

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made and entered into as of this 28th day of December, 2001, by and between Sungilt Corporation, Inc., a Delaware corporation (“**Seller**”), and Univision Television Group, Inc., a Delaware corporation (“**Buyer**”).

WITNESSETH:

WHEREAS, Seller is the permittee of television broadcast station KXGR (TV), Green Valley, Arizona, operating on Channel 46 (said station referred to as the “**Station**”);

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, on the terms and conditions set forth herein, all of Seller’s assets used or usable in connection with the operation of the Station;

WHEREAS, Seller desires to assign to Buyer the licenses, permits, and authorizations issued to Seller that allow it legally to operate the Station; and

WHEREAS, in order to consummate said sale and purchase the consent of the Federal Communications Commission (“**FCC**”) must be first obtained;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants, representations, warranties, and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE 1. - DEFINITIONS

1.1. **Definitions.** In this Agreement, the following terms shall be defined as follows:

“**Accounts Receivable**” shall mean Seller’s accounts receivable as in existence from time to time.

“**Additional Closing Amount**” shall mean the amount equal to (i) THREE HUNDRED THOUSAND DOLLARS (\$300,000.00) minus (ii) the total of all payments paid to Seller under Section 3.2.1 hereof.

“**Application**” shall mean the application seeking FCC consent to the assignment to Buyer of the FCC Authorizations, as defined below.

“**Assets**” shall mean the assets described in Sections 2.1.1 through 2.1.6 of this Agreement.

“**Authorizations**” shall mean the FCC Authorizations together with all other governmental licenses, permits, or authorizations issued to Seller.

“**Broker**” shall mean Kalil & Co., Inc., having an office in Tucson, Arizona.

“**Channel 46 of Tucson**” shall mean Channel 46 of Tucson, Inc., a Delaware corporation.

“**Claimant**” shall mean the party claiming indemnification under this Agreement.

“**Claims Amount**” shall mean, in the event that Buyer is entitled to indemnification by Seller hereunder and has made a claim against Seller within the Holdback Period, as defined below, for such indemnification, the portion of the Escrow Deposit, as defined below, necessary to satisfy all of such indemnification obligations of Seller.

“**Closing**” shall mean the closing of the purchase by Buyer from Seller of the Assets and Authorizations, as contemplated under this Agreement.

“**Closing Date**” shall mean the date on which the Closing occurs.

“**DOJ**” shall mean the Antitrust Division of the United States Department of Justice.

“**Environmental Assets**” shall mean the Assets, areas leased by Seller to tenants or leased by Seller from landlords, and underlying groundwater with respect to the Assets or such areas, if any.

“**Environmental Laws**” shall mean all Laws, as defined below, relating to protection of the environment, public health, or safety.

“**Escrow Agent**” shall mean an escrow agent selected by Buyer and reasonably acceptable to Seller.

“**Escrow Agreement**” shall mean the escrow agreement, in form and substance attached hereto as **Exhibit A**.

“**Escrow Deposit**” shall mean ONE MILLION DOLLARS (\$1,000,000.00).

“**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended.

“FCC Authorizations” shall mean all licenses, permits, or other authorizations issued by the FCC to Seller, all renewals or extensions thereof and all additions thereto, and all applications of Seller before the FCC.

“FCC Consent” shall mean written action of the FCC, or any successor federal governmental agency the approval of which is required before a broadcast license can be assigned, consenting to the assignment to Buyer of the FCC Authorizations.

“Final Order” shall mean an FCC consent or grant as to which the time within which any party in interest other than the FCC may seek administrative or judicial reconsideration or review of such consent or grant has expired and no petition for such reconsideration or review has been timely filed with the FCC or with a court of competent jurisdiction, and the normal time within which the FCC may review such consent or grant on its own motion has expired and the FCC has not undertaken such review.

“Financial Statements” shall mean Seller’s financial statements as of or for the period ended September 30, 2001.

“FTC” shall mean the Federal Trade Commission.

“Governmental Body” shall mean any governmental body of competent jurisdiction, including any court, legislative body, or governmental agency of competent jurisdiction, as well as any arbitrators of competent jurisdiction.

“Hazardous Material” shall mean (i) “Hazardous substances,” “pollutants,” or “contaminants” as those terms are defined by the Comprehensive Environmental Response, Compensation, and Liability Act and the Hazardous Materials Transportation Act, both as amended and hereafter amended; (ii) “solid wastes” as that term is defined by the Resource Conservation and Recovery Act, as amended and hereafter amended; (iii) any pollutant, contaminant, or solid waste or hazardous, dangerous, or toxic chemicals, materials, substances, or wastes within the meaning of any other applicable Laws relating to or imposing liability or standards of conduct with respect to any hazardous, toxic, or dangerous chemical, waste, substance, or material; (iv) crude oil or any fraction thereof that is liquid at standard conditions of temperature and pressure; (v) any radioactive material; (vi) asbestos in any form or condition; or (vii) polychlorinated biphenyls and hydrocarbons or substances or compounds containing polychlorinated biphenyls or hydrocarbons.

“Holdback Period” shall mean the one (1) year period immediately following the Closing Date.

“HSR Act” shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

“**Indemnitor**” shall mean the party from whom indemnification is sought under this Agreement.

“**Initial Payment**” shall mean FIFTY THOUSAND DOLLARS (\$50,000.00).

“**Interim Period**” shall mean the period beginning on the date hereof and ending on the Closing Date.

“**Laws**” shall mean all federal, state, local, and other governmental laws, statutes, rules, regulations, ordinances, decrees, orders, and requirements, including the Communications Act of 1934 and the rules, regulations, and policies of the FCC, all of the foregoing as amended and hereafter amended.

“**License**” shall mean the FCC license issued pursuant to the Station’s covering license application, FCC File No. BLCT-20001221ABN.

“**License Date**” shall mean the earliest date on which each of the following conditions shall be true: (i) the Station’s covering license application, FCC File No. BLCT-20001221ABN, shall have been granted by the FCC by a Final Order, and (ii) the License shall be in full force and effect and shall contain no conditions that are materially adverse to Buyer.

“**Liens**” shall mean all liens, security interests, mortgages, pledges, liabilities, debts, or encumbrances of any kind.

“**Material Adverse Effect**” shall mean a material adverse effect on (i) the Assets, Authorizations, or operation, condition, business, revenue, value, or prospects of Seller or of the Station, (ii) the ability of Seller to perform its obligations under this Agreement, or (iii) the validity or enforceability of this Agreement.

“**MVPD**” shall mean any multichannel video programming distributor, including any cable television system.

“**Paxson**” shall mean Paxson Communications of Tucson-46, Inc., a Florida corporation, and Paxson Communications Corporation, a Florida corporation.

“**Purchase Price**” shall mean the purchase price for the Authorizations and Assets that is set forth in Section 3.1 of this Agreement.

“**Release Agreement**” shall mean the release agreement, in form and substance attached hereto as **Exhibit B**.

“**Release**” shall mean the written release, in form and substance attached to the Release Agreement as **Exhibit I**, executed by Paxson, dated as of the Closing Date.

“**Securities Act**” shall mean the Securities Act of 1933, as amended.

1.2. **Use of Language.** Words of any gender used in this Agreement shall be held and construed to include every other gender, and words used in this Agreement in the singular shall be held and construed to include the plural and vice versa, unless the context otherwise requires. When used in this Agreement, “or” shall mean “and/or” unless the context otherwise requires. When used in this Agreement, the words “hereto,” “hereof,” “herein,” or “hereunder” or words of similar import refer to this Agreement in its entirety. The words “include,” “includes,” “included,” and “including” shall be deemed in this Agreement to be followed by the phrase “without limitation.” When used in this Agreement, “business day” shall mean any day other than a Saturday, a Sunday, or an officially recognized federal legal holiday; provided, however, that “business day” shall exclude the Inauguration Day holiday. When used in this Agreement, “lease” shall include “sublease” unless the context otherwise requires.

ARTICLE 2. - SALE AND PURCHASE OF ASSETS

2.1. **Assets.** On the Closing Date, subject to the terms and conditions set forth herein, Seller shall sell, assign, transfer, and deliver to Buyer, and Buyer shall purchase from Seller, the Authorizations and the following Assets:

2.1.1. Except for the tangible property described in **Schedule 2.1.1** attached hereto, the furniture, fixtures, machinery, equipment, supplies, spare parts, inventory, and all other tangible personal property owned and used or useful in the operation of the Station or Seller’s business, together with all replacements thereof or additions thereto, if any, made during the Interim Period.

2.1.2. Only those leases other than for real property, contracts, and other agreements and commitments of Seller that are set forth in **Schedule 2.1.2** attached hereto and that are in effect on the Closing Date.

2.1.3. Seller’s goodwill, going-concern value, privileges, licenses, permits, patents, copyrights, trade secrets, trademarks, trade names, Internet Websites and rights related thereto, and other tangible and intangible rights, including any and all rights to the call letters “KXGR(TV).”

2.1.4. All real property and real property leases specified in **Schedule 2.1.4** attached hereto.

2.1.5. All other assets used in the operation of the Station or Seller’s business, including logs, reports, the public inspection file, books, records, databases, lists, tapes, recordings, music libraries, and supplies on hand.

2.1.6. Specifically excluded from the Assets are cash on hand, money on deposit, and, except as set forth in Sections 2.1.1 through 2.1.5 hereof, all other cash equivalents.

2.2. **Conveyance**. On the Closing Date, Seller shall cause to be executed and delivered to Buyer all documents and instruments set forth in Section 7.4 of this Agreement.

2.3. **Records**. On the Closing Date, Seller shall deliver to Buyer all operating and maintenance logs and FCC records and reports, all accounting and sales information, and all other financial records relating to the operation of the Station or the Assets. Seller represents and warrants to Buyer that in all material respects each of such logs, records, reports, and information is in proper order, is complete, and covers at least the period beginning one (1) year prior to the Closing Date and ending on the Closing Date. After the Closing Date, Buyer shall provide Seller access to such records under Buyer's control as may be reasonably necessary for Seller to complete its financial statements, tax returns, and similar documents and records.

2.4. **Liabilities**. The Assets and Authorizations at Closing are to be free and clear of all Liens, except, with respect to real estate, if any, normal non-material easements, liens for taxes not yet due or payable, and other similar non-material encumbrances normally attendant to the ownership and operation of real estate.

2.5. **Buyer's Assumption of Certain Future Obligations**. Notwithstanding anything to the contrary contained in this Agreement, in the event of Closing, Buyer on the Closing Date shall assume only the obligations of Seller that are set forth in **Schedules 2.1.2 or 2.1.4**. With respect to such disclosed obligations, (i) Seller shall pay current all contract obligations due prior to the Closing Date and (ii) Buyer shall assume the obligation for all such contract payments due on or after the Closing Date. Seller shall execute and deliver to Buyer, and Buyer shall accept and execute as necessary, all documents and instruments as may be reasonably required to effectuate such assumption of future obligations.

2.6. **Prepaid Expenses**. Buyer shall reimburse Seller for the unexpended portion as of the Closing Date of all Station expenses and obligations that Seller prepaid prior to such time to the extent that such prepaid items are of benefit to Buyer, and Seller shall reimburse Buyer for all accrued but unpaid expenses and obligations of the Station as of such time. Income received by Seller for advertising to be broadcast on the Station on or after the Closing Date shall be paid by Seller to Buyer.

ARTICLE 3. - PURCHASE PRICE; ADJUSTMENTS; CERTAIN CONVENANTS

3.1. **Purchase Price**. The Purchase Price hereunder for the Authorizations and Assets shall equal TWELVE MILLION THREE HUNDRED THOUSAND DOLLARS (\$12,300,000.00).

3.2. **Payment Terms**. The Purchase Price shall be paid as follows:

3.2.1. **Monthly Payments.** Within two (2) business days following the License Date, Buyer shall pay to Seller the Initial Payment. During the period between, but not including, the date that the Initial Payment is due and the Closing Date, Buyer shall make an additional FIFTY THOUSAND DOLLAR (\$50,000.00) payment to Seller monthly with the first (1st) such additional payment due one (1) month after the Initial Payment is due. Each subsequent additional payment of FIFTY THOUSAND DOLLARS (\$50,000.00) shall be due on the same day of each succeeding month. The total of all payments due to Seller under this Section 3.2.1 shall in no event exceed THREE HUNDRED THOUSAND DOLLARS (\$300,000.00). Furthermore, notwithstanding the foregoing, (i) Buyer's obligation to make payments under this Section 3.2.1 shall terminate upon the earlier of the termination of this Agreement or the Closing Date and (ii) in no event shall Buyer be obligated to make such payments as long as Seller is in material breach hereunder or as long as the License Date shall not have occurred. Seller shall use the amounts paid to it under this Section 3.2.1 to operate the Station, including satisfying the Station's liabilities.

3.2.2. **Payment at Closing.** Buyer (i) shall pay to Seller, as part of the Purchase Price, ELEVEN MILLION DOLLARS (\$11,000,000.00) plus the Additional Closing Amount, if any, on the Closing Date by confirmed wire transfer of federal funds and (ii) shall pay the remaining ONE MILLION DOLLARS (\$1,000,000.00) of the Purchase Price on the Closing Date by depositing the Escrow Deposit pursuant to Section 3.8 hereof, it being understood, however, that, in the event there are any liabilities to be satisfied by Seller pursuant to this Agreement, Buyer shall have the right, but not the obligation, to satisfy those liabilities on the Closing Date directly, and all amounts, if any, paid by Buyer to satisfy such liabilities shall be deducted from the amount to be paid to Seller pursuant to Clause (i) of this Section 3.2.2.

3.3. **Release Agreement.** Seller and Buyer shall enter into the Release Agreement simultaneously with entering into this Agreement. Seller and Buyer shall use their reasonable efforts to cause Paxson to enter into the Release Agreement simultaneously with their entering into the Release Agreement. If the Release Agreement has not been duly executed and delivered by Paxson within fifteen (15) business days of the date of this Agreement, then this Agreement may be terminated by Buyer by the giving of written notice to Seller so long as such notice is given prior to the Closing Date and Paxson has not duly executed and delivered the Release Agreement. In the event that the Release Agreement is entered into by Seller, Buyer, and Paxson, (i) Seller shall perform all of its obligations under the Release Agreement in accordance with its terms and a material breach under the Release Agreement by Seller shall be deemed a material breach hereunder by Seller, and (ii) Buyer shall perform all of its obligations under the Release Agreement in accordance with its terms and a material breach under the Release Agreement by Buyer shall be deemed a material breach hereunder by Buyer. If the Release Agreement has been terminated in accordance with its terms, then this Agreement may be terminated by Buyer by the giving of written notice to Seller so long as Buyer is not then in material breach hereunder.

3.4. **Expenses.** On the Closing Date, to the extent reasonably feasible, there shall be prorated all payments of rent, utilities, insurance, FCC annual regulatory fees, and all other

operating expenses of the Station, including salaries, taxes, vacation and other fringe benefit accruals for employees, and other charges pertaining to the Assets, so that Seller shall be responsible for all such expenses prior to the Closing Date and Buyer for all such expenses on the Closing Date and thereafter, with final accounting and settlement of such prorations to be completed within ninety (90) days after the Closing Date. In this regard, Seller shall pay the costs of all ownership reports, employment reports, or other reports or FCC filings required by virtue of Seller's ownership of the Station prior to the Closing Date. Each party, however, shall be responsible for its own expenses in connection with the transactions contemplated under this Agreement, including the negotiation and preparation of this Agreement and the preparation and prosecution of the Application, except that Seller and Buyer shall share equally the cost of all FCC filing fees, if any, pertaining to said transactions and all filing fees, if any, relating to the filings contemplated under Section 5.6 hereof. Except as expressly provided in this Agreement, Buyer shall not be liable for any other expenses in connection with the transactions contemplated under this Agreement.

3.5. **Interim Obligations.** Throughout the Interim Period: (i) Seller shall maintain its qualifications under all applicable FCC requirements to be an assignor of the Station, shall operate the Station in the normal course of business and in a manner to maintain or increase the value of the Station, and shall comply in all material respects with all applicable Laws and shall operate the Station in compliance in all material respects with all applicable Laws; (ii) Seller shall maintain advertising and promotional budgets, if any, in the normal course of business and at least at levels to maintain or to increase the value of the Station; (iii) Seller shall manage the Accounts Receivable and the accounts payable of the Station in a manner consistent with past practice taking no extraordinary measures to delay or to accelerate the collection of receivables; (iv) Seller, notwithstanding the foregoing clause (iii), may continue to make ordinary collection efforts as would be prudent to businesses of the size and scope of the Station; (v) Seller shall use its best efforts to preserve the relationship of the Station with its employees, advertisers, and suppliers; (vi) Seller shall remain the authorized holder of each of the FCC Authorizations and shall maintain each of the FCC Authorizations in good standing and in full force and effect, and Seller shall not transfer, convey, or assign to any person or entity any of the Assets, other than Assets transferred, conveyed, or assigned in the ordinary course of business that, during the Interim Period, are replaced with assets of equal or greater value, quality, and usefulness; (vii) Seller shall not take any action or fail to take any action that could cause any representation or warranty of Seller contained herein to be untrue or incorrect as of the Closing Date; (viii) during normal business hours, Buyer and Buyer's agents, upon reasonable prior notice to Seller, shall be permitted to inspect all equipment, antenna towers, property, facilities, books, and records pertaining to the Station or Seller; (ix) Seller shall, in connection with Buyer's inspection rights hereunder, extend full cooperation to Buyer and Buyer's agents, including such access to Seller's officers, employees, equipment, and facilities and to logs and records pertaining thereto at such time or times as Buyer or Buyer's agents shall reasonably request; and (x) Seller shall not solicit offers from, make proposals to, conduct negotiations with, or otherwise deal with any and all third parties with respect to the transfer of control, assignment, purchase, or sale of the Station or any of the Authorizations or the Assets, it being understood that Seller is dealing exclusively with Buyer regarding the purchase and sale of the Station. Throughout the period beginning on

the date that the License is initially issued by the FCC and ending on the Closing Date, Seller shall remain the authorized holder of the License and shall maintain the License in good standing and in full force and effect.

3.6. **Purchase Price Allocation.** Buyer and Seller agree to allocate the Purchase Price for federal income tax purposes among the Authorizations and Assets in accordance with **Schedule 3.6** attached hereto. With regard to the allocation described in this Section 3.6, Buyer and Seller agree to file Form 8594 and all required supplemental and other forms, if any, with the Internal Revenue Service when due.

3.7. **Securities Filings.** At Buyer's request, Seller shall promptly, throughout the Interim Period, provide such information and documents to Buyer regarding the business of Seller and the Station as may be necessary or appropriate for inclusion in any filing, notification, or report required to be made by Buyer or any affiliate of Buyer under the Securities Act or the Exchange Act, and shall cause Seller's counsel and independent accountants to cooperate with Buyer, its affiliates, and their investment bankers, counsel, and independent accountants in the preparation of such filings, notifications, and reports. Seller represents, warrants, and covenants to Buyer that no information or document provided by Seller for inclusion in any filing, notification, or report made by Buyer or any affiliate thereof under the Securities Act or the Exchange Act shall contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements made therein not misleading.

3.8. **Holdback.** On the Closing Date, Seller and Buyer shall enter into the Escrow Agreement with the Escrow Agent. The Escrow Deposit shall be deposited by Buyer with the Escrow Agent on the Closing Date by confirmed wire transfer of federal funds. The Escrow Deposit shall be held in escrow pursuant to the Escrow Agreement to secure performance of Seller's post-Closing indemnification obligations hereunder. In the event that Buyer is entitled to indemnification by Seller hereunder and has made a claim against Seller within the Holdback Period for such indemnification, the Claims Amount shall be promptly paid to Buyer. At the end of the Holdback Period, Seller shall be entitled to prompt payment from the Escrow Deposit of an amount equal to (i) the Escrow Deposit minus the Claims Amount plus (ii) all interest, if any, earned on the Escrow Deposit. Seller and Buyer shall give timely written instructions to the Escrow Agent to effectuate the purposes and intent of this Section 3.8.

3.9. **Public Announcements.** The parties shall consult and cooperate with each other regarding and before issuing any press release or public statement with respect to this Agreement or the transactions contemplated hereunder; provided, however, that this Section 3.9 shall not prevent either party from complying with the requirements of applicable Laws.

ARTICLE 4. - REPRESENTATIONS AND WARRANTIES

4.1. **Buyer.** Buyer agrees and represents and warrants to Seller as follows:

4.1.1. **Authority.** Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware, is qualified to transact business in the State of Arizona, and has full power and authority to own its assets and to carry on its business as it has been and is conducting. Buyer has full corporate power and authority to make and perform this Agreement. This Agreement is a legal, valid, and binding obligation of Buyer enforceable in accordance with this Agreement's terms, subject to applicable bankruptcy, reorganization, insolvency, or similar laws affecting creditors' rights generally, and subject to the application of equitable principles in any proceeding involving the enforcement of any of the provisions of this Agreement and the discretion of the court before which any such proceedings may be brought. Neither the making nor the performance of this Agreement by Buyer nor the consummation of the transactions contemplated hereunder conflicts with or is prohibited by Buyer's Articles of Incorporation or Bylaws, or has constituted or shall constitute a default under any contract or commitment to which Buyer is a party or by which Buyer is bound.

4.1.2. **Restrictions and Consents.** The execution and delivery of this Agreement, and the consummation of the transactions provided for herein, by Buyer have been duly authorized by all necessary action on the part of Buyer and do not require the consent, approval, or authorization of or filing with any person, entity, or Governmental Body, other than the FCC Consent, the Application, and filings or approvals contemplated under Section 5.6 hereof, and shall not violate any Laws or any injunction, order, or decree of any Governmental Body or conflict with or result in a breach of or constitute a default under any of the terms of any mortgage, lease, note, indenture, commitment, contract, agreement, license, or other instrument or obligation to which Buyer is a party or by which Buyer or any of its properties is bound.

4.1.3. **Absence of Litigation.** Buyer is aware of no proceeding pending against Buyer before any Governmental Body that would prevent Buyer from performing this Agreement in accordance with its terms.

4.2. **Seller.** Seller agrees and represents and warrants to Buyer as follows:

4.2.1. **Authority.** Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware, is qualified to transact business in the State of Arizona, and has full power and authority to own its assets and to carry on its business as it has been and is conducting. Seller has full corporate power and authority to make and perform this Agreement. This Agreement is a legal, valid, and binding obligation of Seller enforceable in accordance with this Agreement's terms, subject to applicable bankruptcy, reorganization, insolvency, or similar laws affecting creditors' rights generally, and subject to the application of equitable principles in any proceeding involving the enforcement of any of the provisions of this Agreement and the discretion of the court before which any such proceedings may be brought. Neither the making nor the performance of this Agreement by Seller nor the consummation of the transactions contemplated hereunder conflicts with or is prohibited by Seller's Articles of Incorporation or Bylaws, or has constituted or shall constitute a default under any contract or commitment to which Seller is a party or by which Seller is bound, or has resulted

or shall result in the creation or imposition of any Liens in favor of any third party with respect to any of the Assets or Authorizations.

4.2.2. **Restrictions and Consents.** The execution and delivery of this Agreement, and the consummation of the transactions provided for herein, by Seller have been duly authorized by all necessary action on the part of Seller and do not require the consent, approval, or authorization of or filing with any person, entity, or Governmental Body, other than the FCC Consent, the Application, and filings or approvals contemplated under Section 5.6 hereof, and shall not violate any Laws or any injunction, order, or decree of any Governmental Body or conflict with or result in a breach of or constitute a default under any of the terms of any mortgage, lease, note, indenture, commitment, contract, agreement, license, or other instrument or obligation to which Seller is a party or by which Seller or any of its properties is bound. The execution and delivery of this Agreement and the consummation of the transactions provided for herein by Seller shall not give to others any interests or rights, including rights of termination or cancellation, in or with respect to any property, asset, mortgage, lease, note, bond, indenture, commitment, contract, agreement, license, or other instrument or right of Seller. Attached hereto as **Schedule 4.2.2** is a true, complete, and correct copy of the Settlement Agreement and Consent Award among Seller, Channel 46 of Tucson, and Paxson, entered into in May 2000, including all amendments thereto, if any.

4.2.3. **Title to Assets.** Seller on the Closing Date shall have good and marketable title to all of the Assets and Authorizations, free and clear of all Liens, except as expressly set forth in Section 2.4 hereof and except that the assignment of the FCC Authorizations requires the prior consent of the FCC. Seller shall satisfy all liabilities as necessary to cause the preceding sentence to be true.

4.2.4. **Authorizations and FCC Matters.** **Schedule 4.2.4** attached hereto is a true, complete, and correct description of all FCC licenses, permits, or authorizations currently held by Seller, including all digital television authorizations held by Seller, all other governmental authorizations held by Seller, and all applications of Seller before the FCC. Throughout the Interim Period, except as otherwise expressly contemplated under the FCC applications described in **Schedule 4.2.4**, none of the FCC licenses, permits, or authorizations described in **Schedule 4.2.4** shall be modified nor shall Seller seek modification of any such FCC licenses, permits, or authorizations. Throughout the Interim Period, Seller shall diligently prosecute such FCC applications. The expiration date of each of the FCC Authorizations is set forth in **Schedule 4.2.4**. The Authorizations are, and throughout the Interim Period shall be, (i) in good standing and in full force and effect and (ii) validly held by Seller. There are no restrictions or conditions of a nature that would limit the full operation of the Station as presently conducted. There is no petition to deny, complaint, letter of inquiry, or proceeding pertaining to Seller or the Station pending before or by the FCC. The Authorizations include all licenses, permits, or authorizations necessary to operate the Station as it is presently being operated in accordance with all applicable Laws. The Station is not short-spaced, on a grandfathered basis or otherwise, to any existing station, outstanding construction permit, or pending application therefor, domestic or international, or to any existing or proposed broadcast channel allotment,

domestic or international. The Station is not causing interference in violation of FCC rules to the transmissions of any other broadcast station or communications facility and Seller has not received any complaints with respect thereto from any person or entity, and, to the best of Seller's knowledge, no broadcast station or communications facility is causing interference in violation of FCC rules to the Station's transmissions or the public's reception of such transmissions. Seller has no reason to believe that the Station is receiving or in the future may receive any objectionable interference. Seller, Seller's operations, and the Assets have been and are in compliance with all applicable FCC rules, regulations, and policies. All FCC annual regulatory fees for each of the FCC Authorizations have been, and throughout the Interim Period shall be, timely paid to the FCC. All antenna towers used in connection with the Station, whether or not owned by Seller, have been registered with the FCC in accordance with the FCC's rules, regulations, and policies. The FCC registration number for the Station antenna tower is set forth in **Schedule 4.2.4**.

4.2.5. **Tangible Assets**. The Assets, as well as all tangible assets leased to Seller, if any, are in good operating condition and shall on the Closing Date be in at least as good condition as at present, reasonable wear and tear excepted, and are and shall on the Closing Date be as required for the Station to be operated in accordance with its FCC Authorizations and all applicable Laws.

4.2.6. **Condition of Assets**. The Assets include all the equipment and other property necessary to operate the Station as it is presently being operated in accordance with all applicable Laws, including all applicable standards pertaining to radiofrequency radiation. The Assets also include all equipment and other property owned by Seller that is used or useful for digital television operations. All Station antenna towers and equipment, including studio equipment, can and, as of the Closing Date, shall (i) meet the technical and operational requirements prescribed by the FCC for the Station, (ii) be operated in accordance with good engineering practices, and (iii) be in good operating condition and repair. Throughout the Interim Period, the Station and its equipment shall be operated and maintained in accordance with good engineering practices and in compliance with all FCC rules, regulations, and policies, including all applicable standards pertaining to radiofrequency radiation. All buildings, structures, and improvements, if any, owned or leased in connection with the operations of the Station comply with all zoning ordinances, noncompliance with which could have a Material Adverse Effect, and shall be in such compliance as of the Closing Date. There are no material defects in any of the structures, improvements, electronic equipment, or other tangible personal assets of the Station or Seller.

4.2.7. **Contracts**. Except as set forth in **Schedules 2.1.2 or 2.1.4**, Seller is not a party to any written or oral agreement of any kind, including any:

- i. Contract for the employment of any officer or employee that is not terminable on thirty (30) days or less notice without liability on the part of Seller;
- ii. Contract with any labor union;

- iii. Continuing contract for the purchase of materials, supplies, services, machinery, or equipment;
- iv. Contract continuing for a period of more than (1) one year from the date hereof;
- v. Contract not terminable on sixty (60) days notice or less without liability on the part of Seller;
- vi. Distributor, sales agency, or advertising contract, any Internet Domain lease, or any contract for the sale of products of a third party or Seller;
- vii. Lease or any contract for the purchase or sale of real property;
- viii. Contract with any subcontractor;
- ix. Bonus, pension, profit-sharing, retirement, stock purchase, stock option, hospitalization, insurance, or similar plan or practice, formal or informal, in effect with respect to Seller's employees or others;
- x. Network contract, time brokerage agreement, local marketing agreement, joint sales agreement, retransmission consent agreement, wire service agreement, trade agreement, normal operating contract, program supply contract, syndicated programming arrangement, or similar arrangement;
- xi. Contract not made in the ordinary course of business of the Station; or
- xii. Material contract or contract the consideration for which exceeds Five Hundred Dollars (\$500.00).

True, complete, and correct copies of all of the agreements set forth in **Schedules 2.1.2 or 2.1.4**, including all amendments, if any, to such agreements, have been delivered to Buyer and each of such agreements is in full force and effect, and all such amendments, if any, are also accurately set forth in **Schedules 2.1.2 or 2.1.4**. All such agreements were entered into in the normal course of business on commercially reasonable terms and no such agreement contains provisions that would be unduly burdensome or unusual within the broadcast industry for businesses similar in size or location to that of Seller. On the Closing Date, Seller shall assign such agreements to Buyer, except for those agreements that have expired pursuant to their terms. Throughout the Interim Period, Seller shall neither amend nor seek amendment of any agreement set forth in **Schedule 2.1.2 or 2.1.4**.

4.2.8. **No Default.** No person or entity with whom Seller has an agreement that is of material importance to the businesses, properties, or operations of Seller is in default thereunder or has given Seller notice of termination thereof, and no condition exists or event has occurred that, with notice or lapse of time, or both, would constitute such default and Seller shall not willingly accept such notice of termination. Except as set forth in **Schedule 4.2.8** attached hereto, Seller is not in default under any of such agreements. Seller shall have cured all defaults described in **Schedule 4.2.8** as of the Closing Date.

4.2.9. **Intellectual Property.** Neither Seller nor any of the Assets infringes upon or misappropriates any copyrights, trademarks, patent rights, or other rights of any person or entity. Seller has no knowledge of any infringement or unlawful or unauthorized use of any of Seller's copyrights, trademarks, patent rights, or other rights, including the use of any call sign, slogan, or logo by any broadcast station or MVPD in the State of Arizona that may be confusingly similar to the call sign, slogans, and logos currently used by the Station.

4.2.10. **Real Property.** Attached hereto as **Schedule 2.1.4** are true, complete, and correct copies of all leases, including all amendments thereto, if any, to which Seller is a party, for real property, buildings and improvements thereon, and space on antenna towers. Except as set forth in **Schedule 4.2.8**, such leases are valid and in full force and effect and there does not exist any default or event that with notice or lapse of time, or both, would constitute a default under any of such leases. Such leases are assignable to Buyer and Seller shall obtain on or prior to the Closing Date all necessary consents for assignment of all such leases to Buyer on the Closing Date. **Schedule 2.1.4** also contains a true, complete, and accurate description of all real property owned by Seller, and such real property is explicitly identified in **Schedule 2.1.4** as owned by Seller. All of the tangible Assets are located on real property owned by or leased to Seller, which real property is described in **Schedule 2.1.4**, and none of the Assets, including antenna tower guy wires, if any, extend or project over real property not encompassed within the real property described in **Schedule 2.1.4** as owned by or leased to Seller.

4.2.11. **Public File and Records.** All the material required by FCC rules, regulations, or policies to be kept in the Station public inspection file is in such file in compliance with FCC rules, regulations, and policies. Such file shall be maintained in proper order and shall be complete throughout the Interim Period. All files and records required by applicable Laws to be kept by Seller have been kept in proper order and shall be complete throughout the Interim Period.

4.2.12. **Litigation.** Except as set forth in **Schedule 4.2.12** attached hereto, there is no litigation, proceeding, complaint, or investigation pending, or to the best of Seller's knowledge threatened, before or by any Governmental Body, against or relating to Seller that could result in a Material Adverse Effect, nor does Seller know of, or have any reasonable grounds to know of, in view of Seller's present situation or the action Seller now contemplates taking, any basis for such litigation, proceeding, complaint, or investigation, and the execution, delivery, and performance of this Agreement by Seller shall not result in the violation or default by Seller with respect to any Laws or judgment, order, writ, injunction, ruling, or decree of any

Governmental Body that could have a Material Adverse Effect. Seller is not the subject of any FCC or other governmental investigation or any order, decree, or ruling or any complaint, letter of inquiry, objection, petition to deny, or opposition issued by or filed with the FCC or any other Governmental Body in connection with any of the Authorizations or the Station and there are no proceedings before the FCC or any other Governmental Body that could adversely affect any governmental license, permit, authorization, franchise, certificate, or consent of Seller or the Station. Throughout the Interim Period, Seller shall advise Buyer in writing immediately, and in no event more than ten (10) days after Seller has knowledge, of the filing of, or threat of a person or entity to file, any action of the type referred to in this Section 4.2.12.

4.2.13. **Insurance.** Seller as of the date of this Agreement has in force insurance that is adequate for the Assets and the operation of the Station. With respect to such insurance, Seller shall maintain at least equivalent coverage in force throughout the Interim Period. Such insurance is at least in such amounts and covers at least such risks as is customary within the broadcast industry for broadcast stations similarly situated to the Station. Such insurance is issued by financially sound insurers that are generally recognized within the United States.

4.2.14. **Financial Reports.** True, complete, and correct copies of the Financial Statements have been delivered to Buyer. Except as expressly disclosed in the Financial Statements, the Financial Statements are true, complete, correct, and present fairly the financial condition of Seller as of the respective dates or for the respective periods of such Financial Statements; provided, however, that the Financial Statements are subject to non-material year-end adjustments. Throughout the Interim Period, Seller shall each month provide to Buyer true, complete, and correct monthly profit and loss statements for the Station.

4.2.15. **Compliance with Laws.** Seller, Seller's operations, the Assets, and the Authorizations have been and are in compliance with all applicable Laws, noncompliance with which could have a Material Adverse Effect, and there are no material violations of any such Laws, existing or threatened. Seller has not received any notice of violation of any applicable zoning or other Laws relating to the operation of the Station or to Seller or any of its properties. All governmental licenses, permits, authorizations, franchises, certificates of compliance, and consents held by Seller or relating to the Station, including the FCC Authorizations, are detailed in **Schedule 4.2.4** and are in good standing and in full force and effect. No condition exists or event has occurred that permits, or after notice or lapse of time, or both, would permit, the revocation, termination, suspension, or adverse modification of any such license, permit, authorization, franchise, certificate, or consent, other than expiration pursuant to the express expiration date thereof, or the imposition of any restriction or limitation upon the operation of the Station as now conducted. Seller has timely filed with the FCC and every other Governmental Body having jurisdiction over Seller or the Station all reports, applications, documents, instruments, and other information required to be filed, and shall continue to make such filings when due, throughout the Interim Period, including applications for renewal of the FCC Authorizations, which Seller shall diligently prosecute. Throughout the Interim Period, neither Seller nor any of its directors or officers shall, directly or indirectly, engage in or

willingly permit any activity that could adversely affect the Station's service area or MVPD carriage or any of the Authorizations, or that could result in a Material Adverse Effect. Seller shall use its best efforts to cure promptly all operating problems, if any, that may permit, after notice from the FCC or any other Governmental Body, the revocation, termination, suspension, or adverse modification of any of the Authorizations or the imposition of any restriction or limitation upon the operation of the Station. Throughout the Interim Period, Seller shall vigorously oppose all applications, proposals, or proceedings, if any, that could adversely affect the service area or MVPD carriage of the Station. Throughout the period prior to the Closing, Seller has taken and shall take all steps necessary to preserve Seller's and the Station's analog and digital television allotments, authorizations, and operations, including compliance with all FCC deadlines pertaining to such allotments, authorizations, or operations.

4.2.16. **Personnel Information.** Seller has delivered to Buyer a true, complete, and correct list of all persons employed by Seller, including a true, complete, and correct description of all compensation arrangements, including commission arrangements, affecting such persons and a true, complete, and correct description of the basis for their compensation. **Schedule 2.1.2** sets forth all employment agreements covering employees of Seller. Buyer shall have the opportunity, but shall have no obligation, to employ employees of Seller after the Closing Date.

4.2.17. **Employee Benefit Plans.** All employee benefit plans or arrangements applicable to the employees of Seller, including pension, profit-sharing, or thrift plans, employee stock ownership plans, cash or deferred compensation plans, Section 401(k) plans, qualified or non-qualified stock option arrangements, individual or supplemental pension or accrued compensation arrangements, contributions to hospitalization or other health or life insurance programs, incentive plans for salesmen, bonus arrangements, and vacation, sick leave, termination, and disability arrangements or policies, have been and are established, managed, and administered in accordance with all applicable Laws, including the Internal Revenue Code of 1986, as amended, and the Employee Retirement Income Security Act of 1974, as amended. Buyer shall not assume any liability arising under any such employee benefit plans or arrangements.

4.2.18. **Labor Relations.** Seller has been and is in compliance with all applicable Laws relating to the employment of labor, noncompliance with which could have a Material Adverse Effect, including those Laws relating to wages, hours, collective bargaining, occupational safety, discrimination, and the payment and withholding of social security and other taxes, and Seller has not received any notice alleging that Seller has failed to comply with any of the foregoing. Seller is not a party to any collective bargaining agreement. There are no controversies or proceedings pending or, to the best of Seller's knowledge, threatened between Seller and the employees of Seller or any labor union or other collective bargaining unit representing or claiming to represent any of the employees of Seller. To the best of Seller's knowledge, there is no union campaign being conducted to solicit cards from employees to

authorize a union to request a National Labor Relations Board certification election with respect to any of the employees of Seller.

4.2.19. **Taxes and Bulk Sales.** All tax returns and reports of Seller required to be filed have been filed, and all taxes, assessments, and other governmental charges upon Seller or upon any of its properties have been paid or adequate provision therefor has been made, and Buyer shall not be subject to any transferee liability for any taxes or governmental charges imposed on but unpaid by Seller. No assessments for additional federal, state, or local taxes have been made or threatened against Seller for any year that have not been satisfied or adequate provision for which has not been made. Neither the sale and transfer of the Assets or Authorizations pursuant to this Agreement, nor Buyer's ownership, possession, or use thereof from and after the Closing Date as a result of such sale and transfer, shall result in or be subject to: (i) any law pertaining to bulk sales or transfers or fraudulent conveyances that might make such sale or transfer or any part thereof ineffective as to creditors of or claimants against Seller; (ii) any federal, state, or local sales, use, transfer, excise, or license tax, fee, or charge applicable to any of the Assets or Authorizations; or (iii) the imposition upon Buyer of any liability of any nature whatsoever that has not been expressly assumed by Buyer under this Agreement.

4.2.20. **Environmental Matters.** The Environmental Assets, and the use and operation thereof, currently are in compliance and shall remain in compliance throughout the Interim Period with all Environmental Laws. All governmental permits relating to the use or operation of the Environmental Assets required by applicable Environmental Laws are and shall remain in effect throughout the Interim Period, and Seller shall comply therewith. No release, threatened release, generation, discharge, manufacture, storage, treatment, transportation, or disposal of Hazardous Material shall occur during the Interim Period or has occurred on, in, under, or from the Environmental Assets or any parcels of real estate adjacent thereto. There are and during the Interim Period there shall be (i) no environmental, health, or safety hazards that pertain to any of the Environmental Assets or the business or operations conducted thereon; (ii) no Hazardous Material stored or otherwise located on, in, or under the Environmental Assets or any parcels of real estate adjacent thereto; and (iii) no storage tanks present on or under the Environmental Assets. Without limiting the foregoing obligations, if, during the Interim Period, any Hazardous Material is found on, in, or under the Environmental Assets, Seller, at its own cost and expense, shall immediately take such action as is necessary to prevent the spread of and remove or clean up, or otherwise remedy the existence or spread of, such Hazardous Material to the extent required by applicable Laws. No Hazardous Material shall be introduced to or handled on the Environmental Assets during the Interim Period. There are no pending or threatened (a) requests for information, actions, or proceedings from or by any Governmental Body or any other person or entity against Seller or the Environmental Assets regarding any Environmental Law, or (b) Liens or governmental actions, notices of violation, notices of noncompliance, or other proceedings against Seller or the Environmental Assets regarding any Environmental Law. Throughout the Interim Period, Buyer shall have the right at all reasonable times and from time to time to conduct environmental audits of the Environmental Assets by a consultant of Buyer's

choice, including Phase I, Phase II, or other environmental audits. Seller shall cooperate in the conduct of each audit and review performed pursuant to this Section 4.2.20.

4.2.21. **Absence of Certain Changes.** Since September 30, 2001, there has not been:

4.2.21.1. Any event that has had or could result in a Material Adverse Effect;

4.2.21.2. Any pending or, to the best of Seller's knowledge, threatened union organization activity, labor dispute, strike, or work stoppage affecting the business or operations of Seller, the Station, or the Assets, or any charge or complaint against Seller filed with the National Labor Relations Board or any administrator of any applicable state or federal equal employment opportunity laws;

4.2.21.3. Any damage, destruction, or loss, whether or not covered by insurance, materially and adversely affecting any of the Assets;

4.2.21.4. Any material increase in distributions to stockholders or principals of Seller or compensation payable or to be payable to any of the employees of Seller, or any bonus payment made or promised to any employee of Seller, or any material change in personnel policies, insurance benefits, or other compensation arrangements affecting the employees of Seller;

4.2.21.5. Any sale, agreement to sell, lease, or other assignment or transfer of any properties used or useful in the conduct of the business and operations of the Station, except in the ordinary course of business of the Station or in connection with the acquisition by Seller of equivalent property or assets;

4.2.21.6. Any creation or assumption of any Liens upon any of the Assets or Authorizations, except as otherwise specifically set forth in Section 2.4 hereof;

4.2.21.7. Any litigation, action, or proceeding or any settlement or agreement to settle any litigation, action, or proceeding by or before any Governmental Body relating to the Station, Seller, or the Assets or Authorizations;

4.2.21.8. Any failure to replenish the inventories and supplies of the Station in a normal and prudent manner, or any purchase commitment in excess of the normal, ordinary, and usual requirements of the Station or at any price in excess of the then current market price, or upon terms and conditions more onerous than those usual and customary within the broadcast industry for stations similarly situated to the Station, or any changes in the Station's marketing, selling, pricing, or advertising practices inconsistent with normal and prudent business practices;

4.2.21.9. Except as set forth in **Schedule 4.2.21.9** attached hereto, any material interruption in the normal and usual operations of the Station or any actual or threatened material reduction in MVPD carriage of the Station; or

4.2.21.10. Any entry into any contract or commitment relating to the Station other than in the ordinary course of business.

4.2.22. **Disclosures**. No Seller statement, representation, or warranty contained herein, and no Seller statement, representation, or warranty made in any document, certificate, or schedule furnished in connection with or attached to this Agreement, contains or shall contain an untrue statement of a material fact or omits or shall omit to state any material fact necessary to make such statement, representation, or warranty not misleading to a prospective purchaser. Throughout the Interim Period, Seller shall advise Buyer in writing immediately, and in no event more than ten (10) days after Seller has knowledge, of all changes, if any, in circumstances that would cause any of such statements, representations, or warranties to be inaccurate. Buyer shall be entitled to rely on Seller's representations and warranties given in connection with this Agreement regardless of any investigation or inquiry conducted by or on behalf of Buyer and regardless of Buyer's knowledge of any inaccuracy in such representations or warranties.

ARTICLE 5. - REGULATORY MATTERS

5.1. **FCC Consent to Assignment**. Notwithstanding anything herein to the contrary, the consummation of the purchase and sale of the Assets and Authorizations contemplated under this Agreement is subject to and conditioned upon the prior consent of the FCC.

5.2. **Application for Consent**. As promptly as practicable, but within fifteen (15) days of the date hereof, Buyer and Seller shall file with the FCC the Application seeking FCC consent to assignment of the FCC Authorizations to Buyer without conditions adverse to Buyer, which Application shall include all necessary waiver requests, if any, to enable the Application to be granted. The parties shall promptly and diligently file and expeditiously prosecute all necessary amendments, briefs, pleadings, documents, and supporting data to the Application, and take such actions and give such notices as may be required or requested by the FCC or as may be appropriate, all in an effort to expedite the approval by the FCC of the Application with no conditions adverse to Buyer, and shall promptly supply to each other such information in their respective possession as may be reasonably requested by either party to expedite such approval. In the event of the filing of any protest, petition to deny, petition for reconsideration, or appeal of the FCC's consent and approval with respect to the Application, or other action seeking review, reconsideration, or appeal of such consent and approval, the parties mutually agree that each such filing or action, if any, shall be opposed by each of them vigorously.

5.3. **Operation of the Station Before Closing**. Throughout the Interim Period, Seller shall continue to operate the Station in the public interest, convenience, and necessity, and

shall file with the FCC all documents required to be filed in connection with the operation of the Station.

5.4. **Control.** Throughout the Interim Period, Buyer shall not directly or indirectly control, supervise, or direct, or attempt to control, supervise, or direct, the operations of the Station. Such operations shall be the sole responsibility of Seller throughout the Interim Period.

5.5. **Hearing Designation.** If the Application is designated for hearing by the FCC, then this Agreement may be terminated by either Buyer or Seller on ten (10) days prior written notice to the other party so long as the terminating party is not then in material breach hereunder.

5.6. **Hart-Scott-Rodino.** If the transactions contemplated under this Agreement are subject to the filing requirements of the HSR Act or the approval of the FTC or the DOJ, the parties shall (i) each make such filings as are required under the HSR Act as soon as practicable, but in no event later than fifteen (15) days following the date hereof; (ii) otherwise promptly comply with the applicable requirements under the HSR Act, including furnishing all information and filing all documents required thereunder, (iii) furnish to each other copies of those portions of the documents so filed with the FTC or the DOJ that are not confidential, and (iv) cooperate fully with each other and use their best efforts to expedite compliance with the HSR Act.

ARTICLE 6. - RISK OF LOSS AND INDEMNIFICATION

6.1. **Risk of Loss.** The risk of loss or damage to the Assets and Authorizations shall be on Seller at all times prior to the Closing, and thereafter said risk shall be Buyer's.

6.2. **Indemnification by Seller.** Subject to Section 8.9 hereof, throughout the period following the Closing, Seller shall indemnify and hold harmless Buyer and its stockholders, directors, officers, employees, agents, and consultants, and the successors and assigns of each of the foregoing, against:

6.2.1. Any and all claims, liabilities, and obligations of any kind or nature, contingent or otherwise, including any transferee liability, arising out of or relating to the operation of the Station or the Assets prior to the Closing or arising or required to be performed prior to the Closing under any lease, contract, or agreement assumed by Buyer hereunder;

6.2.2. Any and all damage or deficiency resulting from any Seller misrepresentation, breach of warranty, or nonfulfillment of any agreement, covenant, or obligation assumed or required to be performed by Seller under this Agreement, or from any misrepresentation in or omission from any certificate or other instrument furnished to Buyer pursuant to this Agreement or furnished to Buyer by Seller or Seller's agents in connection with any of the transactions contemplated hereunder; and

6.2.3. Any and all actions, suits, proceedings, damages, assessments, judgments, costs, and expenses, including reasonable attorneys' fees, incurred by Buyer as a result of Seller's failure or refusal to defend, to compromise, or to pay any claim incident to the foregoing provisions of this Section 6.2.

6.2.4. If any claim or liability shall be asserted against Buyer that would give rise to a claim by Buyer against Seller for indemnification under the provisions of this Section 6.2 and Buyer seeks to be indemnified under such provisions, Buyer shall promptly notify Seller in writing of the same and Seller shall be entitled at its own expense to compromise or to defend such claim asserted against Buyer subject to Section 6.4 hereof.

6.3. **Indemnification by Buyer.** Subject to Section 8.9 hereof, throughout the period following the Closing, Buyer shall indemnify and hold harmless Seller and its stockholders, directors, officers, employees, agents, and consultants, and the successors and assigns of each of the foregoing, against:

6.3.1. Any and all claims, liabilities, and obligations of any kind or nature, contingent or otherwise, arising out of or relating to the operation of the Station or the Assets subsequent to the Closing or arising or required to be performed subsequent to the Closing under any lease, contract, or agreement assumed by Buyer hereunder;

6.3.2. Any and all damage or deficiency resulting from any Buyer misrepresentation, breach of warranty, or nonfulfillment of any agreement, covenant, or obligation assumed or required to be performed by Buyer under this Agreement, or from any misrepresentation in or omission from any certificate or other instrument furnished to Seller pursuant to this Agreement or furnished to Seller by Buyer or Buyer's agents in connection with any of the transactions contemplated hereunder; and

6.3.3. Any and all actions, suits, proceedings, damages, assessments, judgments, costs, and expenses, including reasonable attorneys' fees, incurred by Seller as a result of Buyer's failure or refusal to defend, to compromise, or to pay any claim incident to any of the foregoing provisions of this Section 6.3.

6.3.4. If any claim or liability shall be asserted against Seller that would give rise to a claim by Seller against Buyer for indemnification under the provisions of this Section 6.3 and Seller seeks to be indemnified under such provisions, Seller shall promptly notify Buyer in writing of the same and Buyer shall be entitled at its own expense to compromise or to defend such claim asserted against Seller subject to Section 6.4 hereof.

6.4. **Procedure for Indemnification.** With respect to any third-party claims or proceedings as to which the Claimant is entitled to and seeks indemnification hereunder, the Indemnitor shall have the right, subject to the provisions of this Section 6.4, to employ counsel reasonably acceptable to the Claimant to defend against each such claim or proceeding, if any, or to compromise, settle, or otherwise dispose of the same if the Indemnitor deems it advisable to

do so, all at the expense of the Indemnitor. The parties shall fully cooperate in each such action, and shall make available to each other all of their books or records, if any, useful for the defense of such claim or proceeding. As a condition of tendering defense of such claim or proceeding to the Indemnitor, the Claimant shall have the right to require the Indemnitor to post a bond or provide other reasonable assurance to the Claimant that the Indemnitor can and shall pay all liabilities arising from such claim or proceeding in the event of an unsuccessful defense or any settlement. If the Indemnitor fails to acknowledge in writing to the Claimant the Indemnitor's obligation to defend against or settle such claim or proceeding or fails to provide such bond or assurance, in each case within twenty (20) days after receiving notice thereof from the Claimant, or such shorter time specified in such notice as the circumstances of the matter dictate, the Claimant shall be free to engage counsel of the Claimant's choice and defend against or settle the matter, all at the expense of the Indemnitor. Notwithstanding anything herein to the contrary, (i) the Claimant shall always be free to engage its own counsel and participate fully in the defense of any claim or proceeding being defended by the Indemnitor under the indemnification provisions hereof, it being understood that the Indemnitor shall bear the expense of such counsel in the event that such claim or proceeding seeks in whole or in part any nonmonetary relief, and (ii) the Indemnitor shall not effect any settlement relating to any claim or proceeding under the indemnification provisions hereof that seeks in whole or in part any nonmonetary relief or that could adversely affect the Claimant without the prior written consent of the Claimant.

**ARTICLE 7. - CLOSING DATE;
CONDITIONS TO CLOSING; CLOSING DOCUMENTS**

7.1. **Closing Date.** The Closing shall be held at Shaw Pittman LLP, 2300 N Street, N.W., Washington, D.C. 20037, or at such other location as the parties may mutually specify, and shall be held on a mutually agreeable date within the fifteen (15) days immediately following the date on which the FCC Consent has become a Final Order, unless an earlier Closing (i) is necessary to comply with FCC regulations, (ii) is mutually agreeable to the parties and is consistent with FCC regulations, or (iii) is specified by Buyer by the giving of ten (10) days prior written notice to Seller and is consistent with FCC regulations. The Closing shall commence at 10:00 a.m. local time on the Closing Date at the Closing location.

7.2. **Conditions to Obligations of Seller.** The following are conditions precedent to Seller's obligation to close hereunder, any or all of which may be waived in whole or in part in writing by Seller to the extent permitted by applicable Laws:

7.2.1. **Representations and Warranties to be True and Obligations Performed.** The representations and warranties of Buyer contained herein shall be true in all material respects as of and on the Closing Date as though made on such date. Buyer shall have performed and complied with all obligations and covenants required under this Agreement to be performed or complied with by Buyer on or prior to the Closing Date.

7.2.2. **Closing Documents.** Buyer shall have delivered to Seller or caused the delivery to Seller of the Closing documents and items described in Section 7.5 of this Agreement.

7.2.3. **FCC Consent.** The FCC Consent shall have been issued and such consent shall be in full force and effect.

7.2.4. **Litigation.** Neither Seller nor Buyer shall be subject to any order or injunction of any Governmental Body restraining or prohibiting the consummation of the transactions contemplated hereunder, and no action or proceeding shall have been instituted by any third party and remain pending before a Governmental Body to prohibit such transactions, nor shall any Governmental Body have notified either party to this Agreement that the consummation of the transactions contemplated hereunder may constitute a violation of applicable Laws, which notification remains outstanding.

7.2.5. **Certificate.** Buyer shall have delivered to Seller a certificate, dated as of the Closing Date, signed by Buyer stating that the representations and warranties of Buyer set forth in this Agreement and in the instruments delivered by Buyer to Seller in connection with this Agreement are true and correct as of the Closing Date in all material respects.

7.2.6. **HSR Act.** If legally required, all filings with the FTC and the DOJ pursuant to the HSR Act relating to the transactions contemplated hereunder shall have been made and all applicable waiting periods with respect to such filings, including all extensions thereof, if any, shall have expired or been terminated and no actions shall have been instituted that are pending on the Closing Date by the FTC or the DOJ challenging or seeking to enjoin the consummation of such transactions.

7.2.7. **Release.** Paxson shall have delivered an executed counterpart of the Release to Seller.

7.3. **Conditions to Obligations of Buyer.** The following are conditions precedent to Buyer's obligation to close hereunder, any or all of which may be waived in whole or in part in writing by Buyer to the extent permitted by applicable Laws:

7.3.1. **Representations and Warranties to be True and Obligations Performed.** The representations and warranties of Seller contained herein shall be true in all material respects as of and on the Closing Date as though made on such date. Seller shall have performed and complied with all obligations and covenants required under this Agreement to be performed or complied with by Seller on or prior to the Closing Date.

7.3.2. **Closing Documents.** Seller shall have delivered to Buyer or caused the delivery to Buyer of the Closing documents and items described in Section 7.4 of this Agreement.

7.3.3. **FCC Consent.** The FCC Consent shall have been issued, shall be in full force and effect, shall be a Final Order, and shall contain no conditions that are materially adverse to Buyer.

7.3.4. **Litigation.** Neither Seller nor Buyer shall be subject to any order or injunction of any Governmental Body restraining or prohibiting the consummation of the transactions contemplated hereunder, and no action or proceeding shall have been instituted by any third party and remain pending before a Governmental Body to prohibit such transactions, nor shall any Governmental Body have notified either party to this Agreement that the consummation of the transactions contemplated hereunder may constitute a violation of applicable Laws, which notification remains outstanding.

7.3.5. **Certificate.** Seller shall have delivered to Buyer a certificate, dated as of the Closing Date, signed by Seller stating that the representations and warranties of Seller set forth in this Agreement and in the instruments delivered by Seller to Buyer in connection with this Agreement are true and correct as of the Closing Date in all material respects.

7.3.6. **HSR Act.** If legally required, all filings with the FTC and the DOJ pursuant to the HSR Act relating to the transactions contemplated hereunder shall have been made and all applicable waiting periods with respect to such filings, including all extensions thereof, if any, shall have expired or been terminated and no actions shall have been instituted that are pending on the Closing Date by the FTC or the DOJ challenging or seeking to enjoin the consummation of such transactions.

7.3.7. **Release.** Paxson shall have delivered an executed counterpart of the Release to Buyer.

7.3.8. **Consents and Estoppel Certificate Obtained.** Seller shall have obtained all authorizations, consents, approvals, permits, and clearances that are necessary to consummate the purchase and sale of the Assets and Authorizations contemplated under this Agreement. Seller shall have delivered to Buyer such estoppel certificate, with respect to the lease agreement identified in **Schedule 4.2.8**, as is reasonably requested by Buyer, which certificate (i) is executed by the lessor under such lease agreement and, (ii) provides, among other things, that such lessor certifies that (A) Seller has cured all defaults described in **Schedule 4.2.8** and (B) such lessor is aware of no event that permits or, with the passage of time, the giving of notice, or both, would permit termination of such lease agreement.

7.3.9. **No Material Adverse Changes**. No event shall have occurred since the date of this Agreement that has had or could result in a Material Adverse Effect.

7.3.10. **Broadcast Transmissions and MVPD Carriage**. The broadcast transmissions of the Station shall not have been materially impaired for more than one hundred twenty (120) hours in the aggregate since the date hereof, and no actual or threatened material reduction in MVPD carriage of the Station shall have occurred since the date hereof.

7.3.11. **License Date**. The License Date shall have occurred.

7.4. **Closing Documents Delivered by Seller**. On the Closing Date, Seller shall deliver or cause the delivery of the following instruments or items to Buyer:

7.4.1. Bills of sale and assignments in form reasonably satisfactory to Buyer, dated the Closing Date, executed by Seller, conveying to Buyer all of Seller's right, title, and interest in and to all the Assets and all the Authorizations, pursuant to the terms of this Agreement.

7.4.2. Assignments to Buyer of all leases described in **Schedule 2.1.4** and warranty deeds and other instruments assigning to Buyer in fee simple all real property described in **Schedule 2.1.4**, pursuant to the terms of this Agreement, which assignments, deeds, and instruments Seller agrees shall be dated the Closing Date, executed by Seller, and in form reasonably satisfactory to Buyer.

7.4.3. All necessary consents to assignment to Buyer of the Assets under this Agreement.

7.4.4. The logs and records referred to in Section 2.3 of this Agreement.

7.4.5. An itemized list of all of the Accounts Receivable outstanding as of five (5) business days immediately preceding the Closing Date; provided, however, that Seller shall also deliver to Buyer within ten (10) days immediately following the Closing Date such a list of the Accounts Receivable updated as of the Closing Date.

7.4.6. Duly authenticated copies of Seller's corporate resolutions adopted by Seller's stockholders and directors authorizing the execution, delivery, and performance of this Agreement by Seller.

7.4.7. A counterpart of the Escrow Agreement, dated the Closing Date, executed by Seller.

7.4.8. All keys, passcards, and other items, as well as a list of all passcodes, combinations, account numbers, and other information, necessary to access or operate

any of the Assets, access any property leased to Seller under leases set forth in **Schedules 2.1.2 or 2.1.4**, or access any FCC database to which Seller has or should have access.

7.4.9. The written opinion, in form and substance attached hereto as **Exhibit C**, dated the Closing Date, executed by Rubin, Winston, Diercks, Harris & Cooke, L.L.P.

7.4.10. Such other instruments or documents, including estoppel certificates and tax clearance certificates, as Buyer may reasonably request to provide to Buyer the full rights and benefits intended to be granted to Buyer hereunder, as are customary for transactions of the type contemplated hereunder, or as Buyer's lenders may reasonably require in connection with such transactions.

7.5. **Closing Documents Delivered by Buyer**. On the Closing Date, Buyer shall deliver or cause the delivery of the following instruments or items to Seller:

7.5.1. The Purchase Price in accordance with Sections 3.1 and 3.2 of this Agreement.

7.5.2. A counterpart of the Escrow Agreement, dated the Closing Date, executed by Buyer.

ARTICLE 8. - MISCELLANEOUS

8.1. **Finders' Fees**. Seller represents and warrants to Buyer that, except for Broker, no broker, finder, or similar consultant has been involved with Seller in any manner in the negotiations leading up to the execution and delivery of this Agreement. Buyer represents and warrants to Seller that, except for Broker, no broker, finder, or similar consultant has been involved with Buyer in any manner in the negotiations leading up to the execution and delivery of this Agreement. Seller shall timely pay to Broker all fees due to Broker in connection with the transactions contemplated hereunder. In no event shall Buyer be liable to any broker, finder, or similar consultant, including Broker, for any fees or similar obligations in connection with such transactions.

8.2. **Final Deadline for Closing**. If the Closing Date has not occurred on or before the date that is twenty four (24) months after the date of this Agreement, then this Agreement may be terminated by either Buyer or Seller by the giving of written notice to the other party so long as the terminating party is not then in material breach hereunder. Except as otherwise expressly permitted under this Agreement, this Agreement shall not be terminated.

8.3. **Seller's Right to Terminate**. In the event of a material breach hereunder by Buyer prior to the Closing Date of any Buyer agreement, covenant, representation, or warranty hereunder, and the continuation of such breach without cure for a period of fifteen (15) consecutive days following the date on which Seller shall have given to Buyer written notice of

such breach, then Seller may in its discretion, without releasing Buyer from any liability for such breach, terminate this Agreement by giving written notice of termination to Buyer so long as Seller is not then in material breach hereunder. The rights conferred by the foregoing sentence shall not be exercised unless Seller has given Buyer fifteen (15) days written notice of the specific nature of such Buyer breach and Buyer has failed to correct such breach within that period. In the event of Seller's termination of this Agreement pursuant to this Section 8.3, Seller shall be entitled to all legal and equitable relief that Seller may have available against Buyer.

8.4. **Buyer's Right to Terminate.** In the event of a material breach hereunder by Seller prior to the Closing Date of any Seller agreement, covenant, representation, or warranty hereunder, and the continuation of such breach without cure for a period of fifteen (15) consecutive days following the date on which Buyer shall have given to Seller written notice of such breach, then Buyer may in its discretion, by giving written notice of termination to Seller, so long as Buyer is not then in material breach hereunder, terminate this Agreement without cost, penalty, or liability on Buyer's part of any kind and without releasing Seller from any liability for such Seller breach, whereupon Buyer shall be entitled to all legal and equitable relief that Buyer may have available against Seller. The rights conferred by the foregoing sentence shall not be exercised unless Buyer has given Seller fifteen (15) days written notice of the specific nature of such breach and Seller has failed to correct such breach within that period. Furthermore, in the event of a breach or threatened breach by Seller of this Agreement prior to the Closing Date, Buyer shall be entitled to specific performance of this Agreement, without any requirement for Buyer to post bond or provide any other security, such requirement, if any, being hereby waived by Seller. Finally, if the License containing no conditions materially adverse to Buyer is not issued by the FCC on or before the first (1st) anniversary of the date of this Agreement or if Seller shall (i) file with respect to Seller or consent by answer or otherwise to the filing against Seller of a petition for relief or reorganization or any other petition under the bankruptcy or insolvency law of any jurisdiction, (ii) make an assignment for the benefit of Seller's creditors or fail generally to pay Seller's debts as they mature, (iii) consent to the appointment of a custodian, receiver, trustee, or other officer with similar powers with respect to Seller or any substantial part of Seller's property, (iv) be dissolved or be adjudicated bankrupt or insolvent, or (v) take corporate action for the purpose of any of the foregoing or if a Governmental Body shall enter an order appointing, without consent by Seller, a custodian, receiver, trustee, or other officer with similar powers with respect to Seller or any substantial part of Seller's property, or if an order for relief shall be entered in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction with respect to Seller or any substantial part of Seller's property, or ordering the dissolution, winding up, or liquidation of Seller, or if any petition for any such relief shall be filed against Seller, and such petition shall not be dismissed within sixty (60) days thereafter, then, upon or after the occurrence of any event described in this sentence, Buyer may, in its sole discretion, by giving written notice of termination to Seller, terminate this Agreement without cost, penalty, or liability on Buyer's part of any kind so long as Buyer is not then in material breach hereunder.

8.5. **Notices.** All notices and communications hereunder or with respect hereto shall be deemed to have been duly given to a party when in writing and (i) actually delivered to

such party as follows, or, (ii) if mailed, upon the third (3rd) day following mailing via certified United States mail, postage prepaid, addressed to such party as follows, or, (iii) if duly tendered to Federal Express, or another overnight courier service generally operating and recognized within the United States, for next business day delivery to such party, upon the first (1st) business day following such tender to Federal Express or such other overnight courier service, delivery fee prepaid or charged to sender, addressed as follows:

If to Seller, to:

Arlene D. Stevens, President
Sungilt Corporation, Inc.
2309 North Hampton Street
Tucson, AZ 85719

With a copy, which shall not constitute notice, to:

James L. Winston, Esq.
Rubin, Winston, Diercks, Harris & Cooke, L.L.P.
6th Floor
1155 Connecticut Avenue, N.W.
Washington, DC 20036

If to Buyer, to:

C. Douglas Kranwinkle, Esq.
Executive Vice President & General Counsel
Univision Communications Inc.
1999 Avenue of the Stars, Suite 3050
Los Angeles, CA 90067

With a copy, which shall not constitute notice, to:

Scott R. Flick, Esq.
Shaw Pittman LLP
2300 N Street, N.W.
Washington, DC 20037

Provided, however, that if either party has designated a different address for itself by ten (10) days prior written notice to the other party pursuant to this Section 8.5, then, for purposes of notices and communications hereunder to the designating party, to the last address so designated.

8.6. **Assignment.** This Agreement and Seller's or Buyer's rights or obligations hereunder shall not be assigned without the prior written consent of the non-assigning party; provided, however, that Buyer shall be permitted to assign its rights and obligations hereunder

without the consent of Seller, on ten (10) days prior written notice to Seller, to an entity controlled by Buyer or by stockholders of Buyer holding more than half of Buyer's voting equity, it being understood that such assignment shall not relieve Buyer of responsibility for such assignee's performance of Buyer's obligations hereunder. Each attempted assignment hereof, if any, not in compliance with this Section 8.6 shall be null and void. This Agreement shall be binding upon and inure only to the benefit of Seller, Buyer, and their respective successors and assigns.

8.7. **Entire Agreement.** This Agreement, which includes the exhibits and schedules hereto, sets forth the entire understanding of the parties at the time of execution and delivery hereof regarding the subject matter hereof, and all prior agreements between them with respect to the subject matter hereof shall be of no further force or effect. This Agreement may be amended only by an instrument in writing executed by both parties.

8.8. **Headings and Table of Contents.** The headings and the table of contents, if any, of this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement.

8.9. **Survival.** The representations and warranties set forth in this Agreement and in the other instruments delivered hereunder shall survive the Closing Date for a period of twelve (12) months, except that all such representations and warranties regarding matters arising under Sections 4.1.1 or 4.2.1 hereof, title to the Assets or Authorizations, or taxes shall survive for the longer of (i) the applicable statute of limitations period plus sixty (60) days or (ii) the twelve (12) month period specified in this sentence, it being understood, however, that those specific matters as to which claims for indemnification have been duly made hereunder before the expiration of the applicable periods mentioned in this sentence shall survive with respect to such claims until the final resolution thereof. The indemnification obligations set forth in Sections 6.2 and 6.3 hereof shall survive the Closing Date for a period of twelve (12) months, except that all such indemnification obligations regarding matters arising under Sections 4.1.1 or 4.2.1 hereof, title to the Assets or Authorizations, or taxes shall survive for the longer of (x) the applicable statute of limitations period plus sixty (60) days or (y) the twelve (12) month period specified in this sentence, it being understood, however, that all indemnification obligations under such Sections 6.2 or 6.3 as to which specific claims for indemnification have been duly made hereunder before the expiration of the applicable periods mentioned in this sentence shall survive with respect to such claims until the final resolution thereof.

8.10. **Waiver.** The waiver by either party of any matter provided for herein shall be in writing in order to be effective and shall not be deemed to be a waiver of (i) any such matter on any other occasion or (ii) any other matter.

8.11. **No Strict Construction.** The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or

disfavoring any person or entity by virtue of the authorship of any of the provisions of this Agreement.

8.12. **Governing Law and Venue.** This Agreement shall be construed in accordance with and governed by the laws of the State of California, without regard to its choice of law rules. Exclusive venue and jurisdiction with respect to each lawsuit or court action, if any, arising under this Agreement shall be in the state or federal courts of the State of California, it being understood, however, that judgments, orders, or decrees resulting from such lawsuits or court actions may be appealed to or enforced in any competent court.

8.13. **Best Efforts.** Without in any way limiting their other obligations hereunder, Seller and Buyer shall each act in good faith hereunder and use their best efforts consistent with commercial reasonableness in the timely performance and prompt fulfillment of all terms and conditions of this Agreement, in filing the Application and seeking the FCC Consent, and in bringing about a prompt Closing, and shall provide such information and execute and deliver such other and further documents, whether before, at, or after the Closing Date, as may be reasonably required to carry out their intent as expressed hereunder.

8.14. **Attorneys' Fees.** Notwithstanding anything herein to the contrary, in the event of commencement of suit by either party with respect to any of the provisions of this Agreement, the prevailing party in such suit shall be entitled to receive attorneys' fees and costs that the court in which such suit is adjudicated may determine reasonable in addition to all other relief granted.

8.15. **Severability.** In the event that any term or provision of this Agreement is determined to be void, unenforceable, or contrary to law, the remainder of this Agreement shall continue in full force and effect provided that such continuation would not materially diminish the benefits of this Agreement for either party.

8.16. **Counterparts.** More than one counterpart of this Agreement may be executed by the parties and each fully executed counterpart of this Agreement shall be deemed an original of this Agreement.

8.17. **Authority of Signatory.** Each individual signing this Agreement below in a signature block for Seller or Buyer personally represents and warrants that such individual has full power and authority to execute and deliver this Agreement on behalf of the party whose name appears directly above the signature of such individual in such signature block.

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

BUYER:

UNIVISION TELEVISION GROUP, INC.

By: _____
Name: _____
Title: _____

SELLER:

SUNGILT CORPORATION, INC.

By: _____
Name: _____
Title: _____