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A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

WASHINGTON, D.C. OFFICE

fifth floor

flour mill building

1000 potomac street nw

washington, d.c. 20007-3501

TEL 202 965 7880 FAX 202 965 1729

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*Please reply to ERWIN G. KRASNOW
ekrasnow@gsblaw.com TEL EXT 2161*

December 9, 2009

VIA FEDEX

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743

Re: WMEI(TV), Arecibo, Puerto Rico, Facility ID No. 26676,
WOST(TV), Mayaguez, Puerto Rico, Facility ID No. 60357,
WQQZ-CA, Ponce, Puerto Rico, Facility ID No. 32142, and
WWKQ-LP, Quebradillas, Puerto Rico, Facility ID No. 60369
Option and Asset Purchase Agreement

Dear Ms. Dortch:

On behalf of CMCG Puerto Rico License LLC, licensee of digital television stations WMEI, Arecibo, Puerto Rico, and WOST(TV), Mayaguez, Puerto Rico, and analog television stations WQQZ-CA, Ponce, Puerto Rico, and WWKQ-LP, Quebradillas, Puerto Rico, there is submitted herewith, pursuant to the requirements of Section 73.3613(b) of the Commission's rules, a copy of an "Option and Asset Purchase Agreement" entered into on November 9, 2009, by and among CMCG Puerto Rico LLC, CMCG Puerto Rico License LLC, and Spanish Broadcasting System, Inc.

The enclosed document indicates that contemporaneously with the execution of the Option and Asset Purchase Agreement, CMCG Puerto Rico LLC, CMCG Puerto Rico License LLC and Spanish Broadcasting System Holding Company, Inc. entered into a Programming Agreement concerning certain programming of MegaTV. A copy of the Programming Agreement is not required to be filed with the Commission because MegaTV does not provide programming to at least 25 stations in 10 or more states and therefore, is not considered to be a network pursuant to Section 73.3613(a)(1) of the Commission's rules (Network service).



GARVEY SCHUBERT BARER

December 9, 2009

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-----Should any questions arise concerning this matter, kindly advise the undersigned.-----

Sincerely,

Erwin G. Krasnow

Enclosure
EGK:sc

OPTION AND ASSET PURCHASE AGREEMENT

by and among

CMCG PUERTO RICO LLC

and

CMCG PUERTO RICO LICENSE LLC

(collectively, "Seller")

and

SPANISH BROADCASTING SYSTEM, INC.

("Buyer")

Dated as of _____, 2009

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OPTION AND ASSET PURCHASE AGREEMENT

This OPTION AND ASSET PURCHASE AGREEMENT (the "Agreement") is entered into as of _____, 2009 (the "Option Date"), by and among CMCG PUERTO RICO LLC, a Virginia limited liability company ("Operating Seller"), CMCG PUERTO RICO LICENSE LLC, a Virginia limited liability company ("License Seller" and, together with Operating Seller, "Seller"), and SPANISH BROADCASTING SYSTEM, INC., a Delaware corporation ("Buyer").

RECITALS

A. Seller is the licensee of the following television broadcast stations:

Station	Community of License/Territory	Facility ID No.	Channel
WMEI (TV)	Arecibo, PR	26676	Digital 14 (Virtual 60)
WOST(TV)	Mayaguez, PR	60357	Digital 22 (Virtual 16)
WQQZ-CA	Ponce, PR	32142	Analog 33
WWKQ-LP	Quebradillas, PR	60369	Analog 26

together with any and all other subsequent channels, whether primary, secondary, digital or analog stations, issued by the FCC to License Seller with respect to the stations listed above (collectively, the "Stations"). Seller operates the Stations pursuant to certain licenses, franchises, authorizations and approvals, including associated broadcast auxiliary authorizations issued by the Federal Communications Commission ("FCC").

B. Seller desires to sell, assign and transfer to Buyer the Stations, the Authorizations and all of the assets owned by Seller and used in the operations of the Stations and described in more detail below and Buyer desires to obtain an option to purchase from Seller the Stations, the Authorizations and all of the assets owned by Seller and used in the operations of the Stations and described in more detail below, all under the terms and conditions described herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises, representations, warranties and covenants herein contained, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1 DEFINITIONS

"Affiliate" of any Person means (a) any Person that owns or controls, is owned or controlled by, or under common control with, such Person, (b) any Person that is an officer, director, member, general partner or trustee of, or serves in a similar capacity with the specified Person, or for which the specified Person is an officer, director, member, general partner or trustee, or serves in a similar capacity or (c) any member of the immediate family of the specified Person.

"Agreement" has the meaning set forth in the first paragraph of this Agreement.

“Allocation” has the meaning set forth in Section 2.6(c).

“Assets” has the meaning set forth in Section 2.2.

“Assumed Liabilities” has the meaning set forth in Section 2.4(b).

“Authorizations” has the meaning set forth in Section 3.10.

“Binding Date” has the meaning set forth in Section 2.1(b).

“Buyer” has the meaning set forth in the first paragraph of this Agreement.

“Buyer’s Disclosure Schedule” has the meaning set forth in Article 4.

“Buyer Indemnitees” has the meaning set forth in Section 10.2(a).

“Claims” has the meaning set forth in Section 2.2(j).

“Closing” has the meaning set forth in Section 2.8.

“Closing Date” has the meaning set forth in Section 2.8.

“Code” means the Internal Revenue Code of 1986, as amended.

“Communications Act” has the meaning set forth in Section 3.10.

“Consents” has the meaning set forth in Section 3.14.

“Contest Notice” has the meaning set forth in Section 10.4(b).

“Contract” means any unexpired agreement, arrangement, commitment or understanding, written or oral, express or implied, relating to the operation of the Stations, to which Seller is a party or is bound, including, without limitation, orders and agreements for the sale of advertising, Real Property Leases and Tangible Personal Property Leases, Intangible Property licenses, Program License Agreements and the Programming Agreement.

“Copyrights” means copyrights and mask works, including all renewals and extensions thereof, copyright registrations and applications for registration thereof and non-registered copyrights.

“Deficiencies” has the meaning set forth in Section 10.3.

“Disclosure Schedule” has the meaning set forth in Article 3.

“Duplicate Records” has the meaning set forth in Section 2.2(i).

“Effective Time” has the meaning set forth in Section 2.7(a).

“Environmental Laws” means any and all federal, state or local laws (including common law), rules, orders, regulations, statutes, ordinances, codes, guidelines properly enforced by governmental authorities, administrative orders, or requirements of any governmental authority regulating or imposing standards of liability, standards of conduct or standards of Remediation with respect to protection of public health or environmental media (including without limitation soil, surface water, ground water, stream sediments, air, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened Releases of Hazardous Materials into the environment, laws relating to the identification, generation, manufacture, processing, distribution, use, treatment, storage, disposal, recovery, transport or other handling of Hazardous Materials, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Occupational Safety and Health Act of 1970, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Hazardous Materials Transportation Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Clean Water Act, the Safe Drinking Water Act, the Clean Air Act, and applicable state analogues, all as in effect on the Option Date and as amended.

“Environmental Permits” has the meaning set forth in Section 3.17.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Excluded Assets” has the meaning set forth in Section 2.3.

“Excluded Liabilities” has the meaning set forth in Section 2.4(d).

“FAA” has the meaning set forth in Section 3.27.

“FCC” has the meaning set forth in Recital A.

“FCC Order” means the order of the FCC consenting to the assignment of all Authorizations to Buyer without any conditions that would restrict, limit, increase the cost or burden of or otherwise adversely affect or impair, in any material respect, the right of Seller or Buyer to the ownership, use, control, enjoyment or operation of the Stations or the proceeds therefrom; *provided, however*, that any condition which requires that the Stations be operated in accordance with conditions similar to and not more adverse than those contained in the present Authorizations issued for operation of the Stations, shall not be applicable.

“Final” means an order of a governmental authority, or the failure of a governmental authority to act when required by law to prevent a proposed action, which creates rights (i) which are effective, (ii) with respect to which no appeal, request for stay, request for reconsideration or other request for review is pending, (iii) with respect to which the time for appeal, requesting a stay, requesting reconsideration or requesting other review has expired, and (iv) which cannot be set aside *sua sponte*.

“Final Closing Date” has the meaning set forth in Section 11.1(e).

“Financial Statements” has the meaning set forth in Section 3.7.

“GAAP” means United States generally accepted accounting principles as in effect from time to time, consistently applied.

“Government Agency” has the meaning as set forth in Section 3.11(a).

“Hazardous Materials” means any materials regulated as hazardous or toxic under applicable Environmental Laws, including, without limitation, petroleum, petroleum products, fuel oil, crude oil or any fraction thereof, derivatives or byproducts of petroleum products or fuel oil, natural gas, natural gas liquids, liquefied natural gas, synthetic natural gas useable for fuel, hazardous substances, toxic substances, polychlorinated biphenyls, medical waste, biomedical waste or infectious materials. “Hazardous Materials” also means any environmental media, including, without limitation, soil, sediment and water, containing any of the materials described or set forth in the preceding sentence.

“Income Tax” means any federal, state, Commonwealth of Puerto Rico, local, or foreign income tax, including any interest, penalty, or addition thereto, whether disputed or not.

“Indemnifying Party” has the meaning set forth in Section 10.2.

“Indemnitees” has the meaning set forth in Section 10.4(a).

“Intangible Property” has the meaning set forth in Section 2.2(g).

“Interim Balance Sheet” has the meaning set forth in Section 3.7.

“Interim Financial Statements” has the meaning set forth in Section 3.7.

“Interim Income Statement” has the meaning set forth in Section 3.7.

“IRS” means the Internal Revenue Service.

“Knowledge” means, (i) for Seller, actual knowledge after due inquiry of A. E. Loving, Jr., David J. Wilhelm and Ruben Santiago and (ii) for Buyer, actual knowledge after due inquiry of Raul Alarcon, Jr. and Joseph A. Garcia.

“Latest Balance Sheet Date” has the meaning set forth in Section 3.8.

“Leased Real Property” has the meaning set forth in Section 2.2(c).

“Legal Expenses” shall mean any and all fees (whether of attorneys, accountants or other professionals), costs and expenses of any kind reasonably incurred by any Person identified herein and its counsel in investigating, preparing for, defending against, or providing evidence, producing documents or taking other action with respect to any threatened or asserted claim.

“Licensee Seller” has the meaning set forth in the first paragraph of this Agreement.

“Material Consent” has the meaning set forth in Section 5.6.

“Multiemployer Plan” has the meaning set forth in ERISA §3(37).

“MVPDs” has the meaning set forth in Section 3.28.

“Non-Material Contracts” means all Contracts that (i) do not, by their respective terms, require Seller to pay, or entitle Seller to receive, in excess of \$_____ during any twelve month period, (ii) are not otherwise material to the Assets, Stations or the operation thereof and (iii) may be terminated by Seller, without penalty, on thirty (30) days or less notice.

“Operating Seller” has the meaning set forth in the first paragraph of this Agreement.

“Option” has the meaning set forth in Section 2.1(a).

“Option Date” has the meaning set forth in the first paragraph of this Agreement.

“Option Notice” has the meaning set forth in Section 2.1(b).

“Option Payment” has the meaning set forth in Section 2.1(a).

“Option Term” has the meaning set forth in Section 2.1(a).

“Oral Contract” means any oral, express or implied Contracts of Seller.

“Ordinary Course of Business” means the ordinary course of business consistent with Seller’s past custom and practice (including with respect to quantity and frequency).

“Owned Improvements” has the meaning set forth in Section 3.16(c).

“Payment Purchase Agreement” has the meaning set forth in Section 2.6(a).

“PBGC” means the Pension Benefit Guaranty Corporation.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

“Permitted Encumbrances” has the meaning set forth in Section 2.4(a).

“Program License Agreements” has the meaning set forth in Section 2.3(f).

“Programming Agreement” means that certain Programming Agreement of even date herewith among SBSHC, Buyer and Seller, as it hereafter may be amended, modified or supplemented.

“P.R. Code” means the Puerto Rico Internal Revenue Code of 1994, as amended.

“Purchase Price” has the meaning set forth in Section 2.6(a).

“Radio Asset Option” has the meaning set forth in Section 2.1(b).

“Radio Assets” has the meaning set forth in Section 2.6(a).

“Radio Station” has the meaning set forth in Section 2.6(a).

“Real Property Leases” has the meaning set forth in Section 3.16(b).

“Receivables” has the meaning set forth in Section 2.2(n).

“Representatives” has the meaning set forth in Section 5.14.

“Reportable Event” has the meaning set forth in ERISA §4043.

“Returns” has the meaning set forth in Section 3.9(a).

“SBSHC” means Spanish Broadcasting System Holding Company, Inc., a Subsidiary of Buyer.

“Security Interests” has the meaning set forth in Section 2.4(a).

“Seller” has the meaning set forth in the first paragraph of this Agreement.

“Seller Indemnitees” has the meaning set forth in Section 10.2(b).

“Station Benefit Plan” has the meaning set forth in Section 3.21(c).

“Stations” has the meaning set forth in Recital A.

“Subsidiary” means any corporation, partnership, limited liability company or other legal entity with respect to which a specified Person (or a Subsidiary thereof) owns a majority of the common stock, partnership interests, membership interests or other entity interests or has the power to vote or direct the voting of sufficient securities to elect a majority of the directors, managers or general partners.

“Superior Claims” has the meaning set forth in Section 10.1.

“Tangible Personal Property” has the meaning set forth in Section 2.2(a).

“Taxes” has the meaning set forth in Section 3.9(a).

“Trade Accounts” has the meaning set forth in Section 2.4(e).

ARTICLE 2
PURCHASE AND SALE OF PROPERTIES AND ASSETS

2.1 Option.

(a) In exchange for a payment by Buyer to Seller in the amount of _____ Dollars (\$_____) (the "Option Payment"), the receipt of which Seller acknowledges, Seller hereby grants Buyer an option to purchase the Assets on the terms and conditions set forth in this Agreement (the "Option"). The term of the Option will commence on the Option Date and will terminate on the earlier of (i) the fifth anniversary of the Option Date and (ii) the date of the termination of the Programming Agreement, other than a rightful termination thereof by SBSHC as the result of a breach of the Programming Agreement by Seller pursuant to Article VIII of the Programming Agreement (the "Option Term").

(b) Exercise of Option. Buyer may exercise the Option at any time during the Option Term by providing a written notice to Seller in accordance with the Notice provisions of this Agreement ("Option Notice" and the date of the Option Notice, the "Binding Date") specifying a proposed Closing Date (subject to satisfaction of the conditions precedent to Closing contained in this Agreement) during the term of the Programming Agreement and as otherwise provided in this Agreement. If the Option Notice specifies that Buyer intends to pay a portion of the Purchase Price with the Radio Assets, then the obligations of the parties to the Payment Purchase Agreement to proceed with closing under the Payment Purchase Agreement shall become effective (the "Radio Asset Option"). On delivery of the Option Notice, unless such Option Notice specifies that Buyer intends to pay a portion of the Purchase Price with the Radio Assets, then Buyer shall have irrevocably waived its rights to use the Radio Assets to pay a portion of the Purchase Price.

(c) Reserved.

2.2 Assets. At the Closing and on the terms and conditions set forth in this Agreement, Seller shall sell and Buyer shall purchase all properties and assets, real, personal and mixed, tangible and intangible, of every type and description, wherever located (except for Excluded Assets) that are owned or leased by Seller and used in the operation of the Stations, including, without limitation, the property and assets (except the Excluded Assets) that are acquired by Seller between the Option Date and the Closing Date (collectively, the "Assets"). Without limiting the foregoing, the Assets shall include the following, except to the extent that any of the following are included within the Excluded Assets:

(a) Tangible Personal Property. All equipment, transmitters, electrical devices, antennae, cables, tower equipment, distribution systems, amplifiers, microwave equipment, converters, testing equipment, computers and computer equipment, furniture, fixtures, office materials and supplies, hardware, tools, spare parts, vehicles, towers, software, prize inventory and other tangible personal property owned or leased by Seller at the Closing Date, including, without limitation, the tangible personal property described on attached Schedule 2.2(a), together with any additions, modifications, alterations or improvements between the Option Date and the Closing Date (collectively, the "Tangible Personal Property").

(b) Licenses and Authorizations. All rights in and to the Authorizations issued to Seller or any Affiliate of Seller, all rights in and to the call letters of the Stations at the Closing Date, all broadcast auxiliary and other authorizations of the FCC associated with the operation of the Stations, all of those Authorizations listed on attached Schedule 2.2(b), all amendments and all applications therefor, any renewals, extensions or modifications thereof and additions thereto and all public inspection files and other required records of Seller, including, without limitation, those required by the FCC.

(c) Real Property. Seller's interests in the leases, licenses, leased rights of way, easements and other interests of every kind and description (the "Leased Real Property" or the "Real Property") in and to all of the real property, towers, buildings, antennae, transmitting towers, fixtures and improvements thereon, used or held for use in the operation of the Stations, including, without limitation, those listed on Schedule 2.2(c), and any additions, improvements and alterations thereto made between the Option Date and the Closing Date.

(d) [Reserved].

(e) Agreements for Sale of Time. All orders and agreements now existing, or entered into in the Ordinary Course of Business between the Option Date and the Closing Date for the sale of advertising time on the Stations (including Trade Accounts to the extent provided in Section 2.4(e) below), except those which on the Closing Date have already been filled or have expired.

(f) Other Contracts. All Contracts (other than Non-Material and Oral Contracts) of Seller in connection with the business and operations of the Stations, together with all Contracts (other than Non-Material and Oral Contracts) that have been or will have been entered into by Seller in accordance with the terms of this Agreement between the Option Date and the Closing Date, except those listed on Schedule 2.3, the Program License Agreements and those entered into after the execution of this Agreement that Buyer elects not to assume pursuant to Section 6.3.

(g) Intangible Property. All trademarks, trade names, trade secrets, call letters, service marks, franchises, patents, jingles, slogans, logotypes, commercials and other promotional materials, software licenses, domain names, websites and other intangible personal property and rights, owned or licensed by Seller at the Closing Date, including, without limitation, those listed on Schedule 2.2(g), and any of those acquired by Seller between the Option Date and the Closing Date (collectively, the "Intangible Property").

(h) Programming and Copyrights. All programs and programming materials and elements of whatever form or nature which have been created or produced by Seller as of the Option Date, whether recorded on tape or any other substance or intended for live performance, whether completed or in production, and all related common law and statutory Copyrights owned by or licensed or sublicensed to Seller, together with all such programs, materials, elements and Copyrights acquired by Seller between the Option Date and the Closing Date.

(i) Files and Records. All files and other records of Seller relating to the Stations and the Assets (other than duplicate copies of such files, hereinafter "Duplicate Records") including, without limitation, all books, files, correspondence, studies, reports, projections, schematics, blueprints, engineering data, customer lists, mailing lists, reports, specifications, signal and program carriage, projections, statistics, creative materials, mats, plates, negatives and other advertising, marketing or related materials, dealings with governmental authorities (including all reports filed by or on behalf of Seller with the FCC and statements of account filed by or on behalf of Seller with the U.S. Copyright Office) and all other business, technical and financial information regardless of the media on which such information is stored.

(j) Claims. Any and all of Seller's claims and rights against third parties relating to the Stations, including, without limitation, all rights under manufacturers' and vendors' warranties, all rights and claims under insurance policies covering the Stations or the Assets and all deposits, refunds, rights to recovery and rights of setoff and recoupment (collectively, the "Claims").

(k) Prepaid Items. All prepaid expenses and prepaid *ad valorem* taxes (which shall be prorated, if applicable, as provided in the Programming Agreement) and rent, utility and other deposits held by third parties.

(l) Goodwill. All of Seller's goodwill in, and going concern value of, the Stations.

(m) Franchises, Permits. All franchises, approvals, licenses, orders, registrations, certificates, variances and similar rights obtained from Government Agencies.

2.3 Excluded Assets. The following assets of Seller, to the extent in existence on the Closing Date (collectively, the "Excluded Assets"), shall be retained by Seller:

(a) Certain Assets. Pension, 401(k), profit sharing and savings plans and trusts and any other "employee benefit plan" within the meaning of Section 3(3) of ERISA and any assets thereof.

(b) Corporate Records. The minute books, stock books, shareholder lists and similar corporate records of Seller.

(c) Employee Personal Property. Any personal property that is owned by any employee of Seller.

(d) Cash and Investments. All of Seller's cash on hand or in bank accounts and any other cash equivalents including, without limitation, certificates of deposit, commercial paper, treasury bills or money market accounts.

(e) The assets listed on Schedule 2.3.

(f) Program License Agreements. All program license agreements and rights to broadcast programs and films, whether for cash or barter (the "Program License Agreements"), held by Seller as of the Closing Date.

(g) Receivables. All accounts receivable of Seller accrued through the Effective Time (the "Receivables")

2.4 Liabilities.

(a) Security Interests. The Assets are free and clear of all mortgages, liens, deeds of trust, security interests, pledges, options, restrictions, prior assignments, charges, claims, defects in title and encumbrances of any kind or type whatsoever (collectively, the "Security Interests") except for: (i) the Security Interests disclosed on Schedule 2.4(a), all of which will be paid in full and released at or before Closing; (ii) liens for Taxes (other than state, federal or local Income Taxes and other Taxes of Seller that do not relate to the Assets) accruing before the Effective Time that are not yet due and payable, (iii) obligations of SBSHC and Buyer under the Programming Agreement and (iv) the obligations of Seller arising after the Effective Time that Buyer has agreed to assume under the Contracts as described in Section 2.4(b). The Security Interests referred to in the foregoing clauses (i)-(iv) are collectively referred to herein as "Permitted Encumbrances."

(b) Assumed Liabilities. Except as otherwise provided herein and subject to the terms and conditions of this Agreement, simultaneously with the sale, transfer, conveyance and assignment to Buyer of the Assets, Buyer shall assume, and hereby agrees to perform and discharge when due, all liabilities and obligations arising after the Effective Time that relate to periods after the Effective Time or to be performed after the Closing Date under the Contracts that are assigned and transferred to Buyer, including, without limitation, any Contracts the benefits and burdens of which are assigned to Buyer under Section 11.6 (collectively the "Assumed Liabilities").

(c) Excluded Liabilities. Other than the Assumed Liabilities, Buyer shall not assume or be liable for, and does not undertake or attempt to assume or discharge any obligation of Seller.

(d) Retained Obligations of Seller. Seller shall retain and shall hereafter pay, satisfy, discharge, perform and fulfill all liabilities and obligations of Seller or relating to the Stations or the Assets, other than the Assumed Liabilities (the "Excluded Liabilities"), as they become due, without any charge or cost to Buyer. Seller agrees to indemnify and hold Buyer and its successors and assigns harmless from and against any and all such Excluded Liabilities in accordance with the terms of Article 10 below.

(e) Trade Accounts. At Closing, Seller will transfer to Buyer all Seller's trade and barter accounts, trade contracts and trade commitments receivable (the "Trade Accounts"). Seller will not enter into any Trade Accounts after the Option Date without the written consent of Buyer, which consent Buyer may withhold in its sole discretion.

2.5 Reserved.

2.6 Purchase Price, Payment and Allocation.

(a) Purchase Price. The aggregate purchase price for the Assets (the "Purchase Price") shall be the sum of (a) cash equal to the Seller's debt at the time of Closing as set

forth on Schedule 2.6(a) to this Agreement, plus (b) cash of _____ Dollars (\$ _____); provided, however, if, in the Option Notice, Buyer has exercised the Radio Asset Option and the conditions to closing of Seller under the Payment Purchase Agreement have been satisfied or waived by Seller, then Buyer, at its sole election, may pay _____ Dollars (\$ _____) of such _____ Dollars (\$ _____) amount by transferring to Licensee at the Closing, all assets (collectively, the "Radio Assets") used by Buyer in the operation of radio station WRXD-FM, FCC Facility ID No. 51428, licensed to Fajardo, Puerto Rico (the "Radio Station") as provided in an asset purchase agreement, substantially similar in form and substance to this Agreement with such changes as are reasonably required to identify the proper parties and to reflect the nature of the assets of the Radio Station (the "Payment Purchase Agreement").

(b) Method of Payment. At the Closing, the Option Payment will be credited as a payment of a portion of the Purchase Price to Seller. The balance of the cash portion of the Purchase Price shall be paid by Buyer at Closing by wire transfer pursuant to the instructions of Seller's lenders or Seller, as the case may be, which instructions shall be delivered to Buyer at least two business days before the Closing. If the Radio Assets are used to pay _____ Dollars (\$ _____) of the Purchase Price, then Buyer shall deliver the Radio Assets to Seller in accordance with the terms of the Payment Purchase Agreement.

(c) Allocation of Purchase Price. Within thirty (30) days after the Closing, Buyer shall deliver to Seller a statement of the allocation of the Purchase Price (the "Allocation"). Seller and Buyer agree (i) to jointly complete IRS Form 8594 in the manner required by Section 1060 of the Code, the regulations thereunder and the Allocation, and to file separately such IRS Form 8594 with its federal income tax return for the tax year in which the Closing occurs and (ii) that neither Seller nor Buyer will take a position on any tax return inconsistent with the Allocation without the written consent of the other party; *provided, however,* nothing contained in this Agreement shall prevent Buyer or Seller from settling any proposed deficiency or adjustment by any taxing authority based on or arising out of the Allocation, and neither Buyer nor Seller shall be required to litigate before any court, any proposed deficiency or adjustment by any taxing authority challenging such Allocation. Notwithstanding anything to the contrary in this Agreement, the provisions of this Section 2.6 shall survive the Closing.

(d) Like Kind Exchange. If the Radio Asset Option is elected by Buyer, then, at the written request of either Buyer or Seller, the parties agree that they will use commercially reasonable efforts to qualify the transactions under this Agreement and under the Payment Purchase Agreement as a tax free like kind exchange under Code Section 1031, P.R. Code Section 1112 or similar like kind exchange provisions of the Code and the P.R. Code.

2.7 Adjustments.

(a) General Rule. All obligations of Seller under the Programming Agreement shall terminate effective as of 11:59:59 p.m. (Puerto Rico Time) on the Closing Date (the "Effective Time") and, to the extent not governed by the terms of Exhibit B to the Programming Agreement, (i) the operation of the Station and the income and normal operating expenses attributable thereto through the Effective Time shall be for the account of Seller and thereafter for the account of Buyer and, if any income or expense is properly allocable or credited,

then it shall be allocated, charged or prorated accordingly, (ii) Expenses for goods or services received both before and after the Effective Time, power and utilities charges, frequency discounts, insurance premiums for any insurance policies being assigned to Buyer, prepaid cash, time sales agreements, rents and similar prepaid and deferred items shall be prorated between Seller and Buyer as of the Effective Time. At Closing, the parties shall make all known prorations and estimate any remaining prorations in accordance with this Agreement and the Programming Agreement.

(b) Adjustment Schedule. Seller will prepare and deliver to Buyer within ninety (90) days after the Closing Date a report computing the details of the allocations prescribed in Section 2.7(a), in accordance with the provisions of the Programming Agreement and this Agreement. Within thirty (30) days after receiving the report, Buyer will provide Seller with any objections to the computations. If Buyer has no objections, the party obligated to make payment under the report will do so within five (5) business days after the expiration of the thirty-(30-) day period. Any disagreement that cannot be resolved by the parties within thirty (30) days will be resolved pursuant to the dispute resolution provisions of the Programming Agreement.

2.8 Closing. The consummation of the transactions provided for in this Agreement (the "Closing") shall take place at the offices of Williams Mullen, 222 Central Park Avenue, Suite 1700, Virginia Beach, Virginia, at 11:00 a.m. on (a) the fifth (5th) business day after the FCC Order becomes Final and all conditions to Closing set forth in Articles 7 and 8 have been satisfied (other than those conditions that by their very nature can only be satisfied at Closing), or (b) if Buyer waives the finality of the FCC Order, such other place, time or date as the parties may agree on in writing, within five business days after the satisfaction of all conditions to Closing set forth in Articles 7 and 8 (other than those conditions that by their very nature can only be satisfied at Closing); provided, however, if, at any time, the conditions set forth in clause (a) above have been satisfied and the conditions precedent to closing contained in the Payment Purchase Agreement have not been satisfied, then Buyer and Seller shall be obligated to consummate the transactions provided for in this Agreement, other than the transfer of the Radio Assets to Seller as a portion of the Purchase Price. To the extent feasible, the Closing will be held by overnight mail, electronic transmission, wire transfer, facsimile or combination thereof, without the principals present. The date on which the Closing is to occur is referred to herein as the "Closing Date."

2.9 Compliance with Bulk Sales. The parties hereto hereby waive compliance with any applicable bulk sales laws.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that the statements contained in this Article 3 are correct and complete as of the Option Date and will be correct and complete as of the Binding Date and the Closing Date (as though made on and as of the Binding Date and the Closing Date, except as set forth in this Article 3 and except as set forth in the disclosure schedule delivered by Seller to Buyer on the Option Date (the "Disclosure Schedule"). The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this Article 3. Subject to Section 8.6, Seller will provide Buyer an updated Disclosure Schedule within thirty (30) days after the Binding Date.

3.1 Corporate Status. Each of License Seller and Operating Seller is a limited liability company duly organized and validly existing under the laws of the Commonwealth of Virginia and each is duly qualified to transact business in Puerto Rico and every other jurisdiction in which the failure to be so qualified would have a material adverse effect on the Stations or the Assets. Seller has the requisite limited liability company power and authority to carry on its business as it is now being conducted and to own and operate the Stations, and Seller has the requisite limited liability company power to enter into and complete the transactions contemplated by this Agreement. Seller has no business other than the operation of the Stations.

3.2 No Options. No Affiliate of Seller or any other Person (other than Buyer) has an interest in, or option to acquire, any of the Assets or any property used in the operation of the Stations.

3.3 Entity Action. All actions and proceedings necessary to be taken by or on the part of Seller in connection with the performance, execution and delivery of this Agreement have been duly and validly taken and this Agreement has been duly and validly authorized, executed, and delivered by Seller and constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with and subject to its terms.

3.4 No Defaults. Neither the execution, delivery and performance by License Seller and Operating Seller of this Agreement nor the consummation by License Seller and Operating Seller of the transactions contemplated hereby is an event that, of itself or with the giving of notice or the passage of time or both, will: (a) violate or conflict with any provision of the articles of organization and operating agreements of License Seller and Operating Seller; (b) assuming that the consents: (i) referred to in Section 5.6, (ii) required in connection with any assignment to Buyer of the Contracts or (iii) otherwise contemplated by this Agreement are obtained, constitute a violation of, conflict with or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation of Seller under any contract, mortgage, indenture, agreement, lease or other instrument to which Seller is party or by which it is bound, which violation, conflict, breach or default would have a material adverse effect on Seller or Buyer, the Stations, the Assets or the ability of Seller to enter into this Agreement or consummate the transactions contemplated hereby or result in the creation of any Security Interest on the Assets; (c) violate any judgment, decree, order, statute, law, rule or regulation of any court, arbitrator or government or regulatory body applicable to Seller, the Stations or the Assets; or (d) result in the creation or imposition of any lien, charge or encumbrance against the Stations or the Assets.

3.5 Contracts, Leases, Agreements and Other Commitments. Set forth on Schedule 3.5 is a complete and accurate list of each Contract as of the Option Date, other than Non-Material Contracts and Oral Contracts. Seller is not a party to, nor is it bound by, any written or oral contract, agreement, lease, power of attorney, guaranty, surety arrangement or other commitment related to the operation of the Stations, including, but not limited to, any contract or agreement for the purchase or sale of merchandise, programming or software or for the rendition of services, except for the Non-Material Contracts, Oral Contract and Contracts listed on Schedule 3.5.

3.6 Breach. Except for Non-Material Contracts, Oral Contracts and as set forth on Schedule 3.6, Seller is not in violation or breach of any of the terms, conditions or provisions of

its governing documents, any Program License Agreement, the Programming Agreement, or other Contract or any indenture, mortgage or deed of trust or other instrument, court order, judgment, arbitration award or decree relating to or affecting the Stations or the Assets to which Seller is a party or by which it, the Assets or the Stations is bound. To Seller's Knowledge, no other party thereto is in default or breach under any of the Contracts (other than Non-Material Contracts or Oral Contracts). Copies of each of the Contracts other than Non-Material Contracts and Oral Contracts, together with all amendments thereto to the extent and in the form that any such Contract (or amendment thereto) is in the possession of Seller, have heretofore been delivered or made available to the Buyer.

3.7 Financial Information. Attached to this Agreement as Schedule 3.7 are true and correct copies (collectively, the "Financial Statements") of the unaudited financial statements of Seller dated September 30, 2009, including an unaudited balance sheet as of such date (the "Interim Balance Sheet") and an unaudited statement of operations of Seller for the nine- (9-) month period then ended (the "Interim Income Statement" and, collectively, the Interim Balance Sheet and Income Statements are the "Interim Financial Statements"). The Financial Statements: (a) have been prepared in accordance with GAAP (except for the absence of footnotes) and (b) present fairly the financial condition of Seller as of their dates and the results of operations for the periods indicated therein in accordance with GAAP.

3.8 Liabilities. There are no liabilities or obligations of Seller, whether arising under Contracts, related to Tax or non-Tax matters, known or unknown, due or not yet due, liquidated or unliquidated, fixed, contingent or otherwise, including penalty, acceleration or forfeiture clauses in any Contract, that should be reflected in the Interim Financial Statements (the date of the Interim Balance Sheet is the "Latest Balance Sheet Date") in accordance with GAAP that are not so reflected, except as otherwise listed on Schedule 3.8, and except for liabilities that arise in the Ordinary Course of Business between the Option Date and the Effective Time.

3.9 Taxes.

(a) All federal, state, Commonwealth of Puerto Rico and local returns, reports, estimates and other statements ("Returns") required to have been filed with any jurisdiction with respect to Seller and the operation of the Stations with respect to any income, franchise, property, sales, value-added, payroll, withholding, excise, assessment, levy, capital and all other taxes, duties, penalties, assessments or deficiencies of every nature and description (collectively, "Taxes") have been duly and timely filed by Seller and each such Return correctly reflects the amount of Taxes required to be reported or paid or both. Seller has paid all Taxes due and payable that it is required to pay, incur or accrue before the Option Date, except to the extent that such amounts are reserved for in the Interim Balance Sheet. There are no Taxes that are past due. No consent extending the applicable statute of limitations has been filed by or with respect to Seller with respect to any of such Taxes for any years. There is no action, suit, proceeding, audit, investigation or claim now pending, or to Seller's Knowledge, threatened, regarding any Taxes or any Return of Seller.

(b) Seller has not been a "United States real property holding corporation," as defined in Section 897(c)(2) of the Internal Revenue Code of 1986, as amended, at any time during the applicable period specified in such section.

(c) There are no Tax liens on any of the Assets. None of the Assets is “tax exempt use property” within the meaning of Section 168(h) of the Code or subject to a lease made pursuant to Section 168(h) of the Code. Seller is not a “foreign Person” as defined in Section 1445(f)(3) of the Code. Seller is engaged in a trade or business in Puerto Rico for purposes of Puerto Rico Income Tax, and the withholding of Puerto Rico Income Taxes on the Purchase Price is not required in accordance with Section 1150 of the P.R. Code or any other applicable laws.

(d) Seller has withheld amounts from its employees working in its business in accordance with applicable law. With respect to such employees, Seller has filed all Returns required to be filed and paid all required Taxes with respect to employee income tax withholding, social security, Medicare and unemployment taxes and other similar taxes and charges, in compliance with the tax withholding provisions of the Code and other applicable federal, state and local laws.

3.10 Licenses. Seller is the holder of all licenses, permits, franchises, authorizations and approvals, including associated broadcast auxiliary and cable antenna relay service authorizations or authorizations of any governmental or quasi-governmental authority required for the operation of the Stations, both analog and digital (collectively, the “Authorizations”). The Authorizations constitute all of the licenses and authorizations required under the Communications Act of 1934, as amended (the “Communications Act”), or the current rules, regulations and policies of the FCC for the operation of the Stations as presently operated. The Authorizations are validly issued, in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired and are not subject to any conditions that would require operation of the Stations in a manner materially different than their operations as of the Option Date. No waiver of any FCC rule or policy is required for Seller to be the holder of any of the Authorizations. Except as listed on Schedule 3.10, (i) there is no pending or, to Seller’s Knowledge, threatened action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the Authorizations (other than proceedings to amend FCC rules of general applicability), (ii) there is not now issued or outstanding or pending or threatened by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against Seller or the Stations, and (iii) there are no pending applications filed by Seller seeking to modify or revoke any Authorizations. The Station is operating in all material respects in compliance with the Authorizations, the Communications Act and the current rules, regulations and policies of the FCC and all other applicable federal, state, county and local ordinances, rules, regulations and policies. Other than the Authorizations, there are no licenses, permits or authorizations of any governmental or quasi-governmental authority required to operate the Stations. Seller has complied in all material respects with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of the FCC or any Government Agency that are applicable to Seller, the Assets or the Stations.

3.11 Additional Regulatory Matters.

(a) Reports. All reports and filings required to be filed with the FCC and any other agency of the Federal, State, Commonwealth of Puerto Rico or local government ("Government Agency") by Seller have been timely filed. All such reports and filings are accurate and complete and filed on a timely basis. Seller maintains appropriate public files at the Stations as required by FCC rules. With respect to FCC licenses, permits and Authorizations of Seller, Seller is operating only those facilities for which appropriate Authorizations have been obtained from the FCC and are in full force and effect and Seller is complying with the terms and conditions of such Authorizations.

(b) No Notices. Seller has not received notice or other communication indicating that it does not comply with all requirements of (i) the FCC or the Communications Act or (ii) applicable state and local statutes, regulations and ordinances. Seller has no Knowledge and has not received any notice or communication, formal or informal, indicating that the FCC or any other Government Agency is considering revoking, suspending, modifying, canceling, rescinding or terminating any Authorization.

(c) RF Radiation. The operation of the Stations does not cause or result in exposure of workers or the public to levels of radio frequency radiation in violation of FCC rule Section 1.310 or FCC OST/OET Bulletin Number 65.

3.12 Reserved.

3.13 Business Operations. The only business Seller has conducted since its formation is the operation of the Stations. Seller has never engaged in the business of selling goods from inventory, of leasing tangible personal property or of developing, selling, licensing or sublicensing software, software licenses or any other Intangible Property.

3.14 Approvals and Consents. The only material approvals or consents of persons or entities not a party to this Agreement that are legally or contractually required to be obtained by Seller in connection with the consummation of the transactions contemplated by this Agreement are those which are contemplated by Section 5.6 ("Consents") and 5.9 ("FCC Consents"). Any approvals under the Contracts or with any governmental division, regulatory authority or agency are "material" for purposes of this Section. No approval or consent of the holders of the Security Interest disclosed on Schedule 2.4 or any other security holder is required in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

3.15 Condition of Assets.

(a) All Assets. The Assets constitute all of the assets used by Seller to conduct the operation of the Stations as presently conducted.

(b) Tangible Personal Property. Schedule 2.2(a) contains a true and complete list as of the Option Date of all items of Tangible Personal Property of every kind or description owned, leased, licensed or used by Seller, except for office materials and supplies (which office supplies or any replacements thereof shall be part of the Assets). Any Tangible

Personal Property that is leased or licensed by Seller as of the Option Date, whether as lessor, lessee, licensee or licensor, is separately designated on Schedule 2.2(a) and all related lease agreements are described on Schedule 2.2(a). The Tangible Personal Property constitutes all of the tangible personal property used by Seller or necessary for the operation of the Stations as presently conducted.

(c) Good Title, Good Operating Condition. Except as listed on Schedule 3.15(c): (i) Seller has good, valid and marketable title to or the unrestricted right to use all of the Assets owned, leased or licensed by it, in each case, free and clear of all Security Interests of every kind or character (other than Permitted Encumbrances); (ii) Seller is the owner, lessee or licensee of all of the Tangible Personal Property listed on the Schedules to this Agreement and of all Tangible Personal Property not listed on the Schedules to this Agreement that is material to the operation of the Stations; and (iii) all Tangible Personal Property, including equipment and electrical devices, is in good operating condition and repair, normal wear and tear excepted, and has been maintained in accordance with industry standards and any standards or guidelines imposed by the FCC in all material respects.

3.16 Leased Real Property.

(a) Seller owns no real property.

(b) Leases. Schedule 2.2(c) is a list of all real property lease agreements, including all amendments and modifications thereto, and all other leases or licenses or other rights to possession of any real property used or held by Seller (the "Real Property Leases").

(c) Interests. Seller's interest in the Leased Real Property is as set forth in the Real Property Leases, copies of which Seller has provided to Buyer. Except as listed on Schedule 2.2(c), the Leased Real Property and all of the fixtures, towers and improvements thereon owned by Seller (collectively, the "Owned Improvements") are in good operating condition and repair, normal wear and tear excepted, and have been maintained in accordance with industry standards and any standards or guidelines imposed by the FCC and the FAA.

(d) All Leases. The Real Property Leases constitute all the real property leases to which Seller is lessee and the Leased Real Property is the only real property now used by Seller in the operation of the Stations as the Stations are presently operated.

(e) Good Title. With respect to the Real Property Leases, Seller has good title to its leasehold interest in such real property and the Owned Improvements, in each case, free and clear of all liens, claims and encumbrances, except for the liens, claims and encumbrances identified in such leases or as specifically stated on Schedule 2.2(a). With respect to each such lease, except as otherwise disclosed on Schedule 2.2(c), (i) the leases are in full force and effect, (ii) all accrued and currently payable rents and other payments required by such leases to be paid by Seller have been paid, (iii) Seller entered into such leases in the Ordinary Course of Business and Seller has been in peaceable possession since the beginning of the original term of any such lease, (iv) to Seller's Knowledge, the real property leased or licensed under the Real Property Leases is not subject to any suit for condemnation or other taking by any public authority, (v) neither Seller nor any other party thereto is in default under any such lease, (vi) Seller has not given nor received

any notice of default or termination, and no condition exists and no event has occurred that, with the giving of notice, the lapse of time or the happening of any further event would become a default or permit early termination under any such lease and (vii) subject to obtaining the Material Consents described on Schedule 5.6, the validity or enforceability of any such lease will in no way be affected by the sale of the Assets or the consummation of the other transactions contemplated herein. Except as set forth on Schedule 3.22, the Owned Improvements comply in all material respects with all applicable building or zoning codes and the regulations of any Government Agency having jurisdiction. All Owned Improvements are located entirely on the real property leased by Seller under the Real Property Leases. Except as set forth on Schedule 5.6, no third-party consent or approval is required for the assignment of the Real Property Leases to Buyer or for the consummation of the transactions contemplated herein.

3.17 Environmental Matters. With respect to the ownership and operation of the Assets and the Stations, and except as set forth in Schedule 3.17, (a) Seller is in compliance with all Environmental Laws; (b) Seller holds all the permits, licenses and approvals of governmental authorities necessary for the current use, occupancy or operation of the Stations under applicable Environmental Laws (“Environmental Permits”); (c) Seller is in compliance with any such Environmental Permits; (d) all such Environmental Permits are transferable to Buyer without the consent of any Government Agency; and (e) to Seller’s Knowledge, there are no underground or aboveground storage tanks on any of the Real Property. Except as set forth in Schedule 3.17, no Hazardous Materials have been released, generated, stored or transported at, on, in, from or under the Real Property by Seller or, to Seller’s Knowledge, by any other Person. There are no quantities or concentrations of Hazardous Materials at, on, in or under the Real Property that pose an unacceptable risk to human health or the environment under Environmental Laws. Seller has not entered into, agreed to or is subject of any order of any Government Agency under any Environmental Laws.

3.18 Insolvency Proceedings. Neither Seller nor any of the Stations or the Assets are the subject of any pending or, to the Knowledge of Seller, threatened insolvency proceedings of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary. In respect of the Assets, Seller has not made an assignment for the benefit of creditors, fraudulent conveyances, preferences or transfers nor has Seller taken any action in contemplation of the institution of any such insolvency proceedings.

3.19 Compliance with Law and Regulations. The Station, the Assets, and Seller are, in all material respects, in compliance with all requirements of federal, state and local law and all requirements of all federal, state and local governmental bodies or agencies having jurisdiction over any of them.

3.20 Insurance. A summary of current insurance coverage relating to Seller, the Assets or the Stations is attached as Schedule 3.20. Seller maintains and will continue to maintain in full force and effect through the Effective Time, insurance policies of fire and extended coverage and casualty, liability and other forms of insurance covering it, the Assets and the Stations and with maximum coverage limits that are customary within the broadcast industry. All of the policies listed on Schedule 3.20 are in full force and effect as of the Option Date, and Seller is not in default

of any material provision thereof. Seller has not received notice from any issuer of any insurance policies of such issuer's intention to cancel, terminate or refuse to renew any policy issued by it.

3.21 Labor, Employment Contracts and Benefit Programs.

(a) No Collective Bargaining Agreements. There are no collective bargaining agreements or written or oral agreements relating to the terms and conditions of employment or termination of employment covering any employees, consultants or agents of Seller, except as listed on Schedule 3.21. Except as listed on Schedule 3.21, all employees of Seller are employees-at-will. Seller is not engaged in any unfair labor practice or other unlawful employment practice and there are no unfair labor practice charges or other employee-related complaints, grievances or arbitrations against Seller pending or threatened before the National Labor Relations Board, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, the Department of Labor, any arbitration tribunal or any other federal, state, local or other governmental authority. There is no strike, picketing, slowdown or work stoppage by or concerning such employees pending against or involving Seller. No representation question is pending or threatened with respect to any of the Stations' employees.

(b) Compliance. Seller has complied materially in the past, and is now in material compliance with, all labor and employment laws including, without limitation, federal, state, local and other applicable laws, rules, regulations, ordinances, orders and decrees concerning collective bargaining, unfair labor practices, payments of employment taxes, occupational safety and health, worker's compensation, the payment of wages and overtime and equal employment opportunity. Seller is not liable for any arrears for wages, benefits, Taxes, damages or penalties for failing to comply with any law, rule, regulation, ordinance, order or decree relating in any way to labor or employment.

(c) Employee Plans. Except as set forth on Schedule 3.21, Seller does not have any pension plan, profit sharing plan, deferred compensation plan, stock option or stock bonus plan, savings plan, welfare plan or other benefit plan or arrangement, policy, practice, procedure or contract concerning employee benefits or fringe benefits of any kind, whether governed by ERISA, relating to or covering any employees of Seller or the Stations (a "Station Benefit Plan"). Seller does not maintain, sponsor or contribute to any "employee benefit plan" (within the meaning of Section 3(3) of ERISA) or any other plan, program, practice, agreement or arrangement covering the Stations, whether written or oral, of employee compensation, deferred compensation, severance pay, retiree benefit or fringe benefit. Seller has furnished Buyer with true, complete and accurate copies of all summary plan descriptions of Station Benefit Plans.

(d) ERISA Compliance. Each of the Stations Benefit Plans is in compliance in all material respects with all applicable requirements of ERISA, the Code and other applicable law. Each of the Stations Benefit Plans has been administered in all material respects in accordance with its terms and with applicable legal requirements. All "employee pension plans" (within the meaning of Section 3(2) of ERISA) have been determined by the IRS to be qualified under Section 401(a) of the Code and no action or proceeding has been instituted or threatened which would affect the qualification of any pension plan of the Stations or of Seller. No unfunded liabilities, based on the PBGC rates currently in effect for plan terminations, exist with respect to any Station Benefit Plan that is a "defined benefit plan" (within the meaning of Section 3(35) of

ERISA). There has not been any Reportable Event with respect to any pension plan of the Stations or Seller. Seller has not engaged in a “prohibited transaction” or breach of fiduciary responsibility with respect to any Station Benefit Plan.

(e) No Multiemployer Plans. Seller (i) has never contributed to a Multiemployer Plan; and (ii) has never incurred any liability under Title IV of ERISA to the PBGC or to a Multiemployer Plan.

(f) Employees. Schedule 3.21 lists the names and job titles of all employees of Seller as of September 30, 2009, the current compensation for each, current hourly wages and vacation days for each (or pay in lieu thereof) assuming no vacation has been taken, and the actual days of vacation taken by each employee through September 30, 2009. Each employee’s length of service as of September 30, 2009 and employment commencement date is set forth on Schedule 3.21.

3.22 Litigation. Except as set forth on Schedule 3.22, there are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations pending or, to Seller’s Knowledge, threatened against Seller nor is there any basis for any such suit, arbitration, administrative charge or other legal proceedings, claim or governmental investigation. Except as set forth on Schedule 3.22, Seller has not been operating under or subject to, or in default with respect to, any order, writ, injunction or decree relating to the Stations or the Assets of any court or federal, state, municipal or other governmental department, commission, board, agency or instrumentality.

3.23 Intangible Property. Seller has all right, title and interest in and to all Intangible Property necessary or desirable in the operation of the Stations as presently operated and as presently proposed to be operated. Seller has not received notice of any claim against it involving any conflict or claim of conflict of any of the items listed on Schedule 2.2(g). Except as disclosed on Schedule 2.2(g), Seller is not in violation, breach or default under any lease or license agreement relating to Intangible Property or Copyrights. Seller has not received any notice of any claim of infringement of any third-party’s copyright, patent, trademark, service mark, logotype, license or other proprietary right, including the use of any call sign, slogan or logo by any broadcast station or cable systems in the marketing area of the Stations that may become confusingly similar to the call sign, slogans and logos currently used by the Stations. Seller makes no representation with respect to any Intangible Property provided by Seller under the Programming Agreement. Seller owns or possesses adequate licenses or other rights to use all Intangible Property used to operate the Stations.

3.24 Brokers. There is no broker or finder or other Person who would have any valid claim through Seller against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, Seller.

3.25 Conflicting Interests. Except as disclosed on Schedule 3.25, neither Seller nor any director, officer, member, manager, partner or shareholder of Seller, has any financial interest in any supplier, advertiser or customer of Seller or in any other business enterprise with which the Stations or Seller engages in business or with which the Stations or Seller is in

competition. The ownership of less than one percent of the outstanding capital stock of a publicly held corporation shall not be deemed a violation of this representation and warranty.

3.26 Matters Arising After the Interim Balance Sheet Date. Between the date of the Financial Statements and the Option Date:

(a) There has not been any material adverse change in the financial condition or business of Seller, uncured default by Seller under the terms of any of the Real Property Leases or any material physical damage or loss to any of the Assets (except where such damage or loss was covered by insurance and repair or replacement of the damaged or lost assets has been completed);

(b) Seller has maintained its books, accounts and records in the usual, customary and ordinary manner;

(c) Seller has not sold, leased, transferred, or assigned any of its assets, tangible or intangible, other than in the Ordinary Course of Business;

(d) Other than this Agreement and the Programming Agreement, Seller has not entered into any agreement, contract, license or lease outside the Ordinary Course of Business;

(e) No party (including Seller) has accelerated, terminated, modified or cancelled any agreement, contract, lease or license involving more than \$ _____ to which Seller is a party or by which it is bound; and

(f) Seller has not taken any action outside of the Ordinary Course of Business, except as related to the Programming Agreement and the transactions contemplated by this Agreement.

3.27 FAA Compliance. Seller and the Assets are in material compliance with the rules and regulations of the Federal Aviation Administration (the "FAA") applicable to the Stations. All towers used by the Stations are in material compliance with all painting, lighting and tower registration requirements of the FAA, the FCC and any other governmental authority.

3.28 Cable Matters. Schedule 3.28 sets forth, as of the Option Date (i) a list of all multichannel video programming distributors, including but not limited to cable systems, SMATV, open video systems, MMDS, MDS, Broadband Radio Service and DBS systems (collectively, "MVPDs") that carry the analog or digital signals of the Stations and the channels on which such signals are carried, (ii) a list of all MVPDs to which Seller has provided a must-carry notice or retransmission consent notice for those Stations that have statutory carriage rights ("must-carry rights") in accordance with the provisions of the Communications Laws for the three-year period ending December 31, 2011, including the disposition and current status of each such must-carry or retransmission consent notice; and (iii) a list of all retransmission consent and/or copyright indemnification contracts entered into with any MVPD with respect to the Stations for the three-year period ending December 31, 2011 and the expiration date for each such contract. Except as set forth on Schedule 3.28, consummation of the transactions contemplated hereunder will not require consent of any person with respect to carriage pursuant to a retransmission consent agreement on

any MVPD. No MVPD has declined or refused to carry the Stations or disputed a Station's right to carriage pursuant to the Station's must-carry or retransmission consent election, as the case may be. Seller has provided or made available to SBS true, correct and complete copies, including all amendments, of the agreements referenced in Schedule 3.28.

3.29 Digital Broadcasting. The Stations have been assigned by the FCC the digital channel listed on Schedule 2.2(b) for the provision of DTV service, and the Authorizations include the FCC authorizations for such digital channel. The Stations are broadcasting their DTV signal in material compliance with such authorizations, and the Stations are in compliance in all material respects with the FCC's build-out and operational requirements for digital television, and no further construction or facilities modifications will be required to meet such requirements. Neither Seller nor any person on behalf of Seller has leased, licensed, assigned, conveyed or otherwise encumbered a Station's digital spectrum or any portion thereof or granted rights to any party to broadcast on a Station's digital spectrum or any portion thereof.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the statements contained in this Article 4 are correct and complete as of the Option Date and will be correct and complete as of the Binding Date and Closing Date (as though made on and as of the Binding Date and the Closing Date), except as set forth in this Article 4 and except as set forth in the disclosure schedule delivered by Buyer to Seller on the Option Date (the "Buyer Disclosure Schedule"). The Buyer Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this Article 4. Buyer will provide Seller an updated Buyer Disclosure Schedule within thirty (30) days after the Binding Date:

4.1 Qualification as a Broadcast Licensee. Buyer is familiar with the Communications Act and the existing rules, regulations and policies of the FCC. Except as set forth on Schedule 4.1, Buyer is legally and financially qualified under the Communications Act and the rules, regulations and policies of the FCC to acquire the Stations from Seller. Except as set forth on Schedule 4.1, there is no fact or condition known to Buyer that would, under the Communications Act and the existing rules, regulations and policies of the FCC, disqualify Buyer as owner and operator of the Stations or constitute grounds for the filing of a petition to deny or objection related to the qualifications of Buyer or that would reasonably be expected to result in a delay for FCC approval of the assignment applications. Except as set forth on Schedule 4.1, to Buyer's Knowledge, no waiver of any FCC rule, regulation or policy existing as of the Option Date will be required, with respect to Buyer, to obtain FCC approval of the assignment applications.

4.2 Status.

(a) Buyer. Buyer is a corporation duly organized, in good standing and validly existing under the laws of Delaware. Buyer is (or will be at the Closing) duly authorized to transact business in the Commonwealth of Puerto Rico. Buyer has the requisite power to enter into and complete the transactions contemplated by this Agreement.

(b) Approvals and Consents. There are no approvals or consents of Persons not a party to this Agreement that are legally or contractually required to be obtained by Buyer in connection with the consummation of the transactions contemplated by this Agreement other than the FCC Order.

4.3 No Defaults. Neither the execution, delivery and performance by Buyer of this Agreement nor the consummation by Buyer of the transactions contemplated hereby is an event that, of itself or with the giving of notice or the passage of time or both, will: (a) violate or conflict with any provision of the certificate of incorporation or bylaws of Buyer, (b) constitute a violation of, conflict with or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation under any material contract, mortgage, indenture, agreement, lease or other instrument to which Buyer is a party or by which it or any of its material assets are bound, or (c) except as set forth on Schedule 4.3, violate any judgment, decree, order, statute, law, rule or regulation of any court, arbitrator or government or regulatory body applicable to Buyer or the assets of Buyer.

4.4 Entity Action. All corporate actions and proceedings required to be taken by or on the part of Buyer under applicable law, in connection with its performance, execution and delivery of this Agreement have been duly and validly taken, and this Agreement has been duly and validly authorized, executed and delivered by Buyer and constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with and subject to its terms.

4.5 Brokers. There is no broker or finder or other Person who would have any valid claim through Buyer against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of or action taken by Buyer.

ARTICLE 5
COVENANTS OF SELLER PENDING THE CLOSING

Seller covenants and agrees that, from the Option Date until the termination of this Agreement or the completion of the Closing:

5.1 Operations of the Business.

(a) Ordinary Operations. Until the Closing, Seller will use its commercially reasonable efforts to carry on operations of the Stations as contemplated by the Programming Agreement and Seller will keep its books and accounts, records and files in the usual and ordinary manner. Seller shall operate the Stations in compliance with the terms of the Authorizations and all applicable laws, rules and regulations, including, without limitation, FCC

rules and regulations. Seller shall timely file all reports and other filings required to be filed by any Government Agency, including, without limitation, the FCC. Seller shall pay and discharge all of its debts and obligations relating to the Stations and the Assets, including, without limitation, those listed on Schedule 2.6. To the extent that any Real Property Leases grant Seller the right to renew or extend such Real Property Leases on terms and conditions provided in such Contracts, then Seller shall have the right exercise such rights. Seller shall provide Buyer reasonable notice before Seller exercises or allows such rights to lapse.

(b) Current Statements. Seller shall provide Buyer with copies of Seller's monthly internal balance sheets and related statements of operations for the monthly accounting periods between the Latest Balance Sheet Date and the Closing Date, by the 30th day of each month for the preceding calendar month, which statements shall present fairly the financial position of Seller and the results of operations for the period indicated, in accordance with GAAP, except for the absence of footnotes.

(c) Assets in Good Repair. Subject to the terms of the Programming Agreement, all Tangible Personal Property and Leased Real Property shall be maintained in good operating condition and repair, normal wear and tear excepted and the entity operating the Stations shall maintain adequate and usual supplies of office supplies, spare parts and other materials as have been customarily maintained in accordance with past practices of Seller. Seller shall use, its commercially reasonable efforts to preserve intact the Assets and to maintain in effect the casualty and liability insurance on the Assets heretofore in force.

5.2 Prohibited Actions. Except as otherwise specifically provided in the Programming Agreement, before the Closing Date, Seller shall not, without the prior written consent of Buyer:

(a) Sell, lease or transfer or agree to sell, lease or transfer, any Assets, except for incidental sales or leases of Assets in the Ordinary Course of Business that are being replaced by assets of comparable or superior kind, condition and value;

(b) Except as may be required by law or existing written plans or agreements (which written plans and agreements are included in the Schedules hereto or have otherwise been provided to Buyer), grant any raises to any of its employees or consultants (except in the Ordinary Course of Business), establish or modify any severance plan, pay any substantial bonuses (except in the Ordinary Course of Business), enter into any contract of employment with any employee or employees of Seller or the Stations, change any benefits to employees or consultants or enter into any independent contractor agreement;

(c) Subject to Seller's right to renew Real Property Leases set forth in Section 5.1(a) or except in the Ordinary Course of Business, renegotiate, modify, renew, amend, or terminate any existing Contracts;

(d) Make any change in the Stations' buildings, leasehold improvements or fixtures, except in the Ordinary Course of Business;

(e) Enter into any contracts with Affiliates of Seller with respect to the Stations or the Assets;

- (f) Apply to the FCC for any construction permit that would restrict or modify Seller's present operations;
- (g) [reserved];
- (h) Enter into any barter or trade contract or contracts that are prepaid;
- (i) Make or attempt to make any change in the Authorizations, other than renewals or extensions necessary to keep such Authorizations in full force and effect;
- (j) Consent to the execution, placement, creation or amendment of easements, restrictions, rights-of-way or other matters affecting title to the Real Property; or
- (k) Enter into any Contract, other than a Non-Material Contract or other than as contemplated by this Agreement or the Programming Agreement.

5.3 Reserved.

5.4 Access to Facilities, Files and Records. At the reasonable request of Buyer and on reasonable advance notice, Seller shall, from time to time, promptly give or cause to be given to the officers, employees, accountants, counsel, agents, consultants and representatives of Buyer full access during normal business hours to: (i) all facilities, properties, accounts, books, deeds, title papers, insurance policies, agreements, contracts, commitments, records and files of every character, including, without limitation, minute books, equipment, machinery, fixtures, furniture, vehicles, notes and accounts payable and receivable relating to the Stations; and (ii) all such other information concerning Seller, the Stations and the Assets as Buyer may reasonably request. Any investigation or examination by Buyer in connection with the foregoing shall not in any way diminish or obviate any representations or warranties of Seller made in this Agreement, the Schedules and documents delivered pursuant to this Agreement. Seller shall cause its accountants and any of their agents in possession of Seller's books and records to cooperate with Buyer's requests for information pursuant to this Agreement and shall request such accountants to provide Buyer access to all of the accountants' audit and tax work papers with respect to Seller or the Stations.

5.5 Representations and Warranties. Seller shall give detailed written notice to Buyer promptly on learning of the occurrence of any event that would cause or constitute a breach, or that would have caused a breach had such event occurred or been known to Seller on or before the Option Date, of any of Seller's representations or warranties contained in this Agreement or in any Schedule attached hereto; provided, however, that any such notice shall not affect Seller's liabilities or obligations hereunder or Buyer's rights and interests hereunder.

5.6 Consents. Seller shall use its commercially reasonable efforts to obtain the consent or approval of any third Person required under any Contract listed on the Contract Schedules to assign any such Contract from Seller to Buyer, including providing adequate notice of the assignment where applicable. Buyer has designated certain of these consents as material to the operations of the Stations as noted on Schedule 5.6 (a "Material Consent"). Without limiting the rights of Buyer under Section 11.6 hereof, Buyer shall not be obligated to accept the assignment of any Contract or any liability under such Contract for which