

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of March 18, 2014 between MBTV Texas Valley LLC ("Buyer") and RGV Educational Broadcasting, Inc., a Texas nonprofit corporation ("Seller").

### Recitals

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

KMBH(TV), Harlingen, TX (FCC Facility ID #56079)

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

C. On January 29, 2014, Buyer (as programmer) and Seller (as licensee) entered into a Local Programming and Marketing Agreement with respect to the Station (the "LMA").

### 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: SALE AND PURCHASE

1.1 Station Assets. On the terms and subject to the conditions hereof, on the Closing Date (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 in and to all assets, properties, interests and rights of Seller, real and personal, tangible and intangible, that are used or held for use in the operation of the Station, except the Excluded Assets (defined below) (the "Station Assets"), including without limitation the following:

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

(b) all of Seller's equipment, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, spare parts and other tangible personal property of every kind

and description that are used or held for use in the operation of the Station (the "Tangible Personal Property"), including without limitation those items listed on *Schedule 1.1(b)*;

(c) Seller's owned real property used as the Station's transmitter site (including any appurtenant easements and improvements located thereon) that is described on *Schedule 1.1(c)* (the "Real Property");

(d) all operating contracts, agreements and leases that are used in the operation of the Station and listed on *Schedule 1.1(d)* attached hereto (the "Station Contracts");

(e) all of Seller's rights in and to the Station's call letters, and all of Seller's computer software that is used or held for use in the operation of the Station;

(f) Seller's rights in and to all the files, documents, records, and books of account (or copies thereof) relating to the operation of the Station, including the Station's local public files, blueprints, technical information and engineering data, marketing and demographic data, and logs; and

(g) all claims (including warranty claims) deposits, prepaid expenses, and Seller's goodwill in, and the going concern value of, the Station.

The Station Assets shall be transferred to Buyer free and clear of liens, claims and encumbrances ("Liens") except for the Assumed Obligations (defined below) and statutory liens for taxes not yet due and payable (collectively, "Permitted Encumbrances").

If before or after Closing Buyer or Seller determines that there is equipment owned or leased by Seller that is used in the operation of the Station and Seller's radio station, then the parties shall reasonably cooperate to determine whether any such item is a Station Asset or an Excluded Asset based on its primary use.

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include Seller's cash, cash equivalents, accounts receivable existing as of the earlier of Closing or commencement of the LMA (the "A/R"), insurance policies, employee benefit plans and pension plans, Seller's corporate name, the Station's studio site and building, Seller's programming and programming materials, all assets primarily used by Seller's radio station unless listed on *Schedule 1.1(b)*, the contracts listed on *Schedule 1.2*, and any other contract not listed on *Schedule 1.1(d)* (the "Excluded Assets").

1.3 Assumed Obligations. On the Closing Date, Buyer shall assume the obligations of Seller arising after Closing under the Station Contracts (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 not included in the Station Contracts (the "Retained Liabilities").

1.4 Purchase Price. The purchase price to be paid for the Station Assets shall be the sum of Eight Million Five Hundred Thousand Dollars (\$8,500,000) plus production services as described below (the "Purchase Price"). The Purchase Price shall be paid as follows: (i) at Closing, Buyer shall pay Seller Eight Million Five Hundred Thousand Dollars (\$8,500,000) in cash in immediately available funds (subject to adjustment pursuant to Section 1.6 below), *less* the Post-Closing Escrow Amount (defined below) and (ii) between the Closing Date and the date ten (10) years thereafter, Buyer shall provide Seller with the production services described on *Schedule 1.4* attached hereto having a fair market value of Five Hundred Thousand Dollars (\$500,000). The Post-Closing Escrow Amount shall be held in escrow after Closing as provided by Section 1.11.

1.5 Deposit. Within two (2) business days of the date of this Agreement, Buyer shall deposit the sum of Four Hundred Thousand Dollars (\$400,000) (the "Deposit") with Deutsche Bank Trust Company Americas (the "Escrow Agent") pursuant to an Escrow Agreement (the "Escrow Agreement") of even date herewith among Buyer, Seller and the Escrow Agent. At Closing, the Deposit shall be disbursed to Seller and applied to the Purchase Price (and any interest accrued thereon shall be disbursed to Buyer). If this Agreement is terminated by Seller pursuant to Section 10.1(c), then the Deposit shall be disbursed to Seller as liquidated damages and the sole and exclusive remedy of Seller (and any interest accrued thereon shall be disbursed to Buyer). Seller hereby waives all other legal and equitable remedies it may otherwise have as a result of any breach or default by Buyer under this Agreement. If this Agreement is terminated for any other reason, the Deposit and any interest accrued thereon shall be disbursed to Buyer. The parties shall each instruct the Escrow Agent to disburse the Deposit and all interest accrued thereon to the party or parties entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement.

1.6 Prorations.

(a) Except as provided in the LMA, the operation of the Station and the income and operating expenses attributable thereto until 11:59 p.m. on the date preceding the day of Closing (the "Adjustment Time") shall be for the account of Seller and thereafter for the account of Buyer, and income and expenses shall be prorated between Seller and Buyer as of the Adjustment Time in accordance with generally accepted accounting principles, and the Purchase Price shall be adjusted accordingly.

(b) Such prorations shall include all property taxes (except transfer taxes as provided by Section 11.1), utility expenses, rent and other amounts under Station Contracts and similar prepaid and deferred items. Commissions related to the placement of paid messages or underwriting with respect to the Station prior to the earlier of Closing or commencement of the LMA shall be the responsibility of Seller, and commissions related to the placement of paid messages or underwriting with respect to the Station after

the earlier of Closing or commencement of the LMA shall be the responsibility of Buyer. Prorations and adjustments shall be made at Closing to the extent practicable. As to those prorations and adjustments not capable of being ascertained at Closing, an adjustment and proration shall be made within ninety (90) calendar days after Closing.

(c) Notwithstanding the foregoing, with respect to trade, barter or similar agreements for the sale of time for goods or services that are included in the Station Contracts, if at the earlier of Closing or commencement of the LMA (i) the Station has a negative barter balance (*i.e.*, the amount by which the value of air time to be provided by the Station after such applicable date exceeds the fair market value of corresponding goods and services to be received by the Station after such date), then such balance shall be treated as prepaid time sales and adjusted for as a proration in Buyer's favor, or (ii) the Station has a positive barter balance, then there shall be no proration or adjustment for such balance.

1.7 Allocation. Seller and Buyer shall each allocate the Purchase Price for tax purposes in accordance with the respective fair market values of the Station Assets and the goodwill being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code"). Each of Buyer and Seller shall file a tax return reflecting such allocation if, 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 on a date designated by Buyer (upon at least three (3) business days written notice to Seller) within thirty (30) days after the date the FCC Consent becomes Final, in any case subject to the satisfaction or waiver of the last of the conditions required to be satisfied or waived pursuant to Articles 6 or 7 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.

(a) Within five (5) business days after the date of this Agreement, Buyer and Seller shall file an application (the "FCC Application") requesting FCC consent to the assignment of the FCC Licenses from Seller to Buyer (the "FCC Consent"). Seller and Buyer shall diligently prosecute the FCC Application. Each party shall promptly provide the other with a copy of any pleading, order or other document served on it relating to the FCC Application, and shall furnish all information required by the FCC.

(b) 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. If applicable, Seller and Buyer shall

timely file any appropriate requests to extend the FCC Consent (without limiting either party's rights under Section 10.1 below).

(c) If applicable, Seller shall timely file an FCC renewal application with respect to the Station and will diligently prosecute such application. The parties acknowledge that under current FCC policy, either the FCC will not grant an assignment application while a renewal application is pending, or the FCC will grant an assignment application with a renewal condition. If the FCC Application is granted subject to a renewal condition, then the term FCC Consent shall mean FCC consent to the FCC Application and satisfaction of such renewal condition.

(d) If required prior to Closing, Seller or Buyer, as applicable, shall file and diligently prosecute a license modification application seeking to convert the Station's FCC License from noncommercial to commercial status. Seller shall cooperate with and take any necessary steps reasonably requested by Buyer with any such application.

1.10 Studio Holdover. Seller's studio site currently used by the Station (the "Seller Studio") is an Excluded Asset. If requested by Buyer, for a period of up to six (6) months after Closing, Seller shall provide Buyer with rent-free use of the Seller Studio for the operation of the Station in the ordinary course of business, together with access to the Seller Studio and use of common areas and any parking facilities. Buyer shall comply in all material respects with all laws applicable to its operations from the Seller Studio. Neither Seller nor Buyer shall interfere with the other party's operations from the Seller Studio. If the Seller Studio is leased, then prior to Closing Seller shall deliver to Buyer a true and complete copy of such lease, along with any necessary written landlord consent to Buyer's use of the Seller Studio.

1.11 Post-Closing Escrow. From and after Closing, One Hundred Thousand Dollars (\$100,000) of the Purchase Price (the "Post-Closing Escrow Amount") shall be funded to and held by the Escrow Agent pursuant to the Escrow Agreement in order to secure in part Seller's post-Closing indemnification obligations under Section 9.2(a) of this Agreement. All interest earned on the Post-Closing Escrow Amount shall be for the benefit of Seller. If at any time after Closing any indemnification claim by Buyer is resolved in favor of Buyer, then within one business day thereafter the parties shall give joint written instructions to the Escrow Agent to disburse such portion of the Post-Closing Escrow Amount owing to Buyer in connection with such claim. One business day after the date nine (9) months after the Closing Date, the Post-Closing Escrow Amount (together with all interest accrued thereon) shall be disbursed to Seller unless Buyer has a valid indemnification claim then pending, in which case such portion of the Post-Closing Escrow Amount subject to the claim shall continue to be held by the Escrow Agent until one business day after such claim is resolved. The parties shall instruct the Escrow Agent to disburse the Post-Closing Escrow Amount and all interest accrued thereon to the party or parties entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement.

1.12 Lease. At Closing, Seller and Buyer shall enter into the lease in the form of *Exhibit A* attached hereto (the "Lease") pursuant to which Buyer shall lease Seller space on the Station's tower for Seller's FM radio station on the terms set forth therein.

## ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Buyer as follows:

2.1 Organization. Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is qualified to do business in each jurisdiction in which the Station Assets are located. Seller has the requisite power and authority to own and operate the Station, to carry on the Station's business as now conducted by it, and to execute, deliver and perform this Agreement and the documents to be made pursuant hereto.

2.2 Authorization. The execution, delivery and performance of this Agreement and the documents to be made pursuant hereto have been duly authorized and approved by all necessary action of Seller (the "Seller Authorization") and do not require any further authorization or consent of Seller. This Agreement and the documents to be made pursuant hereto are legal, valid and binding agreements of Seller enforceable in accordance with their respective 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 does not conflict with any organizational documents of Seller or any law, judgment, order, or decree to which Seller is subject, and does not require the consent, approval or authorization, or filing with, any third party or any court or governmental authority, except the FCC Consent, and except for counter-party consent to assign those Station Contracts designated on *Schedule 1.1(d)*.

### 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 material compliance with the FCC Licenses, the Communications Act and

the rules, regulations and policies of the FCC. The Station is operating at full power in accordance with its FCC-licensed parameters.

(b) Seller and the Station Assets are in compliance in all material respects with all rules and regulations of the Federal Aviation Administration applicable to the Station. All reports and filings required to be filed with the FCC by Seller with respect to the Station (including without limitation all required equal employment opportunity reports) have been timely filed. 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).

2.5 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.

2.6 Personal Property. *Schedule 1.1(b)* contains a list of all material items of Tangible Personal Property included in the Station Assets. Each item of Tangible Personal Property, excepting used equipment and spare parts not currently in service, is in good operating condition and repair (ordinary wear and tear excepted), is free from material defect or damage, is functioning in the manner and purposes for which it was intended and has been maintained in accordance with industry standards. There is no equipment owned or leased by Seller that is used both in the operation of the Station and Seller's radio stations.

2.7 Real Property. *Schedule 1.1(c)* contains a description of the Real Property. Seller owns good and marketable fee simple title to the Real Property free and clear of Liens other than Permitted Encumbrances. The Real Property includes sufficient access to the Station's facilities without need to obtain any other access rights. No part of the Real Property is subject to any pending or, to Seller's knowledge, threatened suit for condemnation or other taking by any public authority. All buildings and other improvements included in the Real Property are in good operating condition and repair (ordinary wear and tear excepted) and free from material defect or damage and comply

with applicable zoning, health and safety laws and codes. Seller has delivered to Buyer true and complete copies of all deeds, title insurance policies, title insurance commitments and surveys in its possession that are applicable to the Real Property.

2.8 Contracts. *Schedule 1.1(d)* contains a list of all contracts used in the operation of the Station and included in the Station Contracts (other than ordinary course underwriting agreements). Each of the Station Contracts is in effect and is binding upon Seller and, to Seller's knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Seller has performed its obligations under each of the Station Contracts in all material respects, and is not in material default thereunder, and to Seller's knowledge, no other party to any of the Station Contracts is in default thereunder in any material respect. There are no Station Contracts between Seller and any affiliate of Seller. There are no agreements where Seller is the lessor or licensor for use of space at the Station's transmitter site, except as set forth *Schedule 1.1(d)* (all of which are included in the Station Contracts). Seller has delivered to Buyer true and complete copies of each Station Contract, together with all amendments thereto.

2.9 Environmental. No hazardous or toxic substance or waste (including without limitation petroleum products) or other material regulated under any applicable environmental, health or safety law has been generated, stored, transported or released on, in, from or to the Real Property. Seller has complied and is in compliance with all environmental, health and safety laws applicable to the Station or the Station Assets. Seller has not received in respect of the Station or Station Assets any notice or claim to the effect that it is or may be liable under any environmental, health or safety law. To Seller's knowledge, neither the Station nor any Station Assets are the subject of any investigation by any governmental authority with respect to a violation of any environmental, health or safety law. Seller has delivered to Buyer true and complete copies of all environmental reports and assessments in its possession that are applicable to the Real Property or the Station.

2.10 Intangible Property. Seller has all right, title and interest in and to all trademarks, service marks, trade names, copyrights and all other intangible property necessary to the conduct of the Station as presently operated. Seller's use of the Intangible Property does not infringe upon any third party rights, and Seller has received no notice of any claim that any Intangible Property or the use thereof conflicts with, or infringes upon, any rights of any third party (and there is no basis for any such claim of conflict). No Intangible Property is the subject of any pending, or, to Seller's knowledge, threatened legal proceedings claiming infringement or unauthorized use. The Station has the exclusive right to use the Intangible Property. No Station programming or other material used or broadcast by the Station infringes upon any copyright, patent or trademark of any other party.

2.11 Employees. Seller has provided to Buyer a list of all Station employees and certain information with respect to such employees. There are no employment agreements included in the Station Contracts. Seller has complied and is in compliance with all labor and employment laws, rules and regulations applicable to the Station's



business, including without limitation those which relate to prices, wages, hours, discrimination in employment and collective bargaining, and is not liable for any arrears of wages or any taxes or penalties for failure to comply with any of the foregoing. There is no unfair labor practice charge or complaint against Seller in respect of the Station business pending or, to Seller's knowledge, threatened before any court or governmental authority, and there is no strike, dispute, request for representation, slowdown or stoppage pending or, to Seller's knowledge, threatened in respect of the Station's business. Seller is not party to any collective bargaining, union or similar agreement with respect to the employees of Seller at the Station, and no union represents or claims to represent or is attempting to organize such employees.

2.12 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, except for Permitted Encumbrances. At Closing, Seller will transfer to Buyer good and marketable title to the Station Assets, free and clear of Liens, except for Permitted Encumbrances. Seller maintains sufficient insurance policies in commercially reasonable amounts with respect to the Station and the Station Assets and will maintain such policies in full force and effect until Closing.

2.13 Compliance with Law. Seller has complied and is in compliance 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. Except as set forth on *Schedule 2.13*, 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.

2.14 MVPDs. Seller, with respect to the Station, has asserted its must carry and other rights under the APTS/PBS/NCTA cable carriage agreement and has made timely and valid requests for carriage on direct broadcast satellite services for the three-year carriage cycle beginning January 1, 2012. All of the MVPDs (defined below) carrying the Station's signal are listed on *Schedule 2.14*, showing the name of the MVPD operator, communities served, and channel position. Seller is not party to any retransmission consent agreements with respect to the Station. No MVPD with respect to which the Station has asserted must carry rights (other than those listed on *Schedule 2.14*) has refused to carry or disputed the right to carry the Station. As used herein, "MVPD" means any multi-channel video distribution system, including without limitation cable television systems, satellite master antenna television systems, open video systems, broadband radio service, direct broadcast satellite service, multi-channel multi-point distribution service and multi-point distribution service.

2.15 No Finder. Except for Paramount Media Advisors, Inc. (whose fee shall be paid by Seller), 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. Payment of any broker engaged by Seller shall be Seller's sole cost and expense.

2.16 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 represents and warrants to Seller as follows:

3.1 Organization. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and if such qualification is necessary, is (or will be at Closing) qualified to do business in each jurisdiction in which the Station Assets are located. Buyer has the requisite power and authority to execute, deliver and perform this Agreement and the documents to be made pursuant hereto.

3.2 Authority. The execution, delivery and performance of this Agreement and the documents to be made pursuant hereto have been duly authorized and approved by all necessary action of Buyer (the "Buyer Authorization") and do not require any further authorization or consent of Buyer. This Agreement and the documents to be made pursuant hereto are legal, valid and binding agreements of Buyer enforceable in accordance with their respective 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. The execution, delivery and performance by Buyer of this Agreement and the documents to be made pursuant hereto does not conflict with any organizational documents of Buyer or any law, judgment, order, or decree to which Buyer is subject, and does not require the consent, approval or authorization, or filing with, any third party or any court or governmental authority, except the FCC Consent.

3.4 Qualification. Buyer is qualified to hold the FCC Licenses under the Communications Act and the rules, regulations and policies of the FCC as they exist on the date of this Agreement.

3.5 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 Buyer or any party acting on Buyer's behalf. Payment of any broker engaged by Buyer shall be Buyer's sole cost and expense.

### ARTICLE 4: SELLER COVENANTS

4.1 Covenants. From the date hereof until Closing, Seller shall, subject to the LMA (as applicable):

(a) operate the Station in the ordinary course of business and keep its books and accounts, records and files in the ordinary course, preserve the business and goodwill of the Station and the Station Assets, and collect the Station's accounts receivable only in the ordinary course of business consistent with past practice;

(b) operate the Station in accordance with the terms of the FCC Licenses and in compliance with the Communications Act, FCC rules, regulations and policies, and all other applicable laws, rules and regulations, and maintain the FCC Licenses in full force and effect and, if applicable, timely file and diligently prosecute any necessary applications for renewal of the FCC Licenses;

(c) keep all Tangible Personal Property and Real Property in good operating condition (ordinary wear and tear excepted) and repair and maintain adequate and usual supplies, spare parts and other materials as have been customarily maintained in the past, and otherwise preserve intact the Station Assets and maintain in effect its current insurance policies with respect to the Station and the Station Assets;

(d) at the request of Buyer, from time to time give Buyer access during normal business hours to all Station employees, facilities, properties, accounts, books, deeds, title papers, insurance policies, licenses, agreements, contracts, commitments, records and files, equipment, machinery, fixtures, furniture, vehicles and all other Station Assets, and provide Buyer all other information concerning the Station as Buyer may reasonably request (any investigation or examination by Buyer shall not in any way diminish any representations or warranties of Seller made in this Agreement); and

(e) not, without the prior written consent of Buyer:

(i) sell, lease or otherwise dispose of any Station Assets except for non-material dispositions in the ordinary course of business of items which are replaced by assets of comparable or superior kind, condition and value;

(ii) create, assume or permit to exist any Liens on the Station Assets, and not dissolve, liquidate, merge or consolidate with any other entity;

(iii) increase the compensation payable to any employee of the Station, or enter into any employment, labor or union agreement or plan (or amendments of any such existing agreements or plan) that will be binding upon Buyer after Closing;

(iv) modify any of the FCC Licenses; or

(v) amend or terminate any of the Station Contracts, or enter into any contract, lease or agreement with respect to the Station except for ordinary course cash time sales agreements and any other agreements entered into in the ordinary course of business that will be paid and performed in full before Closing.

4.2 MVPD Carriage. From the date hereof until Closing, Seller shall: (i) continue to deliver a sufficient signal to support existing carriage of the Station's signal by the MVPDs shown on *Schedule 2.14*; (ii) not take any action or inaction that will diminish or adversely affect the existing carriage of the Station's signal by the MVPDs shown on *Schedule 2.14*; and (iii) provide Buyer with true and complete copies of all correspondence between the Station or Seller and any MVPD concerning the Station's signal carriage.

#### ARTICLE 5: JOINT COVENANTS

5.1 Confidentiality. Subject to the requirements of applicable law, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement shall be confidential and shall not be disclosed to any other person or entity, except on a confidential basis to the parties' attorneys, accountants, investment bankers, investors and lenders, and their respective attorneys for the purpose of consummating the transaction contemplated by this Agreement.

5.2 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 and thereby become public.

5.3 Control. Consistent with FCC rules, control, supervision and direction of the operation of the Station prior to Closing shall remain the responsibility of Seller as the holder of the FCC Licenses.

5.4 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 shall repair and replace any lost or damaged Station Assets.

5.5 Broadcast Interruption. If prior to Closing the Station is off the air or operating at a power level that results in a material reduction in coverage (a "Broadcast Interruption"), then Seller shall return the Station to the air and restore prior coverage as promptly as possible. Notwithstanding anything herein to the contrary, if prior to Closing there is a Broadcast Interruption in excess of 24 hours, then Buyer may postpone Closing until the date five (5) business days after the Station returns to the air and prior coverage is restored in all material respects, subject to Section 10.1.

5.6 Consents. Prior to Closing Seller shall obtain the Required Consents (defined below), and Seller shall use commercially reasonable efforts to obtain the other consents noted on *Schedule 1.1(d)* hereto. To the extent that any Station Contract may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed at Closing pursuant hereto

shall not constitute an assignment thereof, but to the extent permitted by law shall constitute an equitable assignment by Seller and assumption by Buyer of Seller's rights and obligations under the applicable Station Contract, with Seller making available to Buyer the benefits thereof and Buyer performing the obligations thereunder on Seller's behalf; provided, however, that *Schedule 1.1(d)* identifies those consents the receipt of which is a condition precedent to Buyer's obligation to close under this Agreement (the "Required Consents"). In addition, prior to Closing, Buyer and Seller shall take the actions set forth on *Schedule 5.6* hereto.

5.7 Employees.

(a) Buyer may (but is not obligated to) offer post-Closing or post-LMA commencement employment to any of the Station's employees. With respect to each such employee who accepts Buyer's offer of employment, Seller shall be responsible for all compensation and benefits arising prior to Closing or commencement of the LMA, as applicable (in accordance with Seller's employment terms) and Buyer shall be responsible for all compensation and benefits arising after Closing or commencement of the LMA, as applicable (in accordance with Buyer's employment terms). With respect to such employees, in connection with the prorations under Section 1.6, an adjustment shall be made in favor of Buyer in an amount equal to the value of any accrued vacation time and any accrued sick leave.

(b) Buyer does not assume any of Seller's employee obligations (including any severance obligations), all of which are Retained Liabilities and not Assumed Obligations.

(c) The terms of this Agreement are solely for the benefit of (and may be enforced only by) the parties hereto and their respective successors and permitted assigns. Without limiting the foregoing, nothing in this Agreement gives any rights to any employee, and no employee may enforce any provision of this Agreement against any of the parties hereto.

5.8 Receivables. Buyer has no obligation to collect Seller's A/R.

5.9 1031 Exchange. To facilitate a like-kind exchange under Section 1031 of the Internal Revenue Code, Buyer may assign its rights under this Agreement (in whole or in part) to a "qualified intermediary" under section 1.1031(k)-1(g)(4) of the treasury regulations (but such assignment shall not relieve Buyer of its obligations under this Agreement) and any such qualified intermediary may re-assign to Buyer, provided that such assignment or re-assignment would not delay the prospect of FCC Consent. If Buyer gives notice of such assignment, Seller shall provide Buyer with a written acknowledgment of such notice prior to Closing and convey the Station Assets (or such portion thereof as is designated in writing by the qualified intermediary) to or on behalf of the qualified intermediary at Closing and otherwise reasonably cooperate therewith.

5.10 Final Order.

(a) 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.

(b) If the Closing occurs prior to a Final FCC Consent, and prior to becoming Final 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, and Seller shall repay to Buyer the Purchase Price and reassume the contracts and leases assigned and assumed at Closing.

(c) 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 contracts and leases assigned and assumed at Closing) and make such payments (including repayment by Seller to Buyer of the Purchase Price) as are necessary to give effect to such rescission.

5.11 Environmental. With respect to the Real Property, Buyer may at its sole expense conduct Phase I environmental assessments and Phase II environmental assessments (such assessments, collectively, the "Environmental Reviews") prior to Closing. Seller shall provide Buyer and its consultants access to the applicable property to perform such Environmental Reviews upon reasonable prior notice to Seller. If any Environmental Review identifies a condition requiring remediation under applicable environmental law, a breach of Seller's representations and warranties under Section 2.9 or a recommendation for current remediation (each, an "Environmental Condition"), then Seller shall remediate such Environmental Condition prior to Closing. If such remediation is not completed prior to Closing (in the event Buyer elects to waive the foregoing requirement and close prior to completion of remediation), then the parties shall proceed to Closing and Seller shall promptly remediate such item after Closing; in the alternative, if Buyer elects in its sole discretion, the cash portion of the Purchase Price to be paid at Closing shall be reduced by the estimated cost of completion of remediation. Notwithstanding anything herein to the contrary, if at any time any Environmental Condition exists and the reasonably estimated cost to remedy all such Environmental Conditions in the aggregate exceeds \$250,000, then either party shall have the right to terminate this Agreement upon written notice to the other.

#### ARTICLE 6: SELLER CLOSING CONDITIONS

The obligation of Seller to consummate the Closing is subject to satisfaction of the following conditions at or prior to Closing:

6.1 Bringdown. The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of Closing. Buyer shall have performed the obligations to be performed by it under this Agreement at or prior to Closing in all material respects, and Seller shall have received a certificate dated as of Closing from Buyer (executed by an authorized officer) to the effect that the conditions set forth in this section have been satisfied (the "Buyer Bringdown Certificate").

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 FCC Consent. The FCC Consent shall have been granted by initial order.

6.4 Deliveries. Buyer shall have made the deliveries to be made by it at Closing under this Agreement.

#### ARTICLE 7: BUYER CLOSING CONDITIONS

The obligation of Buyer to consummate the Closing is subject to satisfaction of the following conditions at or prior to the Closing:

7.1 Bringdown. The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of Closing. Seller shall have performed the obligations to be performed by it under this Agreement at or prior to Closing in all material respects, and Buyer shall have received a certificate dated as of Closing from Seller (executed by an authorized officer) to the effect that the conditions set forth in this section have been satisfied (the "Seller Bringdown Certificate").

7.2 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.

7.3 FCC. The FCC Consent shall have been granted and shall have become Final. In addition, the FCC shall have issued a commercial license for the Station for operation by Buyer.

7.4 Consents. The Required Consents shall have been obtained.

7.5 Change. There shall have been no material adverse change in the operation of the Station since the date of this Agreement.

7.6 Deliveries. Seller shall have made the deliveries to be made by it at Closing under this Agreement.

#### ARTICLE 8: CLOSING DELIVERIES

8.1 Seller Deliveries. At Closing, Seller shall deliver or cause to be delivered to Buyer:

- formation;
  - (a) a good standing certificate issued by Seller's jurisdiction of
  - (b) a certified copy of the Seller Authorization;
  - (c) the Seller Bringdown Certificate;
  - (d) an Assignment of FCC Licenses assigning the FCC Licenses to Buyer;
  - (e) an Assignment and Assumption of Contracts assigning the Station Contracts to Buyer;
  - (f) a General Warranty Deed conveying the Real Property to Buyer, together with owner affidavits, a FIRPTA affidavit and all other documents requested by Buyer's title company;
  - (g) endorsed vehicle titles conveying the vehicles included in the Tangible Personal Property to Buyer;
  - (h) a bill of sale conveying all Station Assets to Buyer;
  - (i) the Lease;
  - (j) the Required Consents;
  - (k) customary payoff letters and other appropriate documents necessary to release all Liens (except for Permitted Encumbrances) on the Station Assets; and
  - (l) any other documents and instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Station Assets to Buyer, free and clear of Liens, except for Permitted Encumbrances.

8.2 Buyer Deliveries. At the Closing, Buyer shall deliver to Seller:

- formation;
  - (a) a good standing certificate issued by Buyer's jurisdiction of
  - (b) the Purchase Price in accordance with the terms of this Agreement;
  - (c) a certified copy of the Buyer Authorization;
  - (d) the Buyer Bringdown Certificate;



(e) an Assignment and Assumption of Contracts assuming the obligations arising after Closing under the Station Contracts;

(f) the Lease; and

(g) any other documents and instruments of assumption that may be reasonably necessary to assume the Assumed Obligations.

#### ARTICLE 9: SURVIVAL AND INDEMNIFICATION

9.1 Survival. The representations and warranties in this Agreement shall survive Closing for a period of twelve (12) months from the Closing Date at which time they shall expire and be of no further force or effect, except (i) those under Section 2.5 (Taxes) and Section 2.9 (Environmental), which shall survive until the expiration of any applicable statute of limitations, (ii) those with respect to title to the Station Assets, which shall survive indefinitely, and (iii) that if within such applicable period the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim, then such claim shall survive until the resolution of such claim. The covenants and agreements in this Agreement shall survive Closing until performed.

#### 9.2 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).

Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Seller shall have no liability to Buyer under Section 9.2(a)(i) until Buyer's aggregate Damages exceed \$100,000, and (ii) the maximum aggregate liability of Seller under Section 9.2(a)(i) shall be an amount equal to the Purchase Price.

(b) 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 after Closing (including any third party claim arising from such operations).

### 9.3 Procedures.

(a) The indemnified party shall give prompt written notice to the indemnifying 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.

(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 release of the indemnified party from all liability in respect of such Claim.

## ARTICLE 10: TERMINATION AND REMEDIES

10.1 Termination. 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:

(i) does not perform the obligations to be performed by it under this Agreement on the Closing Date; or

(ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements contained in this Agreement and such breach or default is not cured within the Cure Period (defined below);

(c) by written notice of Seller to Buyer if Buyer:

(i) does not perform the obligations to be performed by it under this Agreement on the Closing Date; or

(ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements contained in this Agreement and such breach or default is not cured within the Cure Period;

(d) by written notice of Buyer to Seller, or by Seller to Buyer, if the FCC denies the FCC Application;

(e) by written notice of Buyer to Seller, or by Seller to Buyer, if the Closing does not occur by the date one year after the date the FCC Application is accepted for filing by the FCC; or

(f) as provided by Section 5.11.

The term "Cure Period" as used herein means a period commencing the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) fifteen (15) calendar days thereafter or (ii) the Closing Date, provided, however, that in the event that a breach cannot reasonably be expected to be cured by the deadline and the breaching party has promptly and in good faith commenced efforts to cure it and is diligently prosecuting such efforts, the Cure Period will be extended by fifteen (15) days, but not beyond the Closing Date determined under Section 1.8. Termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Sections 1.5 (Deposit), 5.1 (Confidentiality), 5.2 (Announcements), and 11.1 (Expenses) shall survive any termination of this Agreement.

10.2 Specific Performance. In the event of a material breach or threatened breach by Seller of any representation, warranty, covenant or agreement under this Agreement, at Buyer's election, in addition to any other remedy available to it, Buyer shall be entitled to an injunction restraining any such breach or threatened breach and to enforcement of this Agreement by a decree of specific performance requiring Seller to fulfill its obligations under this Agreement, in each case without the necessity of showing

economic loss or other actual damage and without any bond or other security being required.

ARTICLE 11: MISCELLANEOUS.

11.1 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, except that the filing fee for the FCC Application shall be paid one-half by Buyer and one-half by Seller, and Seller shall be solely responsible for all other governmental taxes, fees and charges applicable to the transfer of the Station Assets under this Agreement.

11.2 Further Assurances. After Closing, each party hereto shall execute all such instruments and take all such actions as any other party may reasonably request, without payment of further consideration, to effectuate the transactions contemplated by this Agreement, including without limitation the execution and delivery of confirmatory and other transfer documents in addition to those to be delivered at Closing.

11.3 Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns. Seller may not assign any of its rights or delegate any of its obligations hereunder, and any such attempted assignment or delegation without such consent shall be void. Buyer may assign its right to acquire the Station Assets (in whole or in part) to an affiliate of Buyer (*i.e.*, an entity that directly or indirectly controls, is controlled by or is under common control with Buyer) without Seller's consent, but any such assignment shall not relieve Buyer of any obligations under this Agreement.

11.4 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, or on the third day after prepaid mailing by certified U.S. mail, return receipt requested, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Seller, then to:

RGV Educational Broadcasting, Inc.  
1701 Tennessee  
Harlingen, Texas 78550  
Attention: Robert Gutierrez  
Facsimile: 956-421-4150

with a copy by overnight delivery  
(which shall not constitute notice) to:

Garza & Garza, L.L.P  
680 E. Saint Charles, Suite 300  
Brownsville, Texas 78520  
Attention: David Garza  
Facsimile: (956) 542-7403

if to Buyer, then to:

MBTV Texas Valley LLC  
3512 Paesanos Pkwy, Suite 206

San Antonio, Texas 78231  
Attention: Carlos Rodriguez  
Facsimile: 210- 764-2224

with a copy by overnight delivery  
(which shall not constitute notice) to:

Wiley Rein LLP  
1776 K Street, N.W.  
Washington, D.C. 20006  
Attention: Richard Bodorff  
Jessica Rosenthal  
Facsimile: (202) 719-7049

11.5 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.

11.6 Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Texas without giving effect to the choice of law provisions thereof. The prevailing party in a lawsuit brought to enforce the performance or compliance of any provision of this Agreement may recover reasonable attorneys' fees and costs from the non-prevailing party.

11.7 Miscellaneous. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless in a writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought. This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof. 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 respective successors and permitted assigns. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and both of which together constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

13712239

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER:

MBTV TEXAS VALLEY LLC

By: 

Name: Carlos Rodriguez

Title: Senior Executive Vice President/CEO

SELLER:

RGV EDUCATIONAL BROADCASTING, INC.

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

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

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

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER:

MBTV TEXAS VALLEY LLC

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

SELLER:

RGV EDUCATIONAL BROADCASTING, INC.

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

**Schedule 1.4**  
**Services**

For a period of up to ten (10) years after Closing, to the extent reasonably requested by Seller from time to time, up to a fair market value of Five Hundred Thousand Dollars (\$500,000) total, Buyer shall: (i) make available to Seller certain designated studio space at Buyer's local studio facilities, designated personnel and designated equipment for Seller to produce its religious programming substantially similar to the programming it produces as of the date of this Agreement and (ii) airtime on the Station's .2 multicast channel which Buyer, in its sole discretion, may make available to Seller for such programming, which may be broadcast by Buyer at mutually acceptable dates and times, not to exceed eight (8) hours per month.