

**KAUZ**

**ASSET PURCHASE AGREEMENT**

**BY AND BETWEEN**

**HOAK MEDIA OF WICHITA FALLS, LP**

**AND**

**CHELSEY BROADCASTING COMPANY OF WICHITA FALLS, LLC**

## Table of Contents

1.	Definitions.....	1
2.	Purchase and Sale of Assets.....	3
2.1.	Assets .....	3
2.2.	Excluded Assets .....	5
2.3.	Transfer of Assets .....	6
2.4.	Accounts Receivable and Accounts Payable.....	6
2.5.	Power of Attorney .....	7
2.6.	Non-Assignable Assets .....	7
3.	Assumption of Liabilities.....	8
3.1.	Assumed Liabilities.....	8
3.2.	Instruments of Assumption for the Assumed Liabilities .....	8
3.3.	Excluded Liabilities .....	8
4.	Purchase Price; Escrow Deposit; Proration Adjustments; and Allocation .....	9
4.1.	Purchase Price .....	9
4.2.	Escrow Deposit .....	9
4.3.	Proration Adjustments.....	9
4.4.	Allocation.....	10
5.	Closing .....	11
6.	Governmental Consents .....	11
6.1.	FCC Consent .....	11
6.2.	Other Governmental Consents .....	11
7.	Representations and Warranties of Seller .....	12
7.1.	Organization and Standing.....	12
7.2.	Power and Authority .....	12
7.3.	No Conflicts .....	12
7.4.	Station Licenses .....	13
7.5.	Validity.....	13
7.6.	Financial Statements .....	14
7.7.	Taxes .....	14
7.8.	Contracts .....	14
7.9.	Real Property.....	14
7.10.	Personal Property .....	15
7.11.	Intellectual Property .....	15
7.12.	Insurance .....	16
7.13.	Litigation.....	16
7.14.	Compliance with Law .....	16

7.15.	Labor .....	16
7.16.	Employees .....	16
7.17.	Employee Benefit Plans .....	17
7.18.	Environmental Matters .....	18
7.19.	Disclosure .....	19
8.	Representations and Warranties of Purchaser .....	19
8.1.	Organization and Standing .....	19
8.2.	Power and Authority .....	19
8.3.	No Conflicts .....	19
8.4.	Government Approval .....	20
8.5.	Validity .....	20
8.6.	Adequacy of Financing .....	20
8.7.	Litigation .....	20
8.8.	Independent Investigation .....	20
9.	Covenants of Seller .....	21
9.1.	Books and Records .....	21
9.2.	Interim Operations .....	21
9.3.	Discharge of Liens .....	22
9.4.	Maintenance of Insurance .....	22
9.5.	Compliance .....	22
9.6.	Payment of Taxes .....	22
9.7.	Financial Statements .....	23
9.8.	FCC Compliance .....	23
9.9.	FCC Consent .....	23
9.10.	Environmental Audit .....	23
9.11.	Title Work .....	24
9.12.	Lien Search .....	24
9.13.	Further Assurances .....	24
10.	Covenants of Purchaser .....	25
10.1.	Compliance .....	25
10.2.	Control of the Station .....	25
10.3.	FCC Consent .....	25
10.4.	FCC Compliance .....	25
10.5.	Books and Records .....	25
10.6.	Employees and Employee Benefit Matters .....	25
10.7.	Further Assurances .....	27
11.	Conditions of Closing .....	27
11.1.	Obligation of Purchaser to Close .....	27
11.2.	Obligation of Seller to Close .....	28
12.	Deliveries at Closing .....	29
12.1.	Seller's Deliveries .....	29

12.2. Purchaser's Deliveries.....	30
13. Remedies for Breach.....	30
13.1. Purchaser Declines to Close.....	30
13.2. Purchaser Elects to Close.....	30
13.3. Purchaser Fails to Close.....	31
13.4. Seller Elects to Close.....	31
13.5. Remedies Cumulative.....	31
14. Termination Rights .....	31
15. Effect of Termination.....	32
16. Indemnification.....	32
16.1. Indemnification of Seller.....	32
16.2. Indemnification of Purchaser .....	32
16.3. Procedures for Third-Party Claims .....	33
16.4. Survival of Representations, Warranties and Covenants .....	34
17. Third Party Beneficiaries .....	34
18. Brokers.....	34
19. Risk of Loss.....	34
19.1. Risk of Loss.....	34
19.2. Transmission Default .....	34
20. Miscellaneous .....	35
20.1. Entire Agreement .....	35
20.2. Notices.....	35
20.3. Public Announcement .....	35
20.4. No Waiver .....	36
20.5. Governing Law.....	36
20.6. Expenses.....	36
20.7. Binding Agreement .....	36
20.8. Good Faith.....	36
20.9. Headings.....	36
20.10. Counterparts .....	36

## **SCHEDULES**

<b><u>Schedule Number</u></b>	<b><u>Description</u></b>
1.11	Knowledge
1.14	Permitted Liens
2.1	Other Included Assets
2.2	Other Excluded Assets
3.3	Excluded Contracts
4.1	Wire Instructions
7.3	Conflicts
7.4	Station Licenses
7.6	Financial Statements
7.8	Contracts
7.9	Real Property, Liens
7.10	Personal Property, Liens
7.11	Intellectual Property
7.12	Insurance
7.13	Litigation
7.16	Employees
7.17	Employee Benefit Plans
7.18	Environmental Matters

## **EXHIBITS**

### **Exhibit**

A

### **Description**

Form of Escrow Agreement

## **INDEX TO DEFINED TERMS**

<b><u>Term</u></b>	<b><u>Location</u></b>
“Advertising Contracts”	Section 2.1.5
“Affiliate”	Section 1.1
“Affiliation Agreement”	Section 11.1.3
“Agreement”	Section 1.2
“Allocation Schedule”	Section 4.4
“Assets”	Section 2.1
“Assumed Liabilities”	Section 3.1
“CBC”	Section 16.2
“CBS”	Section 2.1.4
“Chelsey Cure Period”	Section 14.4
“Chelsey 401(k) Plan”	Section 10.6.1
“Closing”	Section 5
“Closing Date”	Section 5
“Code”	Section 1.3
“Collection Period”	Section 2.4
“Communications Act”	Section 1.4
“Communications Laws”	Section 7.4.1
“Consultant”	Section 9.10
“Continuation Coverage”	Section 10.6.8
“Contracts”	Section 2.1.4
“control”	Section 1.1
“COBRA”	Section 7.17.6
“Deposit”	Section 4.2
“Employee Benefit Plan”	Section 7.17
“Employee Plans”	Section 7.17
“Environmental Claims”	Section 7.18.2
“Environmental Laws”	Section 7.18.1
“Environmental Work”	Section 9.10.3
“ERISA”	Section 1.5
“ERISA Affiliate”	Section 1.6
“Escrow Agent”	Section 4.2
“Excluded Assets”	Section 2.2
“Excluded Contracts”	Section 3.3.5
“Excluded Liabilities”	Section 3.3
“Excluded Records”	Section 2.2.4
“FCC”	Page 1, 1 <sup>st</sup> WHEREAS
“FCC Application”	Section 6.1.1
“FCC Consent”	Section 1.7
“Final Order”	Section 1.8
“Final Prorations Schedule”	Section 4.3.2
“Financial Statements”	Section 7.6
“GAAP”	Section 1.9
“Hazardous Substances”	Section 7.18.1
“herein”	Section 1.2
“hereof”	Section 1.2
“hereunder”	Section 1.2
“including”	Section 1.18.4

<b><u>Term</u></b>	<b><u>Location</u></b>
"Indemnified Party"	Section 16.3.1
"Indemnifying Party"	Section 16.3.1
"Intellectual Property"	Section 1.10
"IRS"	Section 4.4
"knowledge"	Section 1.11
"Lien"	Section 1.12
"Lien Search"	Section 9.12
"Losses"	Section 16.1
"Material Adverse Effect"	Section 1.13
"Notice of Disagreement"	Section 4.3.2
"Objection Notice"	Section 4.4
"or"	Section 7.9.1
"Owned Real Property"	Section 7.9.1
"Payables"	Section 2.4
"Permitted Liens"	Section 1.14
"Person"	Section 1.15
"Phase I Environmental Assessment"	Section 9.10
"Phase II Inspection"	Section 9.10.2
"Program Rights"	Section 2.1.6
"Proprietary Rights"	Section 1.16
"Purchase Price"	Section 4.1
"Purchaser"	Page 1, paragraph 1
"Purchaser 401(k) Plan"	Section 10.6.1
"Purchaser Cure Period"	Section 14.2
"Purchaser's Prorations Amount"	Section 4.3.2
"Real Property"	Section 2.1.2
"Receivables"	Section 2.4
"Recognized Environmental Condition"	Section 9.10.2
"Seller"	Page 1, paragraph 1
"Seller Allocation Schedule"	Section 4.4
"Stations"	Page 1, 1st WHEREAS
"STA"	Section 7.4.4
"Station Employees"	Section 7.16
"Station Employee Plans"	Section 7.17
"Station Licenses"	Section 1.17
"Title Commitment"	Section 9.11
"Title Company"	Section 9.11
"Title Policy"	Section 9.11
"Third-Party Claim"	Section 16.3.1
"Trade-out Agreements"	Section 2.1.10
"Transferred Employees"	Section 10.6
"Transmission Default"	Section 19.2



## ASSET PURCHASE AGREEMENT

**AGREEMENT** dated as of this 25<sup>th</sup> day of August, 2003, by and between **Hoak Media of Wichita Falls, LP**, a Delaware limited partnership, having its principal place of business at 13355 Noel Road, Suite 1050, Dallas, Texas 75240 ("Purchaser") and **Chelsey Broadcasting Company of Wichita Falls, LLC**, a Delaware limited liability company having its principal place of business at 3601 Seymour Hwy., Wichita Falls, TX 76309 ("Seller").

### WITNESSETH:

**WHEREAS**, Seller owns and operates television station KAUZ, licensed to Wichita Falls, Texas, pursuant to licenses issued by the Federal Communications Commission (the "FCC") and included in the Wichita Falls, TX/Lawton, OK DMA (the "Station"); and

**WHEREAS**, Seller desires to sell, transfer, convey and assign, and Purchaser desires to purchase and acquire substantially all of the assets, properties and rights of Seller in the Station on the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. **Definitions.** Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

1.1. The term "Affiliate" means, with respect to a Person, any other Person which, directly or indirectly, is in control of, is controlled by or is under common control with such Person. For purposes of the foregoing definition, "control" of a Person means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

1.2. The term "Agreement" means this agreement, including the Schedules and all exhibits hereto, as the same may be amended or otherwise modified from time to time, and the terms "herein", "hereof", "hereunder" and like terms shall be taken as referring to this Agreement in its entirety and shall not be limited to any particular Section or provision hereof.

1.3. The term "Code" means the Internal Revenue Code of 1986, as amended.

1.4. The term "Communications Act" means the Communications Act of 1934, as amended.

1.5. The term "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

1.6. The term "ERISA Affiliate" shall mean with respect to Seller, all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control and all other entities which, together with Seller are treated as a single employer under any or all of Sections 414(b), (c), (m) or (o) of the Code.

1.7. The term "FCC Consent" means the action by the FCC granting its consent to the assignment of the Station Licenses to Purchaser as contemplated by this Agreement.

1.8. The term "Final Order" means written action or order issued by the FCC, setting forth the FCC Consent and (i) which has not been reversed, stayed, enjoined, set aside, annulled or suspended and (ii) with respect to which no requests have been filed for administrative or judicial review, reconsideration, appeal or stay and the period provided by statute or FCC regulations for filing of any such request for administrative or judicial review, reconsideration, appeal or stay or for the FCC to set aside the action on its own motion has expired.

1.9. The term "GAAP" means generally accepted accounting principles set forth in opinions and pronouncements of the Accounting Principals Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, in each case as the same are applicable to the circumstances as of the date of determination.

1.10. The term "Intellectual Property" means any (i) registered United States and foreign patents, patent applications, patent disclosures and improvements thereto, (ii) registered United States and foreign trademarks, service marks, trade dress, logos, trade names and corporate names, the goodwill associated therewith, and the registrations and applications for registration thereof and (iii) registered United States and foreign copyrights, and the registrations and applications for registration thereof.

1.11. The term "knowledge" or similar words shall be deemed to mean the actual personal knowledge as of the date specified or if no such date is specified, as of the Closing Date, in the case of Seller, of those employees of Seller identified on Schedule 1.11 annexed hereto and, in the case of Purchaser, of those employees of Purchaser identified on Schedule 1.11 annexed hereto.

1.12. The term "Lien" means any charge, lien, mortgage, pledge, security interest or other encumbrance of any nature whatsoever upon, of or in property or other assets of a Person, whether absolute or conditional, voluntary or involuntary, whether created pursuant to agreement, arising by force of statute, by judicial proceedings or otherwise.

1.13. The term "Material Adverse Effect" means any change or effect that is materially adverse to the properties, operations, business, financial condition or results of operations of the Station or to the Assets.

1.14. The term "Permitted Liens" means any and all of (i) Liens for inchoate mechanics' and materialmen's Liens for construction in progress and workmen's, repairmen's, warehousemen's and carriers' Liens arising in the ordinary course of business, (ii) Liens for taxes and other liabilities not yet due and payable, and for taxes and other liabilities being contested in good faith, (iii) Liens and imperfections of title the existence of which does not materially detract from the value, of or materially interfere with the use and enjoyment, of the property subject thereto or affected thereby, for the same use and operations as currently conducted, (iv) solely with respect to Real Property, provided that the following are not violated by existing improvements in any material respect and do not prohibit or materially restrict the continued use and operation of such Real Property for the same uses and operations as currently conducted, or grant any third party any option or right to acquire or lease a material portion thereof, (A) covenants, restrictions, agreements, reservations, easements, and rights of way which would be shown by a current title report, (B) conditions that may be shown by a current survey, title report or physical inspection or (C) zoning, building or other similar restrictions imposed by applicable law and (v) Liens listed on Schedule 1.15 annexed hereto.

1.15. The term "Person" shall include an individual, a partnership, a joint venture, a corporation, a limited liability company, a trust, an estate, an unincorporated organization or association or a governmental agency.

1.16. The term "Proprietary Rights" means any (i) Intellectual Property, (ii) trade secrets and confidential business information (including, without limitation, ideas, formulas, compositions, inventions (whether patentable or unpatentable and whether or not reduced to practice), know-how, research and development information, software, drawings, specifications, designs, plans, proposals, technical data, copyrightable works, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information), (iii) other proprietary rights, (iv) copies and tangible embodiments thereof (in whatever form or medium) and (v) licenses granting any rights with respect to any of the foregoing.

1.17. The term "Station Licenses" means the licenses, permits and other authorizations, including those listed on Schedule 7.4 annexed hereto, issued by the FCC to Seller in connection with the conduct of the business and operation of the Station, and including all applications and requests pending with respect thereto.

1.18. Unless the context otherwise requires:

1.18.1. a term has the meaning assigned to it;

1.18.2. an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP and all accounting calculations will be determined in accordance with such principles;

1.18.3. "or" is not exclusive;

1.18.4. "including" means including without limitation; and

1.18.5. words in the singular include the plural and words in the plural include the singular.

## 2. **Purchase and Sale of Assets.**

2.1. **Assets.** On the terms and subject to the conditions of this Agreement, Seller shall sell, transfer, convey, assign and deliver to Purchaser, and Purchaser shall acquire and accept from Seller, on the Closing Date, all of the right, title and interest of Seller in and to all assets, properties and rights of Seller used or held for use in connection with the operation of the Station or located on or at the Real Property, of every nature, kind and description, wherever located, tangible and intangible, real, personal and mixed (excluding only the Excluded Assets as specified in Section 2.2 below) as the same shall exist at and as of the Closing Date (the "Assets"), including, without limitation, the following:

2.1.1. all rights in and to the licenses, permits and other authorizations issued to Seller by any governmental authority and held by Seller and used or intended for use in the conduct of the business and operation of the Station, including the Station Licenses listed on Schedule 7.4 annexed hereto, together with any renewals, extensions or modifications thereof and additions thereto between the date hereof and the Closing Date, the goodwill and other intangible personal property associated with or related to the Station or the operation thereof, the business of the Station as a going concern, and all of Seller's rights in and to the call letters "KAUZ";

2.1.2. all land, leaseholds and other interests of every kind and description in real property (the "Real Property"), buildings, towers and antennae, and fixtures and improvements thereon owned by Seller as of the date hereof and used or held for use in connection with the operation of the Station, including, without limitation, those shown on Schedule 7.9 annexed hereto, and any additions, improvements, replacements and alterations thereto made between the date hereof and the Closing Date;

2.1.3. all equipment, cameras, transmitters, antennae, office furniture and fixtures, office materials and supplies, tools, inventory, spare parts, and other tangible personal property of every kind and description, owned by Seller and used or held for use in connection with the operation of the Station or located on or at the Real Property, including the property listed on Schedule 7.10 annexed hereto, together with, to the extent permitted by this Agreement, any replacements thereof and additions thereto made between the date hereof and the Closing Date, and less any retirements or dispositions thereof made between the date hereof and the Closing Date which are permitted by this Agreement;

2.1.4. all leases, contracts, licenses, purchase orders, sales orders, commitments and other agreements relating to the business and operation of the Station to which Seller is a party or in which Seller has rights ("Contracts"), listed on Schedule 7.8 annexed hereto, including the affiliation agreement with CBS Television Network ("CBS"), or not required by Section 7.8 hereof to be set forth on Schedule 7.8, and those Contracts relating to the business and operation of the Station entered into by Seller between the date hereof and the Closing Date subject to and in accordance with Section 9.2 hereof, except for those that expire by their terms or are cancelled between the date hereof and the Closing Date;

2.1.5. all orders and agreements now existing, or entered into in the ordinary course of business between the date hereof and the Closing Date, for the sale of advertising time on the Station ("Advertising Contracts") except those which on the Closing Date have already been filled or cancelled in accordance with Section 9.2 hereof or have expired;

2.1.6. all programs and programming materials and elements of whatever form or nature as of the date hereof and used or held for use in connection with the operation of the Station ("Program Rights"), whether recorded on tape or any other substance or intended for live performance, and whether completed or in production, and all related common-law and statutory copyrights owned by or licensed to Seller and used or held for use in connection with the operation of the Station, together with all such programs, materials, elements and copyrights acquired by Seller in connection with the business and operations of the Station between the date hereof and the Closing Date, except those that expire or are cancelled in accordance with Section 9.2 hereof between the date hereof and the Closing Date;

2.1.7. all rights of Seller in and to Proprietary Rights and all licenses and other agreements relating thereto and used in connection with the business and operation of the Station, including those listed on Schedule 7.11 annexed hereto;

2.1.8. all causes of action, judgments, claims, demands and other rights of Seller of every kind or nature to the extent the same relate to the business and operation of the Station except to the extent that such causes of action, judgments, claims, demands or other rights relate to the Excluded Assets, the Excluded Liabilities or the Excluded Contracts;

2.1.9. all rights of Seller relating to or arising out of or under express or implied warranties from suppliers with respect to the tangible property included in the Assets;

2.1.10. all prepaid film and programming expenses and all barter receivables arising in connection with agreements ("Trade-out Agreements") for the sale of advertising time in exchange for goods or services, including film or programming, now existing or hereafter entered into in the ordinary course of business (it being understood that the consideration being paid by Purchaser includes consideration for the contracts and commitments of Seller relating to motion pictures and other programming and for barter receivables and programming rights arising in connection with Trade-out Agreements and that no further consideration shall be due to Seller and no proration shall be due in respect thereof except as specifically provided in Section 4.3);

2.1.11. all books and records, including, but not limited to, correspondence, employment records, production records, accounting records, property records, filings with the FCC, mailing lists, customer and vendor lists and other records and files of or relating to the Assets, other than the Excluded Records; provided, however, that such books and records shall be maintained in existence for a period of six years following the Closing Date and shall be made available for inspection and duplication by Seller, at its expense, upon reasonable notice during normal business hours; and

2.1.12. those other assets, properties and rights described on Schedule 2.1 annexed hereto.

2.2. **Excluded Assets.** Anything contained in Section 2.1 above to the contrary notwithstanding, Seller shall not transfer, convey or assign to Purchaser, and the Assets shall not include the following (the "Excluded Assets"):

2.2.1. the consideration delivered by Purchaser to Seller pursuant to this Agreement and all other rights of Seller under this Agreement, any agreement, certificate, instrument or other document executed and delivered by Seller or Purchaser in connection with the transactions contemplated hereby, or any side agreement between Seller and Purchaser entered into on or after the date of this Agreement;

2.2.2. any prepaid expenses, advances or deposits made by Seller (other than relating to motion pictures and other programming of the Station), cash or cash equivalents or money market instruments, including unprocessed checks, savings and checking accounts and other deposits, certificates of deposits, Treasury bills and other marketable securities of Seller;

2.2.3. all of the outstanding accounts receivable and other rights to receive payment arising out of the conduct of the business of the Station as of the Closing Date;

2.2.4. Seller's minute books and such other books and records (other than books and records specifically described in Section 2.1.11 hereof) as pertain to the organization, existence or ownership of Seller (the "Excluded Records");

2.2.5. Excluded Contracts and contracts, commitments and agreements of Seller to the extent the same relate to Excluded Assets and not to the operation of the Station and actions, claims, suits, proceedings, arbitral actions, deposits, prepayments, refunds, causes of action, choses in action, rights of recovery, rights of set off, and rights of recoupment of any kind or nature (including any such item relating to income taxes) relating to the Excluded Assets or the Excluded Liabilities;

2.2.6. assets sold by Seller after the date hereof and prior to the Closing Date in accordance with Section 9.2 hereof;

2.2.7. any refunds of Federal, state, local or other taxes, including, without limitation, income, property or sales taxes, or other taxes of any kind or description which relate to periods prior to and including the Closing Date;

2.2.8. refunds paid or payable in connection with the cancellation or discontinuance of any insurance policies applicable to the Station following the Closing; and

2.2.9. those other assets, properties and rights listed on Schedule 2.2 annexed hereto.

2.3. **Transfer of Assets.** The transfer of the Assets as herein contemplated shall be made by Seller free and clear of all Liens other than: (i) Liens set forth on Schedules 7.9 and 7.10 annexed hereto and, with Purchaser's express written consent and in accordance with the Schedules annexed hereto is not required to be discharged on or prior to the Closing Date pursuant to the terms of this Agreement; (ii) Liens assumed by Purchaser pursuant to Section 3 hereof; and (iii) Permitted Liens. The transfer of the Assets shall be effected by delivery by Seller of such endorsements, assignments, drafts, checks, deeds, affidavits of title and other instruments of transfer, conveyance and assignment, including customary deeds with respect to Real Property to be conveyed hereunder, as shall be necessary or appropriate to transfer, convey and assign the Assets to Purchaser on the Closing Date as contemplated by Section 12 of this Agreement and as shall be reasonably requested by Purchaser. The conveyancing documents with respect to Real Property shall be customary deeds or their equivalent and such deeds shall be subject to any Permitted Liens although such Permitted Liens may not be set forth in the deeds themselves. Seller shall, at any time and from time to time after the Closing Date, but at no cost to Seller, execute and deliver such other instruments of transfer and conveyance and do all such further acts and things as may be reasonably requested by Purchaser to transfer, convey, assign and deliver to Purchaser or to aid and assist Purchaser in collecting and reducing to possession, any and all of the Assets, or to vest in Purchaser good, valid and marketable title to the Assets.

2.4. **Accounts Receivable and Accounts Payable.** At least three business days prior to the scheduled Closing Date, Seller will deliver to Purchaser a statement setting forth the estimated outstanding accounts receivable of Seller as of the Closing Date (the "Receivables") and the outstanding cash accounts payable, including unpaid commissions due to employees and national sales representatives of Seller as of the Closing Date arising out of the operation of the Station (the "Payables"). On the Closing Date, Seller will assign to Purchaser for purposes of collection all of the Receivables. Subject to the terms and provisions in this Section 2.4, Purchaser will collect the Receivables in the same manner and with the same diligence that Purchaser uses to collect its own accounts receivable for a period of 120 days following the Closing Date (the "Collection Period"). All amounts received by Purchaser after the Closing from an account debtor will be applied first to the Receivables of such account debtor in the order of their origination, unless the account debtor designates a specific invoice for payment or disputes such Receivable in writing. The calculation of net Receivables shall be net of commissions due to employees and national sales representatives (unless already paid), and Purchaser shall promptly pay such commissions to the appropriate party (any payment to national sales representatives shall be subject to and reconciled to actual collections). During the Collection Period, Purchaser will use the net Receivables collected to pay, as Seller's agent, the Payables in a timely manner. Purchaser will not be obligated to, and without the prior written consent of Seller will not, institute litigation, employ any collection agency, legal counsel, or other third party, or take any other extraordinary means of collections or pay any expenses to third parties to collect the Receivables. Within ten days after the end of each month during the Collection Period, Purchaser will deliver to Seller a written report with respect to (i) the collections made with respect to the Receivables, (ii) the calculation of net Receivables, and (iii) payments remitted with respect to the Payables together with a copy of the invoices therefor. Such report shall be accompanied by a payment to Seller of the amount by which the collected net Receivables during such month exceeded the amount of the net Payables during such month or from prior months and not yet

satisfied. Within three business days after the end of the Collection Period, Purchaser shall deliver to Seller a final written report and remit final payment to Seller the amount by which the net Receivables collected during the Collection Period exceeds the amount paid in respect of the Payables during the Collection Period, net of any amounts paid to Seller on an interim basis. The final report shall contain (i) a statement of accounts for each account prepared in the manner in which the Station has heretofore prepared such report, (ii) copies of all open Receivables invoices, (iii) copies of all invoices for Payables received by the Station after the Closing Date for periods ending on or before the Closing Date and (iv) a Receivables aging report for the Station. On the 121<sup>st</sup> day after the Closing Date, Purchaser will reassign to Seller any Receivables that remain uncollected (which shall not include any receivables deemed paid by the account debtor by reason of the application of payment in the manner required by this Section). If during the Collection Period a dispute arises with regard to an account included among the Receivables, Purchaser shall promptly advise Seller thereof and may (or, if requested by Seller, shall) return that account to Seller. Purchaser shall not issue any credit or accommodation against any Receivable without the prior written consent of Seller. Any amounts received by Purchaser after any Receivable has been reassigned to Seller which can be specifically identified as a payment on account of such reassigned Receivable will be promptly paid over or forwarded to Seller. All amounts due to Seller or Purchaser under this Section 2.4 that are not paid in accordance with the provisions hereof shall bear interest until paid at a rate per annum equal to the lesser of (a) the generally prevailing prime interest rates (as reported by The Wall Street Journal), plus five percentage points (5%), or (b) the maximum amount permitted by applicable law. The parties acknowledge and agree that (i) Receivables collected by Purchaser for Seller pursuant to this Section 2.4 shall not be subject to a right of offset for any claim by Purchaser against Seller and (ii) if Purchaser takes any action in violation of such prohibition, Purchaser's right and obligation to collect Receivables shall immediately terminate, and Seller shall have the right to collect all such Receivables in its sole and absolute discretion. Purchaser's covenants under this Section 2.4 are made as an accommodation to Seller, which covenants shall be satisfied by Purchaser's exercise of good faith and commercially reasonable diligence, and in no event shall Purchaser's covenant to satisfy Seller's Payables from proceeds of the Receivables create any duty for Purchaser to advance funds (other than from Receivables) or create any liability of Purchaser with respect to such Payables.

2.5. **Power of Attorney.** Effective upon the Closing Date, Seller hereby irrevocably constitutes and appoints Purchaser, its successors and assigns, the true and lawful attorney of Seller with full power of substitution, in the name of Purchaser, or the name of Seller, on behalf of and for the benefit of Seller, to collect the Receivables, to endorse, without recourse, checks, notes and other instruments in the name of Seller, to pay the Payables and to do all such further acts and things in relation thereto as is contemplated by Section 2.4 hereof. Seller agrees that the foregoing powers are coupled with an interest and shall be irrevocable by Seller except as provided in Section 2.4 hereof

2.6. **Non-Assignable Assets.** Notwithstanding anything contained in this Agreement to the contrary, this Agreement shall not constitute an agreement or an attempted agreement to transfer or assign any Contract or any claim or right of any benefit arising thereunder or resulting therefrom if any such attempted transfer or assignment thereof, without the consent of any other party thereto, would constitute a breach thereof or in any way affect the rights of Purchaser thereunder. Seller, shall, between the date hereof and the Closing Date, take commercially reasonable efforts to obtain the consent of any party or parties to any such material Contracts to the transfer or assignment thereof by Seller, to Purchaser hereunder in all cases in which such consent is required for transfer or assignment; provided, that such efforts shall not require the payment of any consideration by Seller other than as expressly provided for in this Agreement. If after Seller has used commercially reasonable efforts to obtain the consent of any such other party to such material Contract, such consent shall not be obtained at or prior to the Closing, or an attempted assignment thereof at the Closing would be ineffective and would affect the rights of Seller thereunder, Seller will cooperate with Purchaser in any reasonable arrangement designed to provide for Purchaser the benefits under any such material Contract, including the enforcement, at the cost and for the

benefit of Purchaser, of any and all rights of Seller against such other party thereto arising out of the breach or cancellation thereof by such other party or otherwise.

3. **Assumption of Liabilities.**

3.1. **Assumed Liabilities.** Subject to the terms and conditions of this Agreement and the performance by the parties hereto of their respective obligations hereunder, on the Closing Date, simultaneously with the transfer, conveyance and assignment by Seller to Purchaser of the Assets, Purchaser shall assume or otherwise be liable for, subject to the limitations contained herein, the liabilities and obligations of Seller (the "Assumed Liabilities") under:

3.1.1. the Contracts pertaining to the Station set forth on Schedule 7.8 annexed hereto, other than Excluded Contracts, to the extent the liabilities and obligations thereunder arise on or after the Closing Date;

3.1.2. Contracts pertaining to the Station in existence on the date hereof and not required by Section 7.8 hereof to be set forth on Schedule 7.8 annexed hereto, other than Excluded Contracts, to the extent the liabilities and obligations thereunder arise on or after the Closing Date;

3.1.3. Contracts pertaining to the Station with customers and advertising agencies accepted in the ordinary course of business and subject to Section 9.2 hereof, for the sale of advertising time (whether for cash or barter) to the extent the liabilities and obligations thereunder arise on or after the Closing Date;

3.1.4. Contracts pertaining to the Station of the type set forth in Sections 3.1.1, 3.1.2 or 3.1.3, to the extent the liabilities and obligations thereunder arise on or after the Closing Date, to which Seller becomes a party in the ordinary course of business subsequent to the date hereof and prior to the Closing Date, which (i) are not fully performed or discharged prior to the Closing Date, (ii) are permitted to be entered into by Seller under the terms and conditions of this Agreement and (iii) are assigned and transferred to Purchaser as contemplated herein;

3.1.5. liabilities for accruals for employee vacation and sick time for Transferred Employees; and

3.1.6. liabilities of Seller which are to be assumed by Purchaser under Section 10.6 hereof.

3.2. **Instruments of Assumption for the Assumed Liabilities.** The assumption by Purchaser of the Assumed Liabilities shall be effected by such instruments of assumption delivered to Seller on the Closing Date as shall be reasonably satisfactory to Purchaser and Seller. Purchaser shall, at any time and from time to time after the Closing Date, execute and deliver such other instruments of assumption and do all such further acts and things as may be reasonably requested by Seller to implement the assumption of each such liability and obligation. Assumption by Purchaser of the Assumed Liabilities shall in no way expand the rights or remedies of third parties against Purchaser as compared to the rights and remedies which such parties would have had against Seller had this Agreement not been consummated.

3.3. **Excluded Liabilities.** Purchaser does not and shall not assume, pay, perform or discharge any liabilities or obligations of Seller other than the Assumed Liabilities, and, without limiting the foregoing, it is expressly agreed by the parties hereto that Purchaser shall not assume or be liable for any of the following liabilities or obligations of Seller (the "Excluded Liabilities"):



3.3.1. liabilities or obligations of Seller to any of its members or to any Person affiliated therewith;

3.3.2. liabilities or obligations of Seller incurred with respect to its entry into this Agreement or its consummation of any of the transactions contemplated hereunder (including, without limitation, Seller's legal and accounting fees);

3.3.3. liabilities or obligations for Federal, state, local or other taxes based on income;

3.3.4. any litigation, proceeding, or claim by any Person relating to the business or operation of the Station prior to the Closing Date, including any litigation, proceeding or claim listed on Schedule 7.13 annexed hereto; and

3.3.5. liabilities or obligations arising under or with respect to the Contracts listed on Schedule 3.3 hereof (the "Excluded Contracts").

4. **Purchase Price; Escrow Deposit; Proration Adjustments; and Allocation.**

4.1. **Purchase Price.** The purchase price (the "Purchase Price") for the Assets shall be Eight Million Two Hundred Thousand Dollars (\$8,200,000) and the assumption of the Assumed Liabilities as herein provided. The Purchase Price less any amount transferred by the Escrow Agent to Seller pursuant to Section 4.2 hereof, shall be payable at the Closing by wire transfer of immediately available funds to the accounts designated on Schedule 4.1 annexed hereto.

4.2. **Escrow Deposit.** Purchaser shall have deposited with Wachtel & Masyr, LLP (the "Escrow Agent"), the sum of One Million Dollars (\$1,000,000) (the "Deposit"), which amount shall be held and disbursed by the Escrow Agent pursuant to the terms of the Escrow Agreement in the form of Exhibit A annexed hereto. Purchaser shall be entitled to receive all interest earned with respect to the Deposit prior to the date of payment of the Deposit (except as otherwise provided in Section 13 hereof) and if Purchaser so instructs, Purchaser and Seller shall instruct the Escrow Agent to pay any such interest accumulated on the Closing Date to Seller in payment to be credited toward the Purchase Price. At the Closing, contemporaneously with the performance by Seller and Purchaser of their respective obligations to be performed at the Closing, Purchaser and Seller shall instruct the Escrow Agent to pay the Deposit to Seller in immediately available funds. In the event the transactions contemplated by this Agreement are not consummated in accordance with the terms hereof, Purchaser and Seller shall instruct the Escrow Agent to disburse the Deposit and all interest earned thereon in accordance with Section 13 hereof.

4.3. **Proration Adjustments.**

4.3.1. All income and expenses arising from the conduct of the business and operation of the Station shall be prorated between Purchaser and Seller in accordance with customary proration practices in broadcasting acquisitions as of 11:59 p.m. Central time, on the Closing Date. Such prorations shall include, without limitation, all ad valorem, real estate and other property taxes, business and license fees, lease payments, payments made pursuant to Assumed Liabilities, rents, wages and salaries of employees, workers' compensation premiums, utility expenses, water and sewer use charges, unbilled time sales agreements, prepaid fees and expenses to the extent Purchaser will receive a benefit thereof, and all other income and expenses attributable to the ownership and operation of the Station. The prorations shall not include: (i) accruals for bonuses, vacation and sick pay, (ii) taxes arising by reason of the transfer of the Assets as contemplated hereby, which shall be paid as set forth in Section 9.6 hereof and (iii) taxes based on income of Seller. The consideration hereunder for the Assets includes consideration for the contracts and commitments of Seller relating to motion

pictures and other programming and for barter receivables and programming rights arising in connection with Trade-out Agreements and that no further payment to Seller or proration shall be due in respect thereof. Prorations under this Section 4.3, to the extent possible, shall be determined and paid on the Closing Date with final settlement thereof to occur, to the extent possible, within 30 calendar days after the Closing Date in accordance with this Section 4.3.

4.3.2. As promptly as practicable, but in any event within 30 calendar days after the Closing, Seller shall cause to be prepared and delivered to Purchaser a schedule of its proposed prorations (which shall set forth in reasonable detail the basis for those determinations) (the "Final Prorations Schedule"). The Final Prorations Schedules shall be conclusive and binding on Purchaser, and Seller shall pay to Purchaser or Purchaser shall pay to Seller, as the case may be, any amount due as a result of such adjustment, unless Purchaser provides Seller with written notice of objection (the "Notice of Disagreement") within 15 calendar days after Purchaser's receipt of the Final Prorations Schedule, which notice shall state the prorations of expenses proposed by Purchaser (the "Purchaser's Prorations Amount") and be accompanied by payment of any amount shown thereon to be due to Seller. Seller shall have 15 calendar days from receipt of the Notice of Disagreement to accept or reject Purchaser's Prorations Amount. Final payment pursuant to this Section 4.3.2 shall be due within five calendar days after the last to occur of (i) Purchaser's failure to reject the Final Prorations Schedule within 15 calendar days after Purchaser's receipt of the Final Prorations Schedule or (ii) Seller's failure to reject the Purchaser's Prorations Amount within 15 calendar days after Seller's receipt of the Notice of Disagreement.

4.3.3. In the event of any disputes between the parties as to the prorations and adjustments described in Section 4.3, the amounts not in dispute shall nonetheless be promptly paid and such disputes shall be determined by an independent certified public accountant of national recognition that does not then have a relationship with either Seller or Purchaser, or any of their respective Affiliates, mutually acceptable to Seller and Purchaser, with the fees and expenses of such accountant being shared equally by Seller and Purchaser. Any payment required by Seller to Purchaser or Purchaser to Seller, as the case may be, under this Section 4.3 shall be paid by wire transfer of immediately available funds to an account designated by such party. If Seller or Purchaser fails to pay when due any amount under Section 4.3, interest on such amount will accrue from the date payment was due to the date such payment is made at a rate per annum equal to the lesser of (i) the generally prevailing prime interest rates (as reported by The Wall Street Journal), plus five percentage points (5%), or (ii) the maximum amount permitted by applicable law, and such interest shall be payable upon demand. Notwithstanding the provisions of Sections 4.3.1 and 4.3.2, if the amount of any taxes to be prorated pursuant to this Section 4.3 is not known by 30 calendar days after the Closing, then the amount will be estimated as of such date, and once the amount of such taxes is known, Seller shall pay to Purchaser or Purchaser shall pay to Seller, as the case may be, the net amount due as a result of the actual apportionment of such taxes.

4.4. **Allocation**. As promptly as practicable, but in any event, within 30 calendar days of the date hereof, Purchaser shall cause to be prepared and deliver to Seller a schedule of its proposed allocation (the "Allocation Schedule") for tax purposes of the Purchase Price among the Assets acquired by Purchaser. The Allocation Schedule shall be conclusive and binding on Purchaser and Seller, unless Seller provides Purchaser with a notice of objection (the "Objection Notice") within 30 calendar days after Seller's receipt of the Allocation Schedule, which notice shall state the allocation proposed by Seller (the "Seller Allocation Schedule"). Purchaser shall have 15 calendar days from receipt of the Objection Notice to accept or reject the Seller Allocation Schedule. The Seller Allocation Schedule shall be conclusive and binding on Purchaser and Seller unless Purchaser provides Seller with notice of objection within 15 calendar days after receipt of the Seller Allocation Schedule. In the event that the parties are unable to agree on an allocation after good faith negotiations, then the parties agree to be

bound by an appraisal of such assets by an independent nationally recognized firm of valuation experts mutually acceptable to Seller and Purchaser. The cost of such appraisal shall be borne equally by Seller and Purchaser. Such appraisal shall be conclusive and binding for the purposes of this Section on Seller and Purchaser. Purchaser and Seller (i) shall execute and file all tax returns and prepare all financial statements, returns and other instruments in a manner consistent with the allocation set forth in the final Allocation Schedule, (ii) shall not take any position before any governmental authority or in any judicial proceeding that is inconsistent with such allocation and (iii) shall cooperate with each other in a timely filing, consistent with such allocation, of Form 8594 with the Internal Revenue Service (the "IRS").

5. **Closing.** The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at 10:00 a.m. local time: (i) within ten days following the date (or if such date is a Saturday, Sunday, or Federal holiday, on the next business day thereafter) of public notice of the FCC Consent unless a petition to deny or other objection has been timely filed with respect to the FCC Application (as herein defined), in which event, at Purchaser's sole option, the Closing shall take place at 10:00 a.m. local time on a date within ten days following the date on which the FCC Consent has become a Final Order and (ii) all other conditions to the obligations of Purchaser and Seller hereunder shall have been satisfied or waived in writing, (provided, however, that in no event shall the Closing take place prior to October 22, 2003). The Closing shall take place at the offices of Wachtel & Masyr, LLP, 110 East 59<sup>th</sup> Street, New York, New York, 10022, or at such other place as may be agreed to by Purchaser and Seller. The date of the Closing is hereinafter referred to as the "Closing Date." For accounting and tax purposes, the transactions contemplated by this Agreement shall be effective as of 11:59 p.m. local time, Central time, on the Closing Date.

6. **Governmental Consents.**

6.1. **FCC Consent.** The assignment of the Station Licenses to Purchaser as contemplated by this Agreement is subject to prior FCC Consent.

6.1.1. Promptly after the execution of this Agreement, Purchaser and Seller shall proceed to prepare for filing with the FCC appropriate applications for consent to the assignment of the Station Licenses to Purchaser (the "FCC Application"), which shall be filed with the FCC as soon as practicable but in no event later than five business days after the date hereof. The FCC Application shall include such information relating to the Station as is necessary in order to effect the timely closing of the transactions contemplated by this Agreement. The parties shall thereafter prosecute the FCC Application with all reasonable diligence and otherwise use their reasonable best efforts to obtain the grant of such application as expeditiously as practicable (but no party shall have any obligation to take any unreasonable steps to satisfy complainants, if any). If the FCC Consent imposes any conditions on any party hereto, such party shall use its commercially reasonable efforts to comply with such condition unless compliance would have a material adverse effect upon it, its parent entity, or any of its or its parent entity's subsidiaries or Affiliates, as appropriate. Purchaser and Seller shall each pay 50% of all filing fees payable with respect to all filings required by the FCC in connection with the transactions contemplated by this Agreement and made pursuant to this Section 6.1.1.

6.1.2. The transfer of the Assets hereunder is expressly conditioned upon the grant of the FCC Consent and compliance by the parties hereto with the conditions (if any) imposed in such consent.

6.2. **Other Governmental Consents.** Promptly following the execution of this Agreement, the parties will proceed to prepare and file with the appropriate governmental authorities any other requests for approval or waiver that are required from governmental authorities in connection with the transactions contemplated hereby, and shall diligently and expeditiously prosecute, and shall

cooperate fully with each other in the prosecution of, such requests for approval or waiver and all proceedings necessary to secure such approvals and waivers.

7. **Representations and Warranties of Seller.** Prior to the execution hereof, Seller has delivered to Purchaser a set of schedules, a copy of which is annexed hereto, setting forth for the Station among other things, items the disclosure of which is necessary either (i) in response to an express informational requirement contained in or requested by a provision hereof or (ii) as an exception to one or more representations or warranties contained in Section 7; provided, that the listing of an item in one section of the schedules shall be deemed to be a listing in the other sections of the schedules to the extent that such information is reasonably determinable to be so applicable to such other section or sections of the schedules. Except as provided in the schedules annexed hereto, Seller hereby makes the following representations and warranties to Purchaser:

7.1. **Organization and Standing.** Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and Seller has all requisite power and authority to own, lease, use and operate its properties and assets at and carry on its business in the places where such properties and assets are now owned, leased or operated or where such business is now conducted. Seller is duly qualified to do business and is in good standing in the States of Texas and Oklahoma.

7.2. **Power and Authority.** Seller has all requisite power and authority to enter into this Agreement and the documents and instruments contemplated hereby and to assume and perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and the documents and instruments contemplated hereby and the performance by Seller of its obligations hereunder and thereunder have been duly and validly authorized by all necessary action and no further action or approval is required in order to constitute this Agreement and the documents and instruments contemplated hereby as valid and binding obligations of Seller, enforceable in accordance with their terms, except as the enforceability of such agreements, documents and instruments, may be limited by or subject to, any bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and that the remedies of specific performance, injunction, and other forms of equitable relief are subject to certain principles of equity jurisdiction, equitable defenses and the discretion of the court before which any proceeding therefor may be brought.

7.3. **No Conflicts.** Except as set forth on Schedule 7.3 annexed hereto and except for any consent required for the assignment to Purchaser of any Contract included within the Assets, the execution and delivery by Seller of this Agreement and the documents and instruments contemplated hereby, the consummation by Seller of the transactions contemplated hereby and the performance by Seller of its obligations hereunder and thereunder:

7.3.1. do not and will not conflict in any material respect with or violate any provision of the Certificate of Formation or Operating Agreement of Seller;

7.3.2. do not and will not conflict with or result in any breach of any condition or provision of, or constitute a default under or give rise to any right of termination, cancellation or acceleration or (whether after the giving of notice or lapse of time or both) result in the creation or imposition of any Lien (other than Permitted Liens) upon any of the Assets by reason of the terms of any material contract, mortgage, Lien, lease, agreement, indenture, instrument, judgment or decree to which Seller is a party or which is or purports to be binding upon Seller or which affects or purports to affect any of the Assets; and

7.3.3. subject to the receipt of any governmental approvals required in connection with the transfer of the Assets to Purchaser, do not and will not conflict in any material

respect with or result in a violation of or default under (with or without notice or the lapse of time or both) any statute, regulation, rule, judgment, order, decree, stipulation, injunction, charge or other restriction of any court, administrative agency or commission or other governmental authority or instrumentality.

7.4. **Station Licenses.** Schedule 7.4 hereto contains a true and complete list of the Station Licenses that are required for the lawful conduct of the business and operations of the Station in the manner and to the full extent it is presently operated in all material respects. Seller lawfully holds each of the Station Licenses listed on Schedule 7.4, none of which is subject to any restrictions or conditions that would limit in any material respect the operations of the Station in the manner operated on the date hereof.

7.4.1. Except as set forth in Schedule 7.4, Seller is operating the Station in all material respects in accordance with the Station Licenses, and all rules, regulations and policies of the FCC (the "Communications Laws"). In connection with and as an exception to the above, KAUZ-DT is operating pursuant to special temporary authority granted by the FCC as set forth in Schedule 7.4.

7.4.2. There is not now pending or, to Seller's knowledge, threatened any action by or before the FCC to revoke, cancel, rescind, modify or refuse to renew any of such Station Licenses, and Seller has not received any notice of and has no knowledge of any pending, issued or outstanding order by or before the FCC, or of any investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint against either the Station or Seller. Except as set forth in Schedule 7.4, all material reports and filings required to be filed with the FCC by Seller with respect to the operation of the Station have been duly filed and all such reports and filings are accurate and complete in all material respects. Seller maintains a public inspection file for the Station and, to Seller's knowledge, such file complies, in all material respects, with the Communications Laws.

7.4.3. Except as set forth in Schedule 7.4, all of the existing towers used in the operation of the Station are obstruction-marked and lighted to the extent required by, and in accordance with, the rules and regulations of the FAA and the FCC. Except as set forth in Schedule 7.4, and to the extent required by law, Seller has complied in all material respects with all requirements of the FCC and the FAA with respect to the construction and/or alteration of the Station's antenna structures, and "no hazard" determinations for each antenna structure have been obtained, where required. The Station's tower is registered with the FCC. To Seller's knowledge, the operations of the Station do not exceed permissible levels of exposure to RF radiation specified in either the FCC's rules, regulations and policies concerning RF radiation or any other applicable Environmental Laws (as defined herein).

7.4.4. The Station's signal is carried on substantially all of the cable systems serving the Wichita Falls, TX/Lawton, OK DMA pursuant to the retransmission consent agreements to which Seller is a party which are listed on Schedule 7.8 annexed hereto and, other than set forth in such agreements, the Station has no liability to any Person arising under or in respect of its performance of its cable or satellite carriage agreements, including, without limitation, copyright royalties. Each retransmission consent agreement is in full force and effect, and Seller has no knowledge of any reason that a cable system operator or satellite program service provider may terminate such carriage during its current term, except as set forth in the Retransmission Consent Agreements listed on Schedule 7.8 annexed hereto.

7.5. **Validity.** This Agreement constitutes and the other documents and instruments contemplated hereby will, on the due execution and delivery thereof, constitute the legal, valid and binding obligations of Seller, enforceable in accordance with their respective terms, except as the

enforceability of such agreements, documents and instruments, may be limited by or subject to, any bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and that the remedies of specific performance, injunction, and other forms of equitable relief are subject to certain principles of equity jurisdiction, equitable defenses and the discretion of the court before which any proceeding therefor may be brought.

7.6. **Financial Statements.** Annexed hereto as Schedule 7.6 are the following financial statements of the Station (the "Financial Statements"): internal unaudited statements of results of operations of the Station for the year ended December 31, 2002 and for the six months ended June 30, 2003 and a balance sheet as of June 30, 2003. Except as set forth on Schedule 7.6, the Financial Statements are true, correct and complete in all material respects, are in accordance with GAAP and the books and records of the Station and fairly, completely and accurately present the results of operations for the periods covered.

7.7. **Taxes.** Seller has duly filed all material foreign, Federal, state, county and local income, excise, sales, property, withholding, social security, franchise, license, information returns and other tax returns and reports required to have been filed by Seller to the date hereof pertaining to the operation of the Station and Seller has paid all amounts shown to be due thereon.

7.8. **Contracts.**

7.8.1. Except only those contracts, agreements or commitments listed and described on Schedule 7.8 annexed hereto (copies of which have been heretofore delivered to Purchaser or, with respect to oral agreements, written summaries of the terms of which have been heretofore delivered to Purchaser), the Excluded Contracts and contracts, agreements or commitments entered into in the ordinary course of business of the Station and (i) involving less than \$10,000 over their term or (ii) involving more than \$10,000 over their term but not more than \$100,000 in the aggregate for all such Contracts or (ii) involving Advertising Contracts in accordance with the Station's customary rate practices, Seller is not a party to and does not have any Contract, written or oral, formal or informal, with respect to the business and operation of the Station. Except as set forth on Schedule 7.8, each of the written Contracts referred to therein is valid and existing, in full force and effect, and enforceable in accordance with its terms, except as the enforceability of such agreements, documents and instruments, may be limited by or subject to, any bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally, and no party thereto is in default and no claim of default by any party has been made or is now pending, except for such defaults as would not, in any individual case, have a Material Adverse Effect.

7.8.2. The Station is currently affiliated with CBS pursuant to the network affiliation contract listed on Schedule 7.8. Said network affiliation contract is in full force and effect and Seller is not aware of any state of facts which would (i) permit the termination for cause of such network affiliation contract prior to the expiration of the term thereof (ii) cause CBS not to renew such affiliation contract in the ordinary course.

7.9. **Real Property.**

7.9.1. Schedule 7.9 annexed hereto is a complete and correct list of all real property or premises owned in whole or in part by Seller and used in the business and operation of the Station (the "Real Property").

7.9.2. Seller has all required legal and valid occupancy permits and other licenses or government approvals for the Real Property used or held for use in connection with the

operation of the Station, except where the failure to obtain such permit or license would not, in any individual case, reasonably be expected, as of the date hereof, to have a Material Adverse Effect.

7.9.3. Except for Permitted Liens and as set forth on Schedule 7.9 annexed hereto, Seller has good, marketable and insurable title to the Real Property, free and clear of all Liens and except as set forth on Schedule 7.9 annexed hereto, no party has the right to use such Real Property or any improvements, fixtures or equipment located thereon. Except as set forth on Schedule 7.9 or Schedule 7.10, Seller has good and marketable title and owns outright, free and clear of all Liens (other than Permitted Liens), each improvement, fixture and item of equipment located in or on the Real Property.

7.9.4. The Real Property constitutes the only real properties required to operate the Station in the manner in which it is presently operated. To Seller's knowledge, there is full legal and practical access to the Real Property, and all utilities necessary for Purchaser's use of the Real Property are installed and are in good working order and, to Seller's knowledge, are subject to valid easements, where necessary. Except as set forth in Schedule 7.9, to Seller's knowledge, the Real Property and improvements constructed thereon, as well as the present uses thereof, conform in all material respects with all restrictive covenants and with all applicable zoning and building codes, laws, rules and regulations, including "set back" restrictions. To Seller's knowledge, except as set forth in Schedule 7.9, the buildings, towers, guys and other fixtures situated on the Real Property are free of structural defects, are suitable for their intended use, are in a good state of maintenance and repair (ordinary wear and tear excepted), are contained entirely within the bounds of the Real Property, and do not encroach upon any other property except in cases where valid easements (that are included in the Assets) have been obtained. There is no pending condemnation or similar proceeding affecting the Real Property or any portion thereof, and, to Seller's knowledge, no such action is presently contemplated or threatened.

7.10. **Personal Property.** Schedule 7.10 annexed hereto is a true and complete list of (i) all tangible personal property owned by Seller and used in connection with the business and operation of the Station or located on or at the Real Property having a book value at the date hereof in excess of \$5,000 per item (other than items of personal property having a book value in excess of \$5,000 but not in excess of \$25,000 in the aggregate) and (ii) all personal property owned by a third party which is leased or otherwise used by Seller in connection with the business and operation of the Station or located on or at the Real Property, including, without limitation, leases or other agreements relating to the use or operation of any machinery, equipment, motor vehicles, office furniture or fixtures owned by any third party (copies of which leases or other agreements have been heretofore delivered to Purchaser) but excluding leases not required to be set forth on Schedule 7.8. Each such personal property lease is in full force and effect and constitutes a legal, valid and binding obligation of Seller and there is not under any such lease any default or any claim of default or of an event which, with or without notice or the lapse of time or both, could reasonably be expected, in any individual case, as of the date hereof, to have a Material Adverse Effect. Except for Permitted Liens and as set forth on Schedule 7.10, all personal property purported to be owned by Seller is owned by it, free and clear of all Liens. Each material item of tangible personal property (i) is in good condition and repair, ordinary wear and tear excepted, (ii) has been maintained in a manner consistent with generally accepted standards of good engineering practice and (iii) is operating in substantial compliance with the FCC Authorizations and rules and regulations of the FCC and FAA.

7.11. **Intellectual Property.** Schedule 7.11 annexed hereto is a complete and correct list of all material Intellectual Property owned by Seller as of the date hereof, to the extent such Intellectual Property is used or held for use in connection with the operation of the Station. Seller owns or has a valid right to use all Proprietary Rights used or held for use by Seller in connection with the operation of the Station as currently conducted by Seller, without infringing upon the rights of any other

Person, except as would not, in any individual case, reasonably be expected, as of the date hereof, to have a Material Adverse Effect.

7.12. **Insurance.** Schedule 7.12 annexed hereto is a complete and correct list (including name of insurer, type of coverage, policy number, amount of coverage and expiration date) of all insurance policies, including, without limitation, liability, burglary, theft, fidelity, errors and omissions, life, fire, product liability, workers' compensation, health and other forms of insurance of any kind held by Seller in connection with the business and operation of the Station; each such policy is in full force and effect; except as set forth on Schedule 7.12 hereto, Seller and its Affiliates are the sole beneficiaries of each such policy; no such policy has been, and none of the future proceeds thereof have been, assigned to any other Person; to Seller's knowledge, there is no act or fact or failure to act which has or might cause any such policy to be cancelled or terminated; and each such policy is commercially reasonable adequate for the business and operation of the Station. No notice of cancellation or non-renewal with respect to, or disallowance of any material claim under, any insurance policies or binders of insurance which relate to the Assets or the Station has been received by Seller.

7.13. **Litigation.** Except as set forth on Schedule 7.13 annexed hereto, no action, suit, claim, investigation, proceeding or controversy, whether legal or administrative or in mediation or arbitration, is pending or, to Seller's knowledge, threatened, at law or in equity or admiralty, before or by any court or Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality against Seller with respect to the Station or seeking to restrain, prohibit, invalidate, set aside, rescind, prevent or make unlawful this Agreement or the carrying out of this Agreement or the transactions contemplated hereby. Seller is not operating under or subject to, or in default in respect of, any judgment, order, writ, injunction or decree of any court or any Federal, state, municipal or other governmental department commission, board, bureau, agency or instrumentality.

7.14. **Compliance with Law.** To Seller's knowledge, (i) Seller has all material permits, licenses, orders and approvals of all Federal, state or local governmental regulatory bodies required for it to conduct the business and operation of the Station as conducted on the date hereof, (ii) all such permits, licenses, orders and approvals are in full force and effect in all material respects and no suspension or cancellation of any of them is pending or to Seller's knowledge threatened and (iii) Seller is in compliance in all material respects with each law, rule, ordinance, regulation, order and decree applicable to the business and operation of the Station, including, without limitation, laws, rules and regulations respecting occupational safety, environmental protection and employment practices.

7.15. **Labor.** Seller is not a party to any representation or collectively bargaining agreements with respect to any employees at the Station. Seller has not received any written notice from any labor union or group of employees that such union or group represents or believes or claims it represents or intends to represent any of the employees of Seller; Seller has not received a written notice that a strike or work interruption by the employees of the Station is planned, threatened or imminent; and Seller has not made any loan or given anything of value, directly or indirectly, to any officer, official, agent or representative of any labor union or group of employees other than salaries and ordinary course compensation.

7.16. **Employees.** Schedule 7.16 annexed hereto is a complete and correct list of the names, date of hire and current rate per hour for each employee of the Station (any employee who is an inactive employee on paid or unpaid leave of absence is separately designated as such with specific reference to the nature of the leave and, to Seller's knowledge, anticipated date of return to work) (the "Station Employees"). Seller does not have any agreement governing the employment of any employee except as may be listed on Schedule 7.16.



7.17. **Employee Benefit Plans.** Schedule 7.17 annexed hereto is a complete and correct list of all material bonus, incentive compensation, deferred compensation, pension, profit sharing, retirement, stock purchase, stock option, stock ownership, stock appreciation rights, phantom stock, equity (or equity-based), leave of absence, layoff, vacation, day or dependent care, legal services, cafeteria, life, health, medical, accident, disability, workers' compensation or other insurance, severance, separation, termination, change of control or other benefit plan, agreement (including any collective bargaining agreement), practice, policy or arrangement, whether written or oral, and whether or not subject to ERISA (including, without limitation, any "employee benefit plan" within the meaning of Section 3(3) of ERISA) sponsored, maintained or contributed to by Seller or any ERISA Affiliate of Seller (the "Employee Plans", Employee Plans sponsored, maintained or contributed to in connection with the business and operation of the Station are the "Station Employee Plans"). True and complete copies of each written Station Employee Plan have been heretofore made available to Purchaser. All Station Employee Plans, related trust instruments or annuity contracts (or any other funding instruments) are legal, valid and binding and are in full force and effect, and each Employee Plan intended to be qualified under Section 401(a) of the Code is so qualified and has been so qualified at all times since its inception. All Station Employee Plans have been maintained, in all material respects, in accordance with the requirements of the Code and ERISA, or any other applicable statute, regulation or rule except as specifically explained on Schedule 7.17. There are no pending claims against any Station Employee Plan (other than routine claims for benefits in accordance with its terms) nor, to the knowledge of Seller, has any claim been threatened in writing by any participant thereof or beneficiary thereunder.

7.17.1. No Employee Plan is covered by Title IV of ERISA, Section 302 of ERISA or, with respect to Station Employee Plans only, Section 412 of the Code.

7.17.2. With respect to all Employee Plans that are defined contribution plans, Seller and any ERISA Affiliates shall have made all contributions due thereunder prior to the Closing Date.

7.17.3. None of the Seller, any ERISA Affiliates or any plan fiduciary of any Employee Plan is or has engaged in any transaction with respect to an Employee Plan in violation of Section 406(a) or 406(b) of ERISA for which no exemption exists under ERISA or under applicable Sections of the Code. None of the Seller, any ERISA Affiliates, or the administering committees or trustees of any Employee Plan has received (i) notice from the IRS or the Department of Labor of the occurrence of a prohibited transaction within the meaning of Section 406 of ERISA with respect to an Employee Plan or (ii) notice of any breach of loyalty, prudence or diversification within the meaning of Section 404 of ERISA with respect to an Employee Plan.

7.17.4. No Employee Plan is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA.

7.17.5. Except as specifically explained on Schedule 7.17 annexed hereto, all Employee Plans are in material compliance with all applicable reporting, disclosure, filing and other administrative requirements pertaining to employee benefit plans set forth in the Code and ERISA and rules and regulations promulgated under either, including but not limited to those set forth in Sections 6057, 6058 and 6059 of the Code and applicable rules and regulations thereunder, and in Sections 101, 102, 103, 104, 105, and 107 of ERISA.

7.17.6. The Seller and any ERISA Affiliates at all times have been in material compliance with respect to each Employee Plan with all provisions of Section 4980B of the Code and with the provisions of Part 6 of Title I of ERISA ("COBRA").

7.17.7. To Seller's knowledge, no condition exists or event or transaction has occurred with respect to an Employee Plan which might result in the incurrence of any material liability, fine or penalty by the Seller or any ERISA Affiliate of Seller. None of the Seller or any ERISA Affiliate of Seller has any material contingent liability with respect to any post-retirement benefit under any welfare plan, as such term is defined in Section 3(1) of ERISA which is an Employee Plan, other than liability for continuation coverage described in Part 6 of Title I of ERISA.

7.17.8. The transactions contemplated by this Agreement will not result in any payment or series of payments by Seller to any Person of a parachute payment within the meaning of Section 280G of the Code.

7.17.9. No Station Employee participates in any Employee Plan which is intended to qualify under Section 401(a) of the Code other than the Chelsey 401(k) Plan.

7.17.10. To Seller's knowledge, no Station Employee is subject to or bound by any agreement, understanding or commitment with or to any Person from competing with such Person or soliciting or servicing its customers, clients or prospects, except as otherwise provided in the Contracts disclosed on Schedule 7.16 hereof.

**7.18. Environmental Matters.**

7.18.1. Except as provided below in this Section 7.18.1, Seller makes no representation or warranty, express or implied, with respect to: (i) the existence or presence on, at, under or about the Real Property of any environmental hazards, conditions, defects or hazardous materials, including but not limited to any flammables, explosives, radioactive materials, asbestos, asbestos containing material, PCBs, hazardous waste, any petroleum, petroleum product derivative, compound or mixture, and without limitation, those substances defined as "hazardous substances" or "hazardous wastes" (collectively referred to as "Hazardous Substances") under any Environmental Laws or (ii) the Real Property's compliance with the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 and Superfund Amendments and Preauthorization Act of 1986, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act of 1976, the Water Pollution Control Act, the Clean Air Act, all regulations promulgated under all such Acts, as well as any other Federal, state or local law, ordinance or regulation pertaining to health, industrial hygiene or the environment and/or applicable to the existence, removal, generation, transportation, discharge, process, storage or treatment of Hazardous Substances (collectively referred to as "Environmental Laws"). Seller represents that: (i) Seller has not caused or knowingly permitted (nor, at any time prior to the Closing, will Seller cause or consent to) any Hazardous Substances to be deposited in or on the Real Property in violation of any Environmental Laws and (ii) as of the date of this Agreement except as set forth on Schedule 7.18, Seller is not aware of any environmental contamination at the Real Property except as may be reflected in the environmental assessment reports listed on Schedule 7.18, a complete copy of which has been delivered to Purchaser.

7.18.2. By negotiation and execution of this Agreement, the parties have expressly allocated certain environmental risks, liabilities and expenses whether historical, current or prospective from Seller to Purchaser. In this regard, upon Closing, Seller shall not have any liability in the future (except with respect to breach of Seller's representations in Section 7.18.1) to Purchaser or to any Person claiming by, through or under Purchaser with respect to: (i) any past, present or future claim, cause of action, proceeding or otherwise, whether known or unknown, relating to or arising out of any past, present or future environmental condition at, under or about the Real Property; (ii) the presence of Hazardous Substances at, under or about the Real Property; (iii) a violation of any Environmental Law relating to the Real Property and (iv) any losses, damages, penalties, costs (foreseen or unforeseen, known or unknown), counsel, engineering and other professional or expert fees

with respect to the foregoing (the foregoing clauses (i), (ii), (iii) and (iv) are collectively referred to as "Environmental Claims"). Upon Closing (except with respect to breach of Seller's representations in Section 7.18.1) Purchaser hereby unconditionally releases and discharges Seller from any and all Environmental Claims, whether sustained by Purchaser directly or relating to any claims by Purchaser for indemnification, contribution or otherwise with respect to Environmental Claims against Purchaser by third parties.

7.19. **Disclosure.** The representations and warranties of Seller herein or in any document, exhibit, statement, certificate or schedule furnished by or on behalf of Seller to Purchaser as required by this Agreement do not contain nor will contain any untrue statement of a material fact or omit or will omit to state any material fact necessary in order to make the statements herein or therein, in light of the circumstances under which they were made, not misleading in any material respect.

8. **Representations and Warranties of Purchaser.** In order to induce Seller to enter into this Agreement and to perform its obligations hereunder, Purchaser hereby makes the following representations and warranties to Seller:

8.1. **Organization and Standing.** Purchaser is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware and Purchaser has all requisite power and authority, to own, lease, use and operate its properties and assets at and carry on its business in the places where such properties and assets are now owned, leased or operated or where such business is now being conducted. Purchaser is duly qualified to do business and is in good standing in the States of Texas and Oklahoma.

8.2. **Power and Authority.** Purchaser has all requisite power and authority to enter into this Agreement and the documents and instruments contemplated hereby and to assume and perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and the documents and instruments contemplated hereby and the performance by Purchaser of its obligations hereunder and thereunder have been duly and validly authorized by all necessary action and no further action or approval, is required in order to constitute this Agreement and the documents and instruments contemplated hereby as valid and binding obligations of Purchaser, enforceable in accordance with their terms, except as the enforceability of such agreements, documents and instruments, may be limited by or subject to, any bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and that the remedies of specific performance, injunction, and other forms of equitable relief are subject to certain principles of equity jurisdiction, equitable defenses and the discretion of the court before which any proceeding therefor may be brought.

8.3. **No Conflicts.** The execution and delivery by Purchaser of this Agreement and the documents and instruments contemplated hereby, the consummation by Purchaser of the transactions contemplated hereby and the performance by Purchaser of its obligations hereunder and thereunder:

8.3.1. do not and will not conflict with or violate any provision of the Certificate of Limited Partnership or the Limited Partnership Agreement of Purchaser;

8.3.2. do not and will not conflict in any material respect with or violate any agreements, contracts or instruments to which Purchaser is a party; and

8.3.3. subject to the receipt of any governmental approvals required in connection with the transfer of the Assets to Purchaser, do not and will not conflict in any material respect with or result in a violation of or default under (with or without notice or the lapse of time or both) any statute, regulation, rule, judgment, order, decree, stipulation, injunction, charge or other

restriction of any court, administrative agency or commission or other governmental authority or instrumentality.

8.4. **Government Approval.** Purchaser is legally and financially qualified under the Communications Act to enter into this Agreement, and to consummate the transactions contemplated hereby. In connection with the transactions contemplated by this Agreement, it is not necessary for Purchaser or any Affiliate of Purchaser (or any Person in which Purchaser or any Affiliate of Purchaser has an attributable interest under the Communications Act) to seek or obtain any waiver from the FCC, dispose of any interest in any media or communications property or interest (including, without limitation, the Station or any part thereof), terminate any venture or arrangement, or effectuate any changes or restructuring of its ownership, including, without limitation, the withdrawal or removal of officers or directors or the conversion or repurchase of equity securities of Purchaser or any Affiliate of Purchaser or owned by Purchaser or any Affiliate of Purchaser (or any Person in which Purchaser or any Affiliate of Purchaser has any attributable interest under the Communications Act). Purchaser is able to certify on an FCC Form 314 that it is financially qualified. Additionally, except as contemplated in Section 6 hereof, no action, approval, consent, authorization or other action, including, without limitation, any action, approval, consent or authorization or other action by or filing with any governmental or quasi-governmental agency, commission, board, bureau or instrumentality, is necessary or required as to Purchaser for the due execution, delivery or performance by Purchaser of this Agreement or any document or instrument contemplated hereby except where the failure to obtain such approval, consent, authorization or filing, would not, individually or in the aggregate, have, or could reasonably be expected to have, a material adverse effect.

8.5. **Validity.** This Agreement constitutes and the other documents and instruments contemplated hereby will, on the due execution and delivery thereof, constitute the legal, valid and binding obligations of Purchaser, enforceable in accordance with their respective terms, except as the enforceability of such agreements, documents and instruments, may be limited by or subject to, any bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and that the remedies of specific performance, injunction, and other forms of equitable relief are subject to certain principles of equity jurisdiction, equitable defenses and the discretion of the court before which any proceeding therefor may be brought.

8.6. **Adequacy of Financing.** As of the Closing Date, Purchaser will have adequate funds on hand or available to pay the Purchase Price.

8.7. **Litigation.** No action, suit, claim, investigation, proceeding or controversy, whether legal or administrative or in mediation or arbitration, is pending or, to Purchaser's knowledge, threatened, at law or in equity or admiralty, before or by any court or Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality which, if adversely determined, would cause Purchaser to be unable to carry out this Agreement or the transactions contemplated hereby.

8.8. **Independent Investigation.** Purchaser has conducted an independent investigation of the Station and its business operations, assets, liabilities, results of operations, financial condition and prospects in making its determination as to the propriety of the transactions contemplated by this Agreement and in entering into this Agreement and the documents and instruments required hereby, has relied solely on the results of said investigation and on the representations and warranties of Seller expressly contained in this Agreement and the instruments, certificates or Schedules furnished pursuant hereto.

9. **Covenants of Seller.**

Seller covenants as follows:

9.1. **Books and Records.** Between the date hereof and the Closing Date, Seller shall give Purchaser and its authorized representatives reasonable access, during regular business hours and upon advance written notice, to any and all of its premises, properties, contracts, books and records relating to the business and operation of the Station and will cause its employees to furnish to Purchaser and its authorized representatives any and all data and information pertaining to the business and operation of the Station as Purchaser or its authorized representatives shall from time to time reasonably request. Unless and until the transaction contemplated herein has been consummated, each party shall hold in confidence all information obtained pursuant to this Agreement, and if such transaction is not consummated, each party shall return to the other all sensitive documents and other sensitive materials received by it hereunder. Such obligation of confidentiality shall not extend to any information which is shown to have been (i) previously known to such party, (ii) generally known to others engaged in the trade or business of the parties, (iii) part of public knowledge or literature or (iv) lawfully received by the party from a third party (not including the other party or any of its attorneys, consultants, accountants or other representatives or agents).

9.2. **Interim Operations.** From the date hereof until the earlier of the Closing Date or the termination of this Agreement pursuant to Section 14, Seller shall:

9.2.1. use commercially reasonable efforts to preserve and protect all of the Station Assets in good repair and condition, normal wear and tear excepted;

9.2.2. maintain the Station's books of account and records in the ordinary and usual manner;

9.2.3. not enter into any option or agreement to sell, assign or transfer the Station or control of Seller to any other party;

9.2.4. use commercially reasonable efforts to preserve the Station's existing relationship with its customers, vendors, suppliers, advertisers and employees;

9.2.5. maintain the insurance policies listed on Schedule 7.12 in full force and effect, with policy limits and scope of coverage not less than is currently provided;

9.2.6. satisfy the Station's Trade-out Agreement such that the net balance of obligations owed to all third parties under such Trade-out Agreements (i.e., the liquidated value of the services to be performed by the Station less the liquidated value of goods and services to be received by the Station) as of the Closing Date (other than with respect to the obligation disclosed on Schedule 7.10 hereof) is \$20,000 or less at the Station's ordinary rate card rates, and not enter into any new Trade-out Agreement that can not be fully discharged by Seller on or before the Closing Date, except with the written consent of Purchaser;

9.2.7. maintain and preserve Seller's rights under the Station Licenses, operate the Station in all material respects in accordance with the Station Licenses and the Communications Laws, subject any exceptions set forth on Schedule 7.4;

9.2.8. conduct the Station's business in the ordinary course consistent with past practices or as required by this Agreement.

By way of amplification and not limitation, without the prior written consent of Purchaser, which shall not be unreasonably withheld, conditioned or delayed, Seller shall not:

9.2.9. enter into any Contract with an aggregate Station liability of more than \$25,000, unless cancelable without penalty prior to the Closing Date, or with respect to Advertising Contracts, which are not in the ordinary course, at substantially current rate card rates, and which can be cancelled on no greater than thirty days' written notice;

9.2.10. place or allow to be placed on any of the Station Assets any Lien other than a Permitted Lien;

9.2.11. sell or otherwise dispose of any Station Asset unless replaced with an asset of like kind and utility;

9.2.12. knowingly commit any act or omit to do any act which will cause a breach of any material Contract or terminate any material Contract;

9.2.13. violate in any material respect any law, statute, rule, governmental regulation or order of any court or governmental or regulatory authority (whether Federal, state or local);

9.2.14. cause or permit by any act, or failure to act, any of the Station Licenses to expire, be surrendered, adversely modified, or otherwise terminated, or the FCC to institute any proceedings for the suspension, revocation or adverse modification of any of the Station Licenses, or fail to prosecute with due diligence any pending applications to the FCC; or

9.2.15. increase the salary, benefits or other compensation payable to any Seller employee, except in the ordinary course of business and to the extent consistent with past practice.

9.3. **Discharge of Liens.** On or prior to the Closing Date, Seller will cause all Liens with respect to the Assets (other than Permitted Liens and the Liens set forth on Schedule 7.9 and 7.10 hereto which are not required to be discharged on or prior to the Closing Date pursuant to the terms of this Agreement and except only those assumed by Purchaser pursuant to Section 3 hereof) to be discharged.

9.4. **Maintenance of Insurance.** From the date hereof through and including the Closing Date, Seller will maintain in full force and effect all insurance policies listed on Schedule 7.12 or renewals or replacements thereof.

9.5. **Compliance.** Seller shall use its reasonable best efforts to take or cause to be taken all action and do or cause to be done all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement, including, without limitation, to obtain all consents, approvals and authorizations of third parties and to make all filings with and give all notices to third parties which may be necessary or required in order to effectuate the transactions contemplated hereby.

9.6. **Payment of Taxes.** Seller shall be responsible for all Federal, state, county, local, income, property, sales, use, intangibles and other taxes attributable to the operation or ownership of the Station or the Assets for all periods prior to the Closing Date. Thereafter, Purchaser shall be responsible for all such taxes. Any taxes paid by either party pertaining to the operation of the Station which relate to periods both before and after the Closing shall be prorated in accordance with Section 4.3 hereof. Seller shall file all Federal, state, county and local income and other tax returns and reports

required to be filed by it pertaining to the operation of the Station until the Closing Date and shall pay all taxes, interest and penalties shown on such returns or reports.

9.7. **Financial Statements.** Seller shall provide Purchaser with the following financial information with respect to the Station:

9.7.1. as soon as practicable (but in no event later than 30 calendar days after the end of each month), an unaudited statement of income and expense for each month after the date hereof and before the Closing Date;

9.7.2. five business days before the Closing, a current statement of all accrued but unsatisfied cash and barter obligations under Program Rights Contracts, and of all other unsatisfied trade and barter obligations of the Station;

9.7.3. such other financial information with respect to the Station as Purchaser may from time to time reasonably request.

9.8. **FCC Compliance.** Seller will comply in all material respects with all rules and regulations of the FCC pertaining to the operation of the Station, and with all other applicable laws, rules, ordinances and regulations pertaining to the operation of the Station. Upon receipt of notice of violation of any of such laws, rules, ordinances and regulations, Seller shall contest in good faith or cure such violation prior to the Closing Date. Seller will file with the FCC, when due, all ownership reports, renewal applications, financial reports and other documents required to be filed between the date hereof and the Closing Date, and all such reports, applications and documents will be true and correct to Seller's knowledge and will comply in all material respects with the Communications Act and the rules and regulations of the FCC. From the date hereof through and including the Closing Date, Seller will take all necessary actions to preclude the suspension, revocation or adverse modification of the Station Licenses and any other material governmental licenses, permits and other authorizations listed on Schedule 7.4. Seller will not take any action, by commission or omission, which would cause the FCC or any other governmental authority to institute proceedings for the suspension, revocation or adverse modification of any of said licenses, permits and authorizations, or fail to prosecute with due diligence any pending application to any governmental authority, or take any action within its control which would result in the Station being in non-compliance with the requirements of the Communications Act or the rules and regulations of the FCC material to the transactions contemplated by this Agreement. Seller shall timely file and diligently prosecute any extensions of the special temporary authorization ("STA") for television station KAUZ-DT (FCC File No. BPSTA-200360703ACT) required to keep such STA in full force and effect during the period from the date of this Agreement through the Closing Date.

9.9. **FCC Consent.** Seller shall diligently prosecute the FCC Application and use all reasonable efforts to obtain the FCC Consent as promptly and expeditiously as possible. Seller shall not intentionally take or omit to take any action that will cause the FCC to deny, delay or fail to approve the FCC Application or cause the FCC Consent not to be granted.

9.10. **Environmental Audit.**

9.10.1. Within 30 calendar days from the date hereof, Purchaser shall have the right, at its sole cost and expense, to engage a nationally recognized environmental engineering firm (the "Consultant") to conduct a Phase I Environmental Assessment, as such term is commonly understood (a "Phase I Environment Assessment"), with respect to the Real Property, provided such inspections and interviews shall be conducted only (i) during regular business hours upon reasonable notice to Seller (ii) in a manner which will not unduly interfere with the operation of the Station and/or the use of, access to or egress from the Real Property and (iii) without damage to any property of Seller.

9.10.2. If the Assessment conducted in connection with Section 9.10.1 above details a Recognized Environmental Condition (as such term is defined in the American Society of Testing and Materials Standard for Phase I Environmental Assessments) (a "Recognized Environmental Condition") in connection with the Real Property, the Consultant reasonably recommends further investigatory action with respect to such Recognized Environmental Condition, and Purchaser delivers such assessment and recommendation to Seller within 35 calendar days from the date hereof, Purchaser shall have the right, until 65 calendar days from the date hereof, to conduct the investigation so recommended (the "Phase II Inspection"); provided, however, Seller shall have the right to review and approve the work plan for any Phase II Inspection so proposed, and provided further, such Phase II Inspection shall be conducted only (i) during regular business hours upon reasonable notice to Seller; (ii) in a manner which will not unduly interfere with the operation of the Station and/or the use of, access to or egress from the Real Property and (iii) without damage to any property of Seller. Any damage caused by Purchaser or its agents in the course of the Phase I Environmental Assessment or any Phase II Inspection shall be promptly repaired by Purchaser, at its sole cost and expense.

9.10.3. If applicable, the Consultant shall estimate the cost and expense of clean up, removal, remedial, corrective or responsive action necessary to address such Recognized Environmental Condition (the "Environmental Work"), which estimate shall set forth in reasonable detail the basis for those estimates; provided, however, the Environmental Work shall be designed to meet the least stringent standards or requirements so as not to be a violation under applicable Environmental Law (taking into account the zoning of the applicable Real Property and the current uses of resources thereon).

9.10.4. The parties understand and agree that the procedures outlined in this Section 9.10 shall in no event delay the Closing beyond the date on which the Closing would occur but for such procedures.

9.11. **Title Work.** Seller shall cooperate with Purchaser to enable Purchaser to obtain at its own expense within thirty days of the date of this Agreement: (A) a preliminary title report with respect to the Real Property, issued by a title insurance company acceptable to Purchaser (the "Title Company"), which preliminary report shall contain a commitment (the "Title Commitment") of the Title Company to issue one or more (as appropriate) owner's title insurance policies on ALTA Policies (each, a "Title Policy") insuring the fee simple interest of Purchaser in the Real Property; and (B) copies of all documents, filings and information disclosed in the Title Commitment. The Title Commitment shall not be subject to any material Liens other than (i) Liens that will be released at Closing, or (ii) Permitted Liens including as set forth on Schedules 7.9 and 7.10 hereof. All standard exceptions which can be deleted by the use of owner's or seller's affidavits are to be deleted from the Title Commitment and Title Policies, and Seller shall cooperate with Purchaser in executing and delivering such instruments to the Title Company. The parties understand and agree that the procedures outlined in this Section 9.11 shall in no event delay the Closing beyond the date on which the Closing would occur but for such procedures.

9.12. **Lien Search.** Seller shall deliver to Purchaser lien search reports (the "Lien Search") dated no earlier than ten days prior to the Closing, reflecting the results of UCC, tax and judgment lien searches conducted at Secretary of State offices of the State of Delaware, the States of Texas and Oklahoma, and in the County Clerk's office of any county in which the Station Assets are located.

9.13. **Further Assurances.** Seller shall, at any time, and from time to time, after the Closing Date, but at no cost to Seller (other than the salaries or wages of any Seller's employees); (i) take, or cause to be taken, all appropriate action, and to do, all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement, including without limitation, executing



and delivering any additional instruments, certificates or other documents and (ii) have the present and future officers, members and employees of Seller cooperate with Purchaser in furnishing information, evidence, testimony and other assistance in connection with any tax return filing obligations, actions, proceedings, arrangements or disputes of any nature with respect to matters relating to the Station for all periods prior to the Closing Date.

10. **Covenants of Purchaser.**

Purchaser covenants as follows:

10.1. **Compliance.** Purchaser shall take or cause to be taken all action and do or cause to be done all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement, including, without limitation, to obtain all consents, approvals and authorizations of third parties and to make all filings with and give all notices to third parties which may be necessary or required in order to effectuate the transactions contemplated hereby.

10.2. **Control of the Station.** Prior to the Closing, Purchaser shall not, directly or indirectly, control, supervise, direct, or attempt to control, supervise or direct, the operation of the Station, such operation, including complete control and supervision of all the Station's programs, employees and policies, shall be the sole responsibility of Seller until the consummation of the Closing hereunder.

10.3. **FCC Consent.** Purchaser shall diligently prosecute the FCC Application and use reasonable efforts to obtain the FCC Consent as promptly and expeditiously as possible. Purchaser shall not intentionally take or omit to take any action that will cause the FCC to deny, delay or fail to approve the FCC Application or cause the FCC Consent not to be granted.

10.4. **FCC Compliance.** Between the date hereof and the Closing Date, Purchaser agrees that it will not take or fail to take any action within its control which would result in material noncompliance by Purchaser with the requirements of the Communications Act and the rules and regulations of the FCC material to the transactions contemplated by this Agreement. Purchaser will take no action that Purchaser knows, or has reason to know, would disqualify Purchaser from being the assignee of the Station Licenses or the owner or operator of the Station.

10.5. **Books and Records.** If the acquisition contemplated herein is consummated, Purchaser covenants and agrees that it shall preserve and keep the records of Seller delivered to it hereunder for a period of six years after the Closing Date and shall make such records available to Seller and its authorized representatives as reasonably required by Seller in connection with any legal proceedings against or governmental investigation of Seller or in connection with any tax examination of Seller.

10.6. **Employees and Employee Benefit Matters.** Purchaser shall offer employment as of the Closing Date to each employee set forth in Schedule 7.16 hereto who remains employed by Seller immediately prior to the Closing, provided that such offers to employees who are not actively at work on the Closing Date shall not be effective until the date they are able to resume active employment. As of the Closing Date, Purchaser shall employ each active employee who accepts Purchaser's offer of employment ("Transferred Employees") at a salary and on other terms and conditions that are substantially similar as those provided by Seller immediately before the Closing; provided, however, that nothing herein shall confer or be construed to confer on any such employee any right to continue in the employment of Purchaser or interfere in any way with the right of Purchaser to terminate the employment of such Transferred Employee at any time, with or without cause. To the extent disclosed on Schedule 7.16, Purchaser shall provide each Transferred Employee credit for years of service prior to the Closing with Seller or any prior owner of the Station for the purpose of eligibility and vesting under Purchaser's

health, vacation, severance and other employee benefit plans (including, without limitation, the Purchaser 401(k) Plan).

10.6.1. Effective as of the Closing Date, Seller shall cause each of the Transferred Employees to have a fully nonforfeitable right to such employee's account balances, if any, under the Chelsey Broadcasting Group Retirement Savings Plan (the "Chelsey 401(k) Plan"). Effective as of the Closing Date, Purchaser shall establish and shall extend coverage to each Transferred Employee under a defined contribution individual account plan (the "Purchaser 401(k) Plan") qualified pursuant to Sections 401(a) and 401(k) of the Code to the extent any Transferred Employee has satisfied the requirements for participation therein.

10.6.2. After Closing, employees of the Station who are participants in Seller's 401(k) Plan will be entitled to receive a distribution under the Seller's 401(k) Plan of their benefits under the Plan. Seller shall provide such participants of the Seller's 401(k) with the opportunity to rollover their respective distributions to an Eligible Retirement Plan (as defined herein) in accordance with the Code and ERISA. An "Eligible Retirement Plan" is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, an annuity contract described in section 403(b) of the Code, a qualified plan described in section 401(a) of the Code, or an eligible plan under Section 457(b) of the Code which is maintained by a state or a political subdivision of a state. The definition of Eligible Retirement Plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is an alternate payee under a qualified domestic relations order. All rollovers shall comply with ERISA and the Code, and each party shall make filings and take any actions required of such party by ERISA and the Code. Rollovers to a 401(k) plan sponsored by Purchaser shall include receivables for outstanding loans of Transferred Employees.

10.6.3. Prior to the Closing Date, Seller shall take such action as may be necessary to ensure that the Chelsey 401(k) Plan will permit distributions based on a "severance from employment" as defined in Section 401(k)(2)(B)(i)(I) of the Code and that such distributions will not be subject to any loads, contingent deferred sales charges or similar expenses.

10.6.4. Purchaser shall not discourage any Transferred Employee from electing to participate in any welfare plan (as such term is defined in ERISA) sponsored by Purchaser nor shall it undertake any actions which serve to encourage Transferred Employees to elect to continue coverage under any Employee Plan that constitutes a "group health plan" pursuant to the provision of Part 6 of Title I, Subtitle B of ERISA or Section 4980B of the Code.

10.6.5. After the Closing Date, Seller shall be solely responsible for any disability benefits payable to any of its employees in accordance with the terms of the Employee Plans.

10.6.6. After the Closing Date, Seller shall give credit for accrued but unused (as of the Closing Date) vacation and other paid time off with respect to Transferred Employees and Seller shall provide Purchaser with a schedule showing the total accruals with respect to each such employee.

10.6.7. Purchaser shall have no liability for, and Seller shall indemnify and hold Purchaser harmless from all claims of every kind arising from, or asserted by or on behalf of, any employee of Seller or an ERISA Affiliate of Seller that relates to acts or omissions that occur on or before the Closing Date, and any claims related to an Employee Plan.

10.6.8. Seller shall, or shall cause one of its ERISA Affiliates to offer "continuation coverage" as defined in Section 4980B(f)(2) of the Code ("Continuation Coverage")

under Seller's or an ERISA Affiliate's group health plans for so long as any "M&A qualified beneficiary" (as defined in Treasury Regulation §54.4980B-9, Q+A4) has the right to receive Continuation Coverage.

10.7. **Further Assurances.** Purchaser shall, at any time, and from time to time, after the Closing Date, but at no cost to Purchaser (other than the salaries or wages of any of its employees): (i) take, or cause to be taken, all appropriate action, and to do, all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement, including, without limitation, executing and delivering any additional instruments, certificates or other documents and (ii) use its reasonable best efforts to have the present and future officers, directors, employees of Purchaser, including the Transferred Employees, cooperate with Seller in furnishing information, evidence, testimony and other assistance in connection with any tax return filing obligations, actions, proceedings, arrangements or disputes of any nature with respect to matters relating to the Station for all periods prior to the Closing Date. In addition, and notwithstanding any other provision of this Agreement, after the Closing Date, Purchaser will, within five business days after receipt thereof, forward any checks received or pay over to Seller any amounts collected with respect to any claims for cable copyright royalties with respect to the Station adjudicated before the Copyright Arbitration Royalty Panel for all periods up to and including the Closing Date.

## 11. **Conditions of Closing.**

11.1. **Obligation of Purchaser to Close.** The obligation of Purchaser to close hereunder shall be subject to the fulfillment and satisfaction, prior to or at the Closing, of the following conditions or the written waiver thereof by Purchaser:

11.1.1. **Representations.** The representations and warranties of Seller in this Agreement shall be true and correct in all material respects when made and shall be true and correct in all material respects on and as of the Closing Date (other than any representation or warranty that is expressly made as of a specified date, which shall be true and correct in all material respects as of such specified date only) except for changes permitted or contemplated by this Agreement, and Purchaser shall have received a certificate to that effect dated the Closing Date and executed by an appropriate officer of Seller.

11.1.2. **Covenants.** Each of the agreements and covenants of Seller to be performed under this Agreement at or prior to the Closing Date shall have been duly performed in all material respects, and Purchaser shall have received a certificate to that effect dated the Closing Date and executed by an appropriate officer of Seller.

11.1.3. **Network Affiliation Consents.** CBS shall have consented to the assignment of the Affiliation Agreement dated as of November 8, 1994, as amended, between Seller, successor-in-interest to Brissette TV of Wichita Falls, Inc. and CBS (the "Affiliation Agreement").

11.1.4. **No Injunction.** No injunction or restraining order shall be in effect to forbid or enjoin the consummation of the transaction contemplated by this Agreement and no Federal, state or local statute, rule or regulation shall have been enacted which prohibits, restricts or delays the consummation of such transaction.

11.1.5. **Station Licenses.** Seller shall be the holder of the Station Licenses and all other material governmental licenses, permits and other authorizations listed on Schedule 7.4, and there shall not have been any modification of any of such licenses, permits and other authorizations which constitutes a Material Adverse Effect.

11.1.6. **FCC Consent.** The FCC Consent shall have been granted and, if a petition to deny has been timely filed with respect to the FCC Application, and Purchaser has exercised its option pursuant to Section 5 hereof, such FCC Consent shall have become a Final Order.

11.1.7. **Instruments of Transfer.** Purchaser shall have received the deeds, endorsements, assignments, drafts, checks and other documents of transfer, conveyance and assignment contemplated by Section 12 valid to transfer all of Seller's right, title and interest in and to the Assets to Purchaser and to vest in Purchaser good, marketable and insurable title to the Assets, subject only to Permitted Liens and the Liens set forth on Schedule 7.9 and 7.10 hereto and not required to be discharged (in the manner herein provided) on or prior to the Closing Date pursuant to the terms of this Agreement.

11.1.8. **Books of Account.** Purchaser shall have received Seller's books of account, records, leases, indentures, contracts, agreements, correspondence and other documents pertaining to the Assets and the Station (other than the Excluded Records). Unless otherwise requested by Purchaser, delivery of the foregoing shall not be effected by physical delivery at the Closing but by surrendering access to the premises containing the foregoing to Purchaser.

11.2. **Obligation of Seller to Close.** The obligation of Seller to close hereunder shall be subject to the fulfillment and satisfaction, prior to or at the Closing, of the following conditions or the written waiver thereof by Seller:

11.2.1. **Representations.** The representations and warranties of Purchaser in this Agreement shall be true and correct in all material respects when made and shall be true and correct in all material respects on and as of the Closing Date (other than any representation or warranty that is expressly made as of a specified date, which shall be true and correct in all material respects as of such specified date only) except for changes permitted or contemplated by this Agreement, and Seller shall have received a certificate to that effect dated the Closing Date and executed by an appropriate officer of Purchaser.

11.2.2. **Covenants.** Each of the agreements and covenants of Purchaser to be performed under this Agreement at or prior to the Closing Date shall have been duly performed in all material respects, and Seller shall have received a certificate to that effect dated the Closing Date and executed by an appropriate officer of Purchaser.

11.2.3. **Network Affiliation Consents.** CBS shall have consented to the assignment of the Affiliation Agreement.

11.2.4. **No Injunction.** No injunction or restraining order shall be in effect to forbid or enjoin the consummation of the transaction contemplated by this Agreement and no Federal, state, or local statute, rule or regulation shall have been enacted which prohibits, restricts or delays the consummation of such transaction.

11.2.5. **FCC Consent.** The FCC Consent shall have been granted and, if a petition to deny has been timely filed with respect to the FCC Application, and Purchaser has exercised its option pursuant to Section 5 hereof, such FCC Consent shall have become a Final Order.

11.2.6. **Receipt of Purchase Price Payable at Closing.** Seller shall have received the Purchase Price by wire transfer of immediately available funds.

12. **Deliveries at Closing.**

12.1. **Seller's Deliveries.** At Closing, Seller shall deliver or cause to be delivered to Purchaser the following:

12.1.1. a Bill of Sale for the tangible personal property and Intellectual Property;

12.1.2. an Assignment and Assumption of the Station Licenses;

12.1.3. an Assignment and Assumption of Contracts;

12.1.4. an executed third party consent to assignment of the Affiliation Agreement;

12.1.5. an Instrument of Assumption of the Assumed Liabilities;

12.1.6. a Deed for the Real Property;

12.1.7. the Affidavit for the Title Company;

12.1.8. the Lien Search;

12.1.9. written consents from any party that is a secured party identified on any UCC-1 financing statement of record with respect to Seller, the Station or Station Assets as shown on the Lien Search, which Lien is required under the terms of this Agreement to be discharged on or prior to Closing, agreeing to amendment or termination of the Liens evidenced thereby upon conditions set forth in such consent and such instruments of amendment, termination or release of Liens, all in form and substance reasonably satisfactory to counsel for Purchaser, as are necessary to vest in Purchaser good and marketable title in and to the Station Assets, including the Real Property;

12.1.10. a Joint Notice to Escrow Agent to release the Deposit to Seller as payment of a portion of the Purchase Price, executed by Seller;

12.1.11. a certificate, executed by an officer of Seller certifying to the fulfillment or satisfaction by Seller of the conditions set forth in Sections 11.1.1 and 11.1.2. The delivery of such certificate shall constitute a representation and warranty of Seller as to the statements set forth therein as of the Closing Date;

12.1.12. certified resolutions of the sole Member of Seller authorizing the execution, delivery and performance of the Agreement and the transactions contemplated thereby by Seller, certified by an officer of Seller, and a certificate of good standing from the State of Delaware, and a certificate of good standing as a foreign limited liability company qualified to do business in the States of Texas and Oklahoma from the Secretary of State of the States of Texas and Oklahoma;

12.1.13. a customary opinion of counsel to Seller in the form and substance reasonably satisfactory to counsel for Purchaser and counsel for Seller; and

12.1.14. such other documents to be delivered by Seller hereunder as are reasonably necessary for Purchaser to effectuate and document the transactions contemplated hereby.

12.2. **Purchaser's Deliveries.** At the Closing, Purchaser shall deliver or cause to be delivered to Seller the following;

- 12.2.1. the Purchase Price required under Section 4 hereof;
- 12.2.2. the Assignment and Assumption of Station Licenses;
- 12.2.3. Assignment and Assumption of Contracts;
- 12.2.4. an executed third party consent to assignment of the Affiliation Agreement;
- 12.2.5. Instrument of Assumption of the Assumed Liabilities;
- 12.2.6. Joint Notice to Escrow Agent to release the Deposit to Seller as a portion of the Purchaser Price, executed by Purchaser;
- 12.2.7. a certificate, executed by an officer of Purchaser, certifying to the fulfillment or satisfaction by Purchaser of the conditions set forth in Sections 11.2.1 and 11.2.1 hereof. The delivery of such certificate shall constitute a representation and warranty of Purchaser as to the statements set forth therein as of the Closing Date;
- 12.2.8. certified resolutions of limited partnership of Purchaser authorizing the execution, delivery and performance of the Agreement and the transactions contemplated thereby by Purchaser, certified by an officer Purchaser, and a certificate of good standing from the State of Delaware, and certificate of good standing as a foreign limited partnership qualified to do business in the State of Texas from the Secretary of State of the State of Texas and in the State of Oklahoma from the Secretary of State of the State of Oklahoma;
- 12.2.9. a customary opinion of counsel of Purchaser in the form and substance reasonably satisfactory to counsel for Purchaser and counsel for Seller; and
- 12.2.10. such other documents to be delivered by Purchaser hereunder as are reasonably necessary for Seller to effectuate and document the transactions contemplated hereby.

13. **Remedies for Breach.**

13.1. **Purchaser Declines to Close.** If Purchaser shall be entitled to decline to close, and shall decline to close the transaction contemplated by this Agreement, Purchaser shall have no liability to Seller under or in any way by reason hereof, and Purchaser shall be entitled to payment of the Deposit plus interest thereon, and Purchaser shall, subject to the terms and conditions of this Agreement, have all such rights and remedies against Seller as may be available to it in law or equity or otherwise.

13.2. **Purchaser Elects to Close.** If Purchaser elects to close the transaction contemplated by this Agreement and Seller wrongfully refuses to do so, or if Seller fails, or if a failure by Seller is threatened, to comply with any of its covenants and agreements contained in this Agreement, then, in addition to all other remedies which may be available to it, Purchaser shall be entitled to injunctive and other equitable relief, including, without limitation, specific performance, and shall be entitled to recover from Seller its losses, costs and expenses, including reasonable attorneys' fees incurred by Purchaser in securing such injunctive or equitable relief.

13.3. **Purchaser Fails to Close.** If Seller shall be entitled to decline to close, and shall decline to close the transaction contemplated by this Agreement, Seller shall have no liability to Purchaser under or in any way by reason hereof, and Seller shall have all such rights and remedies against Purchaser as may be available to it in law or equity or otherwise. If this Agreement fails to close or is terminated by reason of or under circumstances arising from a breach by Purchaser of its representations, warranties, or covenants hereunder in any material respect, or if Purchaser refuses or fails to close after the conditions to its Closing have been satisfied, in either case without Seller being in breach of any of its representations, warranties or covenants hereunder in any material respect, then, in that event, Seller shall be entitled to payment of the Deposit (and all interest earned thereon) as liquidated damages, it being understood that this sum shall constitute full payment for any and all damages suffered by Seller by reason of Purchaser's failure to close this Agreement. The parties acknowledge that the damages actually suffered by Seller would be difficult to determine, but that the amount of the Deposit (and all interest earned thereon) is a reasonable estimate of the damages anticipated to be suffered by Seller in such event.

13.4. **Seller Elects to Close.** If Seller shall be entitled to decline to close the transaction contemplated by this Agreement but Seller shall elect nevertheless to close, Seller shall be deemed to have waived any claims of any nature arising from the failure of Purchaser to comply with any of the terms and conditions of this Agreement of which Seller had knowledge at the time of the Closing.

13.5. **Remedies Cumulative.** Except as set forth in Section 13.3, the specific remedies to which any party may resort under the terms of this Agreement are cumulative and are not intended to be exclusive of any other remedies or means of redress to which such party may lawfully be entitled in case of any breach, threatened breach or failure of observance or performance of any representation, warranty, covenant, agreement or commitment made hereunder or relating hereto or by reason of any such representation, warranty, covenant, agreement or commitment being untrue or incorrect.

14. **Termination Rights.** This Agreement may be terminated upon written notice from one party to the other upon the occurrence of any of the following:

14.1. by Seller or Purchaser at any time prior to the Closing with the mutual written consent of the other party hereto;

14.2. by Seller, if Purchaser has materially breached this Agreement and Seller is not in material breach of this Agreement, except that, if such breach is curable by Purchaser through the exercise of its commercially reasonable efforts, then, for a period of up to 30 days, but only as long as Purchaser continues to use its commercially reasonable efforts to cure such breach (the "Purchaser Cure Period"), such termination shall not be effective, and such termination shall become effective only if the breach is not cured within the Purchaser Cure Period; provided, however, Purchaser's failure to pay the Purchase Price in full to Seller at the Closing shall not be subject to the Purchaser Cure Period and shall upon five business days' notice to Purchaser, if not cured within such period, be an incurable breach of this Agreement;

14.3. by Purchaser on or before the date 65 calendar days after the date hereof, if the reasonable estimate of costs and expenses of the Environmental Work pursuant to Section 9.10, exceed Fifty Thousand Dollars (\$50,000); provided however, that Seller may elect, in writing, to pay the excess of the costs or expenses of the Environmental Work over Fifty Thousand Dollars (\$50,000) and in such event Purchaser may not elect to terminate this Agreement under this Section 14.3; or

14.4. by Purchaser, if Seller has materially breached this Agreement and Purchaser is not in material breach of this Agreement, except that, if such breach is curable by Seller through the exercise of its commercially reasonable efforts, then, for a period of up to 30 days, but only as long as

Seller continue to use its commercially reasonable efforts to cure such breach (the "Chelsey Cure Period"), such termination shall not be effective, and such termination shall become effective only if the breach is not cured within the Chelsey Cure Period; or

14.5. by either Purchaser or Seller, if not then in material default, if the purchase of the Assets by Purchaser pursuant to this Agreement shall not have been effected within nine months after the date that the FCC accepts the FCC Application for filing.

15. **Effect of Termination.** If this Agreement is terminated pursuant to Section 15 hereof, this Agreement shall become null and void and none of the parties shall have any further liability hereunder except that (i) the provisions of Sections 9.1, 13, 14, 15, 16 and 20.6 and hereof shall remain in full force and effect and (ii) each party hereto shall remain liable to the other parties hereto for any willful breach of its obligations under this Agreement prior to such termination.

16. **Indemnification.**

16.1. **Indemnification of Seller.** Purchaser shall defend and promptly indemnify Seller and save and hold it harmless from, against, for and in respect of and shall pay any and all damages, losses, obligations, liabilities, claims, encumbrances, deficiencies, costs and expenses, including, without limitation, reasonable attorneys' fees and other costs and expenses incident to any action, investigation, claim or proceeding (all hereinafter collectively referred to as "Losses") suffered, sustained, incurred or required to be paid by Seller by reason of: (i) the Assumed Liabilities; (ii) any representation or warranty of Purchaser herein being untrue or incorrect in any material respect; (iii) the operation of the Station after the Closing Date; or (iv) any breach or failure of observance or performance of any covenant, agreement or commitment made by Purchaser hereunder or under any document or instrument relating hereto or executed pursuant hereto. In addition, Purchaser shall indemnify Seller with respect to any Environmental Claims as provided in Section 7.18.2; provided such indemnification shall be governed by the procedures set forth in Section 16.3 hereof.

16.2. **Indemnification of Purchaser.** Seller and Chelsey Broadcasting Company, LLC ("CBC"), jointly and severally, shall defend and promptly indemnify Purchaser and save and hold it harmless from, against, for and in respect of and shall pay any and all Losses suffered, sustained, incurred or required to be paid by Purchaser by reason of: (i) any and all obligations and liabilities of Seller with respect to the Excluded Assets and the Excluded Liabilities; (ii) any representation or warranty of Seller herein being untrue or incorrect in any material respect; (iii) the operation of the Station on or prior to the Closing Date (other than the Assumed Liabilities); (iv) any breach or failure of observance or performance of any covenant, agreement or commitment made by Seller hereunder or under any document or instrument relating hereto or executed pursuant hereto; or (v) any liability or obligation of Seller for Federal, state, local or other taxes.

16.2.1. Notwithstanding anything to the contrary in this Agreement, Purchaser shall not be entitled to indemnification from Seller or CBC:

(i) in connection with any Loss to the extent of any net tax benefit realized (by reason of a tax deduction, basis reduction, shifting of income, credit and/or deduction or otherwise) by Purchaser in connection with such Loss;

(ii) with respect to any claim for indemnification hereunder, unless Purchaser has given Seller and CBC written notice of such claim prior to the two year anniversary of the Closing Date, except for any claim for indemnification arising from a claim by the United States of America, the States of Texas or Oklahoma or any other governmental unit, body or agency with taxing



authority relating to taxes or interest or penalties in connection therewith which claim may be asserted at any time;

(iii) for any Losses as to which Purchaser otherwise may be entitled to indemnity hereunder based upon a claim of breach of a representation or warranty by Seller contained in Section 7 hereof (without giving effect to this Section 16.2), until such Losses exceed \$50,000, and then only for such Losses in excess of in the aggregate \$50,000;

(iv) for any Losses as a result of Environmental Claims as provided in Section 7.18.2; and

(v) for any Losses in excess of the Purchase Price, all of such Losses in excess of the Purchase Price being the responsibility of Purchaser.

16.2.2. If with respect to a claim of indemnification that Purchaser asserts against Seller or CBC hereunder, Purchaser also has an enforceable right of indemnification against any third party (contractual or otherwise), Purchaser shall use reasonable efforts to pursue such claims or, in the event Seller or CBC pays or otherwise discharges such claim of Purchaser, Purchaser shall assign to such payor without recourse to Purchaser the claims against such third party.

### 16.3. Procedures for Third-Party Claims.

16.3.1. Any party (an "Indemnified Party") seeking indemnification pursuant to this Section 16 in connection with any legal proceeding, action or claim, instituted by a third party, including any governmental entity (a "Third-Party Claim"), shall give the other party or parties (each an "Indemnifying Party") from whom indemnification with respect to such claim is sought (i) prompt written notice of such Third-Party Claim and (ii) copies of all documents and information relating to any such Third-Party Claim; provided, however, that the failure by the Indemnified Party to so notify or provide copies to the Indemnifying Party shall not relieve the Indemnifying Party from any liability to the Indemnified Party for any liability hereunder except to the extent that such failure shall have prejudiced the defense of such Third-Party Claim.

16.3.2. The Indemnifying Party shall have the right and obligation, at its sole expense, to defend against, negotiate, settle or otherwise deal with any Third-Party Claim with respect to which it is the Indemnifying Party and to be represented by counsel of its own choice, and the Indemnified Party will not admit any liability with respect thereto or settle, compromise, pay or discharge the same without the consent of the Indemnifying Party, which consent shall not be unreasonably withheld, so long as an Indemnifying Party is contesting or defending the same with reasonable diligence and in good faith; provided, however, that the Indemnified Party may participate in any proceeding with counsel of its choice and at its expense; provided further, that an Indemnifying Party may not enter into a settlement of any such Third-Party Claim without the consent of the Indemnified Party, which consent shall not be unreasonably withheld, unless such settlement requires no more than a monetary payment for which the Indemnified Party is fully indemnified by an Indemnifying Party or involves other matters not binding upon the Indemnified Party; and provided further that, in the event all Indemnifying Parties fail timely to defend against, negotiate, settle or otherwise deal with such Third-Party Claim as provided above in this Section 16.3.2, then the Indemnified Party shall have the right to defend against, negotiate, settle or otherwise deal with the Third-Party Claim in such manner as the Indemnified Party deems appropriate, in its sole discretion, and may recover subject to the limitations set forth in Section 16.2, all other amounts paid as a result of such Third-Party Claim or compromise or settlement thereof.

16.4. **Survival of Representations, Warranties and Covenants.** The representations, warranties and covenants of Seller and Purchaser contained in this Agreement, or in any certificate, instrument or other document delivered by Seller or Purchaser pursuant to this Agreement or in connection with the transactions contemplated hereby, shall survive the Closing for a period of two years. No claim shall be made or action brought by any party hereto after the two year anniversary of the Closing Date for the breach of, or inaccuracy in, any representation, warranty or covenant contained in this Agreement, or in any certificate, instrument or other document delivered pursuant to this Agreement or in connection with the transactions contemplated hereby.

17. **Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto and nothing contained herein, express or implied, is intended to or shall confer upon any other Person any third party beneficiary right or any other legal or equitable rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

18. **Brokers.** Seller and Purchaser covenant and represent to each other that they had no dealings with any broker or finder in connection with this Agreement or the transactions contemplated hereby, and, except as set forth above, no broker, finder or other Person is entitled to receive any broker's commission or finder's fee or similar compensation in connection with any such transaction. Each of the parties agrees to defend, indemnify and hold harmless the other from, against, for and in respect of any and all Losses sustained by the other as a result of any liability or obligation to any broker or finder on the basis of any arrangement, agreement or acts made by or on behalf of such party with any Person whatsoever.

19. **Risk of Loss.**

19.1. **Risk of Loss.** The risk of loss to any of the Assets on or prior to the Closing Date shall be upon Seller. Seller shall use all commercially reasonable efforts to repair or replace any damaged or lost Station Assets, provided, however, that in the event that Station Assets with a value of greater than One Hundred Thousand Dollars (\$100,000) are damaged or lost as of the date otherwise scheduled for Closing, Purchaser may, at its option, either (i) postpone Closing for a period of up to 60 days while Seller repairs or replaces such Assets, or (ii) elect to close with the Assets in their current condition, in which case Seller shall assign all proceeds from insurance on such lost or damaged Assets to Purchaser, and Purchaser shall have the responsibility to repair or replace the Assets. Seller shall have no responsibility to repair or replace damaged or destroyed Station Assets not covered by insurance if the cost of such repair exceeds One Hundred Thousand Dollars (\$100,000), provided, however, that should Seller not advise Purchaser within five days after being requested to do so that Seller will repair or replace such Assets, Purchaser may terminate this Agreement without penalty upon written notice to Seller.

19.2. **Transmission Default.** Should the analog Station (i) not operate for a period in excess of 72 consecutive hours or (ii) not operate at more than 90% of its maximum authorized power for a period of 30 consecutive days, either (i) or (ii) a "Transmission Default"), and it is reasonably expected that the Transmission Default could not be remedied within a reasonable time, Purchaser may either elect to terminate this Agreement without penalty upon written notice to Seller or postpone the Closing for a period of up to 60 days while Seller attempts to cure the Transmission Default condition, and if such cure occurs within such 60 day period, then the parties shall consummate the transaction at the earliest practicable date thereafter.

20. **Miscellaneous.**

20.1. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties (and supersedes any prior understanding of the parties) with respect to the subject matter hereof. The representations, warranties, covenants and agreements set forth in this Agreement and in any financial statements, Schedules or exhibits delivered pursuant hereto constitute all of the representations, warranties, covenants and agreements of the parties hereto and upon which the parties have relied, and except as may be specifically provided herein, no change, modification, amendment, addition or termination of this Agreement or any part thereof shall be valid unless in writing and signed by or on behalf of the party to be charged therewith. The information disclosed on any Schedule to this Agreement shall be deemed to be disclosed on any other applicable Schedule.

20.2. **Notices.** Any and all notices or other communications or deliveries required or permitted to be given or made pursuant to any of the provisions of this Agreement shall be deemed to have been duly given or made for all purposes if sent by certified or registered mail, return receipt requested and postage prepaid, hand delivery or overnight delivery service:

If to Purchaser, at:

Hoak Media of Wichita Falls, LP  
13355 Noel Road, Suite 1050  
Dallas, Texas 75240  
Attention: Eric D. Van den Branden

With a copy to:

Akin, Gump, Strauss, Hauer & Feld, LLP  
1676 International Drive, Penthouse  
McClean, Virginia 22102  
Attention: Tom W. Davidson, Esq.

If to Seller or CBC, at:

c/o Chelsey Broadcasting Company, LLC  
500 Old Country Road, Suite 314  
Garden City, New York 11530  
Attention: Paul S. Goodman

With a copy to:

Wachtel & Masyr, LLP  
110 East 59<sup>th</sup> Street  
New York, New York 10022  
Attention: Scott J. Lesser, Esq.

or at such other address as any party may specify by notice given to the other party in accordance with this Section 20.2. The date of the giving of any notice sent by mail shall be three business days following the date of the posting of the mail, if delivered in person, the date delivered in person or the next business day following delivery to an overnight delivery service.

20.3. **Public Announcement.** Except for any disclosures or announcements which Seller or Purchaser shall be required to make pursuant to the Communications Act or the rules and

regulations of the FCC, or disclosures or announcements required to be made pursuant to the rules and regulations of the Securities and Exchange Commission or any other Federal or state governmental agency, Purchaser and Seller will jointly prepare and determine the timing of any press release or other announcement to the public (including any announcement to the employees of the Station) concerning the execution of this Agreement and the transactions contemplated herein. Except as provided for in the preceding sentence, no party hereto will issue any press release or make any other public announcement relating to the execution of this Agreement or the transactions contemplated herein, except that any party may make any disclosure required to be made by it under applicable law if it determines in good faith that it is appropriate to do so and gives prior notice and a reasonable time to comment to the other party hereto.

20.4. **No Waiver.** No waiver of the provisions hereof shall be effective unless in writing and signed by the party to be charged with such waiver. No waiver shall be deemed a continuing waiver in respect of any subsequent breach or default, either of similar or different nature, unless expressly so stated in writing.

20.5. **Governing Law.** This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of Texas applicable to contracts to be performed entirely within that State. Should any clause, Section or part of this Agreement be held or declared to be void or illegal for any reason, all other clauses, Sections or parts of this Agreement which can be effected without such illegal clause, Section or part shall nevertheless continue in full force and effect.

20.6. **Expenses.** Except as otherwise provided herein, Purchaser and Seller shall each bear their own costs and expenses in connection with the transactions contemplated by this Agreement. If attorneys' fees or other costs are incurred to secure performance of any obligations hereunder, or to establish damages for the breach thereof or to obtain any other appropriate relief, whether by way of prosecution or defense, the prevailing party will be entitled to recover reasonable attorneys' fees and costs incurred in connection therewith.

20.7. **Binding Agreement.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that no party may assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of the other parties hereto.

20.8. **Good Faith.** Recognizing the complex nature of the transactions contemplated in this Agreement, the parties hereto agree to cooperate in good faith to effectuate the transactions set forth herein in accordance with the intent of the parties as expressed herein.

20.9. **Headings.** The headings or captions under Sections of this Agreement are for convenience and reference only and do not in any way modify, interpret or construe the intent of the parties or affect any of the provisions of this Agreement.

20.10. **Counterparts.** This Agreement may be executed in one or more counterparts each of which when taken together shall constitute one agreement.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be signed on the date and year first above written.

**HOAK MEDIA OF WICHITA FALLS, LP**

By: \_\_\_\_\_  
Name: Eric D. Van den Branden  
Title: President

**CHELSEY BROADCASTING COMPANY OF  
WICHITA FALLS, LLC**

By: \_\_\_\_\_  
Name: Paul S. Goodman  
Title: Chief Executive Officer

**ONLY WITH RESPECT TO SECTION 16**

**CHELSEY BROADCASTING COMPANY, LLC**

By: \_\_\_\_\_  
Name: Paul S. Goodman  
Title: Chief Executive Officer

## ESCROW AGREEMENT

AGREEMENT dated this 25<sup>th</sup> day of August 2003, by and among CHELSEY BROADCASTING COMPANY OF WICHITA FALLS, LLC, a limited liability company having its principal office at 3601 Seymour Highway, Wichita Falls, Texas 76309 ("Chelsey"), HOAK MEDIA OF WICHITA FALLS, LP, a limited partnership having its principal place of business at 13355 Noel Road, Suite 1050, Dallas, Texas 75240 ("Purchaser"), and WACHTEL & MASYR, LLP, a limited liability partnership having its principal place of business at 110 East 59<sup>th</sup> Street, New York, New York 10022 (the "Escrow Agent").

### W I T N E S S T H:

WHEREAS, Chelsey and Purchaser are parties to that certain Asset Purchase Agreement dated as of the date hereof, which provides for a deposit to be held in an escrow; and

WHEREAS, Purchaser and Chelsey are desirous of entering into this Agreement and the Escrow Agent is willing to act as escrow agent on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained and subject to the conditions hereinafter set forth, the parties hereto agree as follows:

1. Concurrently with the execution hereof, Purchaser is delivering to the Escrow Agent the sum of One Million Dollars (\$1,000,000) (hereinafter referred to as the "Escrowed Assets"). The Escrow Agent shall hold the Escrowed Assets on the terms and conditions hereinafter set forth.

2. The Escrow Agent shall deliver the Escrowed Assets in accordance with any instruction or instructions which shall be signed jointly by both Purchaser and Chelsey, or in accordance with separate instructions of like tenor, or one such instruction signed by Purchaser and the other by Chelsey. In the event that the Escrow Agent shall receive an instruction (hereinafter the "Instruction") with respect to the Escrowed Assets, or any part thereof, from Purchaser but not from Chelsey or from Chelsey but not from Purchaser, (the party giving the Instruction being hereinafter referred to as the "Instructing Party" and the party which shall not have given the Instruction being hereinafter referred to as the "Other Party") the Escrow Agent shall transmit a copy of the Instruction received from the Instructing Party to the Other Party. The Escrow Agent shall thereafter act in accordance with the Instruction if the Other Party shall fail, within ten (10) days from transmittal by the Escrow Agent to the Other Party of the copy of the Instruction, to notify the Escrow Agent in writing that the Escrow Agent is not to comply with the Instruction. If the Other Party shall within ten (10) days after transmittal of the Instruction by the Escrow Agent to the Other Party advise the Escrow Agent not to comply with the Instruction, the Escrow Agent shall not act in accordance with the Instruction, but shall thereafter act with respect to such of the Escrowed Assets as were the subject of the Instruction solely in accordance with any of the following: (a) a new Instruction signed jointly by Purchaser and Chelsey; (b) separate Instructions of like tenor from each of Purchaser and Chelsey; (c) a certified copy of an arbitrator's award issued under the rules of the American Arbitration Association as to which the Escrow Agent shall have received an opinion of counsel, which may

include the Escrow Agent, satisfactory to the Escrow Agent in its sole and absolute discretion, that such award is final beyond appeal; or (d) a certified copy of a judgment of a court of competent jurisdiction as to which the Escrow Agent shall have received an opinion of counsel, which may include the Escrow Agent, satisfactory to the Escrow Agent in its sole and absolute discretion, that such judgment is final beyond appeal. Anything in the foregoing to the contrary notwithstanding, at the sole discretion of the Escrow Agent, the Escrow Agent may at any time deposit the Escrowed Assets with a court selected by the Escrow Agent and in such event all liability and responsibility of the Escrow Agent shall terminate upon such deposit having been made.

3. Purchaser and Chelsey shall be jointly and severally liable for any fees and expenses of the Escrow Agent incurred in connection with this Agreement, including counsel and accountants' fees, if any, payable in connection with the delivery of the Escrowed Assets hereunder. Purchaser and Chelsey shall pay any such amounts due to the Escrow Agent promptly upon demand therefor. If any such expenses or fees are not promptly paid the Escrow Agent may retain custody of the Escrowed Assets until such payment is received and shall be entitled to all other rights or remedies at law or in equity.

4. Purchaser and Chelsey jointly and severally agree to indemnify the Escrow Agent and to hold the Escrow Agent harmless from any loss, liability and expense incurred without willful malfeasance or bad faith on the part of the Escrow Agent arising out of or in connection with the acceptance or administration by the Escrow Agent of its duties hereunder, including the fees, costs and expenses of defending itself against any claims of liability hereunder.

5. The Escrow Agent shall not be bound in any way by any agreement or contract between Purchaser and Chelsey, whether or not it has knowledge thereof, and the Escrow Agent's only duties and responsibilities shall be to hold the Escrowed Assets as escrow agent and to dispose of said assets in accordance with the terms of this Agreement. Without limiting the generality of the foregoing, the Escrow Agent shall have no responsibility to protect the Escrowed Assets, and shall not be responsible for any failure to demand, collect or enforce any obligation with respect to the Escrowed Assets or for any diminution in value of the Escrowed Assets from any cause. The Escrow Agent may act upon any instruments or other writings believed by the Escrow Agent in good faith to be genuine and to be signed or presented by the proper persons and the Escrow Agent shall not be liable in connection with the performance of its duties under this Agreement except for its own willful malfeasance or bad faith. The Escrow Agent may consult with counsel, which may include the Escrow Agent, and any opinion of counsel, which may include the Escrow Agent, shall be full and complete authorization and protection in respect of any action taken or omitted by the Escrow Agent hereunder in good faith and in reliance upon such opinion.

6. In the event of a dispute between Purchaser and Chelsey regarding the disposition of the Escrowed Assets, the interest of Chelsey in the resolution of such dispute, by litigation or otherwise, may be represented by Wachtel & Masyr, LLP which also serves as Escrow Agent under this Agreement.

7. Any notice, report, demand or instruction required or permitted by the provisions of this Agreement shall be deemed to have been sufficiently transmitted, delivered, given or

served for all purposes if delivered by hand or if sent by prepaid registered mail or certified mail, or by responsible overnight delivery service or telecopy to the parties at their addresses set forth above, or at such other address as a party may hereinafter give by written notice as herein provided.

The date of delivery or transmittal shall be the date of delivery, if by hand, or if mailed shall be deemed to be the date of mailing, or if sent by overnight delivery service shall be deemed to be the next business day except that no notice, report, demand or Instruction shall be deemed to have been delivered or transmitted to the Escrow Agent until actual receipt thereof by the Escrow Agent.

8. This Agreement shall be governed by and construed in accordance with the laws of the State of New York and shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns. This Agreement may not be changed or amended in any manner whatsoever except in writing signed by each of the parties hereto.



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be made and executed the day and year first above written.

CHELSEY BROADCASTING COMPANY OF  
WICHITA FALLS, LLC

By: \_\_\_\_\_  
Name: Paul S. Goodman  
Title: Chief Executive Officer

HOAK MEDIA OF WICHITA FALLS, LP

By: \_\_\_\_\_  
Name: Eric D. Van den Branden  
Title: President

WACHTEL & MASYR, LLP, Escrow Agent

By: \_\_\_\_\_  
Name: Scott J. Lesser  
Title: Partner