individually or in the aggregate, have a material adverse effect on the use of such real or personal property in the conduct of the business or operations of any of the Stations or materially detract from the value of such real or personal property in the conduct of the business or operation of any of the Stations, written notice of which will be provided to Purchaser no later than two (2) business days prior to the Closing Date.

**1.4 Purchase Price.** (a) Upon the terms and subject to the conditions set forth in this Agreement, and in consideration for the sale, assignment, conveyance, transfer, bargain, and delivery of the Assets to Purchaser pursuant to the terms hereof, the purchase price hereunder (the “Purchase Price”) shall be a total of Seven Million Five Hundred Thousand Dollars (\$7,500,000) in cash payable by Purchaser by wire transfer of immediately available funds, to an account designated by Seller, subject to adjustments as provided in Section 2.3 hereof and the deposit of the Holdback Amount (hereinafter defined) pursuant to Section 1.4(d) hereof.

(b) At the Closing, Purchaser shall assume and agree to pay and otherwise fully to perform and discharge, and to indemnify Seller against, and hold Seller harmless from, all of Seller’s obligations and duties arising on or after the Closing Date (as hereinafter defined) under the Assumed Contracts, excluding obligations or liabilities under any Assumed Contract for which a consent to assignment, if required, has not been obtained as of the Closing Date (the “Assumed Contract Obligations”). Purchaser shall not assume nor become obligated for any debt, obligation, or liability of any kind incurred or accrued in connection with the operation of the Stations, including, without limitation, any debt, obligation, or liability relating or attributable to any the business or operation of any of the Stations prior to the Closing Date or any and all obligations of Seller not included in the Assumed Contract Obligations, except for the Assumed Contract Obligations and such other charges as are specifically allocated to Purchaser in accordance with Section 2.3 or which Purchaser expressly agrees in writing to assume.

(c) The parties’ obligations hereunder are conditional upon Purchaser, within three (3) business days of the execution and delivery of this Agreement by Purchaser, placing in escrow with City National Bank, NA or other escrow agent reasonably satisfactory to the parties (the “Escrow Agent”), pursuant to the terms and conditions of an escrow agreement (the “Escrow Agreement”) in a form acceptable to Seller and Purchaser and executed concurrently herewith (and which will be executed and delivered by Purchaser, Seller and the Escrow Agent at the time of delivery of the Escrow Funds), cash, in the amount of Five Hundred Thousand Dollars (\$500,000) (the “Escrow Funds”), which shall be held and released by the Escrow Agent in accordance with the terms and conditions of the Escrow Agreement. Any Escrow Funds and interest thereon delivered to Seller at Closing shall be credited toward the Purchase Price. Purchaser and Seller shall bear equally the cost of any fees imposed by Escrow Agent in connection with the Escrow Agreement.



(d) At the Closing, Purchaser, Seller and City National Bank, NA (the “Holdback Escrow Agent”) shall enter into an indemnification holdback agreement (the “Indemnification Holdback Agreement”) in substantially the form of Exhibit A hereto or other form satisfactory to the parties. Pursuant to the terms and conditions of the Indemnification Holdback Agreement, Purchaser shall place in escrow with the Holdback Escrow Agent at the Closing, cash in the amount of \$500,000 (the “Holdback Amount”), which shall be held and released by the Holdback Escrow Agent in accordance with the terms and conditions of the Indemnification Holdback Agreement.

(e) Notwithstanding Sections 1.4(c) and (d), upon the election of the parties at the Closing, \$500,000 of the Escrow Funds will not be released by the Escrow Agent but will be retained and held by the Escrow Agent as the Holdback Amount and be subject to the Indemnification Holdback Agreement. In such event, at the Closing the Purchaser shall make a direct payment to Seller (in addition to the remainder of the Purchase Price) in lieu of the release of the Escrow Funds to Seller. Any accrued interest on such Escrow Funds, net of any withheld taxes, will be delivered Seller at the Closing and credited toward the Purchase Price.

## ARTICLE II Closing and Closing Deliveries

**2.1** Closing. The term “Closing” as used herein shall refer to the actual conveyance, transfer, assignment, and delivery of the Assets to Purchaser in exchange for the payment to Seller by Purchaser of the consideration payable pursuant to Section 1.4(a) hereof on the Closing Date (as hereinafter defined), and shall be deemed effective as of 12:01 a.m. on the Closing Date. The Closing shall take place at the offices of counsel to Purchaser at 9 A.M. local time on the Closing Date, or at such other place and hour as shall be mutually agreed upon by Purchaser and Seller. Alternatively, the Closing may occur by phone and facsimile. The Closing shall be held on a date set by Purchaser which is within five (5) business days after the date on which the FCC Consent (as defined in Section 3.1) has become a Final Order (as defined in Section 8.1(i)) (such date referred to herein as the “Closing Date”).

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

(a) Seller shall take all steps necessary to place Purchaser in actual possession and operating control of the Assets and deliver, or cause to be delivered, to Purchaser:

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

(ii) A duly executed Assignment or Assignments of FCC Licenses and other Authorizations, dated the Closing Date, substantially in the form of Exhibit C hereto;

(iii) An Assignment and Assumption Agreement, dated the Closing Date, substantially in the form of Exhibit D, duly executed by Seller, pursuant to which Purchaser shall assume and undertake to perform the Assumed Contract Obligations (the “Assumption Agreement”);

(iv) Duly executed titles, endorsed for transfer to Purchaser, for all motor vehicles and other titled property owned by Seller and used or intended for use in connection with the business or operation of any of the Stations;

(v) In each case where the rights of Seller under any of the Assumed Contracts listed in Schedule 1.1(c) hereto and designated therein as Material Contracts, under any of the leases listed on Schedule 1.1(e), or any other Asset which is material to the operation of any of the Stations, are not assignable or transferable to Purchaser as provided herein 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, the written consent or waiver to such assignment or transfer from each such other party (the “Material Consents”), together with such additional written consents to the assignment to Purchaser of other Assumed Contracts listed in Schedule 1.1(c) as Seller shall have obtained as of the Closing Date (all of the consents referred to in this Section 2.2(a)(v), including the Material Consents, shall be referred to herein collectively as the “Consents”);

(vi) All of the other documents that are required to be delivered to Purchaser pursuant to Section 8.2 hereof;

(vii) Such other assignments or documents as are necessary in order to vest good and marketable title to the Assets in the name of Purchaser or its permitted assigns, free and clear of any Liens, except for Permitted Encumbrances, and to assign the Assumed Contracts to Purchaser;

(viii) A non-competition agreement (the “Non-Competition Agreement”), substantially in the form of Exhibit E hereto duly executed by Seller; and

(ix) A certificate of non-foreign status of Seller, dated within thirty (30) days prior to the Closing Date, which meets the requirements of Section 1.1445-2(b)(2) of the Treasury Regulations (“Income Tax Regulations”) promulgated under the United States Internal Revenue Code of 1986, as amended (the “Code”);

(x) The Indemnification Holdback Agreement duly executed by Seller and the Holdback Escrow Agent; and

(xi) Such other documents as Purchaser or its legal counsel may reasonably request in order to carry out the purposes of this Agreement.

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

(i) The Purchase Price pursuant to Section 1.4(a) hereof, as adjusted pursuant to Section 2.3 hereof;

- (ii) The Assumption Agreement, duly executed by Purchaser;
- (iii) The documents that are required to be delivered to Seller pursuant to Section 9.2 hereof;
- (iv) The Non-Competition Agreement executed by Purchaser;
- (v) The Indemnification Holdback Agreement executed by Purchaser; and
- (vi) Such other documents as Seller or its legal counsel may reasonably request in order to carry out the purposes of this Agreement.

(c) Purchaser and Seller shall, upon request, on or after the Closing Date, cooperate with one another by furnishing any additional information, executing and delivering any additional documents and/or instruments, and doing any and all other acts as may be reasonably required by a party hereto or by its legal counsel in order to consummate or otherwise to implement the transaction contemplated by this Agreement.

**2.3 Pro-Rated Amounts and Other Adjustments.** Except as otherwise provided in this Agreement, the following items shall be pro-rated as of 12:01 a.m. on the Closing Date and paid, as between Seller, on the one hand, and Purchaser, on the other hand, at the Closing (to the extent possible) in the manner provided for herein below:

(a) (i) All pre-paid expenses and deposits, and all expenses and obligations for which liability has accrued but whose payment or satisfaction is not yet due as of the Closing Date, including but not limited to: (1) such expenses in connection with the Assumed Contracts, (2) rents and deposits, (3) utility deposits and charges, including electricity, water and sewer charges, (4) business and license fees and FCC regulatory fees, including any retroactive adjustments thereof, (5) programming payments, costs, and charges (except as otherwise provided in this Agreement), (6) property and equipment rentals, (7) applicable copyright or other fees, (8) sales and service charges, (9) real and personal property taxes in connection with the Assets, and (10) credits in favor of advertisers in adjustment for overpaid amounts as of the Closing Date, or representing prepayments made prior to the Closing Date for advertising time to be broadcast after the Closing Date, and (11) operating expenses in accordance with generally accepted accounting principles in the United States (“GAAP”), consistently applied, and consistent with the Financial Statements (as defined in Section 6.21), shall be pro-rated and adjusted between Purchaser and Seller in accordance with the principle that except as otherwise provided in this Agreement, Seller shall receive all revenues and shall be responsible for all expenses, costs, and liabilities allocable to the conduct of the business or operations of the Stations up to 12:01 a.m. on the Closing Date and Purchaser shall receive all revenues and shall be responsible for all such expenses, costs and liabilities after 12:01 a.m. on the Closing Date. Notwithstanding the foregoing, there shall be no adjustment for, and Seller shall remain solely liable with respect to, all FCC regulatory fees imposed or incurred by reason of Seller’s ownership of the Stations as of October 1, 2001, 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, any contract other than the Assumed Contracts in Schedule 1.1(c) hereto, and all other obligations and liabilities not specifically assumed by Purchaser hereunder.

(ii) Notwithstanding the foregoing, there shall be no proration for program barter. Payments due under the film or programming license agreements shall be prorated as follows: Seller shall be responsible for filing and paying all film or programming license fees due and payable as of 12:01 a.m. on the Closing Date, and Purchaser shall be responsible for filing and paying all such fees after 12:01 a.m. on the Closing Date. For the purposes of determining responsibility for the payments due under film or programming license agreements, any film or programming license agreement that is silent as to the day of the month on which payment is due shall be deemed to provide that the payment is due on the first day of the month.

(b) Prorations pursuant to this Section 2.3 will, insofar as feasible, be determined in accordance with GAAP, consistently applied, and paid on the Closing Date based upon Seller's good faith calculation delivered to Purchaser no less than five (5) business days prior to the Closing Date and reasonably approved by Purchaser, with final settlement and payment by the appropriate party occurring no later than ninety (90) days after the Closing Date, unless there is a dispute with respect thereto (in which event the payment shall be made as set forth below). Within sixty (60) days after the Closing Date, Purchaser shall submit to Seller its good faith determination of the adjustments or prorations required by this Section 2.3. Purchaser's determination of the amount of adjustment under this Section 2.3 shall be made in accordance with GAAP, consistently applied. If Seller disagrees with the determination made by Purchaser of the adjustment, Seller shall give prompt written notice thereof, but in no event later than ten (10) days after notice of Purchaser's determination, specifying in reasonable detail the nature and extent of the disagreement, and Purchaser and Seller shall have a period of thirty (30) days in which to resolve the disagreement. If the parties are unable to resolve the disagreement within the 30-day period, the matter shall be submitted to a nationally recognized independent certified public accounting firm, which accounting firm shall be directed to submit a final resolution within thirty (30) days. The designated accounting firm's determination shall be binding on Purchaser and Seller. Each party shall bear the fees and expenses of its own representatives, including its own independent accountants, if any, and shall share equally the fees and expenses of the designated accounting firm if engaged, to resolve any disagreement between the parties. Within five (5) business days following a final determination hereunder, the party obligated to make payment will make the payments determined to be due and owing in accordance with this Section 2.3.

(c) In the event that prior to the Closing Date, the FCC denies Seller's request for an extension of the main studio waiver described in Section 6.4 (and Seller does not seek review of such denial), Seller shall either (i) construct, at its sole expense, a main studio that complies in all material respects with the FCC's rules, as reasonably determined by Purchaser or (ii) reduce the Purchase Price by forty-seven thousand, eight hundred, twenty-one dollars and forty cents (\$47,821.40) (the "Main Studio Adjustment"). In the event that after the Closing Date but prior to the Second Release Date as defined in the Indemnification Holdback Agreement, the FCC denies Seller's request for an extension of the main studio waiver (and Purchaser does not seek review of such denial), the Main Studio Adjustment shall be paid to Seller out of the Holdback Amount. Notwithstanding the foregoing, Seller shall indemnify Purchaser pursuant to Section

11.2(c) hereof if any fines or forfeitures are assessed by the FCC in connection with the main studio for Station KPHZ(TV) prior to the Second Release Date as defined in the Indemnification Holdback Agreement.

### ARTICLE III FCC Approval

#### 3.1 FCC Approval.

(a) Purchaser and Seller shall jointly file with the FCC complete applications (the “Applications”) to request the FCC’s consent to the voluntary assignment of the FCC Licenses from Seller to Purchaser (the “FCC Consent”) within ten (10) business days after the execution of this Agreement. Purchaser and Seller shall each pay its own expenses in connection with the preparation and prosecution of the Applications and shall share any filing fee associated with the Applications equally. Seller and Purchaser shall prosecute the Applications to the FCC, including opposing any petitions to deny filed against any of the Applications, with all reasonable diligence, in order to obtain the FCC Consent promptly and in order to carry out the provisions of this Agreement, provided, however, that no party shall be required to participate in an evidentiary hearing or to appeal the grant of any such petitions to deny and the denial of the FCC Consent to a court of appeals. If FCC reconsideration or review shall be sought with respect to the FCC Consent, by a third party or upon the FCC’s own motion, Purchaser and Seller shall cooperate in opposing such requests for FCC reconsideration or review. Copies of any amendments, filings or correspondence pertaining to the Applications filed by one party shall be mailed simultaneously to the other party.

(b) If the FCC Consent shall impose any condition upon any party hereto, such party shall use commercially reasonable efforts to comply with such condition, provided, however, that, consistent with Section 8.1(i), Purchaser shall not be required to close the transactions herein contemplated if the FCC Consent contains any condition materially adverse to Purchaser. For purposes of this Agreement, a “materially adverse condition” shall not include any condition generally applicable to the television broadcast industry or a transaction of this kind.

### ARTICLE IV Covenants of Seller

4.1 Inspection Rights. Until the Closing, upon prior notice, Seller shall, during the Stations’ regular business hours, make the studio and office facilities, books, accounts, records, contracts, FCC Licenses, tax records, and other documents of Seller pertaining to the Stations and included in the Assets available for examination and inspection by Purchaser and its agents, provided that neither the furnishing of such information to Purchaser or its representatives nor any investigation made heretofore or hereafter by Purchaser shall affect Purchaser’s right to rely upon any representation or warranty made by Seller in this Agreement, each of which shall survive any furnishing of information to Purchaser or its agents, or any investigation by

Purchaser or its agents, subject to Section 6.23 hereof. Any such examination and inspection by Purchaser or by its agents shall be undertaken in a manner designed to reasonably minimize the disruption to Seller and to the operations of the Stations.

**4.2**     No Changes. From and after the date hereof to the Closing Date, Seller shall:

(a)     operate the Stations' business in the ordinary course of business, including, without limitation, pay when due all obligations arising under the Assumed Contracts or any other agreements or commitment of the Stations. Consistent with the foregoing, Seller shall keep and maintain the Assets being purchased hereunder in good operating condition and repair (normal wear and tear excepted);

(b)     not sell, assign, lease, mortgage, pledge, or otherwise transfer, or dispose of or encumber any of the Assets, or create, assume, or permit to exist any Lien, except for (i) liens, charges, and encumbrances in favor of Purchaser, (ii) Permitted Encumbrances, (iii) immaterial items of personal property included in the Assets and sold, or otherwise disposed of in the ordinary and regular course of the operation of the Stations, and (iv) transactions engaged in with Purchaser's written consent first obtained;

(c)     except with Purchaser's prior written consent, (i) not materially change the rate or nature of the compensation (including wages, salaries, and bonuses) which is paid or payable to any of the Stations' employees or to adopt or amend "Employee Benefit Plans" or "Compensation Arrangements" (both as defined in Section 6.15 hereof), except in connection with ordinary reviews or promotions consistent with Seller's past practices or the replacement of incumbent personnel consistent with Seller's past practices, pursuant to pre-existing written compensation and fringe-benefit plans, and (ii) not hire any new employees or terminate any presently existing employees of the Stations, except as otherwise provided in Section 4.5 hereof;

(d)     except with Purchaser's prior written consent, not enter into, nor become obligated under, (i) any film or program contract, whether for cash or barter, not terminable at the Closing, or (ii) any other agreement or commitment on behalf of the Stations, except for normal commitments for personal property, services, and advertising time on the Stations entered into in the ordinary and regular course of the operation of the Stations, consistent with the Stations' past and present practices, and which do not provide for payments, in the aggregate, in excess of \$1,000 during the full terms of all such agreements and commitments, nor materially change, amend, renew, terminate, or otherwise modify any agreement or commitment other than in the ordinary course of business;

(e)     maintain insurance policies on the Assets in accordance with Seller's normal and prudent business practices;

(f)     not make, nor commit to make, any payments, contribution, or award under or into any profit-sharing or similar plan, program, or trust on behalf of employees of the Stations, except in accordance with any such plan, program, or trust currently maintained by Seller, and contributions which are made consistent with past practices;

(g) maintain and preserve the operations of the Stations and use Seller's commercially reasonable efforts to maintain and preserve audience levels of the Stations, and, consistent with the ordinary course of business, the Stations' goodwill and the Stations' present relationships with suppliers, advertisers, and others having business relations with them;

(h) not make any material changes in the broadcast hours or in the percentages of public affairs and news programming broadcast by the Stations, or make any other material changes in the Stations' programming policies, except such changes as in the good-faith judgment of Seller is required by the public interest;

(i) not do any act which would reasonably be expected to result in the expiration, revocation, suspension or adverse modification of any of the Authorizations (other than to correct FCC records), nor fail to do any act necessary in order to prevent the expiration, revocation, suspension or adverse modification of any of the Authorizations, nor fail to file on a timely basis any application with the FCC with respect to digital television facilities. For purposes of this Section 3.2(i), an "adverse modification" of an FCC License shall mean a modification that reduces the term of such FCC License or results in a reduction of a Station's effective radiated power, antenna height above average terrain (unless compensated by an increase in operating power) or population encompassed within such Station's Grade B contour; provided, however, that a grant, without material modification or the imposition of materially adverse conditions, of Station KPHZ(TV)'s application for a construction permit to build a digital facility on the Station's analog channel shall not be considered an adverse modification;

(j) not waive, assign or release any material right of Seller in the Material Contracts;

(k) except as required by law, not enter into any collective bargaining agreement, or through negotiations or otherwise make any commitment or incur any liability to any labor organization with respect to the employees of the Stations;

(l) not transfer or grant any rights under any leases, licenses, agreements, trademarks, trade names, or copyrights included in the Assets, and respond substantively to any outstanding matters before the U.S. Patent and Trademark Office;

(m) not introduce any material change to Seller's method of accounting with respect to the Stations;

(n) not take any material action inconsistent with Seller's obligations hereunder, or that would reasonably be expected to materially hinder or delay the consummation of the transactions contemplated by this Agreement, except as specifically required or permitted herein;

(o) maintain all of the Assets (except for immaterial Assets with a fair market value, in the aggregate, not exceeding \$1,000) or replacements thereof (to the extent required pursuant to this Agreement) and improvements thereon in good condition (ordinary wear and tear excepted) in the usual and customary manner, and in material compliance with the FCC's rules and regulations, and use, operate, and maintain all of the Assets in a reasonable manner, with

inventories of spare parts and expendable supplies being maintained at levels reasonably consistent with past practices;

(p) maintain its books and records, including the record keeping and reporting requirements imposed by the FCC, in accordance with past practices and in material compliance with the FCC's rules and regulations;

(q) promptly notify Purchaser in writing of any developments, except for matters affecting the television broadcasting industry generally, which singularly or in concert with others are material with respect to the business or operations of the Stations or the Assets (including, without limitation, actions by the FCC affecting the FCC Licenses or the Stations), and of any material change in any of the information contained in Seller's representations and warranties contained in Article VI hereof or in the schedules hereto, provided that such notification shall not relieve Seller of any obligations hereunder;

(r) consistent with the needs of the Stations, maintain film usage schedules and amortization schedules consistent with past practice, and make by the Closing Date all payments under the Assumed Contracts that are due to be paid on or before the Closing Date, and, consistent with past practice, take all action reasonably necessary to preserve in full force and effect the existing rights of Seller under the Assumed Contracts;

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

(t) comply in all material respects with all rules and regulations of the FCC, and all other laws, rules, and regulations to which Seller, the Stations, and the Assets are subject, including, without limitation, compliance with all FCC rules and regulations necessary to maintain the Class A license status of Station KPSW-LP and to maintain the eligibility of Station KPHZ-LP for Class A license status upon the filing and grant by the FCC of an application to operate Station KPHZ-LP on an in-core channel;

(u) not merge or consolidate with or into any other legal entity, dissolve, or liquidate;

(v) not change in any material respect its existing practices and procedures with respect to the collection of accounts receivable of the Stations and, except with respect to good faith attempts consistent with past practice to obtain payment of a past due receivable, or except in accordance with existing practices, a contested receivable, offer to discount the amount of any outstanding receivable or extend any other incentive (whether to the account debtor or any employee or third party responsible for the collection of receivables) to accelerate the collection thereof;

(w) not change any Station's advertising rates or policies, procedures or methods in connection with the sale of advertising time in a manner expected to accelerate the receipt of cash payments or fail to incur annual advertising and promotional department expenses in cash



and trade other than as budgeted for 2002 (as such budget previously has been delivered to Purchaser);

(x) not enter into, or enter into negotiations or discussions with any person other than Purchaser with respect to, any local marketing agreement, time brokerage agreement, joint sales agreement, or any other similar agreement;

(y) not take any action with respect to, or for purposes of receiving, a modification of any of the Authorizations without (a) providing reasonable notice to Purchaser of any such intended action and (b) receiving the prior written approval of Purchaser; provided, however, Seller shall have full authority, control and power over the operation of the Stations during the period of this Agreement and the right to take any actions necessary for compliance with the laws of the United States, the rules, regulations and policies of the FCC, and the rules, regulations and policies of other local, state or federal government authorities; and

(z) not enter into any agreement, contract, commitment or arrangement to do any of the foregoing prohibited actions, or authorize, recommend, propose or announce an intention to do, any of the foregoing prohibited actions.

**4.3 Written Consents.** Pending the Closing Date, Seller shall proceed with all reasonable diligence and shall use commercially reasonable efforts to obtain the written consents to the consummation of the transactions contemplated by this Agreement from all necessary persons, including, without limitation, the consents of parties to Assumed Contracts where required.

**4.4 Financial Information.** From the date of this Agreement until the Closing Date, Seller shall deliver to Purchaser a true and complete copy of all financial statements relating to the Stations and prepared by Seller or its outside accountants within five (5) days of the date on which such financial statements are prepared. During such period Seller will continue to prepare financial statements for the Stations in the ordinary course of business and consistent with past practice.

**4.5 Station Employees.** Seller shall terminate the employment of all employees who work exclusively for the Stations (collectively, the "Station Employees") as of the Closing Date as set forth in Schedule 4.5 and Purchaser shall have no liability for any obligations of Seller to the Station Employees (including any liability under the Employee Benefit Plans and Compensation Arrangements, as such terms are defined in Section 6.15). Purchaser, at its complete discretion, may offer employment to any of the Station Employees following the Closing Date on such terms and conditions as it determines. Seller agrees to cooperate with Purchaser in connection with the potential employment of the Station Employees by Purchaser, including making the Station Employees reasonably available to Purchaser for interviews prior to the Closing Date. Seller agrees that it will not enforce any non-competition, confidentiality or similar agreements that it may have with any of the Station Employees.

**4.6 Broadcast Transmission Interruption.** Seller shall promptly notify Purchaser if any of the Stations' normal broadcast transmissions 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 operation of any such Station is not resumed to its previous operating power and antenna height within five days after such event, (ii) if more than five such events occur within any thirty-day period, or (iii) if any Station shall be off the air for more than twenty-four consecutive hours, then Purchaser shall have the right to terminate this Agreement, for a period of five business days after receiving notice from Seller of such occurrences described in clauses (i), (ii) or (iii).

4.7 Nonsolicitation. From and after the date hereof through and until the earlier of the Closing or the termination of this Agreement in accordance with the provisions of this Agreement, whichever shall apply, neither the Seller, nor its officers, directors, employees, representatives or advisors will, formally or informally, directly or indirectly (i) initiate, solicit or encourage any inquiry or the submission of any proposals by any third party that constitutes or is reasonably likely to lead to a bona fide proposal, whether in writing or otherwise, made by a third party to effect the beneficial ownership of all or a material portion of, or any material interest in, the Assets or the Stations pursuant to a merger, consolidation, or other business combination, sale of shares of capital stock, sale of assets, tender offer, exchange offer, joint venture or other similar transaction with respect to the Assets or the Stations (“Acquisition Proposal”) or (ii) engage in negotiations or discussions with, or furnish any information or data to, any third party relating to an Acquisition Proposal.

## ARTICLE V

### Special Covenants and Agreements

5.1 Indemnification Regarding Brokers. Seller agrees to indemnify Purchaser, and to hold Purchaser harmless, from and against any claims asserted by any broker or finder, or any person or entity acting or claiming to act in a similar capacity in connection with the sale of the Stations, arising out of the representation made in Section 6.24 by Seller; and Purchaser agrees to indemnify Seller, and to hold Seller harmless, from and against any claims asserted by any broker or finder, or any person or entity acting or claiming to act in a similar capacity in connection with the sale of the Stations, arising out of the representation made in Section 7.6 by Purchaser.

5.2 No Bulk Sales. Purchaser and Seller, to the extent permitted by law, agree to waive compliance with all “bulk sales” or similar laws that may be applicable to the transactions contemplated hereby, and Seller agrees to indemnify and hold Purchaser harmless against any claim made against Purchaser by any creditor as a result of failure to comply with any such laws.

5.3 Cooperation. Purchaser and Seller shall cooperate fully with each other and with their respective counsel and accountants in connection with any actions required to be taken as part of their respective obligations under this Agreement, and Purchaser and Seller shall execute

such other documents as may be necessary and reasonable for the implementation and consummation of the transactions contemplated by this Agreement, and otherwise use their best efforts to consummate the transaction contemplated hereby and to fulfill their obligations hereunder.

**5.4 Risk of Loss.** The risk of any loss, damage, impairment, confiscation, or condemnation of any of the Assets from any cause whatsoever (each a “Casualty Loss”) shall be borne by Seller at all times prior to the Closing. In the event of any such loss, damage, impairment, confiscation, or condemnation, whether or not covered by insurance, Seller shall promptly notify Purchaser of such loss, damage, impairment, confiscation, or condemnation, which notice shall provide an estimate of the costs to repair, restore or replace such Assets and shall state whether Seller intends to repair, restore or replace such Assets. If Seller, at its expense, repairs, replaces, or restores such Assets to their prior condition to the reasonable satisfaction of Purchaser before the Closing, Seller shall be entitled to all insurance proceeds and condemnation awards, if any, by reason of such award or loss. If Seller does not or cannot restore or replace lost, damaged, impaired, confiscated or condemned Assets or inform Purchaser that it does not intend to restore or replace such Assets, Purchaser may at its option:

(a) terminate this Agreement by written notice forthwith without any further obligation hereunder if the replacement cost of such Assets exceeds \$100,000 in the aggregate; or

(b) proceed to the Closing of this Agreement without Seller completing the restoration and replacement of such Assets, provided that Seller shall assign all rights under applicable insurance policies and condemnation awards, if any, to Purchaser and that the Purchase Price shall be reduced by the repair or replacement costs of any Asset to the extent not covered by such insurance proceeds or condemnation award, and in such event, Seller shall have no further liability with respect to the condition of the Assets directly attributable to the loss, damage, impairment, confiscation, or condemnation.

Purchaser will notify Seller of a decision under the options described in Sections 5.4(a) and 5.4(b) above within ten (10) business days after Seller’s notice to Purchaser of the loss, damage, impairment, confiscation or condemnation of Assets; provided, however, that if Seller states that it intends to restore or replace such Assets and if Seller has not restored or replaced such Assets in all material respects to their prior condition immediately prior to the Closing Date, notwithstanding Purchaser’s prior delivery of a notice to proceed pursuant to this Section 5.4, Purchaser shall have the right to either postpone the Closing or terminate this Agreement by notice forthwith.

**5.5 No Inconsistent Act.** Pending the Closing Date, neither Seller nor Purchaser shall (i) take any action which is materially inconsistent with their respective obligations hereunder, or which would reasonably be expected to materially hinder or delay the consummation of the transaction contemplated by this Agreement, except as specifically required or permitted herein, or (ii) take or fail to take any action which would render any of their representations set forth in Article VI or VII, as the case may be, no longer accurate or which would be inconsistent with any warranty contained in Article VI or VII, as the case may be.

**5.6**    Notifications. Pending the Closing Date, Seller and Purchaser shall promptly notify each other in writing of any developments, except for matters affecting the television broadcasting industry generally, which singularly or in concert with others are material with respect to the ability of such notifying party to consummate the transactions contemplated hereby, and of any material change in any of the information contained in such party's representations and warranties contained in this Agreement, provided that such notification shall not relieve such party of any obligations under this Agreement or affect either party's right to terminate upon a material breach of a representation or warranty under Section 10.1(a).

**5.7**    Allocation of Purchase Price. The Purchase Price set forth in Section 1.4 shall be allocated among the Assets in accordance with the provisions of Section 1060 of the Code and Schedule 5.7. Purchaser and Seller shall each complete, execute and timely file Form 8594 with the Internal Revenue Service with their respective tax returns for the taxable year that includes the Closing Date (or such other Internal Revenue Service Form as may then be prescribed for use by the Income Tax Regulations to comply with applicable asset acquisition reporting requirements of Section 1060 of the Code and the Income Tax Regulations thereunder). Purchaser and Seller agree to act in accordance with the allocation of the Purchase Price established pursuant to this Section 5.7 in the preparation and filing of all returns, declarations, reports, claims for refund, or information returns or statements relating to taxes, including any schedule or attachment thereto, and including any amendment thereof. If Purchaser and Seller cannot agree upon the allocation of the Purchase Price to specific assets or groups of assets within the categories set forth on Schedule 5.7, then both parties agree to rely upon a contemporaneous asset allocation appraisal performed by an independent third party acting in accordance with the agreed allocations set forth on Schedule 5.7.

**5.8**    Further Assurances. After the Closing Date, each party will take all action, deliver such documents and enter into such further agreements as are reasonably requested by the other party to carry out the intent of this Agreement and to vest good and marketable title to the Assets in Purchaser and assign the Assumed Contracts to Purchaser. Upon the request of Purchaser, (a) Seller shall 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 Assets in accordance with the terms of this Agreement and (b) Seller shall cooperate with Purchaser to enforce the terms of any Assumed Contracts. After the Closing, the Seller shall promptly deliver to Purchaser (x) any mail, packages and other communications addressed to Seller and relating to the Assets or Assumed Contracts and (y) any property that Seller receives that properly belongs to Purchaser. If any of the Assumed Contracts or Assets are not assignable or transferable to Purchaser as provided herein (each, a "Non-Assignable Asset") without obtaining a Consent, and any such Consent is not obtained on or prior to the Closing, Seller shall cooperate with Purchaser in any reasonable arrangement designed to provide Purchaser or its designee with all of the benefits of the Non-Assignable Assets after the Closing as if the appropriate Consents had been obtained, including entering into licenses, subleases or granting other rights to Purchaser and establishing other arrangements whereby Purchaser or its designee shall retain all of the benefits of the Non-Assignable Assets.

**5.9 Control of the Stations.** Prior to Closing, Purchaser shall not, directly or indirectly, control, supervise, direct, or attempt to control, supervise, or direct the operations of the Stations; such operations, including complete control and supervision of all of the Stations' programs, employees, and policies, shall be the sole responsibility of Seller until the Closing.

**5.10 Accounts Receivable.**

(a) As soon as practicable after the Closing Date, Seller shall deliver to Purchaser a complete and detailed list of all the accounts receivable relating to the sale of advertising time and any other goods or services of the Stations prior to the Closing Date (the "Accounts Receivable"). During the period beginning on the Closing Date and ending 60 days after the Closing Date (the "Collection Period"), Purchaser shall use commercially reasonable efforts, as Seller's agent, to collect the Accounts Receivable in the usual and ordinary course of business, using the Stations' credit, sales and other appropriate personnel in accordance with customary practice, which may include referral to a collection agency if approved by Seller. Notwithstanding the foregoing, Purchaser shall not be required to institute legal proceedings on Seller's behalf to enforce the collection of any Accounts Receivable. Purchaser shall not adjust any Accounts Receivable or grant credit without Seller's written consent, and Purchaser shall not pledge, secure or otherwise encumber such Accounts Receivable or the proceeds therefrom. Purchaser shall deposit all amounts collected with respect to Accounts Receivable to an account designated by Seller, as such amounts are collected.

(b) Any payment received by Purchaser during the Collection Period from any person that is an account debtor with respect to any account disclosed in the list of Accounts Receivable delivered by Seller to Purchaser shall be applied first against the oldest invoice relating to such account, unless and to the extent that the account is disputed by the account debtor. Purchaser shall incur no liability to Seller for any uncollected account. Prior to the end of the Collection Period neither Seller nor any other agent of Seller shall make any direct solicitation of the account debtors for payment.

(c) At the end of the Collection Period, Purchaser shall return to Seller all files concerning attempts to collect the Accounts Receivable, and Purchaser's responsibility for the collection of the Accounts Receivable shall cease. Within ten days of the end of the Collection Period, Purchaser shall furnish Seller with a report of all amounts collected with respect to the Accounts Receivable during such period. For a period of sixty (60) days immediately following the end of the Collection Period (the "Passive Remittance Period"), Purchaser shall forward to Seller any payment received by Purchaser from any account debtor with respect to the Accounts Receivable. Subsequent to the Passive Remittance Period, all payments from account debtors received by Purchaser with respect to the Accounts Receivable shall be the property of Purchaser.

**5.11 Indemnification Holdback Agreement.** Seller hereby covenants and agrees that at any time Seller is or becomes obligated to indemnify Purchaser or its affiliates under this Section 5 or Article XI hereof, at Purchaser's request, Seller will execute and deliver to the Holdback Escrow Agent written instructions to release to Purchaser such portion of the Holdback Amount

as is necessary to indemnify Purchaser for amounts due under this Section 5 or Article XI hereof (“Indemnified Costs”).

**5.12 Additional Fees and Taxes.** Seller shall pay or reimburse Purchaser for any and all transfer, conveyance, recordation and filing fees, taxes or assessments (other than sales taxes which Seller represents and warrants are not applicable pursuant to Section 6.19 hereof), including fees in connection with the conveyance of real property and the recordation of instruments related thereto, applicable to, imposed upon, or arising out of the sale, assignment, conveyance, and transfer to Purchaser of the Assets as contemplated by this Agreement. In addition, and for the avoidance of doubt, Seller and its members (or other indirect owners) (to the extent that such members or other indirect owners are responsible for any Tax of Seller) shall bear any and all “Tax” (as such term is defined in Section 6.18 hereof) due with respect to the operation of the Assets through the Closing and shall bear any such Tax resulting from the sale of the Assets as contemplated by this Agreement. Seller and its members (or other indirect owners) (to the extent that such members or other indirect owners are responsible for filing required reports and returns with respect to any Tax of the Seller) shall file all required reports and returns relating to any such Tax and take such other action as may be necessary to avoid the imposition of transferee or successor liability on Purchaser for any such Tax, penalty or interest imposed on or with respect to Seller, the operation of the Assets through the Closing or the sale of the Assets as contemplated by this Agreement.

**5.13 Holbrook Studios.** If Seller establishes a main studio in Holbrook, Arizona, the parties agree that any lease for such studio shall become an Assumed Contract, provided the lease: (a) has a term not greater than one (1) year; (b) would not require Purchaser to make monthly expenditures in excess of \$1500.00 or total expenditures greater than \$18,000.00; or (c) is not otherwise reasonably objectionable to Purchaser.

**5.14 Additional Undertaking.** Seller shall prior to the Closing Date, complete at Seller's expense and in a manner reasonably satisfactory to Purchaser, in Purchaser's sole discretion, the repairs and other undertakings identified in Schedule 5.14.

## ARTICLE VI Representations and Warranties of Seller

Seller represents and warrants to Purchaser as of the date hereof and as of the Closing Date (except, in either case, to the extent that such representation or warranty speaks of a specific date), as follows:

**6.1 Good Standing.** Seller is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Delaware and is duly qualified to conduct business in the State of Arizona. Seller has all requisite power and authority (a) to own, lease, and use the Assets as presently owned, leased, and used, (b) to conduct the business and operations of the Stations as presently conducted, and (c) to execute and deliver this Agreement and the documents contemplated hereby, and to perform and comply with all of the terms and



conditions to be performed and complied with by Seller hereunder and thereunder. Seller holds all material rights, franchises, licenses, permits, authorizations, and approvals (governmental and otherwise), including the FCC Licenses, necessary to own and operate its properties and to carry on and conduct the business of the Stations as it is presently carried on and conducted. Seller is not a participant in any joint venture or partnership with any other person or entity with respect to any part of the Stations' operations or the Assets.

**6.2 Right, Power and Authority.** Seller has all requisite power and authority to enter into this Agreement, the Escrow Agreement, the Bill of Sale, the Assignment and Assumption Agreement, the Assignment of FCC Licenses, the Indemnification Holdback Agreement, the Non-Competition Agreement and each other agreement, document, and instrument required to be executed in accordance herewith (collectively, the "Transaction Documents") to which Seller is a party and to consummate the transactions contemplated hereby or thereby. Seller has taken all requisite action in order to authorize the execution, delivery, and performance of the Transaction Documents and the consummation of the sale of the Assets and the other transactions contemplated thereby. The Transaction Documents have been, or upon execution and delivery will be, duly executed and delivered by Seller and constitute, or upon execution and delivery will constitute, the legal, valid, and binding obligations of Seller enforceable against Seller in accordance with their terms, except to the extent limited by (a) bankruptcy, insolvency, moratorium, and other laws of general applicability relating to or affecting the enforcement of creditors' rights, (b) principles of public policy, and (c) court-applied general principles of equity.

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

**6.4 FCC Licenses and Other Authorizations.** Seller holds the FCC Licenses and other Authorizations identified on Schedule 1.1(a) hereto. Schedule 1.1(a) includes a true and complete list of the FCC Licenses, which FCC Licenses are correctly categorized therein, and all other Authorizations, except as otherwise noted therein. Assuming the due regularity of the FCC's processes in connection therewith, as to which Seller has no contrary knowledge, the FCC Licenses and other Authorizations were validly issued and are in full force and effect. Other than the FCC Licenses and the other Authorizations set forth in Schedule 1.1(a) hereto, no

franchises, licenses, permits, approvals, or authorizations are required in order for Seller to own and operate the Stations in the manner and to the full extent that they are operated on the date hereof and on the Closing Date, and none of the FCC Licenses or other Authorizations are subject to any restriction or condition which would limit the full operation of any Station as presently operated or as operated on the Closing Date, other than restrictions of general applicability to the television broadcasting industry as a whole. No action or proceeding is pending or, to the knowledge of Seller, threatened, by or before the FCC or by or before any other governmental body to revoke, refuse to renew, or modify the FCC Licenses or any other Authorizations, other than proceedings of general applicability affecting or purporting to affect all similarly-situated television broadcasting stations. Purchaser understands and agrees that the Seller has applied for an extension of the main studio waiver for KPHZ(TV) and Seller's efforts to renew or extend this waiver are not guaranteed to succeed; provided, however, Seller shall at all times be in full compliance with the FCC's rules with respect to the location of the Stations' main studios.

**6.5** FCC Compliance. The Stations, their 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 Licenses and in accordance with the FCC's rules and regulations. The antenna structures owned or used by Seller are in compliance with the FCC's rules and regulations and the requirements of the Federal Aviation Administration. All reports and other filings required by the FCC with respect to the FCC Licenses and the Stations, including, without limitation, material required to be placed in the Stations' local public inspection files or other records, have been duly and currently filed in all material respects except as noted in Exhibit H and all FCC regulatory fees assessed against the Stations have been timely paid.

**6.6** Title to Assets. Seller has good and marketable title to all of the Assets, free and clear of any Liens, except for Permitted Encumbrances, and is the exclusive legal and equitable owner of, and has the unrestricted power and right to sell, assign and deliver the Assets to Purchaser. 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 Assets and no restrictions will exist on Purchaser's right to resell, license or sublicense any of the Assets.

**6.7** Real Estate. (a) All the personal property (both tangible and intangible) included in the Assets is owned by Seller free and clear of all Liens arising by, through or under Seller or, to its knowledge, through anyone else except for Permitted Encumbrances. Immediately after the Closing, (i) Purchaser will have good and marketable title to all the personal property (both tangible and intangible) included in the Assets, other than personal property (both tangible and intangible) leased or licensed to Seller, and (ii) Purchaser will have a good and marketable interest in the lease or license Assumed Contract related to any personal property (both tangible and intangible) leased or licensed to Seller included in the Assets, free and clear of any Liens other than Permitted Encumbrances.

(b) Schedule 6.7(b) contains a complete and accurate list of all leases that are included in the Assets pursuant to which Seller leases real property, whether as landlord, tenant or sublessee (the "Leases"), true and complete copies of which Leases, together with all



amendments thereto (as now in effect), have previously been delivered to Purchaser. With respect to each Lease, the following representations are true and correct.

(i) The Leases are unmodified and in full force and effect and are valid, binding and enforceable in accordance with their terms;

(ii) Seller is not in default under any of the Leases and no event has occurred that with the passage of time or notice or both would become a default under any of the Leases;

(iii) To the knowledge of the Seller, no other party is in default under any of the Leases and no event has occurred that with the passage of time or notice or both would become a default under any of the Leases;

(iv) Seller's leasehold estate with respect to any of the leased real properties has not been assigned, mortgaged, pledged, encumbered or otherwise transferred or sublet, in whole or in part, except for any Permitted Encumbrances;

(v) The Leases evidence the entire written agreement with respect to the use and operation of the leased real properties between Seller and each other party to such Leases and the Leases will evidence the entire written agreement with respect to the use and operation of the leased real properties between Seller and each other party to such Leases;

(vi) All rent billed to date and payable by the tenant under each of the Leases has been paid;

(vii) Except as set forth on Schedule 6.7(b)(vii), there are no deposits and guaranties that have been delivered in connection with the Leases;

(viii) Seller has not received notices of violations of applicable laws or requirements of any governmental entity having jurisdiction with respect to any of the leased real properties that have not been cured and dismissed, and to the knowledge of the Seller, except as set forth on Schedule 6.7(b)(viii) and the documents referenced therein, no such violation exists. To the knowledge of the Seller each of the leased real properties comply with the Americans with Disabilities Act; and

(ix) To the knowledge of Seller, Purchaser will be entitled to exercise all of the rights and privileges of the tenant under each of the Leases to which Seller is a party subject to and in accordance with the terms thereto.

(c) Seller owns no real property that is used in the operation of the Stations or the conduct of its business as presently conducted. Except as set forth on Schedule 6.7 (c) or in the documents referenced therein, (i) Seller has received no notice of proceedings or, to the knowledge of the Seller, no claims, disputes or conditions exist affecting any leased real property that might curtail or interfere with the use of such property in any material respect; (ii) to the knowledge of Seller, the plants, structures and equipment of Seller are structurally sound with no known defects and are in good operating condition and repair and are adequate for the uses to

which they are being put; (iii) to the knowledge of Seller, none of such plants, structures or equipment are in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost; (iv) Seller has not received notification that it is in violation of any applicable building, zoning, health or other Law in respect of its plants or structures or their operations, and to the knowledge of the Seller, no such violation exists and (v) to the knowledge of the Seller, no condition currently exists or previously existed on any leased real property, or any portion thereof, that may give rise to any violation of any applicable Law if it were disclosed to the authorities having jurisdiction over the leased real property.

(d) Schedule 6.7(d) contains a complete and accurate list of all permits, licenses, easements and rights of way, including proofs of dedication, held by Seller in connection with the use, operation, leasing and maintenance of the leased real property. True and complete copies of all such permits, licenses, easements and rights of way have heretofore been furnished to Purchaser. To the knowledge of the Seller, Seller has obtained (or the fee owner of any leased real property has obtained) all appropriate permits, licenses, easements and rights of way required to use and operate the leased real property in all material respects in the same manner in which the leased real property is currently being used and operated. To the knowledge of Seller, the current use and occupation of any portion of the leased real property does not violate any of such permits, licenses, easements or rights of way. To the knowledge of Seller, no permits, licenses, easements or rights of way will be required, as a result of the transactions contemplated by this Agreement, to be issued or granted after the date hereof in order to permit Purchaser to own or operate the leased real property in all material respects in the same manner as heretofore owned or operated, other than permits that are ministerial in nature and are normally issued in due course upon application therefor without further action by the applicant.

(e) All utilities presently serving the leased real property are adequate to service the existing normal operations of the Stations.

(f) To the knowledge of Seller, a portion of each parcel of the leased real property abuts on a public road that has been completed and is physically and legally open for use by the public.

**6.8** No Litigation Or Violations of Law. (a) Except for matters affecting the television broadcasting industry generally, and except for those matters set forth in Schedule 6.8(a) hereto, there is not now nor has there been for the past five years any litigation at law or in equity, any arbitration proceeding, or any proceeding before or by any court, commission, agency, or other administrative or regulatory body or authority, pending or, to the knowledge of Seller, threatened, which has had or would, if decided adversely to the Seller or the Stations, reasonably be expected to have a material adverse effect upon any of the Stations or any of the Assets ("Litigation").

(b) There is not now nor has there been for the past five years any labor trouble, dispute, grievance, controversy, strike, or union representation, nor is there a present request for

union representation pending, or, to the knowledge of Seller, threatened, against Seller relating to or affecting the business or operation of the Stations.

(c) Seller owns and operates its properties and assets, and carries on and conducts the business and affairs of the Stations, in compliance with all federal, state, and local laws, statutes, ordinances, rules, and regulations, including all rules and regulations of the FCC, except where any such incidents of noncompliance, individually or in the aggregate, would not have a material adverse effect on any of the Stations, the Assets or the Seller. To Seller's knowledge, neither the ownership or use of its properties, nor the conduct of the business or operations of the Stations, conflicts in any material way with the rights of any other person, firm, corporation or entity.

**6.9 Intellectual Property.** All patent, trademark, trade name, service mark, Internet Domain Names or brand name registrations and copyright registrations, licenses, permits, jingles, privileges, and other similar intangible property rights and interests and all pending applications or applications to be filed, if any, therefor, owned by Seller and used in the operation of the Stations are disclosed in Schedule 1.1(d) hereto. Seller has delivered to Purchaser copies of all documents, establishing or supporting Seller's claim to such rights, licenses, or other authority. To the knowledge of Seller, the ownership and operation of the Stations and the Assets, as presently owned and operated, does not infringe upon nor conflict in any material respect with any patent, trademark, trade name, service mark, internet domain name, brand name or copyright of any other person, firm, corporation, or entity.

**6.10 Contracts.** Except as set forth on Schedule 6.10, Schedule 1.1(c) hereto sets forth all personal property leases, and other contracts, agreements, and commitments to which Seller or any Station is a party as of the date hereof, which relate to the Assets, or the operation of the business or affairs of the Stations and which involve annual payments or receipts of \$100 or more per year. Seller will make available to Purchaser true and complete copies of all Assumed Contracts. Except as otherwise disclosed in Schedule 1.1(c) hereto, all of the Assumed Contracts are in full force and effect, and are valid, binding, and enforceable in accordance with their terms, subject to the qualifications set forth in clauses (a), (b), and (c) of Section 6.2 hereof. Seller is not in material breach, nor to Seller's knowledge is any other party in material breach, of the terms of any of the Assumed Contracts. Except as expressly set forth in Schedule 1.1(c), Seller is not aware of any intention of any party to any Assumed Contract (a) to terminate such Assumed Contract, or to amend the terms thereof, (b) to refuse to renew the same upon the expiration of its term, or (c) to renew the same upon its expiration only upon terms and conditions which are more onerous than those pertaining to such existing Assumed Contract. Except as disclosed on Schedule 1.1(c), all oral contracts set forth thereon are terminable by Seller at will or upon no more than 30 days notice. Assuming that the Consents shall have been obtained, and except as set forth on Schedule 1.1(c), Seller has full legal power and authority to assign its rights under the Assumed Contracts to Purchaser in accordance with this Agreement, and such assignment will not affect the validity, enforceability, and continuation of any of the Assumed Contracts. Seller hereby represents and warrants that there do not exist any agreements under which Seller has agreed to provide commercial advertising time on the Stations in exchange for property or services in lieu of, or in addition to, cash.

**6.11 Insurance.** Seller has in full force and effect insurance insuring the properties and assets of the Stations included in the Assets. Seller will make available to Purchaser, at Purchaser's request, copies of such insurance policies.

**6.12 Assets in Good Repair.** Except as provided in Schedule 6.12 hereto, the Assets described in Schedule 1.1(b) hereto are in good operating condition and repair (ordinary wear and tear excepted), and are available for immediate use in the business or operations of the Stations.

**6.13 Operational Assets.** (a) The Assets, and those additional properties and assets of Seller identified in clauses (a) – (k) of Section 1.2 hereof, constitute all of the assets and properties that Seller owns or leases in connection with its operation of the Stations as of the date hereof.

(b) Schedule 1.1(b) hereto describes all the material personal property necessary to conduct the business or operations of the Stations, except for those assets described in clauses (a) – (k) of Section 1.2 hereof. The Assets are sufficient to permit the Stations (i) to be operated in the ordinary course of their business, (ii) in accordance with the terms of the FCC Licenses and the rules and regulations of the FCC, and (iii) with all other applicable federal, state, and local statutes, ordinances, rules and regulations.

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

**6.15 Employee Benefits.** Schedule 6.15 hereto contains a complete list of all of the Station Employees as of the date hereof, the rate of pay for each such employee, the immigration status of such employee, if applicable, whether each such employee is exempt for overtime pay purposes, whether each such employee is on leave and a list of all Employee Benefit Plans, as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or any other “Compensation Arrangements,” whether or not written, applicable to the employees of Seller or any entity under common control with Seller, within the meaning of Section 414 of the Code or Section 4001 of ERISA (“Commonly Controlled Entity”). For purposes of the preceding sentence, “Compensation Arrangements” means any bonus, deferred compensation, incentive compensation, stock purchase, stock option, severance or termination pay, or profit sharing plan, program, agreement, or arrangement and any other employee benefit plan, program, agreement or arrangement (including employee or consulting agreements or arrangements) for the benefit of any current or former employee, director, or independent contractor. Seller has furnished Purchaser with true and complete copies of any Employee Benefit Plans or Compensation Arrangements, including amendments thereto. Seller is not aware of the existence of any pending, threatened or anticipated governmental audit or examination of any such Employee Benefit Plan or Compensation Arrangement. There exists no Litigation (other than routine claims for benefits) with respect to any such Employee Benefit Plan or Compensation Arrangement, or, to the knowledge of Seller, no Litigation has been such

threatened. Neither Purchaser nor any Commonly Controlled Entity, or any officers, directors, partners, employees, or affiliates of the same, shall have any liability, obligation, or responsibility with respect to claims or liabilities arising or accruing under any Employee Benefit Plans or Compensation Arrangements maintained or provided by Seller or any Commonly Controlled Entity which relates to any period whatsoever. Seller has complied in all material respects with Part 6 of Subtitle B of Title I of ERISA or Section 4980B of the Code (hereinafter collectively referred to as "COBRA"), and will provide such continuation of health benefit coverage to the extent required by reason of the events occurring prior to or on the Closing Date or by reason of the transactions contemplated by this Agreement. Neither Purchaser nor any Commonly Controlled Entity, or any officers, directors, partners, employees, or affiliates of the same, shall have any liability, obligation, or responsibility with respect to penalties, claims, or liabilities arising or accruing under COBRA with respect to any group health plan maintained by or contributed to by Seller or any Commonly Controlled Entity. Neither Seller nor any Commonly Controlled Entity maintains or contributes to, or has maintained or contributed to, a multiemployer plan within the meaning of Section 3(37) of ERISA.

**6.16 Labor Matters.** Seller is not party to, or subject to any, collective bargaining agreements with respect to the Stations, except as described in Schedule 1.1(c) hereto. Seller has no written or oral contracts of employment with any employee of the Stations, other than (a) oral employment agreements terminable at will without penalty, or (b) those listed in Schedule 1.1(c). Seller has provided Purchaser with true and complete copies of all such written contracts of employment, and true and accurate memoranda of any such oral contracts, to the extent such memoranda exist. Except as disclosed in Schedule 6.16 hereto, Seller has received no notice alleging that Seller has failed to comply in any material respect with all applicable laws, rules, and regulations relating to employment or labor, including those related to wages, hours, collective bargaining, occupational safety, discrimination, and the payment of social security and other payroll-related taxes. No controversies, disputes, or proceedings are pending, or, to the best of Seller's knowledge, threatened or anticipated, between Seller and the employees (singly or collectively) of the Stations, except as disclosed in Schedule 6.16 hereto. No labor union or other collective bargaining unit represents, or, to the best of Seller's knowledge, claims to represent any of the employees of the Stations. To the best of Seller's knowledge, there is no organizational campaign by any union or other labor organization to solicit support (through signed authorization cards or otherwise) from any of Seller's employees for the purpose of requesting recognition by Seller as the exclusive bargaining representative of, or petitioning for a representation election before the National Labor Relations Board with respect to, any of Seller's employees at the Stations.

**6.17 Environmental Matters.** To the knowledge of Seller, (a) Seller is in material compliance with all laws relating to pollution or protection of human health or the environment, including ambient air, surface water, ground water, land surface or subsurface strata, and natural resources (collectively, "Environmental Laws" and including laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, wastes, toxic or hazardous substances or wastes, petroleum and petroleum products, asbestos or asbestos-containing materials, polychlorinated biphenyls, lead or lead-based paints or materials, or radon (collectively, "Materials of Environmental Concern")), or otherwise relating to the manufacture,

generation, processing, distribution, use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern, or the preservation of the environment or mitigation of adverse effects thereon and each Law with regard to record keeping, notification, disclosure, and reporting requirements respecting Materials of Environmental Concern. Such compliance includes, but is not limited to, the possession by Seller of all permits and other governmental authorizations required under all applicable Environmental Laws, and compliance with the terms and conditions thereof. Seller currently holds no permits pursuant to the Environmental Laws.

(b) Seller has not received any communication (written or oral), whether from a governmental entity, citizens group, employee or otherwise, that alleges that Seller is not in full compliance with any Environmental Laws, and, to the knowledge of the Seller, there are no circumstances that may prevent or interfere with such full compliance in the future.

(c) There is no pending action (or to the knowledge of the Seller, threatened) by any person alleging potential liability (including potential liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries, or penalties) arising out of, based on or resulting from (i) the presence, or release into the environment, of any Material of Environmental Concern at any location, whether or not owned or operated by Seller or (ii) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law (any such action, an "Environmental Claim"), that in either case is pending or, to the knowledge of the Seller, threatened against Seller or against any person whose liability for any Environmental Claim Seller has retained or assumed either contractually or by operation of law.

(d) To the knowledge of the Seller, there are no past or present actions, activities, circumstances, conditions, events or incidents, including the release, emission, discharge, presence or disposal of any Material of Environmental Concern, that could form the basis of any Environmental Claim against Seller or, to the knowledge of the Seller, against any Person whose liability for any Environmental Claim Seller has retained or assumed either contractually or by operation of law.

(e) Without in any way limiting the generality of the foregoing, to the knowledge of Seller (i) there are no on-site and off-site locations where either Seller has (previously or currently) stored, disposed or arranged for the disposal of Materials of Environmental Concern, (ii) there are no underground storage tanks, and the capacity and contents of such tanks operated by (or on behalf of) Seller or located on any property owned, leased, operated or controlled by Seller, (iii) there is no asbestos contained in or forming part of any building, building component, structure or office space owned, leased, operated or controlled by Seller, and (iv) no PCBs or PCB-containing items are used or stored by Seller, or used or stored at any property owned, leased, operated or controlled by Seller.

(f) Seller has provided to Purchaser all assessments, reports, data, results of investigations or audits, and other information that is in the possession of or reasonably available to Seller regarding environmental matters pertaining to, or the environmental condition of, the business of Seller, or the compliance (or noncompliance) by Seller with any Environmental Laws.

(g) To the knowledge of Seller, Seller is not required, pursuant to any applicable Environmental Law, by virtue of the transactions set forth herein and contemplated hereby, or as a condition to the effectiveness of any transactions contemplated hereby, (i) to perform a site assessment for Materials of Environmental Concern, (ii) to remove or remediate Materials of Environmental Concern, (iii) to give notice to or receive approval from any governmental authority, or (iv) to record or deliver to any person or entity any disclosure document or statement pertaining to environmental matters.

**6.18 Taxes in General.** (a) Seller has duly and timely filed or caused to be filed all tax returns which it is required to have filed, (b) all items of income, gain, loss, deduction and credit or other items ("Tax Items") required to be included in each such tax return have been so included and all such Tax Items and any other information provided in each such tax return is true, correct and complete, (c) Seller has timely paid in full all federal, state, local and foreign taxes, fees, levies, duties, tariffs, imposts, and other charges levied by a governmental or taxing authority ("Tax"), (d) no penalty, interest or other charge is or will become due with respect to the late filing of any such tax return or late payment of any such Tax, and (e) all Tax withholding and deposit requirements imposed on or with respect to the Seller have been satisfied in full in all respects. No events have occurred that could result in the imposition of transferee or successor liability on Purchaser for any Tax, penalty or interest imposed on or with respect to Seller.

**6.19 Sales Taxes.** Seller represents and warrants that (a) the sale of the Assets (other than resale inventory) is exempt from Arizona transaction privilege (sales) tax and (b) Purchaser's subsequent use of the Assets is exempt from Arizona use tax. In this connection, the sale and subsequent use of the Assets are exempt from tax because the sale constitutes the sale of a business as a going concern and operating enterprise within the meaning of Arizona Regulation R 15-5-103. In addition, the sale and subsequent use of the Assets are exempt from tax pursuant to Arizona Regulation R 15-5-102 because the sale is an occasional transaction of an isolated nature and Seller is not engaged in the business of selling, within or outside the state, the same type or character of property as the Assets and, thus, the sale constitutes a "casual sale" within the meaning of Arizona Regulation R 15-5-2001.

**6.20 Reports.** Except as stated in Schedule 6.20, all material returns, reports, and statements which Seller is required to have filed, as licensee of the Stations, with the FCC or with any other governmental agency have been filed, and all material reporting requirements of the FCC and other governmental authorities having jurisdiction over the Stations have been met. All of such reports, returns, and statements are substantially complete and correct as filed. The location and contents of the Stations' public inspection file and other records are in material compliance with the FCC's rules and regulations.

**6.21 Financial Statements.** Attached as Schedule 6.21 are true and complete copies of the unaudited balance sheets and statements of income for the Stations as of and for the year ended December 31, 2001 (the "Financial Statements"). The Financial Statements have been compiled from the books and records of the Seller in accordance with generally accepted accounting principles consistently applied and maintained throughout the periods indicated (except all disclosures and notes, as may be required by GAAP, have not been prepared), and



present fairly, in all material respects, the financial condition of the Stations as of their respective dates and the results of operations for the periods then ended. There is no liability or obligation of any kind, whether accrued, absolute, fixed, contingent, or otherwise, of the Stations that is not reflected or reserved against in the Financial Statements, other than (a) liabilities incurred in the ordinary course of business in a manner consistent with past practice since the date of the Financial Statements, or (b) any such liability or obligation that would not be required to be presented in financial statements or the notes thereto prepared in conformity with GAAP.

**6.22 No Changes.** Since December 31, 2001, Seller has conducted the business and operations of the Stations only in the ordinary course, and has not:

(a) Suffered any material adverse change in the physical condition of the Stations, including any material damage, destruction, or loss affecting the Assets; or

(b) Made any sale, assignment, lease, or other transfer of any of the Assets, other than in the normal and usual course of business, with suitable replacements being obtained therefor to the extent required by this Agreement.

**6.23 Survival.** Each of Seller's representations and warranties set forth in this Agreement shall survive the Closing of the transactions herein contemplated, and shall not be merged therein, for a period of 24 months from and after the Closing Date, except with respect to tax, employee pension and benefits, and environmental matters, which representations and warranties shall survive (after the Closing Date) for thirty (30) days after the applicable period of limitations.

**6.24 Brokers.** All negotiations relative to this Agreement and the transactions contemplated hereby have been carried out by Seller directly with the Purchaser without the intervention of any Person on behalf of Seller, in such manner as to give rise to any valid claim against the Purchaser for a finder's fee, brokerage commission or similar payment, other than Media Venture Partners, Ltd. ("MVP"), whose fees and expenses shall be borne by Seller.

**6.25 Disclosure.** No representation or warranty made by Seller and contained in this Agreement or in any exhibit, schedule, written statement, certificate or other document delivered or to be delivered by Seller pursuant to this Agreement or in connection with the consummation of the transactions contemplated hereby contains any untrue statement of a material fact or omits any material fact required to make any statement contained herein or therein not misleading. Seller is not aware of any impending or contemplated event or occurrence that would cause any of the foregoing representations not to be true and complete on the date of such event or occurrence as if made on that date.

**6.26 Cable and Satellite Matters.**

(a) Schedule 6.26 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(s), other than those MVPDs with fewer than 5,000 subscribers, and the channel on which the Station(s)’ signal(s) is/are carried;

(ii) a list of all MVPDs in the Phoenix DMA (“Market”) to which Seller has provided a must-carry notice or retransmission consent notice in accordance with the provisions of the Communications Act and the applicable FCC regulations for the three-year period ending December 31, 2002, for cable systems, and the four-year period ending December 31, 2005 for DBS systems;

(iii) a list of all retransmission consent and/or copyright indemnification agreements entered into by Seller or the Station(s) with any Market MVPD with respect to the Station(s) 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 agreement; and

(iv) a list of all retransmission consent and/or copyright indemnification agreements entered into by Seller with any MVPD other than a Market MVPD with respect to the Station(s) as of the date of this Agreement and the expiration date for each such agreement.

(b) Seller has delivered to Purchaser true and complete copies of all material notices, agreements, correspondence and other items described in clauses (a)(i)-(iv) of these Section 6.26. Except as set forth on Schedule 6.26, 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 Market MVPD or other MVPD identified on Schedule 6.26.

Section 6.27 Digital Television. Station KPHZ(TV) has not been assigned a paired digital channel by the FCC and has filed an application to operate digitally on its present analog channel assignment. Seller is in compliance in all material respects with the digital television build-out and operational requirements as set forth in the FCC rules and published decisions.

## ARTICLE VII

### Representations and Warranties of Purchaser

Purchaser represents and warrants to Seller as of the date hereof and as of the Closing Date (except, in either case, to the extent that such representation or warranty speaks of a specific date), as follows:

**7.1 Good Standing.** Purchaser is a corporation, validly organized and in good standing under the laws of the State of Delaware, and on the Closing Date will be duly qualified to conduct business in the State of Arizona.

**7.2 Right, Power and Authority.** Purchaser has all requisite power and authority to enter into the Transaction Documents to which Purchaser is a party and to consummate the transactions contemplated thereby. Purchaser has taken all requisite action in order to authorize the execution, delivery, and performance of the Transaction Documents and the consummation

of the sale of the Assets and the other transactions contemplated thereby. The Transaction Documents have been, or upon execution and delivery will be, duly executed and delivered by Purchaser and constitute, or upon execution and delivery will constitute, the legal, valid, and binding obligations of Purchaser, enforceable against Purchaser in accordance with their terms, except to the extent limited by (a) bankruptcy, insolvency, moratorium, and other laws of general applicability relating to or affecting the enforcement of creditors' rights, (b) principles of public policy, and (c) court-applied general principles of equity.

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

**7.4**     Required Consents. Except for the FCC Consents, no consent, approval, permit, or authorization of, or declaration to, or filing with, any governmental or regulatory authority or any other third party is required to be obtained by Purchaser in order (a) to consummate the transactions contemplated by this Agreement, or (b) to permit Purchaser to acquire the Assets from Seller.

**7.5**     Survival. Each of Purchaser's representations and warranties set forth in this Agreement shall survive the Closing of the transactions herein contemplated, and shall not be merged therein, for a period of twenty-four (24) months from and after the Closing Date.

**7.6**     Brokers. All negotiations relative to this Agreement and the transactions contemplated hereby have been carried out by Purchaser directly with the Seller without the intervention of any Person on behalf of Purchaser, in such manner as to give rise to any valid claim against the Seller for a finder's fee, brokerage commission or similar payment, other than Daniels & Associates, whose fees and expenses shall be borne by Purchaser.

**7.7**     Disclosure. No representation or warranty made by Purchaser and contained in this Agreement or in any exhibit, schedule, written statement, certificate or other document delivered or to be delivered by Purchaser pursuant to this Agreement or in connection with the consummation of the transactions contemplated hereby contains any untrue statement of a material fact or omits any material fact required to make any statement contained herein or therein not misleading. Purchaser is not aware of any impending or contemplated event or occurrence that would cause any of the foregoing representations not to be true and complete on the date of such event or occurrence as if made on that date.

ARTICLE VIII  
Conditions Precedent to the Obligations of Purchaser

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

8.1 Conditions.

(a) All warranties and representations made by Seller herein to Purchaser (except for any such representation or warranty that expressly relates solely to a date prior to the Closing Date), shall be true and correct on and as of the Closing Date, with the same effect as if such warranties and representations had been made by Seller to Purchaser on and as of the Closing Date;

(b) Seller shall have performed and complied in all material respects with all agreements, covenants, and conditions herein required to be performed or complied with on Seller's part on or prior to the Closing Date;

(c) each of the Material Consents shall have been duly obtained and delivered to Purchaser, with no material adverse change to the terms of the Assumed Contracts with respect to which such Material Consent shall have been obtained, unless Purchaser shall have consented in writing to such change;

(d) Seller shall be the holder of the FCC Licenses and there shall not have been any modification with respect to such FCC Licenses which has a materially adverse effect on any Station or the conduct of its business or operations other than proceedings generally applicable to the television broadcast industry (Purchaser agrees that a failure to extend or renew the Seller's main studio waiver for KPHZ(TV) has no material effect on any Station or the conduct of its business or operations, provided Seller is at all times in full compliance with the FCC's rules with respect to the location of the Stations' main studios);

(e) no proceeding shall be pending, the effect of which would be to revoke, cancel, fail to renew, suspend, or adversely modify the FCC Licenses;

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

(g) between the date of this Agreement and the Closing Date, there shall have been no material adverse change in the condition of any Station or of the Assets except to the extent of any Casualty Losses covered by Section 5.4;

(h) the consent of any governmental authority required to be obtained for the consummation of the transactions contemplated by this Agreement shall have been obtained;

(i) the FCC Consent shall have been granted without any condition materially adverse to Purchaser, such FCC Consent shall be in full force and effect, and, unless waived by

the Purchaser, such FCC Consent shall have become a Final Order. For the purpose of this Agreement, an action or order of the FCC granting the FCC Consent shall be deemed to have become a “Final Order” when such action or order shall have been issued by the FCC in writing, setting forth the FCC Consent, and (i) so long as such action or order shall not have been reversed, stayed, enjoined, set aside, annulled or suspended, and (ii) so long as no protest, request for stay, reconsideration or review by the FCC on its own motion or by any third party, petition for FCC reconsideration or for rehearing, application for FCC review, or judicial appeal of such action or order shall be pending, when the period provided by law for initiating such protest, request for stay, reconsideration or review by the FCC on its own motion, petition for FCC reconsideration or for rehearing, application for FCC review, or judicial appeal of such action or order shall have expired;

(j) No temporary restraining order, preliminary or permanent injunction, or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the transactions contemplated hereby shall be in effect; and

(k) Seller shall have complied in all respects with the covenant set forth in Section 5.14

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

(a) The opinion of (i) Seller’s corporate counsel, Garry Spire, Esq., and (ii) Seller’s FCC counsel, Garry Spire, Esq., dated as of the Closing Date and in substantially the form of Exhibit F;

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

(c) For each leasehold interest included in the Assets, certificates of estoppel and, if requested by Purchaser, non-disturbance and attornment commitments, from the respective landlords of such leaseholds, acknowledging the existence of the lease for each such leasehold interest, certifying that each such lease remains in full force and effect and that Seller is not in material breach thereof or in default thereunder, certifying that there have been no oral modifications to the lease for each such leasehold interest and that copies of all written modifications have been provided, certifying the amount of the then current rental for the leasehold interest and whether such landlord holds a security deposit for such leasehold, certifying the date of the expiration of the leasehold interest and that no rent due under the lease for each such leasehold that is due and payable has not been paid in full, and consenting to the assignment by Seller to Purchaser of each such leasehold interest without material adverse changes in the terms of each such lease;

(d) Subject to the provisions of Section 1.2 hereof, copies of all Authorizations, Assumed Contracts, and other Documents (provided, however, that such Assumed Contracts, Authorizations and other Documents shall be deemed to have been delivered to Purchaser if the same shall be located at the premises of the Stations on the Closing Date); and

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

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

**8.4** Organizational Documents. Purchaser shall have received from Seller (a) certificates from the Secretaries of State of Delaware and Arizona as to the good standing of Seller in such states, (b) a certificate from the Arizona Department of Revenue (the "Department") stating that no tax is due the Department by Seller pursuant to §42-1110 of the Arizona Revised Statutes, and (c) a copy of the resolutions of the managing member of Seller (and any such other consents or resolutions as may be required to duly authorize the execution and delivery of this Agreement and Seller's performance hereunder pursuant to the limited liability company agreement of Seller) authorizing the execution and delivery of this Agreement and the performance of Seller's obligations hereunder, which copies shall be certified by the managing member of Seller, such certification to be reasonably satisfactory to Purchaser.

## ARTICLE IX

### Conditions Precedent to the Obligations of Seller

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

#### **9.1** Conditions.

(a) All representations and warranties made by Purchaser herein to Seller (except for any such representation or warranty that expressly relates solely to a date prior to the Closing Date) shall be true and correct in all material respects on and as of the Closing Date, with the same effect as if such representations and warranties had been made by Purchaser to Seller on and as of the Closing Date;

(b) Purchaser shall have performed and complied in all material respects with all agreements, covenants, and conditions herein required to be performed or complied with on Purchaser's part on or prior to the Closing Date;

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

(d) The consent of any governmental authority required to be obtained for the consummation of the transactions contemplated by this Agreement shall have been obtained;

(e) The FCC Consent shall have been granted and shall be in full force and effect; and

(f) No temporary restraining order, preliminary or permanent injunction, or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the transactions contemplated hereby shall be in effect.

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

(a) The opinion of Purchaser's in-house counsel, dated the Closing Date, in substantially the form of Exhibit G;

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

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

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

**9.4 Organizational Documents.** Seller shall have received from Purchaser certificates from the Secretaries of State of Delaware as to the good standing of Purchaser in such states, and a copy of the resolutions of the managing member of Purchaser authorizing its execution and delivery of this Agreement and its performance of its obligations hereunder, which copies shall be certified by an officer of Purchaser, such certification to be reasonably satisfactory to Seller.

## ARTICLE X

### Rights of Purchaser and Seller Upon Termination or Breach

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

(a) if at any time prior to the Closing Date, there shall have occurred a material breach of a representation or warranty of the non-terminating party contained herein, or a material default in the performance by the non-terminating party of a covenant or obligation of such non-terminating party contained herein, and if such breach or default shall not have been cured within thirty (30) days, from and after the date upon which written notice thereof shall have been given to the non-terminating party by the terminating party;

(b) by Purchaser pursuant to Section 5.4 of this Agreement;

- (c) by mutual agreement of Seller and Purchaser;
- (d) if the FCC denies the Applications by Final Order;
- (e) if the Closing shall not have been consummated on or before the earlier of the date which is 270 days from the date of the FCC's public notice of acceptance of the Applications or the date which is five (5) business days after the date on which the FCC Consent (as defined in Section 3.1(a)) has become a Final Order (as defined in Section 8.1(i));
- (f) by written notice of Purchaser to Seller, if the FCC grants the FCC Consent with conditions materially adverse to Purchaser or its affiliates; provided, however, that no party hereto may effect a termination hereof if such party is then in material breach or default of this Agreement; and provided further, that the termination of this Agreement pursuant to Section 10.1 shall not relieve any party of any liability for breach of this Agreement prior to the date of termination. Sections 5.11, 10.2, 12.1, 12.3, 12.4, 12.7, 12.8, 12.9, 12.10, 12.11 and this Section 10.1 shall survive termination of this Agreement; and
- (g) if Purchaser fails to deposit the Escrow Funds with the Escrow Agent pursuant to Section 1.4 (c ).

**10.2 Release of Escrow; Liquidated Damages.** If this Agreement is terminated by Seller pursuant to Section 10.1(a), Purchaser and Seller shall jointly instruct the Escrow Agent to disburse the Escrow Funds to or at the discretion of Seller for liquidated damages and full payment and the exclusive remedy for any damages suffered by Seller by reason of an uncured breach of this Agreement by Purchaser prior to the Closing Date. The parties hereto agree in advance that actual damages would be difficult to ascertain and that the sum of Five Hundred Thousand Dollars (\$500,000) is a fair and equitable amount to reimburse Seller for damages sustained due to such event. Except as otherwise provided in the Escrow Agreement, in the event this Agreement is terminated by Purchaser pursuant to Section 10.1(a), or is terminated pursuant to Section 10.1(b), (c), (d), (e), (f) or (g), Purchaser and Seller shall jointly instruct the Escrow Agent to disburse the Escrow Funds and any interest thereon to or at the discretion of Purchaser.

## ARTICLE XI Indemnification

**11.1 Continuing Effect.** All representations and warranties contained in this Agreement shall survive the Closing for the periods provided in Sections 6.23 and 7.5 hereof. The covenants contained in this Article XI and in Sections 1.4(b), 2.2(c), 2.3(b), 5.1, 5.7, 5.8, 5.10, 5.11, 12.1 and 12.2 of this Agreement shall survive the Closing and shall not be merged therein. All other covenants contained in this Agreement shall expire at, and shall not survive, the Closing. Any investigations by or on behalf of any party hereto shall not constitute a waiver as to the enforcement of any representation, warranty, or covenant contained herein.



**11.2 Indemnification by Seller.** Notwithstanding the Closing, and regardless of any investigation made at any time by or on behalf of Purchaser, or any information that Purchaser may have, Seller shall (subject to the provisions of Section 11.3 hereof) indemnify Purchaser and hold Purchaser harmless from and against, and shall reimburse Purchaser for,

(a) any and all losses, liabilities, or damages relating to, arising or resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenant by Seller contained herein or in any certificate, document, or instrument delivered or to be delivered to Purchaser under this Agreement;

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

(c) except to the extent otherwise provided in this Agreement, any and all losses, liabilities, or damages relating to, arising or resulting from Seller's operation or ownership of the Stations and/or the Assets prior to the Closing Date (including, without limitation, any fines or other penalties imposed by the FCC), including any and all losses, liabilities, or damages arising under the Authorizations or the Assumed Contracts which arose, relate to, or are attributable to any to events occurring prior to the Closing Date,

(d) and any and all losses, liabilities, or damages which relate or are attributable to any of the following: (i) assets, properties or contracts of Seller or the Stations not included in the Assets or Assumed Contracts, (ii) taxes attributable to or imposed upon Seller, the Stations or any of the Assets or Assumed Contracts for the period prior to the Closing Date, (iii) loans, other indebtedness or accounts payable of the Seller or secured by any of the Stations, (iv) any employee benefit plan or any contract of insurance of the Seller or any of the Stations, (v) payments of any kind to employees of Seller or any of the Stations (including as a result of the transactions contemplated hereunder, other claims arising out of the employment, failure to employ or termination of employment of any individual by Seller or any of the Stations), (vi) 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 Assumed Contracts not assumed by Purchaser hereunder, (vii) expenses and fees incurred by Seller incidental to the preparation of this Agreement or the transactions contemplated hereunder, including broker, counsel and accounting fees, and (viii) any liability to any members or other equity holders of Seller; and

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

**11.3 Indemnification Limitations of Seller.** Seller's obligation to indemnify Purchaser and to hold Purchaser harmless from and against, and to reimburse Purchaser for, losses, liabilities, damages, obligations, actions, suits, proceedings, claims, demands, assessments, judgments, costs, and expenses, including reasonable legal fees and expenses (collectively, "Losses"), pursuant to Section 11.2 hereof, shall be subject to the following limitations:



(a) Purchaser shall not be entitled to any indemnification from Seller, unless and until the total value of all of such claims for indemnification for Losses shall have exceeded \$10,000, whereupon Seller shall then indemnify Purchaser for all such claims.

(b) Purchaser shall not be entitled to indemnification from Seller in excess of the amount of the Purchase Price, as finally adjusted pursuant to Section 2.3.

(c) Purchaser shall not be entitled to indemnification from Seller for any claim based upon an alleged breach of or default under any representation or warranty, of Seller that shall have expired pursuant to Section 6.23 hereof, unless Purchaser shall have notified Seller in writing of such claim for indemnification prior to such expiration date.

Provided, however, that the limitations contained in (a) and (b) shall not apply with respect to any Losses resulting from (i) Seller's breach of any representation or warranty contained in Sections 6.6 (relating to Liens), 6.18 or 6.19 (relating to Taxes), (ii) Seller's breach of the covenants contained in Section 5.11 hereof or (iii) fraud or misrepresentation.

**11.4 Indemnification by Purchaser.** Notwithstanding the Closing, and regardless of any investigation made at any time by or on behalf of Seller or any information that Seller may have, Purchaser shall (subject to the provisions of Section 11.5 hereof) indemnify Seller and hold Seller harmless from and against, and shall reimburse Seller for:

(a) any and all losses, liabilities, or damages resulting from Purchaser's operation or ownership of the Stations on and after the Closing Date, including any and all liabilities arising under the Authorizations or the Assumed Contracts which relate to events occurring on and after the Closing Date;

(b) any Assumed Contract Obligations; and

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

**11.5 Indemnification Limitations of Purchaser.** Purchaser's obligation to indemnify Seller and to hold Seller harmless from and against, and to reimburse Seller for, Losses pursuant to Section 11.4 hereof, shall be subject to the following limitations:

(a) Seller shall not be entitled to any indemnification from Purchaser, unless and until the total value of all of Seller's claims for such indemnification by Purchaser shall have exceeded \$10,000, whereupon Purchaser shall then indemnify Seller for all such claims.

(b) Seller shall not be entitled to indemnification from Purchaser in excess of the amount of the Purchase Price, as finally adjusted pursuant to Section 2.3.

(c) Seller shall not be entitled to indemnification from Purchaser for any claims based upon an alleged breach of or default under any representation or warranty of Purchaser that shall

have expired pursuant to Section 7.6 hereof, unless Seller shall have notified Purchaser in writing of such claim for indemnification prior to such expiration date.

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

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

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

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

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

(e) The indemnification rights provided in Sections 11.2 and 11.4 hereof shall extend to the partners, members, shareholders, directors, officers, managers, employees, and representatives of Claimant and their respective successors and assigns, although for the purpose of the procedures set forth in this Section 11.6, any indemnification claims by such parties shall be made by and through Claimant.

**11.7 Tax Purposes.** Seller and Purchaser agree that any payment of indemnified costs made hereunder will be treated by the parties on their tax returns as an adjustment to the Purchase Price. If, notwithstanding such treatment by the parties, any payment of indemnified costs is determined to be taxable income rather than adjustment to Purchase Price by any taxing authority, then the Indemnifying Party shall indemnify the Claimant for any taxes that would be payable by the Claimant, assuming that the Claimant is liable for taxes at a rate of forty percent (40%), by reason of the receipt of such payment (including any payments under this Section 11.7).

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

## ARTICLE XII Miscellaneous

**12.1 Respective Costs.** Except as otherwise specifically provided herein, Purchaser on the one hand, and Seller on the other, will each pay its own costs and expenses (including attorneys' fees, accountants' fees, and other professional fees and expenses) in connection with the negotiation, preparation, execution, delivery, and performance of this Agreement and the consummation of the purchase and sale of the Assets and the other transactions contemplated by this Agreement. In the event of a dispute between the parties in connection with this Agreement or the transactions contemplated hereby, each of the parties hereto agrees that the prevailing party shall be entitled to reimbursement by the other party of reasonable legal fees and expenses incurred in connection with any action or proceeding.

**12.2 Books and Records.** For a period of one (1) year from the Closing Date, Purchaser shall allow Seller's representatives, attorneys, and accountants access to any of the books and records of the Stations' acquired by Purchaser hereunder, upon Seller's reasonable request therefor and during Purchaser's normal business hours, for examination and/or copying.

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

#### 12.4 Confidentiality.

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

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

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

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

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

**12.8 Parties in Interest; Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, assigns and transferees. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by any of the parties hereto, whether by operation of law or otherwise; provided, however, that upon notice to Seller and without releasing Purchaser from any of its obligations or liabilities hereunder, Purchaser may assign or delegate any or all of its rights or obligations under this Agreement at any time to any affiliate of Purchaser, National Broadcasting Company, Inc. or any of its affiliates, any person with or into which Purchaser or any parent company of Purchaser merges or consolidates, or any Person that acquires all or substantially all the assets of Purchaser. 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. 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 given (a) if transmitted by facsimile, upon acknowledgment of receipt

thereof in writing by facsimile or otherwise, (b) if personally delivered, upon delivery or refusal of delivery, or (c) if 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:

to Seller:

Venture Technologies Group, LLC  
5670 Wilshire Boulevard  
Suite 1300  
Los Angeles, CA 90036

Attention: Mr. Paul Koplin  
Facsimile: (323) 965-5411

to Purchaser:

NBC Telemundo Phoenix, Inc.  
30 Rockefeller Plaza  
New York, New York 10112

Attention: General Counsel  
Facsimile: (212) 664-4733

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

**12.9 No Liability.** Seller and Purchaser agree that no member or officer or employee of the other or its affiliates shall have any personal or individual liability for the obligations of Seller or Purchaser under this Agreement or any other agreement entered into in connection with this Agreement other than as an assignor or assignee of this Agreement.

**12.10 Specific Performance.** Each of Purchaser and Seller acknowledges and agrees that Purchaser would be damaged irreparably in the event Seller fails to transfer the Assets to Purchaser upon satisfaction of the conditions set forth in Section 9.1 of this Agreement. Accordingly, Purchaser and Seller agree that Purchaser shall be entitled to enforce specifically the terms and provisions hereof.

**12.11 No Reversionary Interest.** The parties expressly agree, pursuant to Section 73.1150 of the FCC rules, that Seller does not retain any rights to reassignment in the future of any of the FCC Licenses or to operate or use the facilities of the Stations for any period beyond the Closing Date.

[12.12](#) No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Purchaser, the Seller, the parties entitled to indemnification rights as identified in Section 11.6(e) hereof and their respective successors and permitted assigns.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused their hands and seals to be affixed herein below on the date and year first above written.

Venture Technologies Group, LLC

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

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

\_\_\_\_\_

\_\_\_\_\_

NBC TELEMUNDO PHOENIX, INC.

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

## Exhibit A

### INDEMNIFICATION ESCROW AGREEMENT

THIS INDEMNIFICATION ESCROW AGREEMENT (this "Agreement") is made and entered into as of April \_\_, 2002, by and among Venture Technologies Group, LLC, a Delaware limited liability company, ("Seller"), NBC Telemundo Phoenix, Inc., a Delaware corporation ("Purchaser"), and City National Bank, NA (the "Escrow Agent").

#### RECITALS

A. Pursuant to the Asset Purchase Agreement, dated as of April \_\_, 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 Stations 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 "NBC Telemundo Phoenix, Inc. Escrow Account" (the "Escrow Account") the sum of \$500,000 in cash (the "Escrowed Property") to be funded (a) by wire transfer of immediately available funds, (b) by operation of Section 4 of the Initial Escrow Agreement or (c) by such other means as the parties 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 Purchaser and Seller may from time to time elect by joint 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 Purchaser and 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 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. All Interest shall be distributed to Seller upon the termination of this Agreement pursuant to Section 15. Subject to Section 2(e) and the last sentence of Section 5(b), any Interest on the Escrowed Property shall be distributed to Seller within ten business days of the end of each calendar quarter in which the Interest was accrued.

e. For tax purposes, the Escrowed Property shall be deemed property of Seller and all Interest earned thereon shall be the income of Seller. 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 Internal Revenue Service or any other governmental authority successfully claims that the Interest is taxable to Purchaser for a taxable period, Seller shall promptly pay to Purchaser all amounts paid by the Escrow Agent to Seller pursuant to Section 2(d) for such taxable period plus interest on such amounts at the rate specified by section 6621(a)(1) of the

Internal Revenue Code of 1986, as amended, and corresponding provisions of applicable state and local laws to the extent such interest has been received by or credited to Seller, and Seller shall thereafter no longer have any right to receive payments under Section 2(d).

Section 3. Release of the Escrowed Property to Indemnitees. The Escrow Agent shall disburse to Purchaser (for its own account or for the account of any Indemnatee, as defined in Section 8) such portion of the Escrowed Property as instructed pursuant to this Section 3 to pay to Purchaser and its affiliates Indemnified Costs (as defined in the Purchase Agreement) for which the Indemnatee is entitled to reimbursement pursuant to Section 5 and/or Article XI 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 an Indemnatee or (b) the delivery to the Escrow Agent and Seller of a copy of a Final Determination (as defined below) establishing the Indemnatee's right to reimbursement under this Agreement and Section 5 and/or Article XI of the Purchase Agreement with respect to such Indemnified Costs. A "Final Determination" shall mean a final judgment of a court of competent jurisdiction. 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, dividends, and other income earned 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 pay all or any portion of such segregated Escrowed Property (together with the Interest) or a copy of a Final Determination establishing the Indemnatee'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. The Escrow Agent shall not release from the Pending Claims Account any amount in order to make a payment otherwise required under Section 2.

Section 6. Distribution of Escrowed Property to Seller. Not later than the second business day after the date which is nine (9) months from the execution of this Agreement (the “Release Date”), the Escrow Agent shall distribute to Seller \$250,000 of 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. Not later than the second business day after the date which is eighteen (18) months from the execution of this Agreement (the “Second Release Date”), the Escrow Agent shall distribute to Seller the remainder of the Escrowed Property (plus accrued and undistributed interest and other earnings on 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 and its affiliates, including partners, members, shareholders, directors, officers, managers, employees and representatives of the Purchaser and their respective successors and assigns (collectively, the “Indemnitees”) shall be entitled to reimbursement out of the Escrowed Property for any and all Indemnified Costs (as defined in the Purchase Agreement) pursuant to and as provided in Section 5 and Article XI 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)-(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 Indemnatee, for indemnification of any Indemnified Cost. No person other than Purchaser shall be permitted to make a claim on behalf of Purchaser or any other Indemnatee against the Escrowed Property for Indemnified Costs under this Section 8 unless Purchaser provides written notice to Escrow Agent and Seller that Purchaser has authorized another Indemnatee 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 indemnified party 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 ten 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 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 its affiliates 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 Second 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 the other parties hereto 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 be as set forth on the fee schedule attached hereto, plus actual expenses incurred in performing its duties hereunder. Any setup fee will be payable in advance by Purchaser and Seller, each paying one-half (1/2) of such fee. In addition, Escrow Agent will receive its usual sweep fee for any Escrow Funds, which are invested in a sweep vehicle selected by the Parties. 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 Agents 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 Indemnitee:

NBC Telemundo Phoenix, Inc.  
30 Rockefeller Plaza  
New York, NY 10112

Attention: Lawrence P. Tu, General Counsel  
Facsimile: (212) 664-4733  
Telephone: (212) 664-7024

ii. if to Seller, to:

Venture Technologies Group, LLC  
5670 Wilshire Boulevard  
Suite 1300  
Los Angeles, CA 90036

Attention: Mr. Paul Koplin  
Facsimile: (323) 965-5411  
Telephone: (323) 965-5400

iii. if to the Escrow Agent, to:

City National Bank, NA  
1950 Avenue of the Stars  
Second Floor/CNI



Los Angeles, CA 90067

Attention: Sue Behning/VP  
Facsimile: (310) 282-2936  
Telephone: (310) 282-2921

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 this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by any of the parties hereto, whether by operation of law or otherwise; provided, however, that upon notice to Seller and the Escrow Agent and without releasing Purchaser from any of its obligations or liabilities hereunder, Purchaser may assign or delegate any or all of its rights or obligations under this Agreement to any Affiliate of Purchaser or any Person with or into which Purchaser or any parent company of Purchaser merges or consolidates, and nothing in this Agreement shall limit Purchaser's ability to make a collateral assignment of its rights under this Agreement to any institutional lender that provides funds to Purchaser or Purchaser's designee without the consent of Seller or the Escrow Agent. Seller and the Escrow Agent shall execute an acknowledgment of such assignment(s) and collateral assignments in such forms as Purchaser or its institutional lenders may from time to time reasonably request; provided, however, that unless written notice is given to Seller that any such collateral assignment has been foreclosed upon, Seller and the Escrow Agent shall be entitled to deal exclusively with Purchaser as to any matters arising under this Agreement or any of the other agreements delivered pursuant hereto. 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). The parties hereby irrevocably submit to the jurisdiction of any state or federal court in California with respect to any action or proceeding arising out of or relating to this Agreement. In this regard, Purchaser shall have the exclusive right to select among the available state and federal courts in California. The parties hereby irrevocably agree that all claims in respect of such action or proceeding shall be heard and determined in such state or federal court selected by Purchaser. Seller and the Escrow Agent hereby irrevocably waive any right that Seller or the Escrow Agent otherwise might have (i) to remove such action or proceeding (or any claims within such action or proceeding) to a federal court in the event that Purchaser selects a state court forum or (ii) to transfer such action or proceeding (or any claims within such action or proceeding) to any court other than the court selected by Purchaser. 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 Indemnitee, other than Escrow Agent Claims arising under 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.

VENTURE TECHNOLOGIES GROUP, LLC

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

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

NBC TELEMUNDO PHOENIX, INC.

\_\_\_\_\_

CITY NATIONAL BANK, NA

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Exhibit B

BILL OF SALE

This Bill of Sale is given pursuant to that certain Asset Purchase Agreement dated [\_\_\_\_\_] \_\_, 2002 (the "Agreement"), by and among Venture Technologies Group, LLC, a Delaware limited liability company ("Seller"), NBC Telemundo Phoenix, Inc., a Delaware corporation ("Purchaser"). The capitalized terms used, but not otherwise defined, herein have the same meanings ascribed to them in the Agreement.

In consideration of the payments made by Purchaser pursuant to the Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Seller does hereby sell, convey, assign, transfer and deliver to Purchaser, all of Seller's right, title and interest in and to the Assets, free and clear of any and all liens except for Permitted Encumbrances.

Notwithstanding any other provision of this Bill of Sale, nothing contained herein shall in any way supersede, modify, replace, amend, change, rescind, waive or otherwise affect any of the provisions, including, but not limited to any representations, warranties, covenants and agreements of Seller or Purchaser as set forth in the Agreement.

Seller agrees that, from time to time after the delivery hereof, it will, upon reasonable request of Purchaser, take such action and execute and deliver such documents, instruments and conveyances which may be reasonably necessary or desirable to carry out the provisions of this Bill of Sale and fully and effectively transfer, assign and convey to and vest in Purchaser and its successors and assigns, and put Purchaser and its successors and assigns in actual possession and operating control of, the Assets.

Seller further authorizes Purchaser and its successors and assigns to receive and open all mail, telegrams and other communications, and all express or other packages, addressed to Seller or to any of its officers and to retain the same insofar as they relate to the Assets.

The terms and conditions of this Bill of Sale and Assignment shall be governed and construed in accordance with the laws of the State of Delaware.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

Dated as of \_\_\_\_\_.

Venture Technologies Group, LLC

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

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

\_\_\_\_\_  
\_\_\_\_\_

NBC TELEMUNDO PHOENIX, INC.

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

## Exhibit C

### ASSIGNMENT OF FCC LICENSES

Venture Technologies Group, LLC, a Delaware limited liability company ("Seller"), for good and valuable consideration delivered to it by NBC Telemundo Phoenix, Inc., a Delaware corporation ("Purchaser"), the receipt and sufficiency of which are hereby acknowledged, and pursuant to an Asset Purchase Agreement dated April 19, 2002 by and between Seller and Purchaser (the "Agreement"), does hereby assign, convey, transfer, and deliver to Purchaser, its successors and assigns, effective as of 12:01 AM, [DATE], all of Seller's rights, title and interests in and to all franchises, licenses, permits, permissions and other authorizations issued by the FCC, including, without limitation, the call letters "KPHZ" and "KPSW," held by Seller in connection with the operations of commercial broadcast television station KPHZ, Holbrook, Arizona, and commercial Class A television station KPSW-LP, Phoenix, Arizona, and commercial low power television station KPHZ-LP, Phoenix, Arizona (the "Stations"), all of which are listed on Schedule 1 hereto, together with all applications for modification, extension or renewal thereof, if any, and all pending applications for any new licenses, permits, permissions or authorizations for the operation of the Stations, if any, pending on the date hereof. Said licenses are transferred to Purchaser free and clear of all claims, liabilities, liens, or encumbrances of any nature whatsoever, except as may be permitted by the Agreement.

From and after the date of this Assignment, upon request of Purchaser, Seller shall duly execute, acknowledge, deliver, and perform all further acts, deeds, assignments, transfers, conveyances, powers of attorney, and assurances that may be required to convey to and vest title in Purchaser, its successors and assigns, and protect Purchaser's right, title, and interest in and enjoyment of all the assets intended to be assigned, transferred, and conveyed pursuant to this Assignment, or that may be appropriate otherwise to carry out the transactions contemplated by this Assignment and the Agreement.

Purchaser hereby assumes and shall be liable for all obligations accruing under the FCC Licenses on and after the date of this Assignment.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Seller and Purchaser have caused this Assignment and Assumption of FCC Licenses to be executed by their duly authorized representatives this \_\_\_\_ day of \_\_\_\_\_.

Venture Technologies Group, LLC

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

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

NBC TELEMUNDO PHOENIX, INC.

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



## Exhibit D

### ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT ("Agreement") is made as of this \_\_\_\_\_ day of \_\_\_\_\_, by and between Venture Technologies Group, LLC, a Delaware limited liability company ("Seller"), NBC Telemundo Phoenix, Inc., a Delaware corporation ("Purchaser") and, for solely for purposes of Section 3, National Broadcasting Company, Inc., a Delaware corporation ("NBC").

### RECITALS

WHEREAS, Seller and Purchaser have entered into an Asset Purchase Agreement dated April 19, 2002 (the "Purchase Agreement") providing for, among other things, the transfer, assignment, and conveyance to Purchaser of the Assets of Seller, and the assumption of certain obligations of Seller relating to the Assumed Contracts of Seller. Capitalized terms used, but not otherwise defined, herein shall have the meanings ascribed to them in the Purchase Agreement; and

WHEREAS, pursuant to the Purchase Agreement, Seller has agreed to assign to Purchaser all of Seller's right, title and interest in, to and under the Assets and Purchaser desires to accept such assignment and to assume the Assumed Contract Obligations.

### AGREEMENTS

In consideration of the recitals and the mutual promises, covenants and agreements contained herein and in the Purchase Agreement, and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Assignment and Assumption. Seller hereby assigns to Purchaser all of Seller's right, title and interest in, to and under the Assets including, without limitation, the Assumed Contracts. Effective as of the date hereof, the Purchaser hereby accepts the Assets and agrees to assume and be solely responsible for the payment, performance and discharge of all of the Assumed Contract Obligations, subject to the terms and conditions of the Purchase Agreement. Except for the Assumed Contract Obligations, Purchase shall not assume or be liable for any liabilities or obligations of Seller or any of the Stations, whether the same are direct or indirect, fixed, contingent or otherwise, known or unknown, whether arising under an agreement or contract or otherwise.

2. Binding Effect: Purposes. This Agreement shall inure to the benefit of and shall be binding upon Seller and Purchaser, and their respective successors and assigns. This Agreement shall be subject to the terms and conditions set forth in the Purchase Agreement, and nothing contained herein shall in any way supersede, modify, replace, amend, change, rescind, waive or otherwise affect any of the provisions, including, but not limited to any representations, warranties, covenants and agreements set forth in the Purchase Agreement.

3. Authorization to Take Certain Action; Power of Attorney.

(a) Until the Second Release Date (as defined in the Indemnification Escrow Agreement executed concurrently herewith), Seller hereby authorizes Purchaser to take any necessary, desirable or appropriate action to protect the right, title and interest hereby conveyed in connection with the Assets in the name of Seller or Purchaser or any other name (for the benefit of Purchaser and its successors and assigns) against each and every person or persons whomsoever claiming or asserting any claim against any or all of the same. Seller hereby constitutes and appoints Purchaser, its successors and assigns, the true and lawful attorney of Seller with full power of substitution in the name and stead of Seller, but on behalf and for the benefit of Purchaser, its successors and assigns, for and only for, the specific and limited purpose of demanding and receiving any and all of the Assets transferred by Seller to Purchaser pursuant to this Agreement and the Purchase Agreement and to give receipts and releases for and in respect of the same or any part thereof, to endorse any claim or right of any kind in respect thereof and to do all acts and things in relation to the Assets which Purchaser, its successors or assigns, may deem desirable. Seller hereby declares that the foregoing powers are coupled with an interest and are not revocable and shall not be revoked by Seller for any reason whatsoever.

(b) Purchaser shall give Seller three (3) business days prior written notice before each instance of exercising any of the Powers. Seller shall not be liable to Purchaser or to any third party for any action taken by Purchaser or its successors and assigns in connection with the exercise of any of the Powers. Purchaser shall indemnify and hold harmless Seller against any loss, liability, expense (including reasonable attorney's fees and expenses), claim or demand arising out of or in connection with the exercise of any of the Powers.

(c) NBC hereby irrevocably and unconditionally guarantees to Seller, as and for its own debt, until final and indefeasible payment thereof has been made, the payment of the indemnification obligations of Purchaser under Section 3(b) herein. The indemnification procedures and other provisions set forth in Sections 11.4, 11.5 and 11.6 of the Purchase Agreement shall govern and control any claim for indemnification made under this Section 3(b) as if such claim was made under such provisions of the Purchase Agreement.

4 Counterpart Execution. This Agreement may be executed in counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument.

5. Further Assurances. From time to time following the Closing, Seller and Purchaser agree to promptly execute and deliver, or cause to be executed and delivered, to the other party hereto, such other instruments, documents or agreements as such other party may reasonably request or as may be reasonably necessary to more effectively consummate the transactions contemplated by this Agreement.

6. Choice of Law. The terms and conditions of this Agreement shall be governed and construed in accordance with the laws of the State of Delaware.

This Assignment and Assumption Agreement is executed as of the date first written above.

Venture Technologies Group, LLC

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

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

NBC TELEMUNDO PHOENIX, INC.

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

For purposes of Section 3 only:

NATIONAL BROADCASTING COMPANY, INC.

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

Exhibit E

NON-COMPETITION AGREEMENT

This Non-Competition Agreement (the "Agreement") is entered into as of \_\_\_\_\_, by and between NBC Telemundo Phoenix, Inc., a Delaware corporation("Purchaser"), and Venture Technologies Group, LLC, a Delaware limited liability company ( "Seller").

W I T N E S S E T H:

WHEREAS, concurrently herewith, Seller is selling, transferring, and conveying to Purchaser, pursuant to that certain Asset Purchase Agreement dated as of April 19, 2002 (the "Purchase Agreement"), by and between Purchaser and Seller, substantially all of the property and assets of Seller that are used or held for use in the operation of the Stations identified in the Purchase Agreement (the "Stations");

WHEREAS, Purchaser has requested that Seller enter into this Agreement as an inducement to Purchaser to enter into and consummate the transactions contemplated by the Purchase Agreement and Seller desires to do so;

NOW, THEREFORE, for and in consideration of the premises set forth above, the mutual covenants and promises herein contained and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Noncompetition. Except as expressly permitted herein, Seller agrees that it shall not, and shall cause its affiliates, including, as applicable, its employees, to not, for a period of eighteen months from the date hereof:

(a) own, operate or hold an attributable interest in a low or full-power over-the-air television station that broadcasts programming in the Territory (as hereinafter defined); provided, however, that the Seller may own or permit its affiliate to own, directly or indirectly, securities of any entity traded on any national securities exchange or listed on the National Association of Securities Dealers Automated Quotation System if such person or entity does not, directly or indirectly, individually own 5% or more of any class of equity securities, or securities convertible into or exercisable or exchangeable for 5% or more of any class of equity securities, of such entity;

(b) request or advise any present customers of Purchaser to cancel any contracts with Purchaser or curtail their dealings with Purchaser;

(c) request or advise any present service provider or financial resource of the Stations or Purchaser to withdraw, curtail, or cancel the furnishing of such service or resource to Purchaser;

(d) induce or attempt to influence any employee of Purchaser to terminate his or her employment, or hire or solicit any employee of Purchaser for any reason.

As used herein, the “Territory” means the Phoenix Designated Market Area as determined by Nielsen Media Research.

2. Amendments. This Agreement may be amended or modified from time to time, but only by a written instrument executed by each of the parties hereto.

3. Notices. Any notices required or permitted hereunder shall be in writing and shall be deemed given (a) when personally delivered, (b) when confirmed if delivered by telefacsimile or similar device, or (c) when sent by registered or certified mail, return receipt requested, addressed to the other party at its address set forth below, or at such other address as it may specify in writing in accordance with this Section 3:

to the Seller:

Venture Technologies Group, LLC  
5670 Wilshire Boulevard  
Suite 1300  
Los Angeles, CA 90036

Attention: Mr. Paul Koplin  
Facsimile: (323) 965-5411

to Purchaser:

NBC Telemundo Phoenix, Inc.  
30 Rockefeller Plaza  
New York, NY 10112

Attention: General Counsel  
Facsimile: (212) 664-4733

4. Entire Agreement. This Agreement contains the entire understanding of the parties hereto respecting the subject matter hereof and supersedes all prior discussions and understandings.

5. Assignment; Parties Bound. Purchaser may assign its rights and obligations hereunder to any party. Seller may not assign any of its obligations hereunder. Any assignment in violation of the foregoing shall be null and void. Subject to the foregoing, this Agreement shall be binding upon the parties hereto and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns.

6. Governing Law; Interpretation. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE (REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE DELAWARE PRINCIPLES OF CONFLICTS OF LAW) AS TO ALL MATTERS, INCLUDING BUT NOT LIMITED TO, MATTERS OF VALIDITY, CONSTRUCTION, EFFECT, PERFORMANCE, AND REMEDIES.

7. Non-Waiver of Breach. A waiver by any party hereto of a particular breach or default by another party in connection with any provision of this Agreement must be in writing and shall not be deemed a waiver of a default by a third party or any subsequent default or breach of the same or any other provision of this Agreement.

8. Invalid Provision. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be severable, and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by such illegal, invalid, or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

9. Interpretation. The headings in this Agreement are for purposes of reference only and shall not be considered in construing this Agreement. When used in this Agreement, pronouns in masculine, feminine or neuter genders shall be construed to include any other gender.

10. Attorneys' Fees. If any party hereto brings any action, at law or in equity, to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover from the other party hereto reasonable attorneys' fees in addition to any other relief to which such party may be entitled.

11. Enforcement of Covenants. The Seller agrees that a violation on their part of any covenant contained herein shall cause irreparable damage to Purchaser and, consequently, the Seller agrees that Purchaser shall be entitled, as a matter of right, to an injunction restraining any further violation of such covenant by Seller. Such right to an injunction shall be cumulative and in addition to all other remedies that Purchaser may have, including, but not limited to, recovery of damages.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

Venture Technologies Group, LLC

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

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

NBC TELEMUNDO PHOENIX, INC.

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



Exhibit F

LEGAL OPINION OF SELLER'S COUNSEL

FORM OF OPINION OF SELLER'S  
CORPORATE COUNSEL

We have acted as counsel to Venture Technologies Group, LLC, a Delaware limited liability company (the "Seller"), in connection with the acquisition of television station KPHZ by NBC Telemundo Phoenix, Inc., a Delaware corporation (the "Purchaser") pursuant to the Asset Purchase Agreement by and between the Purchaser and Seller, dated as of April 19, 2002 (the "Agreement"). This opinion is being rendered pursuant to Section 8.2(a) of the Agreement. Unless indicated to the contrary herein, each capitalized term used but not otherwise defined herein and defined in the Agreement shall have the meaning ascribed to such term in the Agreement.

In rendering the opinions set forth below, we have reviewed the Agreement and the following documents executed pursuant thereto (together with the Agreement, the "Transaction Documents"):

Bill of Sale by and between the Seller and Purchaser, dated as of [\_\_\_\_], 2002;

Assignment of FCC Licenses by and between the Seller and Purchaser, dated as of [\_\_\_\_], 2002;

Assignment and Assumption Agreement by and between the Seller and Purchaser, dated as of [\_\_\_\_], 2002;

Non-competition Agreement by and between the Seller and Purchaser, dated as of [\_\_\_\_], 2002; and

Indemnification Holdback Agreement by and among the Seller, Purchaser and Holdback Escrow Agent, dated as of [\_\_\_\_], 2002.

In connection with this opinion, we have reviewed executed originals or photocopies of executed originals of the documents described above.

We have also reviewed such certificates of public officials, corporate records and documents, and other certificates and instruments, and have made such other investigations of fact and law, as we have deemed necessary in connection with the opinions hereinafter set forth. As to any facts material to our opinion, we have made no independent investigation of such facts and have relied, to the extent that we deem such reliance proper, upon certificates of public

officials and officers or other representatives of Seller and on the representations and warranties set forth in the Transaction Documents.

Other than with respect to Seller, in rendering the opinions expressed below, we have assumed the legal capacity of all natural persons, the genuineness of all signatures and the authority of all persons signing each of the Transaction Documents on behalf of the parties to such documents. We have assumed the authenticity of all documents submitted to us as originals, and the conformity to authentic original documents of all documents submitted to us as copies. We have also assumed that the Transaction Documents are valid and binding agreements of the party or parties thereto other than Seller and that the laws of any jurisdiction other than the jurisdiction that is the subject of this opinion do not affect the terms of the Transaction Documents.

Based upon the foregoing, and subject to the assumptions, qualifications, exceptions and limitations set forth herein, it is our opinion that:

Seller is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Delaware.

Seller had full power and authority to execute and deliver the Agreement and perform its obligations thereunder and has full power and authority to execute and deliver the other Transaction Documents and perform its obligations thereunder. The execution and delivery by Seller of the Transaction Documents have been duly authorized by all necessary action on the part of Seller, and the Transaction Documents have been duly executed and delivered by Seller.

Each of the Transaction Documents constitutes the valid and binding obligation of Seller and is enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

In rendering the opinion expressed in paragraph 1 above concerning the valid existence and good standing of the Seller, we have relied solely on the certificate, dated [\_\_\_\_], 2002, of the Secretary of State of the State of Delaware and with respect to the periods between the date of such certificate and the date of this letter a certificate of the Secretary or other authorized officer of the Seller.

The foregoing opinions are limited to matters involving the laws of the State of Arizona and Delaware, and we do not express any opinions as to the laws of any other jurisdiction. For purposes of the foregoing opinions, we have assumed that the relevant laws of the State of Delaware (other than the Delaware Limited Liability Company Act) and jurisdictions other than the State of Arizona are the same in substance as the relevant laws of the State of Arizona.

This opinion letter is rendered as of the date set forth above, and we expressly disclaim any obligation to update this letter after the date hereof.

This opinion letter is delivered to you for your benefit in connection with the transactions contemplated by the Transaction Documents and may not be furnished to or relied upon by any other person or for any other purpose without our prior written consent.

Respectfully submitted,

## FORM OF OPINION OF SELLER'S FCC COUNSEL

We have acted as FCC counsel to Venture Technologies Group, LLC a Delaware limited liability company ("Seller"), and hereby state:

1. Seller holds the FCC licenses, permits, and authorizations set forth in Attachment A hereto (such FCC license, permits, and authorizations, collectively, "FCC Authorizations"). To our knowledge, there are no radio, television broadcast, Class A television, low power television, or television translator stations licensed to Seller, nor does Seller hold any other FCC licenses, for use in the Phoenix, Arizona television market other than those listed in Attachment A hereto (the "Stations"). Seller validly holds all the FCC licenses, permits, and authorizations required for the lawful operation of television station KPHZ, Holbrook, Arizona, Class A television station KPSW-LP, Phoenix, Arizona, and KPHZ-LP, Phoenix, Arizona (collectively, the "Stations"). The FCC Authorizations have been validly issued or assigned to Seller and, to our knowledge, are in full force and effect. None of the FCC Authorizations is the subject of a license renewal application pending at the FCC. Attachment A hereto accurately lists the current expiration date of each of the FCC Authorizations. To our knowledge after due inquiry, none of the FCC Authorizations is subject to any conditions, except the standard conditions placed on such authorizations at the time they were originally granted, the FCC's rules and policies, and conditions that are not materially adverse.

2. The FCC has granted its consent to the transfer of the FCC Authorizations from Seller to NBC Telemundo Phoenix, Inc.. The time within which any party in interest other than the FCC may seek administrative or judicial reconsideration or review of such consent has expired and, to our knowledge, no petition for such reconsideration or review was timely filed with the FCC or with a court of competent jurisdiction. The normal time within which the FCC may review such consent on its own motion has expired and, to our knowledge, the FCC has not undertaken such review.

3. To our knowledge, other than matters affecting the television broadcasting industry generally, there is not now issued or pending any judgment, decree, order, complaint, petition, application, investigation, proceeding, notice of violation, notice of apparent liability, or order to show cause by or before the FCC against Seller or otherwise in relation to any of the FCC Authorizations or the Stations that would reasonably be expected to have a material adverse effect upon the Stations.

This opinion is rendered as of the date hereof. We have no continuing obligation hereunder to inform you of changes of law or fact subsequent to the date hereof or facts of which we become aware after the date hereof. We undertake no obligation or responsibility to update or supplement this opinion.

This opinion is limited to the matters stated herein, and no opinion is implied or may be inferred beyond the matters expressly stated here. The opinion set forth herein are expressed solely for your benefit and are furnished solely in connection with the Agreement and the transactions contemplated thereby. This letter may not be copied, used, circulated, quoted or otherwise referred to in connection with any other transaction or matter and may not be relied upon by any other person or entity.

Very Truly Yours,

Attachment A:

## Exhibit G

### FORM OF OPINION OF PURCHASER'S COUNSEL

We have acted as counsel for NBC Telemundo Phoenix, Inc., a Delaware corporation (the "Purchaser"), in connection with the acquisition of television station KPHZ (the "Seller") pursuant to the Asset Purchase Agreement by and between the Purchaser and Seller, dated as of April 19, 2002 (the "Agreement"). This opinion is being rendered pursuant to Section 9.2(a) of the Agreement. Unless indicated to the contrary herein, each capitalized term used but not otherwise defined herein and defined in the Agreement shall have the meaning ascribed to such term in the Agreement. In rendering the opinions set forth below, we have reviewed the Agreement and the following documents executed pursuant thereto (together with the Agreement, the "Transaction Documents"): Bill of Sale by and between the Purchaser and Seller, dated as of [\_\_\_\_], 2002; Assignment of FCC Licenses by and between the Purchaser and Seller, dated as of [\_\_\_\_], 2002; Assignment and Assumption Agreement by and between the Purchaser and Seller, dated as of [\_\_\_\_], 2002; Non-competition Agreement by and between the Purchaser and Seller, dated as of [\_\_\_\_], 2002; and Indemnification Holdback Agreement by and among the Purchaser, Seller and Holdback Escrow Agent, dated as of [\_\_\_\_], 2002.

In connection with this opinion, we have reviewed executed originals or photocopies of executed originals of the documents described above. We have also reviewed such certificates of public officials, corporate records and documents, and other certificates and instruments, and have made such other investigations of fact and law, as we have deemed necessary in connection with the opinions hereinafter set forth. As to any acts material to our opinion, we have made no independent investigation of such facts and have relied, to the extent that we deem such reliance proper, upon certificates of public officials and officers or other representatives of Purchaser and on the representations and warranties set forth in the Transaction Documents. Other than with respect to Purchaser, in rendering the opinions expressed below, we have assumed the legal capacity of all natural persons, the genuineness of all signatures and the authority of all persons signing each of the Transaction Documents on behalf of the parties to such documents. We have assumed the authenticity of all documents submitted to us as originals, and the conformity to authentic original documents of all documents submitted to us as copies. We have also assumed that the Transaction Documents are valid and binding agreements of the party or parties thereto other than Purchaser and that the laws of any jurisdiction other than the jurisdiction that is the subject of this opinion do not affect the terms of the Transaction Documents.

Based upon the foregoing, and subject to the assumptions, qualifications, exceptions and limitations set forth herein, it is our opinion that:

1. Purchaser is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Delaware.
2. Purchaser had full power and authority to execute and deliver the Agreement and perform its obligations thereunder and has full power and authority to execute and deliver the other Transaction Documents and perform its obligations thereunder. The execution and

delivery by Purchaser of the Transaction Documents have been duly authorized by all necessary action on the part of Purchaser, and the Transaction Documents have been duly executed and delivered by Purchaser.

3. Each of the Transaction Documents constitutes the valid and binding obligation of Purchaser and is enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

In rendering the opinion expressed in paragraph 1 above concerning the valid existence and good standing of the Company, we have relied solely on the certificate, dated [\_\_\_\_], 2002, of the Secretary of State of the State of Delaware and with respect to the periods between the date of such certificate and the date of this letter a certificate of the Secretary or other authorized officer of the Company. The foregoing opinions are limited to matters involving the laws of the State of New York and the Delaware Limited Liability Company Act, and we do not express any opinions as to the laws of any other jurisdiction. For purposes of the foregoing opinions, we have assumed that the relevant laws of the State of Delaware (other than the Delaware Limited Liability Company Act) and jurisdictions other than the State of New York are the same in substance as the relevant laws of the State of New York. This opinion letter is rendered as of the date set forth above, and we expressly disclaim any obligation to update this letter after the date hereof. This opinion letter is delivered to you for your benefit in connection with the transactions contemplated by the Transaction Documents and may not be furnished to or relied upon by any other person or for any other purpose without our prior written consent.

Respectfully submitted,



Exhibit H

FCC COMPLIANCE