

STOCK PURCHASE AGREEMENT

dated as of

December 21, 2001

among

Eagle Creek Broadcasting, LLC

and

K-Six Television, Inc.  
Corpus Christi Broadcasting Co., Inc.

and

The Shareholders of K-Six Television, Inc.  
and  
Corpus Christi Broadcasting Co., Inc.



## STOCK PURCHASE AGREEMENT

STOCK PURCHASE AGREEMENT ("Agreement") dated as of December 21, 2001 among Eagle Creek Broadcasting, LLC, a limited liability company ("Buyer"), and K-Six Television, Inc., a Texas corporation ("K-Six") and Corpus Christi Broadcasting Co., Inc., a Texas corporation ("Corpus Christi," and together with K-Six, the "Companies"), and the Shareholders listed on Schedule 2.02 hereto (each, other than Corpus Christi, a "Seller" and collectively, the "Sellers").

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

WHEREAS, the K-Six Sellers hold shares (the "K-Six Shares") of common stock, \$10.00 par value (the "K-Six Common Stock"), of K-Six, constituting in the aggregate 100% of the issued and outstanding capital stock of K-Six, and the Corpus Christi Sellers hold shares (the "Corpus Christi Shares") of common stock, \$500.00 par value (the "Corpus Christi Common Stock") of Corpus Christi constituting in the aggregate 100% of the issued and outstanding capital stock of Corpus Christi (the K-Six Shares and the Corpus Christi Shares are hereinafter referred to, collectively, as the "Shares" and the K-Six Common Stock and the Corpus Christi Common Stock are hereinafter referred to, collectively, as the "Common Stock");

WHEREAS, Buyer desires to purchase the Shares from Sellers, and Sellers desire to sell the Shares to Buyer, upon the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, the parties hereto agree as follows:

### 1 ARTICLE

#### DEFINITIONS

##### 1.1 Definitions.

(a) The following terms, as used herein, have the following meanings:

"Accounts Receivable" means accounts receivable determined consistent with past practice.

"Affiliate" means, with respect to any Person, any Person directly or indirectly controlling, controlled by, or under common control with such other Person; provided that neither the Company nor any Subsidiary shall be considered an Affiliate of Sellers.

"Balance Sheet" means, collectively, the balance sheets of the Companies as of September 30, 2001.

"Balance Sheet Date" means September 30, 2001.

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

"Corpus Christi Sellers" means the Sellers identified on Schedule 2.02 as Shareholders of Corpus Christi.

"Equipment" means the tangible personal property assets reflected on the Balance Sheet being the furniture and fixtures, machinery and equipment and vehicles of the Companies in the operation of the Stations.

"FCC" means the Federal Communications Commission.

"FCC Licenses" means the licenses, permits and authorizations, and applications therefor, including without limitation any authorizations and applications therefor to construct and operate digital television facilities and any broadcast auxiliary, low power television and television translator authorizations, issued by the FCC to the Companies and required under the Communications Act of 1934, as amended ("Communications Act") or the rules, regulations and policies of the FCC for and used in connection with the operation of the Stations.

"GAAP" means generally accepted accounting principles as modified by the Companies and accountants for the Companies consistent with past practices.

"Intellectual Property Right" means any trademark, service mark, registration thereof or application for registration therefor, trade name, invention, patent, patent application, trade secret, know-how, copyright, copyright registration, application for copyright registration, unregistered trademark used by the Companies in connection with any of its business, or any other similar type of proprietary intellectual property right.

"K-Six Sellers" means the Sellers identified on Schedule 2.02 as Shareholders of K-Six.

"Knowledge" means actual knowledge without independent investigation.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, mechanics lien, equipment lien or security interest of any kind in respect of such asset.

"Material Adverse Change" means a material adverse change in the business, assets, or financial condition of the Companies taken as a whole, except for any such change which impacts broadcast stations generally.

"Material Adverse Effect" means a material adverse effect on the business, assets or financial condition of the Companies taken as whole, except for any such effect which impacts broadcast stations generally.

"Net Working Capital" means as of the close of business on the Closing Date (as defined in Section 2.02) the amount of cash, cash equivalents and liquid assets, accounts receivable (net of reasonable allowance for bad debts in keeping with past practices of the Companies) and prepaid expenses minus the amount, if any, of the indebtedness of the Companies for borrowed money in excess of Permitted Liabilities, accounts payable and accrued expenses for payroll and severance benefits.

"Person" means an individual, a corporation, a partnership, an association, a trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Permitted Bank Loans" means (i) the indebtedness of the Companies to Frost National Bank as shown on the Balance Sheet as of the Balance Sheet Date, not to exceed \$450,000.00; and (ii) the indebtedness of the Companies to the Small Business Administration as shown on the Balance Sheet as of the Balance Sheet Date, not to exceed \$300,000.00.

"Permitted Liabilities" means the Permitted Bank Loans and payment obligations or liabilities of the Companies under programming contracts.

"Permitted Liens" means: (i) Liens disclosed on the Balance Sheet; (ii) Liens for Taxes not yet due or being contested in good faith; (iii) Liens to secure payment of the Permitted Liabilities; or (iv) Liens which do not materially detract from

the value of the encumbered property or assets as now used, or materially interfere with any present or intended use of such property or assets.

"Real Estate" means that certain real property owned by the Companies described on Schedule 3.09, together with all easements, rights and appurtenances pertaining thereto, and all improvements and fixtures attached thereto.

"Sellers' Knowledge" means the knowledge of any of the following: Colonel Vann Kennedy, Kathleen Kennedy, Jim Bixler (Station Manager) or Vivian Mitchell (Controller) or any other person who assumes the functions of any of the foregoing persons prior to Closing.

"Sharing Ratios" shall mean the Sharing Ratios for each of the Sellers set forth on Schedule 2.02.

"Stations" means commercial broadcast television stations KZTV (TV) and the construction permit for KZTV-DT, Corpus Christi, Texas, and KVTV (TV) and the construction permit for KVTV-DT, Laredo, Texas, and commercial AM radio broadcast station KSIX (AM) Corpus Christi, Texas, and any associated low power television stations, translator stations, auxiliary broadcast facilities, microwave facilities or other related transmission facilities licensed to the Companies.

"Subsidiary" means any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are owned directly or indirectly by the Company.

"Tax Asset" means any net operating loss, net capital loss, investment tax credit, foreign tax credit, charitable deduction or other credit or tax attribute of the Companies or any Subsidiary that could reduce Taxes.

"Taxes" (or "Tax" as the context may require) means any and all federal, state, county and local taxes or withholding (including, without limitation, income, payroll and employee withholding, unemployment insurance, social security (or similar), premium, excise, sales, use, value added, occupation, windfall profits, transfer, gain, gross receipts, franchise, ad valorem, and property taxes, and other governmental charges and assessments), and includes interest and penalties with respect thereto.

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

"TBA" means the Time Brokerage Agreement dated the date hereof among Buyer and the Companies.

(b) Each of the following terms is defined in the Section set forth opposite such term:

<b><u>Term</u></b>	<b><u>Section</u></b>
Agreement	Introduction
Benefit Arrangement	9.01
Buyer	Introduction
CBS Affiliation Agreements	7.06
Closing	2.02
Closing Date	2.02
Common Stock	Introduction

<u>Term</u>	<u>Section</u>
Companies	Introduction
Company Securities	3.05
Corpus Christi	Introduction
Corpus Christi Common Stock	Introduction
Corpus Christi Shares	Introduction
Damages	11.02
Employee Plans	9.02
Environmental Assessment	7.04
Environmental Law	3.19(c)

<u>Term</u>	<u>Section</u>
ERISA	9.01
ERISA Affiliate	9.01
Escrow Agent	2.05
Escrow Agreement	2.05
Escrow Funds	2.05
Final Adjustment Determination	2.04
FCC Applications	7.02
FCC Consents	7.02
Indemnified Party	11.03

<u>Term</u>	<u>Section</u>
Indemnifying Party	11.03
Individual Account Plan	9.01
Investigation Period	2.08
Investigation Studies	2.08
K-Six	Introduction
K-Six Common Stock	Introduction
K-Six Shares	Introduction
Post-Closing Escrow Agreement	2.05(b)
Post-Closing Escrow Funds	2.05(b)

<u>Term</u>	<u>Section</u>
Pre-Closing Tax Period	8.02(a)
Purchase Price	2.01
Seller(s)	Introduction
Seller Representative	2.06
Shares	Introduction
Straddle Period	8.02(a)
Tax Contest	8.05(c)
Tax Losses	8.02(a)
Tax Referee	8.05(f)

<u>Term</u>	<u>Section</u>
Title IV Plan	9.01
Working Capital Estimate	2.03
Working Capital Statement	2.03

## 2ARTICLE

### PURCHASE AND SALE

2.1 Purchase and Sale. Upon the terms and subject to the conditions of this Agreement, Sellers agree to sell to Buyer, and Buyer agrees to purchase from Sellers, the Shares at the Closing. The purchase price for the Shares (the "Purchase Price") is Eleven Million Five Hundred Thousand Dollars (\$11,500,000.00) less the outstanding balance of the Permitted Bank Loans as of the Closing in cash, subject to adjustment as provided in Section 2.04. The Purchase Price shall be paid as provided in Section 2.02.

2.2 Closing. The closing (the "Closing") of the purchase and sale of the Shares hereunder shall take place at the offices of the Companies at 10:00 A.M. local time for the location of such offices on the Closing Date, or at such other place and hour as the parties may mutually agree. The "Closing Date" shall be a date mutually agreed upon by Buyer and the Seller Representative which date shall be within ten business days after the FCC Consent has become a Final Order (unless the condition that the FCC Consent become a Final Order is waived by Buyer, in which case the Closing Date shall be within ten business days after such waiver), and subject to satisfaction or waiver of the other conditions set forth in Article X. At the Closing:

(a) Buyer shall deliver to the Seller Representative, as agent for each of the Sellers, the Purchase Price (as the Purchase Price shall be adjusted pursuant to

Section 2.04 and less the Post-Closing Escrow Funds) by wire transfer of immediately available funds to an account designated by the Seller Representative.

(b) Each of the Sellers shall deliver to Buyer certificates for the Shares held by such Seller duly endorsed or accompanied by stock powers duly endorsed in blank.

### 2.3 Working Capital Estimate

#### 2.4.

(a) No later than three business days prior to the Closing Date, the Companies will deliver to Buyer and the Seller Representative, a statement of estimated Net Working Capital (the "Working Capital Estimate") and the balance of the Permitted Bank Loans. The Working Capital Estimate shall, except as otherwise provided in this Agreement, be in accordance with GAAP, applied as a basis consistent with those used in the preparation of the Balance Sheet.

(b) On the Closing Date, the Purchase Price shall be increased (or decreased, as the case may be) by the amount by which Net Working Capital as set forth in the Working Capital Estimate deviates from \$300,000.00.

(c) As promptly as practicable, but no later than 90 days after the Closing Date, the Buyer will deliver to the Seller Representative a statement of the actual Net Working Capital as of the Closing Date (the "Working Capital Statement"). The Working Capital Statement shall be in accordance with GAAP applied on a basis consistent with those used in the preparation of the Balance Sheet.

(d) If the Seller Representative disagrees with any items on the Working Capital Statement, the Seller Representative may, within 30 days after delivery of the statement of Working Capital Statement, deliver a notice to the Buyer disagreeing with such items. Any such notice of disagreement shall specify those items or amounts as to which the Seller Representative disagrees and shall set forth the Seller Representative's calculation of such items, and the Seller Representative shall be deemed to have agreed with all other items and amounts contained in the Working Capital Statement as delivered by the Buyer.

(e) If a notice of disagreement shall be duly delivered pursuant to Section 2.03(d), the parties shall, during the 30 days following such delivery, use their commercially reasonable efforts to reach agreement on the disputed items and amounts in order to agree upon a final Net Working Capital. If, during such period, the parties are unable to reach such agreement, they shall promptly thereafter cause Ernst and Young or other independent accountants of nationally recognized standing reasonably satisfactory

to the Seller Representative and Buyer (who shall not have any material relationship with any Seller or Buyer), promptly to review this Agreement and the disputed items or amounts for the purpose of preparing a final statement of Net Working Capital. In making such determination, such independent accountants shall consider only those items or amounts in the Working Capital Statement as to which the Seller Representative has disagreed. Such independent accountants shall deliver to the Seller Representative and Buyer, as promptly as practicable, a report setting forth its determination of the Net Working Capital as of the Closing Date and its calculation of any disputed items or amounts. Such report shall be final and binding upon the parties hereto. The cost of such review and report shall be borne equally by Sellers and Buyer.

(f) The parties hereto agree that they will cooperate and assist in the preparation of the Working Capital Statement and in the conduct of the reviews referred to in this Section 2.03, including without limitation the making available to the extent necessary of books, records, work papers and personnel.

## 2.5 Adjustment of Purchase Price.

(a) Within ten business days after a final determination of the amount of Net Working Capital (the "Final Adjustment Determination") has been made, whether by the failure of the Seller Representative to deliver a notice of disagreement with Buyer's Working Capital Statement within the period provided for such objection in Section 2.03(d), or by resolution of any disagreement pursuant to Section 2.03(e), the Purchase Price will be adjusted, and a payment will be made pursuant to Section 2.04(b), to reflect any discrepancies between the amounts of the Working Capital Estimate used to adjust the Purchase Price at Closing, on the one hand, and the amounts shown in the Final Adjustment Determination, on the other.

(b) Method of Payment. Any payments pursuant to this Section 2.04 shall be made by delivery by Buyer or Sellers, as the case may be, by wire transfer of immediately available funds to the Seller Representative as agent for the Sellers, or to Buyer, as the case may be, to an account or accounts designated by the Seller Representative or Buyer. The amount of any payment to be made pursuant to this Section 2.04 shall bear simple interest from and including the Closing Date to but excluding the date of payment at a rate per annum equal to the "prime rate" as listed in the Money Rates section of the Wall Street Journal as published on the Closing Date. Such interest shall be payable at the same time as the payment to which it relates, and shall be calculated on the basis of a year of 365 days and the actual number of days for which due.

## 2.6 Escrow Funds.

(a) Upon execution and delivery of this Agreement, Buyer will place in escrow with First American Title Insurance Company (the "Escrow Agent"), pursuant to the terms and conditions of an escrow agreement (the "Escrow Agreement") substantially in the form of Exhibit 2.05(a) hereto and which is being executed and delivered by Buyer, Sellers and the Escrow Agent contemporaneously herewith, cash in the amount of Five Hundred Thousand Dollars (\$500,000.00) (the "Escrow Funds"), which shall be held and released by the Escrow Agent in accordance with the terms and conditions of the Escrow Agreement. Upon joint instruction from Buyer and Seller Representative to Escrow Agent, Buyer may withdraw up to Three Hundred Fifty Thousand Dollars (\$350,000.00) of the Escrow Funds to cover Operating Expenses (as defined in and contemplated by the TBA) of the Stations.

(b) At Closing, One Million Dollars (\$1,000,000.00) of the Purchase Price (the "Post-Closing Escrow Funds") will be deposited in cash with the Frost National Bank (the "Post-Closing Escrow Agent") pursuant to the terms of a post-closing escrow agreement substantially in the form of Exhibit 2.05(b) hereto (the "Post-Closing Escrow Agreement") which shall be executed and delivered by Buyer, Sellers and the Post-Closing Escrow Agent as of the Closing Date. The balance of the Post-Closing Escrow Funds shall be released by the Post-Closing Escrow Agent on the date that is eighteen (18) months after the Closing Date; provided, however, if prior to such date Buyer has made a written claim for indemnification under this Agreement, the amount of such claim shall be retained in escrow. Upon full satisfaction of all claims for indemnification made by Buyer under the Agreement, the Post-Closing Escrow Agent shall release the balance of the Post-Closing Escrow Funds. The Post-Closing Escrow Funds shall be held and released by the Post-Closing Escrow Agent in accordance with the terms and conditions of the Post-Closing Escrow Agreement.

2.7 Seller Representative. Each of the Sellers hereby irrevocably appoints Dr. Kathleen Kennedy as the "Seller Representative" to act for such Seller in such capacity for purposes of this Agreement. The Seller Representative's actions on behalf of the Sellers pursuant to this Agreement shall be binding upon each Seller, and Buyer shall be entitled to rely on any act of the Seller Representative, and on any document or instrument executed and delivered by the Seller Representative, to the same extent as if such action was taken, or document or instrument executed and delivered, by the Sellers themselves.

2.8 Survey and Title Binder. Within five business days after the date of this Agreement, Buyer may order, at Buyer's expense, a new on-the-ground survey ("Survey") of the Real Estate made by a duly licensed surveyor reasonably acceptable to the Title Company and in a form acceptable to Buyer and the Title Company. Buyer will

use commercially reasonable efforts to have the Survey completed within thirty days after it is ordered. Once completed, Buyer shall cause the Survey to be delivered to the Title Company. If the survey exception (except as to shortages in area) is to be deleted from the Title Policies required under this Agreement at Buyer's request, the additional expense for such deletion shall be paid by Buyer. The description of the land set forth on the Survey shall be substituted, if different, for the description of the Real Estate set forth on Schedule 3.09.

(a) Seller shall cause to be delivered to Buyer: (i) a commitment for title insurance ("Title Binder") covering the Real Estate binding First American Title Insurance Company (the "Title Company") to issue a Texas Owner Policy of Title Insurance (the "Title Policy"), on the standard form of policy prescribed by the Texas State Board of Insurance at the Closing in the amount of \$500,000.00 the Purchase Price being allocated to the Real Estate; and (ii) true, correct, and legible copies of any and all instruments referred to in the Title Binder as constituting exceptions or restrictions upon the title of the Companies.

(b) Buyer shall have 10 days after the receipt of the Title Binder and the other items described in Paragraph 2.07(a) above to review same and to deliver to the Seller Representative written objections that Buyer has to anything contained or referred to therein. Buyer shall be deemed to have accepted any item disclosed in such materials to which Buyer does not object. If Buyer objects to an item, the Sellers, acting through the Companies, shall in good faith attempt to satisfy same prior to closing, but Sellers and the Companies shall not be required to incur costs or expenses to satisfy such objections. If title objections are disclosed, the Companies shall have until Closing to cure same. If the Seller Representative delivers written notice to Buyer on or before the Closing Date that the Companies are unable to satisfy such objections, or if, for any reason, the Companies do not hold title to the Real Estate in accordance with this Agreement, Buyer may either waive such objections and accept such title as the Companies have or terminate this Agreement by written notice to the Seller Representative, and the Escrow Funds shall be refunded to Buyer. A lien for current taxes not yet due and payable shall not be a valid objection to title.

2.9 Investigation Provisions. Buyer accepts the Real Estate and the Equipment in "AS IS, WHERE IS and WITH ALL FAULTS" condition; provided, however, Buyer has had during the due diligence period to date and shall have an additional thirty (30) days (the "Investigation Period") after the effective date of this Agreement to conduct an investigation and/or feasibility and engineering study of the Equipment and Real Estate to determine the condition of such property and the zoning or other use restrictions affecting the Real Estate, availability of utilities, soil and subsoil condition, condition of all mechanical systems, and environmental conditions pertaining thereto (the "Investigation Studies"). Buyer or Buyer's agents shall have the right of

access to the Equipment and the Real Estate for the purpose of conducting the Investigation Studies. The Investigation Studies shall be conducted at Buyer's expense, and Buyer hereby releases Sellers and agrees to indemnify and hold Sellers harmless from any claims for injury to persons or property arising out of Buyer's conducting the Investigation Studies. If Buyer determines in a reasonable manner that the Real Estate or the Equipment is not commercially suitable for Buyer's intended use within the Investigation Period, then Buyer shall give the Seller Representative written notice and explanation of the conditions unsuitable to Buyer on or before the end of the Investigation Period with a copy to Escrow Agent. Upon receipt of such written notice and explanation, Sellers acting through the Companies shall have the option, but not the obligation, for a period of thirty (30) days to attempt to correct such conditions to commercially acceptable standards. If the Companies elect not to attempt to correct such conditions or is unable within such period to correct such conditions, then upon notice of same from Seller Representative, the Escrow Agent shall refund the Escrow Funds to Buyer, and all parties shall be released from all further obligations under this Agreement. If Buyer does not provide such written notice and explanation to Seller Representative on or before the end of the Investigation Period, then Buyer shall have accepted the condition of the Real Estate and the Equipment, and the Agreement may not be terminated by Buyer pursuant to this Paragraph.

### 3ARTICLE

#### 4REPRESENTATIONS AND WARRANTIES OF SELLERS

Subject to Section 13.10, each of the Sellers, jointly and severally as to the Companies, and severally as to itself, himself or herself, and its, his or her Shares, hereby represents and warrants to Buyer that:

##### 4.1 Corporate Existence and Power

4.2. Each Seller which is not a natural person, is a corporation or partnership duly incorporated or formed, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation, and has all corporate or partnership powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted. Each of the Companies is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Texas, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted. Each of the Companies is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities make such qualification necessary, except for those

jurisdictions where failure to be so qualified would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

4.3 Corporate Authorization

4.4. The execution, delivery and performance by Sellers and the Companies of this Agreement and the consummation by Sellers and the Companies of the transactions contemplated hereby are, with respect to the Companies and each Seller which is not a natural person, within the corporate, limited liability or partnership powers, as the case may be, of the Companies and such Seller and have been duly authorized by all necessary corporate, limited liability company or partnership action, as the case may be, on the part of the Companies and such Seller. This Agreement constitutes a valid and binding agreement of the Companies and each Seller, enforceable against the Companies and each Seller in accordance with its terms except as enforceability may be limited by general principles of equity and by laws affecting creditors' rights generally.

4.5 Governmental Authorization; Consents

4.6. Except as set forth on Schedule 3.03; The execution, delivery and performance by the Companies and Sellers of this Agreement require no action by or in respect of, or filing with, any governmental body, agency, official or authority other than (i) grant of the FCC Consents; and (ii) other consents the absence of which would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

(b) No consent, approval, waiver or other action by any Person (other than any governmental body, agency, official or authority referred to in (a) above) under any contract, agreement, indenture, lease, instrument or other document to which any Seller, or either Company, is a party or by which any of them is bound is required or necessary for the execution, delivery and performance of this Agreement by either Company or any Seller or the consummation of the transactions contemplated hereby.

4.7 Non-Contravention

4.8. The execution, delivery and performance by Sellers and the Companies of this Agreement do not and will not (i) with respect to the Companies and each Seller which is not a natural person, contravene or conflict with the articles of incorporation, bylaws, certificate of formation, operating agreement, certificate of limited partnership, or partnership agreement, as the case may be, of any Seller, or either Company, (ii) assuming compliance with the matters referred to in Section 3.03(a), contravene or conflict with or constitute a violation of any provision of any law, statute, ruling, regulation, judgment, injunction, order or decree binding upon or applicable to any Seller, or either Company; or (iii) assuming the consents listed on Schedule 3.03 are obtained and are in effect as of the Closing, constitute a default under or give rise to any right of termination, cancellation, modification or acceleration of any right or obligation of any Seller, or either Company, or to a loss of any benefit to which any Seller, or either

Company, is entitled, under any provision of any agreement, contract, restriction of any government or governmental agency or court, or other instrument binding upon any Seller, or either Company, or any license, franchise, permit or other similar authorization held by any Seller, or either Company, or result in the creation or imposition of any Lien on any asset of any Seller, or either Company.

4.9 Capitalization

4.10. The entire authorized capital stock of K-Six consists solely of 15,000 shares of the K-Six Common Stock, par value \$10.00. There are outstanding 15,000 shares of such Common Stock. The entire authorized capital stock of Corpus Christi consists solely of 60 shares of the Corpus Christi Common Stock, par value \$500.00. There are outstanding 60 shares of such Corpus Christi Common Stock. All outstanding shares of capital stock of the Companies have been duly authorized and validly issued and are fully paid and non-assessable. Except as set forth in this Section 3.05 and on Schedule 3.05, there are no outstanding (i) shares of capital stock or other voting securities of either Company, (ii) securities of either Company convertible into or exchangeable for shares of capital stock or voting securities of either Company or (iii) options, warrants, purchase rights, subscription rights, conversion rights, exchange rights or other contracts, commitments or other rights to acquire capital stock or voting securities from either Company, and there is no obligation of either Company to issue, any capital stock, voting securities or securities convertible into or exchangeable for capital stock or voting securities of either Company (the items in clauses (i), (ii) and (iii) being referred to collectively as the "Company Securities"). There are no outstanding or authorized stock appreciation, phantom stock, profit participation or similar rights or obligations of either Company to issue or deliver or to repurchase, redeem or otherwise acquire any Company Securities. There are no voting trusts, proxies or other agreements or understandings with respect to any of the Companies Securities. Sellers are and will be at the Closing the record and beneficial owners of the Shares, free and clear of any Lien whatsoever, and will transfer and deliver to Buyer at the Closing valid title to the Shares free and clear of any Lien.

4.11 Subsidiaries

4.12. Other than K-Six, there are no Subsidiaries of either Company.

4.13 Financial Statements

4.14. The audited consolidated balance sheets, income statements, and statements of cash flows of the Companies as of, and for the years ended, December 31, 2000, December 31, 1999, and December 31, 1998, as previously made available to Buyer, fairly present, in conformity with GAAP and the past practice of the Companies, in each case applied on a consistent basis (except as may be indicated in the notes thereto), the consolidated financial position of the Companies as of the dates thereof and their consolidated results of operations and cash flows for the periods then ended. The Balance Sheet fairly presents, in conformity with GAAP, and the past practice of the Companies, applied on a consistent basis, the consolidated financial position of the Companies as of the date

thereof, except for the absence of notes thereto and any year-end adjustments made in the audited balance sheet for the year ended December 31, 2000.

4.15 Absence of Certain Changes

4.16. Except as set forth on Schedule 3.08, since the Balance Sheet Date, and except for any action taken immediately prior to the Closing which action is necessary to enable the conditions in Section 10.02(f) through (h) to be satisfied, the Companies have conducted their businesses in the ordinary course consistent with past practices and there has not been:

- (a) any Material Adverse Change (or any event, occurrence, development or state of circumstances or facts which could reasonably be expected to result in a Material Adverse Change);
- (b) any declaration, setting aside or payment of any dividend or other distribution with respect to any shares of capital stock of the Company, or any repurchase, redemption or other acquisition by either Company of any outstanding shares of capital stock or other securities of, or other ownership interests in, either Company;
- (c) any amendment of any material term of any outstanding security of either Company;
- (d) any incurrence, assumption or guarantee by either Company of any indebtedness for borrowed money (other than in the ordinary course of business and in amounts and on terms consistent with past practices or pursuant to this Agreement);
- (e) any creation or assumption by either Company of any Lien on any material asset other than in the ordinary course of business consistent with past practices or pursuant to this Agreement;
- (f) any making of any loan, advance or capital contributions to or investment in any Person;
- (g) any damage, destruction or other casualty loss (whether or not covered by insurance) affecting the business or assets of the Companies which, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect;
- (h) any transaction or commitment made, or any contract or agreement entered into, by either Company relating to its assets or business (including the acquisition or disposition of any assets) or any relinquishment by either Company of any contract or other right, in either case, material to either Company taken as a whole, other

than transactions and commitments in the ordinary course of business consistent with past practices and those contemplated by this Agreement;

(i) any change in any method of accounting or accounting practice by the Companies (except for any such change after the date hereof required by reason of a concurrent change in GAAP); or

(j) any (i) grant of any severance or termination pay to any director, officer or employee of either Company, (ii) entering into of any employment, deferred compensation or other similar agreement (or any amendment to any such existing agreement) with any director, officer or employee of either Company, (iii) increase in benefits payable under an existing severance or termination pay policies or employment agreements or (iv) increase in compensation, bonus or other benefits payable to directors, officers or employees of either Company, other than in the ordinary course of business consistent with past practice.

#### 4.17 Properties

4.18. The Companies have good and indefeasible title to all material property and assets (whether real or personal, tangible or intangible) reflected on the Balance Sheet or acquired after the Balance Sheet Date, including without limitation the owned real property described on Schedule 3.09 hereto, except for properties and assets sold since the Balance Sheet Date in the ordinary course of business consistent with past practices. None of such properties or assets is subject to any Liens, except for Permitted Liens. Schedule 3.09 contains a legal description of the real property of the Companies.

#### 4.19 No Undisclosed Material Liabilities

4.20. Except as set forth on Schedule 3.10, there are no liabilities of either Company of any kind, and there is no basis for any present or future action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand against them giving rise to any liability, whether accrued, contingent, absolute, determined, determinable, or otherwise, other than:

(a) liabilities disclosed or provided for in the Balance Sheet; and

(b) liabilities incurred in the ordinary course of business consistent with past practice since the Balance Sheet Date, which in the aggregate are not material to the Companies.

4.21 Litigation. Except as set forth on Schedule 3.11, there is no action, suit, investigation, hearing or proceeding (or any basis therefor) pending against, or to Sellers' Knowledge threatened against or affecting, any Seller, or either Company or any of the Companies' respective properties before any court or arbitrator or any governmental body, agency, official or authority which, if determined or resolved

adversely to either Company in accordance with the plaintiff's demands, would reasonably be expected to have a Material Adverse Effect or which in any manner challenges or seeks to prevent, enjoin, alter or materially delay the transactions contemplated hereby. None of the Sellers or Shareholders of the Companies, their officers, directors and employees responsible for litigation matters has any reason to believe that any such action, suit, investigation, hearing or proceeding may be brought or threatened against the Companies. After Closing, Sellers shall be responsible for the defense of, and shall, in proportion to their respective Sharing Ratios, indemnify and hold harmless Buyer, and without duplication the Companies, against any Damages (as defined below) arising out any of the matters described on Schedule 3.11.

#### 4.22 Material Contracts.

- (a) Except for agreements, contracts, plans, leases, arrangements or commitments disclosed in Schedule 3.12, neither Company is a party to or subject to:
- (i) any lease providing for annual rentals of \$10,000.00 or more;
  - (ii) any contract for the purchase of materials, supplies, goods, programming, services, equipment or other assets providing for annual payments by either Company of \$10,000.00 or more;
  - (iii) any sales, distribution or other similar agreement providing for the sale by either Company of materials, supplies, goods, services, equipment or other assets that provides for annual payments to such Company of \$10,000.00 or more;
  - (iv) any partnership, joint venture or other similar contract arrangement or agreement;
  - (v) any contract relating to indebtedness for borrowed money or the deferred purchase price of property (whether incurred, assumed, guaranteed or secured by any asset), except contracts relating to indebtedness incurred in the ordinary course of business in an amount not exceeding \$1,000.00;
  - (vi) any license agreement, franchise agreement or agreement in respect of similar rights granted to or held by either Company;
  - (vii) any agency, dealer, sales representative or other similar agreement;

(viii) any contract or other document that substantially limits the freedom of either Company to compete in any line of business or with any Person or in any area or which would so limit the freedom of either Company after the Closing Date;

(ix) any agreement for cable carriage of the Stations' signals;

(x) any network affiliation agreement.

(b) Sellers have delivered to Buyer a correct and complete copy of each agreement, contract, plan, lease, arrangement and commitment required to be disclosed pursuant to Section 3.12. Each is, and will continue to be on identical terms following the consummation of the transaction contemplated by the Agreement, a legal, valid, binding and enforceable agreement of one of the Companies and is in full force and effect, and to Seller's knowledge neither of the Companies nor any other party thereto, is in default in any material respect under the terms of any such agreement, contract, plan, lease, arrangement or commitment. No event has occurred which with notice or lapse of time would constitute a breach or default or permit termination, modification or acceleration under any such agreement.

4.23 Insurance Coverage. Sellers have furnished to Buyer a list of all insurance policies covering the assets, business, equipment, properties, operations, employees, officers and directors of the Companies as set forth in Schedule 3.13. There is no claim by the Companies pending under any of such policies as to which the Companies have received notice that coverage has been questioned, denied or disputed by the underwriters of such policies. All premiums payable under all such policies have been paid and the Companies are otherwise in material compliance with the terms and conditions of all such policies. With respect to each such insurance policy: (a) the policy is legal, valid, binding, enforceable and in full force and effect; (b) the policy, or a suitable substitute or replacement policy, will continue to be legal, valid, binding, enforceable and in full force and effect on the same material terms following consummation of the transactions contemplated in the Agreement; (c) neither of the Companies or any other party to the policy is in breach or default and no event has occurred which, with the notice or the lapse of time, would constitute such a breach or default or permit termination, modification or a cancellation under the policy; and (d) no party has repudiated any provision thereof.

4.24 Compliance with Laws; No Defaults.

(a) Except as set forth on Schedule 3.14, neither Company is in violation of any applicable provisions of any laws, statutes, ordinances or regulations, (including, without limitation, the Communications Act of 1934, as amended, and the rules and regulations of the FCC), of any federal, state, local and foreign government (and all agencies thereof). No action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand or notice has been filed or commenced against either Company alleging any failure to comply, except for violations that have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Neither Company is in default under, and no condition exists that with notice or lapse of time or both would constitute a default under, (i) any mortgage, loan agreement, indenture or evidence of indebtedness for borrowed money to which either Company is a party or by which either Company or any material amount of its assets is bound or (ii) any judgment, order or injunction of any court, arbitrator or governmental body, agency, official or authority, which defaults or potential defaults individually or in the aggregate would reasonably be expected to have a Material Adverse Effect.

4.25 Finders' Fees. There is no investment banker broker, finder or other intermediary which has been retained by or is authorized to act on behalf of Sellers, or either Company, who might be entitled to any fee or commission from Buyer, either Company, or any of their respective Affiliates upon consummation of the transactions contemplated by this Agreement, except for Frost Securities, Inc., any fees, expenses and commissions of which shall be the sole responsibility of Sellers.

4.26 Intellectual Property.

(a) Schedule 3.16 includes a true and complete list of all registered Intellectual Property Rights owned by the Companies specifying as to each, as applicable: (i) the nature of such registered Intellectual Property Right; (ii) the owner of such registered Intellectual Property Right; (iii) the jurisdictions by or in which such registered Intellectual Property Right has been issued or registered or in which an application for such issuance or registration has been filed, including the respective registration or application numbers; and (iv) material licenses, sublicenses and other agreements as to which the Companies are party and pursuant to which any Person is authorized to use such registered Intellectual Property Right. With respect to each Intellectual Property Right identified in Schedule 3.16, the Companies possess all right, title and interest in and to the item, free and clear of any Lien or other security interest, license or other restriction. Seller has made available to Buyer correct and complete

copies of all written documentation evidencing ownership and prosecution of each such Intellectual Property Right.

(b) The Companies own or have the right to use pursuant to license, sublicense, agreement or permission, all the Intellectual Property Rights for the operation of the business of the Companies as presently conducted and as presently proposed to be conducted. Each of the Intellectual Property Rights owned or used by the Companies immediately prior to the Closing Date hereunder will be owned or available for use by the Companies on identical terms and conditions subsequent to Closing hereunder. The Companies have taken all necessary and desirable actions to maintain and protect each of the Intellectual Property Rights that it owns or uses.

(c) (i) Except as set forth on Schedule 3.16, neither Company during the twelve (12) months preceding the date of this Agreement has been sued or charged in writing with or been a defendant in any claim, suit, action or proceeding relating to its business that has not been finally terminated prior to the date hereof and that involves a claim of infringement of any patents, trademarks, service marks or copyrights, and (ii) to Sellers' Knowledge there is no misappropriation or infringement by the Companies of any third party's Intellectual Property Rights, or any misappropriation or infringement by any other Person of any registered Intellectual Property Rights owned by the Companies. To Sellers' Knowledge, no registered Intellectual Property Right owned by the Companies is subject to any outstanding order, judgment, decree, stipulation or agreement restricting the use thereof by the Companies or restricting the licensing thereof by the Companies to any Person. Neither Company has entered into any agreement to indemnify any other Person against any charge of infringement of any patent, trademark, service mark or copyright. No action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand is pending or to the knowledge of Sellers, and the directors and officers (and employees with responsibility for Intellectual Property Rights) of the Companies, is threatened which challenge the legality, validity, enforceability, use or ownership of the item.

4.27 FCC Licenses. Schedule 3.17 includes a true and complete list of all FCC Licenses. The Companies validly hold such FCC Licenses. The FCC Licenses were validly issued, or assigned, to the Companies and are in full force and effect and have not been revoked, suspended, cancelled, rescinded or terminated and have not expired. Other than the FCC Licenses, no franchises, licenses, permits, approvals, or authorizations from the FCC or any other governmental body, agency, official or authority are required in order for the Companies to legally own and operate the Stations in the manner and to the full extent that they are operated on the date hereof, and the FCC Licenses are not subject to any restriction or condition that would limit the full operation of the Stations as required by the FCC and as presently operated, other than restrictions of general applicability to the television and radio broadcasting industries as a whole.

Except as noted on Schedule 3.17, to Sellers' Knowledge, (a) no action or proceeding is pending or threatened by or before the FCC or before any other governmental body, agency, official or authority to revoke, suspend, cancel, rescind, refuse to renew, or adversely modify the FCC Licenses, other than proceedings of general applicability affecting or purporting to affect all similarly situated television and radio broadcasting stations, (b) there is not now issued or outstanding or pending or to the Seller's Knowledge, threatened, by or before the FCC, any order or show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against the Stations or the Sellers, and (c) no applications are currently pending before the FCC with respect to the Stations. Except for the FCC Consents, no consent, approval, permit, or authorization of, or declaration to, or filing with, any governmental body, agency, official or authority or any other Person is required to be obtained by Sellers, or either Company, in order to permit the transfer of control of the FCC Licenses as contemplated by this Agreement. The Stations are operating in compliance with the FCC Licenses, the Communications Act and the rules, regulations and policies of the FCC. The Companies are operating only those facilities for which an appropriate FCC License has been obtained and is in effect and the Companies are meeting the conditions of each such FCC License in all material respects. Except as set forth on Schedule 3.17, to Sellers' Knowledge, all returns, reports, and statements which the Stations are currently required to have filed with the FCC or with any other governmental body, agency, official or authority have been filed, and all reporting requirements of the FCC and other governmental bodies, agencies, officials, and authorities having jurisdiction over the Stations have been complied with, except where any non-filing or non-compliance would not have a Material Adverse Effect. To Sellers' Knowledge, all of such reports, returns, and statements are substantially complete and correct as filed. The Stations' public inspection files are located at the Stations' respective main studios and are in material compliance with the FCC's rules and regulations, except where any non-compliance would not have a Material Adverse Effect.

4.28                    Employees. Schedule 3.18 identifies all of the executive officers of the Company.

4.29                    Environmental Compliance.

(a)                    Except as set forth on Schedule 3.19, to Seller's Knowledge, neither Company is in violation of any Environmental Law (as defined herein) in connection with the conduct of their businesses and neither Company has received any written or oral notice, report or other information regarding any actual or alleged violation of any Environmental Law, or any liabilities or potential liabilities (whether accrued, absolute, contingent, unliquidated or otherwise), including any investigatory, remedial or corrective obligations, relating to either Company. The Companies have

obtained and are in compliance with all permits, licenses or other authorizations that are required pursuant to any Environmental Law for the occupation of its facilities and the operation of its businesses at the Stations.

(b) There have been no material environmental investigations, studies, audits, tests, reviews or other analyses conducted by or which are in the possession of the Companies in relation to the Real Estate which have not been made available to Buyer prior to the date hereof.

(c) To Sellers' Knowledge, none of the following exists at any property or facility owned or operated by either Company: (1) underground storage tanks, (2) friable asbestos-containing material in any form or condition; (3) materials or equipment containing polychlorinated biphenyls, or (4) landfills, surface impoundments or disposal areas.

(d) To the Sellers' Knowledge, neither Company has treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, or released any substance, including without limitation any hazardous substance, or owned or operated any property or facility (and no such property or facility is contaminated by any such substance) in a manner that has given or would give rise to liabilities, including any liability for response costs, corrective action costs, person injury, property damage, natural resources damages or attorneys fees, pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), the solid Waste Disposal Act, as amended (AWDA") or any other Environmental Law.

(e) As used in this Agreement, "Environmental Law" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976, the Federal Water Pollution Control Act of 1972, the Clean Air Act of 1970, the Safe Drinking Water Act of 1974, the Toxic Substances Control Act of 1976, or the Emergency Planning and Community Right-to-Know Act of 1986 (each as amended), or any other law of any federal, state, local, or foreign government (including rules, regulations, codes, judgments, orders, decrees, stipulations, injunctions, and charges thereunder, to the extent the foregoing have the force and effect of law) relating to occupational health and safety, or pollution or protection of the environment, including, without limitation, laws relating to emissions, discharges, releases, or threatened releases of pollutants, contaminants, or chemical, industrial, hazardous or toxic materials or wastes into ambient air, surface water, ground water, or lands or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, or chemical, industrial, hazardous, or toxic materials or wastes.

(f) To the Sellers' Knowledge, the operation of the Stations does not cause or result in exposure of workers or the general public to levels of radio frequency radiation in excess of the "Radio Frequency Protection Guides" recommended in "American National Standard Safety Levels with Respect to Human Exposure to Radio Frequency Electromagnetic Fields 3 kHz to 300 GHz" (ANSI/IEEE C95.1-1992) issued by the American National Standards Institute, adopted by the FCC effective October 15, 1997, and described in OET Bulletin No. 65.

(g) The Sellers have labeled, or will cause to be labeled prior to Closing, all pieces of Equipment containing polychlorinated biphenyls and all buildings in which such Equipment exists, in such a manner as to be in conformance with all Environmental Laws and all applicable rules and policies of the Federal and State Environmental Protection Agencies.

4.30 Intercompany Arrangements. Except as set forth on Schedule 3.20, neither Company owns any note, bond, debenture or other indebtedness, or is otherwise a creditor, of any Seller or any Affiliate of any Seller. Since the Balance Sheet Date there has not been any payment by either Company to any Seller or any of their respective Affiliates, charge by any Seller or any of their respective Affiliates to either Company, or other transaction between either Company and any Seller or any of their respective Affiliates, except in any such case in the ordinary course of business of the Companies consistent with past practice and on terms substantially the same as those in arms-length transactions.

4.31 Insolvency Proceedings. No insolvency proceedings of any character, including bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting the Companies, are pending or, to the Sellers' Knowledge, threatened. The Companies have not made an assignment for the benefit of creditors.

## 5ARTICLE

### 6REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Sellers that:

6.1 Organization and Existence

6.2. Buyer is a limited liability company and has all limited liability company power and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

6.3 Corporate Authorization

6.4. The execution, delivery and performance by Buyer of this Agreement and the consummation by Buyer of the transactions contemplated hereby are within the power of Buyer and have been duly authorized by all necessary action on the part of Buyer. This Agreement constitutes a valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms except as enforceability may be limited by general principles of equity and by laws affecting creditors' rights generally.

6.5 Governmental Authorization. The execution, delivery and performance by Buyer of this Agreement require no action by or in respect of, or filing with, any governmental body, agency, official or authority other than grant of the FCC Consents.

6.6 Non-Contravention. The execution, delivery and performance by Buyer of this Agreement do not and will not (i) contravene or conflict with the certificate of formation or operating agreement of Buyer, or (ii) assuming compliance with the matters referred to in Section 4.03, contravene or conflict with any provision of any law, statute, regulation, judgment, injunction, order or decree binding upon Buyer.

6.7 Finders, Fees. There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of Buyer who might be entitled to any fee or commission from Sellers or any of their respective Affiliates upon consummation of the transactions contemplated by this Agreement.

6.8 Purchase for Investment. Buyer is purchasing the Shares for investment for its own account and not with a view to, or for sale in connection with, any distribution thereof.

6.9 Litigation. There is no action, suit, investigation, hearing or proceeding pending against, or to the knowledge of Buyer threatened against or affecting, Buyer before any court or arbitrator or any governmental body, agency or official which in any matter challenges or seeks to prevent, enjoin, alter or materially delay the transactions contemplated hereby.

6.10 FCC Qualifications. Buyer is qualified under the rules and regulations of the FCC to enter into this Agreement and to consummate the transactions contemplated herein and requires no waivers or exemptions of such rules or regulations in order for the FCC to grant the FCC Consent.

6.11 Financial Qualifications. Buyer has (or on the Closing Date will have) sufficient funds to consummate the transactions contemplated by this Agreement and make full payment of the Purchase Price in accordance with the terms hereof.

## ARTICLE

## COVENANTS OF SELLERS

Sellers agree that:

7.1 Conduct of the Company. From the date hereof until the Closing Date, Sellers shall cause the Companies to conduct their businesses in the ordinary course consistent with past practice and to use their best efforts to preserve intact their business organizations and relationships with third parties. Without limiting the generality of the foregoing, from the date hereof until the Closing Date, Sellers will not, without the prior written consent of Buyer, such consent not to be unreasonably withheld, permit either Company to:

- (a) adopt or propose any change in its certificate of incorporation or bylaws;
- (b) merge or consolidate with any other Person or acquire control of a material amount of assets of any other Person;
- (c) sell, lease, transfer, agree to sell, lease, license or otherwise dispose of any material assets or property except (i) pursuant to existing contracts or commitments that have been previously disclosed and delivered to Buyer, and (ii) in the ordinary course consistent with past practice provided that such assets are being replaced by assets of comparable or superior kind, condition and value;
- (d) except as may be modified by the Time Brokerage Agreement, Sellers shall: (i) continue to carry on the business of Stations and keep its books and accounts, records and files in good order; (ii) operate the Stations in accordance with the FCC Licenses, Communications Act, FCC rules, regulations and policies, and all other applicable laws, rules and regulations, and maintain the FCC Licenses in full force and effect and timely file and prosecute any necessary applications for renewal of the FCC Licenses; (iii) use commercially reasonable efforts to preserve intact the Stations' assets and maintain in effect current insurance policies with respect to the Stations and Stations' assets; (iv) collect the Stations' accounts receivable in the ordinary course of business consistent with past practice; or
- (e) agree or commit to do any of the foregoing.

Sellers will not, and will not permit either Company to (i) take or agree or commit to take any action that would make any representation and warranty of Sellers hereunder inaccurate in any respect at, or as of any time prior to, the Closing Date or (ii) omit or agree or commit to omit to take any action necessary to prevent any such representation or warranty from being inaccurate in any respect at any such time, except for action taken immediately prior to the Closing which action is necessary to enable the conditions set forth in Section 10.02 to be satisfied.

7.2                    Access to Information. From the date hereof until the Closing Date, upon reasonable notice and during normal business hours, Sellers (a) will give, and will cause the Companies to give, Buyer, its counsel, financial advisors, auditors and other authorized representatives full access to the offices, properties, books and records of the Companies and to the books and records of Sellers relating to the Companies, (b) will furnish, and will cause the Companies to furnish, to Buyer, its counsel, financial advisors, auditors and other authorized representatives such financial and operating data and other information relating to the Companies as such Persons may reasonably request, and (c) will instruct the employees, counsel and financial advisors of Sellers and the Companies to cooperate with Buyer in its investigation of the Companies; provided that no investigation pursuant to this Section shall affect any representation or warranty given by Sellers hereunder.

7.3                    Notices of Certain Events. The Seller Representative shall promptly notify Buyer of:

- (a)                    any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;
- (b)                    any notice or other communication from any governmental or regulatory agency or authority in connection with the transactions contemplated by this Agreement; and
- (c)                    any actions, suits, claims, investigations or proceedings commenced or, to Sellers' Knowledge threatened against, relating to or involving or otherwise affecting Sellers or the Companies that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.11 or that relate to the consummation of the transactions contemplated by this Agreement.

7.4                    Resignations. Sellers will deliver to Buyer at Closing the resignation of such directors and officers of the Companies as Buyer may request prior to Closing.

7.5

Noncompetition

7.6.

(a) Colonel Van Kennedy and Kathleen Kennedy (collectively, the "Seller Non-Compete Parties") agree that for a period of five years from the Closing Date, no Seller Non-Compete Party, nor any of its Affiliates, shall:

(i) engage, either directly or indirectly, as a principal or for its own account or solely or jointly with others, or as stockholder in any corporation or joint stock association, in any business that owns, or programs under a time brokerage or similar agreement, a television or radio broadcast station (including a low power television or television translator station) in either the Laredo or Corpus Christi Designated Market Areas (as defined by A. C. Nielsen Co.), provided that nothing herein shall prohibit the acquisition by any Seller Non-Compete Party or its Affiliates of a 5% or less interest in a publically-traded company that holds an interest in a television broadcast station in the relevant Designated Market Area, or

(ii) except for the employees listed on Schedule 5.05, employ or solicit the services of any employee employed by the Company or any Subsidiary as of the Closing Date.

(b) If any provision contained in this Section 5.05 shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Section 5.05, but this Section 5.05 shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. It is the intention of the parties that if any of the restrictions or covenants contained herein is held to cover a geographic area or to be for a length of time which is not permitted by applicable law, or in any way construed to be too broad or to any extent invalid, such provision shall not be construed to be null, void and of no effect, but to the extent such provision would be valid or enforceable under applicable law, a court of competent jurisdiction shall construe and interpret or reform this Section to provide for a covenant having the maximum enforceable geographic area, time period and other provisions (not greater than those contained herein) as shall be valid and enforceable under such applicable law. Sellers acknowledge that Buyer would be irreparably harmed by any breach of this Section and that there would be no adequate remedy at law or in damages to compensate Buyer for any such breach. Sellers agree that Buyer shall be entitled to injunctive relief requiring specific performance by Sellers of this Section, and Sellers consent to the entry thereof.

(c) The parties hereto agree that \$50,000.00 of the Purchase Price represents payment by Buyer for the noncompetition covenant contained in this Section 5.05.

7.7                    Estoppel Certificates. Sellers shall, at Sellers' expense, use reasonable efforts to obtain and deliver to Buyer a written estoppel certificate (the "Estoppel Certificate") duly executed by the lessors of the leasehold estate in antenna space, equipment space and easement rights pertaining to the communication tower described in Schedule 3.09 as the KZTV antenna site, in form and substance satisfactory to Buyer and evidence full payment of rent payments to the last date rent was due under the tenancy at antenna site. The Estoppel Certificate shall be dated within fifteen days prior to Closing.

7.8                    Notices and Consents. Sellers will give any notices to third parties, and will use reasonable efforts to obtain any third party consents, that the Buyer reasonably may request in connection with consummating this transaction.

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## ARTICLE

### COVENANTS OF BUYER

Buyer agrees that:

8.1 Confidentiality. Prior to the Closing Date and after any termination of this Agreement, Buyer and its Affiliates will use commercially reasonable efforts to hold, and to cause their respective officers, directors, employees, accountants, counsel, consultants, advisors and agents to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of law, all confidential documents and information concerning the Company furnished to Buyer or its Affiliates in connection with the transactions contemplated by this Agreement, except to the extent that such information was (i) previously known on a nonconfidential basis by Buyer, (ii) in the public domain through no fault of Buyer or (iii) later lawfully acquired by Buyer from sources other than Sellers or the Companies; provided that Buyer may disclose such information to its officers, directors, employees, accountants, counsel, consultants, advisors and agents in connection with the transactions contemplated by this Agreement (and to its lenders in connection with obtaining the financing for the transactions contemplated by this Agreement) so long as such Persons are informed by Buyer of the confidential nature of such information and are directed by Buyer to treat such information confidentially. The obligation of Buyer and its Affiliates to hold any such information in confidence shall be satisfied if they exercise the same care with respect to such information as they would take to preserve the confidentiality of their own similar information. If this Agreement is terminated, Buyer and its Affiliates will, and will use their commercially reasonable efforts to cause their respective officers, directors, employees, accountants, counsel, consultants, advisors and agents to, destroy or deliver to Seller, upon request, all documents and other materials, and all copies thereof, obtained by Buyer or its Affiliates or on their behalf from Sellers or the Companies in connection with this Agreement that are subject to such confidence.

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## ARTICLE

### SPECIAL COVENANTS AND AGREEMENTS

The parties hereto agree that:

9.1 Commercially Reasonable Efforts

9.2. Subject to the terms and conditions of this Agreement, each party will use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable laws and regulations to consummate the transactions contemplated by this Agreement. Sellers, prior to the Closing, and Buyer, after the Closing, agree to cause the Companies to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement.

9.3 FCC Approval.

(a) Within twelve (12) days of the execution of this Agreement by Buyer and a majority in interest of Sellers, the Companies, Buyer, and such of the Sellers as are required to do so, jointly shall file with the FCC substantially complete applications (the "FCC Applications") to request the FCC's consent to the voluntary transfer of control of the FCC Licenses from the Sellers to Buyer (the "FCC Consents"). Buyer and the Companies shall each pay their own expenses, and the Company shall pay the Sellers' expenses, in connection with the preparation and prosecution of the FCC Applications and Buyer on the one hand, and the Companies on the other, shall share any filing fee associated with the FCC Applications equally. Buyer, the Companies, and the Sellers shall prosecute the FCC Applications before the FCC, including vigorously defending and/or opposing any petitions to deny or other objections filed against the FCC Applications, with all reasonable diligence, in order to obtain the FCC Consents promptly and in order to carry out the provisions of this Agreement. The filing of any such petitions or objections shall not relieve the parties of their obligations under this Agreement, provided that such petition or objection has been ruled upon by the FCC or a court of competent jurisdiction and resolved favorably and without material adverse conditions on the transfers and such rulings have become Final Orders within one (1) year of the filing date of such objection. Subject to the preceding sentence, if FCC reconsideration or review, or if judicial review, shall be sought with respect to the FCC Consents, by a third party or upon the FCC's own motion, Buyer and the Sellers shall cooperate in opposing such requests for FCC reconsideration or review or for judicial review.

(b) Each party agrees to comply with any condition imposed on it by the FCC Consent, except that no party shall be required to comply with a condition if (1) the condition was imposed on it as the result of a circumstance the existence of which does not constitute a breach by the party of any of its representations, warranties, or covenants under this Agreement, and (2) compliance with the condition would have a material adverse effect upon such party.

9.4 Public Announcements. The parties agree to consult with each other before issuing any press release or making any public statement with respect to this Agreement or the transactions contemplated hereby and, except as may be required by applicable law or the rules of, or any listing agreement with, any national securities exchange, will not issue any such press release or make any such public statement prior to such consultation.

9.5 Environmental Assessment. Within five business days after the date of this Agreement, Buyer may order, at Buyer's expense, a so-called "Phase One" environmental assessment (the "Environmental Assessment") of any or all Real Estate,

which Environmental Assessment will be treated by Buyer as confidential information pursuant to Section 6.01. Buyer will use commercially reasonable efforts to have the Environmental Assessment completed within thirty days after it is ordered. If requested by Sellers, Buyer shall supply a copy of the Environmental Assessment to Sellers. If requested by Buyer, the Companies prior to Closing shall remediate any conditions disclosed in the Environmental Assessment which constitute a violation of Environmental Law or which are required to be remediated under Environmental Law; provided, however, that if the aggregate costs to the Companies of remediating such conditions are reasonably expected by the Sellers to exceed Fifty Thousand Dollars (\$50,000.00), the Sellers shall have the option of terminating this Agreement unless Buyer agrees to proceed to Closing without such remediation. If Buyer agrees to proceed to Closing without remediation, it shall be deemed to accept the relevant property subject to such conditions and Seller shall have no liability for the costs and expenses incurred in connection with any remediation of such conditions.

9.6                    Control of the Stations. Except as provided in the Time Brokerage Agreement, which shall be in accordance with the rules and policies of the FCC, prior to Closing, Buyer shall not, directly or indirectly, control, supervise, direct, or attempt to control, supervise, or direct the operations of the Stations; such operations, including complete control and supervision of all of the Stations' programs, employees, and finances, shall be the sole responsibility of the Companies until the Closing.

9.7                    CBS Affiliation Agreement. Buyer shall take all actions necessary to assume the obligations of the Companies under the CBS Affiliation Agreements listed on Schedule 3.12 (the "CBS Affiliation Agreements"), including the execution and delivery to CBS, Inc., or its affiliate, of an agreement or agreements (in the form attached hereto as Exhibit 7.06 or such other form acceptable to CBS) that Buyer shall unconditionally agree that the Companies shall continue to perform the obligations under the CBS Affiliation Agreements; provided that Buyer's obligations under this Section 7.06 shall be contingent upon there having been no changes by CBS to the terms of the CBS Affiliation Agreements. Upon execution of this Agreement, Buyer shall execute and deliver to Seller Representative the Assumption Agreement in the form attached as Exhibit 7.06.

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## ARTICLE

### TAX MATTERS

10.1                    Tax Representations. Each of the Sellers, jointly and severally as to the Companies, and severally as to itself, himself or herself, hereby represents as follows:

(a) All Tax Returns required to be filed on or before the date of this Agreement with respect to the Companies or any Subsidiary have been timely filed with the appropriate Taxing authorities in all jurisdictions in which such Tax Returns were required to be filed, except where any failure to file Tax Returns would not have a Material Adverse Effect. All such Tax Returns correctly reflected, in all material respects, the liability for Taxes for the periods, properties, or events covered thereby.

(b) All Taxes with respect to the Companies or any Subsidiary for all Pre-Closing Tax Periods, whether or not disputed, whether or not shown on any Tax Return, and whether or not currently due or payable, have been paid in full (or will be paid in full by the Closing Date) or an adequate reserve for such Taxes has been expressly included as a separate item on the Balance Sheet or will be expressly included as a separate item in determining the Net Working Capital, except where any failure to file Tax Returns would not have a Material Adverse Effect.

(c) There is no claim, audit, action, suit, proceeding, hearing or investigation with respect to any Tax now pending or threatened against or with respect to the Companies or any Subsidiary. Neither the Sellers nor any director or officer (or employee responsible for Tax matters) of the Companies expects any authority to assess any additional Taxes for any period for which Tax returns of the Companies either (i) claimed or raised by any authority in writing or (ii) as to which any of the Sellers and the directors and officers (and employees responsible for Tax matters) of the Companies has knowledge based upon personal contact with any agent of such authority.

(d) There are no Liens for Taxes upon any of the assets of the Companies or any Subsidiary, except for Permitted Liens.

(e) Schedule 8.01 lists all state, local, and foreign Tax Returns filed with respect to the Companies or any Subsidiary for taxable periods ended December 31, 2000.

(f) Each of the Companies and each Subsidiary has withheld, collected, and paid over to the proper authorities any Tax required to be withheld, collected, and paid.

(g) None of the Companies or any Subsidiary has been a member of any partnership or joint venture (or entity treated similarly for Tax purposes) or the holder of a beneficial interest in any trust, in each case for any taxable period for which the applicable statute of limitations has not expired.

(h) None of the Sellers is subject to withholding under Section 1445 of the Code with respect to any transaction contemplated hereby.

(i) None of the Companies or any Subsidiary has been a member of an affiliated, combined, consolidated, or unitary group of corporations for any taxable period for which the applicable statute of limitations has not expired.

(j) None of the Companies or any Subsidiary is currently (and will not be as of the Closing) a party to any agreement relating to the sharing or allocation of, or indemnification with respect to, Taxes, or any similar contract or arrangement other than this Agreement.

(k) Neither any Seller (or their Affiliates) nor any Company or Subsidiary has settled (1) any Tax dispute in a manner that would adversely affect any Company or Subsidiary in a material manner for any Tax year ended after the Closing Date, or (2) not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(l) None of the Companies or any Subsidiary is or has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

10.2 Tax Indemnification.

(a) Tax Indemnification. Subject to the limitations set forth in Article XI of this Agreement, each of the Sellers, severally in their respective Sharing Ratios, hereby indemnifies the Buyer and, effective at the Closing, without duplication, the Companies and any Subsidiary, against, and agree to hold them harmless from, any and all Damages incurred or suffered by the Buyer or the Companies or any Subsidiary attributable to or arising out of (i) any misrepresentation or breach of warranty, covenant, or agreement made or to be performed by a Seller, or by the Companies or any Subsidiary prior to Closing, pursuant to Article VIII of this Agreement; any Taxes of the Companies or any Subsidiary with respect to any Tax period ending on or before the Closing Date (or any Tax period beginning before and ending after the Closing Date (a "Straddle Period") to the extent allocable (as determined in Section 8.02(b) below) to the portion of such period beginning before and ending on the Closing Date) (the "Pre-Closing Tax Period"), to the extent such Taxes exceed the reserve for such Taxes expressly included as a separate item in the Net Working Capital (as such reserve may have been reduced to reflect prior charges against the reserve); and (iii) the unpaid Taxes of any of the Companies or any Subsidiary under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local, or foreign law) for or attributable to any Pre-Closing Tax Period, or under any Tax sharing or similar agreement, as a transferee or successor, by contract, or otherwise. (The Damages with respect to which the Buyer and, effective at the Closing, the Companies and any Subsidiary, may be entitled to indemnification pursuant to this Section 8.02(a) are sometimes referred to hereinafter as "Tax Losses".)

(b) Straddle Period Tax Allocation. For purposes of Section 8.02(a), in the case of any Taxes that are imposed on a periodic basis and are payable for a Straddle Period, the portion of such Tax that relates to the portion of such Tax period beginning before and ending on the Closing Date shall (i) in the case of any Taxes other than income Taxes or Taxes based on gross receipts or capital, be deemed to be the amount of such Tax for the entire Tax period multiplied by a fraction, the numerator of which is the number of days in the Tax period ending on the Closing Date and the denominator of which is the number of days in the entire Tax period and (ii) in the case of any income Taxes or Taxes based on gross receipts or capital, be deemed equal to the amount that would be payable if the relevant Tax period ended on the Closing Date.

(c) Limitation on Indemnification. Notwithstanding anything in this Agreement to the contrary, the Sellers shall have no indemnification obligation with respect to any Taxes of the Companies or any Subsidiary attributable to (i) any Tax period (or partial Tax period) beginning on or after the Closing Date or (ii) operations of the Companies or the Subsidiaries after the Closing, provided, however, that the Sellers in all events shall have an indemnification obligation with respect to all transactions

contemplated by this Agreement to occur on or prior to the Closing Date or at or prior to the Closing.

10.3 Tax Sharing Agreements. All Tax sharing agreements or similar agreements (other than this Agreement) with respect to or involving the Companies or any Subsidiary shall be terminated immediately prior to the time of the Closing and, after the Closing Date, none of the Sellers (or any of their Affiliates) nor the Buyer or the Companies or any Subsidiary shall be bound thereby or have any liability thereunder.

10.4 Certain Taxes. All transfer, documentary, sales, use, stamp, registration, and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement (including, but not limited to, any transfer, documentary, sales, use, stamp, registration, or similar Tax imposed by any states or subdivisions), shall be paid by the Sellers when due, and the Sellers will, at their own expense, file all necessary Tax Returns and other documentation with respect to all such transfer, documentary, sales, use, stamp, registration, and other Taxes and fees, and, if required by applicable law, the Buyer will join in the execution of any such Tax Returns and other documentation.

10.5 Tax Return Filing, Etc.

(a) Tax Returns Due on or Before the Closing Date. The Sellers shall prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Companies or any Subsidiary due on or before the Closing Date. The Sellers shall pay all Taxes shown as due on such Tax Returns. All such Tax Returns shall be prepared and filed in a manner that is consistent with prior practice, except as required by a change in applicable law.

(b) Tax Returns Due After the Closing Date. The Buyer shall prepare or cause to be prepared, and file or cause to be filed, all Tax Returns for the Companies or any Subsidiary due after the Closing Date. If any Tax Return to be filed by the Buyer relates to a period ending on or before the Closing Date or a Straddle Period, the Buyer shall permit Sellers' Representative to review each such Tax Return at least 15 days prior to the date such Tax Return is filed. The Buyer shall pay all Taxes shown as due on any Tax Return of the Companies or any Subsidiary due after the Closing Date; provided that the Buyer shall promptly notify Sellers' Representative in writing of the amount of such Taxes on such Tax Returns that are attributable to (i) periods ending on or before the Closing Date or (ii) a Straddle Period to the extent such liability for Tax is allocable to the Sellers as determined under Section 8.02. To the extent such Tax or allocation thereof exceeds the reserve reflected as a separate item in determining the Net

Working Capital (as such reserve may have been reduced to reflect prior charges against the reserve), the Sellers shall pay the amount of such Taxes or allocation thereof to the Buyer by the later of (i) 5 business days after such notification or (ii) 3 business days prior to the date such Taxes are required to be paid. Such notification shall include workpapers and calculations detailing the Sellers' share of the Taxes for any Straddle Period.

(c) Contests. If a notice of deficiency, proposed adjustment, assessment, audit, litigation, examination, or other administrative or court proceeding, suit, dispute, or other claim (a "Tax Contest") shall be delivered, sent, commenced, or initiated to or against the Buyer or either of the Companies or any Subsidiary by any Taxing authority with respect to Taxes that results in or may result in a Tax Loss for which indemnification may be claimed from the Sellers under this Agreement, the Buyer shall promptly notify Sellers' Representative in writing of such Tax Contest; provided that the failure to so notify Sellers' Representative shall not relieve the Sellers of their indemnification obligations hereunder, except to the extent such failure has actually and materially prejudiced the Sellers. The Sellers shall have the sole right to represent the Companies' or any Subsidiary's interests and to employ counsel of their choice at their expense with respect to any such Tax Contest relating to a period ending on or before the Closing Date; and the Buyer shall cause each of the applicable Companies or any Subsidiary to execute any powers of attorney or other documents or forms necessary in order to allow the Sellers to control such contest and to settle any such Tax Contest. The Buyer shall have the sole right to represent the Companies' or any Subsidiary's interests and to employ counsel of its choice at its own expense with respect to any such Tax Contest relating to a period ending after the Closing Date (including any Straddle Period); provided that the Buyer shall allow Sellers' Representative to participate in any such Tax Contest at its own expense to the extent it relates to any Straddle Period; provided further, that the Sellers shall be liable to the Buyer for a pro rata share of any reasonable expenses (including attorney expense) incurred by the Buyer in conducting such Tax Contest relating to a Straddle Period and such expense shall be considered a Tax Loss for which the Buyer is entitled to indemnification pursuant to Section 8.02. Notwithstanding any other provision of this Section 8.05(c), Sellers' Representative may not, without the Buyer's consent, settle or otherwise dispose of any Tax Contest if such settlement or disposition could adversely affect the Tax liability of the Buyer or the Companies or any Subsidiary for any Tax period or portion thereof beginning on or after the Closing Date. In the event that the Sellers do not take control of a Tax Contest that they have the right to control hereunder within 30 days of receiving notification of the existence of such Tax Contest, the Buyer may take control, and the Sellers shall be liable to the Buyer for any expense (including attorney expense) incurred by the Buyer in conducting such Tax

Contest, and such expense shall be considered a Tax Loss for which the Buyer is entitled to indemnification pursuant to Section 8.02.

(d) Cooperation on Tax Matters.

(i) Sellers shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns pursuant to this Section 8.05 or any Tax Contest. Such cooperation shall include (A) the retention and (upon the other party's request) the provision of records and information that are reasonably relevant to any audit, litigation or other proceeding; and (B) making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Buyer, the Companies or any Subsidiary, and the Sellers agree (A) to retain all books and records with respect to Tax matters pertinent to the Companies or any Subsidiary relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by Buyer or Sellers' Representative, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority; and (B) to give the other party reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other party so requests, the Companies or Sellers, as the case may be, shall allow the other party to take possession of such books and records.

(ii) Sellers shall use their reasonable best efforts to obtain any certificate or other document from any governmental authority or any other Person as may be necessary to mitigate, reduce, or eliminate any Tax that could be imposed (including, but not limited to, with respect to the transactions contemplated hereby).

(e) Elections. Without the prior written consent of the Buyer, from the date hereof neither of the Companies nor any Subsidiary shall make or change any election, change an annual accounting period, adopt or change any accounting method, file any amended Tax Return, enter into any closing agreement, settle any Tax claim or assessment relating to any Company, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to any Company, take any other action or omit to take any action, if such election, adoption, change, amendment, agreement, settlement, surrender, consent, or other action or omission would have the effect of materially increasing the Tax liability of the Buyer or the Companies or any Subsidiary for any Tax period or portion thereof beginning on or after the Closing Date.

(f) Disputes. Disputes arising under this Article VIII and not resolved by mutual agreement within 60 days shall be resolved by a nationally recognized

law or accounting firm with no material affiliation or relationship with the Buyer, the Sellers, or their Affiliates (the "Tax Referee") chosen (and mutually acceptable to both the Buyer and Sellers' Representative) within 15 business days of the date on which the need to choose the Tax Referee arises. The Tax Referee shall resolve any disputed items within 30 days of having the item referred to it pursuant to such procedures as it may require. The decision of the Tax Referee shall be final. The costs, fees and expenses of the Tax Referee shall be borne equally by the Buyer and the Sellers.

10.6 Survival. Notwithstanding any other provision in this Agreement to the contrary, the obligations set forth in this Article VIII shall survive until the expiration of the relevant statute of limitation, and the obligations set forth in this Article VIII shall not be subject to, or be taken into account in the computation of, the limitations referred to in Article XI.

10.7 Certification. The Sellers shall furnish to the Buyer on or before the Closing Date a certification of each Seller's non-foreign status as set forth in Section 1445 of the Code and the Treasury Regulations thereunder.

11

## ARTICLE

### EMPLOYEE BENEFITS

11.1 Employee Benefits Definitions

11.2. The following terms, as used herein, have the following meanings:

"Benefit Arrangement" means any employment, severance or similar contract, arrangement or policy, or any plan or arrangement (whether or not written) providing for severance benefits, insurance coverage (including any self-insured arrangements), workers' compensation, disability benefits, supplemental unemployment benefits, vacation benefits, retirement benefits, deferred compensation, profitsharing, bonuses, stock options, stock appreciation rights or other forms of incentive compensation or post-retirement insurance, compensation or benefits that is (i) not an Employee Plan, (ii) is entered into or maintained, as the case may be by the Seller or any of its ERISA Affiliates, and (iii) covers any employee of either Company.

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

"ERISA Affiliate" of any entity means any other entity which, together with such entity, would be treated as a single employer under Section 414 of the Code.

"Individual Account Plan" means each Employee Plan that is described in Section 414 of the Code but is not subject to Title IV of ERISA.

"Title IV Plan" means an Employee Plan, other than any Multiemployer Plan, subject to Title IV of ERISA.

11.3 ERISA Representations

11.4.

(a) Schedule 9.02 lists each "employee benefit plan", as defined in Section 3(3) of ERISA, and each other material employee benefit plan, program and arrangement, that is maintained, administered or contributed to by either Company and which covers any employee or former employee of either Company. Such plans, programs and arrangements are hereinafter referred to as the "Employee Plans." Sellers have furnished or made available to Buyer copies of such Employee Plans (and, if applicable, related trust agreements) and all amendments thereto and written interpretations thereof together with (A) the three most recent annual reports prepared in connection with any such plan (Form 5500 including, if applicable, Schedule B thereto), (B) the most recent actuarial valuation report prepared in connection with any such plan, and (C) the current summary plan description and summary of material modifications.

(b) The Companies do not maintain, contribute to, or have any liability or potential liability under (or with respect to) any "defined benefit plan" (as defined in Section 3(35) of ERISA), or any "multiemployer plan" (as defined in section 3(37) of ERISA). No asset of either Company is subject to any lien under ERISA or the Code. There are no pending or threatened actions, suits, investigations or claims with respect to any Employee Plan (other than routine claims for benefits) which could result in material liability to the Companies.

(c) Except as set forth on Schedule 9.02, no "prohibited transaction", as defined in Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Employee Plan that could result in a material liability to the Companies. Neither Company nor, to Sellers' Knowledge, any trustee administrator or other fiduciary of any Employee Plan, or any agent of any of the foregoing has engaged in any transaction or acted or failed to act in a manner that could subject either Company to any liability for breach of fiduciary duty under ERISA or other applicable law.

(d) Each Employee Plan that is intended to be qualified under Section 401(a) of the Code has been determined by the Internal Revenue Service to be so qualified (or the prototype of the Employee Plan has received a favorable opinion letter on which the Employee Plan may rely) and no event has occurred since the date of such

determination or opinion letter that could reasonably be expected to adversely affect such qualification, and each trust created under any such Employee Plan is exempt from tax under Section 501(a) of the Code and has been so exempt during the period from creation to date. Sellers have provided Buyer with the most recent determination and/or opinion letters of the Internal Revenue Service relating to each such Employee Plan. Each Employee Plan has been maintained in substantial compliance with its terms and with the requirements prescribed by any and all applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Code.

(e) Schedule 9.02 identifies and describes each Benefit Arrangement. Sellers have furnished or made available to Buyer copies of each Benefit Arrangement. Each Benefit Arrangement has been maintained in substantial compliance with its terms and with the requirements prescribed by any and all applicable statutes, orders, rules and regulations.

(f) The Companies do not have any current or projected liability in respect of post-employment or post-retirement welfare benefits for retired or former employees of either Company, except as disclosed in Schedule 9.02 or as required by Part 6 of Subtitle B of Title I of ERISA or Section 4980B of the Code.

(g) With respect to each Employee Plan, all required payments, premiums, contributions, distributions, or reimbursements for all periods ending prior to or as of the Closing Date have been made or properly accrued.

(h) Except as disclosed in writing to Buyer prior to the date hereof, there has been no amendment to, written interpretation of or announcement (whether or not written) by the Sellers or any of their ERISA Affiliates relating to, or change in employee participation or coverage under, any Employee Plan or Benefit Arrangement that would increase materially the expense of maintaining such Employee Plan or Benefit Arrangement above the level of the expense incurred in respect thereof since for the fiscal year ended prior to the date hereof.

(i) There is no contract, agreement, plan or arrangement covering any employee or former employee of either Company that, individually or collectively, could reasonably be expected to give rise to the payment of any amount that would not be deductible pursuant to the terms of Sections 280G or 162(m) of the Code.

(j) Each Employee Plan which is subject to the health care continuation requirements of Part 6 of Subtitle B of Title I of ERISA or Section 4980B of the Code has been administered in material compliance with such requirements.

(k) Except as disclosed in Schedule 9.02, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement, including, without limitation, as a result of any termination of employment prior to or following the Closing Date, will (A) result in any increase in compensation or any payment (including without limitation, severance, unemployment compensation, change in control, golden parachute, or otherwise) becoming due to any current or former director, officer or employee of either Company, (B) trigger a complete or partial termination of any Employee Plan or Benefit Arrangement, (C) increase any benefits payable under any Employee Plan or Benefit Arrangement, or (D) result in any acceleration of the time of payment or vesting of any benefit under any Employee Plan or Benefit Arrangement.

(l) Each of the Employee Plans and Benefit Arrangements may be amended or terminated at any time by action of the Companies' Boards of Directors, or a committee of such Board of Directors or duly authorized officer, in each case subject to the terms of the Employee Plan or Benefit Arrangement and compliance with applicable laws and regulations.

#### 11.5 Retirement Plans

11.6. Sellers shall at least 60 days before the Closing Date provide Buyer with documents that are reasonably satisfactory to Buyer as demonstration that each Individual Account Plan and Title IV Plan satisfies the requirements as applicable, of sections 401(a)(26), 401(k), 401(m), 404, 410(b), 412, 415, and 416 of the Code.

#### 11.7 Plans Following the Closing

11.8. Buyer will cause the Companies to give former employees of Sellers hired by Buyer full credit for purposes of eligibility and vesting, but not for benefit accrual, under any employee benefit plans or arrangements maintained by the Buyer for such employees' service recognized for such purposes under the Employee Plans and Benefit Arrangements as of the Closing Date. Upon request of the Buyer, the Sellers shall cause the Companies to terminate prior to the Closing Date any Employee Plan that is a defined contribution plan within the meaning Section 3(34) of ERISA.

#### 11.9 Third Party Beneficiaries

11.10. No provision of this Article IX shall create any third party beneficiary rights in any employee or former employee of the Companies (including any beneficiary or dependent thereof) in respect of continued employment or resumed employment, and no provision of this Article IX shall create any rights in any such persons in respect of any benefits that may be provided, directly or indirectly, under any employee benefit plan or arrangement.

## CONDITIONS TO CLOSING

12.1 Conditions to the Obligations of Each Party

12.2. The obligations of Buyer and Sellers to consummate the Closing are subject to the satisfaction of the following conditions:

(a) No provision of any applicable law or regulation and no judgment, injunction, order or decree shall prohibit the consummation of the Closing.

(b) All actions by or in respect of or filings with, and consents or approvals of, any governmental body, agency, official or authority required to permit the consummation of the Closing (other than the FCC Consent which is addressed separately in this Article X) shall have been obtained.

12.3 Conditions to Obligation of Buyer

12.4. Subject to Section 13.10, the obligation of Buyer to consummate the Closing is subject to the satisfaction of the following further conditions:

(a) (i) Each Seller shall have performed in all material respects all of its covenants and obligations hereunder required to be performed by it on or prior to the Closing Date, and (ii) the representations and warranties of each Seller contained in this Agreement and in any certificate or other writing delivered by such Seller pursuant hereto shall be true and correct in all material respects at and as of the Closing Date, as if made at and as of such date. Delivery by each Seller to Buyer of such Seller's Shares at Closing shall constitute, without further action, an affirmative certification by such Seller that the preceding sentence is true and correct with respect to such Seller at the time of Closing. If prior to the Closing, Buyer shall have received a written disclosure through due diligence disclosures or in the Schedules to this Agreement which provides Buyer with actual knowledge that a representation or warranty of the Companies and/or Sellers is not accurate or is violated by an existing condition described in such written disclosure, and Buyer nevertheless proceeds with the Closing, then Buyer shall have waived such inaccuracy or violation and may not seek indemnity therefore.

(b) No court, quasi-judicial or administrative agency of any federal, state, local or foreign jurisdiction, and no arbitrator or governmental body, agency or official shall have issued any order, unfavorable injunction, judgment, decree, ruling or charge and there shall not be any statute, rule or regulation, restraining the effective operation by Buyer of the business of the Companies after the Closing Date, and no proceeding challenging this Agreement or the transactions contemplated hereby or seeking to prohibit, rescind, alter, prevent or materially delay the Closing shall have been

instituted by any Person before any court, arbitrator or governmental body, agency or official and be pending.

(c) Buyer shall have received opinions of Davis, Hutchinson & Wilkerson, L.L.P. and Shaw Pittman, dated the Closing Date in substantially the forms attached hereto as Exhibits 10.02(c)-1 and 10.02(c)-2. In rendering such opinions, such counsel may rely upon certificates of public officers, as to matters governed by the laws of jurisdictions other than those in which such counsel is licensed to practice and the federal laws of the United States of America, upon opinions of counsel reasonably satisfactory to Buyer, copies of which shall be contemporaneously delivered to Buyer, and as to matters of fact, upon certificates of officers of Sellers, the Company and the Subsidiaries.

(d) Sellers shall have received any consents or approvals from third parties to contracts and other instruments listed on Schedule 3.03 required in connection with the Closing of the transactions contemplated hereby, and estoppel certificates from landlords under leases for real property listed on Schedule 3.12, in each case in form and substance reasonably satisfactory to Buyer, all such consents, approvals and estoppels shall be in full force and effect and copies of such consents, approvals and estoppels shall have been delivered to Buyer; provided that all consents and approvals in connection with the CBS Affiliation Agreements shall be the sole responsibility of Buyer.

(e) The FCC Consents shall have been granted without any condition which would be reasonably expected to have a Material Adverse Effect, shall be in full force and effect, and shall have become Final Orders unless the condition that the FCC Consent become a final order is waived by Buyer.

(f) There shall be no accounts receivable, or accounts payable, between either Company and any Affiliate of the Companies.

(g) Station KZTV, Channel 10, shall be a fully functioning on-the-air television station operating at its full authorized power of 316 Kw effective radiated power. The FCC construction permit for Station KVTV (FCC File No. 20010116 AHQ) to modify the facilities of Station KVTV to operate at its full authorized power of 316 Kw effective radiated power shall be in full force and effect. Construction permits for KZTV-DT and KVTV-DT shall be in full force and effect, and shall have been extended, if necessary, if closing is delayed past the expiration date of those permits.

(h) Buyer shall have received all documents it may reasonably request relating to the existence of Sellers, the Companies and the authority of Sellers to

execute, deliver and perform under this Agreement, all in form and substance reasonably satisfactory to Buyer, including, but not limited to: (i) a true, correct and complete copy of each of the Companies' Amended and Restated Certificate of Incorporation, certified by the secretary of state of Texas; (ii) a certificate of good-standing with respect to each of the Companies issued by the secretary of state of Texas not more than ten (10) business days prior to the Closing Date; (iii) a copy of resolutions adopted by each of the Companies board of directors authorizing such Company to enter into this Agreement and to consummate the transactions contemplated hereby, certified by the secretary or assistant secretary of such Company as being complete and correct and in full force and effect as of the Closing Date; and (iv) an incumbency certificate dated as of the Closing Date with respect to the officer executing this Agreement on behalf of each such Company.

(i) Buyer shall have received a commitment from the Title Company to issue the Title Policy, subject only to taxes for the current year, and the other reservations or exceptions previously approved by Buyer in accordance with this Agreement, dated as of Closing, to insure the Companies' title to the Real Estate to be good and indefeasible subject only to those title exceptions permitted herein, or as may be approved by Buyer in writing, and the standard printed exceptions contained in the form of Owner Title Policy or Leasehold Title policy promulgated by the Texas State Board of Insurance.

(j) Except for changes flowing from the Time Brokerage Agreement, no material change in the financial condition, results of operation, business, assets, properties or prospects of the Companies shall have occurred since the date of this Agreement.

(k) Except for Permitted Liens, the Real Property and the Equipment of the Sellers shall be free and clear of all of all security interests, restrictions, liens, claims and defects in title.

12.5 Conditions to Obligation of Sellers. The obligation of Sellers to consummate the Closing is subject to the satisfaction of the following further conditions:

(a) (i) Buyer shall have performed in all material respects all of its obligations hereunder required to be performed by it at or prior to the Closing Date, and (ii) the representations and warranties of Buyer contained in this Agreement and in any certificate or other writing delivered by Buyer pursuant hereto, disregarding all qualifications and exceptions contained therein relating to materiality or Material Adverse Effect, shall be true at and as of the Closing Date, as if made at and as of such date with

only such exceptions as would not in the aggregate reasonably be expected to have a Material Adverse Effect.

(b) No proceeding challenging this Agreement or the transactions contemplated hereby or seeking to prohibit, rescind, alter, prevent or materially delay the Closing shall have been instituted by any Person before any court, arbitrator or governmental body, agency or official and be pending.

(c) The FCC Consents shall have been granted and shall be in full force and effect.

(d) Seller shall have received all documents it may reasonably request relating to the existence of Buyer and the authority of Buyer to execute, deliver and perform under this Agreement, all in form and substance reasonably satisfactory to Seller.

(e) Buyer shall have executed and delivered to CBS, Inc. or its affiliate, an agreement or agreements that the Companies will continue to perform under the CBS Network Affiliation Agreements listed on Schedule 3.12, which agreement shall be in the Form attached hereto as Schedule 7.06 or such other form acceptable to CBS.

13

## ARTICLE

### SURVIVAL; INDEMNIFICATION

13.1 Survival. The covenants, agreements, representations and warranties of the parties hereto contained in this Agreement or in any certificate or other writing delivered pursuant hereto or in connection herewith shall survive until eighteen months after the Closing. Notwithstanding the preceding sentence, any covenant, agreement, representation or warranty in respect of which indemnity may be sought under Section 11.02 shall survive the time at which it would otherwise terminate pursuant to the preceding sentence, if notice of the inaccuracy or breach thereof giving rise to such right to indemnity shall have been given in accordance with Section 11.03 to the party against whom such indemnity may be sought prior to such time. Sellers shall be deemed to have received notice of claims made by Buyer concerning the matters set forth in Schedule 3.11 as of the date hereof.

13.2

Indemnification

13.3.

(a) Subject to Section 11.03, each of the Sellers, severally in their respective Sharing Ratios, as set forth in Schedule 2.02, hereby indemnifies Buyer and, effective at the Closing, without duplication, the Companies, against and agrees to hold them harmless from any and all damage, loss, liability and expense (including without limitation reasonable expenses of investigation and reasonable attorneys fees and expenses in connection with any action, suit or proceeding) ("Damages") incurred or suffered by Buyer or the Companies arising out of any misrepresentation or breach of warranty, covenant or agreement made or to be performed by the relevant Seller, or by the Companies prior to Closing, pursuant to this Agreement. Provided, however, Sellers shall not be liable under this Section 11.02(a) or Section 8.02(a) unless the aggregate amount of Damages exceeds \$50,000.00, provided that once Damages have exceeded such amount, indemnification shall be for all such Damages, and provided further, Sellers shall not be liable under this Section 11.02(a) for any Damages incurred or suffered by Buyer or the Companies in excess of One Million Dollars (\$1,000,000.00) in the aggregate, except that such \$1,000,000.00 limitation shall not apply (i) in the case of fraud or (ii) to liability under Section 8.02(a). No Seller shall be liable for Damages in an aggregate amount in excess of such Seller's Sharing Ratio portion of the Purchase Price, as finally adjusted.

(b) Buyer hereby indemnifies Sellers against and agrees to hold them harmless from any and all Damages incurred or suffered by Sellers arising out of any misrepresentation or breach of warranty, covenant or agreement made or to be performed by Buyer, or by the Companies after the Closing, pursuant to this Agreement (other than pursuant to Article VIII), including without limitation, any failure by the Companies to perform their respective obligations arising after the Closing Date under any of the contracts and agreements listed on Schedule 3.12, including without limitation the CBS Affiliation Agreements; provided that Buyer shall not be liable under this Section 11.02(b) unless the aggregate amount of Damages with respect to all matters referred to in this Section 11.02(b) exceeds \$50,000.00, provided that once Damages have exceeded such amount, indemnification shall be for all such Damages, and provided, further, that such \$50,000.00 threshold shall not apply to claims related to the failure of the Companies to perform their respective obligations under any contracts after the Closing Date. Buyers shall not be liable for Damages in an aggregate amount in excess of the amount of the Purchase Price, as finally adjusted.

(c) Notwithstanding the foregoing, the \$50,000.00 threshold amount for indemnification provided for in Sections 11.02(a) and (b) shall not apply to



contemplated hereby would violate any nonappealable final order, decree or judgment of any court or governmental body having competent jurisdiction;

(d) by the Seller Representative if Buyer shall be in material breach of any provision of this Agreement or the TBA and shall have failed to cure such breach within 10 days after receipt of notice of such breach from the Seller Representative; or

(e) by Buyer if any Seller shall be in material breach of any provision of this Agreement or the TBA and shall have failed to cure such breach within 10 days after receipt of notice of such breach from Buyer.

The party desiring to terminate this Agreement pursuant to clauses (b) or (c) shall give notice of such termination to the other party.

#### 14.3 Effect of Termination

##### 14.4.

(a) If this Agreement is terminated as permitted by Section 12.01(a), (b) or (c), such termination shall be without liability of either party (or any shareholder, director, officer, employee, agent, consultant or representative of such party) to the other party to this Agreement; provided that such termination does not result from the failure of any party to perform a covenant of this Agreement or from a breach by any party of this Agreement.

(b) In the event this Agreement is terminated pursuant to Section 12.01 due to the failure of Buyer to perform a covenant of Buyer contained in this Agreement or due to a breach by Buyer of this Agreement, or the TBA, then Buyer and Sellers shall instruct the Escrow Agent to distribute the Escrow Funds to Sellers in accordance with the terms of the Escrow Agreement and Buyer shall pay to Seller Representative for the Sellers' account the additional sum of One Hundred Fifty Thousand Dollars (\$150,000.00). Such distribution and additional payment shall constitute liquidated damages, and Sellers' sole remedy, for any breach by Buyer of its covenants, agreements or obligations under this Agreement.

(c) No party hereto shall be liable for consequential damages for breach of any provision of this Agreement.

15.1                    Notices. All notices, requests and other communications to either party hereunder shall be in writing (including telex, telecopy or similar writing) and shall be given, if to Buyer, to:

Buyer:            Eagle Creek Broadcasting, LLC  
Buyer Address:    2193 Association Drive, Suite 300  
                          Okemos, MI 48864  
Attention:        Brian Brady  
Telecopy:         (517) 347-4675  
Buyer Counsel:   Fred Levy, Esq.  
                          Sonnenschein Nath & Rosenthal  
Address:           1301 K Street, NW  
                          Suite 600, East Tower  
                          Washington, DC 20005  
Attention:         Fred Levy, Esq.  
Telecopy:         (202) 408-6399

if to Sellers, to:

K-Six Television, Inc.  
301 Artesian St.  
Corpus Christi, TX 78401  
Attention:    Dr. Kathleen Kennedy  
                          Vivian Mitchell

with a copy to:

Shaw Pittman  
2300 N Street, NW  
Washington, D.C. 20037  
Attention: David D. Oxenford, Jr.  
Telecopy: (202) 663-8007

and

Davis Hutchinson & Wilkerson, L.L.P.  
Frost Bank Plaza  
802 N. Carancahua, Suite 1270  
Corpus Christi, Texas 78470  
Attention: Marshall R. Wilkerson

Telecopy: (361) 882-1191

15.2 Amendments; No Waivers.

(a) Any provision of this Agreement may be amended or waived prior to the Closing Date if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by Buyer and Sellers, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

15.3 Expenses. All costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

15.4 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Neither party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other party hereto except that Buyer, without the consent of Sellers, may transfer or assign its rights, interests and obligations under this Agreement, in whole or in part, to any entity controlled by, controlling or under common control with, Buyer, provided that such entity is legally qualified to be an FCC licensee. Notwithstanding the foregoing, no assignment by Seller or Buyer shall be permitted after the applications requesting FCC Consent to the transactions contemplated herein have been filed with the FCC if such an assignment would result in a situation in which a new file number will be assigned to any such application under 47 C.F.R. § 73.3572 or such assignment would otherwise materially delay the grant of the FCC Consent.

15.5 Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of Texas without regard to the conflicts of law rules of such state.

15.6 Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto.

15.7                    Entire Agreement. This Agreement and the Escrow Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter of this Agreement. No representation, inducement, promise, understanding, condition or warranty not set forth herein has been made or relied upon by either party hereto. The Schedules to this Agreement are hereby incorporated by reference in their entirety. Any disclosure in any Schedule relates to all of the representations and warranties in this Agreement, regardless of whether the disclosure is set forth in a Schedule that relates to any other representation or warranty in this Agreement. Neither this Agreement nor any provision hereof is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

15.8                    Captions. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

15.9                    Specific Performance. Each of Buyer and Sellers acknowledges and agrees that the Shares are unique and that Buyer would be damaged irreparably in the event Sellers fail to transfer the Shares to Buyer upon satisfaction of the conditions set forth in Sections 10.01 and 10.03 of this Agreement. Accordingly, Buyer and Sellers agree that Buyer shall be entitled to enforce specifically the terms and provisions of this Agreement, upon satisfaction of the conditions set forth in Sections 10.01 and 10.03.

15.10                  Effect of Buyer's Actions Under TBA. Notwithstanding any other provision of this Agreement to the contrary, (i) no Seller shall be deemed to be in breach of any representation, warranty or covenant contained herein, and (ii) no failure of any representation or warranty of Sellers to be true, or any non-performance or breach by Sellers of any covenant, shall be deemed a failure of any of the conditions to the performance of Buyer's obligations hereunder, if in any such case, such purported breach, failure or non-performance shall have resulted from the actions or inaction of Buyer (including its agents or Affiliates) in its capacity as time broker under the TBA.

15.11                  Risk of Loss. The risk of loss, damage or destruction to any of the Stations or assets shall be borne by Sellers at all times prior to 12:01 a.m. local time on the Closing Date, and Sellers shall be responsible to repair or cause to be repaired and to restore the property to its condition prior to any such loss, damage, or destruction. In the event of any such loss, damage, or destruction, the proceeds of any claim for any loss, payable under any insurance policy with respect thereto, shall be used to repair, replace, or restore any such property to its former condition, subject to the conditions stated

below. In the event of any loss or damage to any of the Stations' assets, Seller shall notify Buyer thereof in writing immediately. Such notice shall specify with particularity the loss or damage incurred, the cause thereof (if known or reasonably ascertainable), and the insurance coverage. In the event that the property is not completely repaired, replaced or restored on or before the scheduled Closing Date, Buyer at its option: (a) may elect to postpone Closing until such time as the property has been completely repaired, replaced or restored (and, if necessary, Seller shall join Buyer in requesting from the FCC any extensions of time in which to consummate the Closing that may be required in order to complete such repairs); or (b) may elect to consummate the Closing and accept the property in its then condition, in which event Seller shall pay to Buyer all proceeds of insurance and assign to Buyer the right to any unpaid proceeds; or (c) terminate this Agreement.

15.12 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

IN WITNESS WHEREOF, the parties hereto here caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

BUYER:

EAGLE CREEK BROADCASTING, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SELLERS:

\_\_\_\_\_  
Frank B. Burney

FRANK B. BURNEY CHILDREN'S TRUST

By: \_\_\_\_\_  
Frank B. Burney, Trustee

BURNEY GRANDCHILDREN'S TRUST

By: \_\_\_\_\_  
Karita Burney Safley, Trustee

\_\_\_\_\_  
Kathleen E. Kennedy

KENNEDY LIVING TRUST

By: \_\_\_\_\_  
Kathleen E. Kennedy, Trustee

JAMES H. BURNEY TRUSTS

By: \_\_\_\_\_  
Lillian Runyon Mahoney, Trustee

\_\_\_\_\_  
Charles R. Manning

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James N. Martin

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Karita Burney Safley, Jr.

KARITA B. SAFLEY,  
CUSTODIAN FOR JOHN CARDEN SAFLEY, HOLLAND  
BURNEY SAFLEY AND KARA ELIZABETH SAFLEY

By: \_\_\_\_\_  
Karita B. Safley

L.M. ALEXANDER TRUST

By: \_\_\_\_\_  
Clyde Alexander, Trustee

CLYDE H. ALEXANDER II TRUST

By: \_\_\_\_\_  
Clyde H. Alexander II, Trustee

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Kay A. Schroeder, Trustee

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Courtney M. Baker

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Jim Bixler

FRANK B. BURNEY,  
CUSTODIAN  
FOR KARA ANNE BURNEY

By: \_\_\_\_\_  
Frank B. Burney

FRANK B. BURNEY, CUSTODIAN  
FOR CHRISTOPHER HOLLAND BURNEY

By: \_\_\_\_\_  
Frank B. Burney

FRANK B. BURNEY, CUSTODIAN  
FOR CHARLOTTE MARIE BURNEY

By: \_\_\_\_\_  
Frank B. Burney

\_\_\_\_\_  
J. H. Curlee

ESTATE OF MR. S. W. DUNNAM, JR.

By: \_\_\_\_\_  
Pauline Dunnam, Executrix

\_\_\_\_\_  
Walter W. Furley

\_\_\_\_\_  
Paul R. Haas

\_\_\_\_\_  
Anna B. (Ramfield) Hawkins

ESTATE OF HENRY P. KNOLLE

By: \_\_\_\_\_

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Eugene Looper

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William B. McCampbell

---

Vivian Mitchell

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Billie J. Richards

KARITA BURNEY SAFLEY, TRUSTEE  
FOR JOHN CARDEN SAFLEY

By: \_\_\_\_\_  
Karita Burney Safley, Trustee

DOLORES PROPERTIES, LTD.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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Michelle Lynn Sheffey

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Robert Marshall Sheffey

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Elizabeth W. McAndrew

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H. C. Weil

---

Ada W. Goodman

---

Leonora W. Breitenwischer

---

Juliet K. Wright Wenger

---

R. C. Woodson

SELLER REPRESENTATIVE

---

Kathleen E. Kennedy

COMPANIES:

K-SIX TELEVISION, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CORPUS CHRISTI BROADCASTING CO., INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_