

ASSET PURCHASE AGREEMENT

by and between

HIGH MAINTENANCE BROADCASTING, LLC  
(“*Seller*”)

and

KUQI LICENSEE, LLC  
(“*Buyer*”)

Dated as of March 9, 2012

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## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this “**Agreement**”), made and entered into as of March 9, 2012 (the “**Effective Date**”), is by and between High Maintenance Broadcasting, LLC, a Texas limited liability company (“**Seller**”), and KUQI Licensee, LLC, a Texas limited liability company (“**Buyer**,” and together with Seller, the “**Parties**,” each individually, a “**Party**”).

### RECITALS

A. Seller is the licensee and operates television broadcast station KUQI(TV) in Corpus Christi, Texas (FCC Facility ID No. 82910) (the “**Station**”).

B. Seller operates the Station pursuant to certain licenses, franchises, authorizations and approvals, including associated broadcast auxiliary authorizations issued by the Federal Communications Commission (“**FCC**”).

C. Seller desires to sell, assign, and transfer, and Buyer wishes to purchase, assume, and receive, the Authorizations and certain related assets, including, without limitation, the Network Affiliation Agreements, as further set forth in this Agreement.

D. Concurrently with Buyer’s purchase of the Authorizations and related assets pursuant to this Agreement, KIII Services Company, LLC, a Delaware limited liability company (“**KIII Services Co.**”), will purchase, and Seller will sell, assets, used or useful in the operation of the Station, pursuant to that certain Asset Purchase Agreement, dated as of the Effective Date, by and between Seller and KIII Services Co. (the “**Operating Asset Purchase Agreement**”).

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

### ARTICLE 1 DEFINITIONS

“**Action**” means any action, claim, suit, demand, litigation, arbitration, mediation, hearing, inquiry, investigation or similar event, occurrence, or proceeding.

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

“**Agreement**” has the meaning set forth in the preamble.

“**Allocation**” has the meaning set forth in Section 2.4(c).

“**ASCAP**” means the American Society of Composers, Authors and Publishers.

“**Assets**” has the meaning set forth in Section 2.1.

“**Assignment and Assumption Agreement**” has the meaning set forth in Section 10.1(c).

**“Assumed Contract Schedules”** has the meaning set forth in Section 2.1(f).

**“Assumed Liabilities”** has the meaning set forth in Section 2.3(b).

**“Authorizations”** has the meaning set forth in Section 3.9.

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

**“BMT”** means Broadcast Music, Inc.

**“Business Day”** means any day other than a Saturday, Sunday or legal holiday in the State of Texas.

**“Buyer”** has the meaning set forth in the preamble.

**“Buyer Indemnitees”** has the meaning set forth in Section 11.2(a).

**“Ceiling”** has the meaning set forth in Section 11.6.

**“Claim Notice”** has the meaning set forth in Section 11.4(b).

**“Claims”** has the meaning set forth in Section 2.1(h).

**“Closing”** has the meaning set forth in Section 2.5.

**“Closing Date”** has the meaning set forth in Section 2.5.

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

**“Commercially Reasonable Efforts”** means efforts that are designed to enable a Party, directly or indirectly, to satisfy a condition to, or otherwise assist in the consummation of, the Transactions and that do not require the performing Party to expend any funds or assume Liabilities other than expenditures and Liabilities that are customary and reasonable in nature and amount in the context of the Transactions.

**“Communications Act”** will mean the Communications Act of 1934, as amended, and the rules, regulations, and policies of the FCC promulgated thereunder.

**“Confidential Information”** means any information concerning the businesses and affairs of Buyer and the Station. Confidential Information will not, however, include any information that (a) was publicly known and made generally available in the public domain prior to the time of disclosure by the disclosing party; (b) becomes publicly known and made generally available by the disclosing party or Affiliates of such disclosing party through no action or inaction of the receiving party or Affiliates of such receiving party; (c) is obtained by the receiving party after the Closing Date from a third party without, to the good faith knowledge of the receiving party, a breach of such third party’s obligations of confidentiality; or (d) is independently developed by the receiving party without use of or reference to the disclosing party’s confidential or proprietary information.

**“Consent”** means any consent, approval, notification, waiver, or other similar action.

**“Contest Notice”** has the meaning set forth in Section 11.4(b).

**“Contract”** means any agreement, arrangement, commitment, or understanding relating to the Assets to which Seller is a party or is bound, and the Program License Agreements and the Network Affiliation Agreements.

**“Debt Documents”** means collectively (i) the Credit Agreement, made as of September 1, 2008 by and among Seller, the lenders party thereto and Robert Stone as agent; (ii) the Amended and Restated Pledge Agreement by and among Lauryn Hoffman, Deidre Gillis and VaNisha Mallory, Seller and Robert Stone as agent; (iii) the Amended and Restated Security Agreement made as of September 1, 2008 by and between Robert Stone as agent and Seller; (iv) the Amended and Restated Security Agreement made as of September 1, 2008 by and between Robert Stone as agent and GH Broadcasting, Inc.; (v) the Amended and Restated Pledge Agreement, made as of September 1, 2008 by and among Fred Hoffman, Don Gillis, GH Broadcasting, Inc. and Robert Stone as agent; (vi) the Amended and Restated Guaranty, made as of September 1, 2008 by GH Broadcasting, Inc. in favor of Robert Stone as agent; (vii) the Amended and Restated Guaranty made as of September 1, 2008 by Lauryn Hoffman, Fred Hoffman, Deidre Gillis and Don Gillis in favor of Robert Stone as agent; (viii) the Notes; (ix) the Promissory Note, dated as of August 25, 2009 by and between Seller and First Victoria National Bank; (x) the Commercial Security Agreement, dated as of August 25, 2009 by and between Seller and First Victoria National Bank; (xi) the Commercial Guaranty, dated as of August 25, 2009 by Seller in favor of First Victoria National Bank; (xii) the Commercial Guaranty, dated as of August 25, 2009 by Don Gillis in favor of First Victoria National Bank; (xiii) the Commercial Guaranty, dated as of August 25, 2009 by Lauryn Hoffmann in favor of First Victoria National Bank; (xiv) the Commercial Guaranty, dated as of August 25, 2009 by Fred Hoffman in favor of First Victoria National Bank; and (xv) all ancillary and other Contracts related to the foregoing, including any assignments of interests pledged as security for any of the foregoing.

**“Deductible Amount”** has the meaning set forth in Section 11.6.

**“Deficiencies”** has the meaning set forth in Section 11.3.

**“DMA”** has the meaning set forth in Section 3.10(g).

**“DTV”** has the meaning set forth in Section 3.10(f).

**“DTV License”** has the meaning set forth in Section 3.10(f).

**“Effective Date”** has the meaning set forth in the preamble.

**“Effective Time”** means through 11:59:59 p.m. (Central Time) at the end of the Closing Date.

**“Enforceable”** means a Contract is “Enforceable” if it is the legal, valid, and binding obligation of the applicable Person enforceable against such Person in accordance with its terms, except as such enforceability may be subject to the effects of bankruptcy, insolvency, reorganization, moratorium, or other Laws relating to or affecting the rights of creditors, and general principles of equity.

**“Environmental Laws”** means any and all federal, state or local Laws (including common Law), rules, orders, regulations, statutes, ordinances, codes, guidelines properly enforced by governmental authorities, administrative orders, or requirements of any governmental authority regulating or imposing standards of Liability, standards of conduct or standards of remediation with respect to protection of public health or environmental media (including without limitation soil, surface water, ground water, stream sediments or air), including, without limitation, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Occupational Safety and Health Act of 1970, the



Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Hazardous Materials Transportation Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Clean Water Act, the Safe Drinking Water Act, the Solid Waste Disposal Act, the Clean Air Act, and applicable state analogues and regulations promulgated thereunder, all as in effect on the Effective Date and as amended.

**“Equity Interests”** means (a) with respect to a corporation, any and all shares of capital stock and any commitments with respect thereto, and (b) with respect to a partnership, limited liability company, trust or similar Person, any and all units, interests, or other partnership/limited liability company interests and any commitments with respect thereto and (c) any other direct or indirect equity ownership or participation.

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

**“Event of Loss”** will mean any loss, taking, condemnation, or destruction of, or damage to, any of the Assets or the Station.

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

**“Excluded Liabilities”** has the meaning set forth in Section 2.3(d).

**“FAA”** means the Federal Aviation Administration.

**“FCC”** has the meaning set forth in Recital B.

**“FCC Order”** means any Action by the FCC (including any Action taken by the FCC’s staff pursuant to delegated authority) consenting to the assignment of all Authorizations issued to Buyer by the FCC for the Station without any conditions that would restrict, limit, increase the cost or burden of or otherwise adversely affect or impair, in any material respect, the right of Seller or Buyer to the ownership, use, control, enjoyment or operation of the Station or the proceeds therefrom; provided, however, that any condition that requires that the Station be operated in accordance with conditions that are similar to and are not more adverse than those contained in the present Authorizations issued for operation of the Station, will not be considered to be “conditions” for this purpose.

**“FCC Rules”** means the rules, regulations, and policies of the FCC promulgated under the Communications Act.

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

**“Final Closing Date”** has the meaning set forth in Section 12.1(d).

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

**“FOX”** means Fox Broadcasting Company.

**“Funded Indebtedness”** means, with respect to Seller and its Subsidiaries, (a) all indebtedness for money borrowed (whether in the form of direct loans or capital leases) and purchase money indebtedness, (b) indebtedness of the type described in clause (a) secured by any Lien upon

property owned or leased by Seller or any Subsidiary, even though Seller or such Subsidiary has not in any manner become liable for the payment of such indebtedness, (c) interest expense accrued but unpaid, and all prepayment premiums or penalties, on or relating to any of such indebtedness, and (d) indebtedness of the type described in clause (a) guaranteed, directly or indirectly, by Seller or any Subsidiary.

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

“**General Survival Period**” has the meaning set forth in Section 11.1.

“**Government Agency**” means any legislature, agency, bureau, branch, department, division, commission, court, tribunal, magistrate, justice or other multi-national organization of any federal, state, county, municipal, local, or foreign government.

“**Hazardous Materials**” means any substance, pollutant, contaminant, material, or waste, or combination thereof, whether solid, liquid, or gaseous in nature, subject to regulation, liability (as defined under applicable common law), investigation, control, or remediation under any Environmental Law. “**Hazardous Materials**” also means any environmental media, including without limitation soil, sediment and water, containing any of the materials described or set forth in the preceding sentence.

“**Indemnification Claim**” has the meaning set forth in Section 11.4(a).

“**Indemnifying Party**” has the meaning set forth in Section 11.2.

“**Indemnitees**” has the meaning set forth in Section 11.4(a).

“**Intangible Property**” has the meaning set forth in Section 2.1(c).

“**Intellectual Property**” means any (a) copyrights in both published works and unpublished works, (b) fictitious business names, trade names, corporate names, registered and unregistered trademarks, service marks, URLs and domain names and applications, (c) any (i) patents and patent applications and (ii) business methods, inventions and discoveries that may be patentable, (d) computer software (source code and object code) and (e) know-how, trade secrets, information relating to the Station and the operation of the Station that has been kept confidential by Seller, customer lists, technical information, data, and process technology.

“**IRS**” means the Internal Revenue Service.

“**KIII Services Co.**” has the meaning set forth in Recital D.

“**Knowledge**” or “**Knowingly**” means, (a) for Seller, the then current actual knowledge of either the General Manager of Station, the President of the Station, or Fred Hoffman or Don Gillis without any obligation to undertake any investigation or inquiry of any kind, and (b) for Buyer, the then current actual knowledge of either Terry London or Phil Hurley, without any obligation to undertake any investigation or inquiry of any kind.

“**Latest Balance Sheet Date**” has the meaning set forth in Section 3.7.

**“Law”** means any law (statutory, common, or otherwise), constitution, treaty, convention, ordinance, equitable principle, code, rule, regulation, executive order, or other similar authority enacted, adopted, promulgated, or applied by any Government Agency, each as amended and now in effect.

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

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

**“Liability”** means any debt, loss, damage, adverse claim, liability or obligation (whether direct or indirect, known or unknown, asserted or unasserted, absolute or contingent, matured or unmatured, conditional or unconditional, latent or patent, accrued or unaccrued, liquidated or unliquidated, or due or to become due), and including all costs and expenses relating thereto.

**“Liens”** will mean any of the following items other than Permitted Liens: any mortgage; deed of trust; pledge; hypothecation; security interest; community property interest; equitable interest; right of first refusal; encumbrance; easement; covenant; claim; lien; lease (including any capitalized lease); or charge of any kind; whether voluntarily incurred or arising by operation of Law or otherwise, affecting any assets or property, including any agreement to give or grant any of the foregoing, any conditional sale or other title retention agreement and the filing of or agreement to give any financing statement with respect to any assets or property under the Uniform Commercial Code of the State of Texas or a comparable Law of any jurisdiction.

**“LP Asset Purchase Agreement”** means that certain Asset Purchase Agreement, made and entered into as of the Effective Date, by and among LP Sellers and KXPX Operating Company, LLC, a Delaware limited liability company, and KXPX License Company, LLC, a Delaware limited liability company.

**“LP Sellers”** means each of (a) GH Broadcasting, Inc., a Texas corporation, and (b) Channel 7 of Corpus Christi, Inc., a Texas corporation.

**“Market MVPD System”** means any MVPD operating within the Station’s market, as defined in 47 C.F.R. §§ 76.55(e) and 76.66(e).

**“Material Adverse Effect”** means any change or effect that is materially adverse to the near-term or long-term operations, business, prospects, financial condition or results of operations of the Station or to the Assets.

**“Material Consent”** has the meaning set forth in Section 5.5.

**“Material Consent Contract”** has the meaning set forth in Section 5.5.

**“MVPD”** will mean multichannel video programming distributor as such term is defined in Section 602(13) of the Communications Act, 47 U.S. C. § 522(13).

**“Network Affiliation Agreements”** means those certain television network affiliation agreements set forth on Schedule 2.1(e), and all agreements and arrangements relating thereto, as each Affiliation Agreement has been amended, modified, restated or supplemented through the Effective Date.

“**Notes**” will mean those certain promissory notes issued by Seller in the aggregate principal amount of \$6,300,000 as listed on Schedule N.

“**Operating Asset Purchase Agreement**” has the meaning set forth in Recital D.

“**Order**” means any order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction, or other similar determination or finding by, before, or under the supervision of any Government Agency, arbitrator, or mediator.

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

“**Organizational Documents**” means the articles of incorporation, certificate of formation, certificate of incorporation, charter, bylaws, articles of formation, articles of organization, regulations, operating agreement, certificate of limited partnership, partnership agreement, limited liability company agreement and all other similar documents, instruments or certificates executed, adopted, or filed in connection with the creation, formation, organization or governance of a Person, including any amendments thereto.

“**Parties**” has the meaning set forth in the preamble.

“**Party**” has the meaning set forth in the preamble.

“**Permit**” means any permit, license, certificate, order, variance, approval, consent, notice, waiver, franchise, registration, filing, accreditation, or other similar authorization or right required by any Law or Government Agency.

“**Permitted Liens**” will mean Liens related to the Station for Taxes not yet due and payable.

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

“**Program License Agreements**” has the meaning set forth in Section 2.1(b).

“**Purchase Price**” has the meaning set forth in Section 2.4(a).

“**Real Property Leases**” has the meaning set forth in Section 2.2(a).

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

“**Representatives**” has the meaning set forth in Section 5.12.

“**Required Payoff Liabilities**” means all Liabilities under the Notes, the Debt Documents and all other Liabilities of Seller or otherwise related to the Station.

“**Retransmission Consent Agreement**” means an agreement pursuant to which Seller has granted a MVPD consent pursuant to Section 325(b) of the Communications Act and the rules, regulations and published rules of the FCC to the nonexclusive retransmission of the signal of the Station by such MVPD.

“**Seller**” has the meaning set forth in the preamble.

“**Seller Indemnitees**” has the meaning set forth in Section 11.2(b).

“**SESAC**” means SESAC, Inc.

“**Station**” has meaning set forth in Recital A.

“**Station Benefit Plan**” means any non-qualified deferred compensation plan, qualified defined contribution plan, qualified defined benefit plan, welfare benefit plan or other material employee benefit plan or fringe benefit plan or program that Seller maintains or to which Seller contributes.

“**Station Equipment**” has the meaning set forth in Section 2.2(f).

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

“**Superior Claims**” has the meaning set forth in Section 11.1.

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

“**Tax**” means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code §59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

“**Tax Return**” means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“**Transactions**” means: (a) the sale of the Assets by Seller to Buyer and Buyer’s delivery of the Purchase Price therefor; (b) the execution, delivery, and performance of all of the documents, instruments, and agreements to be executed, delivered, and performed in connection with this Agreement; and (c) the performance by Buyer and Seller of their respective covenants and obligations (pre- and post-Closing) under this Agreement.

“**Transmission Interruption**” has the meaning set forth in Section 12.8(b).

“**Treasury Regulations**” means the temporary and final regulations promulgated under the Code.

## **ARTICLE 2**

### **PURCHASE AND SALE OF PROPERTIES AND ASSETS**

2.1 Assets. Seller agrees to sell, transfer, assign, convey and deliver to Buyer and Buyer agrees to purchase all of Seller’s right, title and interest in, to and under the Authorizations and certain related assets (except for Excluded Assets), wherever located, that are

owned or leased by Seller and used or held for use by the Station, including, without limitation, the assets (except the Excluded Assets) that are acquired between the Effective Date and the Closing Date and are used or useful in the operations of the Station (collectively, the “*Assets*”), free and clear of all Liens. Except to the extent set forth in Section 2.3 of this Agreement, Buyer is not assuming any Liabilities of Seller, whether relating to the Assets or not. Without limiting the foregoing, the Assets will include the following, except to the extent that any of the following are included within the Excluded Assets:

(a) Authorizations. All rights in and to the Authorizations issued to Seller or any Affiliate of Seller, including, without limitation, all rights in and to all call letters, including KUQI(TV), and all broadcast auxiliary and other authorizations of the FCC associated with the operation of the Station, all of the Authorizations listed on attached Schedule 2.1(a), including, without limitation, all amendments and all applications therefor, together with any renewals, extensions or modifications thereof and additions thereto and all public inspection files and other required records of Seller, including, without limitation, those required by the FCC.

(b) Program License Agreements. All program license agreements and rights to broadcast programs and films, whether for cash or barter (the “*Program License Agreements*”), held by Seller as of the Effective Date, including, without limitation, those listed on Schedule 2.1(b), together with all Program License Agreements that have been or will have been entered into in the Ordinary Course of Business of the Station between the Effective Date and the Closing Date, except those entered into after the execution of this Agreement that Buyer elects not to assume pursuant to Section 6.3; provided, however, Buyer is under no obligation to assume any Liability under any material Program License Agreement existing as of the Effective Date that is not listed on Schedule 2.1(b).

(c) Intangible Property. All trademarks, trade names (including, without limitation, “KUQI”), call letters, service marks, jingles, slogans, logotypes, software licenses and licenses and sublicenses granted and obtained with respect thereto, and rights thereunder, remedies against infringements thereof, and rights to protection of interests therein under the Laws of all jurisdictions, domain names, websites (including, without limitation, www.kuqitv.com) and other intangible rights and Intellectual Property, owned or licensed and used or held for use by Seller, including, without limitation, all of those listed on attached Schedule 2.1(c), and those acquired by Seller between the Effective Date and the Closing Date (collectively, the “*Intangible Property*”).

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

(e) Network Affiliation Agreements. All of the Station’s Network Affiliation Agreements.

(f) Other Contracts. All Contracts of any kind in connection with the Assets, including, without limitation, security interests, guaranties, other similar arrangements and rights thereunder that are: (i) in existence as of the Effective Date, including, without limitation, those Contracts listed on Schedule 2.1(f); (ii) entered into in the Ordinary Course of Business of the Station between the Effective Date and the Closing Date, except those Contracts that Buyer elects not to assume pursuant to Section 6.3; or (iii) approved by Buyer pursuant to Section 5.2 of this Agreement; provided that, Buyer

will be under no obligation to assume any Liability under any Contract existing as of the Effective Date that is not listed on Schedule 2.1(b), Schedule 2.1(e) or Schedule 2.1(f) to this Agreement (collectively, the “**Assumed Contract Schedules**”) or that Buyer elects not to assume pursuant to Section 6.3.

(g) Files and Records. Except to the extent specifically included within the Excluded Assets, all files and other records of Seller relating to the Assets (other than duplicate copies of such files) including, without limitation, all books, files, ledgers, documents, architectural plans, specifications, creative materials, advertising and promotional materials, and other printed or written materials, correspondence, studies, reports, projections, schematics, blueprints, engineering data, customer lists, reports, specifications, signal and program carriage, projections, statistics, creative materials, mats, plates, negatives and other advertising, marketing or related materials, dealings with governmental authorities (including all reports filed by or on behalf of Seller with the FCC and statements of account filed by or on behalf of Seller with the U.S. Copyright Office) and all other business, technical and financial information regardless of the media on which stored.

(h) Claims. Any and all of Seller’s claims and rights against third parties relating to the Assets, including, without limitation, all rights under manufacturers’ and vendors’ warranties, and all deposits, refunds, rights to recovery and rights of setoff and recoupment (collectively, the “**Claims**”).

(i) Franchises, Permits. All Permits obtained from Governmental Agencies, including without limitation those listed on Schedule 2.1(i).

2.2 Excluded Assets. It is expressly understood and agreed that “Assets” will not include the following (collectively, the “**Excluded Assets**”):

(a) Tangible Personal Property. All equipment, machinery, transmitters, electrical devices, antennae, cables, tower equipment, distribution systems, amplifiers, microwave equipment, converters, testing equipment, generators, computers and computer equipment, furniture, fixtures, office materials and supplies, hardware, tools, spare parts, vehicles, towers, software, prize inventory, all contract rights, guaranties, and warranties of any nature, all architects’, engineers’, surveyors’ and other real estate professionals’ plans, specifications, certifications, contracts, reports, data or other technical descriptions, reports or audits, and other tangible personal property owned or leased by Seller on the Effective Date, including, without limitation the tangible personal property described on attached Schedule 2.2(a), together with any additions, modifications, alterations, or improvements between the Effective Date and the Closing Date (collectively, the “**Tangible Personal Property**”).

(b) Leased Real Property. (i) Any interests of Seller in leased real property, including, without limitation, land, easements, air rights, rights of way and buildings (collectively, the “**Leased Real Property**”), and (ii) Seller’s interests as a tenant or licensee, as the case may be, under all real property leases and licenses listed on Schedule 2.2(b) (collectively, “**Real Property Leases**”), and Seller’s interests in any additions, improvements, appurtenances (such as appurtenant rights in and to public streets), and alterations thereto made between the Effective Date and the Closing Date and Seller’s interests in any other real property.

(c) Agreements for Sale of Time. All orders and agreements now existing including, without limitation, all of those listed on attached Schedule 2.2(c), and all of those entered into in the Ordinary Course of Business between the Effective Date and the Closing Date, for the sale of advertising time on the Station.

(d) Certain Assets. Pension, 401(k), profit sharing and savings plans and trusts and any other “employee benefit plan” within the meaning of Section 3(3) of ERISA and any assets thereof, including without limitation all of the assets of the Station Benefit Plans.

(e) Prepaid Items. All prepaid expenses, prepaid *ad valorem* taxes and any other prepayments and rent, utility and other deposits held by third parties.

(f) Station Equipment. The equipment described on Schedule 2.2(f) and all related structures, fixtures, fittings and improvements and all other equipment related to the Station (collectively, the “**Station Equipment**”).

(g) Receivables. All receivables of Seller accrued through the Effective Time (the “**Receivables**”).

(h) Entity Records. The minute books, equity records, equityholder lists and similar entity records of Seller.

(i) Employee Personal Property. Any personal property located at Seller’s offices but owned by any employee of Seller. All items of employee personal property located at Seller’s offices with a value greater than \$5,000 are listed on Schedule 2.2(i).

(j) Cash and Investments. All of Seller’s cash on hand and in bank accounts and any other cash equivalents, including without limitation checking accounts, savings accounts, certificates of deposit, commercial paper, treasury bills, securities, and money market accounts.

### 2.3 Liabilities.

(a) Security Interests. Except for Permitted Liens, the Assets will be sold and conveyed to Buyer free and clear of all Liens.

(b) Assumed Liabilities. Except as otherwise provided in this Agreement and subject to the terms and conditions of this Agreement, simultaneously with the sale, transfer, conveyance and assignment to Buyer of the Assets, Buyer will assume, and hereby agrees to perform and discharge when due the following obligations and Liabilities relating to the Assets (collectively, the “**Assumed Liabilities**”): all Liabilities and obligations arising or to be performed after the Closing Date under the Contracts on the Assumed Contract Schedules, which are being assigned by Seller to Buyer and assumed by Buyer as described in Section 2.1(f) of this Agreement (excluding any Liabilities and obligations related to any breaches thereof existing on or before the Closing Date).

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

(d) Retained Obligations of Seller. Seller will retain and will hereafter pay, satisfy, discharge, perform and fulfill all obligations other than the Assumed Liabilities (the “**Excluded Liabilities**”) as they become due, without any charge or cost to Buyer. Seller agrees to indemnify and hold Buyer and its successors and assigns harmless from and against any and all such Excluded Liabilities in accordance with the terms of Article 11 of this Agreement.



2.4 Purchase Price and Payment.

(a) Purchase Price. The aggregate purchase price to be paid for the Assets will be Five Million Eight Hundred Thousand Dollars (\$5,800,000) (the “**Purchase Price**”).

(b) Payment. The Purchase Price will be paid by Buyer at Closing by wire transfer pursuant to the instructions of Seller, which instructions will be delivered to Buyer at least two (2) Business Days before the Closing Date; provided that Buyer may elect to wire any portion of the Purchase Price directly to creditors of Seller for satisfaction by Seller of its Required Payoff Liabilities (“**Seller Creditor Wires**”) and any such Seller Creditor Wires shall be deemed received by and paid to Seller for purposes of this Agreement.

(c) Allocation of Purchase Price. Prior to Closing, Buyer and Seller shall jointly prepare, and agree upon, an allocation schedule which shall allocate the Purchase Price among the Assets for Tax Purposes (the “**Allocation**”). Seller and Buyer agree (i) to jointly complete IRS Form 8594 in the manner required by Section 1060 of the Code, the regulations thereunder and the Allocation, and to separately file such IRS Form 8594 with its federal income tax return for the tax year in which the Closing occurs and (ii) that neither Seller nor Buyer will take a position on any tax return inconsistent with the Allocation without the written consent of the other Party; provided, however, that nothing contained herein shall prevent Buyer or Seller from settling any proposed deficiency or adjustment by any taxing authority based on or arising out of the Allocation, and neither Buyer nor Seller shall be required to litigate before any court, any proposed deficiency or adjustment by any taxing authority challenging such Allocation. Notwithstanding anything to the contrary in this Agreement, the provisions of this Section 2.4(c) shall survive the Closing.

(d) IRS Form 8594. Seller and Buyer agree to jointly complete IRS Form 8594 in the manner required by Section 1060 of the Code and the regulations thereunder, and to separately file such IRS Form 8594 with its federal income tax return for the tax year in which the Closing occurs.

2.5 Closing. The consummation of the Transactions provided for in this Agreement (the “**Closing**”) will take place at the offices of Akin Gump Strauss Hauer and Feld, LLP, 1700 Pacific Avenue, Suite 4100, Dallas, Texas 75201 at 11:00 a.m., or such other time and place (including by facsimile or electronic exchange) as Buyer and Seller may agree to, on the last Business Day of the first month during which all conditions to the obligations of the Parties set forth in Article 8 and Article 9 (other than such conditions as may, by their terms, be satisfied only at the Closing or on the Closing Date) are satisfied or to the extent permitted by applicable Law, waived. The date on which the Closing is to occur is referred to in this Agreement as the “**Closing Date**.”

2.6 Compliance with Bulk Sales. The Parties hereto hereby waive compliance with bulk sales Laws.

**ARTICLE 3**  
**REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller represents and warrants to Buyer that the statements contained in this Article 3 are correct and complete as of the Effective Date and will be correct and complete as of the Closing Date as though made then and as though the Closing Date were substituted for the Effective Date throughout this Article 3), except as set forth in any applicable section in the disclosure schedules delivered by Seller to Buyer on the Effective Date. Such disclosure schedules will be arranged in sections corresponding to the lettered and numbered sections contained in this Article 3.

3.1 Limited Liability Company Status. Seller is a Texas limited liability company duly organized and validly existing under the Laws of the State of Texas, and is duly qualified to transact business in Texas and every state in which the failure to be qualified would have a Material Adverse Effect on the Station or the Assets. Seller has the requisite power and authority to carry on its business as it is now being conducted and to own and operate the Station and Seller has no business other than the operation of the Station. Seller has delivered to Buyer correct and complete copies of Seller's Organizational Documents, as amended to date.

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

3.3 Entity Action. Seller has the relevant entity power and authority necessary to execute and deliver this Agreement and to perform and consummate the Transactions. All actions and proceedings necessary to be taken by or on the part of Seller in connection with the performance, execution and delivery of this Agreement and the completion of the Transactions through Closing Date have been duly and validly taken, have not been rescinded and are in full force and effect, and this Agreement has been duly and validly authorized, executed, and delivered by Seller and constitutes the legal, valid and binding obligation of Seller enforceable against Seller in accordance with and subject to its terms.

3.4 No Defaults. Neither the execution, delivery, or performance by Seller of this Agreement nor the consummation by Seller of the transactions contemplated hereby, is an event that, of itself or with the giving of notice or the passage of time or both, will: (a) violate or conflict with any provision of the Organizational Documents of Seller; (b) assuming that the consents (i) required in connection with any assignment to Buyer of the Contracts listed on the Assumed Contract Schedules, or (ii) otherwise contemplated by this Agreement are obtained, constitute a violation of, conflict with or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation of Seller under any Contract to which Seller is party or by which it is, or the Assets are, bound, which violation, conflict, breach or default would have a Material Adverse Effect on Seller, the Station, the Assets or the ability of Seller to enter into this Agreement or consummate the transactions contemplated hereby or result in the creation of any Lien on the Assets; (c) violate any judgment, decree, order, statute, Law, rule or regulation of any court, arbitrator or government or regulatory body applicable to Seller, the Station or the Assets; or (d) result in the creation or imposition of any Lien against the Station or the Assets.

3.5 Contracts.

(a) The Assumed Contract Schedules list each Contract. No party to any such Contract has repudiated any provision of any such Contract. Except as set forth on Schedule 3.5(a), each of the Contracts listed on the Assumed Contract Schedules is assignable by Seller without any other Person's Consent.

(b) Except as set forth on the Assumed Contract Schedules, Seller is not a party to any:

(i) Contract relating to the operation of the Assets, including, but not limited to, any Contract for (A) the purchase or sale of merchandise, programming or software or for the rendition of services or (B) the sale of any assets, properties or rights other than, with respect to the items in this clause (B), the sale of services or products in the Ordinary Course of Business at historical profit margins and other than this Agreement; or

(ii) Contract with respect to any Intellectual Property, other than customer or vendor contracts entered into in the Ordinary Course of Business.

(c) Seller is not a party to any Contract with respect to any Intellectual Property, other than customer or vendor contracts entered into in the Ordinary Course of Business.

The Assumed Contract Schedules contain a true, correct and complete list of all material amendments and supplements to the items listed thereon. All items listed on the Assumed Contract Schedules are in full force and effect, constitute legal, valid and binding obligations of the respective parties thereto and are Enforceable in accordance with their respective terms; provided that any statements made with respect to the Enforceability of any contract against a third party are made to the Knowledge of Seller. Seller has furnished to Buyer true, correct and complete copies of all items listed in the Assumed Contract Schedules (and all amendments, modifications, extensions and renewals thereof) and complete written descriptions of all material terms of any oral Contracts described thereon.

(d) Attached as Schedule 3.5(d) is a true and correct list, as of the date hereof, of the aggregate amount payable by Seller or the amount of advertising time or other products or services to be provided by Seller, as applicable, under the Contracts listed on the Assumed Contract Schedules on a monthly basis and over the remaining term of such Contracts.

3.6 Breach. Except as set forth on Schedule 3.6, Seller is not in violation or breach of any of the terms, conditions or provisions of its Organizational Documents, any Program License Agreements, the Network Affiliation Agreements, or any other Contract, or any indenture, mortgage or deed of trust or other instrument, court order, judgment, arbitration award or decree relating to or affecting the Station or the Assets to which Seller is a party or by which it is bound. Except as set forth on Schedule 3.6, all accrued and currently payable amounts due from Seller under the Contracts have been paid. No other party thereto is in default or breach under any of the Contracts.

3.7 Financial Information. Attached to this Agreement as Schedule 3.7 are the following financial statements (the “**Financial Statements**”) for the Station: (a) the unaudited balance sheets as of the end of the fiscal years ended December 31, 2009 and December 31, 2010, and (b) the unaudited balance sheet as of December 31, 2011 (the “**Balance Sheet**”) and the related unaudited statements of income for the respective fiscal years then ended. The Financial Statements have been prepared in accordance with GAAP applied on a consistent basis in all material respects except in the unaudited statements, for the absence of footnote disclosures and for the absence of normal year-end audit adjustments which are not material in the aggregate (without giving effect to materiality under GAAP) throughout the periods covered thereby, present fairly the financial condition of Seller as of such dates and the results of operations of Seller for such periods, are correct and complete in all material respects (without giving effect to materiality under GAAP), and are consistent in all material respects (without giving effect to materiality under GAAP) with the books and records of Seller. Since December 31, 2011 (the “**Latest Balance Sheet Date**”), Seller has not effected any change in any method of accounting or accounting practice, except for any such change required because of a concurrent change in GAAP.

3.8 Taxes. Except as set forth on Schedule 3.8,

(a) All Tax Returns required to have been filed with any jurisdiction with respect to Seller and the operation of the Station have been duly and timely filed by Seller and each such Tax Return correctly reflects the amount of Taxes required to be reported and paid. Seller has paid all Taxes due and payable that it is required to pay or accrue before the Effective Date, except to the extent that such amounts are reserved for in the Balance Sheet. There are no Taxes that are past due. No consent extending the applicable statute of limitations has been filed by or with respect to Seller with respect to

any of such Taxes for any years. There is no action, suit, proceeding, audit, investigation or claim now pending, or threatened, regarding any Taxes or any Tax Return of Seller. All of such returns, reports and estimates are true and complete in all respects, and were prepared in compliance with all applicable Laws and regulations.

(b) Seller has withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee and all Forms W-2 required with respect thereto have been properly completed and timely filed.

(c) There are no Tax deficiencies (including penalties and interest) of any kind assessed against or relating to either Seller or the Assets with respect to any Taxable periods ending on or before, or including, the Effective Date of a character or nature that would result in Liens or claims on any of the Assets or on Buyer's title or use of the Assets or that would result in any claim against Buyer.

(d) Seller is not currently the beneficiary of any extension of time within which to file any Tax Return.

(e) Seller is not a party to any Tax allocation or sharing agreement. Seller has no Liability for the Taxes of any Person as a transferee or successor, by contract or otherwise.

3.9 Licenses. Seller validly holds all licenses, permits, franchises, authorizations and approvals, including associated broadcast auxiliary authorizations, antenna structure registrations, or authorizations of any governmental or quasi-governmental authority required for the operation of the Station in the manner operated as of the Effective Date, including, without limitation, all amendments and all applications therefor, together with any renewals, extensions or modifications thereof and additions thereto (collectively, the "**Authorizations**") and all of such authorizations are listed on Schedule 3.9. Except as set forth on Schedule 3.9, the Authorizations constitute all of the licenses and authorizations required under the Communications Act for the operation of the Station in the manner operated as of the date hereof. Except as set forth on Schedule 3.9, the Authorizations are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired and are not subject to any conditions (other than conditions appearing on the face of the Authorization or generally imposed on television broadcast licenses) and there is no pending or threatened action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the Authorizations (other than proceedings to amend the FCC Rules of general applicability) and there is not now issued or outstanding, or pending or threatened by or before the FCC, any order to show cause, notice of violation, notice of apparent Liability, or notice of forfeiture or complaint against Seller or the Station. The Station is operating in all material respects in compliance with the Authorizations, the Communications Act and the FCC Rules and all other applicable federal, state, county and local ordinances, rules, regulations and policies. Other than the Authorizations, there are no licenses, permits or authorizations of any governmental or quasi-governmental authority required to operate the Station.

### 3.10 Additional Regulatory Matters.

(a) Reports. All reports and filings required to be filed with the FCC and any Government Agency by Seller have been timely filed (including but not limited to reporting required to be filed with the FCC relating to children's television programming and advertising, political advertising and DTV Ancillary and Supplementary Services. All such reports and filings are accurate and complete and from the date hereof to the Effective Time will be filed on a timely basis. Seller maintains appropriate public files at the Station as required by the FCC Rules. With respect to the Authorizations of Seller issued by the FCC, Seller is operating only those facilities for which appropriate Authorizations

have been obtained from the FCC and are in full force and effect and Seller is in material compliance with the terms and conditions of such Authorizations.

(b) No Notices. Except as disclosed on Schedule 3.10(b), Seller has not received written or oral notice or other communication indicating that it is not in compliance with all requirements of (i) the FCC or any other Government Agency or the Communications Act or (ii) applicable federal, state and local statutes, regulations and ordinances. Seller has no Knowledge that, and has not received any written or oral notice or communication, formal or informal, indicating that, the FCC or any other Government Agency is considering revoking, suspending, modifying, canceling, rescinding or terminating any Authorization.

(c) RF Radiation. The operation of the Station does not cause or result in exposure of workers or the general public to levels of radio frequency radiation in violation of FCC rule Section 1.310 or FCC OST/OET Bulletin Number 65. Renewal of the Authorizations issued by the FCC would not have a “significant impact on the quality of the human environment” within the meaning of Section 1.1301, *et seq.*, of the FCC’s Rules.

(d) Network Affiliation Agreements. The Network Affiliation Agreements are in full force and effect and Seller has not received any written or oral notice of any intent or desire to change the terms of, terminate or not renew such Network Affiliation Agreements.

(e) No Grandfathered Operations. None of the individual or collective operations of the Station as conducted as of the date hereof violate in any material respect the Communications Act, the FCC Rules, or any Law binding on Seller that would require any waiver of any FCC Rule for Buyer to continue such operation or operations after the Closing.

(f) Digital Television. The Station currently is licensed to and is operating its post-transition digital television (“**DTV**”) service on channel 38 (FCC File No. BLCDT-20090612AFW (“**DTV License**”). Operating pursuant to the DTV License (i) at least replicates the area and population of the Station’s analog facilities (meaning its current Grade B service area and population), (ii) is identical to or greater than the facilities certified by Seller on FCC Form 381, and (iii) exceeds the digital facilities specified in the licensee’s original construction permit (the Appendix B ‘checklist’ facilities specified in the Seventh Report and Order. Seller has not received any complaints from any viewers indicating that such viewers have experienced any difficulties receiving a DTV signal from the Station following the Station’s transition to all-digital broadcasts on June 12, 2009 that are material to the Station. There are no pending petitions for rulemaking or notices of rulemaking to reallocate the DTV allotment of the Station or, to the Knowledge of Seller, to reallocate the allotment of any other broadcast station that would reasonably be expected to have a Material Adverse Effect on the Station.

(g) MVPD Matters. The Station’s signal is carried on all of the MVPDs with at least 5,000 subscribers serving the Station’s Designated Market Area (“**DMA**”) (as such term is defined in Section 76.55(e)(2) of the FCC’s Rules) pursuant to the must-carry notices or retransmission consent notices/retransmission consent agreements that are listed on Schedule 3.10(g), and Seller is not in default under or in respect of their performance of the Station’s Retransmission Consent agreements, including, without limitation, copyright royalties. Each such mandatory carriage notice or Retransmission Consent Agreement set forth on Schedule 3.10(g) is in full force and effect. Seller has made available to Buyer true and complete copies of the Retransmission Consent Agreements set forth on Schedule 3.10(g). The Station has provided timely notice to each Market MVPD System of its election of either mandatory carriage or retransmission consent with respect to the three (3) year period commencing January 1, 2012, and Schedule 3.10(g) sets forth whether the Station has elected mandatory carriage or retransmission



consent with respect to each such Market MVPD System for such period. As of the date hereof, no petition for special relief to modify the area in which the Station is entitled to exercise mandatory carriage rights, and no mandatory carriage complaint on behalf of the Station, is currently pending before the FCC. The technical quality of the video and audio components of the broadcast signals, as delivered to each MVPD in the Station's DMA, meets the "good quality" technical standard set forth in 47 C.F.R. 76.55(c)(3) (or any successor provision thereto). Seller has no Knowledge of any reason that a MVPD might terminate carriage during the current term of the Station's right to carriage by such MVPD (whether pursuant to must carry rights or retransmission consent) and no MVPD has notified Seller or Station in writing of any signal quality deficiency or copyright indemnity or other prerequisite to carriage of any or all of the Stations' signals, and no MVPD has declined or threatened to decline such carriage or failed to respond to a request for carriage or sought any form of relief from carriage at the FCC. Schedule 3.10(g) contains a true and complete list, including channel positions, of all MVPDs with at least 5,000 subscribers in the Station's DMA on which the Station's signal is presently carried and indicates the format(s) in which such MVPD carries the Station's signal (e.g., standard-definition digital, high-definition digital, etc.).

3.11 Liabilities. There are no Liabilities or obligations of Seller, whether arising under Contracts, related to tax or non-tax matters, known or unknown, due or not yet due, liquidated or unliquidated, fixed, contingent or otherwise, including penalty, acceleration or forfeiture clauses in any Contract, except for (a) Liabilities disclosed in this Agreement or the Schedules hereto, or quantified on the face of the Balance Sheet (rather than in any notes thereto) and not heretofore paid or discharged, and (b) Liabilities that have arisen after the Latest Balance Sheet Date in the Ordinary Course of Business that, individually or in the aggregate, are not material and are of the same character and nature as the Liabilities quantified on the face of the Financial Statements (rather than any notes thereto), none of which results from or relates to any breach of Contract, breach of warranty, tort, infringement, or breach of Law or arose out of any Action or Order. Except as set forth on Schedule 3.11, Seller has no Funded Indebtedness. The list of Required Payoff Liabilities delivered to Buyer by Seller pursuant to Section 10.1(h) shall be true, correct and complete.

3.12 Business Operations. Except as set forth on Schedule 3.12, the only business Seller has conducted since its formation is the operation of the Station.

3.13 Approvals and Consents. The only material approvals or consents of Persons not a party to this Agreement that are legally or contractually required to be obtained by Seller or otherwise required to avoid a breach under any Contract, Law or Permit in connection with the consummation of the Transactions are those that are contemplated by Section 5.5. Except for the FCC Order, no permit, license, consent, approval or authorization of, or filing with, any Government Agency is required of Seller in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

3.14 Availability, Title to, and Condition of Assets.

(a) Except as set forth on Schedule 3.14(a) or otherwise referenced in Sections 2.2(a)-2.2(j) of this Agreement, the Assets constitute all of the assets necessary to conduct the operation of the Station as presently conducted by Seller.

(b) Except as set forth on Schedule 3.14(b), Seller has either good, marketable, and indefeasible title to, or a valid leasehold interest in, all of the Assets, in each case free and clear of all Liens.

(c) Except as set forth on Schedule 3.14(c), no ownership of Assets is evidenced by a certificate of title or similar certificate.

(d) Immediately prior to the Closing, Seller will have good, marketable and indefeasible title to all of the Assets, in each case free and clear of all Liens.

(e) The Assets and the Excluded Assets constitute all of the assets of Seller.

3.15 Compliance with Law and Regulations. Except as set forth on Schedule 3.15, the Assets and Seller are, in all material respects, in compliance with all requirements of federal, state and local Law and all requirements of all federal, state and local governmental bodies or agencies having jurisdiction over any of them, the operations of the Station, the use of Seller's properties and assets, and no Action is pending or threatened (and there is no basis therefor) against them alleging any failure to so comply. Without limiting the foregoing, Seller has paid all monies and obtained all Authorizations issued by the FCC and all other material licenses, permits, certificates, or authorizations needed or required for its operations. Seller has properly and timely filed all reports and other documents required to be filed in its public file and with any federal, state or local government or subdivision or agency thereof. Except as disclosed on Schedule 3.15, Seller has not received any written or oral notice from any federal, state or municipal authority or any insurance or inspection body that any of its properties, facilities, equipment or business procedures or practices fails to comply with any applicable Law, ordinance, regulation, building or zoning Law or requirement of any public authority or body. Except as set forth on Schedule 3.15, no material expenditures are, or based on applicable Law, will be required of Seller for it and its business and operations to remain in compliance with applicable Law.

3.16 Litigation. Except as set forth on Schedule 3.16, there is no Action pending or threatened against Seller nor is there any basis for any such suit, arbitration, administrative charge or other legal proceedings, claim or governmental investigation. Seller has not been operating under or subject to, or in default with respect to, any order, writ, injunction or decree relating to the Station or the Assets of any court or federal, state, municipal or other governmental department, commission, board, agency or instrumentality.

3.17 Intangible Property. Seller has all right, title and interest in and to all Intangible Property necessary or desirable in the operation of the Station as presently operated and as presently proposed to be operated. Seller has not received written or oral notice of any claim against it involving any conflict or claim of conflict of any of the items listed on Schedule 2.1(c), and there is no basis for any such claim of conflict. Each item of Intangible Property owned or used by Seller immediately before the Closing will be owned or available for use by Buyer on identical terms and conditions immediately after the Closing. Seller has taken all reasonably necessary action to maintain and protect each item of Intangible Property that it owns or uses. No service provided by Seller or any programming or other material used, broadcast or disseminated by Seller or the Station, infringes on any copyright, patent or trademark of any other party. Seller has not received any written or oral notice of any claim of infringement of any third party's copyright, patent, trademark, service mark, logotype, license or other proprietary right, including the use of any call sign, slogan or logo by a broadcast station or cable system in the marketing area of the Station that is confusingly similar to the call sign, slogans and logos currently used by the Station, and there is no Intangible Property owned by a third party that Seller is using without proper license to do so (which licenses, if any, constitute part of the Contracts). Seller owns or possesses adequate licenses or other rights to use all copyrights, trademarks, service marks, trade names, logotypes and other intangible rights used to operate the Station. There are no facts that would render any of the Intangible Property invalid or unenforceable. The use of the Intangible Property by Seller does not infringe on the rights of any third party.

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

3.19 Conflicting Interests. Neither Seller nor any director, officer, member, manager or partner of Seller has any financial interest in any Asset (other than via ownership thereof), supplier, advertiser or customer of Seller or in any other business enterprise with which the Station or Seller engages in business or with which the Station or Seller is in competition. The ownership of less than one percent (1%) of the outstanding capital stock of a publicly-held corporation will not be deemed to be a violation of this representation and warranty. Attached as Schedule 3.19 is a true and accurate list of all Contracts with Affiliates of Seller.

3.20 Matters Arising After the Balance Sheet Date. Except as set forth on Schedule 3.20, since the Latest Balance Sheet Date, Seller has operated in the Ordinary Course of Business, and, between the Latest Balance Sheet Date and the Effective Date, there have been no events, series of events or the lack of occurrence of any events or series of events that were reasonably anticipated that, singularly or in the aggregate, could reasonably be expected to be material. Without limiting the generality of the foregoing, except as set forth on Schedule 3.20, between the Latest Balance Sheet Date and the Effective Date:

(a) There has not been any Material Adverse Effect or any material physical damage or loss to any of the Assets (except where such damage or loss was covered by insurance and repair or replacement of the damaged or lost assets has been completed);

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

(c) Seller has preserved its business organization intact and has used its Commercially Reasonable Efforts to keep available the services of its employees and to preserve relationships with FOX and all other counterparties to the Network Affiliation Agreements, the FCC and its customers, advertisers, suppliers and others with whom it deals;

(d) Seller has not sold, leased, transferred, or assigned any of its assets, tangible or intangible, other than for a fair consideration in the Ordinary Course of Business and sales of assets have not exceeded \$25,000 singularly or \$50,000 in the aggregate;

(e) Seller has not entered into any agreement, Contract, license or lease involving more than \$25,000 and outside the Ordinary Course of Business that cannot be terminated by Seller with less than sixty (60) days prior written notice, and with the exception of transactions in the Ordinary Course of Business, Seller has not granted any rights under or with respect to any Intangible Property;

(f) No party (including Seller) has accelerated, terminated, modified or cancelled any agreement, Contract, lease or license involving more than \$10,000 to which Seller is a party or by which it is bound;

(g) Seller has not experienced any material damage, destruction or loss (whether or not covered by insurance) to its property, excluding ordinary wear and tear;



(h) Seller has not taken any action outside of the Ordinary Course of Business, except as related to the transactions contemplated hereby;

(i) No Lien has been imposed upon any of the Assets;

(j) Except as set forth on Schedule 3.20(j), Seller has not issued any note, bond or other debt security or created, incurred, assumed or guaranteed any indebtedness either involving more than \$25,000 individually or \$50,000 in the aggregate or made any loan to any of its members, officers or employees outside the Ordinary Course of Business;

(k) Except as set forth on Schedule 3.20(k), Seller has not delayed or postponed the payment of accounts payable or other Liabilities either involving more than \$2,000 (individually) or outside the Ordinary Course of Business;

(l) Except as set forth on Schedule 3.20(l), Seller has not canceled, compromised, waived, or released any Action (or series of related Actions) either involving more than \$25,000 or outside the Ordinary Course of Business;

(m) Except as set forth on Schedule 3.20(m), Seller has not (i) entered into any employment, collective bargaining, or similar Contract or materially modified the terms of any such existing Contract, or (ii) committed to pay any bonus or granted any increase in the base compensation of any director, officer, or Affiliate of Seller or any of its other employees outside the Ordinary Course of Business; and

(n) Except as set forth on Schedule 3.20(n), for U.S. federal and state Tax purposes, Seller has not made any change in any of its accounting methods, policies, procedures, practices or methods with respect to applying such principles.

3.21 FAA Compliance. Seller and the Assets are in material compliance with the rules and regulations of the FAA applicable to the Station. All Station Equipment is in compliance with all painting, lighting and tower registration requirements of the FAA, the FCC, and any other governmental authority.

3.22 Coverage. Attached as Schedule 3.22 is a list of all the cable systems in the Station's DMA, which list sets forth which systems carry the Station, which systems do not carry the Station, and whether carriage is pursuant to must carry or retransmission consents.

3.23 Bankruptcy. Seller is not currently insolvent or the subject of bankruptcy or any similar proceeding, nor will Seller be rendered insolvent by any of the Transactions. As used in this Section 3.23, "insolvent" means that the sum of the Liabilities of Seller exceeds the fair present value of Seller's Assets. Seller is not entering into this Agreement or any of the Transactions with the intent to defraud, hinder or delay any other party from collecting on a Liability of Seller.

3.24 Powers of Attorney. There are no outstanding powers of attorney executed on behalf of Seller.

3.25 Records. The records of the Station have been fully, properly and accurately maintained in all material respects, and true, correct and complete copies thereof have been made available to Buyer.

3.26 Accuracy of Information Provided. No representation, statement, or information contained in this Agreement (including the Schedules) contains or will contain any untrue statement of a material fact or omits or will omit any material fact necessary to make the information contained therein not misleading.

3.27 Seller's Qualifications. Except as set forth on Schedule 2.1(a) and Schedule 3.15, (i) there is not any fact or condition relating to Seller that will prevent the Parties from obtaining the Final FCC Order in due course, and without delay, and (ii) there is not any basis for, or any particular reason for any particular Person to file a petition to deny or informal objection with the intention of delaying or preventing the receipt by Buyer and Seller of the Final FCC Order.

## **ARTICLE 4**

### **REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Seller that the statements contained in this Article 4 are correct and complete as of the Effective Date and will be correct and complete as of the Closing Date as though made then and as though the Closing Date were substituted for the Effective Date throughout this Article 4, except as set forth in any applicable section in the disclosure schedules delivered by Buyer to Seller on the Effective Date. Such disclosure schedules will be arranged in sections corresponding to the lettered and numbered sections contained in this Article 4.

#### **4.1 Status.**

(a) Buyer. Buyer is a Texas limited liability company duly organized, in good standing and validly existing under the Laws of the State of Texas. Buyer is (or will be at the Closing) duly authorized to transact business in the State of Texas. Buyer has the requisite power to enter into and complete the transactions contemplated by this Agreement.

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

4.2 No Defaults. Neither the execution, delivery and performance by Buyer of this Agreement nor the consummation by Buyer of the Transactions contemplated hereby is an event that, of itself or with the giving of notice or the passage of time or both, will: (a) violate or conflict with any provision of the Organizational Documents of Buyer; (b) constitute a violation of, conflict with or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation under any contract, mortgage, indenture, agreement, lease or other instrument to which Buyer is a party or by which it is bound or the assets of it are bound, or by which it may be affected, or result in the creation of any Lien on any of the assets of Buyer; or (c) subject to receipt of the FCC Order, violate any judgment, decree, order, statute, Law, rule or regulation of any court, arbitrator or government or regulatory body applicable to Buyer or the assets of Buyer.

4.3 Entity Action. All actions and proceedings necessary to be taken by or on the part of Buyer or its members, if required by applicable Law, in connection with the performance, execution and delivery of this Agreement and the completion of the Transactions through Closing Date have been duly and validly taken, and this Agreement has been duly and validly authorized, executed and delivered by Buyer and constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with and subject to its terms.

**ARTICLE 5**  
**COVENANTS OF SELLER PENDING THE CLOSING**

Seller covenants and agrees that, from the Effective Date until the completion of the Closing:

5.1 Operations of the Business.

(a) Ordinary Operations. Seller will use its Commercially Reasonable Efforts to close under this Agreement. Until the Closing, Seller will use its Commercially Reasonable Efforts to carry on operations of the Station and keep its books and accounts, records and files in the usual and ordinary manner in which the business of the Station has been conducted in the past, including, but not limited to, spending amounts on advertising, promotions and marketing of the Station between the Effective Date and the Closing Date in a manner consistent with past custom and practice (including with respect to quantity and frequency). Seller will operate the Station in compliance with the terms of the Authorizations and all applicable Laws, rules and regulations, including, without limitation, the FCC Rules. In addition, Seller will (i) promptly notify Buyer of any unusual or adverse developments with respect to the business or operations of the Station, including the loss of carriage or change in channel position on any MVPD system in the Station's DMA, or the cessation of broadcasting or reduction by the Station of its authorized power for more than twenty-four (24) consecutive hours, and (ii) take all appropriate, reasonable action to protect the present service areas of the Station from increased electrical interference from other stations, existing or proposed (without any obligation to initiate litigation or other legal action of any kind), and to exercise reasonable efforts to maintain carriage of the Station's signals on all MVPD systems in the Station's DMA.

(b) Preserve Business. While operating the Station, Seller will use its Commercially Reasonable Efforts to preserve (i) its business organization intact, retaining substantially as at present the employees, consultants and agents of the Station, and (ii) the goodwill of the Station and the suppliers, advertisers, customers and others having business relations with the Station.

5.2 Prohibited Actions. Before the Closing Date, Seller will not, without the prior written consent of Buyer:

(a) Sell, lease or transfer or agree to sell, lease or transfer, any Assets;

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

(c) Renegotiate, modify, renew, amend, or terminate any Network Affiliation Agreement or Program License Agreement or any other existing Contract, including, without limitation, any time sales contract;

(d) Enter into any Contract with any employee or Affiliate of Seller (or any director, officer, equityholder or employee of such Affiliate) with respect to the Station or the Assets, other than in the Ordinary Course of Business;

(e) Enter into any barter or trade contract or Contracts that are prepaid, other than in the Ordinary Course of Business;

(f) (i) Take any action that would result in (y) the Authorizations being materially adversely modified, revoked, suspended, canceled, rescinded, not renewed, or terminated, or (z) a reduction in coverage of the respective present service areas and population coverage of the Station, or (ii) otherwise make or attempt to make any change in the Authorizations, other than to keep the Authorizations in full force and effect or pursue the FCC Order or as may be required by applicable law;

(g) Consent to the execution, placement, creation or amendment of any Lien;

(h) Delay or postpone the payment of accounts payable and other Liabilities beyond their due date or accelerate the collection of accounts receivable, other than in the Ordinary Course of Business;

(i) Enter into any Contract (or series of related Contracts) or amendment of any Contract involving an aggregate consideration in excess of \$20,000, other than in the Ordinary Course of Business;

(j) Incur any Funded Indebtedness or issue any securities evidencing Funded Indebtedness;

(k) Enter into any employment Contract having annual compensation in excess of \$35,000 or any collective bargaining agreement, written or oral, or modify the material terms of any such employment Contract or collective bargaining agreement, other than in the Ordinary Course of Business;

(l) In any manner take or cause to be taken any action that is designed, intended or might reasonably be anticipated to have the effect of discouraging customers, employees, suppliers, lessors and other associates of Seller from maintaining the same business relationships with Buyer and its Subsidiaries after the Effective Date as were maintained with Seller prior to the Effective Date;

(m) Create any material Lien on any of the Assets;

(n) Change the call letters of the Station;

(o) Enter into, modify, amend or extend a Retransmission Consent Agreement to the extent such Retransmission Consent Agreement covers the Station if such new agreement, modification, amendment or extension would not terminate with respect to the Station on or before the Closing or enter into any new Retransmission Consent Agreement or similar agreement;

(p) Amend any Debt Document (provided that Buyer's consent to any such amendment shall not be unreasonably withheld); or

(q) Authorize any of the foregoing or enter into any agreement to do any of the foregoing.

5.3 Notice of Adverse Changes. Pending the Closing Date, Seller will give Buyer prompt written notice of the occurrence of any of the following:

- (a) an Event of Loss in excess of \$25,000;
- (b) the commencement of any proceeding or litigation at Law or in equity or before the FCC or any other commission, agency or administrative or regulatory body or authority involving any of the Authorizations or that could have a Material Adverse Effect, other than proceedings or litigation of general applicability to the television broadcasting industry that do not have a materially disproportionate impact on the Station;
- (c) any material violation by Seller or the Station of any federal, state or local Law, statute, ordinance, rule or regulation that would reasonably be expected to have a Material Adverse Effect;
- (d) any notice received by Seller of breach, default, claimed default or termination of any Contract;
- (e) any other material unusual or adverse developments with respect to the business or operations of the Station, including the loss of carriage or change in channel position on any Market MVPD System and the cessation of broadcasting or reduction by the Station of its authorized power for more than twenty-four (24) consecutive hours; and
- (f) all correspondence, or summaries of any oral, discussions with respect to the Network Affiliation Agreements.

Buyer's receipt of information pursuant to this Section 5.3 shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by Seller in this Agreement (including Section 11.2(a) and Section 12.1) and shall not be deemed to amend or supplement the Schedules hereto.

5.4 Representations and Warranties. Seller will give detailed written notice to Buyer promptly on learning of the occurrence of any event that would cause or constitute a breach of any of Seller's representations or warranties contained in this Agreement.

5.5 Consents. Seller will use Commercially Reasonable Efforts to obtain the consent or approval of any third Person required under any Contract listed on the Assumed Contract Schedules to assign any such Contract from Seller to Buyer, including providing adequate notice of the assignment where applicable. Buyer has designated certain of these consents as material to the Station as noted on Schedule 5.5 (with each, being in a form reasonably satisfactory to Buyer, a "**Material Consent**," and each Contract that is subject to a Material Consent a "**Material Consent Contract**"). Buyer will not be obligated to accept the assignment of any Material Consent Contract or any Liability under such Material Consent Contract if the Material Consent for such Material Consent Contract is not obtained and, if such consent is obtained after the Closing, Buyer will assume such Material Consent Contract only when such Material Consent is obtained and only if Buyer is placed in the position it would have been in if the Material Consent had been obtained before the Closing.

5.6 Notice of Proceedings. Seller will promptly notify Buyer in writing upon:  
(a) receiving written or oral notice of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder;  
(b) receiving any written or oral notice from any governmental department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated; or (c) the commencement of any proceeding or litigation at Law or in equity or before the FCC or any other commission, agency or administrative or regulatory

body or authority involving any of the Authorizations, other than proceedings or litigation of general applicability to the television broadcasting industry that do not have a materially disproportionate impact on the Station.

5.7 Consummation of Agreement. Subject to the provisions of Section 12.1 of this Agreement, Seller will fulfill and perform all obligations on its part to be fulfilled and performed under this Agreement and use its Commercially Reasonable Efforts to cause the transactions contemplated by this Agreement to be fully carried out through Closing.

5.8 Application for FCC Consents. As promptly as practicable after the date of this Agreement, and in no event later than ten (10) Business Days after the execution of this Agreement, Seller and Buyer shall cause to be filed applications with the FCC requesting the FCC Order. Buyer and Seller shall promptly provide to each other and the FCC all documents, information, and materials as may be reasonably required in connection with the filing of the applications with the FCC. Seller shall enter into a tolling agreement as may be required by the FCC to the extent reasonably necessary to facilitate the grant of the FCC Order and Seller shall consult with Buyer before entering into any such tolling agreement. Seller and Buyer shall use their Commercially Reasonable Efforts to take all steps that are proper, necessary or desirable to expedite the preparation of such applications and their prosecution to a favorable conclusion. Each Party shall promptly provide the other with a copy of any material pleading, order or other document served on such Party or filed or served by such Party relating to such applications. Seller and Buyer shall furnish all information required by the FCC in connection with the applications. If required by the FCC, Seller shall enter into an escrow agreement to the extent reasonably necessary to facilitate the grant of the FCC Order, and Seller shall consult with Buyer before entering any such escrow agreement. Seller and Buyer will use their respective commercially reasonable efforts to oppose any petitions to deny or other objections that may be filed with respect to the FCC application and any requests for reconsideration or review of the FCC Order, provided, however, that neither Buyer nor Seller shall have any obligation to participate in any evidentiary hearing on any FCC application. Neither Seller nor Buyer nor any Affiliate of either Party nor any station in which either Party has an attributable interest (as defined by the FCC Rules) will take any action that it knows or reasonably should know would adversely affect or delay the grant of FCC Order, or adversely affect or delay the FCC Order becoming Final. If Closing occurs hereunder before the FCC Order becoming Final, then the Parties' obligations under this Section 5.8 shall survive the Closing until the FCC Order and all such consents and extensions in connection therewith become Final. Each Party shall bear one-half of the cost of application filing fees relating to the assignment of the Authorizations to Buyer. Seller shall make payment of the filing fee directly to the FCC concurrently with the submission of the applications to the FCC; Buyer shall reimburse Seller for Buyer's one-half share of these fees at Closing.

5.9 FCC Reports/FCC Compliance. From and after the date of this Agreement and until the Closing, within ten (10) days after each such report has been filed, Seller will furnish Buyer with a copy of any of Seller's reports filed with the FCC with respect to the Station. After the Closing Date, to the extent not already provided under this Agreement, Seller shall furnish to Buyer or to the FCC all information required by the FCC relating to the operation of the Station prior to the Closing Date.

5.10 Publicity. Seller will publish and broadcast a public notice concerning the filing of the application for assignment of the Authorizations in accordance with the requirements of Section 73.3580 of the FCC Rules. Prior to Closing, neither Seller, nor Buyer, nor any of their respective Affiliates will issue or cause the publication of any other announcement or press release or any other public statement or any correspondence or other communication with respect to the execution of this Agreement without the prior written consent of the other Party. Buyer and Seller will use Commercially Reasonable Efforts to coordinate the announcement of the transactions contemplated by this Agreement.



5.11 Exclusivity. Seller will not (a) solicit, initiate or encourage the submission of any proposal or offer from any Person relating to the acquisition of any of the voting securities, or any interest in any portion of the assets of Seller outside the Ordinary Course of Business (including any acquisition structured as a merger, consolidation, or share exchange), or (b) participate, without limitation, in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing.

5.12 Confidentiality. Any and all confidential information, disclosures, knowledge or facts regarding Buyer and its operations derived from or resulting from Seller's acts or conduct (including, without limitation, acts or conduct of Seller's managers, partners, officers, employees, accountants, counsel, agents, consultants or representatives, or any of them (collectively, "**Representatives**")) obtained by Seller (or their Representatives) pursuant to or in connection with this Agreement, will not be divulged, disclosed or communicated to any other Person, except as required by Law and to Seller's Representatives and their respective attorneys for the purpose of consummating the transactions contemplated by this Agreement and Seller will be responsible for any breach of confidentiality by any such Person. If this Agreement terminates before Closing, Seller will return promptly any confidential information obtained regarding Buyer and Seller will instruct its Representatives also to return any such information.

5.13 Charges, Fees, and Prepayment Obligations. Seller will, prior to the Closing, use Commercially Reasonable Efforts to ensure that no sums are owed or payable by Buyer to any Person in the nature of a transfer charge or processing fee with respect to any Contracts of Seller as a result of the Transactions.

5.14 Financing Support. Seller will afford Buyer and its potential financing sources and their respective representatives and agents (including accountants, consultants and attorneys): (a) reasonable access to the assets, business, properties, books, records (including Tax Returns filed and those in preparation) and executive personnel of Seller in order to provide Buyer and its potential financing sources with a full opportunity to make such investigation of Seller and the Station as they reasonably desire; (b) upon reasonable notice and at times and in accordance with procedures to be mutually agreed by Seller and Buyer, permit Buyer, its potential financing sources and their respective representatives to make such reasonable inspections of Seller and its operations as they reasonably require; and (c) the opportunity to review such financial and operating data and other information with respect to the Station as they may from time to time reasonably request; provided that the activities in clauses (a) through (c) will be conducted in such a way so as not to unreasonably interfere with the operation of the Station, and all such access and inspections will be coordinated through the General Manager of the Station, and will be subject to such reasonable restrictions as may be mutually agreed by the General Manager of the Station and Buyer for the purposes of minimizing disruption with the conduct of the business of the Station. Buyer understands that this access to financial and other information is being provided by Seller to Buyer as an accommodation only, without representation or warranty of any kind except to the extent as may otherwise be expressly provided for in Article 3 of this Agreement, and that the closing of the Transactions in accordance with this Agreement is not in any way contingent upon the approval by Buyer or Buyer's lender of the financial and other information described in this Section 5.14.

5.15 Cooperation with Lender. Seller will use Commercially Reasonable Efforts to assist Buyer by providing factual information with respect to the Station and by taking such further action as reasonably requested by Buyer in order to assist Buyer in obtaining financing for use in connection with the Transactions contemplated by this Agreement from its financing sources.

5.16 Conveyance Free and Clear of Liens. Except for Permitted Liens, at or prior to the Closing, Seller will obtain the release of all Liens disclosed in the Schedules hereto and any other Liens on the Assets, and will duly file releases of all such Liens in each Government Agency or office in which any such Lien or evidence thereof will have been previously filed, and Seller will transfer and convey, or cause to be transferred and conveyed, to Buyer at Closing good, indefeasible and marketable title to all of the Assets free and clear of all Liens, except for Permitted Liens.

5.17 Children's Programming. The Station will comply in all material respects with the FCC Rules concerning limits on the duration of advertising in children's programming, satisfaction of obligations with respect to children's programming responsive to the educational and informational needs of children, and the record keeping obligations related thereto.

5.18 Control Prior to Closing. Between the Effective Date and the Closing Date, Buyer will not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct, the operation of the Station. Such operation, including complete control and supervision of all programs, employees and policies, will be the sole responsibility of Seller. Neither title nor right to possession will pass to Buyer until the Closing, but Buyer will, however, be entitled to reasonable inspection of the Station and the Assets (upon reasonable prior notice and approval of Sellers, which will not be unreasonably withheld) during normal business hours with the purpose that an uninterrupted and efficient transfer of the Assets and business of the Station may be accomplished. After the Closing Date, Seller will have no right to control the Station and Seller will have no reversionary rights in the Station.

## **ARTICLE 6**

### **COVENANTS OF BUYER PENDING THE CLOSING**

Buyer covenants and agrees that from the Effective Date until the completion of the Closing:

6.1 Consummation of Agreement. Subject to the provisions of Section 12.1 of this Agreement, Buyer will use Commercially Reasonable Efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement.

6.2 Notice of Proceedings. Buyer will promptly notify Seller in writing upon: (a) becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder; or (b) receiving any notice from any governmental department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated.

6.3 Additional Contracts to be Assumed. Any new Contracts entered into by Seller after the Effective Date that are approved by Buyer pursuant to Section 5.2 of this Agreement will be added to the Assumed Contract Schedules to this Agreement and will be assigned to and assumed by Buyer at Closing. From time to time following the Effective Date, Seller may request that Buyer permit additional Contracts to be added to the Assumed Contract Schedules to this Agreement and to be assigned to and assumed by Buyer at the Closing (i.e., Contracts that were not existing on the Effective Date, and were not otherwise approved by Buyer pursuant to Section 5.2 of this Agreement). These Contracts may be accepted or rejected by Buyer at Buyer's sole discretion. If Buyer accepts these Contracts, the Contracts will be added to the Assumed Contract Schedules to this Agreement and will be assigned to and assumed by Buyer at Closing.



6.4 Confidentiality. Any and all information, disclosures, knowledge or facts regarding Seller, the Assets and the Station and their operations derived from or resulting from Buyer's acts or conduct (including, without limitation, acts or conduct of Buyer's Representatives) obtained by Buyer (or its Representatives) pursuant to or in connection with this Agreement, will, except after Closing to the extent related solely to the Station or the Assets, be confidential and will not be divulged, disclosed or communicated to any other Person, except as required by Law and to Buyer's Representatives and their respective attorneys for the purpose of consummating the transactions contemplated by this Agreement and Buyer will be responsible for any breach of confidentiality by any such Person. If this Agreement terminates before Closing, Buyer will return promptly any confidential information obtained regarding Seller, the Station or the Assets and Buyer will instruct its Representatives also to return any such information.

6.5 Representations and Warranties. Buyer will give detailed written notice to Seller promptly on learning of the occurrence of any event that would cause or constitute a breach of any of Buyer's representations or warranties contained in this Agreement.

## **ARTICLE 7 POST-CLOSING COVENANTS**

7.1 Litigation Support. So long as any Party is actively contesting or defending against any Action in connection with (a) the Transactions (other than Actions amongst the Parties), or (b) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving the Station, each other Party will cooperate, at the requesting Party's expense, with such requesting Party and such Party's counsel in the contest or defense, make available its personnel, and provide such testimony and access to its books and records as will be reasonably necessary in connection with the contest or defense, at the sole cost and expense of the contesting or defending Party (unless the contesting or defending Party or one of its Affiliates is entitled to indemnification therefor under Article 11).

7.2 Transition. For a period of five (5) years after the Closing Date, and except as required by Law or with respect to statements of facts within the public record, Seller will not Knowingly make any false, misleading or intentionally disparaging representations or statements with regard to any other Party or the Station.

### 7.3 Taxes.

(a) Seller will not permit to exist any Tax deficiencies (including penalties and interest) of any kind assessed against or relating to Seller with respect to any Taxable periods ending on or before, or including, the Closing Date of a character or nature that could reasonably be expected to result in Liens (other than Permitted Liens) or claims on any of the Assets or on Buyer's title or use of the Assets following the Closing or that would reasonably be expected to result in any claim against Buyer.

(b) Any sales Tax, use Tax, real property transfer Tax, documentary stamp Tax, registration Tax, conveyance fee, recording charge, or similar fees, charges, or Tax attributable to the sale or transfer of the Assets will be paid one hundred percent (100%) by Seller and Seller will bear one hundred percent (100%) of the Tax, penalties or interest recognized on the gains from such sale or transfer. Buyer agrees to timely sign and deliver such certificates or forms as may be necessary or appropriate to establish an exemption from (or otherwise reduce), or make a report with respect to, such Taxes. Seller will, at its own expense, file all necessary Tax Returns and other documentation with respect to all such Taxes, fees and charges, and, if required by applicable Law, the Parties will, and will cause its Affiliates to, join in the execution of any such Tax Returns and other documentation.

## **ARTICLE 8**

### **CONDITIONS TO THE OBLIGATIONS OF SELLER**

The obligations of Seller under this Agreement are, at Seller's option, subject to the fulfillment of the following conditions before or on the Closing Date:

#### **8.1     Representations, Warranties and Covenants.**

(a)     Representations True. Each of the representations and warranties of Buyer contained in this Agreement shall have been materially true and correct as of the Effective Date and as of the Closing Date (as though made on the Closing Date with the Closing Date substituted for the Effective Date throughout Article 4) (except with respect to any provisions including the word "material" or words of similar import, with respect to which, in each such case, such representations and warranties must have been accurate and complete) and will then be true and correct in all material respects (except with respect to any provisions including the word "material" or words of similar import and except with respect to materiality as reflected under GAAP, with respect to which, in each such case, such representations and warranties must have been accurate and complete);

(b)     Buyer Performance. Buyer must have performed and complied with all of its covenants and obligations required by this Agreement to be performed or complied with at or prior to Closing (singularly and in the aggregate) in all material respects (except with respect to any covenants including the word "material" or words of similar import, such covenants shall have been complied with in all respects);

(c)     Certificate of Buyer. Seller will be furnished with a certificate, dated the Closing Date and duly executed by an officer or manager of Buyer to the effect that the conditions set forth in Sections 8.1(a) and (b) of this Agreement have been satisfied; and

(d)     Other Documents. Seller will be furnished with such certificates, documents or instruments with respect to Buyer as Seller may have reasonably requested before the Closing Date to carry out the intent and purposes of this Agreement.

#### **8.2     No Injunction; Absence of Actions.**

(a)     No Injunction. No Party shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the Transactions contemplated hereby.

(b)     Actions and Proceedings. No suit, action, or other proceeding shall be pending before any court or Government Agency in which it is sought to restrain or prohibit, or obtain damages or other relief in connection with, this Agreement, or the consummation of the Transactions.

(c)     Postponement. In the event a restraining order or injunction is in effect, this Agreement may not be terminated by Seller pursuant to this Section 8.2 before the Final Closing Date but the Closing will be delayed during such period.

8.3     Closing Deliveries. Buyer shall have complied with each and every one of its obligations set forth in Section 10.2.

8.4     Authorizations. The FCC Order with respect to all Authorizations issued by the FCC shall have been granted, will be effective, and shall have become Final.

8.5 Operating Asset Purchase Agreement. The transactions contemplated by the Operating Asset Purchase Agreement close concurrently with the Transactions.

8.6 LP Asset Purchase Agreement. The transactions contemplated by the LP Asset Purchase Agreement close concurrently with the Transactions.

If any of the conditions set forth in this Article 8 have not been satisfied, Seller may nevertheless waive such condition (other than the FCC Order, which condition cannot be waived), but only in writing, and proceed with the consummation of the Transactions.

## **ARTICLE 9**

### **CONDITIONS TO THE OBLIGATIONS OF BUYER**

The obligations of Buyer under this Agreement are, at its option, subject to the fulfillment of the following conditions before or on the Closing Date or by the dates otherwise required in this Agreement:

#### **9.1 Representations, Warranties and Covenants.**

(a) Representations True. Each of the representations and warranties of Seller contained in this Agreement shall have been materially true and correct as of the Effective Date and as of the Closing Date (as though made on the Closing Date with the Closing Date substituted for the Effective Date throughout Article 3) (except with respect to any provisions including the word “material” or words of similar import and except with respect to materiality as reflected under GAAP, with respect to which, in each such case, such representations and warranties must have been accurate and complete) and will then be true and correct in all material respects (except with respect to any provisions including the word “material” or words of similar import and except with respect to materiality as reflected under GAAP, with respect to which, in each such case, such representations and warranties must have been accurate and complete);

(b) Seller’s Performance. Seller must have performed and complied with all of its covenants to be performed or complied with at or prior to Closing (singularly and in the aggregate) in all material respects (except with respect to any covenants including the word “material” or words of similar import, such covenants shall have been complied with in all respects);

(c) Seller’s Certificates. Seller shall have furnished Buyer with certificates, dated the Closing Date and duly executed by an officer of Seller, to the effect that the conditions set forth in Sections 9.1(a) and (b) of this Agreement have been satisfied; and

(d) Other Documents. Buyer shall have been furnished with such certificates, documents or instruments with respect to Seller as Buyer may have reasonably requested before the Closing to carry out the intent and purposes of this Agreement.

#### **9.2 No Injunction; Absence of Investigation and Proceedings.**

(a) No Injunction. No Party shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the Transactions.

(b) No Investigation and Proceedings. There shall be no investigation, decree, judgment, order or litigation at Law or in equity, no mediation or arbitration proceedings, and no proceeding before or by any commission, agency or other administrative or regulatory body or authority

pending to which Seller is a party or to which the Station is subject, including any with respect to condemnation, zoning, use or occupancy, which could materially affect the ability of Buyer to operate the Station or to use or acquire the Assets in substantially the same manner as operated and used by Seller or as currently proposed to be used by Seller; and no suit, Action or other proceeding shall be pending before any court or Government Agency in which it is sought to restrain or prohibit, or obtain damages or other relief in connection with, this Agreement or the consummation of the Transactions.

(c) Postponement. In the event a restraining order or injunction is in effect, then this Agreement may not be terminated by Buyer pursuant to this Section 9.2 before the Final Closing Date, but the Closing shall be delayed during such period.

9.3 Liens Released. All Liens pertaining to the Assets shall have been released of record and there shall be no liens in respect of the Assets, except Permitted Liens.

9.4 Deliveries. Seller shall have complied with each and every one of its respective obligations set forth in Section 10.1.

9.5 Material Consents. Buyer and Seller shall have obtained within eighty (80) days after the Effective Date all Material Consents for the Material Consent Contracts in accordance with the provisions set forth in Section 5.5 of this Agreement, without any change in the terms thereof, except those approved by Buyer in writing.

9.6 Network Affiliation Agreements. The Network Affiliation Agreements shall be in full force and effect, and each party to the Network Affiliation Agreements, including, without limitation, FOX, shall have consented to the assignment of the Network Affiliation Agreements to Buyer without any adverse change in the terms and conditions therein (which consent from FOX shall include an acknowledgement that the network affiliation agreement with FOX is in effect with Seller).

9.7 Revised Schedules. Seller shall have delivered to Buyer such revised forms of each of the Schedules or updated information for addition to or inclusion in the Schedules as are necessary to reflect changes in such Schedules as of the Closing Date; provided, however, that, no material change in any Schedule will be binding on Buyer without its prior written consent, which consent may be withheld by Buyer for any or no reason, and any disclosure in any such revised or updated Schedules shall not be deemed to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement, including for purposes of the indemnification or termination rights contained in this Agreement or of determining whether or not the conditions set forth in this Article 9 have been satisfied.

9.8 No Material Change in Business or Assets. Subsequent to the Effective Date, no event or series of events shall have occurred that, singularly or in the aggregate, could reasonably be expected to have a Material Adverse Effect on the Assets or the Station.

9.9 Authorizations. The FCC Order with respect to all Authorizations issued by the FCC shall have been granted, shall be effective and shall have become Final.

9.10 Possession; Instruments of Conveyance and Transfer. Seller shall have delivered to Buyer such other documents as shall be reasonably necessary to effectively vest in Buyer good and marketable title to the Assets as contemplated by this Agreement, as may be requested in writing by Buyer to Seller at least five (5) Business Days prior to the Closing.

9.11 Required Payoff Liabilities. The Notes and all obligations thereunder or related thereto and all other Required Payoff Liabilities shall have been paid off and terminated on or before the Closing Date in a form satisfactory to Buyer.

9.12 Operating Asset Purchase Agreement. The transactions contemplated by the Operating Asset Purchase Agreement close concurrently with the Transactions.

9.13 FCC Complaints. All pending complaints against the Station pending with the FCC shall have been resolved to the satisfaction of Buyer.

9.14 LP Asset Purchase Agreement. The transactions contemplated by the LP Asset Purchase Agreement close concurrently with the Transactions.

If any of the conditions set forth in this Article 9 have not been satisfied, Buyer may nevertheless waive such condition (other than the FCC Order, which condition cannot be waived), but only in writing, and proceed with the consummation of the Transactions.

## **ARTICLE 10**

### **ITEMS TO BE DELIVERED AT THE CLOSING**

10.1 Deliveries by Seller. At the Closing, Seller will deliver to Buyer, duly executed by Seller or such other signatory as may be required by the nature of the document:

(a) Bills of Sale. Bills of Sale (including, but not limited to, the Bill of Sale in the form of Exhibit A), certificates of title, endorsements, assignments and other good and sufficient instruments of sale, conveyance, transfer and assignment, in form and substance reasonably satisfactory to Buyer, sufficient to sell, convey, transfer and assign to Buyer all right, title and interest of Seller in and to the Assets;

(b) Board Resolutions. Certified copies of resolutions, duly adopted by the managers and members of Seller (and each spouse of a member or any other person with a community property interest), which will be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Seller of this Agreement and the consummation of the Transactions contemplated hereby;

(c) Assignment of Contracts. An Assignment and Assumption Agreement (the “*Assignment and Assumption Agreement*”) covering the Network Affiliation Agreements, Program License Agreements, and the Contracts to be assigned from Seller to Buyer pursuant to the provisions set forth in Section 2.1(b), Section 2.1(e), Section 2.1(f) and Section 5.5 of this Agreement, in the form of Exhibit B attached hereto (except as contemplated by the last sentence of Section 5.5), to be executed on Seller’s behalf;

(d) Officer’s Certificate. An Officer’s Certificate for Seller, in the form of Exhibit C, duly executed on Seller’s behalf;

(e) Opinion. An Opinion of Texas counsel for Seller in form and content reasonably satisfactory to Buyer;

(f) Consents. Consents to the assignment of Contracts to Buyer in form and content satisfactory to Buyer;

(g) Release of Liens. Documents, in a form reasonably satisfactory to counsel for Buyer, evidencing the release of all Liens on the Assets;

(h) Required Payoff Liabilities. A true, correct and complete list, in a form reasonably satisfactory to Buyer, of all Required Payoff Liabilities as of the Closing Date and information regarding the payees thereof sufficient to allow Buyer to repay such Required Payoff Liabilities in full by Seller Creditor Wires;

(i) Payoff Letters. Payoff letters in a form reasonably satisfactory to Buyer executed by the payees thereunder to the effect that (i) all Required Payoff Liabilities, including the Notes, have been fully repaid and that no amounts are owed or outstanding thereunder or in connection therewith and (ii) such payees consent to the Transactions as contemplated by this Agreement and the Operating Asset Purchase Agreement;

(j) Compliance with Law. Evidence that the Transactions have been approved in accordance with the applicable business organization law of the jurisdiction of Seller;

(k) LP Sellers. A consent, in a form satisfactory to Buyer, of each direct or indirect owner of the LP Sellers (and each spouse of such owner or any other person with a community property interest) to the Transactions as contemplated by this Agreement;

(l) Note Holder Consent. A consent, in a form satisfactory to Buyer, of the holder of each of the Notes to the Transactions as contemplated by this Agreement; and

(m) Operating Asset Purchase Agreement. The Operating Asset Purchase Agreement, duly executed by Seller.

10.2 Deliveries by Buyer. At the Closing, Buyer will deliver to Seller, duly executed by Buyer or such other signatory as may be required by the nature of the document:

(a) Purchase Price. An aggregate amount equal to the Purchase Price, which will be paid in full at the Closing in the manner specified in Section 2.4(b) of this Agreement;

(b) Assignment and Assumption Agreement. The Assignment and Assumption Agreement, to be executed on Buyer's behalf;

(c) Resolutions. Certified copies of resolutions, duly adopted by the managers of Buyer, which will be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by Buyer;

(d) Officer's Certificate. An Officer's Certificate, in the form of Exhibit D, duly executed on Buyer's behalf; and

## **ARTICLE 11 SURVIVAL; INDEMNIFICATION**

11.1 Survival. All representations and warranties contained in this Agreement, or in any certificate delivered hereunder or thereunder, will survive the Closing, any investigation conducted by any Party hereto and any information that any Party may receive, until the expiration of twenty-one (21) months following the Closing Date (the "**General Survival Period**") whereupon all such



representations, warranties, and indemnities with respect thereto, will expire and terminate and will be of no further force or effect; provided, however, that representations and warranties and indemnities with respect to entity action, title of assets, intentional misrepresentation, income and other taxes, environmental matters, and employee and employee benefit matters (collectively, “**Superior Claims**”) may be asserted at any time on or before the expiration of the limitations period under applicable Law in the case of representations and warranties with respect to income and other taxes, environmental matters and employee and employee benefit matters and may be asserted at any time in the case of representations and warranties with respect to entity action, title to assets and intentional misrepresentation. If a Deficiency is asserted by either Party, before the expiration of the survival or limitations period, such asserted Deficiency will survive until the existence of such Deficiency has been finally established and the Deficiency is resolved as provided in this Agreement.

#### 11.2 Basic Provision.

(a) Buyer Indemnitees. Subject to the provisions set forth in Section 11.6 of this Agreement, Seller (an “**Indemnifying Party**”) hereby agrees to indemnify and hold harmless Buyer, its members, managers, directors, officers, agents, representatives and employees and all persons that directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with Buyer, and its successors and assigns (collectively, the “**Buyer Indemnitees**”) from, against and in respect of, and to reimburse Buyer Indemnitees for the amount of any and all Deficiencies.

(b) Seller Indemnitees. Subject to the provisions set forth in Section 11.6 of this Agreement, Buyer (an “**Indemnifying Party**”), hereby agrees to indemnify and hold harmless Seller and its directors, officers, shareholders, agents, representatives, employees and all persons that directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with Seller, and its respective successors and assigns (collectively, the “**Seller Indemnitees**”) from, against and in respect of, and to reimburse Seller Indemnitees for the amount of any and all Deficiencies.

#### 11.3 Definition of “Deficiencies”.

(a) Deficiencies for Buyer. As used in this Article 11, the term “**Deficiencies**” when asserted by Buyer Indemnitees or arising out of a third party claim against Buyer Indemnitees will mean any and all losses, fines, damages, costs, expenses, and claims sustained by Buyer Indemnitees (whether or not resulting from third party claims), directly or indirectly and arising out of, caused by, based on or resulting from:

(i) Any breach by Seller of a representation or warranty of Seller as set forth in this Agreement or the closing certificate (subject to Section 11.1 of this Agreement), or any failure of Seller to perform any covenant, obligation or agreement on the part of Seller contained in or made in this Agreement or in an Exhibit, Schedule, certificate, agreement or statement delivered pursuant to this Agreement;

(ii) Any failure by Seller to pay or discharge any of the Excluded Liabilities, or any other Liability of Seller and Seller Indemnitees that is not expressly assumed by Buyer pursuant to the provisions of this Agreement;

(iii) Any litigation, proceeding or claim by any third party to the extent relating to the business or operations of Seller, the Assets or the Station before the Effective Time except to the extent related to obligations of Buyer to be performed after the Effective Time;

(iv) Any severance pay or other payment required to be paid by Seller with respect to any employee or consultant of Seller terminated by Seller;

(v) With the exception of the Assumed Liabilities, Seller's operation of the Station or the ownership of the Assets before the Effective Time (including, but not limited to, any and all claims, liabilities (as defined under applicable common law) and obligations arising before the Effective Time or required to be performed by Seller before the Effective Time under any Contract or under this Agreement);

(vi) Except for the Assumed Liabilities and any other obligations or Liabilities expressly assumed by Buyer in this Agreement, any transaction entered into by Seller or arising in connection with the Station or the operation of its business or any of the Assets before the Effective Time;

(vii) Any fees, costs, expenses or other Liability related to periods before the Effective Time under any music license agreement, including with BMI, ASCAP or SESAC, entered into by Seller;

(viii) Any fines, damages, liabilities (as defined under applicable common law), assessments and claims arising out of any investigation, order to show cause, notice of violation, notice of apparent liability (as defined under applicable common law), or notice of forfeiture or complaint to the extent relating to periods prior to the Effective Time with regard to Seller, the Authorizations, or the Station's operations;

(ix) Any Debt Documents; or

(x) Any and all suits, proceedings, demands, assessments and judgments and all reasonable fees, costs and expenses of any kind, reasonably arising or incurred in connection with any of the foregoing (including, without limitation, any and all Legal Expenses), subject to compliance with Section 11.4.

(b) Deficiencies for Seller. As used in this Article 11, the term "**Deficiencies**" when asserted by Seller Indemnitees or arising out of a third party claim against Seller Indemnitees will mean any and all losses, fines, damages, costs, expenses, and claims sustained by Seller Indemnitees (whether or not resulting from third party claims) directly or indirectly and arising out of, caused by, based on or resulting from:

(i) Any breach by Buyer of any representation or warranty of Buyer as set forth in this Agreement or any closing certificate (subject to Section 11.1 of this Agreement), or any failure of Buyer to perform any covenant, obligation or agreement on the part of Buyer contained in or made in this Agreement or in an Exhibit, Schedule, certificate, statement or agreement delivered pursuant to this Agreement; or

(ii) Any and all suits, proceedings, demands, assessments and judgments and all fees, costs and expenses of any kind, reasonably arising or incurred in connection with any of the foregoing (including, without limitation, any and all Legal Expenses), subject to compliance with Section 11.4.



#### 11.4 Procedures for Establishment of Deficiencies.

(a) Claim Asserted. In the event that any claim (“**Indemnification Claim**”) is asserted by any third party against Buyer Indemnitees or Seller Indemnitees (Buyer Indemnitees or Seller Indemnitees, as the case may be, hereinafter, the “**Indemnitees**”), which, if sustained, would result in a Deficiency, then the Indemnitees promptly will notify the Indemnifying Party in writing of such claim, stating the nature, basis and (to the extent known) amount thereof; provided that, failure to give prompt notice will not jeopardize the right of any Indemnatee to indemnification except to the extent such failure will have materially and irrevocably prejudiced the ability of the Indemnifying Party to defend such claim. The Indemnitees will permit the Indemnifying Party to defend against such claim, at the Indemnifying Party’s sole expense and through legal counsel reasonably acceptable to the Indemnitees; provided that, (i) within fifteen (15) days following the receipt of notice of the Indemnification Claim, the Indemnifying Party notifies the Indemnatee in writing that the Indemnifying Party will indemnify the Indemnatee from and against the entirety of any damages the Indemnatee may suffer resulting from, relating to, arising out of, or attributable to the Indemnification Claim, (ii) the Indemnifying Party will have the financial resources to defend against the Indemnification Claim and pay, in cash, all damages the Indemnatee may suffer resulting from, relating to, arising out of, or attributable to the Indemnification Claim, (iii) the Indemnification Claim involves only money damages and does not seek an injunction or other equitable relief and (iv) the Indemnifying Party conducts the defense of the Indemnification Claim as reasonably necessary to protect the Indemnitees from Deficiencies arising from such Indemnification Claim. The Indemnitees will, at their option and expense, have the right to participate in any defense undertaken by the Indemnifying Party with legal counsel of their own selection and at their expense. The Parties will cooperate fully in any such action and will make available to each other any books or records reasonably necessary to the other party for the defense of such claim. No settlement or compromise of any claim that may result in a Deficiency may be made by the Indemnifying Party without the prior written consent of the Indemnitees (which consent will not be unreasonably withheld or delayed) unless: (x) before such settlement or compromise, the Indemnifying Party acknowledges in writing its obligation to pay in full the amount of the settlement or compromise and all associated expenses, (y) the Indemnitees are furnished with security reasonably satisfactory to the Indemnitees that the Indemnifying Party will in fact pay such amount and expenses or the Indemnifying Party obtains a release of the Indemnitees from all Liability in respect of such claim, and (z) such settlement or compromise will not have a material adverse effect on the Indemnitees.

(b) Notice. In the event that the Indemnitees assert the existence of any Deficiency against the Indemnifying Party, such Indemnitees will give written notice to the Indemnifying Party of the nature and amount of the Deficiency asserted (“**Claim Notice**”). If the Indemnifying Party fails, within a period of thirty (30) days after the receipt of the Claim Notice, to give written notice to the Indemnitees announcing the intent of the Indemnifying Party to contest such assertion of the Indemnitees (such notice by the Indemnifying Party being hereinafter referred to as the “**Contest Notice**”), then the Indemnitees may deliver a second written Claim Notice to the Indemnifying Party. If the Indemnifying Party fails, within a period of fifteen (15) days after the receipt of the second Claim Notice, to deliver the written Contest Notice to the Indemnitees, then such assertion of the Indemnitees will be deemed accepted and the amount of the Deficiency will be deemed established. In the event, however, that a Contest Notice is given to the Indemnitees within such thirty (30) day period after receipt of the Claim Notice or within such fifteen (15) day period after receipt of the second Claim Notice, then the contested assertion of a Deficiency will be resolved through binding arbitration pursuant to Section 12.10.

(c) Agreement. The Indemnitees and the Indemnifying Party may agree in writing, at any time, as to the existence and amount of a Deficiency, and, on the execution of such agreement such Deficiency will be deemed established.

11.5 Payment of Deficiencies. The Indemnifying Party hereby agrees to pay the amount of established Deficiencies within thirty (30) days after the establishment thereof. The amount of established Deficiencies will be paid in cash; provided that, at the option of the Indemnitees, the Indemnitees may offset any Deficiency or any portion thereof against any obligation any of the Indemnitees may have to the Indemnifying Party under this Agreement, including pursuant to offset rights under Section 11.7. Any amounts not paid by the Indemnifying Party when due under this Section 11.5 will bear interest from and after the due date thereof until the date paid at a rate equal to the lesser of: (a) ten percent (10%) per annum and (b) the highest legal rate permitted by applicable Law.

11.6 Limitation on Deficiencies.

(a) No Party will have any obligation to indemnify an Indemnitee from and against any Deficiencies resulting from, arising out of, relating to, in the nature of, or caused by any misrepresentation and/or any breach of any representation or warranty until the sum of Deficiencies suffered by an Indemnitee by reason of all such misrepresentations and breaches is in excess of \$100,000 (the “**Deductible Amount**”) (at which point such Party will be obligated to indemnify the relevant Indemnitee from and against all further Deficiencies that are in excess of the Deductible Amount).

(b) There will be a \$350,000 aggregate ceiling (the “**Ceiling**”) on the sum of the obligation of a Party under this Agreement to indemnify an Indemnitee from and against Deficiencies resulting from, arising out of, relating to, in the nature of, or caused by any misrepresentation and/or any breach of any warranties or representations by a Party; provided that, notwithstanding the foregoing, the Ceiling will be inapplicable to (i) any Superior Claims related to a breach of a representation or warranty and (ii) any right of offset under Section 11.7 and provided further that, for purposes of clarity, amounts not paid to a Party as a result of the Deductible Amount shall not count toward such Ceiling.

(c) If any Deficiency results from both a misrepresentation or the breach of any representation or warranty and from any other cause, then the Deficiency and the obligation of any party to indemnify an Indemnitee from and against such Deficiency will be subject to the Deductible Amount and the Ceiling as set forth in this Section 11.6; provided that, notwithstanding the foregoing, the Ceiling will be inapplicable to any Superior Claims related to a breach of a representation or warranty.

11.7 Right of Setoff.

(a) Buyer will have the option of setting off all or any part of any Deficiencies Buyer or its Affiliates suffer by notifying Seller that Buyer is reducing the Purchase Price by the amount of any such Deficiencies (after giving effect to Section 11.6(a)). Buyer’s exercise, if in good faith, of its setoff rights will not constitute an event of default under this Agreement or any related documents executed in connection with the Transactions.

(b) Neither the exercise of, nor failure to exercise its rights under, this Section 11.7 will constitute an election of remedies or limit Buyer in any matter in the enforcement of any other remedies available to it.

11.8 Other Indemnification Provisions.

(a) **THE INDEMNIFICATION PROVIDED IN THIS Article 11 WILL BE APPLICABLE WHETHER OR NOT THE SOLE, JOINT, OR CONTRIBUTORY NEGLIGENCE OF THE INDEMNIFIED PARTY IS ALLEGED OR PROVEN. THE PARTIES AGREE THE PRECEDING SENTENCE IS COMMERCIALY CONSPICUOUS.** Each Indemnified Party’s rights and remedies set forth in this Agreement will survive the Closing and will not

be deemed waived by such Indemnified Party's consummation of the Transactions and will be effective regardless of any inspection or investigation conducted, or the awareness of any matters acquired (or capable or reasonably capable of being acquired), by or on behalf of such Indemnified Party or by its directors, officers, employees, or representatives at any time (regardless of whether notice of such knowledge has been given to Indemnitor), whether before or after the Execution Date or the Closing Date.

(b) A claim for any matter not involving a third party may be asserted by notice to the Party from whom indemnification is sought.

(c) Notwithstanding any provision in this Agreement to the contrary when determining whether a Deficiency exists, the words "material," "Material Adverse Effect," or other words of similar import will be disregarded in connection with determining the existence of a breach of a representation, warranty, or covenant set forth in this Agreement.

## **ARTICLE 12 MISCELLANEOUS**

12.1 Termination of Agreement. This Agreement may only be terminated by Buyer or Seller, as applicable, under the following circumstances:

(a) by Seller, upon written notice to Buyer, if Buyer has failed to cure a material breach of its representations, warranties, or covenants under this Agreement within thirty (30) calendar days after it receives written notice from Seller of such occurrence;

(b) by Seller, upon written notice to Buyer, if any of the conditions set forth in Article 8 will have become incapable of being satisfied (other than through the failure of Seller to comply with its obligations under this Agreement);

(c) by the mutual written consent of Seller and Buyer;

(d) by written notice of either Buyer or Seller (to the other Party) if the Closing has not otherwise occurred by December 31, 2012 (the "***Final Closing Date***") (other than through the failure of the terminating Party to comply with its obligations under this Agreement);

(e) by Buyer, upon written notice to Seller, as provided in Section 12.8 of this Agreement;

(f) by Buyer, upon written notice to Seller, if any of the conditions set forth in Article 9 will become incapable of being satisfied (other than through the failure of Buyer to comply with its obligations under this Agreement);

(g) by Buyer, upon written notice to Seller, if Seller has failed to cure a material breach of its representations, warranties or covenants under this Agreement within five (5) calendar days after it receives written notice from Buyer of such occurrence; or

(h) by Buyer, upon written notice to Seller, if Seller fails to obtain a Material Consent in accordance with Section 5.5 within eighty (80) calendar days after the Effective Date.

If this Agreement is terminated rightfully pursuant to this Article 12, all further obligations of the Parties hereunder will terminate, except that all obligations for confidentiality under Sections 5.12 and 6.4 will survive such termination for a period of three (3) years. If such termination

occurred pursuant to Section 12.1(a) and Seller is not in material default of its obligations hereunder and/or Buyer breaches the Agreement and the Closing does not occur (either at the time otherwise required in this Agreement or otherwise), then in both cases an aggregate amount of \$226,200 shall be paid by Buyer to Seller as liquidated damages, which will be the sole and exclusive remedy of Seller for any breach of this Agreement by Buyer, and Seller hereby waives any other claims for damages, specific performance or other remedies in the event of any breach by Buyer of this Agreement. Each Party acknowledges that the agreements contained in this Section 12.1 are an integral part of the transactions contemplated by this Agreement, that the damages resulting from termination or breach of this Agreement are uncertain and incapable of accurate calculation, and that the amount payable under this paragraph is not a penalty, but rather constitutes liquidated damages in a reasonable amount, and that without such agreements the Parties would not enter into this Agreement.

12.2 Specific Performance; Liabilities on Termination or Breach. The Parties acknowledge that the Assets are of a special, unique and extraordinary character. On a breach by Seller of its representations, warranties, covenants and agreements under this Agreement that would be material, Buyer will be entitled to an injunction restraining any such breach or threatened breach or to enforcement of this Agreement by a decree or decrees of specific performance requiring Seller to fulfill its obligations under this Agreement.

12.3 Expenses. Each Party will bear all of its expenses incurred in connection with the transactions contemplated by this Agreement including, without limitation, accounting and legal fees incurred in connection herewith; provided, however, Seller will bear one hundred percent (100%) of the cost of all usual and customary federal, state and local sales or transfer taxes arising from the conveyance of the Assets to Buyer.

12.4 Remedies Cumulative. The remedies provided in this Agreement will be cumulative and will not preclude the assertion by any Party of any other rights or the seeking of any other remedies against the other Party.

12.5 Preservation of Records. Buyer will preserve and make available (including the right to inspect and copy) to Seller, its attorneys and accountants, for three (3) years after the Closing Date and during normal business hours, such of the books, records, files, correspondence, memoranda and other documents transferred, limited to the preparation of tax reports and returns and the preparation of financial statements, pursuant to this Agreement as Seller may reasonably require in connection with any such legitimate purpose. Subject to Section 6.4 of this Agreement, during the three (3) year period, Buyer will not dispose of or destroy any such books, records, files, correspondence, memoranda or other documents without giving thirty (30) days' prior written notice to Seller, to permit Seller, at its expense, to examine, duplicate or take possession of all or part thereof.

12.6 Non-Assignable Contracts. Nothing contained in this Agreement will be construed as an assignment or an attempted assignment of any Contract that is by Law non-assignable without the consent of the other party or parties thereto, unless such consent will be given. Seller will use its Commercially Reasonable Efforts (and Buyer will assist Seller) both after and before the Closing to obtain such consents to the assignment or transfer of Contracts to vest in Buyer all of Seller's right, title and interest in such Contracts, in all cases in which such consent is required for assignment or transfer. If such consent is not obtained, Seller will cooperate with Buyer in any arrangements reasonably necessary or desirable, on commercially reasonable terms, to provide for Buyer to have the benefits and to have Buyer assume the burdens arising after the Closing Date thereunder, including, without limitation, enforcement for the benefit of Buyer, and payment by Buyer of the costs of enforcing, any and all rights of Seller thereunder against the other party thereto arising out of the cancellation thereof by such other party or otherwise.

12.7 Further Assurances. From time to time before, on and after the Closing Date, each Party will execute all such instruments and take all such actions as any other Party, being advised by counsel, will reasonably request, without payment of further consideration, as necessary to carry out and effectuate the intent and purpose of this Agreement and all transactions and things contemplated by this Agreement including, without limitation, the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered on the Closing Date, and any and all actions that may reasonably be necessary or desirable to complete the transactions contemplated hereby. The Parties will cooperate fully with each other and with their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement.

12.8 Broadcast Transmission Interruption.

(a) If, before the Closing, (i) any regular broadcast transmission of the Station is, in the normal and usual manner, interrupted for a period of twenty-four (24) continuous hours or more, (ii) there occurs the cessation or reduction by the Station of its authorized power, or (iii) there is a loss of carriage or change in channel position of any Market MVPD System, Seller will give prompt written notice thereof to Buyer. For notices under clause (i), Buyer will then have the right by giving written notice to Seller, to postpone (and if necessary re-postpone) the Closing to a date that is fifteen (15) Business Days after the end of any such interruption.

(b) If the regular broadcast transmission of the Station is interrupted or the operating power or coverage of either Station is reduced more than twenty percent (20%) below the power and coverage of the Station's facilities as reflected on the Authorizations for the Station ("**Transmission Interruption**"), at any time, and such Transmission Interruption continues for more than seventy-two (72) hours within any two week period, or forty-eight (48) consecutive hours on two (2) occasions, whether or not consecutive, then: (i) Seller will give prompt written notice thereof to Buyer; and (ii) Buyer will have the right, by giving written notice to Seller, to (A) within three (3) Business Days after receiving notice from Seller of such interruption, to terminate this Agreement without Liability to Seller, or (B) postpone the Closing as provided in this Agreement.

12.9 Employees. Except as provided otherwise in this Section 12.9, Seller will terminate the employment of all of the Station's employees effective as of the Effective Time and pay all termination and severance costs in connection with such termination. Buyer may, in its sole discretion, offer employment to Station employees beginning at the Effective Time. Notwithstanding any provision in this Agreement to the contrary, nothing in this Agreement requires Buyer to employ any employees of the Station or offer any such employment.

12.10 Arbitration; Choice of Jurisdiction. Subject to Section 11.4(b), if a controversy should arise in the performance, interpretation or application of this Agreement, either Party may, within the applicable time period set forth in Article 11 of this Agreement, serve on the other a written notice stating that such Party desires to have the controversy reviewed by an arbitrator. If the Parties cannot agree within fifteen (15) Business Days after the service of such notice on the selection of such arbitrator, an arbitrator will be selected or designated by the American Arbitration Association. Arbitration of such controversy, disagreement or dispute will be conducted in accordance with the Commercial Arbitration Rules then in force of the American Arbitration Association and the decision and award of the arbitrator so selected will be binding on the Parties. The arbitration will be held in Bexar County, Texas. The cost of any such arbitration will be shared equally by the Parties; provided that, the arbitrator will be authorized to enter as part of the award to any Party an amount equal to such Party's attorney's fees and other costs related to the arbitration. Except as provided by the arbitrator, each Party will pay its own costs incurred as a result of its participation in any such arbitration. The provisions of this paragraph will not affect any Party's right to terminate this Agreement pursuant to the termination rights expressly set forth in this



Agreement. Except as specifically provided in this paragraph, any arbitrator will have no authority to award punitive damages or any other damages not measured by the prevailing Party's actual damages, and may not make any ruling, finding or award that does not conform to the terms of this Agreement. Any controversy or claim arising out of or related to this Agreement that the Parties are unable to resolve and that is not requested to be arbitrated as set forth in this Agreement will be submitted to the state or federal courts located in the State of Texas that will be the sole forums for the resolution of all disputes hereunder, to the jurisdiction of which both Parties submit.

12.11 Waiver of Jury Trial. THE PARTIES HEREBY AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO JURY TRIAL OF ANY DISPUTE BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OTHER AGREEMENTS RELATING HERETO OR ANY DEALINGS AMONG THEM RELATING TO THE TRANSACTIONS. The scope of this waiver is intended to be all encompassing of any and all actions that may be filed in any court and that relate to the subject matter of this Agreement, including, contract claims, tort claims, breach of duty claims, and all other common law and statutory claims. The Parties each acknowledge that this waiver is a material inducement to enter into a business relationship and that they will continue to rely on the waiver in their related future dealings. Each Party further represents and warrants that it has reviewed this waiver with its legal counsel, and that each knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED ORALLY OR IN WRITING, AND THE WAIVER WILL APPLY TO ANY AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING HERETO. In the event of an action, this Agreement may be filed as a written consent to trial by a court.

12.12 Schedules. The disclosures in any Schedule, and those in any supplement thereto, relate only to the representations and warranties in the Section or paragraph of this Agreement to which such Schedule expressly relates.

## **ARTICLE 13 GENERAL PROVISIONS**

13.1 Successors and Assigns. Except as otherwise expressly provided in this Agreement, this Agreement will be binding on and inure to the benefit of the Parties hereto, and their respective representatives, successors and assigns. Seller may not assign any of their rights or delegate any of their duties hereunder (by operation of law or otherwise) without the prior written consent of Buyer and any assignment without such consent will be null and void. Buyer may freely assign some or all of its rights and obligations under this Agreement to (a) any entity controlled by or under common control with Buyer so long as Buyer remains fully obligated hereunder, or (b) after Closing, a subsequent purchaser of the Station or of all, or substantially all, of the Assets, or in connection with a merger of Buyer and/or its Affiliates. With respect to any permitted assignment hereunder, the Parties will reasonably cooperate to take actions necessary to effectuate such assignment, including but not limited to cooperating in any appropriate filings with the FCC or other Governmental Agencies.

13.2 Amendments; Waivers. This Agreement may not be modified or amended orally. The terms, covenants, representations, warranties and conditions of this Agreement may be changed, amended, modified, waived, discharged or terminated only by a written instrument executed by the Parties. The failure of any Party at any time or times to require performance of any provision of this Agreement will in no manner affect the right of such Party at a later date to enforce the same. No waiver by any Party of any condition or the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances will be

deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement, unless otherwise expressly provided.

13.3 Notices. All notices, requests, demands and other communications required or permitted under this Agreement will be in writing (which will include notice by facsimile transmission if a facsimile number is provided below) and will be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by facsimile communications equipment if a facsimile number is provided below, delivered by such equipment, addressed as set forth below:

(a) If to Seller, then to:

High Maintenance Broadcasting, LLC  
Channel 7 of Corpus Christi, Inc.  
Attn: Fred Hoffman  
2866 Lawnview  
Corpus Christi, Texas 78404

with a copy, given in the manner prescribed above, to:

Porter, Rogers, Dahlman & Gordon, P.C.  
Attn: Scott Duncan  
One Shoreline Plaza  
800 N. Shoreline, Suite 800 S  
Corpus Christi, Texas 78401  
Fax Number: (361) 880-5844

(b) If to Buyer, then to:

KUQI Licensee, LLC  
Attn: Lester Langley  
205 W. College Street  
Lake Charles, Louisiana 70605  
Fax Number: [\_\_\_\_\_]

with a copy, given in the manner prescribed above, to:

KUQI Licensee, LLC  
Attn: Terry London  
5052 Addison Circle  
Addison, Texas 75001  
Fax Number: (214) 812-9625

Koerner & Olender, P.C.  
Attn: James A. Koerner  
11913 Grey Hollow Court  
North Bethesda, Maryland 20852  
Fax Number: (301) 468-3343

Any Party may alter the address to which communications are to be sent by giving the other Parties written notice of such change of address in conformity with the provisions of this Section 13.3 providing for the giving of notice.

13.4 Captions. The captions of Articles and Sections of this Agreement are for convenience only and will not control or affect the meaning or interpretation of any of the provisions of this Agreement.

13.5 Governing Law. THIS AGREEMENT, THE TRANSACTIONS, OBLIGATIONS OF THE PARTIES HEREUNDER AND ALL QUESTIONS RELATING TO ITS VALIDITY, INTERPRETATION, PERFORMANCE AND ENFORCEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF TEXAS, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

13.6 Entire Agreement. This Agreement, the Schedules, the Exhibits, and the other documents delivered hereunder, constitute the full and entire understanding and agreement between the Parties with regard to the subjects contemplated in this Agreement, and supersede all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter set forth in this Agreement. The express terms used in this Agreement control and supersede any course of performance or usage of trade inconsistent with any such terms.

13.7 Execution: Counterparts and Facsimile. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original as against any Party whose signature appears thereon, and all of which will together constitute one and the same instrument. This Agreement will become binding when one or more counterparts of this Agreement, individually or taken together, will bear the signatures of all of the Parties reflected hereon as the signatories, and each Party has delivered to the other an executed counterpart of this Agreement bearing the signature of such Party. Delivery of an executed counterpart of a signature page to this Agreement by facsimile will be as effective as delivery of a manually executed counterpart of this Agreement.

13.8 Construction. Any reference to any federal, state, local, or foreign Law will be deemed also to refer to Law as amended and all rules and regulations promulgated thereunder, unless the context requires otherwise. The words “include,” “includes,” and “including” will be deemed to be followed by “without limitation.” Pronouns in masculine, feminine, and neuter genders will be construed to include any other gender, and words in the singular form will be construed to include the plural and vice versa, unless the context otherwise requires. The words “this Agreement,” “herein,” “hereof,” “hereby,” “hereunder,” and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. In the event a copy of an agreement or other document is included in a Schedule, such agreement or document shall be deemed to be “listed” and “set forth” in such Schedule. The Parties intend that each representation, warranty, covenant, and condition contained in this Agreement will have independent significance. If any Party has breached any representation, warranty, or covenant contained in this Agreement in any respect, the fact that there exists another representation, warranty or covenant relating to the same or similar subject matter (regardless of the relative levels of specificity) that the Party has not breached will not detract from or mitigate the fact that the Party is in breach of the first representation, warranty, or covenant. The word “or” is used in the inclusive sense of “and/or” unless the context requires otherwise. If any condition to Closing contained in this Agreement has not been satisfied in any respect, the fact that there exists another condition relating to the same or similar subject matter (regardless of the relative levels of specificity) that has been satisfied will not detract from or mitigate the fact that the first condition has not been satisfied.



13.9 Third-Party Beneficiaries. This Agreement is intended to benefit only the Parties to this Agreement, their successors and permitted assigns. No other Person is an intended or incidental beneficiary of this Agreement.

13.10 No Party Deemed Drafter. The parties acknowledge that they have been represented by counsel in connection with this Agreement and the transactions contemplated hereby. Accordingly, any rule of law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the party that drafted it has no application and is expressly waived. Provisions of this Agreement will be interpreted in a reasonable manner to effect the intent of the parties.

13.11 Severability. The provisions of this Agreement will be deemed severable and the invalidity or unenforceability of any provision will not affect the validity or enforceability of the other provisions of this Agreement; provided that if any provision of this Agreement, as applied to any Party or to any circumstance, is adjudged by a Government Agency, arbitrator, or mediator not to be enforceable in accordance with its terms, the Parties agree that the Government Agency, arbitrator, or mediator making such determination will have the power to modify the provision in a manner consistent with its objectives such that it is enforceable, and/or to delete specific words or phrases, and in its reduced form, such provision will then be enforceable and will be enforced.

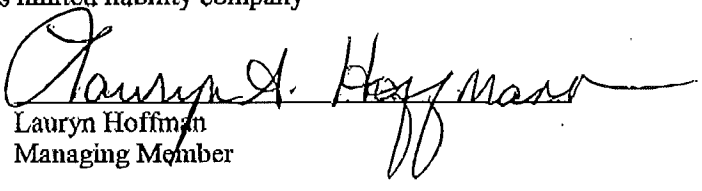
13.12 Attorneys' Fees. In the event litigation, mediation, or arbitration is commenced to enforce or construe any of the provisions of this Agreement, to recover damages for breach of any of the provisions of this Agreement, or to obtain declaratory relief in connection with any of the provisions of this Agreement, the prevailing party will be entitled to recover reasonable attorneys' fees.

**[SIGNATURE PAGES FOLLOW]**

**IN WITNESS WHEREOF**, the Parties have caused this Asset Purchase Agreement to be duly executed by their duly authorized signatories, all as of the Effective Date.

**SELLER:**

**HIGH MAINTENANCE BROADCASTING, LLC,**  
a Texas limited liability company

By:   
Name: Lauryn Hoffman  
Title: Managing Member

**BUYER:**

**KUQI LICENSEE, LLC**

By: \_\_\_\_\_  
Name: Lester Langley  
Title: President

**IN WITNESS WHEREOF**, the Parties have caused this Asset Purchase Agreement to be duly executed by their duly authorized signatories, all as of the Effective Date.

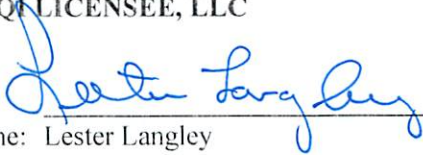
**SELLER:**

**HIGH MAINTENANCE BROADCASTING, LLC**,  
a Texas limited liability company

By: \_\_\_\_\_  
Name: Lauryn Hoffman  
Title: Managing Member

**BUYER:**

**KUQ LICENSEE, LLC**

By:  \_\_\_\_\_  
Name: Lester Langley  
Title: President