

## APPENDIX B

### ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT (this "Agreement") dated as of November 18<sup>th</sup>, 2005 between Localone Texas, Ltd., a Texas Limited Partnership ("Seller"), and Mako Communications, L.L.C., a Texas Limited Liability Company (the "Buyer").

#### R E C I T A L S:

WHEREAS, Seller holds certain licenses, permits and authorizations issued by the Federal Communications Commission (the "Commission") for the operation of commercial low power television station KVPX in Las Vegas, Nevada (the "Station"), and owns certain assets used in the operation and maintenance of the Station, as more particularly described in this Agreement;

WHEREAS, Seller desires to assign such licenses, permits and authorizations to Buyer and sell such assets to Buyer, and Buyer desires to acquire such licenses and assets, upon the terms and subject to the conditions herein set forth; and

WHEREAS, the assignment of such licenses, permits and authorizations of the Station is subject to the prior approval of the Commission;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, Seller and Buyer agree as follows:

#### ARTICLE I            TERMS OF THE TRANSACTION

1.1 Assets to be Transferred. At the Closing, and on the terms and subject to the conditions set forth in this Agreement, Seller shall sell, assign, transfer, deliver and convey (collectively, "transfer"), or cause to be transferred, to Buyer, and Buyer shall purchase from Seller, all of the following assets and properties of Seller existing on the Closing Date:

(1) Commission Authorizations. All licenses, permits and authorizations issued or granted by the Commission for the operation of or used in connection with the operation of the Station, and all applications filed with the Commission (collectively, the "Commission Authorizations"), including those specifically identified on Schedule A hereto.

(2) Leased Real Property. The leasehold estate comprising Seller's tower site and transmitter storage location as described in the tower lease dated September 1, 2001 by and between American Tower Corporation and Seller (the "Tower Lease").

(3) Tangible Personal Property. All of Seller's rights in and to the fixed and tangible personal property owned by Seller and used in the operation of the Station, consisting of the physical assets, including that property identified on Schedule B hereto.

(4) Surveys, Maps, and Diagrams. All surveys, maps and building and equipment

*Handwritten initials and signature:*  
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diagrams and plans of Seller relating to any of the Assets.

All the assets and properties being transferred to Buyer pursuant to this Agreement are collectively referred to herein as the "Assets".

## 1.2 Purchase Price and Payment

(1) In consideration of the transfer by Seller to Buyer of the Assets, Buyer shall pay to Seller the aggregate purchase price of \$1,000,000.00 (the "Purchase Price"). The Purchase Price shall be paid to Seller as follows:

(1) Within five business days after the execution and delivery of this Agreement, Buyer shall deliver to Seller, a check in the amount of \$50,000 (the "Deposit");

(2) Buyer shall pay to Seller at the Closing the aggregate amount of \$950,000.00.

(2) If this Agreement is terminated by Seller in accordance with Section 9.1(3), Seller shall be entitled to receive the Deposit.

(3) If the transactions contemplated hereby are not consummated and Seller shall not be entitled to receive the Deposit pursuant to Section 9.1(4) or Section 9.1(5), Buyer shall be entitled to an immediate return of the Deposit.

1.3 Liabilities Assumed by Buyer. As further consideration for the transfer of the Assets to Buyer, Buyer agrees, upon the terms and subject to the conditions set forth herein, to assume, at the Closing, and thereafter to pay, perform and discharge, the following liabilities and obligations of Seller (but only such liabilities and obligations and no others):

(1) all obligations of Seller accruing from and after the Closing Date under the Tower Lease; and

(2) all obligations of Seller accruing from and after the Closing Date under the Commission Authorizations.

## ARTICLE 2 CLOSING

2.1 Closing; Closing Date. The closing of the transactions contemplated hereby (the "Closing") shall take place (i) at the offices of Buyer, 518 Peoples St., Corpus Christi, Texas, 78401 on the tenth business day following the satisfaction or waiver (subject to Applicable Law) of each of the conditions to the obligations of the parties set forth in Articles 3, 5, 6, 7 and 8, or (ii) at such other time or place or on such other date as the parties hereto shall agree. The date on which the Closing is required to take place is herein referred to as the "Closing Date".

At the Closing, subject to the satisfaction or waiver of the conditions to its obligations set forth in this Agreement, each of the parties hereto shall make the following deliveries or such deliveries in substitution therefor as are satisfactory to the indicated recipient:

2.2 Deliveries by Seller.

(1) Seller shall deliver to Buyer a General Conveyance, Bill of Sale and Assignment and Assumption Agreement substantially in the form of Exhibit A (the "Bill of Sale"), and other instruments in form and substance reasonably satisfactory to Buyer and sufficient to transfer to Buyer and effectively vest in Buyer all right, title, and interest of Seller in and to the Station and good and indefeasible title to the Assets.

(2) Seller shall deliver possession of the Assets to Buyer.

2.3 Deliveries by Buyer.

(1) Buyer shall deliver to Seller the Purchase Price

(2) Buyer shall deliver to Seller the Bill of Sale.

ARTICLE 3 WARRANTIES OF SELLER

Seller represents and warrants to Buyer that:

3.1 Authority Relative to this Agreement. Seller has full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby.

3.2 Exclusive Operation of Station. Seller holds an authorized license for the Station, which license was issued by the Commission. The Station is being operated in accordance with all Commission Rules and Regulations and will continue to be so operated until the Closing Date.

3.3 Title to Assets. Seller is the owner of, and has good and indefeasible title to, all the Assets, free and clear of all encumbrances. Upon Seller's transfer of the Assets to Buyer pursuant to this Agreement, Buyer will have good and indefeasible title to all the Assets, free and clear of all encumbrances.

3.4 Compliance With Laws. Seller has complied in all material respects with all laws and regulations relating to the ownership or operation of the Assets or the operation of the Station.

3.5 Legal Proceedings. There are no legal or regulatory proceedings pending or, to the best knowledge of Seller, threatened against or involving Seller relating to the Assets or the operation of the Station.

3.6 Sufficiency and Condition of Assets. All the Assets will be on the Closing Date, in the case of tangible assets and properties, in the same operating condition and repair (ordinary wear

and tear excepted) as they are on the date of this Agreement and have been maintained in accordance with sound engineering practice. The Assets and their uses conform in all material respects to all applicable laws, including without limitation the regulations and requirements of the Commission and all Commission Authorizations. All tangible assets and properties included in the Assets are in Seller's possession or under its control.

3.7 Permits and Licenses. Seller possesses all the permits and licenses necessary or required for the ownership and operation of the Assets and the conduct of the Station as presently conducted. Seller is in compliance with all its obligations with respect to such licenses and permits and, to the best knowledge of Seller, no event has occurred which permits, or with or without the giving of notice or the passage of time or both would permit, the modification, revocation or termination of the licenses or permits. Seller has no knowledge of any facts or circumstances the existence or absence of which are reasonably likely to cause the Commission to deny the Assignment Application.

3.8 Required Programming. On the Closing Date, Seller will be under no obligation to carry any third party programming. Furthermore, the Station or the Assets are not the subject of any contractual obligation other than this Agreement or the Tower Lease. As of the date of execution of this Agreement, Almavision is programming the Station but there is no formal contract or agreement between Seller and Almavision concerning programming. Pertinent correspondence between Seller and Almavision is attached as Exhibit C.

3.9 Disclosure. No representation or warranty made by Seller in this Agreement, and no statement of Seller contained in any document, certificate or other writing furnished or to be furnished by Seller pursuant hereto or in connection herewith, contains or will contain, at the time of delivery, any untrue statement of a material fact or omits or will omit, at the time of delivery, to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading. Seller knows of no material matter which has not been disclosed to Buyer pursuant to this Agreement.

#### ARTICLE 4                      WARRANTIES OF BUYER

Buyer represents and warrants to Seller that:

4.1 Authority Relative to this Agreement. Buyer has full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby. Buyer has duly authorized the execution and delivery of this Agreement and the performance by Buyer of the acts and transactions contemplated hereby. This Agreement constitutes a legal, valid, and binding obligation of Buyer enforceable in accordance with its term.

4.2 Valid Existence. Buyer is and in and as of the Closing Date will be a limited liability company organized, validly existing and in good standing under the laws of the State of Texas.

4.3 Qualifications. Buyer knows of no reason related to its qualifications that would disqualify it from acquiring the Commission Authorizations from Seller.

4.4 Financial Qualifications. Buyer has the financial resources necessary to consummate the purchase contemplated by this Agreement.

4.5 Disclosure. No representation or warranty made by Buyer in this Agreement, and no statement of Buyer contained in any document, certificate or other writing furnished or to be furnished by Buyer pursuant hereto or in connection herewith, contains or will contain, at the time of delivery, any untrue statement of a material fact or omits or will omit, at the time of delivery, to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading. Buyer knows of no matter which has not been disclosed to Seller pursuant to this Agreement.

## ARTICLE 5 CONDUCT OF BUSINESS

5.1 Conduct and Preservation of Business. Except as expressly provided in this Agreement, during the period from the date hereof to the Closing, Seller (i) shall operate and maintain the Station in accordance with sound engineering practices and in the ordinary course of business and in compliance with all laws (including without limitation the rules, regulations and practices of the Commission) consistent with present operations; and (ii) shall use its Best Efforts to preserve, maintain and protect the Assets except that Seller shall not be obligated to take any action to protect the Station from displacement by a full power station or that is likely to result in total costs to Seller in excess of \$25,000.

5.2 Restrictions on Certain Actions. Without limiting the generality of the foregoing, and except as otherwise expressly provided in this Agreement, prior to the Closing, Seller shall not, without the prior written consent of Buyer:

(1) incur, guarantee or assume any indebtedness for borrowed money in respect of the Station or the Assets;

(2) mortgage or pledge any of the Assets or create or suffer to exist any encumbrance;

(3) directly or indirectly solicit, encourage, or engage in any offers or inquiries by third parties to make Seller enter into any transaction which would be inconsistent with this Agreement;

(4) sell, lease, transfer or otherwise dispose of, directly or indirectly, any of the Assets without replacing those Assets;

(5) amend, modify or change any existing lease, contract, permit or agreement relating to the Station or the Assets;

## ARTICLE 6 ADDITIONAL AGREEMENTS

6.1 Access to Information. Between the date hereof and the Closing, Seller (i) shall give Buyer and its authorized representatives reasonable access, during regular business hours and upon reasonable advance notice, to all employees, all offices, warehouses and other facilities, and all books, records, agreements, and commitments of Seller relating to the Assets or the Station, (ii) shall permit Buyer and its authorized representatives to make such inspections as they may reasonably require, and (iii) shall cause Seller's officers to furnish Buyer and its authorized representatives with such financial and operating data and other information with respect to the Assets and the Station as Buyer may from time to time reasonably request.

6.2 Third Party Consents. Seller shall use its best efforts to obtain all consents, approvals, orders, authorizations, and waivers of, and to effect all declarations, filings, and registrations with, all third parties (including Governmental Entities) that are necessary, required, or deemed by Buyer to be desirable to enable Seller to transfer the Assets to Buyer as contemplated by this Agreement and to otherwise consummate the transactions contemplated hereby. All costs and expenses of obtaining or effecting any and all of the consents, approvals, orders, authorizations, waivers, declarations, and registrations referred to in this Section shall be borne by Seller.

6.3 Best Efforts. Each party hereto agrees that it will not voluntarily undertake any course of action inconsistent with the provisions or intent of this Agreement and will use its best efforts to take, or cause to be taken, all action and to do, or cause to be done, all things reasonably necessary, proper or advisable under Applicable Laws to consummate the transactions contemplated by this Agreement.

6.4 Commission Consent.

(1) Commission Consent. Consummation of the purchase and sale provided for herein and the performance of the obligations of Seller and Buyer under this Agreement are subject to the condition that the Commission shall have given its consent in writing, without any condition other than in the ordinary course that is materially adverse to Buyer or Seller, to the assignment of the Commission Authorizations to Buyer.

(2) Application for Commission Consent. Seller and Buyer agree to proceed expeditiously and with due diligence and to use their Best Efforts and to cooperate with each other in seeking the Commission's approval of the transactions contemplated hereunder through the preparation, filing and prosecution of an appropriate application to assign the Commission Authorizations from Seller to Buyer (the "Assignment Application"). Within five (5) days after the date of this Agreement, each party shall have prepared its portion of the Assignment Application and all information, data, exhibits, resolutions, statements and other materials necessary and proper in connection with such Assignment Application, and shall have delivered it to Buyer's counsel for filing with the Commission. Each party further agrees expeditiously to prepare Application amendments, respond to oral or written inquiries and answer pleadings whenever such documents are required by the Commission or its rules.

(3) Notice of Application. Seller shall, at its expense, give due notice of the filing of the Assignment Application by broadcasting on the Station, or by such other means as may be

required by the rules and regulations of the Commission.

6.5 Transfer of Certain Contracts. Seller agrees that between the date hereof and the Closing Date it will use its best efforts to obtain or cause to be obtained the necessary consents to the transfer of the Tower Lease.

6.6 Public Announcements. Except as may be required by Applicable Law, neither Buyer nor Seller shall issue any press release or otherwise make any public statement with respect to this Agreement or the transactions contemplated hereby without the prior written consent of the other party (which consent shall not be unreasonably withheld).

6.7 Fees and Expenses. Except as otherwise expressly provided in this Agreement, all fees and expenses, including fees and expenses of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such fee or expense, whether or not the Closing shall have occurred. Seller shall pay the filing fee required by the Commission when applying for consent to assign the license for the Station.

6.8 LMA Broker. If Buyer enters into a lma or similar programming agreement with Almavision within 6 months before or after the Closing, then Buyer will purchase from Seller any then remaining accounts receivable due to Seller from Almavision relating to Almavision's operation of the Station between the date of execution of this Agreement and the Closing. The accounts receivable shall not exceed \$12,000 per month.

#### ARTICLE 7 CONDITIONS TO OBLIGATIONS OF SELLER

The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment on or prior to the Closing Date of each of the following conditions:

7.1 Representations and Warranties True. All the representations and warranties of Buyer contained in this Agreement shall be true and correct.

7.2 Final Order of Commission. The grant by the Commission of the Assignment Application shall have become a Final Order.

7.3 Payment of Purchase Price. Buyer shall have paid the Purchase Price.

7.4 Closing Documents. Buyer shall have executed and delivered to Seller its closing documents.

#### ARTICLE 8 CONDITIONS TO OBLIGATIONS OF BUYER

The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment on or prior to the Closing Date of each of the following conditions:

8.1 Representations and Warranties True. All the representations and warranties of Seller contained in this Agreement shall be true and correct on and as of the Closing Date.

8.2 Covenants and Agreements Performed. Seller shall have performed and complied with in all material respects all covenants and agreements required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

8.3 Final Order of Commission. The grant by the Commission of the Assignment Application shall have become a Final Order.

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8.5 Consents. All consents, approvals, orders, authorizations, and waivers of, and all declarations, filings and registrations with, third parties (including Governmental Entities) required to be obtained or made by or on the part of the parties hereto or otherwise reasonably necessary for the consummation of the transactions contemplated hereby shall have been obtained or made, and all thereof shall be in full force and effect at the time of Closing, including, without limitation, consent to assignment of the Tower Lease.

8.6 Other Documents. Buyer shall have received all books and records of Seller relating to the Assets or the operation of the Station.

8.7 Closing Documents. Seller shall have executed and delivered to Buyer the Bill of Sale and other closing documents.

(1) Executed copies of all consents and approvals of third parties required to be obtained by or on the part of Seller for the consummation of the transactions contemplated hereby.

(2) All books and records of Seller relating to the Assets or the operation of the Station.

## ARTICLE 9 TERMINATION

9.1 Termination. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing in the following manner:

(1) by mutual written consent of Seller and Buyer; or

(2) by the Commission's Final Order denying consent to assign license for Station to Buyer, unless such denial occurs as a result of a breach of this Agreement by the party seeking to terminate this Agreement; or

(3) by Seller, if (i) any of the representations and warranties of Buyer contained in this Agreement shall not be true and correct in any material respect, when made or at any time prior to the Closing as if made at and as of such time, in any respect which is material to Buyer or the ability of Buyer to consummate the transactions contemplated hereby, or (ii) Buyer shall have failed to



fulfill in any material respect any of its material obligations under this Agreement; or

(4) by Buyer, if (i) any of the representations and warranties of Seller contained in this Agreement shall not be true and correct in any material respect, when made or at any time prior to the Closing as if made at and as of such time, in any respect which is material to Seller or the ability of Seller to consummate the transactions contemplated hereby, or (ii) Seller shall have failed to fulfill in any material respect any of its material obligations under this Agreement.

(5) by either party upon written notice to the other if the conditions to Closing set forth in Sections 7 and 8 have not been satisfied (or waived by the other party) within 180 days of the date of this Agreement.

9.2 Amendment. This Agreement may not be amended except by an instrument in writing signed by or on behalf of all the parties hereto.

9.3 Liquidated Damages. In the event of breach of this Agreement by Buyer, Seller shall be entitled to retain the Deposit as liquidated damages. Such liquidated damages shall be the limit of Buyer's liability for breach of this contract.

9.4 Return of Deposit. In the event of breach of any provision of this Agreement by Seller, Buyer shall be entitled to the immediate return of its Deposit.

#### ARTICLE 10 MISCELLANEOUS

10.1 Notices. All notices, requests, demands, and other communications required or permitted to be given or made hereunder by any party hereto shall be in writing and shall be deemed to have been duly given or made if (i) delivered personally, (ii) transmitted by first class registered or certified mail, postage prepaid, return receipt requested, (iii) sent by prepaid overnight courier service, (iv) sent by telecopy or facsimile transmission, answer back requested, or (v) sent by electronic mail, with confirmation of receipt, to the parties at the following addresses (or at such other addresses as shall be specified by the parties by like notice):

If to Buyer:

Mako Communications, LLC  
518 Peoples St.  
Corpus Christi, Texas 78401  
Telefax: (361) 883-3160  
Email: [Minick@swbell.net](mailto:Minick@swbell.net)

If to Seller:

10.2 Entire Agreement. This Agreement, together with the Schedules, Exhibits, Annexes and other writings referred to herein or delivered pursuant hereto, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior

agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

10.3 Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Buyer may not, without written consent of Seller, assign its rights and obligations hereunder to another party.

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

10.5 Governing Law. This Agreement shall be governed by the laws of the State of Texas, without regard to the principles of the conflicts of laws.

10.6 Consent to Jurisdiction. The parties hereto hereby irrevocably submit to the jurisdiction of the courts of the State of Texas and the federal courts of the United States of America located in Texas, and appropriate appellate courts therefrom, over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby and each party hereby irrevocably agrees that all claims in respect of such dispute or proceeding may be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by Applicable Law, any objection which they may now or hereafter have to the laying of venue of any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

IN WITNESS WHEREOF, the parties have executed this Agreement, or caused this Agreement to be executed by their duly authorized representatives, all as of the day and year first above written.

SELLER:

LOCALONE TEXAS, LTD.

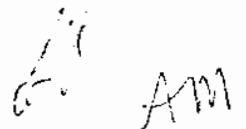
By: 

BUYER:

MAKO COMMUNICATIONS, LLC

By: 

AMANDA MINTZ, Member

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