

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of November 20, 2014 by and between Jilynn M. Erandes ("Seller") and Caballero Acquisition LLC, a Delaware limited liability company ("Buyer").

Recitals

A. The following low power television broadcast station (the "Station") is owned and operated by Seller pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC"):

KXBF-LD, Channel 14, Bakersfield, California (FCC Facility ID #181737)

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

Agreement

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1: PURCHASE OF ASSETS

1.1 Station Assets. On the terms and subject to the conditions hereof, at Closing (defined below), Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller, as its interests appear, in and to the following assets and properties, real and personal, tangible and intangible, that are used or held for use exclusively in the operation of the Station (the "Station Assets"), except for the Excluded Assets (defined below):

(a) all FCC licenses, permits and other authorizations with respect to the Station (the "FCC Licenses"), including those described on *Schedule 1.1(a)*, and any modifications thereof between the date hereof and Closing (defined below);

(b) all equipment and tangible personal property used or held for use exclusively in the business and operation of the Station and other "Value Added" equipment of Seller not used in the operation of the Station which is located in storage in Sacramento, California, including without limitation those listed on *Schedule 1.1(b)*, together with any replacements thereof and additions thereto made between the date hereof and the Closing Date (the "Tangible Personal Property");

(c) the tower space license for Station to which Seller is a party used or held for use in the operation of the Station, as listed on *Schedule 1.1(c)* (the "Real Property Lease");

(d) [RESERVED]

- (e) all of Seller's rights in and to the Station's call letters; and
- (f) the business files, documents, records, and books of accounts (or copies thereof) relating to the operation of the Station, or copies thereof, and any technical information and engineering data relating to Tangible Personal Property in Seller's possession.

The Station Assets shall be transferred to Buyer free and clear of liens, claims and encumbrances except for liens for taxes which are not yet due and payable ("Liens").

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the following assets or any rights, title and interest therein (the "Excluded Assets"):

- (a) all cash and cash equivalents of Seller, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, money market accounts and all such similar accounts or investments;
- (b) all tangible and intangible personal property of the Station retired or disposed of between the date of this Agreement and Closing;
- (c) Seller's trade names, business records, and books and records relating to Seller, duplicate copies of the records of the Station, and all records not relating to the operation of the Station;
- (d) all contracts of insurance, all coverages and proceeds thereunder and all rights in connection therewith, including without limitation rights arising from any refunds due with respect to insurance premium payments to the extent related to such insurance policies;
- (e) all pension, profit sharing plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller;
- (f) the Station's accounts receivable and any other rights to payment of cash consideration for goods or services sold or provided prior to the Effective Time (defined below) or otherwise arising during or attributable to any period prior to the Effective Time (the "A/R");
- (g) any non-transferable shrink-wrapped computer software and any other non-transferable computer licenses that are not material to the operation of the Station;
- (h) all rights and claims of Seller, whether mature, contingent or otherwise, against third parties with respect to the Station and the Station Assets, to the extent arising during or attributable to any period prior to the Effective Time;
- (i) all deposits and prepaid expenses (and rights arising therefrom or related thereto), except to the extent Seller receives a credit therefor under Section 1.6;

(j) computers and other similar assets and any other operating systems and related assets that are used in the operation of multiple stations or other business units, except for any such items that are specifically set forth as included in the Station Assets on the Schedules hereto;

(k) all programming agreements and all of the Station's intangible property;
and

(l) all studio facilities and equipment located therein, and all other assets used or held for use in the operation of any other television station owned or operated by Seller, except for any such items that are specifically set forth as included in the Station Assets on the Schedules hereto.

1.3 Assumed Obligations. On the Closing Date, Buyer shall assume the obligations of Seller arising on or after Closing under the Real Property Lease (collectively, the "Assumed Obligations"). Except for the Assumed Obligations, Buyer does not assume and will not be deemed by execution and delivery of this Agreement or any agreement, instrument or document delivered pursuant to or in connection with this Agreement or otherwise by reason of the consummation of the transactions contemplated hereby, to have assumed, any liabilities, obligations or commitments of Seller of any kind, whether or not disclosed to Buyer, including, without limitation, any liability or obligation of Seller under any contracts between Seller and any other third party in connection with the Station (the "Retained Liabilities").

1.4 Purchase Price. In consideration for the sale of the Station Assets to Buyer, Buyer shall pay Seller, by wire transfer of immediately available funds, at the times and in the manner, set forth below, the sum of **Eighty-Nine Thousand Dollars (\$89,000)**, subject to adjustment pursuant to Section 1.6 (the "Purchase Price"). Buyer shall pay the Purchase Price to Seller at Closing.

1.5 [RESERVED]

1.6 Prorations and Adjustments. All prepaid and deferred income and expenses relating to the Station Assets and arising from the operation of the Station shall be prorated between Buyer and Seller in accordance with generally accepted accounting principles ("GAAP") as of 11:59 p.m. on the day immediately preceding the Closing Date (the "Effective Time"). Such prorations shall include without limitation ad valorem property taxes (except transfer taxes), music and other license fees, utility expenses, FCC regulatory fees, rent and other similar prepaid and deferred items. Seller shall receive a credit for all of the Station's deposits and prepaid expenses to the extent they inure to Buyer's benefit. Prorations and adjustments shall be made no later than ninety (90) calendar days after Closing.

1.7 Allocation. Each of Buyer and Seller shall allocate the Purchase Price for tax purposes in accordance with the respective fair market values of the Station Assets and the goodwill being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code"), and each party agrees to provide a copy of its allocation to the other and file its respective federal income tax return reflecting such allocation as and when required under the Code.

1.8 Closing. The consummation of the sale and purchase of the Station Assets pursuant to this Agreement (the "Closing") shall take place within five (5) business days after the date that the FCC Consent either (at Buyer's option) is initially granted or becomes Final (defined below), in any case subject to the satisfaction or waiver of the last of the conditions required to be satisfied or waived pursuant to Articles 5 and 6 below (other than those requiring a delivery of a certificate or other document, or the taking of other action, at the Closing). The date on which the Closing is to occur is referred to herein as the "Closing Date."

1.9 FCC Consent. Within five (5) business days after the date of this Agreement, Seller and Buyer shall file an application with the FCC (the "FCC Application") requesting FCC consent to the assignment of the FCC Licenses from Seller to Buyer. FCC consent to the FCC Application without any material adverse conditions other than those of general applicability is referred to herein as the "FCC Consent". Buyer and Seller shall diligently prosecute the FCC Application and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible. Buyer and Seller shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder.

1.10 [RESERVED]

ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller makes the following representations and warranties to Buyer:

2.1 Organization. The Seller has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be made by Seller pursuant hereto (collectively, the "Seller Ancillary Agreements") and to consummate the transactions contemplated hereby.

2.2 Authorization. This Agreement is, and Seller Ancillary Agreement when made by Seller thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3 No Conflicts. The execution, delivery and performance by Seller of this Agreement and the documents to be made pursuant hereto do not conflict with any law, judgment, order, or decree to which Seller is subject, and, except for the FCC Consent and any third party consent to assign Real Property Lease designated on *Schedule 1.1(c)*, do not require the consent, approval or authorization, or filing with, any third party or any court or governmental authority.

2.4 FCC Licenses.

(a) Seller holds the FCC Licenses listed and described on *Schedule 1.1(a)*. Such FCC Licenses constitute all of the authorizations required under the Communications Act of 1934, as amended (the "Communications Act"), or the rules, regulations and policies of the FCC for the present operation of the Station. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending or, to Seller's knowledge, threatened any action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the FCC Licenses (other than proceedings relating to FCC rules of general applicability), and there is no order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint pending or, to Seller's knowledge, threatened against Seller or the Station by or before the FCC. Seller and the Station are in compliance in all material respects with the FCC Licenses, the Communications Act and the rules, regulations and policies of the FCC.

(b) Seller and the Station Assets are in compliance in all material respects with all applicable rules and regulations of the Federal Aviation Administration applicable to the Station. All reports and filings required to be filed with, and all regulatory fees required to be paid to, the FCC by Seller with respect to the Station (including without limitation all required equal employment opportunity reports) have been timely filed and paid. All such reports and filings are accurate and complete. Seller maintains public files for the Station as required by FCC rules.

(c) The operation of the Station does not expose workers or others to levels of radio frequency radiation in excess of the "Radio Frequency Protection Guides" recommended in "American National Standard Safety Levels with Respect to Human Exposure to Radio Frequency Electromagnetic Fields 3 kHz to 300 GHz" (ANSI/IEEE C95.1-1992), issued by the American National Standards Institute, and renewal of the FCC Licenses would not constitute a "major action" within the meaning of Section 1.1301, *et seq.*, of the FCC's rules.

(d) Seller has not leased, licensed, assigned, conveyed or otherwise encumbered the Station's digital spectrum or any portion thereof or granted rights to any party to broadcast on the Station's digital spectrum or any portion thereof for the provision of any "ancillary or supplementary services" (as the term is defined by the Communications Act).

(e) To Seller's knowledge, there currently exists no interference to the Station's signal from other broadcast stations, or by the Station's signal to other broadcast stations, in each case beyond that permitted by the FCC's rules and policies and, to Seller's knowledge, there are no applications or proceedings pending at the FCC the grant of which would cause objectionable interference to the Station's operations with its current facilities, other than what might arise as a result of proceedings that generally affect the television broadcast industry.

2.5 Personal Property. Seller has, and at Closing will convey, valid title to the Tangible Personal Property, to which Seller has title, free and clear of Liens. *Schedule 1.1(b)* contains a list of all material items of Tangible Personal Property.

2.6 Real Property. Seller does not own any real property and is not party to any ground leases. *Schedule 1.1(c)* lists the Real Property Lease, which is all of the real property used or held for use by Seller in the business or operation of the Station.

2.7 Contracts. There are no contracts used in the operation of the Station which are to be assigned to Buyer hereunder other than the Real Property Lease.

2.8 Taxes. Seller has filed all foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law in connection with the Station's business, and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable.

2.9 Employees. There are no persons employed by the Station.

2.10 Station Assets. Except for the Excluded Assets, the Station Assets constitute all the assets used or held for use in the business or operation of the Station. Seller has good and marketable title to the Station Assets, free and clear of Liens. At Closing, Seller will transfer to Buyer good and marketable title to the Station Assets, free and clear of Liens on an as is where is basis. Seller maintains sufficient insurance policies with respect to the Station and the Station Assets and will maintain such policies in full force and effect until Closing.

2.11 Compliance with Law. Seller is in compliance in all material respects with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any court or of any foreign, federal, state, municipal or other governmental authority which are applicable to the Station or the Station Assets. There is no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller in respect of the Station or the Station Assets. To Seller's knowledge, there are no claims or investigations pending or threatened against Seller in respect of the Station or the Station Assets.

2.12 No Finder. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller or any party acting on Seller's behalf.

2.13 Disclosure. This Agreement and the documents made pursuant hereto do not and will not contain any untrue statement of material fact or omit to state a material fact required to be made in order to make the statements herein and therein not misleading in light of the circumstances in which they are made.

ARTICLE 3: BUYER REPRESENTATIONS AND WARRANTIES

Buyer hereby makes the following representations and warranties to Seller:

3.1 Organization. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and is qualified (or will be at Closing) to do business in the jurisdiction in which the Station Assets are located. Buyer has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (collectively, the "Buyer Ancillary Agreements") and to consummate the transactions contemplated hereby.

3.2 Authorization. The execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements by Buyer have been duly authorized and approved by all necessary action of Buyer and do not require any further authorization or consent of Buyer. This Agreement is, and each Buyer Ancillary Agreement when made by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 No Conflicts. Except for the FCC Consent, the execution, delivery and performance by Buyer of this Agreement and the Buyer Ancillary Agreements and the consummation by Buyer of any of the transactions contemplated hereby does not conflict with any organizational documents of Buyer, any contract or agreement to which Buyer is a party or by which it is bound, or any law, judgment, order or decree to which Buyer is subject, or require the consent or approval of, or a filing by Buyer with, any governmental or regulatory authority or any third party.

3.4 Litigation. There is no action, suit or proceeding pending or, to Buyer's knowledge, threatened against Buyer which questions the legality or propriety of the transactions contemplated by this Agreement or could materially adversely affect the ability of Buyer to perform its obligations hereunder.

3.5 Qualification. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station and to hold the FCC Licenses under the Communications Act and the rules, regulations and policies of the FCC. There are no facts relating to Buyer that are known to Buyer that, under existing law and the existing rules, regulations, policies and procedures of the FCC, (i) could reasonably be expected to prevent or delay the FCC from granting the FCC Consent or (ii) would disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Station. To Buyer's knowledge, no waiver of any FCC rule or policy relating to Buyer is necessary for the FCC Consent to be obtained. There is no action, suit or proceeding pending or, to Buyer's knowledge, threatened against Buyer which questions the legality or propriety of the transactions contemplated by this Agreement or could materially adversely affect the ability of Buyer to perform its obligations hereunder.

3.6 Purchase Price. Buyer has available, or will have when due, all funds necessary to pay the Purchase Price at Closing.

ARTICLE 4: JOINT COVENANTS

Buyer and Seller hereby covenant and agree as follows:

4.1 Confidentiality. Subject to the requirements of applicable law, (i) prior to filing the FCC Application, the existence of this Agreement and the terms hereof shall be kept confidential and shall not be disclosed by any party to any other person or entity and (ii) at all times, all non-public information regarding the parties and their business and properties that is

disclosed by or on behalf of a party to the other party in connection with the negotiation, preparation or performance of this Agreement (including without limitation all financial information provided by Seller to Buyer) shall be confidential and shall not be disclosed to any other person or entity, except the parties' representatives and lenders for the purpose of consummating the transaction contemplated by this Agreement.

4.2 Announcements. Prior to Closing, no party shall, without the prior written consent of the other, issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, except to the extent that such party is so obligated by law, in which case such party shall give advance notice to the other, and except as necessary to enforce rights under or in connection with this Agreement. Notwithstanding the foregoing, the parties acknowledge that this Agreement and the terms hereof will be filed with the FCC Application when provided under Section 1.9 and thereby become public.

4.3 Control. Buyer shall not, directly or indirectly, control, supervise or direct the operation of the Station prior to Closing. Consistent with the Communications Act and the FCC rules and regulations, control, supervision and direction of the operation of the Station prior to Closing shall remain the responsibility of the holder of the FCC Licenses.

4.4 Consents.

(a) The parties shall use commercially reasonable efforts to obtain (i) any third party consents necessary for the assignment of the Real Property Lease (which shall not require any payment to any such third party) and (ii) execution of a reasonable estoppel certificate by the lessor under the Real Property Lease, but no such consents or estoppel certificates are conditions to Closing.

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

4.5 Actions. After Closing, if reasonably requested by Seller, Buyer shall cooperate with Seller in the investigation, defense or prosecution of any action which is pending or threatened against Seller or its affiliates with respect to the Station, whether or not any party has notified the other of a claim for indemnification with respect to such matter; provided, however, that Seller shall reimburse Buyer for any out-of-pocket costs (including reasonable attorneys' fees, if any) reasonably incurred by Buyer to comply with this Section. Without limiting the generality of the foregoing, subject to reimbursement of such costs, if any, Buyer shall make available its employees to give depositions or testimony and shall preserve and furnish all documentary or other evidence that Seller may reasonably request.

4.6 FCC Compliance. If the Closing occurs prior to the date that the FCC Consent becomes a final order, and prior to that date the FCC Consent is reversed or otherwise set aside, and there is a final order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Licenses to Seller, then the purchase and sale of the Station Assets shall be rescinded. In such event, Buyer shall reconvey to Seller the Station Assets free and clear of Liens other than Permitted Liens, and Seller shall repay to Buyer the Purchase Price and reassume the Real Property Lease. Any such rescission shall be consummated on a mutually agreeable date within thirty days of such final order (or, if earlier, within the time required by such order). In connection therewith, Buyer and Seller shall each execute such documents (including execution by Buyer of instruments of conveyance of the Station Assets to Seller and execution by Seller of instruments of assumption of the Real Property Lease) and make such payments (including repayment by Seller to Buyer of the Purchase Price) as are necessary to give effect to such rescission.

4.7 Risk of Loss. The risk of loss of or damage to any of the Station Assets shall remain with Seller at all times until 12:01 a.m. local time on the day of Closing, and prior to Closing Seller, with the cooperation and assistance of Buyer, shall repair and replace any lost or damaged Station Assets. All costs and expenses incurred by Buyer prior to Closing to repair or replace any lost or damaged Station Assets (other than routine ordinary course of business maintenance or repair expenses) shall be credited toward the Purchase Price at Closing provided that such damage is not caused by Buyer.

4.8 Final Order. For purposes of this Agreement, the term "Final" shall mean that action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or sua sponte action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such sua sponte action by the FCC shall have expired or otherwise terminated.

4.9 Sacramento Value Added Equipment. Within thirty (30) after the Closing Date Buyer shall pick up and remove the Value Added Equipment described in *Schedule 1.1(b)* from the Sacramento, California, storage facility.

ARTICLE 5: SELLER CLOSING CONDITIONS

The obligation of Seller to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Seller):

5.1 Representations and Covenants.

(a) The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Buyer at or prior to Closing shall have been complied with or performed in all material respects.

(c) Seller shall have received a certificate dated as of the Closing Date from Buyer executed by an authorized officer of Buyer to the effect that the conditions set forth in Sections 5.1(a) and (b) have been satisfied.

5.2 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

5.3 FCC Authorization. The FCC Consent shall have been obtained.

5.4 Deliveries. Buyer shall have complied with its obligations set forth in Section 7.2.

ARTICLE 6: BUYER CLOSING CONDITIONS

The obligation of Buyer to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Buyer):

6.1 Representations and Covenants.

(a) The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Seller at or prior to Closing shall have been complied with or performed in all material respects.

(c) Buyer shall have received a certificate dated as of the Closing Date from Seller executed by an authorized officer of Seller to the effect that the conditions set forth in Sections 6.1(a) and (b) have been satisfied.

6.2 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

6.3 RESERVED

6.4 FCC Authorization. The FCC Consent shall have been obtained.

6.5 Deliveries. Seller shall have complied with its obligations set forth in Section 7.1.

ARTICLE 7: CLOSING DELIVERIES

7.1 Seller Documents. At Closing, Seller shall deliver or cause to be delivered to Buyer:

(i) the certificate described in Section 6.1(c);

- (ii) an assignment of FCC authorizations assigning the FCC Licenses from Seller to Buyer;
- (iii) an assignment and assumption of the Real Property Lease from Seller to Buyer;
- (iv) a bill of sale conveying the other Station Assets from Seller to Buyer;
- (v) a lessor estoppel certificate if received from the landlord under the Real Property Lease (but such is not a condition to Closing); and
- (vi) any other instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Station Assets from Seller and Seller to Buyer, free and clear of Liens, except for Permitted Liens.

7.2 Buyer Documents. At Closing, Buyer shall deliver or cause to be delivered to Seller:

- (i) the Purchase Price in accordance with Section 1.4 hereof;
- (ii) a good standing certificate issued by the Secretary of State of Buyer's jurisdiction of formation;
- (iii) a certificate executed by Buyer certifying the due authorization of this Agreement and the Buyer Ancillary Agreements, together with copies of Buyer's authorizing resolutions;
- (iv) the certificate described in Section 5.1(c);
- (v) an assignment and assumption of the Real Property Lease; and
- (vi) such other documents and instruments of assumption that may be reasonably necessary to assume the Assumed Obligations.

ARTICLE 8: SURVIVAL AND INDEMNIFICATION

8.1 Survival. The representations and warranties in this Agreement shall survive Closing for a period of twelve (12) months from the Closing Date whereupon they shall expire and be of no further force or effect. The covenants and agreements in this Agreement shall survive Closing until performed.

8.2 Indemnification.

(a) From and after Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or resulting from:

(i) any breach by Seller of its representations and warranties under this Agreement;

(ii) any default by Seller of its covenants and agreements under this Agreement;

(iii) the Retained Liabilities; or

(iv) without limiting the foregoing, the business or operation of the Station prior to Closing (including any third party claim arising from such operations).

(b) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Seller shall have no liability to Buyer under Section 8.2(a)(i) and (ii) until Buyer's aggregate Damages exceed Ten Thousand Dollars (\$10,000) (after which Seller shall only be responsible for amounts in excess of such threshold), and (ii) the maximum aggregate liability of Seller under Section 8.2(a) shall be limited to the Purchase Price.

(c) RESERVED

(d) From and after Closing, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or resulting from:

(i) any breach by Buyer of its representations and warranties under this Agreement;

(ii) any default by Buyer of its covenants and agreements under this Agreement;

(iii) the Assumed Obligations; or

(iv) without limiting the foregoing, the business or operation of the Station from and after Closing (including any third party claim arising from such operations).

8.3 Procedures.

(a) The indemnified party shall give prompt written notice to the indemnifying party (which such notice shall include sufficient description of background information explaining the basis for such Claim to the extent known by the indemnified party) of any demand, suit, claim or assertion of liability by a third party that is subject to indemnification hereunder (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's rights or the indemnifying party's obligations, except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced.

(b) The indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel reasonably satisfactory to the parties. In the event that the indemnifying party does not undertake such defense or opposition in a timely manner, the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party's cost (subject to the right of the

indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

(c) Notwithstanding anything herein to the contrary:

(i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of any Claim, and shall have the right to consult with the indemnifying party and its counsel concerning any Claim, and the indemnifying party and the indemnified party shall cooperate in good faith with respect to any Claim; and

(ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include a full release of the indemnified party from all liability in respect of such Claim.

ARTICLE 9: TERMINATION AND REMEDIES

9.1 Termination. Subject to Section 9.3, this Agreement may be terminated prior to Closing as follows:

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

(b) by written notice of Buyer to Seller if Seller breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period (defined below);

(c) by written notice of Seller to Buyer if Buyer breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period; provided, however, that the Cure Period shall not apply to Buyer's obligation to make the Deposit on the date hereof or to pay the Purchase Price at Closing; or

(d) by written notice of Seller to Buyer, or Buyer to Seller, if Closing does not occur by nine (9) months after the date of this Agreement.

9.2 Cure Period. Each party shall give the other party prompt written notice upon learning of any breach or default by the other party under this Agreement. The term "Cure Period" as used herein means a period commencing on the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) twenty (20) calendar days thereafter or (ii) the Closing Date determined under Section 1.8; provided, however, that if the breach or default is non-monetary and cannot reasonably be cured within such period but can be cured before the Closing Date determined under Section 1.8, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date determined under Section 1.8.

9.3 Survival. Except as provided by Section 9.5, the termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Section 9.5 (liquidated damages), 4.1 (Confidentiality) and 10.1 (Expenses) shall survive any termination of this Agreement.

9.4 Specific Performance. In the event of failure or threatened failure by either party to comply with the terms of this Agreement, the other party shall be entitled to an injunction restraining such failure or threatened failure and, subject to obtaining any necessary FCC consent, to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement. Notwithstanding the foregoing, if prior to Closing the condition described in Section 9.1(c) exists, then Seller's sole remedy for Buyer's breach of this Agreement shall be termination of this Agreement and receipt of the liquidated damages amount pursuant to Section 9.5, except for any failure by Buyer to comply with its obligations related to Sections 1.9, 4.1, 4.2 or 4.3, as to which Seller shall be entitled to all available rights and remedies, including without limitation specific performance. Except as set forth in the foregoing sentence, if a party brings an action to enforce specific performance under this Agreement, the other party shall waive the defense that there is an adequate remedy at law.

9.5 Liquidated Damages. If Seller terminates this Agreement pursuant to Section 9.1(c), then Buyer shall pay Seller on demand an amount equal to any and all out-of-pocket costs and expenses incurred by Seller in connection with the sale of the Station, not to exceed Ten Dollars (\$10,000), and such payment shall constitute liquidated damages and the sole remedy of Seller for a breach by Buyer of this Agreement. The parties acknowledge and agree that payment of such amount shall constitute payment of liquidated damages and is not a penalty and that the liquidated damages amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused by material breach or default under this Agreement, the difficulty of proof of loss and damages, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder.

ARTICLE 10: MISCELLANEOUS

10.1 Expenses. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. The filing fee applicable to the request for the FCC Consent shall be paid by Buyer. Transfer or sales or use taxes, fees and charges applicable to the transfer of the Station Assets under this Agreement, if any, shall be paid by Buyer. Each party is responsible for any commission, brokerage fee, advisory fee or other similar payment that arises as a result of any agreement or action of it or any party acting on its behalf in connection with this Agreement or the transactions contemplated hereby.

10.2 Further Assurances. After Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

10.3 Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement.

10.4 Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Seller: (i) Jilynn M. Ernandes
147 Hopfield Drive
Folsom, CA 95630

if to Buyer: Caballero Acquisition LLC
15233 La Cruz Drive
Pacific Palisades, CA 90272
Attn: Randy E. Nonberg
Facsimile: (310) 573-1636

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

10.6 Entire Agreement. This Agreement (including the Schedules hereto) constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof, except any confidentiality agreement among the parties with respect to the Station, which shall remain in full force and effect. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement. Without limiting the generality of the foregoing, Seller makes no representation or warranty to Buyer with respect to any projections, budgets or other estimates of the Station's revenues, expenses or results of operations, or, except as expressly set forth in Article 2, any other financial or other information made available to Buyer with respect to the Station. Buyer acknowledges and agrees that it has not relied on or been induced to enter into this Agreement by any representation or warranty other than as is set forth in Article 2 of this Agreement.

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

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

10.9 Consent to Jurisdiction. With respect to any suit, action or proceedings relating to or arising out of this Agreement ("Proceedings"), each party irrevocably: (i) submits to the non-exclusive jurisdiction of the courts of the State of California and the United States District Court located in Los Angeles County, and (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

10.10 Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of California without giving effect to the choice of law provisions thereof.

10.11 JURY WAIVER / ATTORNEYS' FEES. ALL ISSUES, MATTERS, AND DISPUTES BETWEEN THE PARTIES CONCERNING THIS AGREEMENT SHALL BE TRIED BY A JUDGE IN A NON-JURY TRIAL AND THE PREVAILING PARTY SHALL BE ENTITLED TO AN AWARD OF ITS REASONABLE ATTORNEYS' FEES AND ALL COURT COSTS INCURRED IN SUCH REGARD, INCLUDING THOSE ATTORNEYS' FEES AND COSTS INCURRED FOR ANY AND ALL APPLICABLE APPELLATE PROCEEDINGS.

10.12 Counterparts. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement.

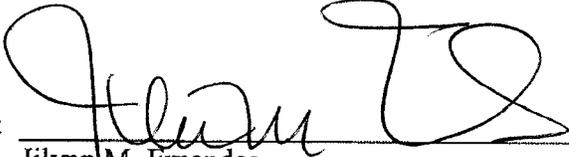
10.13 Schedules. The Schedules to this Agreement are not intended to constitute, and shall not be construed as constituting, any representation or warranty of Seller except as and to the extent expressly provided in this Agreement. The fact that any item of information is contained in the Schedules shall not, in and of itself, be construed to mean that such information is required to be disclosed in or by this Agreement or that such item of information is "material" as such term is used in this Agreement. Any matter disclosed in one Schedule hereto in such a way as to make its relevance to information called for by another Schedule readily apparent shall be deemed to be disclosed in such other Schedules, notwithstanding the omission of an appropriate cross-reference. The headings in the Schedules are for convenience of reference only and shall not be deemed to alter or affect the express description of the sections of the Schedules as set forth in this Agreement.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

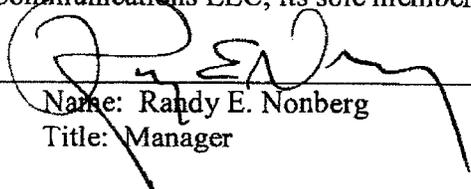
SELLER:

By: 
Jilynn M. Ermandes

BUYER:

Caballero Acquisition LLC

By: CNZ Communications LLC, its sole member

By: 
Name: Randy E. Nonberg
Title: Manager