

**PURCHASE AGREEMENT**

**THIS PURCHASE AGREEMENT** (this “Agreement”) is made as of July 29, 2015, between LCI Television of Texas, Inc., a Texas corporation (“LCI Television”), Lawton Cablevision, Inc., an Oklahoma corporation (“Lawton Cablevision”), KSWO Television of Texas, Inc., an Oklahoma corporation (“KSWO Texas Inc.”), KSWO Television Co., Inc., an Oklahoma corporation (“KSWO Inc.”), Adelante Television Limited Partnership, a Texas limited partnership (“Adelante”), Midessa Broadcasting Limited Partnership, a Texas limited partnership (“Midessa Broadcasting,” and, collectively with LCI Television, Lawton Cablevision, KSWO Texas Inc., KSWO Inc. and Adelante, the “Seller”), on the one hand, and TV-3, LLC, a Delaware limited liability company (“Buyer”), and KAUZ, LLC, a Delaware limited liability company (“KAUZ Buyer”), on the other hand, and, solely for the purposes of Section 11.16, Raycom Media, Inc., a Delaware corporation (“Guarantor”).

**RECITALS**

A. Seller directly or indirectly owns and operates or has the right to acquire the television broadcast stations and radio broadcast stations (collectively, the “Stations”) listed on the attached **Exhibit A**.

B. LCI Television, Lawton Cablevision, KSWO Texas Inc. and KSWO Inc. (collectively, the “Texas Seller”) directly or indirectly own all equity interests in Centex Television Limited Partnership, a Texas limited partnership (“Centex”), Texhoma Broadcasting, LLC, a Texas limited liability company (“Texhoma”), Panhandle Telecasting Limited Partnership, a Texas limited partnership (“Panhandle”), and Midessa Television Limited Partnership, a Texas limited partnership (“Midessa Television,” and, collectively with Centex, Texhoma, and Panhandle, the “Texas Companies,” and, individually, each a “Texas Company”).

C. Pursuant to the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Texas Companies and the Station Assets (defined below) not owned by the Texas Companies, and Buyer desires to sell to KAUZ Buyer, and KAUZ Buyer desires to purchase from Buyer, the KAUZ Station Assets (defined below), as described herein.

**AGREEMENT**

**NOW, THEREFORE**, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

**ARTICLE 1**

**SALE AND PURCHASE OF COMPANIES AND ASSETS**

1.1 **Sale and Purchase**. On the terms and subject to the conditions hereof, at Closing (defined below), Buyer, KAUZ Buyer and Seller agree as follows:

(a) the Texas Seller shall sell, assign, transfer, convey and deliver to such affiliates as Buyer shall designate prior to the filing of the FCC Applications, and such entities shall purchase and acquire from Texas Seller, all equity interests in the Texas Companies (the “Equity Interests”), free and clear of all liens, claims and encumbrances (“Liens”); and then

(b) Buyer shall cause Texhoma to sell, assign, transfer, convey and deliver to KAUZ Buyer, and KAUZ Buyer shall purchase and acquire from Texhoma, the KAUZ Station Assets (defined below) free and clear of all Liens, except Permitted Liens (defined below); and then

(c) Seller shall sell, assign, transfer, convey and deliver to such affiliates as Buyer shall designate prior to the filing of the FCC Applications (and as used herein, the term “Buyer” shall include any affiliate designated by Buyer pursuant to Section 1.1(a) or (c)), and such entities shall purchase and acquire from Seller, all right, title and interest of Seller in and to the Station Assets (defined below) not owned by the Texas Companies, free and clear of all Liens except Permitted Liens (defined below).

## **1.2 Station Assets and Excluded Assets.**

(a) The “Station Assets” means all assets and properties of Seller and the Texas Companies, real and personal, tangible and intangible, that are used or useful in the operation of the Stations’ business, except as set forth in Section 1.2(b) (the “Station Assets”), including without limitation the following:

(i) all licenses, permits and other authorizations issued to Seller or the Texas Companies by the Federal Communications Commission (the “FCC”) with respect to the Stations’ business, including without limitation those described on Schedule 1.2(a)(i) (the “FCC Licenses”), and all Seller Permits (defined below) including without limitation any renewals or modifications thereof between the date hereof and Closing;

(ii) all equipment, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, spare parts and other tangible personal property of every kind and description that are used or useful in the operation of the Stations’ business, including without limitation those listed on Schedule 1.2(a)(ii) (the “Tangible Personal Property”);

(iii) all real property used or useful in the operation of the Stations’ business (including without limitation any appurtenant easements and improvements located thereon or related thereto), which is listed on Schedule 1.2(a)(iii) (the “Real Property”);

(iv) all of the contracts, agreements, and leases used or useful in the Stations’ business (the “Station Contracts”) including without limitation the following (i) all of the contracts, agreements and leases listed on Schedule 1.2(a)(iv), including without limitation (A) all agreements for the sale of advertising time on the Stations or in connection with the Stations’ business, (B) the real property leases listed on Schedule 1.2(a)(iii), (C) the Stations’ network affiliation agreements existing as of the date of this Agreement, (D) the retransmission agreements listed on Schedule 2.8(b),

and (E) all Employment Agreements; and (ii) all other contracts and agreements entered into by Seller and relating to the Stations' business between the date of this Agreement and the Closing Date in compliance with Section 4.1;

(v) all of the Stations' accounts receivable and any other rights to payment of cash consideration arising from the operation of the Stations' business (including without limitation all rights to payments under the Stations' network affiliation agreements and retransmission consent agreements, whether or not offset) prior to the Effective Time (defined below), except as such accounts receivable and other rights to payment relate to income tax assets or the Excluded Assets (as defined below) (the "Accounts Receivable");

(vi) all prepaid expenses and deposits with respect to the Stations' business for which Seller receives a credit pursuant to Section 1.6;

(vii) all call letters, trademarks, trade names, service marks, internet domain names, copyrights, programs and programming material, jingles, slogans, logos, and other intangible property which are used in the operation of the Stations' business, including without limitation those listed on Schedule 1.2(a)(vii) (the "Intangible Property");

(viii) the files, documents, records, and books of account (or copies thereof) relating to the operation of the Stations' business, including without limitation the Stations' local public files, programming information and studies, engineering data, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports, and logs, but excluding records relating to Excluded Assets (defined below);

(ix) the corporate books and records of the Texas Companies; and

(x) the goodwill of the Stations' business.

(b) Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the following assets or any rights, title and interest of Seller and the Texas Companies therein (the "Excluded Assets");

(i) all bank accounts and all cash and cash equivalents, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, money market accounts and all such similar accounts or investments, other than as set forth in Section 1.2(a)(v);

(ii) all tangible and intangible property retired or disposed of between the date hereof and Closing in accordance with Article 4;

(iii) all Station Contracts that are terminated or expire prior to Closing in accordance with Article 4;

(iv) Seller's and its affiliates' corporate and trade names, charter documents, and books and records relating to the organization, existence or ownership of Seller, and all records not relating to the operation of the Stations' business;

(v) rights, claims or causes of action of Seller and the Texas Companies against third parties that arise in connection with the discharge by Seller of the Retained Obligations or that relate to the Excluded Assets;

(vi) all rights arising under this Agreement and any contract other than any Station Contract;

(vii) all personnel records and other records that Seller or any Texas Company is required by Law to retain in its possession and all records relating to Retained Obligations or Excluded Assets;

(viii) all claims of Seller and any Texas Company with respect to any Tax refunds to the extent attributable to a taxable period ending on or prior to the Closing Date;

(ix) all receivables owed to Seller or any Texas Company by any of its affiliates;

(x) all contracts of insurance, all coverages and proceeds thereunder and all rights in connection therewith, including without limitation rights arising from any refunds due with respect to insurance premium payments to the extent related to such insurance policies;

(xi) all Seller Plans (as defined below);

(xii) all rights and claims of Seller and the Texas Companies, whether mature, contingent or otherwise, against third parties with respect to the Stations' business and the Station Assets, to the extent arising during or attributable to any period prior to the Effective Time;

(xiii) all right, title and interest of Seller and the Texas Companies in and to all oil, gas, casinghead gas, distillate, coal, metallic ores, and other minerals in and under and that may be produced from the Owned Real Property (the "Mineral Interests");

(xiv) the agreements (the "Hoak Agreements") between Texhoma and Hoak Media of Wichita Falls, L.P. and Hoak Media of Wichita Falls License, LLC (together, "Hoak") relating to television broadcast station KAUZ-TV, Wichita Falls, Texas (Facility ID 6864) ("KAUZ"); and

(xv) the assets listed on Schedule 1.2(b) and the privileges, rights and documents described in Section 11.17.

(c) A Seller shall retain, or cause the Texas Companies to transfer at or prior to the Closing, all Excluded Assets and all Retained Obligations (as defined below).

1.3 **Assumption of Obligations.** On the Closing Date (defined below), Buyer shall assume or pay and perform (a) the obligations of Seller arising during, or attributable to, any period of time at or after the Effective Time under the Station Contracts and the FCC Licenses, (b) all obligations arising during, or attributable to, any period of time at or after the Effective Time and relating to the operation of the Stations' business, (c) all of the Stations' accounts payable for goods or services sold or provided to the Stations' business prior to the Effective Time, except as such accounts payable relate to income tax liabilities or the Excluded Assets, but including, without limitation, unpaid sales commissions related to the sale of advertisements broadcast on the Stations or in connection with the Stations' business prior to the Effective Time in respect of Accounts Receivable outstanding at the Effective Time and sales commissions related to the sale of advertisements to be broadcast on the Stations or in connection with the Stations' business at or after the Effective Time (the "Accounts Payable"), and (d) any other liabilities of Seller to the extent Buyer receives a credit therefor under Section 1.6 (collectively, the "Assumed Obligations"). Except for the Assumed Obligations, Buyer does not assume or agree to pay and perform, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to have assumed or have agreed to pay and perform, any other liabilities or obligations of Seller (such liabilities and obligations not assumed, the "Retained Obligations"). The Retained Obligations include, without limitation, (i) all liabilities and obligations for Taxes (A) for all taxable periods of Seller, any of their respective subsidiaries and any of their respective affiliates, in the case of Taxes relating to the Excluded Assets, (B) for all taxable periods (or portions thereof) ending on or prior to (or, to the extent attributable to the portion of such period ending on the Closing Date, including) the Closing Date, in the case of Taxes relating to the Station Assets and (C) under any Tax allocation, sharing or similar agreement (whether oral or written) to which Seller is a party, (ii) all liabilities and obligations arising under or with respect to the Seller Plans (defined below), and (iii) all liabilities or obligations relating to the Excluded Assets.

1.4 **Purchase Price; Closing Payment.**

(a) In consideration for the sale of the Equity Interests and the Station Assets to Buyer, Buyer shall assume the Assumed Obligations and pay to Seller One Hundred Sixty Million Dollars (\$160,000,000) (the "Initial Amount"), as adjusted by the Final Net Working Capital Amount as such amount is determined pursuant to Section 1.6 (the "Purchase Price").

(b) At Closing, Buyer shall pay to Seller, by wire transfer of immediately available funds to an account designated by Seller, an amount equal to the Initial Amount, as adjusted by the Estimated Net Working Capital Amount as such amount is determined pursuant to Section 1.6, less the Post-Closing Escrow Amount (defined below) (the "Closing Payment").

1.5 **Deposit; Indemnity Escrow.**

(a) Within one (1) business day after the execution of this Agreement, Buyer and Seller shall cause to be executed and delivered an escrow agreement in substantially the form attached hereto as **Exhibit B** (the "Escrow Agreement"), by and among Guarantor, KSWO

Inc. and U.S. Bank, National Association (the “Escrow Agent”), and Buyer shall make a cash deposit with the Escrow Agent in immediately available funds in an amount equal to Eight Million Dollars (\$8,000,000), which is 5% of the Initial Amount (the “Deposit”), to be governed by the terms of this Agreement and the Escrow Agreement. Any failure by Buyer to enter into the Escrow Agreement and to make the Deposit within such one (1) business day period constitutes a material default as to which the Cure Period under Section 10.2 does not apply, entitling Seller to immediately terminate this Agreement. If this Agreement is terminated by Seller pursuant to Section 10.1(c), the Deposit and any interest accrued thereon shall be disbursed to Seller to an account designated by Seller. If this Agreement is terminated by Seller or Buyer pursuant to Section 10.1 for any other reason, then the Deposit and any interest accrued thereon shall be disbursed to Buyer to an account designated by Buyer.

(b) At Closing, the Deposit shall remain in escrow pursuant to the terms of the Escrow Agreement and automatically convert to secure the indemnification obligations of Seller hereunder. The Deposit plus any interest or earnings earned thereon after the Closing being the “Indemnity Escrow.” The following shall apply to the Indemnity Escrow.

(i) If at any time prior to the Final Release Date (as defined below), Buyer makes a reasonable, good faith determination that there exists a claim against Seller for indemnification pursuant to Section 9.2(a) (an “Indemnity Escrow Claim”), then in addition to any notices or other procedures required under Article 9, Buyer shall give Seller written notice of such Indemnity Escrow Claim (a “Notice of Claim”), specifying in reasonable detail the nature of the Indemnity Escrow Claim and the dollar amount of the Damages (the “Damages Amount”).

(ii) If Seller reasonably believes in good faith that (A) Buyer has not incurred or suffered the Damages Amount set forth in any Notice of Claim, (B) the Damages Amount set forth in any Notice of Claim is incorrect, (C) the Damages claimed in respect of any Damages Amount have been previously paid to Buyer in full, (D) the Indemnity Escrow Claim is not covered by or not made in accordance with the provisions of Article 9, or (E) all or any portion of the claimed Damages Amount relates to an Indemnity Escrow Claim for which the dollar amount of Damages is not then liquidated and determinable, then, within twenty (20) calendar days after Seller’s receipt of the applicable Notice of Claim (the “Objection Period”), Seller may give to Buyer a written notice setting forth the reasons for Seller’s objection in reasonable detail (a “Notice of Objection”). The Notice of Objection must set forth a statement of whether or not any portion of the proposed Damages Amount is undisputed and, if undisputed, the undisputed amount thereof (such specified undisputed amount being hereinafter referred to as the “Undisputed Amount”).

(iii) If Seller delivers a timely Notice of Objection with respect to any Notice of Claim, then within two (2) business days of delivering such Notice of Objection, Guarantor and KSWO Inc. shall submit to the Escrow Agent a Joint Written Direction (as defined in the Escrow Agreement) instructing the Escrow Agent to distribute to Buyer the Undisputed Amount (if any).

(iv) If Seller does not deliver a Notice of Objection with respect to any Notice of Claim within the applicable Objection Period, then within two (2) business days of the end of the Objection Period, Guarantor and KSWO Inc. shall submit to the Escrow Agent a Joint Written Direction (as defined in the Escrow Agreement) instructing the Escrow Agent to distribute to Buyer the Damages Amount specified in the Notice of Claim.

(v) On the date that is the earlier of (A) forty-five (45) days following completion of Guarantor's Audit (as defined below) and (B) twelve (12) months following the Closing Date (the "Initial Release Date"), Guarantor and KSWO Inc. shall submit to the Escrow Agent a Joint Written Direction (as defined in the Escrow Agreement) specifying distribution to Seller of the lesser of Four Million Dollars (\$4,000,000 and the Unclaimed Escrow Amount (as defined below). On the date that is the earlier of (A) six (6) months after the Initial Release Date and (B) eighteen (18) months following the Closing Date (the "Final Release Date"), Guarantor and KSWO Inc. shall submit to the Escrow Agent a Joint Written Direction (as defined in the Escrow Agreement) specifying distribution to Seller of the Unclaimed Escrow Amount. The "Unclaimed Escrow Amount" means, as of the date of determination, an amount equal to (i) any remaining amounts in the Indemnity Escrow, minus (ii) the good faith estimate of any outstanding and unpaid Indemnity Escrow Claims made by Buyer pursuant to any Notices of Claim. "Guarantor's Audit" means the audit that Guarantor will conduct of its operations, including the Stations' business for calendar year 2015.

(vi) Buyer acknowledges and agrees that to the extent Buyer is entitled to receive any payment in respect of any Damages, such payment shall be satisfied to the extent possible from the Indemnity Escrow in accordance with the terms of this Agreement and the Escrow Agreement before Buyer seeks recourse against Seller. For the avoidance of doubt, for purposes of determining whether the Cap has been met, all sums paid from the Indemnity Escrow to Buyer shall be taken into account on a dollar-for-dollar basis.

(c) The Escrow Agent's fees and charges shall be borne equally by Buyer and Seller. The parties shall each instruct the Escrow Agent to disburse the Deposit and all interest thereon to the party entitled thereto in accordance with this Section 1.5 and shall not, by any act or omission, delay or prevent any such disbursement.

#### 1.6 Net Working Capital Adjustment.

(a) The Purchase Price is subject to upward adjustment if and to the extent that the Net Working Capital at and as of the Effective Time exceeds Zero Dollars (\$0) (the "Target Net Working Capital Amount"). The Purchase Price is subject to downward adjustment if and to the extent that the Net Working Capital at and as of the Effective Time is less than the Target Working Capital Amount. The "Effective Time" means 12:01 a.m., local time, on the Closing Date.

(b) "Net Working Capital" means the difference of (a) Current Assets minus (b) Current Liabilities. Net Working Capital shall be calculated after giving effect to the

elimination of all intercompany accounts between Seller and its affiliates and shall be computed using the normal year end accounting cut-off procedures of the Texas Companies (regardless of when the Closing occurs during the year); provided, notwithstanding anything to the contrary set forth herein, such computation (i) shall be made as if the Closing and the transactions contemplated hereby had not occurred, and (ii) shall not in any case reflect the Closing or any effects of the transactions contemplated hereby or any actions or activity of, caused by or attributable to Buyer. “Current Assets” means the current assets of the Texas Companies and the Business included in the Station Assets, including (i) the Accounts Receivable (less a reserve for uncollectible amounts determined in accordance with GAAP) and (ii) prepaid expenses and deposits included in the Station Assets, but shall exclude cash and cash equivalents except to the extent any cash or cash equivalents are actually delivered to Buyer. “Current Liabilities” means the current liabilities of the Texas Companies and the Business, including Accounts Payable (including unpaid sales commission related to the sale of advertisements broadcast on the Stations or in connection with the Business prior to the Effective Time in respect of Accounts Receivable outstanding at the Effective Time) and other trade debt and accrued expenses incurred in the ordinary course of the Business, deferred revenue obligations, accrued payroll, and Accrued Vacation and Accrued Sick Leave to the extent Buyer gives such Transferred Employees credit for the same. “Business” means the business and operations of the Stations with the Station Assets and subject to the Assumed Obligations. Notwithstanding the foregoing, the Current Assets and Current Liabilities shall not include any Excluded Assets and related liabilities, including intercompany accounts receivable and intercompany accounts payable, or any current assets or current liabilities related to Programs Rights, except for payments under any Program Rights agreements related to periods that straddle the Effective Time. “Program Rights” means the rights of Seller or the Texas Companies to broadcast television programs or shows as part of a Station’s programming, including all film and program barter agreements, sports rights agreements, news rights or service agreements and syndication agreements. Except as otherwise expressly provided in this Section 1.6, Current Assets and Current Liabilities shall be calculated in a manner consistent with accounting principles generally accepted in the United States, consistently applied (“GAAP”).

(c) For the purposes of the calculation of Taxes (as defined below), the day before the Closing Date shall be treated as the last day of a taxable period, whether or not the taxable period in fact ends on such day. Real and personal property Taxes, if any, shall be prorated on a per diem basis. Sales and use Taxes shall be deemed to accrue as property is purchased, sold, used or transferred. All other Taxes shall accrue in accordance with GAAP.

(d) With respect to trade, barter or similar agreements for the sale of time in exchange for goods or services (“Barter”), if at Closing the Business has an aggregate negative or positive Barter balance (i.e., the amount by which the value of air time to be provided by the Business after the Effective Time exceeds, or conversely, is less than, the fair market value of corresponding goods and services), in which event such excess or deficiency, as the case may be, shall be treated either as prepaid time sales or a receivable of Seller, and included in the Current Assets or Current Liabilities, as applicable. In determining Barter balances, the value of air time shall be determined in accordance with GAAP, and the corresponding goods and services shall include those to be received by the Business after Closing plus those received by the Business before Closing to the extent conveyed to Buyer as a part of the Station Assets. Barter shall not include any agreements for Program Rights.



(e) No later than five (5) business days prior to the scheduled Closing Date, Seller shall provide Buyer with a statement (the “Estimated Net Working Capital Balance Sheet”) setting forth a reasonably detailed computation of Seller’s reasonable and good faith estimate of the Net Working Capital at and as of the Effective Time (the “Estimated Net Working Capital Amount”). If the Estimated Net Working Capital Amount exceeds the Target Net Working Capital Amount, then the Initial Amount shall be increased by the amount of the Estimated Net Working Capital Amount, and if the Estimated Net Working Capital Amount is less than the Target Net Working Capital Amount, then the Initial Amount shall be decreased by the amount of the Estimated Net Working Capital Amount. For a period of ninety (90) days after Closing, Seller and its auditors and Buyer and its auditors may review the Estimated Net Working Capital Balance Sheet and the related books and records of Seller with respect to the Texas Companies and the Business, and Buyer and Seller will in good faith seek to reach final agreement on the Net Working Capital at and as of the Effective Time (such final agreed upon amount being the “Final Net Working Capital Amount”). If agreement is reached within such 90-day period, then promptly thereafter Seller shall pay to Buyer or Buyer shall pay to the Seller, as the case may be, an amount equal to the difference between (i) the Final Net Working Capital Amount and (ii) the Estimated Net Working Capital Amount. If agreement is not reached within such 90-day period, then the dispute resolutions of Section 1.6(f) shall apply.

(f) If the parties do not reach an agreement on the Final Net Working Capital Amount within the 90-day period specified in Section 1.6(e), then Seller and Buyer shall select an independent accounting firm of recognized national standing as the parties hereto may agree (the “Arbitrating Firm”) to resolve the disputed items. Buyer and Seller shall each inform the Arbitrating Firm in writing as to their respective positions with respect to the Net Working Capital, and each shall make available to the Arbitrating Firm any books and records and work papers relevant to the preparation of the Arbitrating Firm’s computation of the Net Working Capital. The Arbitrating Firm shall be instructed to complete its analysis within thirty (30) days from the date of its engagement and, upon completion, to inform the parties in writing of its own determination of the Final Net Working Capital Amount, the basis for its determination and whether its determination is within the Mid-Range (defined below) or if not, whether it is closer to Buyer’s or Seller’s written determination of the Final Net Working Capital Amount. Any determination by the Arbitrating Firm in accordance with this Section 1.6(f) shall be final and binding on the parties. Within five (5) calendar days after the Arbitrating Firm delivers to the parties its written determination of the Final Net Working Capital Amount, Seller shall pay to Buyer, or Buyer shall pay to Seller, as the case may be, an amount equal to the difference between (i) the Final Net Working Capital Amount as determined by the Arbitrating Firm and (ii) the Estimated Net Working Capital Amount.

(g) If the Arbitrating Firm’s determination of the Final Net Working Capital Amount is within the Mid-Range, then Seller and Buyer shall each pay one-half of the fees and disbursements of the Arbitrating Firm in connection with its analysis. If not, then (i) if the Arbitrating Firm determines that the written position of Buyer concerning the Final Net Working Capital Amount is closer to its own determination, then Seller shall pay the fees and disbursements of the Arbitrating Firm in connection with its analysis, or (ii) if the Arbitrating Firm determines that the written position of Seller concerning the Final Net Working Capital Amount is closer to its own determination, then Buyer shall pay the fees and disbursements of the Arbitrating Firm in connection with its analysis. As used herein, the term “Mid-Range”

means a range that (A) equals twenty percent (20%) of the absolute difference between the written positions of Buyer and Seller as to the Final Net Working Capital Amount and (B) has a midpoint equal to the average of such written positions of Buyer and Seller.

(h) Concurrently with the payment of any amount required to be paid under this Section 1.6, the payor shall pay the payee interest on such amount for the period from the due date for the payment until the date paid at a rate equal to the prime rate (as reported by *The Wall Street Journal*, Eastern Edition or, if not reported thereby, by another authoritative source) as in effect from time to time. All payments to be made under this Section 1.6 shall be paid by wire transfer in immediately available funds to the account of the payee at a financial institution in the United States.

#### 1.7 **Allocation.**

(a) After Closing, Buyer and Seller will allocate the Purchase Price (less the KAUZ Purchase Price (defined below)) in accordance with the respective fair market value of Station Assets, other than the KAUZ Station Assets, being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended, and the treasury regulations promulgated thereunder (the “Code”), based upon an appraisal by Bond & Pecaro (whose fees shall be paid one-half by Seller and one-half by Buyer). Buyer and Seller shall file their federal tax returns and other tax returns reflecting the allocation made pursuant to this Section.

(b) After Closing, Buyer and Seller will allocate the KAUZ Purchase Price (defined below) in accordance with the respective fair market value of KAUZ Station Assets being purchased and sold in accordance with the requirements of Section 1060 of the Code, based upon an appraisal by Bond & Pecaro (whose fees shall be paid one-half by Seller and one-half by Buyer). Buyer and Seller shall file their federal tax returns and other tax returns reflecting the allocation made pursuant to this Section.

1.8 **Closing.** The consummation of the sale and purchase of the Equity Interests and the Station Assets provided for in this Agreement (the “Closing”) shall take place by exchange of documents via email, or as Seller and Buyer may otherwise agree, on the tenth business day after the date on which the FCC’s approval of the FCC Applications (the “FCC Consent”) becomes effective. The Closing shall not be conditioned on the FCC Consent becoming a Final Order. For purposes of this Agreement, “Final Order” means an FCC order (a) which has not been vacated, reversed, stayed, set aside, annulled or suspended, (b) with respect to which no appeal, request for stay, or petition for rehearing, reconsideration or review by any person or entity, or by the FCC on its own motion, is pending, and (c) as to which the time for filing any such appeal, request, petition, or similar pleading or the time for reconsideration or review by the FCC on its own motion under the rules of the FCC has expired (or if any such appeal, request, petition or similar pleading has been filed, the FCC’s order has been upheld and no additional review or reconsideration has been sought and the time for seeking such review or reconsideration has expired). Buyer and Seller may mutually agree on a different date for the Closing, subject to the satisfaction or waiver of the conditions set forth in Articles 6 and 7 below. The date on which the Closing is to occur is referred to herein as the “Closing Date.”

### 1.9 **Governmental Consents.**

(a) Within ten (10) business days of the date of this Agreement, Buyer and Seller shall file applications with the FCC requesting FCC consent to the assignment or transfer of control of the FCC Licenses (other than the FCC Licenses for KAUZ) to Buyer, as appropriate (collectively, and together with the KAUZ FCC Applications, the “FCC Applications”). Buyer, KAUZ Buyer and Seller shall diligently prosecute the FCC Applications and otherwise use their commercially reasonable efforts to obtain the FCC Consent pursuant to a Final Order as soon as possible.

(b) Within ten (10) business days after the date of this Agreement, Buyer and Seller shall make any required filings with the Federal Trade Commission and the United States Department of Justice (“DOJ”) pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”) with respect to the transactions contemplated hereby (including a request for early termination of the waiting period thereunder), and shall thereafter promptly respond to all requests received from such agencies for additional information or documentation. Expiration or termination of any applicable waiting period under the HSR Act is referred to herein as “HSR Clearance.” Buyer and Seller shall use their commercially reasonable efforts to obtain the HSR Clearance as soon as possible.

(c) To the extent permitted by applicable Law, Buyer, KAUZ Buyer and Seller shall notify each other of all documents filed with or received from the FCC or any other governmental agency with respect to this Agreement or the transactions contemplated hereby. Buyer, KAUZ Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder. The FCC Consent and HSR Clearance are referred to herein collectively as the “Governmental Consents.” Buyer and KAUZ Buyer shall promptly take all steps reasonably necessary to obtain the Governmental Consents, including modification or termination of any arrangements or agreements related to KAUZ.

### 1.10 **Station KAUZ.**

(a) Buyer acknowledges and agrees that Hoak, and not Seller, is the owner and operator of KAUZ. Texhoma holds a Call Option (as defined in the Hoak Agreements) to purchase assets of KAUZ from Hoak.

(b) Texhoma agrees to exercise the Call Option. Immediately following the consummation of Texhoma’s acquisition of assets of KAUZ from Hoak pursuant to the Call Option, Buyer shall acquire Texhoma and cause Texhoma to sell to KAUZ Buyer the KAUZ Station Assets as provided for in this Agreement. “KAUZ Station Assets” means the assets of Hoak acquired by Texhoma that would be “Station Assets” hereunder if owned by Seller and the assets listed on Schedule 1.10. On the Closing Date, KAUZ Buyer shall assume the Assumed Obligations related to the KAUZ Station Assets and pay to Texhoma an amount equal to the exercise price for the Call Option (as defined in the Hoak Agreements), as adjusted by the portion of the Final Net Working Capital Amount attributable to the KAUZ Station Assets (the “KAUZ Purchase Price”). After Closing, Buyer and KAUZ Buyer will allocate the KAUZ Purchase Price in accordance with the respective fair market value of KAUZ Station Assets

being purchased and sold in accordance with the requirements of Section 1060 of the Code, based upon the appraisal by Bond & Pecaro referenced in Section 1.7. Buyer and KAUZ Buyer shall file their federal tax returns and other tax returns reflecting such allocation.

(c) Within two (2) business days after the execution of this Agreement, (i) Texhoma shall withdraw the Assignment dated February 11, 2014, pursuant to which Texhoma assigned its rights in the Call Option to KAUZ Media, Inc., and the related Exercise Notice dated February 11, 2014; and (ii) Texhoma shall execute and deliver to Hoak an Exercise Notice substantially in the form attached hereto as **Exhibit C-1**. Within ten (10) business days of the date of this Agreement, KAUZ Buyer shall, together with Hoak, file applications with the FCC requesting FCC consent to the assignment of the FCC Licenses for KAUZ from Hoak to KAUZ Buyer (the “KAUZ FCC Applications”). KAUZ Buyer and Buyer intend to enter into an agreement pursuant to which Buyer will provide certain services to KAUZ following the Closing in a manner that does not result in attribution of KAUZ to Buyer or its affiliates (the “Services Agreement”). The form of the Services Agreement is attached hereto as **Exhibit C-2**. KAUZ Buyer and Buyer agree that the agreements or arrangements between them shall not include any joint advertising sale agreement or any joint retransmission consent negotiation agreement, any loan guarantee, any option for Buyer or its affiliates to acquire KAUZ, or any right of first refusal, put/call arrangement or any other arrangement for Buyer or its affiliates to have a contingent interest or attributable interest in KAUZ.

(d) Buyer acknowledges and agrees that Seller entered into this Agreement in reliance on the agreements of Buyer and KAUZ Buyer herein, as Seller would not otherwise be permitted to sell the Texas Companies and the Station Assets to Buyer under the rules and regulations of the FCC. As between Seller and Buyer, Buyer acknowledges and agrees that any breach or default by KAUZ Buyer under this Agreement shall constitute a breach or default by Buyer.

1.11 **Bulk-Sales Laws**. Buyer hereby waives compliance by Seller with the requirements and provisions of any “bulk-transfer” laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Station Assets to Buyer; provided, however, Seller agrees (a) to pay and discharge when due or to contest or litigate all claims of creditors which are asserted against Buyer or the Station Assets by reason of such noncompliance, (b) to indemnify, defend and hold harmless Buyer from and against any and all such claims in the manner provided in Article 9 and (c) to take promptly all necessary action to remove any Lien which is placed on the Station Assets by reason of such noncompliance.

## **ARTICLE 2**

### **SELLER REPRESENTATIONS AND WARRANTIES**

Seller makes the following representations and warranties to Buyer, subject to Section 1.10. As used in this Agreement, “to the knowledge of Seller” means to the actual knowledge of those persons listed on Schedule 2.

2.1 **Organization**. Each Seller and each Texas Company is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and is qualified to do business in each jurisdiction in which the Station Assets it owns and operates are

located. Each Seller has the requisite power and authority to execute, deliver and perform this Agreement. Each Seller and each Texas Company has the requisite power and authority to execute, deliver and perform all of the other agreements and instruments to be executed and delivered by it pursuant hereto (collectively with this Agreement, the “Seller Ancillary Agreements”) and to consummate the transactions contemplated hereby.

2.2 **Authorization.** The execution, delivery and performance of this Agreement and the Seller Ancillary Agreements by Seller and the Texas Companies have been duly authorized and approved by all necessary action of Seller and the Texas Companies and do not require any further authorization or consent of Seller and the Texas Companies. This Agreement is, and each Seller Ancillary Agreement when made by Seller, the Texas Companies and the other parties thereto will be, a legal, valid and binding agreement of Seller and the Texas Companies enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3 **No Conflicts.** Except as set forth on Schedule 2.3 and except for the Governmental Consents, the Required Consents and any other third party consents as may be required to assign the Station Contracts, the execution, delivery and performance by Seller and the Texas Companies of this Agreement and the Seller Ancillary Agreements and the consummation by Seller and the Texas Companies of any of the transactions contemplated hereby or thereby do not (a) conflict with any organizational documents of Seller or the Texas Companies, (b) conflict with, result in a breach of, or give rise to a right of termination or acceleration or constitute a default under any Station Contracts, in each case, to the extent such conflict, breach, right of termination or acceleration, or default would reasonably be expected to have a Material Adverse Effect (as such term is defined in Section 2.17), (c) conflict in any material respect with any Law, judgment, order, or decree to which Seller or any Texas Company is subject, or (d) require the consent or approval of, or a filing by Seller or any Texas Company with, any governmental or regulatory authority, or require the consent of any third party pursuant to any contract, to the extent the lack of such consent or approval, or the failure to make such filing, would reasonably be expected to have a Material Adverse Effect.

2.4 **The Texas Companies.**

(a) All issued and outstanding ownership interests in the Texas Companies are owned beneficially and of record by Texas Seller, free and clear of all Liens. The Equity Interests have been duly authorized and validly issued and are fully paid and non-assessable and not subject to preemptive rights. There are no outstanding securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind to which any Texas Seller or any Texas Company is a party or by which any of them is bound obligating any Texas Seller or any Texas Company to issue, deliver or sell, or cause to be issued, delivered or sold, additional equity interests or other securities of any Texas Company or obligating any Texas Seller or any Texas Company to issue, grant, extend or enter into any such security, option, warrant, call, right, commitment, agreement, arrangement or undertaking. There are no outstanding contractual obligations of any Texas Seller or any Texas Company to repurchase,

redeem or otherwise acquire any interest in any Texas Company. There are no outstanding contractual obligations of any Texas Seller to vote or to dispose of any of its interest in any Texas Company. The Equity Interests are not certificated.

(b) The Texas Companies have not engaged in any business activities other than the Stations' business.

(c) The Texas Companies own no subsidiaries. The Texas Companies do not own any capital stock or other equity ownership or proprietary interest in any corporation, partnership, limited liability company, association, trust or joint venture. No Texas Company is a guarantor nor otherwise liable for any liability or obligation (including indebtedness) of any other person or entity.

**2.5 FCC Licenses.** Except as set forth on Schedule 1.2(a)(i):

(a) The holders of the FCC Licenses are described on Schedule 1.2(a)(i). Seller has delivered true and complete copies of the FCC Licenses to Buyer. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired.

(b) Except as set forth in Schedule 2.5(b), (i) there is not pending any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability); (ii) there is not issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or order of forfeiture against the Stations or against Seller or any Texas Company with respect to the Stations that could result in any such action; and (iii) the Stations are operating in compliance in all material respects with the FCC Licenses, the Communications Act of 1934, as amended (the "Communications Act"), and the rules, regulations and written and announced policies of the FCC.

(c) Except as set forth in Schedule 2.5(c), (i) the towers and other structures of Seller and the Texas Companies used in the ownership and operation of the Stations are obstruction marked and lighted to the extent required by, and in accordance with, the rules and regulations of the Federal Aviation Administration (the "FAA"), the FCC and other federal, state and local authorities and (ii) appropriate notifications to the FAA and registrations with the FCC have been filed for such towers and other structures where required.

(d) Schedule 2.5(d) contains a list of all material permits which are required for the operation of the business of the Stations as presently conducted, other than the FCC Licenses ("Seller Permits"). Seller or the Texas Companies currently have all Seller Permits. Seller and the Texas Companies are not in default or violation, and no event has occurred which, with notice or the lapse of time or both, would constitute a default or violation, in any material respect of any term, condition or provision of any Seller Permit and, to the knowledge of Seller, there are no facts or circumstances which could form the basis for any such default or violation. None of the Seller Permits will be materially impaired by the consummation of the transactions contemplated by this Agreement.

## 2.6 **Taxes.**

(a) Seller and each Texas Company has filed (or been included in) all material foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable Law, and has paid all taxes shown thereon as due and payable, except, in each case, any taxes or assessments being contested in good faith. Neither Seller nor any Texas Company is a foreign person within the meaning of Section 1445 of the Code.

(b) For purposes of Section 2.6(a) and for all other purposes of this Agreement, “Tax” (and, in the plural, “Taxes”) shall mean (i) any domestic or foreign federal, state or local taxes, charges, fees, levies, imposts, duties and governmental fees or other like assessments or charges of any kind whatsoever (including, but not limited to, any income, net income, gross income, receipts, windfall profit, severance, property, production, sales, use, license, excise, registration, franchise, employment, payroll, withholding, alternative or add-on minimum, intangibles, ad valorem, transfer, gains, stamp, estimated, transaction, title, capital, paid-up capital, profits, occupation, premium, value-added, recording, real property, personal property, inventory and merchandise, business privilege, federal highway use, commercial rent or environmental tax), (ii) all interest, penalties, fines, additions to tax or additional amounts imposed by any taxing authority in connection with any item described in clause (i), and (iii) any liability in respect of any items described in clauses (i) and/or (ii) payable by reason of contract, assumption, transferee liability, operation of law, Section 1.1502-6(a) (or any predecessor or successor thereof) of the treasury regulations promulgated under the Code (or any analogous or similar provision under Law) or otherwise.

(c) For all purposes of this Agreement, “Transfer Taxes” shall mean any sales, use, stamp, documentary, filing, recording, transfer, real estate transfer, stock transfer, gross receipts, registration, duty, securities transactions or similar fees or taxes or governmental charges (together with any interest or penalty, addition to tax or additional amount imposed) as levied by any taxing authority in connection with the transactions contemplated by this Agreement.

2.7 **Personal Property.** Schedule 1.2(a)(ii) contains a list of material items of Tangible Personal Property included in the Station Assets. Except as set forth on Schedule 1.2(a)(ii), Seller or the Texas Companies have title to the Tangible Personal Property free and clear of Liens other than Permitted Liens (defined below). Except as set forth on Schedule 1.2(a)(ii), all material items of Tangible Personal Property are in normal operating condition, ordinary wear and tear excepted. As used herein, “Permitted Liens” means, collectively, the Assumed Obligations, Liens for Taxes not yet due and payable as to which accruals based upon Taxes for the prior year have been established in the Financial Statements dated the Financial Statement Date, Liens that will be released at or prior to Closing, such other easements, rights of way, building and use restrictions, exceptions, reservations and limitations that do not in any material respect impair the use of the Station Assets in the ordinary course of the Stations’ business as heretofore operated, the Mineral Interests retained by Seller and the development and exploitation of those rights by Seller, and those Liens listed on Schedule 2.7.

## 2.8 **Real Property.**

(a) Schedule 1.2(a)(iii) contains a description of all real property used or held for use in the operation of the Stations' business. Except as set forth on Schedule 1.2(a)(iii), Seller or a Texas Company has actual and exclusive possession of each parcel of owned real property described on Schedule 1.2(a)(iii) (the "Owned Real Property") and good, insurable title in fee simple to the Owned Real Property, free and clear of Liens other than Permitted Real Property Encumbrances (defined below). Except as set forth on Schedule 1.2(a)(iii), all buildings, improvements and other property on the Owned Real Property have received all approvals of governmental authorities (including, without limitation, certificates of occupancy, permits and licenses) required in connection with the ownership or operation thereof and have been operated and maintained in all material respects in accordance with applicable legal requirements and are not in material violation of any applicable zoning, building code or subdivision ordinance, regulation, order or Law or restrictions or covenants of record, and are in satisfactory condition and repair for continued use in the ordinary course of business of the Stations' business consistent with past practices. Seller has not received any written notice from any government body (i) requiring Seller or a Texas Company to correct any condition with respect to the Owned Real Property by reason of a violation of any Law or (ii) threatening or contemplating modification, cancellation or non-renewal of any such approvals, certificates of occupancy, permits and licenses. There are no leases, subleases, licenses, concessions or other agreements, written or oral, granted by Seller or a Texas Company to any party or parties which grant to any such party or parties the right of use or occupancy of any portion of the Owned Real Property, except as set forth on Schedule 1.2(a)(iii).

(b) Schedule 1.2(a)(iii) includes a description of all real property and interests in real property leased by Seller or a Texas Company as lessee and used or held for use in the operation of the Station and a description of all contracts, leases or similar agreements with respect thereto (the "Real Property Leases"). Seller or the Texas Companies (i) have a valid, binding and enforceable leasehold interest in and to each Real Property Lease; and (ii) hold good leasehold title to and actual and exclusive possession of, the premises leased pursuant to each such Real Property Lease, free and clear of all Liens other than Permitted Liens.

(c) The Owned Real Property, and, to Seller's knowledge, the Real Property Leases are not subject to: (i) any litigation, or (ii) any suit for condemnation or other taking by any public authority. The Real Property constitutes the only real property used in or related to Stations' business. Except as set forth on Schedule 2.8, (A) the Texas Companies and Seller, on behalf of the Stations' business, do not hold a contractual right or obligation to purchase or acquire any real estate interest, and (B) no person has an option, right of first refusal or other contractual right or obligation to acquire title to the Owned Real Property or any portion thereof or interest therein. For purposes of this Agreement, "person" shall mean any individual, corporation, limited liability company, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, governmental authority or other entity.

(d) Except as set forth on Schedule 1.2(a)(iii), all of the personal property, fixtures and improvements owned by Seller or a Texas Company and included on or in all Real Property are in good operating condition and repair and are in a satisfactory condition for the



continued use of such Real Property in the ordinary course of the business of the Stations consistent with past practices, ordinary wear and tear excepted.

## 2.9 **Contracts.**

(a) Except as set forth on Schedule 1.2(a)(iv), each of the Station Contracts (including without limitation each of the Real Property Leases) is in effect and is binding upon Seller or a Texas Company, as applicable, and, to the knowledge of Seller, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Seller and each Texas Company has performed its obligations under each of the Station Contracts in all material respects, and is not in material default thereunder, and to the knowledge of Seller, no other party to any of the Station Contracts is in default thereunder in any material respect.

(b) Schedule 2.9(b) sets forth a list of all retransmission agreements entered into by or on behalf of the Stations as of the date hereof (the "Retransmission Agreements"). Seller has provided to Buyer correct and complete copies of all Retransmission Agreements. Seller and each Texas Company has performed its obligations under each of the Retransmission Agreements in all material respects, and is not in material default thereunder, and to the knowledge of Seller, no other party to any Retransmission Agreement is in default thereunder in any material respect. Each of the Retransmission Agreements is assignable to Buyer by Seller to the extent and as provided on Schedule 2.9(b).

2.10 **Environmental.** To Seller's knowledge, except as set forth on Schedule 2.10, (a) no hazardous or toxic substance, material or waste regulated under or pursuant to any applicable environmental, health or safety law, rule, regulation or other legal requirement (collectively, "Environmental Laws") has been generated, stored, transported or released on, in, from or to the Owned Real Property in violation of any Environmental Law and no hazardous or toxic substances, material or waste regulated under or pursuant to any applicable Environmental Law has been generated, stored, transported or released by Seller or any Texas Company on, in, from or to the premises leased pursuant to each Real Property Lease in material violation of Environmental Laws; (b) the operations of the Station Assets by Seller and the Texas Companies and Seller's and the Texas Companies' operations at the Real Property are, and have been, in compliance in all material respects with all Environmental Laws which compliance includes obtaining, maintaining and complying with all material Permits required under Environmental Laws to operate the Station Assets; (c) neither Seller, the Texas Companies, the Station Assets, nor the Owned Real Property or the premises leased pursuant to each such Real Property Lease, is subject to any pending or threatened investigation, claim, action, proceeding, or suit alleging noncompliance with or potential liability under any Environmental Laws; and (d) there are no current facts, circumstances or conditions arising out of or relating to the operations or ownership of the Station Assets or the Owned Real Property by Seller that would reasonably be expected to result in Buyer, Seller or any of the Texas Companies incurring material liabilities under Environmental Laws. Seller has made available to Buyer copies of all material environmental reports, assessments, audits, inspections, claims, notices, correspondence, judgments, and related materials related to environmental matters pertaining to the operation of the Station Assets that are in the possession or control of Seller or any of the Texas Companies.

2.11 **Intangible Property.** Schedule 1.2(a)(vii) contains a description of the material Intangible Property included in the Station Assets. To the knowledge of Seller, (a) Seller's and the Texas Companies' use of the Intangible Property does not infringe upon any third party rights in any material respect, (b) the Intangible Property is not the subject of any pending or threatened legal proceedings which involve a claim of infringement, unauthorized use or violation by any person and (c) neither Seller nor any of the Texas Companies has received any written notice of any threatened claim of infringement, unauthorized use or violation by any person against Seller, any Texas Company or any Station challenging the ownership, use, validity or enforceability of any Intangible Property. Except as set forth on Schedule 1.2(a)(vii), to the knowledge of Seller, Seller or a Texas Company owns or has the right to use the Intangible Property free and clear of Liens other than Permitted Liens and such use does not violate in any material respect any other right of any other person (including pursuant to any non-disclosure agreement).

2.12 **Employees.**

(a) Neither Seller nor any Texas Company is a party to a collective bargaining or similar agreement with respect to the Station Employees. The "Station Employees" means all employees of the Texas Companies and/or the Stations' business. There is no union organization activity involving any of the Station Employees pending or, to the knowledge of Seller, threatened. Except as set forth on Schedule 2.12(a), (i) Seller has complied in all material respects with all labor and employment laws, rules and regulations applicable to the Stations' business, including without limitation those which relate to prices, wages, hours, discrimination in employment and collective bargaining, and (ii) there is no unfair labor practice charge or complaint against Seller in respect of the Stations' business or a Texas Company pending or, to the knowledge of Seller, threatened before the National Labor Relations Board, any state labor relations board or any court or tribunal, and there is no strike, dispute, request for representation, slowdown or stoppage pending or, to the knowledge of Seller, threatened in respect of the Stations' business.

(b) Schedule 2.12(b) sets forth a correct and complete list of: (i) all employment, individual consulting or compensation agreements to which Seller or any of the Texas Companies have any obligation or liability (contingent or otherwise) with respect to the Station Employees as of the date of this Agreement (the "Employment Agreements") and (ii) all employee benefit plans (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) and all other employee benefit plans, policies, agreements or arrangements (including but not limited to severance, change in control, retention or similar agreements or arrangements), other than the Employment Agreements, for the benefit of current or former Station Employees (or their eligible dependents or beneficiaries) or for which Seller or any of the Texas Companies have any obligation or liability, contingent or otherwise (the "Seller Plans"). Correct and complete copies of each Employment Agreement and the following documents with respect to each of the Seller Plans have been made available to Buyer, as applicable: (i) the summary plan descriptions for each Seller Plan subject to ERISA, (ii) the plan document or agreement, policy or arrangement for all other Seller Plans (or written summaries of all non-written Seller Plans). Each Employment Agreement and Seller Plan has been maintained in all material respects in accordance with its terms and applicable Law, including without limitation the Code and ERISA. Except as set forth on Schedule 2.12(b), neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein

will (i) result in any payment becoming due to any Station Employee, (ii) increase any benefits otherwise payable under any Employment Agreement or Seller Plan, (iii) result in the acceleration of the time of payment or vesting of any such benefits under any such agreement or plan, or (iv) require any contributions or payments to fund any obligations under any Seller Plan.

(c) Schedule 2.12(c) sets forth a correct and complete (i) list of all Station Employees, including positions and semi-monthly or hourly pay rates for such employees, (ii) list of all Station Employees who are on inactive status (including employees who are inactive due to layoff, leave or short-term or long-term disability or other permitted absence from employment), including the type of leave applicable to such employee and the date on which employee became inactive, and the employee's expected date of return to work, if known, and (iii) a list of all accrued and unused vacation and sick days credited to each Station Employee, in each case, as of the date set forth on Schedule 2.12(c).

2.13 **Insurance.** Seller and the Texas Companies maintain the insurance policies or other arrangements set forth on Schedule 2.13 with respect to the Stations' business and the Station Assets. Seller and the Texas Companies will maintain such policies or arrangements (or comparable policies or arrangements) until the Effective Time. Neither Seller nor any of the Texas Companies have received a written notice of cancellation of any insurance policy listed on Schedule 2.13 or been denied insurance coverage, which, in either case, would have a Material Adverse Effect.

2.14 **Compliance with Law.** To the knowledge of Seller, except as set forth on Schedule 2.14, (a) Seller and each Texas Company is in compliance in all material respects with all laws, rules and regulations, and all decrees and orders of any court or governmental authority ("Laws") which are applicable to the operation of the Stations' business, and (b) to the knowledge of Seller, there are no governmental or regulatory claims or investigations pending or, to the knowledge of Seller, threatened against Seller or any Texas Company, in each case in respect of the Stations' business, except those affecting the broadcast television industry generally.

2.15 **Litigation.** Except as set forth on Schedule 2.15, (a) there is no action, suit or proceeding pending or, to the knowledge of Seller, threatened against Seller or any Texas Company or any of their officers or employees in respect of the Stations' business or the transactions contemplated by this Agreement, which, in either case, has had or could reasonably be expected to have a Material Adverse Effect, and (b) neither Seller nor any Texas Company is engaged in any legal action to acquire injunctive relief or recover monies due it for damages sustained by it in connection with the Stations' business.

2.16 **Financial Statements.** Schedule 2.16 contains: (a) Seller's unaudited balance sheets for the Stations' business and the Texas Companies as at December 31 for the years ending 2013 and 2014, respectively, and the related unaudited statements of income for the Stations' business and the Texas Companies for the fiscal years then ended, and (b) unaudited balance sheets for the Stations' business and the Texas Companies as at May 31, 2015 (the "Financial Statement Date"), and the related unaudited statements of income for the Stations' business and the Texas Companies for the five month period then ended (collectively, with the financial statements delivered pursuant to Section 4.1(e), the "Financial Statements"). Buyer

acknowledges that the Financial Statements are not and will not be prepared in accordance with GAAP, and Seller makes no representation or warranty that the Financial Statements comply with GAAP. The Financial Statements in the aggregate present and will present fairly in all material respects, and in accordance with Seller's accounting principles, consistently applied throughout the periods involved, the assets and liabilities and results of operations of the Stations' business as operated by Seller for the respective periods covered thereby, subject, in the case of any interim Financial Statements, to normal year-end adjustments. The Financial Statements have been and will be prepared from and are in accordance with the accounting records of Seller and the Texas Companies, and such accounting records accurately reflect transfers of assets to and from Sellers and Texas Companies, as appropriate. Seller and the Texas Companies have accounting controls sufficient to provide reasonable assurance that material transactions of the Seller and the Texas Companies, respectively, are executed in accordance with management's general or specific authorization. Seller has also delivered to Buyer copies of all letters, if any, from any outside accounting firm relating to the Financial Statements to Seller's management, board of directors or equivalent body during the thirty-six (36) months preceding execution of this Agreement, together with copies of all responses thereto.

**2.17 Absence of Certain Developments.** Except as expressly contemplated by this Agreement, or as set forth on Schedule 2.17, between the Financial Statement Date and the date of this Agreement, (a) Seller and the Texas Companies have conducted the Stations' business in all material respects in the ordinary course of business and (b) there has not been any event, change, occurrence or circumstance that has had or could reasonably be expected to have a Material Adverse Effect. As used herein, "Material Adverse Effect" means any change or effect that is materially adverse to the properties, operations, business, financial condition or results of operation of the Stations' business, taken as a whole, other than any change, effect, event or occurrence resulting from (i) changes in the United States economy in general or a Station's DMA (as determined by Nielsen Media Research) in general, (ii) changes in general local, domestic, foreign, or international economic conditions, (iii) changes in the United States broadcasting industry in general, (iv) any acts of war, sabotage, or terrorism, or any military action, or outbreak of hostilities, or the escalation thereof, (v) the announcement of the existence of this Agreement or the transactions contemplated hereby, (vi) any action required or any change permitted or contemplated by this Agreement, or (vii) any changes in applicable Laws or accounting rules or principles, including changes in GAAP.

**2.18 Sufficiency of Assets.** The Station Assets include all assets that are owned or leased by Seller and the Texas Companies and used in the operation of the Stations' business in all material respects as currently operated. The Station Assets are sufficient for Buyer to conduct the Stations' business from and after the Closing Date without interruption and in the ordinary course of business as it has been conducted by Seller.

**2.19 Financial Advisors.** Except as set forth on Schedule 2.19, no person has acted, directly or indirectly, as a broker, finder or financial advisor for Seller or the Texas Companies in connection with the transactions contemplated by this Agreement and no person is or will be entitled to any fee or commission or like payment in respect thereof.

2.20 **Related Party Transactions.** Except as set forth on Schedule 2.20, each Station Contract, between Seller or a Texas Company on the one hand, and any affiliate of Seller or any officer, director or employee of Seller on the other hand, other than any contracts included in the Retained Obligations, is on commercially-reasonable terms no more favorable to the affiliate, director, officer or employee of Seller than what any third party negotiating on an arms-length basis would expect.

2.21 **Bank Accounts.** Schedule 2.21 lists each bank, trust company, savings institution, brokerage firm, mutual fund or other financial institution with which the Texas Companies have an account or safe deposit box and the names and identification of all persons authorized to draw thereon or to have access thereto, and lists the name of each person holding a power of attorney or agency authority from any of the Texas Companies for each such account.

### **ARTICLE 3 BUYER REPRESENTATIONS AND WARRANTIES**

Buyer hereby makes the following representations and warranties to Seller:

3.1 **Organization.** Each Buyer and KAUZ Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is (or if not required until Closing, as of Closing will be) qualified to do business in each jurisdiction in which the Station Assets it will own and operate are located. Each Buyer and KAUZ Buyer has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be executed and delivered by it pursuant hereto (collectively with this Agreement, the “Buyer Ancillary Agreements”) and to consummate the transactions contemplated hereby.

3.2 **Authorization.** The execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements by each Buyer and KAUZ Buyer have been duly authorized and approved by all necessary action of each Buyer and KAUZ Buyer and their members and do not require any further authorization or consent of any Buyer, KAUZ Buyer or their members. This Agreement is, and each Buyer Ancillary Agreement when made by each Buyer, KAUZ Buyer and the other parties thereto will be, a legal, valid and binding agreement of such Buyer or KAUZ Buyer, as applicable, enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 **No Conflicts.** Except for the Governmental Consents, the execution, delivery and performance by each Buyer and the KAUZ Buyer of this Agreement and the Buyer Ancillary Agreements and the consummation by Buyer and the KAUZ Buyer of any of the transactions contemplated hereby and thereby does not (a) conflict with any organizational documents of any Buyer or KAUZ Buyer, (b) conflict with, result in a breach of, or give rise to a right of termination or acceleration or constitute a default under any material contract of any Buyer or KAUZ Buyer, (c) conflict with any Law, judgment, order or decree to which any Buyer or

KAUZ Buyer is subject, or (d) require the consent or approval of, or a filing by any Buyer or KAUZ Buyer with, any governmental or regulatory authority or any third party.

3.4 **Litigation.** There is no action, suit or proceeding pending or, to Buyer's knowledge, threatened against any Buyer or KAUZ Buyer which questions the legality or propriety of the transactions contemplated by this Agreement or could materially adversely affect the ability of each Buyer and KAUZ Buyer to perform its obligations hereunder.

3.5 **Qualification.** Except as set forth on Schedule 3.5, (a) each Buyer and KAUZ Buyer, as applicable, is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Stations under the Communications Act and the rules, regulations and policies of the FCC; and (b) to the knowledge of Buyer: (i) there are no facts that would, under existing Law and the existing rules, regulations, policies and procedures of the FCC, disqualify a Buyer or KAUZ Buyer, as applicable, as an assignee of the FCC Licenses or as the owner and operator of the Stations; (ii) no waiver of or exemption from any FCC rule or policy is necessary for the FCC Consent to be obtained; and (iii) there are no matters related to Buyer or KAUZ Buyer which might reasonably be expected to result in the FCC's denial or delay of approval of the FCC Applications.

3.6 **Purchase for Own Account.** The Equity Interests will be acquired for investment for Buyer's own account, not as a nominee or agent, and not as a nominee or agent, and not with a view to the resale or public distribution of any part thereof in violation of any requirements of the Securities Act of 1933, as amended (the "Securities Act") or applicable state securities laws.

3.7 **Restricted Securities.** Buyer understands and acknowledges that the Equity Interests have not been registered under the Securities Act, and that such securities are "restricted securities" under applicable U.S. federal and state securities laws and that, pursuant to these laws, Buyer must hold the Equity Interests until its resale is registered with the SEC and qualified by state authorities, or an exemption from such registration and qualification requirements is available.

3.8 **Accredited Investor.** Buyer is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

3.9 **Financial Advisors.** No person has acted, directly or indirectly, as a broker, finder or financial advisor for Buyer or KAUZ Buyer in connection with the transactions contemplated by this Agreement and no person is or will be entitled to any fee or commission or like payment in respect thereof.

3.10 **Financing.** On the date hereof, Buyer has available on hand, from its working capital and/or currently available unrestricted credit facilities, all funds necessary to pay the Closing Payment and to satisfy all of the obligations of Buyer under this Agreement.

## **ARTICLE 4 SELLER COVENANTS**

4.1 **Seller's Covenants**. Between the date hereof and the Closing Date, subject to Section 1.10, and except as permitted by this Agreement, or with the prior written consent of Buyer, which shall not be unreasonably withheld, delayed or conditioned, Seller shall, and shall cause the Texas Companies to:

(a) operate the Stations' business in the ordinary course of business and in all material respects in accordance with FCC rules and regulations and with all other applicable Laws, regulations, rules and orders;

(b) not materially adversely modify any of the FCC Licenses;

(c) not, other than in the ordinary course of business, sell, lease, license, convey or dispose of or agree to sell, lease, license, convey or dispose of any of the Station Assets unless replaced with similar items of substantially equal or greater value or utility, or create, assume or permit to exist any Liens upon the Station Assets, except for Permitted Liens;

(d) upon reasonable notice give Buyer reasonable access during normal business hours to the Station Assets and the Station Employees, and furnish Buyer with financial, accounting and other information relating to the Station Assets and the Station Employees that Buyer may reasonably request, provided that such access rights shall not be exercised in a manner that interferes with the operation of the Stations' business;

(e) provide Buyer any financial information regarding the Stations' business that is maintained by Seller in the ordinary course of business and reasonably requested by Buyer, including, without limitation copies of the monthly unaudited statements of income and unaudited balance sheets for the Texas Companies and the Stations' business, certified by Laura Byrd, as to compliance with Section 2.16 hereof;

(f) use commercially reasonable efforts to (i) preserve the present business operations, organization (including without limitation employees) and goodwill of the Stations' business and (ii) preserve the present relationships with persons having business dealings with the Stations' business (including without limitation customers and suppliers);

(g) maintain (i) all of the Station Assets in their current condition, ordinary wear and tear excepted, and (ii) insurance upon all Station Assets in such amounts and of such kinds comparable to that in effect on the date of this Agreement;

(h) except in the ordinary course of business as otherwise required by Law, (i) not enter into any employment agreement or plan or any collective bargaining agreement (or amendments of any such existing agreements or plan) that will be binding upon Buyer after Closing or (ii) increase the compensation payable to any Station Employee, except for bonuses and other compensation payable by Seller in connection with the consummation of the transactions contemplated by this Agreement; Seller shall use its best efforts to cause any Station Employee not listed on Schedule 5.10 currently a party to an Employment Agreement that

expires between the date of the execution of this Agreement and the Closing Date to execute an employment agreement substantially in the form attached hereto as **Exhibit D**;

(i) not, other than in the ordinary course of business, enter into new agreements or contracts that would constitute Station Contracts or amend or renew any existing Station Contracts, including, without limitation, any Station Contract containing any non-market equivalent financial terms; and

(j) exercise all rights of renewal with respect to any Real Property Lease in which Seller is a tenant thereunder that by its terms would otherwise expire.

## **ARTICLE 5 JOINT COVENANTS**

Buyer, KAUZ Buyer and Seller hereby covenant and agree as follows, subject to Section 1.10:

5.1 **Confidentiality**. Drewry Communications Group and Raycom Media, Inc. are parties to that certain Non-Disclosure Agreement dated as of February 2, 2015, as amended by that certain Preliminary Letter of Interest dated as of April 28, 2015 (the “Confidentiality Agreement”). Without limiting the terms of the Confidentiality Agreement, subject to the requirements of applicable Law, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement and that constitutes confidential information under the terms of the Confidentiality Agreement (including without limitation all financial information provided by Seller to Buyer) shall be kept confidential by the parties and shall not be disclosed to any other person or entity, except in accordance with the terms of the Confidentiality Agreement (as if KAUZ Buyer was also a party to the Confidentiality Agreement).

5.2 **Announcements**. Prior to Closing, no party shall, without the prior written consent of the other, issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, except to the extent that such party is so obligated by Law, in which case such party shall give advance notice to the other (to the extent permitted by such laws). Under no circumstances will Seller announce a “multiple” of the sales price of the Stations.

5.3 **Control**. Buyer shall not, directly or indirectly, control, supervise or direct the operation of the Stations prior to Closing. Consistent with the Communications Act and the FCC rules and regulations, control, supervision and direction of the operation of the Stations prior to Closing shall remain the responsibility of Seller and Hoak, as applicable, as the holder of the FCC Licenses.

5.4 **Risk of Loss**.

(a) Seller shall bear the risk of any loss of or damage to any of the Station Assets at all times until the Effective Time, and Buyer shall bear the risk of any such loss or damage thereafter. If after the date hereof and prior to the Effective Time any item of material Tangible Personal Property is damaged or destroyed in any material respect, then:



(i) Seller shall use commercially reasonable efforts to repair or replace such item in all material respects in the ordinary course of business;

(ii) Seller's representations and warranties, and Buyer's pre-Closing termination rights and post-Closing indemnification rights, are hereby modified to reflect any such condition to the extent it is repaired or replaced pursuant to Section 5.4(a)(i); and

(iii) if Seller is unable to repair or replace such damaged item by the Closing Date, Seller promptly shall reimburse Buyer for all reasonable out-of-pocket costs incurred by Buyer in repairing or replacing the damaged item after Closing.

(b) If any Material Station (as defined on **Exhibit A**) is off the air prior to Closing, then Seller shall use commercially reasonable efforts to return such Material Station to the air as promptly as practicable in the ordinary course of business. Notwithstanding anything herein to the contrary, if on the day otherwise scheduled for Closing a Material Station is off the air, then Closing shall be postponed until such Material Station is returned to the air, provided that nothing in this Section 5.4(b) shall extend the Outside Date.

#### **5.5 Environmental; Real Property Title.**

(a) From the date of this Agreement until September 28, 2015, Buyer and its advisors shall have the right during normal business hours to enter the Owned Real Property for the purpose of conducting Phase I Environmental Site Assessments (each, a "Phase I"); provided, no such assessment shall include invasive sampling prior to Closing. With respect to any Phase II environmental assessment (a "Phase II") recommended by a Phase I and requested in writing by Buyer, Seller may (i) consent to the performance of such Phase II or (ii) deny consent to the performance of such Phase II, provided that Seller has delivered notice (a "Phase II Denial Notice") to Buyer that it will prohibit such Phase II pursuant to clause (ii) within five (5) days of the initial written request from Buyer that such Phase II be performed. Buyer shall promptly provide a copy of any Phase I or Phase II to Seller.

(b) Buyer shall obtain title commitments and examine title to the Owned Real Property by September 14, 2015 (the "Title Examination Period"). Buyer shall advise Seller in writing, during the Title Examination Period, of any title matters that would preclude issuance of the Title Policies in the form required under Section 7.8. If no objections to title are made during the Title Examination Period, then Buyer shall be deemed to have approved all matters of record as of the effective date of this Agreement except mortgages, deeds of trust or other security interests for the payment of loans. "Permitted Real Property Encumbrances" means (i) Permitted Liens, (ii) imperfections of title that, individually or in the aggregate, do not materially impair the present use of the Owned Real Property subject thereto, and (iii) all matters of record approved pursuant to this Section 5.5(b).

#### **5.6 Consents.**

(a) The parties shall use commercially reasonable efforts to obtain (i) any third party consents necessary for the assignment of any Station Contract (which shall not require any payment to any such third party), and (ii) execution of a reasonable estoppel certificate by

lessors under any Real Property Lease requiring consent to assignment (if any), but no such consents or estoppel certificates are conditions to Closing except for the Required Consents (defined below). Receipt of consent to assign to Buyer the Station Contracts listed on Schedule 5.6 (the “Required Consents”) is a condition precedent to Buyer’s obligation to close under this Agreement.

(b) To the extent that any Station Contract may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant to this Agreement shall not constitute an assignment of such Station Contract; provided, however, with respect to each such Station Contract, Seller and Buyer shall cooperate to the extent feasible in effecting a lawful and commercially reasonable arrangement under which Buyer shall receive the benefits under the Station Contract from and after Closing, and to the extent of the benefits received, Buyer shall pay and perform Seller’s obligations arising under the Station Contract from and after Closing in accordance with its terms.

**5.7 Non-Solicitation of Employees.** Subject to Section 5.10,

(a) for a period of two (2) years from the date hereof, Buyer and KAUZ Buyer shall not, without the prior written consent of Seller, solicit for employment, induce or attempt to induce to leave Seller’s or an affiliate of Seller’s employ, or hire, any employees of Seller or its affiliates, including without limitation the Station Employees prior to the Closing (other than (i) general solicitations not directed solely to any such employees and (ii) any employment or hiring that results from such general solicitation);

(b) for a period of two (2) years from the date hereof, Seller shall not, without the prior written consent of Buyer, solicit for employment, induce, or attempt to induce, to leave Buyer’s or an affiliate of Buyer’s employ, or hire, any employees of Buyer or its affiliates, including without limitation the Station Employees following the Closing (other than (i) general solicitations not directed solely to any such employees and (ii) any employment or hiring that results from such general solicitation); and

(c) for a period of two (2) years from the date hereof, Seller shall not, without the prior written consent of KAUZ Buyer, solicit for employment, induce, or attempt to induce, to leave KAUZ Buyer’s or an affiliate of KAUZ Buyer’s employ, or hire, any employees of KAUZ Buyer or its affiliates, including without limitation the Station Employees following the Closing (other than (i) general solicitations not directed solely to any such employees and (ii) any employment or hiring that results from such general solicitation).

**5.8 Accounting Services.** During the first thirty (30) business days after Closing, Buyer shall provide to Seller at no additional cost the services of the Stations’ business offices, together with reasonable access to related systems and records, for the purposes of closing the books of the Stations’ business and the Texas Companies for the period prior to Closing and of facilitating the distribution of any compensation to the Station Employees, all in accordance with the procedures and practices applied by the business offices for periods prior to Closing.

## 5.9 **Tax, Accounting and Other Matters.**

(a) Buyer and Seller agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such assistance and information (including without limitation access to books and records) as is reasonably necessary for the filing of tax returns relating to the Texas Companies or the Station Assets, for the preparation of any audit, for the prosecution or defense of any claim relating to any proposed adjustment with respect to Taxes, for year-end accounting requirements and preparation of any reports or documents to be filed with any regulatory agency, or for any other reasonable purpose. Buyer and Seller shall execute and deliver such powers of attorney and other documents as are necessary to carry out the intent of this Section 5.9.

(b) At Buyer's request, Seller shall notify all of the taxing authorities for the applicable jurisdictions of the transactions contemplated by this Agreement in the form and manner required by such taxing authorities, if the failure to make such notifications or receive any available tax clearance certificate (such clearance, "Tax Clearance" and such certificate, a "Tax Clearance Certificate") could subject the Buyer to any Taxes of Seller. If, with respect to any application for Tax Clearance made pursuant to this Section 5.9(b), any governmental entity asserts that Seller is liable for any Tax, Seller shall promptly pay any and all such amounts and shall provide evidence to the Buyer that such liabilities have been paid in full or otherwise satisfied.

(c) Seller shall prepare or cause to be prepared all tax returns with respect to the Texas Companies for taxable periods ending before the Closing Date ("Pre-Closing Tax Periods"). If the due date of a tax return for a Texas Company for a Pre-Closing Tax Period is before the Closing Date, Seller shall file, or cause to be filed, such tax return on a timely basis. If the due date for such a tax return is after the Closing Date, Seller shall deliver such tax return to Buyer not later than five (5) days prior to the extended due date for such tax return and Seller shall cause the tax return to be timely filed. All such tax returns shall be complete and correct in all material respects. Seller shall pay all Taxes due with respect to such tax return. Seller shall reimburse Buyer to the extent Buyer pays any Taxes payable with respect to the Texas Companies for any taxable year or period that ends before the Closing Date.

(d) Buyer shall file, or cause the Texas Companies to file, on a timely basis all tax returns that are required to be filed by the Texas Companies for taxable periods ending after the Closing Date. All such tax returns shall be complete and correct in all material respects. Buyer shall pay all Taxes due with respect to such tax returns. To the extent any such tax returns are for a taxable year or period that commences before and ends after the Closing Date ("Straddle Period"), Seller shall reimburse Buyer for all Taxes payable by the Texas Companies which are allocable to the portion of such Straddle Period deemed to end prior to the Closing Date. For purposes of this Section 5.9(d), whenever it is necessary to determine the liability for Taxes of a Texas Company for a Straddle Period, the determination of the Taxes for the portion of the Straddle Period ending prior to, and the portion of the Straddle Period beginning on and after, the Closing Date shall be determined by assuming that the Straddle Period consisted of two taxable years or periods, one which ended at the close of the day prior to the Closing Date and the other which began at the beginning of the day on the Closing Date, and items of income, gain, deduction, loss or credit, and state and local apportionment factors of the Texas Companies

for the Straddle Period shall be allocated between such two taxable years or periods on a “closing of the books basis” by assuming that the books of the Texas Companies were closed at the close of the Closing Date. However, (i) exemptions, allowances or deductions that are calculated on an annual basis, such as the deduction for depreciation and (ii) periodic taxes such real and personal property taxes shall be apportioned ratably between such periods on a daily basis. At least ten (10) business days prior to filing, Buyer shall deliver all proposed tax returns for Straddle Periods to Seller for Seller’s review, and Buyer shall accept all changes to such returns reasonably requested by Seller.

(e) Each of Buyer and Seller and their affiliates will provide the other with such assistance as may reasonably be requested by any of them in connection with the preparation of any tax return with respect to any Texas Company, any audit or other examination by any governmental entity with respect to any Texas Company, any judicial or administrative proceedings relating to liabilities for Taxes of the Texas Company, and each will retain and provide the others with any records or information that may be relevant to any such tax return, audit or examination, proceeding or claims. Such assistance shall include making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder and shall include providing copies of any relevant tax returns and supporting work schedules. The party requesting assistance hereunder shall reimburse the other for reasonable out of pocket expenses incurred in providing such assistance. To the extent that any taxing authority proposes an increase in Taxes for which Seller could be responsible for under the terms of this Agreement, Seller (at its own expense) shall be entitled to actively participate in the defense against such increase in Taxes and neither Buyer, the Texas Companies nor any person affiliated with Buyer or the Texas Companies shall agree to pay any portion of the proposed increase in Taxes without first obtaining the written agreement of Seller (which agreement shall not be unreasonably withheld).

#### 5.10 **Employment.**

(a) Prior to the Closing, Seller shall cause the Texas Companies to terminate, the Station Employees of the Texas Companies listed on Schedule 5.10. On the Closing Date, (i) Buyer shall offer employment to each Station Employee of Seller that is not an Excluded Employee (as defined below) who is employed by Seller immediately prior to the Closing Date and who (A) is not on authorized leave of absence, sick leave, short or long term disability leave, military leave or layoff with recall rights (“Active Employees”), or (B) is on authorized leave of absence, sick leave, short or long term disability leave, military leave or layoff with recall rights who returns to active employment immediately following such absence (“Inactive Employees”); and (ii) the Texas Companies shall continue to employ all Station Employees of the Texas Companies that are not Excluded Employees. For purposes hereof, the Station Employees listed on Schedule 5.10 are herein referred to collectively as the “Excluded Employees,” and the Station Employees of the Texas Companies who remain employees as of the Closing and the Station Employees of the Seller who accept Buyer’s offer of employment are hereinafter referred to collectively as the “Transferred Employees,” and the “Employment Commencement Date” as referred to herein shall mean: (i) as to those Transferred Employees who are Active Employees, the Closing Date, and (ii) as to those Transferred Employees who are Inactive Employees, the date on which the Transferred Employee begins employment with Buyer. Buyer and the Texas Companies shall employ all Transferred Employees at a monetary compensation (consisting of

base salary, commission rate and normal bonus opportunity) and on terms and conditions that are at least as favorable as those provided by Seller and the Texas Companies immediately prior to the Employment Commencement Date. Subject to the foregoing, Seller shall pay the amounts (if any) owed to Transferred Employees under the Employment Agreements in connection with the sale of the Seller's assets. Buyer shall ensure the Transferred Employees receive credit for all periods of employment and/or service with Seller or the Texas Companies (including service with predecessor employer, where such credit was provided by Seller or the Texas Companies) for all purposes, including eligibility, vesting and benefit accrual. For the purposes of this Section 5.10 and Section 5.11, the term "Seller" includes the Texas Companies as owned by Seller prior to the Closing, and the term "Buyer" includes "KAUZ Buyer" and the Texas Companies as owned by Buyer at and after the Closing, as appropriate.

(b) To the extent Buyer receives an appropriate proration under Section 1.6, Buyer shall grant credit for all unused sick leave accrued by Transferred Employees on the basis of their employment and/or service with Seller ("Accrued Sick Leave"). In addition, provided that Buyer receives an appropriate proration under Section 1.6, Buyer shall assume all liabilities for unpaid, accrued vacation and personal days of Transferred Employees existing immediately prior to the Employment Commencement Date ("Accrued Vacation"). Buyer shall permit Transferred Employees to use their Accrued Vacation and Accrued Sick Leave for a period ending on December 31 of the calendar year in which the Closing occurs, and Buyer shall pay any Transferred Employee to the extent that such Transferred Employee has any unused Accrued Vacation or unused Accrued Sick Leave at the end of such period.

(c) Seller agrees to use reasonable efforts to facilitate the transition of the Transferred Employees to employment with Buyer as of the Closing Date. Such reasonable efforts shall include affording Buyer reasonable opportunities prior to the Closing Date to review employment records (other than medical and individual performance or evaluation records), as permitted by Law, of the Station Employees, to discuss terms and conditions of employment with Buyer as of the Closing Date and to distribute to the Station Employees forms and documents relating to employment with Buyer.

(d) Except as prohibited by Law, after the Closing, Seller shall deliver to Buyer originals or copies of all personnel files and records (including medical records, if any, but excluding benefit plan records) related to the Transferred Employees, and Seller shall have reasonable continuing access to such files and records thereafter.

#### 5.11 Employee Plans.

(a) Seller shall be responsible for: (i) claims and payments for medical and dental benefits, disability benefits, life insurance benefits and workers compensation benefits that are incurred prior to the Employment Commencement Date; and (ii) all liability related to group health plan continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") with respect to any "qualified beneficiary" (as such term is defined under COBRA) under the applicable Seller Plan who has a "qualifying event" (as such term is defined under COBRA) prior to the Employment Commencement Date, including any "qualifying event" occurring as a result of the transactions contemplated herein, in each case with respect to any Station Employees and their spouses and/or dependents. Buyer shall be

solely responsible for: (i) claims and payments for medical and dental benefits, disability benefits, life insurance benefits and workers compensation benefits that are incurred from and after the Employment Commencement Date; and (ii) all liability relating to COBRA continuation coverage with respect to any “qualified beneficiary” (as such term is defined under COBRA) who has a “qualifying event” (as such term is defined under COBRA) occurring from and after the Employment Commencement Date, in each case only with respect to any Transferred Employees and their spouses and/or dependents. For purposes of the foregoing, a medical/dental claim shall be considered incurred when the medical services are rendered or medical supplies are provided, and not when the condition arose. A life insurance or worker’s compensation claim shall be considered incurred prior to a particular date if the injury or condition giving rise to the claim occurs prior to such date. A disability claim shall be deemed to be incurred when the employee is declared disabled under the terms of the applicable disability plan. Transferred Employees and their spouses and/or dependents shall be given credit under Buyer’s “employee welfare benefit plans” (as defined under Section 3(1) of ERISA) for deductibles and out-of-pocket expenses incurred while employed by Seller in the relevant calendar year.

(b) Subject to the requirements of Buyer’s employee benefit plan administrator, (i) Buyer shall cause all Transferred Employees and their spouses and/or dependents, as applicable, to be eligible to participate in any of its “employee welfare benefit plans” (as defined in Section 3(1) of ERISA), any “employee pension benefit plans” (as defined in Section 3(2) of ERISA), and any of its “defined contribution plans” (as defined in Section 414(i) of the Code) to the same extent Buyer’s similarly-situated employees are generally eligible to participate in such plans, (ii) all Transferred Employees and their spouses and dependents shall be eligible for coverage or participation under such employee benefit plans described in subsection (b)(i) immediately after the Employment Commencement Date (and shall not be excluded from coverage under any employee welfare benefit plan that is a group health plan on account of any pre-existing condition, as long as such condition is covered under Buyer’s group health plan), (iii) for purposes of any length of service requirements, waiting periods, vesting periods or differential benefits based on length of service in any such employee benefit plans described in subsection (b)(i) (including any severance plans or policies) for which Transferred Employees may be eligible after Closing, Buyer shall ensure, to the extent permitted by applicable Law (including ERISA and the Code), that service with Seller and its affiliates shall be deemed to have been service with Buyer, (iv) Buyer shall cause its defined contribution plans to accept rollover contributions from the Transferred Employees of any account balances distributed to them by the Seller’s defined contribution plan or any defined contribution plan of Seller’s affiliates, and (v) Buyer shall allow the balance of any Transferred Employee’s outstanding plan loan(s) to be transferred to the account of such Transferred Employee under Buyer’s defined contribution plans. Such transfer and rollovers shall comply with applicable Law (including the terms of Buyer’s defined contribution plan), and each party shall make all filings and take any actions required of such party by applicable Law in connection therewith. Subject to Buyer’s obligation to accept the rollovers and transfers described herein, Seller shall be responsible for any action necessary to terminate or partially terminate its defined contribution plan and pay all costs associated with such termination or partial termination.

5.12 **Mineral Interests.** Seller reserves to itself all Mineral Interests. Buyer and Seller acknowledge and agree that the reservation of Mineral Interests shall be reflected in deeds entered into prior to or at the Closing substantially in the form attached hereto as **Exhibit E-4**.

5.13 **Incentive Auction Contingent Payment.** In the event Buyer or an affiliate of Buyer receives any payments or other consideration with respect any of the Stations in the Waco-Temple-Bryan, TX Designated Market Area (the “Auction Stations”) in connection with an auction of broadcast television spectrum being conducted by the FCC in accordance with the Middle Class Tax Relief and Job Creation Act of 2012, Pub. L. No. 112-96, Sections 6402, 6403, 125 Stat. 156 (2012) (including any extensions, amendments, or successors thereto) or any related proceeding (an “Incentive Auction”), then Buyer shall pay to Seller an additional payment (the “Contingent Payment”) equal to fifty percent (50%) of the Net Profits. “Net Profits” means the difference between (a) the aggregate payment or other consideration received by Buyer or an affiliate of Buyer with respect to the Auction Stations in the Incentive Auction (including without limitation (i) in connection with the exchange, relinquishment or contribution of any part of the spectrum associated with such Auction Stations or (ii) from a third party in connection with one or more channel sharing arrangements with other broadcast stations in the Waco-Temple-Bryan, TX Designated Market Area) (the “Gross Proceeds”) and (b) fifty percent (50%) of the Purchase Price. Buyer shall pay the Contingent Payment to Seller within three (3) business days following receipt by Buyer or its affiliates of all or any portion of the Gross Proceeds. Any Contingent Payment made hereunder shall be treated by the parties as an increase to the Purchase Price.

5.14 **Conversion to LLC.** Prior to Closing, Texas Seller shall convert each Texas Company (other than Texhoma) from a limited partnership to a limited liability company.

## **ARTICLE 6 SELLER CLOSING CONDITIONS**

The obligation of Seller to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Seller):

### **6.1 Representations and Covenants.**

(a) The representations and warranties of Buyer made in this Agreement qualified as to materiality shall be true and correct, and those not so qualified, shall be true and correct in all material respects, as of the date of this Agreement and as of the Closing Date, except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Buyer at or prior to Closing shall have been complied with or performed in all material respects.

(c) Seller shall have received a certificate dated as of the Closing Date from Buyer executed by an authorized officer of Buyer to the effect that the conditions set forth in Sections 6.1(a) and (b) have been satisfied.

6.2 **Proceedings.** Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

6.3 **FCC Authorization.** The FCC Consent shall have been obtained.

6.4 **Hart Scott Rodino.** The HSR Clearance shall have been obtained.

6.5 **Deliveries.** Buyer and KAUZ Buyer shall have complied with their obligations set forth in Sections 8.2 and 8.3.

## **ARTICLE 7 BUYER CLOSING CONDITIONS**

The obligation of Buyer to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Buyer):

### **7.1 Representations and Covenants.**

(a) The representations and warranties of Seller made in this Agreement qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, as of the date of this Agreement and as of the Closing Date (unless made as of a specified date, in which case such representations and warranties shall be true and correct (or true and correct in all material respects, as applicable) as of such specified date), except for changes permitted or contemplated by the terms of this Agreement, and except for inaccuracies of representations or warranties the circumstances giving rise to which, individually or in the aggregate, do not constitute and could not reasonably be expected to have a Material Adverse Effect. Seller may update Schedules 2.14 (Litigation) and 2.16 (Absence of Certain Developments) at any time prior to the Closing Date; provided that Buyer shall not be obligated to consummate the Closing hereunder if any such update discloses facts or circumstances which have had or could reasonably be expected to have a Material Adverse Effect.

(b) The covenants and agreements to be complied with and performed by Seller at or prior to Closing shall have been complied with or performed in all material respects.

(c) Buyer shall have received a certificate dated as of the Closing Date from Seller executed by an authorized officer of Seller to the effect that the conditions set forth in Sections 7.1(a) and (b) have been satisfied.

7.2 **Proceedings.** Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

7.3 **FCC Authorization.** The FCC Consent shall have been obtained.

7.4 **Hart Scott Rodino.** The HSR Clearance shall have been obtained.

7.5 **Deliveries.** Seller shall have complied with its obligations set forth in Section 8.1.

7.6 **Consents.** The Required Consents shall have been obtained.



7.7 **Material Adverse Effect.** There shall not have occurred any event, change or circumstance that has had or which could reasonably be expected to have a Material Adverse Effect since the Financial Statement Date.

7.8 **Real Property Title.** Buyer shall have been able to receive a fully effective title insurance policy (the “Title Policies”) on ALTA form (or in the form of commitments marked effective as policies in accordance with this paragraph) under which the title insurer insures fee simple title to the Owned Real Property to the extent Buyer elects to so insure. Such Title Policies shall not be subject to or contain any conditions, requirements or exceptions, except for Permitted Real Property Encumbrances.

## **ARTICLE 8 CLOSING DELIVERIES**

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

(a) good standing certificates (or the equivalent for the applicable jurisdiction) issued by the Secretary of State of the jurisdiction of formation of each Seller;

(b) certified copies of resolutions for Seller authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby;

(c) the certificate described in Section 7.1(c);

(d) assignment of FCC authorizations assigning the FCC Licenses of the Stations not owned by the Texas Companies from Seller to Buyer, in substantially the form attached hereto as **Exhibit E-1**;

(e) assignment and assumption of contracts assigning the Station Contracts of the Stations not owned by the Texas Companies from Seller to Buyer, in substantially the form attached hereto as **Exhibit E-2**;

(f) assignment and assumption of leases assigning the Real Property Leases of the Stations not owned by the Texas Companies from Seller to Buyer, in substantially the form attached hereto as **Exhibit E-3**;

(g) special warranty deeds conveying the Owned Real Property of the Stations not owned by the Texas Companies from Seller to Buyer in substantially the form attached hereto as **Exhibit E-4**;

(h) assignment of marks assigning the registered marks listed on Schedule 1.2(a)(vii) (if any) of the Stations not owned by the Texas Companies from Seller to Buyer;

(i) endorsed vehicle titles conveying the vehicles included in the Tangible Personal Property of the Stations not owned by the Texas Companies (if any) from Seller to Buyer;

(j) a bill of sale conveying the other Station Assets not owned by the Texas Companies from Seller to Buyer in substantially the form attached hereto as **Exhibit E-5**;

(k) an affidavit of non-foreign status of each Seller that complies with Section 1445 of the Code in substantially the form attached hereto as **Exhibit E-6**;

(l) an assignment and acceptance of the Equity Interests in substantially the form attached hereto as **Exhibit E-7**;

(m) UCC Termination Statements with respect to all Liens other than Permitted Liens (if any) which have been placed of record on the Texas Companies or the Station Assets;

(n) any estoppel certificates that have been obtained;

(o) any and all Tax Clearance Certificates described in Section 5.9(b); and

(p) any other instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Texas Companies or the Station Assets from Seller to Buyer, free and clear of Liens, except for Permitted Liens.

8.2 **Buyer Documents.** At Closing, Buyer shall deliver or cause to be delivered to Seller:

(a) the Closing Payment in accordance with Section 1.4 hereof;

(b) good standing certificates issued by the Secretary of State of each Buyer's jurisdiction of formation;

(c) certified copies of resolutions of Buyer authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby;

(d) the certificate described in Section 6.1(c);

(e) the instruments of assignment described in Sections 8.1(d)-8.1(l) duly executed by Buyer, as necessary; and

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

8.3 **KAUZ Documents.** At Closing, the KAUF Buyer shall deliver to Texhoma, and Buyer shall cause Texhoma to deliver to the KAUF Buyer, the following:

(a) assignment of FCC authorizations assigning the FCC Licenses of KAUF from Texhoma to KAUF Buyer, in substantially the form attached hereto as **Exhibit E-1**;

(b) assignment and assumption of contracts assigning the Station Contracts of KAUF from Texhoma to KAUF Buyer, in substantially the form attached hereto as **Exhibit E-2**;

(c) assignment and assumption of leases assigning the Real Property Leases of KAUZ (if any) from Texhoma to KAUZ Buyer, in substantially the form attached hereto as **Exhibit E-3**;

(d) assignment of marks assigning the registered marks listed on Schedule 1.2(a)(vii) of KAUZ (if any) from Texhoma to KAUZ Buyer;

(e) endorsed vehicle titles conveying the vehicles included in the Tangible Personal Property of KAUZ (if any) from Texhoma to KAUZ Buyer;

(f) a bill of sale conveying any other KAUZ Station Assets from Seller to Buyer in substantially the form attached hereto as **Exhibit E-5**; and

(g) any other instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the KAUZ Station Assets from Texhoma to KAUZ Buyer, free and clear of Liens, except for Permitted Liens, or such other documents and instruments of assumption that may be reasonably necessary to assume the Assumed Obligations related to the KAUZ Station Assets.

## **ARTICLE 9 SURVIVAL; INDEMNIFICATION**

### **9.1 Survival.**

(a) Except as set forth in Section 9.1(b), the representations and warranties in this Agreement shall survive Closing until the Final Release Date whereupon they shall expire and be of no further force or effect, except that if within such period the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim (to the extent practicable), then such representation and warranty shall survive until the resolution of such claim. The covenants in this Agreement shall survive Closing until performed; provided that the covenants of the parties to be complied with at or prior to the Closing shall survive only until the Final Release Date whereupon they shall expire and be of no further force or effect, except that if within such period the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim (to the extent practicable), then such covenant shall survive until the resolution of such claim.

(b) The representations, warranties and obligations in Section 2.6 (Taxes) and in Section 5.10 (Tax, Accounting and Other Matters) shall survive the Closing until ninety (90) days following the expiration of the applicable statute of limitations with respect to the particular matter that is the subject matter thereof, except that if within such period the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim (to the extent practicable), then such representations and warranties shall survive until the resolution of such claim. The representations and warranties contained in Section 2.10 (Environmental) shall survive Closing for a period of sixty (60) months from the Closing Date, except that if within such period the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim (to the extent practicable), then such representation and

warranty shall survive until the resolution of such claim. The representations and warranties contained in Sections 2.1 (Organization) and 2.2 (Authorization) shall survive the Closing indefinitely.

## 9.2 **Indemnification.**

(a) Subject to Sections 9.1 and 9.2(b), from and after Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including without limitation reasonable attorneys' fees and expenses ("Damages"), incurred by Buyer arising out of or resulting from:

(i) any breach by Seller of its representations and warranties made under this Agreement; or

(ii) any default by Seller of any covenant or agreement made under this Agreement; or

(iii) the Retained Obligations; or

(iv) the operation of the Stations' business before the Effective Time, except for the Assumed Obligations; or

(v) any Transfer Taxes for which Seller is liable pursuant to Section 11.1.

(b) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Seller shall have no liability to Buyer under Section 9.2(a)(i) until Buyer's aggregate Damages exceed 0.5% of the Initial Amount (the "Deductible"), in which case, Seller shall be required to pay to Buyer the amount of all such Damages in excess of the Deductible, (ii) with respect to Damages arising out of or resulting from Section 9.2(a)(i) (except as otherwise provided in Section 9.2(b)(iii) below), the maximum liability of Seller shall be an amount equal to \$12,000,000 (the "Cap") and (iii) with respect to Damages arising out of or resulting from Section 9.2(a)(i) for any breach of representations and warranties under Section 2.1 (Organization), Section 2.2 (Authorization), Section 2.6 (Taxes), Section 5.10 (Tax, Accounting and Other Matters) and, solely as such representations relate to title, Sections 2.7 (Personal Property), 2.8 (Real Property) and 2.11 (Intangible Property), the maximum liability of Seller shall be an amount equal to the Purchase Price.

(c) From and after Closing, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or resulting from:

(i) any breach by Buyer of its representations and warranties made under this Agreement; or

(ii) any default by Buyer of any covenant or agreement made under this Agreement; or

(iii) the Assumed Obligations; or

(iv) the operation of the Stations' business after the Effective Time, except for the Retained Obligations; or

(v) any Transfer Taxes for which Buyer is liable pursuant to Section 11.1.

(d) For purposes of determining the failure of any representations or warranties to be true and correct and calculating Damages hereunder any materiality or knowledge qualifications in the representations and warranties shall be disregarded.

### 9.3 **Procedures.**

(a) The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties that is subject to indemnification hereunder (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's rights or the indemnifying party's obligations except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced and provided that such notice is given within the time period described in Section 9.1.

(b) The indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel selected by it (such counsel to be reasonably acceptable to the indemnified party). In the event that the indemnifying party does not undertake such defense or opposition in a timely manner (to be no less than thirty (30) days unless earlier action is required), the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party's cost (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof, but only to the extent that such assumption does not adversely affect the defense of or opposition to such Claim).

(c) Anything herein to the contrary notwithstanding:

(i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim;

(ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such Claim; and

(iii) in the event that the indemnifying party undertakes defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel concerning such Claim and the indemnifying party and the indemnified party and their respective counsel shall cooperate in good faith with respect to such Claim.

(d) Notwithstanding anything herein to the contrary, Buyer shall have no right to any indemnification under this Article 9 (i) for any matter to the extent such matter was reflected in the calculation of the Adjustment Amount or (ii) resulting from or relating to any inaccuracy in or breach of any representation or warranty in this Agreement if Buyer had knowledge of such breach before the Closing Date, regardless of whether such knowledge was obtained through Buyer's own investigation or through disclosure by Seller, its affiliates or another person, and regardless of whether such knowledge was obtained before or after the execution and delivery of this Agreement.

(e) Seller and Buyer agree to treat any indemnity payment made pursuant to this Article 9 as an adjustment to the Purchase Price for all income Tax purposes.

9.4 **Exclusive Remedy.** From and after the Closing, the right to indemnification and other rights under this Article 9 shall constitute Buyer's (and its affiliates) and Seller's (and its affiliates) sole and exclusive remedies with respect to any and all claims arising under or relating to this Agreement, any agreement or document executed and delivered pursuant to this Agreement, or the transactions contemplated by this Agreement other than any claim for fraud, claims under Section 1.7 and any claims under Section 1.5 or the terms of the Escrow Agreement.

9.5 **Limitations on Liability.** Notwithstanding anything in this Agreement to the contrary, (a) no party shall have any liability to any other party under any circumstances for any special, indirect, consequential, punitive, or exemplary damages, or lost profits, diminution in value, or any damages based on any type of multiple; and (b) Seller shall have no liability to KAUZ Buyer with respect to any and all claims arising under or relating to this Agreement, any agreement or document executed and delivered pursuant to this Agreement, or the transactions contemplated by this Agreement.

## **ARTICLE 10 TERMINATION AND REMEDIES**

10.1 **Termination.** Subject to Section 10.3, this Agreement may be terminated prior to Closing as follows:

- (a) by mutual written consent of Buyer, KAUZ Buyer and Seller;
- (b) by written notice of Buyer to Seller if Seller breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement such that the conditions set forth in Section 7.1 would not be satisfied on the Closing Date and such breach or default has not been cured within the Cure Period (defined below) or waived by Buyer;
- (c) by written notice of Seller to Buyer if Buyer or KAUZ Buyer breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement such that the conditions set forth in Section 6.1 would not be satisfied on the Closing Date and such breach or default not cured within the Cure Period or waived by Seller;

(d) by Seller or Buyer, at such party's option, at any time after receipt of definitive notice from the FCC that the FCC Applications with respect to the Stations have been denied and such denial has become a Final Order;

(e) by either Buyer or Seller, upon written notice to the other, if there shall be in effect a final, non-appealable order of a court or government administrative agency of competent jurisdiction prohibiting the consummation of the transactions contemplated hereby;

(f) by written notice of Buyer to Seller if Seller delivers a Phase II Denial Notice pursuant to Section 5.5, provided such termination notice is delivered within ten (10) days of delivery of the Phase II Denial Notice; or

(g) by written notice of Seller to Buyer and KAUZ Buyer or Buyer and KAUZ Buyer to Seller if Closing does not occur by March 31, 2016 or the date that is one business day prior to the deadline for submitting applications to participate in the reverse auction, whichever is earlier (the "Outside Date"); provided, however, in the event the FCC Consent is obtained by the date that would otherwise be the Outside Date, the Outside Date shall be extended to the date that is the eleventh business day after the date on which the FCC Consent becomes effective, if such date is a later date.

10.2 **Cure Period.** Each party shall give the other party prompt written notice upon learning of any non-monetary breach or default by the other party under this Agreement. The term "Cure Period" as used herein means a period commencing on the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (a) thirty (30) calendar days thereafter or (b) five (5) business days after the scheduled Closing Date; provided, however, that if the non-monetary breach or default cannot reasonably be cured within such period but can be cured before the date five (5) business days after the scheduled Closing Date, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the date five (5) business days after the scheduled Closing Date.

10.3 **Effect of Termination.** Neither party may terminate under Section 10.1 if it is then in material default under this Agreement. Subject to Section 1.5, if this Agreement is terminated as permitted by Section 10.1, such termination shall be without liability of any party hereto (or any stockholder, director, officer, employee, agent, consultant or representative of such party) to any other party to this Agreement; provided, however, the termination of this Agreement shall not relieve any party of any liability for willful breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Sections 5.1 (Confidentiality), 11.1 (Expenses), 11.4 (Notices), 11.9 (Governing Law), 11.15 (Waiver of Jury Trial) and 11.16 (Guaranty) shall survive any termination of this Agreement.

## **ARTICLE 11 MISCELLANEOUS**

11.1 **Expenses.** Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and

compliance with the terms of this Agreement. All governmental fees and charges applicable to any requests for Governmental Consents shall be paid one-half by Buyer and one-half by Seller. In addition, Buyer and Seller shall each pay one-half of all Transfer Taxes arising out of, in connection with or attributable to the transfer of the Station Assets under this Agreement. Each party is responsible for any commission, brokerage fee, advisory fee or other similar payment that arises as a result of any agreement or action of it or any party acting on its behalf in connection with this Agreement or the transactions contemplated hereby.

11.2 **Further Assurances.** After Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

11.3 **Assignment.** No party may assign this Agreement without the prior written consent of the other party hereto. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement.

11.4 **Notices.** Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed e-mail or facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, and shall be addressed as follows (or to such other address as any party may request by written notice):

If to Buyer:

Raycom Media, Inc.  
RSA Tower, 20<sup>th</sup> Floor  
201 Monroe Street  
Montgomery, AL 36104  
Attention: Paul H. McTear, Jr.  
Email: pmctear@raycommmedia.com

With a copy (which shall not constitute notice to):

Raycom Media, Inc.  
RSA Tower, 20<sup>th</sup> Floor  
201 Monroe Street  
Montgomery, AL 36104  
Attention: Rebecca S. Bryan  
Email: rbryan@raycommmedia.com

If to KAUZ Buyer:

KAUZ, LLC  
2131 Ayrsley Town Blvd, Suite 300  
Charlotte, NC 28273  
Attention: Thomas B. Henson  
Facsimile: (704) 643-4482



If to Seller:

Drewry Communications Group  
206 SW 3<sup>rd</sup> Street  
Lawton, OK 73501  
(for delivery via overnight delivery service or personal delivery)  
PO Box 548  
Lawton, OK 73502  
(for delivery via U.S. mail)  
Attention: Dr. Robert Drewry  
Facsimile: (580) 355-0597

With a copy (which shall not constitute notice to):

Lerman Senter PLLC  
2000 K Street NW, Suite 600  
Washington, DC 20006  
Attention: Meredith S. Senter, Jr.  
Facsimile: 202-293-7783

11.5 **Entire Agreement.** This Agreement, inclusive of the Schedules and Exhibits hereto, constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof, except the Confidentiality Agreement, which shall remain in full force and effect. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement. Without limiting the generality of the foregoing, Seller makes no representation or warranty to Buyer with respect to any projections, budgets or other estimates of the Stations' business revenues, expenses or results of operations, or, except as expressly set forth in Article 2, any other financial or other information made available to Buyer with respect to the Stations' business.

11.6 **No Other Representations and Warranties.** Except for the representations and warranties contained in Article 2 (including the related portions of the Schedules attached hereto), Seller has not made any other express or implied representation or warranty, either written or oral. **EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN ARTICLE 2 (INCLUDING THE RELATED PORTIONS OF THE SCHEDULES ATTACHED HERETO), SELLER HEREBY EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND OR NATURE WHATSOEVER AND ALL WARRANTIES OF TITLE, POSSESSION, QUIET ENJOYMENT, MERCHANTABILITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, OR THE LIKE.** To the extent Seller becomes aware of any untruth of any representation or warranty of Seller expressly set forth in Article 2 prior to the Closing, Seller shall notify Buyer of such untruth.

11.7 **Severability.** If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable Law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality

and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

11.8 **No Beneficiaries.** Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns, except as provided in Section 11.17.

11.9 **Governing Law.** The construction and performance of this Agreement shall be governed by the laws of the State of Delaware without giving effect to the choice of law provisions thereof. The exclusive forum for the resolution of any disputes arising hereunder shall be the state courts located in Wilmington, Delaware, and each party irrevocably waives the reference of an inconvenient forum to the maintenance of any such action or proceeding.

11.10 **Waiver of Compliance; Consents.** The rights and remedies of the parties are cumulative and not alternative and may be exercised concurrently or separately. No failure or delay by any party in exercising any right, power, or privilege under this Agreement shall operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege shall preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable Law, (a) no claim or right arising out of this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless it is in writing and signed by the other party; (b) no waiver that may be given by a party shall be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party shall be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement. Any consent required or permitted by this Agreement is binding only if in writing.

11.11 **Neutral Construction.** The parties agree that this Agreement was negotiated at arms-length and that the final terms hereof are the product of the parties' negotiations. This Agreement shall be deemed to have been jointly and equally drafted by each party, and the provisions hereof should not be construed against a party on the grounds that the party drafted or was more responsible for drafting the provision.

11.12 **Cooperation.** After Closing, Buyer and KAUZ Buyer shall cooperate with Seller in the investigation, defense or prosecution of any action which is pending or threatened against Seller, the Texas Companies, or its affiliates with respect to the Stations' business, whether or not any party has notified the other of a claim for indemnity with respect to such matter. Without limiting the generality of the foregoing, Buyer and KAUZ Buyer shall make available employees to give depositions or testimony and shall furnish all documentary or other evidence that Seller may reasonably request. Seller shall reimburse Buyer or KAUZ Buyer, as applicable, for all reasonable and necessary out-of-pocket expenses incurred in connection with the performance of its obligations under this Section 11.12.

11.13 **Not Binding Until Executed.** Neither this Agreement, nor any of the terms and provisions hereof, shall be binding upon or enforceable against any party hereto unless and until this Agreement is executed by the parties hereto.

11.14 **Counterparts.** This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement.

11.15 **WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, INCLUDING ANY COUNTERCLAIM MADE IN ANY SUCH ACTION OR PROCEEDING, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE DECIDED SOLELY BY A JUDGE. Each party hereby acknowledge that they have each been represented by counsel in the negotiation, execution and delivery of this Agreement and that their lawyers have fully explained the meaning of the Agreement, including the particular jury-trial waiver and waivers in Section 11.17.

11.16 **Guaranty.** Guarantor, for itself and its successors and assigns, hereby absolutely, unconditionally and irrevocably guarantees, as a principal obligor, and not merely as a surety, the due and punctual payment, performance and observance by Buyer of the obligations of Buyer under this Agreement, including the payment and indemnification obligations of Buyer hereunder (referred to collectively as the “Obligations”), and all costs and expenses incurred by Seller in enforcing the Obligations, whether or not suit is instituted. Guarantor hereby further agrees to be bound by Sections 11.7, 11.9, 11.10, 11.11, 11.14, 11.15 and 11.17 of this Agreement. This Section 11.16 shall be a continuing guaranty of the Obligations. Nothing except the full performance and indefeasible payments in full, in cash, of the Obligations shall release Guarantor from this guaranty. To the fullest extent permitted by applicable Law, the obligations of Guarantor hereunder shall not be affected by (a) the failure of a party to assert any claim or demand or to enforce any right or remedy against Buyer pursuant to the provisions of this Agreement or otherwise or (b) any change in the existence (corporate or otherwise) of Buyer or Guarantor or any insolvency, bankruptcy, reorganization or similar proceeding affecting any of them or their assets. Guarantor acknowledges that it will receive direct and indirect benefits from the execution and delivery of this Agreement and the transactions contemplated hereby and that the guaranty and waivers set forth in this Section 11.16 are knowingly made in contemplation of such benefits. Guarantor hereby represents and warrants to Seller as follows: (i) the execution, delivery, and performance of this Agreement by Guarantor have been duly authorized by all necessary organizational action on the part of Guarantor; and (ii) this Agreement has been duly executed and delivered by Guarantor and constitutes the legal, valid, and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms. Guarantor further represents that it is contractually bound to deliver the Guarantor’s Audit to its principal lender no later than March 30, 2016 and agrees to comply with and perform the covenants in Section 1.5.

11.17 **Conflicts and Privilege.** It is acknowledged by each of the parties hereto that Seller and the Texas Companies have retained Lerman Senter PLLC, McAfee & Taft and Wilkinson Barker Knauer LLP (together, the “Existing Counsel”) to act as counsel in connection with the transactions contemplated by this Agreement and with respect to other matters occurring prior to or after the date hereof. Buyer and the Texas Companies agree that any attorney-client privilege, attorney work-product protection, and expectation of client confidence attaching as a

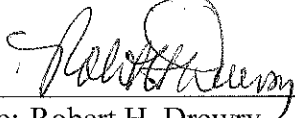
result of Existing Counsel's representation of the Texas Companies or Seller in connection with the transactions contemplated by this Agreement or otherwise, and all information and documents covered by such privilege or protection, shall belong to and be controlled by the Seller and may be waived only by Seller, and not the Texas Companies, and shall not pass to or be claimed or used by Buyer or the Texas Companies. The attorney-client privilege, attorney work-product protection, and expectation of client confidence arising from Existing Counsel's representation of the Texas Companies prior to the Effective Time concerning any subject matter with respect to which the Seller has or may have an indemnification obligation hereunder, and all information and documents covered by such privilege or protection, shall belong to and be controlled by the Seller and waived only by Seller, and not the Texas Companies, and shall not pass to or be claimed or used by Buyer or the Texas Companies. Notwithstanding the foregoing, in the event that a dispute arises between Buyer or the Texas Companies and a third party other than the Seller, the Texas Companies shall assert the attorney-client privilege on behalf of the Seller to prevent disclosure of privileged materials to such third party; provided, however, that such privilege may be waived only with the prior written consent of the Seller. To the extent that any material subject to the attorney-client privilege or any other applicable legal privilege, as regards the Texas Companies, has been shared between them, whether prior to or after the date hereof, it is the parties' desire, intention and mutual understanding that the sharing of such material is not intended to, and shall not, waive or diminish in any way such material's continued protection under attorney-client or any other applicable legal privilege. Buyer and the Texas Companies agree that, notwithstanding any current or prior representation of the Texas Companies by Existing Counsel, Existing Counsel shall be allowed to represent the Seller in any existing or future matters or disputes adverse to Buyer or the Texas Companies relating to this Agreement or the transactions contemplated hereby or otherwise. Buyer and the Texas Companies hereby waive any conflicts that may arise in connection with such representation. Buyer and the Texas Companies agree that Existing Counsel may represent the Seller in such a matter or dispute, before or after Closing, even though the interests of the Seller may be directly adverse to Buyer or the Texas Companies, and even though Existing Counsel may be currently representing Buyer or the Texas Companies, or may have previously represented the Texas Companies in a matter substantially related to such matter or dispute. Buyer and the Texas Companies consent to the disclosure by Existing Counsel to Seller of any information learned by Existing Counsel in the course of their representation of the Texas Companies prior to Closing, whether or not such information is subject to the attorney-client privilege of the Texas Companies and/or Existing Counsel's duty of confidentiality as to the Texas Companies and whether or not such disclosure is made before or after the Closing. This Section is for the benefit of the Seller and Existing Counsel, and such persons are intended third-party beneficiaries of this Section. This Section shall be irrevocable, and no term of this Section may be amended, waived or modified, without the prior written consent of Seller and Existing Counsel.

**[SIGNATURE PAGE FOLLOWS]**


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

**SELLER:**

KSWO TELEVISION CO., INC.


By:   
Name: Robert H. Drewry  
Title: Vice President

LAWTON CABLEVISION, INC.

By:   
Name: Robert H. Drewry  
Title: Vice President

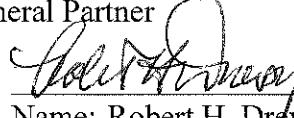
KSWO TELEVISION OF TEXAS, INC.

By: KSWO Television Co., Inc.,  
its Sole Shareholder

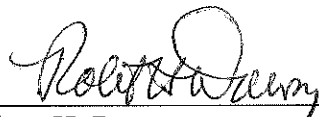
By:   
Name: Robert H. Drewry  
Title: Vice President

ADELANTE TELEVISION LIMITED  
PARTNERSHIP

By: Adelante Television of Texas Inc.,  
its General Partner

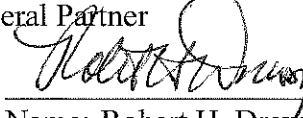
By:   
Name: Robert H. Drewry  
Title: President

LCI TELEVISION OF TEXAS, INC.

By:   
Name: Robert H. Drewry  
Title: Vice President

MIDESSA BROADCASTING LIMITED  
PARTNERSHIP

By: LCI Television of Texas, Inc.,  
its General Partner

By:   
Name: Robert H. Drewry  
Title: Vice President

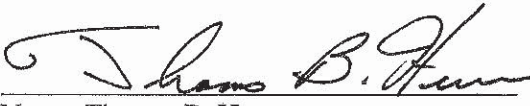
**BUYER:**

TV-3, LLC

By:   
Name: Paul H. McTear, Jr.  
Title: President

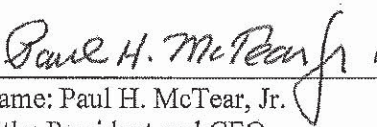
**KAUZ BUYER:**

KAUZ, LLC

By:   
Name: Thomas B. Henson  
Title: President

**GUARANTOR**  
**(as to Section 11.16 only):**

RAYCOM MEDIA, INC.

By:   
Name: Paul H. McTear, Jr.  
Title: President and CEO