

ASSET PURCHASE AGREEMENT

by and between

TEXAS TELECASTING, INC.

and

CHANNEL 12 OF BEAUMONT, INC.  
(collectively, "*Seller*")

and

TEXAS TELEVISION, INC.  
( "*Seller Owner*" and collectively with Seller, the "*Seller Parties*")

and

KBMT OPERATING COMPANY, LLC

and

KBMT LICENSE COMPANY, LLC  
(collectively, "*Buyer*")

Dated as of April 9, 2009

## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 DEFINITIONS .....	1
ARTICLE 2 PURCHASE AND SALE OF PROPERTIES AND ASSETS .....	10
2.1 Assets .....	10
2.2 Excluded Assets .....	13
2.3 Liabilities .....	14
2.4 Earnest Money Escrow Agreement and Deposit .....	16
2.5 Purchase Price, Payment, and Allocation .....	16
2.6 Adjustments .....	17
2.7 Closing .....	18
2.8 Compliance with Bulk Sales .....	18
ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF SELLER.....	18
3.1 Corporate Status.....	18
3.2 No Options .....	18
3.3 Entity Action.....	19
3.4 No Defaults .....	19
3.5 Contracts .....	19
3.6 Breach .....	20
3.7 Financial Information.....	20
3.8 Liabilities .....	21
3.9 Taxes .....	21
3.10 Licenses.....	22
3.11 Additional Regulatory Matters .....	22
3.12 Owned Real Property .....	25

	<u>Page</u>
3.13 Condition of Equipment.....	25
3.14 Business Operations.....	25
3.15 Approvals and Consents .....	26
3.16 Availability, Title to, and Condition of Assets .....	26
3.17 Leased Real Property .....	26
3.18 Environmental Matters.....	26
3.19 Environmental Studies.....	27
3.20 Compliance with Law and Regulations .....	27
3.21 Insurance.....	28
3.22 Labor, Employment Contracts and Benefit Programs .....	28
3.23 Litigation.....	30
3.24 Intangible Property.....	30
3.25 Brokers.....	30
3.26 Conflicting Interests.....	30
3.27 Matters Arising After the Interim Balance Sheet Date.....	31
3.28 FAA Compliance .....	32
3.29 Coverage.....	32
3.30 Bankruptcy.....	32
3.31 Trade Accounts.....	32
3.32 Powers of Attorney .....	33
3.33 Advertisers and Suppliers .....	33
3.34 Records .....	33
ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF BUYER.....	33
4.1 Qualification as a Broadcast Licensee .....	33
4.2 Status.....	34

	<u>Page</u>
4.3 No Defaults .....	34
4.4 Entity Action.....	34
4.5 Brokers.....	34
ARTICLE 5 COVENANTS OF SELLER PENDING THE CLOSING.....	35
5.1 Operations of the Business.....	35
5.2 Prohibited Actions .....	36
5.3 Notice of Adverse Changes.....	38
5.4 Access to Facilities, Files and Records.....	38
5.5 Representations and Warranties.....	39
5.6 Consents.....	39
5.7 Notice of Proceedings.....	40
5.8 Consummation of Agreement.....	40
5.9 Applications for FCC Consents .....	40
5.10 FCC Reports/FCC Compliance.....	41
5.11 Title to Real Property.....	41
5.12 Title Insurance; Surveys and Lien Search .....	41
5.13 Publicity .....	46
5.14 Exclusivity .....	46
5.15 Confidentiality .....	46
5.16 Charges, Fees, and Prepayment Obligations.....	46
5.17 Financing Support.....	47
5.18 Cooperation with Lender .....	47
5.19 Conveyance Free and Clear of Liens.....	47
5.20 Children’s Programming.....	47
5.21 Control Prior to Closing.....	48

	<u>Page</u>
ARTICLE 6 COVENANTS OF BUYER PENDING THE CLOSING .....	48
6.1 Consummation of Agreement .....	48
6.2 Notice of Proceedings .....	48
6.3 Contracts Not to be Assumed .....	48
6.4 Confidentiality .....	48
6.5 Consents .....	49
6.6 Consummation of Agreement .....	49
6.7 Representations and Warranties .....	49
ARTICLE 7 POST-CLOSING COVENANTS .....	49
7.1 Litigation Support .....	49
7.2 Transition .....	49
7.3 Taxes .....	49
7.4 Employees and Station Benefit Plans .....	50
ARTICLE 8 CONDITIONS TO THE OBLIGATIONS OF SELLER .....	52
8.1 Representations, Warranties and Covenants .....	52
8.2 No Injunction; Absence of Investigation and Proceedings .....	52
8.3 Closing Deliveries .....	53
8.4 Authorizations .....	53
8.5 Other Consents .....	53
8.6 Network Affiliation Agreement .....	53
ARTICLE 9 CONDITIONS TO THE OBLIGATIONS OF BUYER .....	53
9.1 Representations, Warranties and Covenants .....	53
9.2 No Injunction; Absence of Investigation and Proceedings .....	54
9.3 Liens Released .....	54
9.4 Deliveries .....	54

	<u>Page</u>
9.5	Material Consents ..... 54
9.6	Network Affiliation Agreement ..... 55
9.7	Revised Schedules ..... 55
9.8	No Material Change in Business or Assets..... 55
9.9	Authorizations ..... 55
9.10	Possession; Instruments of Conveyance and Transfer..... 56
9.11	Title to Real Property..... 56
9.12	Survey of Real Property..... 56
9.13	Additional FCC Matters..... 56
9.14	Non-Foreign Affidavit ..... 56
9.15	Approval of Tower..... 56
ARTICLE 10	ITEMS TO BE DELIVERED AT THE CLOSING ..... 57
10.1	Deliveries by the Seller..... 57
10.2	Deliveries by the Buyer ..... 58
ARTICLE 11	SURVIVAL; INDEMNIFICATION ..... 59
11.1	Survival..... 59
11.2	Basic Provision ..... 59
11.3	Definition of Deficiencies..... 60
11.4	Procedures for Establishment of Deficiencies ..... 61
11.5	Payment of Deficiencies ..... 62
11.6	Limitation on Deficiencies..... 63
11.7	Other Indemnification Provisions..... 63
ARTICLE 12	MISCELLANEOUS ..... 63
12.1	Termination of Agreement..... 63
12.2	Specific Performance; Liabilities on Termination or Breach ..... 65

	<u>Page</u>
12.3 Expenses .....	65
12.4 Remedies Cumulative .....	65
12.5 Preservation of Records .....	65
12.6 Non-Assignable Contracts .....	65
12.7 Further Assurances.....	66
12.8 Risk of Loss .....	66
12.9 Broadcast Transmission Interruption.....	67
12.10 Employees.....	67
12.11 Receivables.....	67
12.12 Arbitration; Choice of Jurisdiction.....	68
12.13 Waiver of Jury Trial.....	68
12.14 Schedules .....	69
ARTICLE 13           GENERAL PROVISIONS .....	69
13.1 Successors and Assigns.....	69
13.2 Amendments; Waivers.....	69
13.3 Notices .....	69
13.4 Captions .....	70
13.5 Governing Law .....	70
13.6 Entire Agreement.....	71
13.7 Execution: Counterparts and Facsimile .....	71
13.8 Construction.....	71
13.9 Third-Party Beneficiaries.....	71
13.10 No Party Deemed Drafter .....	71
13.11 Severability .....	72
13.12 Attorney's Fees .....	72

## LIST OF SCHEDULES AND EXHIBITS

### Schedules:

- Schedule 2.1(a) – Tangible Personal Property
- Schedule 2.1(b) – Authorizations
- Schedule 2.1(c) – Real Property
- Schedule 2.1(d) – Program License Agreements
- Schedule 2.1(e) – Advertising Agreements
- Schedule 2.1(f) – Other Contracts
- Schedule 2.1(g) – Intangible Property
- Schedule 2.1(i) – Affiliation Agreements
- Schedule 2.1(n) – Franchises and Permits
- Schedule 2.1(o) – Station Tower
- Schedule 2.2(c) – Employee Personal Property
- Schedule 2.3(b) – Assumed Liabilities
- Schedule 2.3(e) – Trade Accounts
- Schedule 2.5(a) – Digital Transmitter Contract
- Schedule 2.5(c) – Allocation of Purchase Price
- Schedule 3.5(a) – Non Assignable Material Contracts
- Schedule 3.5(c) – Contracts with Greater than 12 Month Term
- Schedule 3.6 – Breach
- Schedule 3.7 – Seller Financial Statements
- Schedule 3.8 – Liabilities
- Schedule 3.9 – Taxes
- Schedule 3.10 – Licenses
- Schedule 3.11(b) – Notices
- Schedule 3.11(f) – Construction Permits
- Schedule 3.11(g) – MVPD Matters
- Schedule 3.13 – Condition of Equipment
- Schedule 3.14 – Business Operations
- Schedule 3.16(a) – Excluded Assets Necessary for the Operation of the Station
- Schedule 3.16(b) – Liens
- Schedule 3.16(c) – Material Defects
- Schedule 3.16(d) – Material Services
- Schedule 3.16(e) – Title
- Schedule 3.18 – Environmental Matters
- Schedule 3.18(b) – Environmental Permits
- Schedule 3.19 – Environmental Studies
- Schedule 3.20 – Compliance with Law & Regulations
- Schedule 3.21 – Insurance
- Schedule 3.22(a) – Employment Matters
- Schedule 3.22(b) – Employee List
- Schedule 3.22(c) – Employee Manuals
- Schedule 3.22(e) – COBRA
- Schedule 3.23 – Litigation

Schedule 3.26 – Conflicting Interests  
Schedule 3.27 – Matters Arising After the Interim Balance Sheet Date  
Schedule 3.27(j) – Seller Debts  
Schedule 3.27(k) – Accounts Payable  
Schedule 3.27(l) – Waived Actions  
Schedule 3.27(m) – Employment Contracts  
Schedule 3.27(n) – Change in Accounting Methods  
Schedule 3.29 – Coverage  
Schedule 3.33 – Advertisers and Suppliers  
Schedule 5.6 – Material Consents

Exhibits:

A – Earnest Money Escrow Agreement  
B – Indemnification Escrow Agreement  
C – FIRPTA Certificate  
D – Bill of Sale  
E – Assignment and Assumption Agreement  
F – Officer’s Certificate – Seller  
G – [Reserved]  
H – Officer’s Certificate – Buyer

## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this “*Agreement*”) is entered into as of April 9, 2009, by and between Texas Telecasting, Inc., a Texas corporation, and Channel 12 of Beaumont, Inc., a Texas corporation (collectively and individually referred to herein as “*Seller*”), and Texas Television, Inc., a Texas corporation, (“*Seller Owner*” and collectively with Seller, the “*Seller Parties*”) and KBMT Operating Company, LLC, a Texas limited liability company, and KBMT License Company, LLC, a Texas limited liability company (collectively and individually referred to herein as “*Buyer*” and together with Seller, the “*Parties*”).

### RECITALS

A. Seller is the licensee of television broadcast station KBMT(TV)/KBMT DT licensed to Beaumont, Texas (FCC Facility ID Number 10150) (the “*Station*”). Seller operates the Station pursuant to certain licenses, franchises, authorizations and approvals, including associated broadcast auxiliary authorizations issued by the Federal Communications Commission (“*FCC*”).

B. Seller desires to sell, assign and transfer to Buyer the Station and substantially all of the assets, tangible and intangible, used in the operation of the Station as described in more detail below, and Buyer desires to purchase from Seller the Station and substantially all of the assets, tangible and intangible, used in the operation of the Station as described in more detail below, all under the terms and conditions described herein.

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

### ARTICLE 1 DEFINITIONS

“*ABC*” means American Broadcasting Companies, Inc.

“*ABC Affiliation Agreement*” means that certain Primary Television Affiliation Agreement, dated June 6, 2006, between ABC and McKinnon Broadcasting Company and all agreements and arrangements relating thereto, as each has been amended, modified, restated or supplemented through the date hereof.

“*Accountant*” has the meaning as set forth in Section 2.6(b).

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

“*Active Employees*” has the meaning as set forth in Section 7.4(a)(i).

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

Person, or for which the specified Person is an officer, director, member, general partner or trustee, or serves in a similar capacity or (c) any member of the immediate family of the specified Person.

“***Affiliation Agreements***” has the meaning set forth in Section 2.1(i).

“***Allocation***” has the meaning set forth in Section 2.5(c).

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

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

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

“***Assumed Employees***” has the meaning as set forth in Section 12.10.

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

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

“***BMF***” means Broadcast Music, Inc.

“***Breach***” means (a) any breach, inaccuracy, failure to perform, failure to comply, conflict with, failure to notify as required, default, or violation or (b) any other act, omission, event, occurrence or condition the existence of which would violate an existing agreement and (i) permit any Person to accelerate any obligation or terminate, cancel, or modify any right or obligation or (ii) require the payment of money or other consideration.

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

“***Buyer Welfare Benefit Plans***” has the meaning set forth in Section 7.4(d).

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

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

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

“***Closing***” has the meaning set forth in Section 2.7.

“***Closing Date***” has the meaning set forth in Section 2.7.

“***COBRA***” means the Consolidated Omnibus Budget Reconciliation Act of 1985.

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

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

other than expenditures and Liabilities that are customary and reasonable in nature and amount in the context of the Transactions.

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

“**Confidential Information**” means any information concerning the businesses and affairs of Buyer and the Station. Confidential Information shall not, however, include any information which (i) was publicly known and made generally available in the public domain prior to the time of disclosure by the disclosing party; (ii) becomes publicly known and made generally available by the disclosing party or Affiliates of such disclosing party through no action or inaction of the receiving party or Affiliates of such receiving party; (iii) is obtained by the receiving party after the Closing from a third party without, to the good faith knowledge of the receiving party (except that if the information specifically relates to the Station, “to the good faith knowledge of the receiving party” shall not apply), a breach of such third party’s obligations of confidentiality; or (iv) is independently developed after the Closing by the receiving party without use of or reference to the disclosing party’s Confidential Information.

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

“**Consultant**” has the meaning set forth in Section 5.12(c).

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

“**Contract**” means any agreement, arrangement, commitment or understanding relating to the operation of the Station, to which Seller is a party or is bound, including, without limitation, orders and agreements for the sale of advertising, leases for Leased Real Property and Tangible Personal Property, Program License Agreements and Affiliation Agreements.

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

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

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

“**DMA**” has the meaning set forth in Section 3.11(g).

“**DVT**” has the meaning set forth in Section 3.11(f).

“**DVT STA**” has the meaning set forth in Section 3.11(f).

“**Digital Operation License**” has the meaning set forth in Section 5.10(b).

“**Earnest Money Escrow Agreement**” has the meaning set forth in Section 2.4.

“**Earnest Money Escrow Deposit**” has the meaning set forth in Section 2.4.

“**Effective Time**” has the meaning set forth in Section 2.6(a).

“**Election Notice**” has the meaning set forth in Section 5.12(c)(i).

“**Encumbrances**” means any third party security interest, deed of trust, mortgage, pledge, encumbrance, charge, easement, covenant, community property interest, equitable interest, right of first refusal, or other similar interest or right, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership other than Permitted Liens.

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

“**Environmental Laws**” means any and all federal, state or local Laws (including common Law), rules, orders, regulations, statutes, ordinances, codes, guidelines properly enforced by governmental authorities, administrative orders, or requirements of any governmental authority regulating or imposing standards of Liability, standards of conduct or standards of remediation with respect to protection of public health or environmental media (including without limitation soil, surface water, ground water, stream sediments or air), including, without limitation, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Occupational Safety and Health Act of 1970, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Hazardous Materials Transportation Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Clean Water Act, the Safe Drinking Water Act, the Solid Waste Disposal Act, the Clean Air Act, and applicable state analogues and regulations promulgated thereunder, all as in effect on the date hereof and as amended.

“**Environmental Permits**” has the meaning set forth in Section 3.18.

“**Environmental Work**” has the meaning set forth in Section 5.12(c)(vi).

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

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

“**ERISA Affiliate**” means each business or entity which is a member of a “controlled group of corporations,” under “common control” or an “affiliated service group” with the Seller within the meaning of Sections 414(b), (c), or (m) of the Code, or required to be aggregated with the Seller under Section 414(o) of the Code, or is under “common control” with the Seller, within the meaning of Section 4001(a)(14) of ERISA.

“**Escrow Agent**” has the meaning set forth in Section 2.4.

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

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

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

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

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

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

“**Final**” means an order of a governmental authority, or the failure of a governmental authority to act when required by Law to prevent a proposed action, which creates rights (i) which are effective, (ii) with respect to which no timely appeal, request for stay, request for reconsideration or other request for review is pending, (iii) with respect to which the time for appeal, requesting a stay, requesting reconsideration or requesting other review has expired, and (iv) which cannot be set aside *sua sponte*. The FCC Order shall be Final when the time period permitted for the filing of Petitions for Reconsideration or Applications for Review has expired and no Petitions for Reconsideration or Applications for Review have been timely filed.

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

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

“**FIRPTA Certificate**” has the meaning set forth in Section 9.14.

“**Funded Indebtedness**” means, with respect to the Seller and its Subsidiaries, (i) all indebtedness for money borrowed (whether in the form of direct loans or capital leases) and purchase money indebtedness, (ii) indebtedness of the type described in clause (i) above secured by any Lien upon property owned or leased by the Seller or any Subsidiary, even though the Seller or such Subsidiary has not in any manner become liable for the payment of such indebtedness, (iii) interest expense accrued but unpaid, and all prepayment premiums or penalties, on or relating to any of such indebtedness and (iv) indebtedness of the type described in clause (i) above guaranteed, directly or indirectly, by the Seller or any Subsidiary.

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

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

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

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

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

“**Indemnification Escrow Agreement**” has the meaning set forth in Section 2.5(b).

“**Indemnification Escrow Amount**” has the meaning set forth in Section 2.5(b).

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

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

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

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

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

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

“**Interim Operation STA**” has the meaning set forth in Section 3.11(f).

“**Interim Operation STA Grant**” has the meaning set forth in Section 5.10(b).

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

“**Knowledge**” or “**Knowingly**” means, (i) for Seller, the then current actual knowledge of either Mike Elrod, the General Manager of Station, or Mike McKinnon, the President of the Station, without any obligation to undertake any investigation or inquiry of any kind, and (ii) for Buyer, the then current actual knowledge of Terry London or Phil Hurley, without any obligation to undertake any investigation or inquiry of any kind.

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

“**Law**” means any law (statutory, common, or otherwise), constitution, treaty, convention, ordinance, equitable principle, code, rule, regulation, executive order, or other similar authority

enacted, adopted, promulgated, or applied by any Governmental Agency, each as amended and now in effect.

“**LBC**” has the meaning set forth in Section 5.14(b).

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

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

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

“**Make-Up Advertisements**” has the meaning set forth in Section 2.3(f).

“**Management Agreement**” has the meaning set forth in Section 2.1(f).

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

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

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

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

“**Material Contract**” means any Contract to which the Seller is a party that involves aggregate annual revenue or payments in excess of \$250,000 per year. “**Material Contact**” also means the Seller’s receipt of goods or services in excess of \$250,000 per year, without respect to dollar amounts, and also includes employment agreements involving annual base salary payments in excess of \$50,000.

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

“**NBC**” means NBC Television Network.

“**NBC Affiliation Agreement**” means that certain letter agreement, dated January 1, 2009, by and between NBC and Seller and all agreements and arrangements relating thereto, as each has been amended, modified, restated or supplemented through the date hereof.

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

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

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

“**OSHA**” means the U.S. Occupational Safety and Health Administration, and any successor agency having similar or related authority or jurisdiction.

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

“**Parties**” is defined in the preamble to this Agreement.

“**Payables**” means account payables, as determined in accordance with GAAP.

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

“**Permitted Liens**” shall mean: (i) Liens for Taxes not yet due and payable, (ii) existing easements, rights of way, building and use restrictions, exceptions, reservations and other non-monetary encumbrances on the Real Property in each case that appear in the public real property records (or that would be disclosed by a recent and accurate survey) and that do not (and could not be reasonably expected to) in any material respect adversely affect, impair or interfere with the use of the property subject thereto for the operation of the Station and (iii) the obligations of Seller arising after the Effective Time which Buyer has agreed to assume under the Contracts in accordance with the provisions set forth in Section 2.3(b).

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

“**Phase I Environment Site Assessment**” has meaning set forth in Section 5.12(c).

“**Phase I Time Period**” has meaning set forth in Section 5.12(c).

“*Phase II Inspection*” has meaning set forth in Section 5.12(c)(iv).

“*Phase II Time Period*” has meaning set forth in Section 5.12(c)(iv).

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

“*Purchase Price*” has the meaning set forth in Section 2.5(a).

“*Real Property*” shall mean the Owned Real Property.

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

“*Recognized Environmental Condition*” has meaning set forth in Section 5.12(c)(i).

“*Representatives*” has the meaning set forth in Section 5.15.

“*Required Work*” has the meaning set forth in Section 9.15.

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

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

“*SESAC*” means SESAC, Inc.

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

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

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

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

“*Survey*” has the meaning set forth in Section 5.12(b).

“*Survey Date*” has the meaning set forth in Section 5.12(b).

“*Survey Objection Letter*” has the meaning set forth in Section 5.12(b).

“*Tangible Personal Property*” has the meaning set forth in Section 2.1(a).

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

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

“**Title Commitment**” has the meaning set forth in Section 5.12(a).

“**Title Company**” means a company to be mutually agreed upon by the Parties.

“**Title Date**” has meaning set forth in Section 5.12(a).

“**Title Objection Letter**” has meaning set forth in Section 5.12(a).

“**Title Policy**” has meaning set forth in Section 5.12(a).

“**Tower**” has meaning set forth in Section 2.1(o).

“**Trade Accounts**” has the meaning set forth in Section 2.3(e).

“**Transmitter**” has the meaning set forth in Section 2.5(a).

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

“**Transmitter Reimbursement**” has the meaning set forth in Section 2.5(a).

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

“**WARN Act**” has the meaning set forth in Section 3.22(b)(iii).

## **ARTICLE 2 PURCHASE AND SALE OF PROPERTIES AND ASSETS**

2.1 Assets. Seller agrees to sell, transfer, assign, convey and deliver to Buyer and Buyer agrees to purchase all properties and assets, real, personal and mixed, tangible and intangible, of every type and description, wherever located (except for Excluded Assets) that are owned or leased by Seller and used or held for use by the Station, including, without limitation, the property and assets (except the Excluded Assets) which are acquired between the date hereof

and the Closing Date and are used or useful in the operations of the Station (collectively, the “*Assets*”), free and clear of all Liens. Except to the extent set forth in Section 2.3 hereof, Buyer is not assuming any Liabilities of Seller, whether relating to the Assets or not. The Assets shall be purchased by KBMT License Company, LLC and KBMT Operating Company, LLC acting collectively as Buyer; *provided*, pursuant to the terms of this Agreement, KBMT License Company, LLC shall specifically acquire the Assets addressed in clause (b) below and KBMT Operating Company, LLC shall acquire all of the other Assets. Without limiting the foregoing, the Assets shall include the following, except to the extent that any of the following are included within the Excluded Assets:

(a) Tangible Personal Property. All equipment, machinery, transmitters, electrical devices, antennae, cables, tower equipment, distribution systems, amplifiers, microwave equipment, converters, testing equipment, computers and computer equipment, furniture, fixtures, office materials and supplies, hardware, tools, spare parts, vehicles, towers, software, prize inventory and other tangible personal property owned or leased by Seller on the date hereof, including, without limitation the tangible personal property described on attached Schedule 2.1(a), together with any additions, modifications, alterations or improvements between the date of this Agreement and the Closing Date (collectively, the “*Tangible Personal Property*”).

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

(c) Real Property. All real property and any interests therein, including, without limitation, land, easements, air rights, rights of way and fee ownership, buildings, towers, guy wires, anchors, structures, fixtures, fittings and improvements owned by Seller (the “*Owned Real Property*”) listed on Schedule 2.1(c), and any additions, improvements, appurtenances (such as appurtenant rights in and to public streets), and alterations thereto made between the date of this Agreement and the Closing Date (the Owned Real Property is sometimes referred to herein as the “*Real Property*”).

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

(e) Agreements for Sale of Time. All orders and agreements now existing including, without limitation, all of those listed on attached Schedule 2.1(e), and all of those entered into in the Ordinary Course of Business between the date hereof and the Closing Date, for the sale of advertising time on the Station (including Trade Accounts to the extent provided in Section 2.3(e) below), except those which on the Closing Date have already been filled or have expired.

(f) Other Contracts. Except for the Management Agreement, all Contracts of any kind in connection with the business and operations of the Station including without limitation security interests, guaranties, other similar arrangements and rights thereunder, which are either (i) in existence as of the date of this Agreement including, without limitation, all of those listed on attached Schedule 2.1(f), (ii) entered into in the Ordinary Course of Business of the Station between the date of this Agreement and the Closing Date, except those entered into after the execution of this Agreement which Buyer elects not to assume pursuant to Section 6.3, (iii) approved by Buyer pursuant to Section 5.2 below, and/or (iv) approved by Buyer pursuant to Section 6.3 below; *provided, however*, Buyer is under no obligation to assume any Liability under any Material Contract existing as of the date of this Agreement which is not listed on Schedules 2.1(d), 2.1(e), 2.1(f), or 2.1(i) (collectively, the “**Contract Schedules**”) or which Buyer elects not to assume pursuant to Section 6.3. Notwithstanding anything to the contrary in this Agreement, the management services agreement between Seller and Seller Owner (together with all similar agreements, the “**Management Agreement**”) shall be terminated at Closing and, upon termination, shall be of no further force and effect and shall not constitute an Assumed Liability. Notwithstanding anything in this Agreement to the contrary, neither the Management Agreement nor the contracts on Schedule 2.1(f) with Borden Insurance are Assets purchased by Buyer under this Agreement.

(g) Intangible Property. All trademarks, trade names, call letters, service marks, jingles, slogans, logotypes, software licenses and licenses and sublicenses granted and obtained with respect thereto, and rights thereunder, remedies against infringements thereof, and rights to protection of interests therein under the Laws of all jurisdictions, domain names, website kbmt12.com and other intangible rights and Intellectual Property, owned or licensed and used or held for use by Seller, with the exception of the name “Texas Telecasting, Inc.”, including, without limitation, all of those listed on attached Schedule 2.1(g), and those acquired by Seller between the date hereof and the Closing Date (collectively, the “**Intangible Property**”).

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

(i) Network Affiliation Agreements. All of the Station’s network affiliation agreements, including, but not limited to the ABC Affiliation Agreement and the NBC Affiliation Agreement (collectively, the “**Affiliation Agreements**”), all as listed on Schedule 2.1(i).

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

(k) Claims. Any and all of Seller's claims and rights against third parties relating to the Station, including, without limitation, all rights under manufacturers' and vendors' warranties, and all deposits, refunds, rights to recovery and rights of setoff and recoupment (collectively, the "**Claims**").

(l) Prepaid Items. All prepaid expenses, prepaid *ad valorem* taxes and any other prepayments (which shall be prorated, if applicable, as provided in Section 2.6) and rent, utility and other deposits held by third parties.

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

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

(o) Station Tower. The Station tower described on Schedule 2.1(o) (the "**Tower**"). Seller shall deliver to Buyer a copy of the most recent Tower inspection report and survey which is in Seller's possession. This inspection report and survey is to be provided to Buyer for Buyer's information only, and Seller does not make any representations or warranties with regard to the content of the inspection report and survey or the accuracy of the information and conclusions set forth in the Tower inspection report and survey, except to the extent otherwise expressly provided in Article 3.

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

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

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

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

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

(e) Receivables. Except as provided otherwise in Section 2.3(e), all receivables of Seller accrued through the Effective Time (the "**Receivables**").

(f) [Reserved]

(g) Accounting and Traffic Software. Seller uses Microsoft Great Plains software for accounting, payables, and general ledger information. Seller uses Wide Orbit software for traffic and accounts receivable. The Seller's rights as a licensee to these software systems are not being sold by Seller to Buyer; these software systems are used for the operation of the Station as well as the operation of three other businesses owned by the party which controls Seller, utilizing servers which are located in San Diego, California. The Station's data is stored on these off-site servers, and is accessible by Station on-line. Seller will copy and deliver to Buyer the entire Station database from these two software programs in Microsoft excel format (or another format reasonably designated by Buyer) (the "**Database Information**") at the time periods set forth in the immediately following paragraph, and Buyer will load the information into Buyer's own systems for purposes of operation of the Station subsequent to Closing.

The Seller shall deliver to Buyer the Database Information covering the period from January 1, 2007 through the most recent month end occurring before the date hereof, within ten days of the date hereof. Within fifteen days following the end of each calendar month end occurring between the date hereof and the Closing Date, Seller shall deliver to Buyer the Database Information covering such calendar month. Within fifteen days following the calendar end of the month during which the Closing occurs, Seller shall deliver to Buyer the Database Information covering such calendar month.

In addition, the Seller Parties agree to allow Buyer employees to remotely access the hardware of the Seller Parties to allow Buyer employees to run Wide Orbit software (for processing of the Traffic and Billing System and review of data and production or related reports) on servers of the Seller Parties, for a period of one year from the Closing Date. The hardware and servers access provided to Buyer pursuant to this paragraph will be of the same type and quality used generally by the Seller Owner and its affiliates in their business activities, including a dedicated VPN tunnel for fast internet access. In exchange for the provision of services of under this paragraph, Buyer will pay to the Seller Owner a monthly payment of \$200 for the remote access to the hardware and \$600 for the VPN tunnel access (provided that Buyer may terminate this arrangement, or any part thereof, prior to the expiration of one year, in which case, such payments obligations would cease).

### 2.3 Liabilities.

(a) Security Interests. The Assets shall be sold and conveyed to Buyer free and clear of all Liens except for Permitted Liens.

(b) Assumed Liabilities. Except as otherwise provided herein and subject to the terms and conditions of this Agreement, simultaneously with the sale, transfer, conveyance and assignment to Buyer of the Assets, Buyer shall assume, and hereby agrees to perform and discharge when due all of the following obligations and Liabilities relating to the operation of the Station (collectively, the “**Assumed Liabilities**”): (i) all Liabilities and obligations arising or to be performed after the Closing Date under the Contracts which are being assigned by Seller to Buyer and assumed by Buyer as described in Section 2.1(f) above (excluding any Liabilities and obligations related to any Breaches thereof existing on or before the Closing Date), (ii) the Permitted Liens (with the exception of liens for Taxes, which shall be pro rated as of the Effective Time in accordance with Section 2.6 below and the exception of Permitted Liens described in clause (ii) of the definition of Permitted Liens), (iii) all Trade Accounts, to the extent provided for in Section 2.3(e) below, (iv) all Make-Up Advertisements, to the extent provided for in Section 2.3(f) below, and (v) the obligation of Seller to provide accrued and unused vacation days and sick days to those employees of Seller designated on Schedule 2.3(b) who are hired by Buyer upon or within thirty (30) days after the Closing Date, as accrued to such employees through the Closing Date; *provided* that Seller pays for the associated costs in accordance with Section 2.6(a). Seller shall remain responsible for accrued and unused vacation days and sick days payable to the employees of Seller, if any, who are not hired by Buyer upon or within thirty (30) days after the Closing Date. The accrued and unused vacation days and sick days of the employees of Seller through February 28, 2009, are set forth on Schedule 2.3(b). Seller shall update Schedule 2.3(b) as of the Closing Date, to reflect the then accrued and unused vacation days and sick days payable to the employees through the Closing Date (*provided, however*, that such update will not include the addition of more employees to the Schedule, unless approved by Buyer).

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

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

(e) Trade Accounts. Seller’s trade and barter accounts, trade contracts and trade commitments receivable and payable (the “**Trade Accounts**”) are listed in detail on Schedule 2.3(e), which lists Seller’s gross dollar obligations to provide airtime by advertiser and the gross airtime assets available to Seller as of February 28, 2009. Seller will transfer all Trade Accounts to Buyer at the Closing, effective as of the Effective Time, and Buyer shall assume the Trade Accounts.

(f) Scheduled Advertisements. Buyer understands that certain advertising contracts contain schedules of advertising spots to be run over several days, weeks, or months. From time to time, an advertisement included within these schedules is not run by the Station for various reasons in the Ordinary Course of Business of the Station. These missed advertising spots (the “**Make-Up Advertisements**”) are then run by Station at a later date as necessary to

perform and complete the contract with the advertising client. For example, if an advertising spot originally scheduled to be run in March is bumped due to a then breaking news story of local interest, that advertising spot may be run in April in order to make up the schedule with the advertising client. Seller will transfer to Buyer the obligation to run the Make-Up Advertisements which are outstanding as of the Closing Date, and Buyer shall assume the obligation to run all Make-Up Advertisements subsequent to the Closing Date, as necessary to perform and complete the contracts with the advertising clients in accordance with the advertising schedules; *provided* the revenues or costs associated with such Make-Up Advertisements do not exceed \$50,000. Notwithstanding the foregoing, Seller retains any Liability, if any, to the advertisers for breach of contract occurring prior to the Closing Date (other than the obligation to run the Make-Up Advertisements).

2.4 Earnest Money Escrow Agreement and Deposit. On execution of this Agreement, Buyer shall deliver to SunTrust Bank (the “*Escrow Agent*”) the sum of One Million, Two Hundred and Fifty Thousand Dollars (\$1,250,000) in cash (the “*Earnest Money Escrow Deposit*”). The Earnest Money Escrow Deposit shall be held by the Escrow Agent in accordance with the terms of an earnest money escrow agreement dated the date of this Agreement in the form of attached Exhibit A (the “*Earnest Money Escrow Agreement*”). At the Closing, the Earnest Money Escrow Deposit will be retained by Escrow Agent pursuant to Section 2.5(b) and shall be credited dollar-for-dollar against the Purchase Price. Any and all accrued interest relating to the Earnest Money Escrow Deposit shall be paid to Buyer at Closing. If the Closing does not take place in accordance with the terms of this Agreement, then the Earnest Money Escrow Deposit will be delivered to Seller or Buyer in accordance with the terms and conditions set forth in Section 12.1 and the Earnest Money Escrow Agreement.

2.5 Purchase Price, Payment, and Allocation.

(a) Purchase Price. The aggregate purchase price, giving effect to the credit provided in Section 2.4, to be paid for the Assets will be Twenty Five Million Dollars (\$25,000,000) as adjusted by Section 2.6 (the “*Purchase Price*”). In addition to the Purchase Price, Buyer shall pay to Seller at Closing an amount equal to the out of pocket cost and expense incurred by Seller for the purchase and installation of the 4 kw Harris digital transmitter (the “*Transmitter*”) on Channel 12 (to comply with the FCC initial CP for replication of current analog Channel 12 coverage and the Interim Operation), in an amount not to exceed Three Hundred Forty Two Thousand Nine Hundred Sixty Six Dollars and Fifteen Cents (\$342,966.15) (the “*Transmitter Reimbursement*”). A copy of the contract for the acquisition and installation of the digital transmitter is set forth on Schedule 2.5(a).

(b) Method of Payment. At Closing, the Earnest Money Escrow Agreement shall be terminated and the Earnest Money Escrow Deposit shall be retained by the Escrow Agent (thereafter, the “*Indemnification Escrow Amount*”) pursuant to the Indemnification Escrow Agreement in the form of attached Exhibit B (“*Indemnification Escrow Agreement*”) which shall be executed by Seller, Buyer and the Escrow Agent at the Closing. The balance of the Purchase Price and the Transmitter Reimbursement shall be paid by Buyer to Seller at Closing by wire transfer pursuant to the instructions of Seller, which instructions shall be delivered to Buyer at least two business days before the Closing.

(c) Allocation of Purchase Price. Buyer and Seller agree that the Purchase Price shall be allocated between the FCC licenses and other Assets in the manner set forth on Schedule 2.5(c); such Schedule 2.5(c) to be updated, as contemplated by the note to such Schedule, with the consent of both Buyer and Seller at Closing (such consent not to be unreasonably withheld). The asset allocation agreed to by the Parties pursuant to this Section 2.5(c) shall be referred to as the “**Allocation**.” Seller and Buyer agree (i) to jointly complete IRS Form 8594 in the manner required by Section 1060 of the Code, the regulations thereunder and the Allocation, and to separately file such IRS Form 8594 with its federal income tax return for the tax year in which the Closing occurs and (ii) that neither Seller nor Buyer will take a position on any tax return inconsistent with the Allocation without the written consent of the other Party; *provided, however*, that nothing contained herein shall prevent Buyer or Seller from settling any proposed deficiency or adjustment by any taxing authority based on or arising out of the Allocation, and neither Buyer nor Seller shall be required to litigate before any court, any proposed deficiency or adjustment by any taxing authority challenging such Allocation. Notwithstanding anything to the contrary in this Agreement, the provisions of this Section 2.5(c) shall survive the Closing.

## 2.6 Adjustments.

(a) General Rule. The operation of the Station and the income and normal operating expenses attributable thereto through 11:59:59 p.m. (Central Time) at the end of the Closing Date (the “**Effective Time**”) shall be for the account of Seller and thereafter for the account of Buyer and, if any income or expense is properly allocable or credited, then it shall be allocated, charged or prorated accordingly. Real property Taxes, accrued vacation and sick days of employees as set forth on Schedule 2.3(b) as updated through the Closing Date, expenses for goods or services received both before and after the Effective Time, power and utilities charges, frequency discounts, insurance premiums for any insurance policies being assigned to Buyer, prepaid cash, time sales agreements, commissions, wages, vacation or sick days, payroll taxes and rents, deposits and similar prepaid and deferred items (including, without limitation, accruals and deferrals under Contracts, Program License Agreements and Affiliation Agreements) shall be prorated between Seller and Buyer as of the Effective Time, in accordance with the principles of the immediately preceding sentence. At Closing, the Parties shall make all known prorations and estimate any remaining prorations. Notwithstanding the foregoing, the accounts receivable of the Station are being retained by Seller, and shall not be adjusted or pro-rated.

(b) Adjustment Schedule. Buyer will prepare and deliver to Seller within 90 days after the Closing Date a report computing the details of the determination, in accordance with the provisions of Section 2.6(a), of the final prorations as compared to the estimated prorations made at Closing. Within 30 days after receiving the report, Seller will provide Buyer with any objections to the computations. If Seller has no objections, the Party obligated to make payment under the report will do so within five business days after the expiration of the 30-day period. Any disagreement which cannot be resolved by the Parties within 30 days will be resolved by Seller and Buyer each selecting their own reasonably agreeable certified public accountant knowledgeable in the broadcast industry (the “**Accountant**”) to resolve the dispute; *provided, however*, that the Parties shall use reasonable efforts to mutually agree on one Accountant (in which case the cost shall be shared equally by the Parties) and if, and only if, the Parties are unable to so agree, then each Party shall utilize their own Accountant. If these two

Accountants cannot resolve the dispute within 30 days after submission to them, then the two Accountants shall select a third Accountant and the agreement of two of the three Accountants shall be binding on the Parties and subject to judicial enforcement. Each Party shall bear the costs of its own Accountant and one-half of the cost of the third Accountant.

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

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

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

The Seller Parties represent and warrant to Buyer that the statements contained in this Article 3 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date, (subject to any updating by Seller of Schedules 2.1(d), 2.1(e), 2.1(f), 2.1(i) and 3.33 for events that occur after the date hereof; provided that Schedules 2.1(d), 2.1(e), 2.1(f) and 2.1(i) may only be updated for changes that are permitted in accordance with Section 2.1(d), 2.1(e), 2.1(f) and 2.1(i), as applicable) as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Article 3, except as set forth in any applicable section in the disclosure schedules delivered by Seller to Buyer on the date hereof. Such disclosure schedules will be arranged in sections corresponding to the lettered and numbered sections contained in this Article 3.

3.1 Corporate Status. Texas Telecasting, Inc. is a Texas corporation duly organized and validly existing under the Laws of the State of Texas, and is duly qualified to transact business in Texas and every state in which the failure to be qualified would have a Material Adverse Effect on the Station or the Assets. Channel 12 of Beaumont, Inc. is a Texas corporation duly organized and validly existing under the Laws of the State of Texas, and is duly qualified to transact business in Texas and is not required to be qualified to transact business in any other state except as would not have a Material Adverse Effect on the Station or the Assets. Seller Owner is a Texas corporation duly organized and validly existing under the Laws of the State of Texas. Seller has the requisite power and authority to carry on its business as it is now being conducted and to own and operate the Station and Seller has no business other than the operation of the Station. Seller has delivered to the Buyer correct and complete copies of Seller’s Organizational Documents, as amended to date.

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

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

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

3.5 Contracts.

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

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

(i) Material Contract for the employment of any officer, individual employee or other Person on a full-time, part-time, consulting or other basis;

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

(iii) Material Contract with respect to the lending or investing of funds other than customer advances and trade or customer accounts receivable;

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

(v) Material Contract or group of related Contracts with the same party for the purchase or sale of products or services under which the undelivered balance of such products and services has a selling price in excess of \$250,000;

(vi) material partnership agreement, limited liability company agreement or joint venture agreement or any agreement governing the ownership or disposal of any Equity Interests of any Person (including Seller);

(vii) Material Contract with a term of greater than twelve (12) months that cannot be terminated by the Seller with less than sixty (60) days' notice; or

(viii) any other Material Contract.

(c) The Seller is not a party to any contract with respect to any Intellectual Property, other than customer or vendor contracts entered into in the Ordinary Course of Business, and except as set forth on Schedule 3.5(c), is not a party to any Contract with a term of greater than twelve (12) months that cannot be terminated by the Seller with less than sixty (60) days' notice.

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

3.6 Breach. Except as set forth on Schedule 3.6, Seller is not in violation or Breach of any of the terms, conditions or provisions of its Organizational Documents, any Program License Agreement, Affiliation Agreement, or other Contract or any indenture, mortgage or deed of trust or other instrument, court order, judgment, arbitration award or decree relating to or affecting the Station or the Assets to which Seller is a party or by which it is bound, except where any such violation or breach would not have a material adverse effect on, the Station, the Assets or Seller. All accrued and currently payable amounts due from Seller under the Contracts have been paid. To Seller's Knowledge, no other party thereto is in default or Breach under any of the Contracts.

3.7 Financial Information. Attached to this Agreement as Schedule 3.7 are the following financial statements (the "**Financial Statements**") for the Station: (a) the unaudited balance sheets as of the end of the fiscal years ended December 31, 2006, December 31, 2007 and December 31, 2008 and the related unaudited statements of income for the respective fiscal

years then ended, and (b) the unaudited balance sheet as of February 28, 2009 (the “*Interim Balance Sheet*”) and the related unaudited statement of income for the two-month period then ended (collectively, the “*Interim Financial Statements*”). The Financial Statements have been prepared in accordance with GAAP applied on a consistent basis in all material respects (without giving effect to materiality under GAAP) throughout the periods covered thereby, present fairly the financial condition of the Seller as of such dates and the results of operations of the Seller for such periods, are correct and complete in all material respects (without giving effect to materiality under GAAP), and are consistent in all material respects (without giving effect to materiality under GAAP) with the books and records of Seller; *provided, however*, that the Interim Financial Statements are subject to normal year-end adjustments (which will not be material individually or in the aggregate) and both the Financial Statements and the Interim Financial Statements lack footnotes and other presentation items. Since December 31, 2008 (the “*Latest Balance Sheet Date*”), the Seller has not effected any change in any method of accounting or accounting practice, except for any such change required because of a concurrent change in GAAP.

3.8 Liabilities. There are no Liabilities or obligations of Seller, whether arising under Contracts, related to tax or non-tax matters, known or unknown, due or not yet due, liquidated or unliquidated, fixed, contingent or otherwise, including penalty, acceleration or forfeiture clauses in any Contract, except for (a) Liabilities disclosed in this Agreement or the Schedules hereto, or quantified on the face of the Interim Financial Statements (rather than in any notes thereto) and not heretofore paid or discharged, and (b) Liabilities which have arisen after the Latest Balance Sheet Date in the Ordinary Course of Business which, individually or in the aggregate, are not material and are of the same character and nature as the Liabilities quantified on the face of the Financial Statements (rather than any notes thereto), none of which results from or relates to any Breach of Contract, Breach of warranty, tort, infringement, or Breach of Law or arose out of any Action or Order. Except as set forth on Schedule 3.8, the Seller has no Funded Indebtedness.

3.9 Taxes. Except as set forth on Schedule 3.9,

(a) All Tax Returns required to have been filed with any jurisdiction with respect to Seller and the operation of the Station have been duly and timely filed by Seller and each such Tax Return correctly reflects the amount of Taxes required to be reported and paid. Seller has paid all Taxes due and payable which it is required to pay or accrue before the date hereof, except to the extent that such amounts are reserved for in the Interim Balance Sheet. There are no Taxes that are past due. No consent extending the applicable statute of limitations has been filed by or with respect to Seller with respect to any of such Taxes for any years. There is no action, suit, proceeding, audit, investigation or claim now pending, or to Seller’s Knowledge, threatened, regarding any Taxes or any Tax Return of Seller. All of such returns, reports and estimates are true and complete in all respects, and were prepared in compliance with all applicable Laws and regulations.

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

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

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

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

3.10 Licenses. Seller validly holds all licenses, permits, franchises, authorizations and approvals, including associated broadcast auxiliary authorizations, antenna structure registrations, or authorizations of any governmental or quasi-governmental authority required for the operation of the Station in the manner operated as of the date hereof, both analog and digital (collectively, the "**Authorizations**") and all of such authorizations are listed on Schedule 3.10. Except as set forth on Schedule 3.10, the Authorizations constitute all of the licenses and authorizations required under the Communications Act, or the current rules, regulations and policies of the FCC for the operation of the Station in the manner operated as of the date hereof. Except as set forth on Schedule 3.10, the Authorizations are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired and are not subject to any conditions (other than conditions appearing on the face of the Authorization or generally imposed on television broadcast licenses) and there is not pending or, to Seller's Knowledge, threatened any action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the Authorizations (other than proceedings to amend FCC rules of general applicability) and there is not now issued or outstanding, or to Seller's Knowledge, pending or threatened by or before the FCC, any order to show cause, notice of violation, notice of apparent Liability, or notice of forfeiture or complaint against Seller or the Station. The Station is operating in all material respects in compliance with the Authorizations, the Communications Act and the current rules, regulations and policies of the FCC and all other applicable federal, state, county and local ordinances, rules, regulations and policies. Other than the Authorizations, there are no licenses, permits or authorizations of any governmental or quasi-governmental authority required to operate the Station.

### 3.11 Additional Regulatory Matters.

(a) Reports. All reports and filings required to be filed with the FCC, or to Seller's Knowledge with any legislature, agency, bureau, branch, department, division, commission, court, tribunal, magistrate, justice or other multi-national organization of any federal, state, county, municipal, local, or foreign government ("**Government Agency**") by Seller have been timely filed (including but not limited to reporting required to be filed with the FCC relating to children's television programming and advertising, DTV consumer education imitative, and DTV transition status reports). All such reports and filings are accurate and complete and from the date hereof to the Effective Time will be filed on a timely basis. Seller maintains appropriate public files at the Station as required by FCC rules. With respect to the Authorizations of Seller issued by the FCC, Seller is operating only those facilities for which

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

(b) No Notices. Except as disclosed on Schedule 3.11(b), Seller has not received written, or to Seller's Knowledge, oral notice or other communication indicating that it is not in compliance with all requirements of (i) the FCC or any other Government Agency or the Communications Act or (ii) applicable federal, state and local statutes, regulations and ordinances. Seller has no Knowledge that, and has not received any written, or to Seller's Knowledge, oral notice or communication, formal or informal, indicating that, the FCC or any other Government Agency is considering revoking, suspending, modifying, canceling, rescinding or terminating any Authorization.

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

(d) Affiliation Agreements. The Affiliation Agreements listed on Schedule 2.1(i) to this Agreement are in full force and effect and Seller has not received any written, or to Seller's Knowledge, oral notice of any intent or desire of ABC or NBC to change the terms of, terminate or not renew such Agreements.

(e) No Grandfathered Operations. None of the individual or collective operations of the Station or would, if conducted by Buyer after the Closing, violate the Communications Act, FCC rules, any Law or regulation binding on the operator thereof, or would require any waiver of any FCC rule for Buyer to continue such operation or operations after the Closing.

(f) Digital Television. The Station currently is licensed to and is operating its pre-transition digital television ("**DTV**") service on channel 50 (FCC File No. BLCDT-2000918AHX ("**DTV License**"). The digital television facilities operated by the Station pursuant to its DTV License comply with the FCC's rules governing the DTV transition, including but not limited to those set forth in the Third Periodic Review of the Commission's Rules and Policies Affecting the Conversion to Digital Television, MB Docket No.07-91, FCC 07-228 (rel. Dec. 31, 2007). The Station has a special temporary authorization to continue its digital operations on channel 50 until August 18, 2009 (See FCC File No. BDSTA-20080818ACE). The Station was initially granted a digital 'checklist' application construction permit (Appendix B facilities) to operate on post-transition Channel 12 on April 16, 2008 (BPCDT-20080317ABX). Modification of the initial construction permit was granted on November 12, 2008 (BMPCDT-20080616AEJ) (the "**Maximized Construction Permit**"). The Maximized Construction Permit reflects the expiration date of February 17, 2009, which has been automatically extended to June 12, 2009 by the DTV Delay Act. An extension application requesting extension of the Maximized Construction Permit expiration date was filed on January 29, 2009 and will be updated to reflect the filing of a license application covering KBMT Appendix B facilities. Operating pursuant to the Maximized Construction Permit is predicted to (i) at least replicate the area and population of the Station's analog facilities (meaning its current

Grade B service area and population), (ii) be identical to or greater than the facilities certified by Seller on FCC Form 381, and (iii) exceed the digital facilities specified in the licensee's original construction permit (the Appendix B 'checklist' facilities specified in the Seventh Report and Order). In addition to the extension application, an engineering special temporary authority request was filed on February 2, 2009 (the "**Interim Operation STA**") seeking authority for interim digital operation on Channel 12 ("**Interim Operation**") (and also will be updated to reflect the filing of a license application covering the KBMT Appendix B facilities and the intention to commence Channel 12 digital operation on June 13, 2009). The Interim Operation will provide Channel 12 digital service to a greater population than now provided by analog Channel 12 but less population than will be provided by implementation of the Maximized Construction Permit. There are no pending petitions for rulemaking or notices of rulemaking to reallocate the DTV allotment of the Station or, to the Knowledge of Seller, to reallocate the digital or analog television allotment of any other station that would reasonably be expected to have a Material Adverse Effect on the Station. The identification of the construction permits referenced herein is set forth in Schedule 3.11(f) and is accessible on the Commission's CDBS system. The Transmitter will be sufficient to comply with the operational and technical aspects required by the Interim Operation.

(g) MVPD Matters. The Station's signal is carried on all of the MVPDs with at least 5,000 subscribers serving the Station's Designated Market Areas ("**DMA**") (as such term is defined in Section 76.55(e)(2) of the FCC's rules and regulations) pursuant to the must-carry notices or retransmission consent notices/retransmission consent agreements that are listed on Schedule 3.11(g), and Seller is not in default under or in respect of their performance of the Station's Retransmission Consent agreements, including, without limitation, copyright royalties. Each such mandatory carriage notice or Retransmission Consent Agreement set forth on Schedule 3.11(g) is in full force and effect. Seller has made available to Buyer true and complete copies of the Retransmission Consent Agreements set forth on Schedule 3.11(g). The Station has provided timely notice to each Market MVPD System of its election of either mandatory carriage or retransmission consent with respect to the three year period commencing January 1, 2009. Schedule 3.11(g) sets forth whether the Station has elected mandatory carriage or retransmission consent with respect to the period commencing January 1, 2009. To Seller's Knowledge, as of the date hereof, no petition for special relief to modify the area in which the Station is entitled to exercise mandatory carriage rights, nor any mandatory carriage complaint on behalf of the Station, is currently pending before the FCC. The technical quality of the video and audio components of the broadcast signals, as delivered to each MVPD in the Station's DMA, meets the "good quality" technical standard set forth in 47 C.F.R. 76.55(c)(3) (or any successor provision thereto). Seller has no Knowledge of any reason that a MVPD may terminate carriage during its current term and no MVPD has notified Seller or Station in writing of any signal quality deficiency or copyright indemnity or other prerequisite to carriage of any or all of the Stations' signals, and no MVPD has declined or threatened to decline such carriage or failed to respond to a request for carriage or sought any form of relief from carriage at the FCC. Schedule 3.11(g) contains a true and complete list, including channel positions, of all MVPDs with at least 5,000 subscribers in the Station's DMA on which the Station's signal is presently carried and indicates whether such MVPD carry the Station's signal in analog and/or digital format.

### 3.12 Owned Real Property.

(a) Schedule 2.1(c) lists by legal description all of the Owned Real Property and, with respect to each parcel of Owned Real Property required to be listed: (i) the identified owner has good, indefeasible and insurable (under the standard TLTA form of title insurance) fee simple title to the parcel of Owned Real Property, free and clear of any Encumbrance except for Permitted Liens; (ii) there are no pending or to Seller's Knowledge threatened Actions (or any basis therefore) relating to the property or other matters affecting adversely the current use, occupancy, or value thereof; (iii) no property or building or improvement thereon is subject to "permitted non-conforming use" or "permitted non-conforming structure" classifications, and is not subject to any similar type restriction for which any permits necessary to use it have not been obtained; (iv) all facilities have received all permits required in connection with the ownership or operation thereof and have been operated and maintained in accordance with applicable Laws; (v) there are no Contracts, options or rights granting to any person the right of use or occupancy of any portion of the parcel of Owned Real Property; (vi) there are no Contracts, options or rights to purchase the parcel of Owned Real Property, or any portion thereof, or interest therein; (vii) there are no Persons (other than Seller) in possession of the parcel of Owned Real Property, (viii) all facilities located on the parcel of Owned Real Property are supplied with utilities and other services necessary for the operation of such facilities, including gas, electricity, water, telephone, sanitary sewer and storm sewer, all of which services are adequate in accordance with all applicable Laws; and (ix) Seller does not own any Real Property or interest therein (including any option or other right or obligation to purchase any Real Property or any interest therein) which is contiguous or adjacent to the Owned Real Property required to be listed on Schedule 2.1(c).

(b) Seller has not received any written, or to Seller's Knowledge, oral notice alleging that the Owned Real Property fails to comply with applicable zoning laws or the building, health and safety, fire and environmental protection codes of applicable governmental jurisdictions.

3.13 Condition of Equipment. Except as set forth on Schedule 3.13, (a) the Tangible Personal Property is in good condition and repair, ordinary wear and tear excepted, and to Sellers' Knowledge is not in need of imminent repair or replacement; (b) the Tangible Personal Property includes all items of tangible personal property utilized by Sellers in connection with owning and operating the Station; (c) the list of Tangible Personal Property on Schedule 2.1(a) is a true and correct list in all material respects of all items of the tangible personal property necessary for or used in the operation of the Station in the manner in which it has been and is now operated; (d) the Tangible Personal Property has been maintained in a manner consistent with generally accepted standards of good engineering practice; (e) the Tangible Personal Property is operating in compliance in all material respects with the rules and regulations of the FCC and the FAA, and (f) no Tangible Personal Property has been removed since December 31, 2008 except for removal of obsolete or non-operational equipment which has been or is being replaced in the Ordinary Course of Business.

3.14 Business Operations. Except as set forth on Schedule 3.14, the only business Seller has conducted since its formation is the operation of the Station. Seller Owner is the owner of

television broadcast station KUSI-TV licensed to San Diego, California (FCC Facility ID Number 10238).

3.15 Approvals and Consents. The only material approvals or consents of Persons not a party to this Agreement that are legally or contractually required to be obtained by Seller or otherwise required to avoid a Breach under any Contract, Law or Permit in connection with the consummation of the Transactions are those which are contemplated by Section 5.6. Except for the FCC Order, no permit, license, consent, approval or authorization of, or filing with, any Governmental Agency is required of Seller in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

3.16 Availability, Title to, and Condition of Assets.

(a) Except as set forth on Schedule 3.16(a), to Seller's Knowledge the Assets constitute all the assets necessary to conduct the operation of the Station as presently conducted by the Seller.

(b) Except as set forth on Schedule 3.16(b), the Seller has either good, marketable, and indefeasible title to, or a valid leasehold interest in, all of the Assets, in each case free and clear of all Liens. Except as set forth on Schedule 3.16(b), the Seller does not own a leasehold interest in any of the Assets or in any other assets used in operating the Station.

(c) Except as set forth on Schedule 3.16(c), all buildings, machinery, equipment, and other tangible assets included as part of the Assets and Tangible Personal Property, whether owned or leased, are free from material defects (patent and latent), have been maintained in accordance with normal industry practice, are in good operating condition (subject to normal wear and tear), and are suitable for the purposes for which they are presently used.

(d) Schedule 3.16(d) sets forth a description of all material services provided by Seller with respect to the Station utilizing either (i) assets not included in the Assets or (ii) employees not listed on Schedule 3.22(b).

(e) Except as set forth on Schedule 3.16(e), no ownership of Assets or Tangible Personal Property is evidenced by a certificate of title or similar certificate.

(f) Immediately prior to the Closing, Seller will have good, marketable and indefeasible title to, or a valid leasehold interest in, all of the Assets and Tangible Personal Property, in each case free and clear of all Encumbrances.

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

3.17 Leased Real Property. Seller does not lease any real property, either as lessor or as lessee.

3.18 Environmental Matters. Except as set forth on Schedule 3.18:

(a) Seller is in compliance with Environmental Laws;

(b) Seller holds all the permits, licenses and approvals of governmental authorities necessary for the current use, occupancy or operation of the Station under applicable Environmental Laws, which are set forth on Schedule 3.18(b) (“*Environmental Permits*”);

(c) Seller is in compliance with any such Environmental Permits;

(d) to Seller’s Knowledge, any such Environmental Permits are transferable to Buyer without the consent of any Government Agency;

(e) to Seller’s Knowledge, none of the following exists on any of the Real Property: (i) under or above-ground storage tanks, (ii) friable asbestos-containing materials, (iii) materials or equipment containing polychlorinated biphenyls, or (iii) landfills, surface impoundments, or disposal areas;

(f) to Seller’s Knowledge, Hazardous Materials have not been Released at, on, in, under or from the Real Property by Seller or, to Seller’s Knowledge, by any other Person. To Seller’s Knowledge, Seller has not treated, recycled, stored, disposed of, arranged for or permitted the disposal of, transported, handled, or released any substance, including any Hazardous Materials, or owned or operated any property or facility (and no such property or facility is contaminated by any such substance) in any material manner that has given or would give rise to any damages, including any damages for response costs, corrective action costs, personal injury, property damage or natural resources damages, pursuant to any Environmental Law; and

(g) to Seller’s Knowledge, Seller has not, either expressly or by operation of Law, assumed or undertaken any Liability, including any obligation for corrective or remedial action, of any other Person relating to Environmental Law with respect to the Station or the Assets.

3.19 Environmental Studies. Except as set forth on Schedule 3.19, There are no environmental reports, studies or analyses in the possession of Seller relating to the Real Property or the operation of the Station concerning: (a) Hazardous Materials; (b) compliance with or Liability under applicable Environmental Laws; or (c) compliance with Environmental Permits, if any.

3.20 Compliance with Law and Regulations. Except as set forth on Schedule 3.20, the Station, the Assets, and Seller are, in all material respects, in compliance with all requirements of federal, state and local Law and all requirements of all federal, state and local governmental bodies or agencies having jurisdiction over any of them, the operations of the Station, the use of Seller’s properties and assets, and no Action is pending, or to Seller’s Knowledge, threatened (and there is no basis therefor) against them alleging any failure to so comply. Without limiting the foregoing, Seller has paid all monies and obtained all Authorizations issued by the FCC and to Seller’s Knowledge, all other material licenses, permits, certificates, or authorizations needed or required for its operations, and the use of the Owned Real Property. Seller has to Seller’s Knowledge properly and timely filed all reports and other documents required to be filed in its public file and with any federal, state or local government or subdivision or agency thereof. Except as disclosed on Schedule 3.20, Seller has not received any written, or to Seller’s Knowledge, oral notice from any federal, state or municipal authority or any insurance or

inspection body that any of its properties, facilities, equipment or business procedures or practices fails to comply with any applicable Law, ordinance, regulation, building or zoning Law or requirement of any public authority or body. Except as set forth on Schedule 3.20, to Seller's Knowledge no material expenditures are, or based on applicable Law, will be required of the Seller for it and its business and operations to remain in compliance with applicable Law.

3.21 Insurance. A summary of current insurance coverage of Seller is attached as Schedule 3.21. Seller maintains and will continue to maintain in full force and effect through the Effective Time, insurance policies covering the Station and the Assets in amounts and insuring against hazards, in the amounts set forth on Schedule 3.21. All of such policies are in full force and effect and Seller is not in default of any material provision thereof. Seller has not received written, or to Seller's Knowledge, oral notice from any issuer of any such policies of its intention to cancel or terminate any policy. There is no claim by or on behalf of Seller pending under any such policies as to which coverage has been questioned, denied or disputed by the underwriters of such policies or in respect of which such underwriters have reserved their rights.

### 3.22 Labor, Employment Contracts and Benefit Programs.

(a) Collective Bargaining Agreements. With the exception of the Collective Bargaining Agreement between Seller and the International Brotherhood of Electrical Workers, Local Union 2286, there are no other collective bargaining agreements between Seller and employees of Seller. The written or oral agreements relating to the terms and conditions of employment or termination of employment covering employees, news talent, consultants or agents of Seller are described on Schedule 3.22(a). Except as listed on Schedule 3.22(a) and as provided under the Collective Bargaining Agreement between the Seller and the International Brotherhood of Electrical Workers, Local Union 2286, all employees of Seller are employees-at-will. Seller is not engaged, and has not engaged, in any unfair labor practice or other unlawful employment practice, and there are no unfair labor practice charges or other employee-related complaints, grievances or arbitrations against Seller pending or threatened before the National Labor Relations Board, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, the U.S. Department of Labor, the Texas Workforce Commission, any arbitration tribunal or any other federal, state, local or other governmental authority. There is no strike, picketing, slowdown or work stoppage by or concerning such employees pending against or involving Seller. No representation question is pending or to Seller's Knowledge threatened with respect to any of the Station's employees.

#### (b) Employees.

(i) Set forth on Schedule 3.22(b) is a complete and correct list as of the date hereof of the name, title, department, date of hire, union status, current annual salary rate or hourly rate, commission and taxable fringe benefits, employment status (i.e., active, disabled or on leave and the reason therefor), and whether full time or part time for each Station employee (including any such employee who is an inactive employee on paid or unpaid leave of absence). Such list also includes for each Station employee the amounts paid or payable as base salary and describes any other compensation arrangements, including bonuses, vehicle usage, severance or other perquisites. Except as set forth on Schedule 3.22(b) hereto, there are no employment

agreements between Seller and Station employees or professional service contracts not terminable at will relating to the Station or the business and operations thereof or written or oral contracts for the future employment of an employee of the Station. Except as set forth on Schedule 2.3(b) hereto as of February 28, 2009 and as of the Closing Date (such schedule may be updated by Seller as of the Closing Date), there are no accrued and unused vacation or sick days with respect to the employees of Seller and no cash payments are due to Station employees with respect to accrued vacation or sick pay.

(ii) Except as provided in Section 12.10 hereof and except for the assumption of the Assumed Liabilities, the consummation of the transactions contemplated hereby will not cause Buyer to incur or suffer any Liability relating to, or obligation to pay, severance, termination or other payments to any Person or any Liability or obligation to pay with respect to any Station Benefit Plans.

(iii) Seller has not violated the Worker Adjustment and Retraining Notification Act (the "***WARN Act***") or any similar state or local law.

(c) Employee Manuals. All handbooks and written policies and procedures relating to employment by Seller including, but not limited to, compensation, benefits, equal employment opportunity and safety are listed on Schedule 3.22(c) and Seller has delivered true and complete copies thereof to Buyer; *provided* that in making these materials available to Buyer, Seller is making no representation and warranty that such copies thereof comply with current applicable law except as otherwise expressly provided in this Agreement. The Parties hereto hereby agree that the materials provided by Seller pursuant to this Section 3.22(c) are being provided solely for informational purposes and the provision of such materials (independent of any other factor) shall not form the basis of any Liability or obligation of any kind on behalf of Seller.

(d) Employee Benefit Plans. Seller does not maintain or contribute to any employee benefit plan that is subject to Title IV of ERISA. With respect to any employee benefit plan, within the meaning of Section 3(3) of ERISA, which is subject to ERISA and which is sponsored, maintained or contributed to, or has been sponsored, maintained or contributed to, within six years prior to the Closing Date, by Seller or any ERISA Affiliate, (i) no unsatisfied withdrawal Liability, within the meaning of Section 4201 of ERISA, has been incurred; (ii) no unsatisfied Liability to the Pension Benefit Guaranty Corporation has been incurred by Seller or any ERISA Affiliate; (iii) no accumulated funding deficiency, whether or not waived, within the meaning of Section 302 of ERISA or Section 412 of the Code has been incurred; and (iv) all contributions (including installments) to such plan required by Section 302 of ERISA and Section 412 of the Code have been timely made. With respect to any kind of employee benefit plan sponsored, maintained or contributed to by Seller or any ERISA Affiliate currently or within six years prior to the Closing Date, such plan has been funded and maintained in compliance with all Laws applicable thereto and the requirements of such plan's governing documents.

(e) COBRA. Schedule 3.22(e) lists each person who is currently on COBRA continuation coverage, or entitled to elect such coverage, and a true, complete and accurate description of the related premium payments.

3.23 Litigation. Except as set forth on Schedule 3.23, there is no Action pending or, to Seller's Knowledge, threatened against Seller nor to Seller's Knowledge is there any basis for any such suit, arbitration, administrative charge or other legal proceedings, claim or governmental investigation. Seller has not been operating under or subject to, or in default with respect to, any order, writ, injunction or decree relating to the Station or the Assets of any court or federal, state, municipal or other governmental department, commission, board, agency or instrumentality.

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

3.25 Brokers. Except for a commission in the aggregate amount of \$100,000 to be paid 50% by Seller and 50% by Buyer and payable to Mike McCue (or, without duplication, an Affiliate of such person), there is no broker or finder or other Person who has any valid claim through Seller against any of the Parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, Seller.

3.26 Conflicting Interests. Neither Seller nor any director, officer, member, manager or partner of Seller has any financial interest in any Asset (other than via ownership thereof), supplier, advertiser or customer of Seller or in any other business enterprise with which the Station or Seller engages in business or with which the Station or Seller is in competition. The ownership of less than one percent (1%) of the outstanding capital stock of a publicly-held corporation shall not be deemed to be a violation of this representation and warranty. Attached as Schedule 3.26 is a true and accurate list of all Contracts with Affiliates of the Seller other than the Management Agreement.

3.27 Matters Arising After the Interim Balance Sheet Date. Except as set forth on Schedule 3.27, since the Latest Balance Sheet Date, the Seller has operated in the Ordinary Course of Business, and, between the date of the Financial Statements and the date of this Agreement, there have been no events, series of events or the lack of occurrence of any events or series of events that were reasonably anticipated that, singularly or in the aggregate, could reasonably be expected to be material. Without limiting the generality of the foregoing, except as set forth on Schedule 3.27, between the date of the Financial Statements and the date of this Agreement:

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

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

(c) Seller has preserved its business organization intact and has used its Commercially Reasonable Efforts to keep available the services of their employees and to preserve relationships with ABC, the FCC and its customers, advertisers, suppliers and others with whom it deals;

(d) Seller has not sold, leased, transferred, or assigned any of its assets, tangible or intangible, other than for a fair consideration in the Ordinary Course of Business and sales of assets have not exceeded \$250,000 singularly or \$500,000 in the aggregate;

(e) Seller has not entered into any agreement, contract, license or lease involving more than \$250,000 and outside the Ordinary Course of Business that cannot be terminated by the Seller with less than sixty (60) days prior written notice, and with the exception of transactions in the Ordinary Course of Business, the Seller has not granted any rights under or with respect to any Intangible Property;

(f) No party (including Seller) has accelerated, terminated, modified or cancelled any agreement, contract, lease or license involving more than \$50,000 to which Seller is a party or by which it is bound;

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

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

(i) No Lien has been imposed upon any of the Assets or the Tangible Personal Property;

(j) Except as set forth on Schedule 3.27(j), Seller has not issued any note, bond or other debt security or created, incurred, assumed or guaranteed any indebtedness either involving

more than \$250,000 individually or \$500,000 in the aggregate or made any loan to any of its shareholders, officers or employees outside the Ordinary Course of Business;

(k) Except as set forth on Schedule 3.27(k), Seller has not delayed or postponed the payment of accounts payable or other Liabilities either involving more than \$250,000 (individually) or outside the Ordinary Course of Business;

(l) Except as set forth on Schedule 3.27(l), Seller has not canceled, compromised, waived, or released any Action (or series of related Actions) either involving more than \$250,000 or outside the Ordinary Course of Business;

(m) Except as set forth on Schedule 3.27(m), Seller has not (i) entered into any employment, collective bargaining, or similar Contract or materially modified the terms of any such existing Contract or (ii) committed to pay any bonus or granted any increase in the base compensation of any director, officer, or Affiliate of the Seller or any of its other employees outside the Ordinary Course of Business; and

(n) Except as set forth on Schedule 3.27(n), for U.S. federal and state Tax purposes, the Seller has not made any change in any of its accounting methods, policies, procedures, practices or methods with respect to applying such principles.

3.28 FAA Compliance. Seller and the Assets are in material compliance with the rules and regulations of the FAA applicable to the Station. All towers used by the Station are in compliance with all painting, lighting and tower registration requirements of the FAA, the FCC and any other governmental authority. Seller has delivered to Buyer a copy of the most recent tower inspection report of the Station.

3.29 Coverage. Attached as Schedule 3.29 is a list of all the cable systems in the Station's DMA which list sets forth which systems carry the Station, which systems do not carry the Station, and whether carriage is pursuant to must carry or retransmission consents.

3.30 Bankruptcy. Seller is not currently insolvent or the subject of bankruptcy or any similar proceeding, nor will Seller be rendered insolvent by any of the Transactions. As used in this Section 3.30, "insolvent" means that the sum of the Liabilities of the Seller exceeds the fair present value of the Seller's Assets. The Seller is not entering into this Agreement or any of the Transactions with the intent to defraud, hinder or delay any other party from collecting on a Liability of the Seller.

3.31 Trade Accounts. All of the Trade Accounts are Enforceable, represent bona fide transactions, arose in the Ordinary Course of Business and are properly reflected on Seller's books and records. None of the obligations related to the Trade Accounts are past due or subject to any penalty fees. None of the Trade Accounts have been, or, to Seller's Knowledge have been threatened to be, accelerated from the performance due dates reflected on Seller's books and records. Seller has not delayed or accelerated the performance of obligations related to Trade Accounts outside the Ordinary Course of Business or in a manner inconsistent with past practice at any time within the past twelve months. Schedule 2.3(e) is a complete and accurate list of all Trade Accounts.

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

3.33 Advertisers and Suppliers. Schedule 3.33 lists Seller's (a) 10 largest advertisers in terms of advertising sales during each of 2006, 2007 and 2008, and states the approximate total advertising sales by the Seller to each such advertiser during such periods, and (b) 10 largest suppliers during such periods. Except as set forth on Schedule 3.33, Seller has not received written, or to Seller's Knowledge, oral notice of termination or an intention to terminate or materially reduce or otherwise materially and adversely alter the relationship with Seller from any advertiser or supplier listed on Schedule 3.33.

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

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

3.36 Seller's Qualifications. Except as set forth on Schedule 2.1(b) and Schedule 3.20, to Seller's Knowledge, (i) there is not any fact or condition relating to Seller that will prevent the Parties from obtaining the Final FCC Order in due course, and without delay, and (ii) there is not any basis for, or any particular reason for any particular Party to file a petition to deny or informal objection with the intention of delaying or preventing the receipt by Buyer and Seller of the Final FCC Order.

#### **ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF BUYER**

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

4.1 Qualification as a Broadcast Licensee. Buyer is familiar with the Communications Act and the existing rules, regulations and policies of the FCC. Buyer is legally and financially qualified under the Communications Act and the rules, regulations and published policies of the FCC to acquire the Station from Seller. To Buyer's Knowledge, there is no fact or condition that would, under the Communications Act and the existing rules, regulations and published policies of the FCC, disqualify Buyer as owner and operator of the Station or constitute grounds for the filing by any party of a petition to deny or objections related to the qualifications of Buyer that would reasonably be expected to result in a material delay of the issuance of the FCC Order. To Buyer's Knowledge, no waiver of any FCC rule, regulation

or published policy existing as of the date of this Agreement will be required, with respect to Buyer, to obtain the FCC Order. To Buyer's Knowledge, (i) there is not any fact or condition relating to Buyer that will prevent Buyer from obtaining the Final FCC Order in due course, and without material delay, and (ii) there is not any basis for, or any particular reason for any particular Party to file a petition to deny or informal objection with the intention of delaying or preventing the receipt by Buyer and Seller of the Final FCC Order.

#### 4.2 Status.

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

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

(c) Financial Status. Buyer presently has and will have at the Closing the debt and equity financing in place as necessary to pay the Purchase Price and to perform all obligations required to be performed by it under this Agreement in a timely manner as required by this Agreement.

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

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

4.5 Brokers. Except for a commission in the aggregate amount of \$100,000 to be paid 50% by Seller and 50% by Buyer and payable to Mike McCue (or, without duplication, an Affiliate of such person), there is no broker or finder or other Person who would have any valid claim through Buyer against any of the Parties to this Agreement for a commission or brokerage

fee or payment in connection with this Agreement or the Transactions contemplated hereby as a result of any agreement of or action taken by Buyer.

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

Seller covenants and agrees that, from the date hereof until the completion of the Closing:

### 5.1 Operations of the Business.

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

(b) Current Statements. Seller shall provide Buyer with copies of Seller's customary monthly internal balance sheets and related statements of operations for the monthly accounting periods between the Latest Balance Sheet Date and the Closing Date, by the 20<sup>th</sup> day of each month for the preceding calendar month, which statements shall be in Seller's standard internal format. In addition, Seller shall provide to Buyer upon request from Buyer from time to time reasonable financial information to permit Buyer to compute readily the income from operations and broadcast cash flow of the Station for the then current month, quarter (as applicable) and the year-to-date and, if required by Buyer's lender and at Buyer's expense, permit an audit by an independent firm of certified public accountants of the cash flow of the Station. Buyer understands that the financial information will be provided by Seller to Buyer as an accommodation only, without representation or warranty of any kind, except as may otherwise be expressly provided in Article 3, and that the closing of the Transactions in accordance with this Agreement is not in any way contingent upon the approval by Buyer or Buyer's lender of the financial information.

(c) Preserve Business. While operating the Station, Seller shall use its Commercially Reasonable Efforts to preserve (i) its business organization intact, retaining substantially as at present the employees, consultants and agents of the Station and (ii) the

goodwill of the Station and the suppliers, advertisers, customers and others having business relations with the Station.

(d) Assets in Good Repair. All Tangible Personal Property shall be maintained in good operating condition and repair, reasonable wear and tear excepted, and the entity operating the Station shall maintain adequate and usual supplies of office supplies, spare parts and other materials as have been customarily maintained in the past. Seller shall use its Commercially Reasonable Efforts to preserve intact the Assets and shall maintain in effect the casualty and Liability insurance on the Assets heretofore in force.

5.2 Prohibited Actions. Before the Closing Date, Seller shall not, without the prior written consent of Buyer, which consent of Buyer shall not be unreasonably withheld or delayed (*provided, however*, that Seller shall not under any circumstances be deemed to be in violation of any covenants of Seller set forth in this Article 5 based upon Seller's failure to take any action which Buyer has refused to consent to in accordance with this Section 5.2; provided that if Seller has knowledge or should reasonably know that such consent is necessary to avoid a violation of another section of this Article 5, Seller shall provide notice to Buyer of such fact in connection with requesting such consent):

(a) Sell, lease or transfer or agree to sell, lease or transfer, any Assets, with an aggregate fair market value greater than \$100,000, except for incidental sales or leases, in the Ordinary Course of Business, of Assets which are being replaced by assets of comparable or superior kind, condition and value;

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

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

(d) Make any material change in the Station's buildings, leasehold improvements or fixtures;

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

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

(g) (i) Take any action that would result in (y) the Authorizations being materially adversely modified, revoked, suspended, canceled, rescinded or terminated, or (z) a

reduction in coverage of the respective present analog and/or digital service areas and population coverage of the Station or (ii) otherwise make or attempt to make any change in the Authorizations, other than to keep the Authorizations in full force and effect or pursue the FCC Order or as may be required by applicable law;

(h) Consent to the execution, placement, creation or amendment of any Lien or Encumbrance or other matters affecting title to the Real Property;

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

(j) Enter into any Contract (or series of related Contracts) or amendment of any Contract involving an aggregate consideration in excess of \$100,000, other than in the Ordinary Course of Business;

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

(l) Enter into any employment Contract having annual compensation in excess of \$100,000 or any collective bargaining agreement, written or oral, or modify the material terms of any such employment Contract or collective bargaining agreement, other than in the Ordinary Course of Business

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

(n) Make or change any Tax election, file any amended Tax Return, or take any other similar action relating to the filing of any Tax Return or the payment of any Tax;

(o) Change its accounting principles or policies or change its depreciation or amortization policies or rates theretofore adopted;

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

(q) Use or disclose to any Person, except as required by Law or Order and except in the Ordinary Course of Business and subject to obligations of confidentiality, any Confidential Information; and

(r) Change the call letters of the Station;

(s) Enter into, modify, amend or extend a Retransmission Consent Agreement to the extent such Retransmission Consent Agreement covers the Station if such new agreement, modification, amendment or extension would not terminate with respect to the Station on or

before the Closing or enter into any new Retransmission Consent Agreement or similar agreement; or

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

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

(a) an Event of Loss in excess of \$250,000;

(b) the commencement of any proceeding or litigation at Law or in equity or before the FCC or any other commission, agency or administrative or regulatory body or authority involving any of the Authorizations or which could have a Material Adverse Effect, other than proceedings or litigation of general applicability to the television broadcasting industry that do not have a materially disproportionate impact on the Station;

(c) any labor grievance, controversy, strike or dispute materially affecting the business or operation of the Station and the scheduling of any bargaining discussions with the certified bargaining unit;

(d) any material violation by Seller or the Station of any federal, state or local Law, statute, ordinance, rule or regulation which would reasonably be expected to have a Material Adverse Effect;

(e) any notice received by Seller of breach, default, claimed default or termination of any Material Contract; or

(f) any other material unusual or adverse developments with respect to the business or operations of the Station, including the loss of carriage or change in channel position on any Market MVPD System and the cessation of broadcasting or reduction by the Station of its authorized power for more than twenty-four (24) consecutive hours.

5.4 Access to Facilities, Files and Records. At the reasonable request of Buyer and on reasonable advance notice, Seller shall, from time to time, promptly give or cause to be given to the officers, employees, accountants, counsel, agents, consultants and representatives of Buyer access during normal business hours to: (i) all facilities, properties, personnel, accounts, books, records, deeds, title papers, insurance policies, agreements, contracts, commitments, records and files of every character (with the exception of the Microsoft Great Plains software and the Wide Orbit software described in Section 2.2(g) above and Seller's corporate and entity documents which do not relate to the operation of the Station), including, without limitation, equipment, machinery, fixtures, furniture, vehicles, notes, accounts payable and receivable, and all financial, operating and other data relating to the Station; and (ii) all such other information concerning the Station and the Assets as Buyer may reasonably request. All access and inspections shall be coordinated through the General Manager of the Station, and shall be subject to such reasonable restrictions as may be mutually agreed by the General Manager of the Station and Buyer for the purposes of minimizing disruption with the conduct of the business of the Station and minimizing unnecessary speculation and rumors among Station employees and personnel. Any

investigation or examination by Buyer in connection with the foregoing shall not in any way diminish or obviate any representations or warranties of Seller made in this Agreement, the Exhibits, the Schedules and documents delivered pursuant to this Agreement. Seller shall cause its accountants and any of their agents in possession of Seller's books and records to cooperate with Buyer's requests for information pursuant to this Agreement.

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

5.6 Consents. Seller shall use its Commercially Reasonable Efforts to obtain the consent or approval of any third Person required under any Contract listed on the Contract Schedules to assign any such Contract from Seller to Buyer, including providing adequate notice of the assignment where applicable. Buyer has designated certain of these consents as material to the operations of the Station as noted on Schedule 5.6 (with each, being in a form reasonably satisfactory to Buyer, a "**Material Consent**", and each Contract which is subject to a Material Consent a "**Material Consent Contract**"). Buyer shall not be obligated to accept the assignment of any Material Consent Contract or any Liability under such Material Consent Contract if the Material Consent for such Material Consent Contract is not obtained and, if such consent is obtained after the Closing, Buyer will assume such Material Consent Contract only when such Material Consent is obtained and only if Buyer is placed in the position it would have been in if the Material Consent had been obtained before the Closing. Seller shall notify Buyer in writing between the 60<sup>th</sup> and 75<sup>th</sup> day after the date of this Agreement whether any Material Consents are then outstanding (the "**Seller's Material Consent Notice**"). If the Seller's Material Consent Notice indicates that one or more Material Consent have not been obtained, then Buyer shall have the option to terminate this Agreement by notifying Seller in writing within the Buyer Material Consent Response Period of receiving, in accordance with this Agreement, the Seller's Material Consent Notice. If Buyer fails to deliver such written notice of election to terminate this Agreement within the Buyer Material Consent Response Period of receiving, in accordance with this Agreement, the Seller's Material Consent Notice, then Buyer shall be deemed to have waived the right to terminate this Agreement based upon the lack of the receipt of a Material Consent that is listed as missing in the Seller's Material Consent Notice. Thereafter, the Parties shall nevertheless continue to make Commercially Reasonable Efforts to obtain all necessary consents. The "**Buyer Material Consent Response Period**" shall be five days; *provided* that such period shall be ten days in the event that Seller has failed to comply with clause (ii) of this Section 5.6. Notwithstanding anything to the contrary set forth herein, Buyer must accept all programming contracts to the extent provided for in Section 2.1(d), and none of the programming contracts may be designated as Material Consent Contracts and none of the consents (if any) required in connection with the assignment of the programming contracts shall be designated as Material Consents. To facilitate the provisions of this Section 5.6, (i) Seller shall promptly forward to Buyer for its review notices containing drafts and signed copies of any Material Consents that it receives, for Buyer's review; (ii) Seller shall keep Buyer promptly informed of any material developments with respect to efforts to obtain Material Consents; and (iii) Buyer shall respond to Seller within five business days of receiving any notices containing drafts or copies of Material Consents with respect to comments or requests for revisions that it may have.

5.7 Notice of Proceedings. Seller will promptly notify Buyer in writing upon: (a) receiving written, or to Seller's Knowledge, oral notice of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder; (b) receiving any written, or to Seller's Knowledge, oral notice from any governmental department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated; or (c) the commencement of any proceeding or litigation at Law or in equity or before the FCC or any other commission, agency or administrative or regulatory body or authority involving any of the Authorizations, other than proceedings or litigation of general applicability to the television broadcasting industry that do not have a materially disproportionate impact on the Station.

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

5.9 Applications for FCC Consents. As promptly as practicable after the date of this Agreement, and in no event later than 10 business days after the execution of this Agreement, Seller and Buyer shall cause to be filed applications with the FCC requesting the FCC Order. Buyer and Seller shall promptly provide all documents, information, and materials as may be reasonably required in connection with the filing of the transfer application with the FCC. Seller and Buyer shall use their Commercially Reasonable Efforts to take all steps that are proper, necessary or desirable to expedite the preparation of such applications and their prosecution to a favorable conclusion. Each Party shall promptly provide the other with a copy of any material pleading, order or other document served on such Party relating to such applications. Seller and Buyer shall furnish all information required by the FCC. If required by the FCC, Seller shall enter into an escrow agreement to the extent reasonably necessary to facilitate the grant of the FCC Order, and Seller shall consult with the Buyer before entering any such escrow agreement. Seller and Buyer will use their respective commercially reasonable efforts to oppose any petitions to deny or other objections that may be filed with respect to the FCC application and any requests for reconsideration or review of the FCC Order, *provided, however*, that neither Buyer nor Seller shall have any obligation to participate in any evidentiary hearing on any FCC application. Neither Seller nor Buyer nor any Affiliate of either Party nor any station in which either Party has an attributable interest (as defined by the rules and regulations of the FCC) will take any action that it knows or reasonably should know would adversely affect or delay the grant of FCC Order, or adversely affect or delay the FCC Order becoming Final. If Closing occurs hereunder before the FCC Order becoming Final, then the parties' obligations under this Section 5.9 shall survive the Closing until the FCC Order and all such consents and extensions become Final. Each Party shall bear one-half of the cost of application filing fees relating to the assignment of the Authorization to Buyer. Seller shall make payment of the filing fee directly to the FCC concurrently with the submission of the assignment application to the FCC; Buyer shall reimburse Seller for Buyer's one-half share of these fees as an adjustment at Closing in accordance with Section 2.6 above.

5.10 FCC Reports/FCC Compliance.

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

(b) Seller will (i) use its reasonable best efforts to have the FCC approve and grant the Interim Operation STA by June 13, 2009 (the "**Interim Operation STA Grant**"); (ii) file a license application with the FCC by June 13, 2009 to cover FCC File No. BPCDT-20080317ABX, in a form reasonably satisfactory to Buyer, for the Channel 12 digital operation at 11.1 kilowatts (the "**Digital Operation License**") and (iii) use its reasonable best efforts to file and obtain FCC approval to extend the expiration date for the Maximized Construction Permit until November 12, 2011.

5.11 Title to Real Property. With respect to any Real Property, within ten (10) days after the date of this Agreement, Seller shall deliver to Buyer copies in its possession of (A) soil, engineering and environmental reports and studies, (B) any existing surveys and plats, (C) Seller's source deeds, (D) any and all title insurance commitments and title insurance policies, (E) the real property tax bills for the current fiscal year, and (F) any Authorizations issued by any Governmental Agency. These materials will be provided by Seller to Buyer as an accommodation only, and Seller does not make any representations or warranties with regard to the accuracy or completeness of these documents, except to the extent as may otherwise be expressly provided for in Article 3 above. Buyer acknowledges that Buyer must conduct Buyer's own title review with regard to the Real Property to Buyer's satisfaction. The Parties acknowledge that Buyer may conduct at Buyer's cost a title examination and survey of the Real Property and any environmental study before Closing, and Seller agrees to cooperate with Buyer in all commercially reasonable respects with respect to any such matters.

5.12 Title Insurance; Surveys; and Environmental Review.

(a) With respect to the Real Property, Seller shall cooperate with Buyer to enable Buyer to obtain at its own expense within forty (40) days of the date of this Agreement (such fortieth (40th) day, the "**Title Date**"): (i) preliminary reports on title covering a date subsequent to the date hereof, issued by the Title Company, which preliminary reports shall contain a commitment (each, a "**Title Commitment**") of the Title Company to issue one or more (as appropriate) owner's title insurance policies on a Texas Standard Form Owner's Policy (and corresponding mortgage policies) (each, a "**Title Policy**") insuring the interest of Buyer in such parcels of Real Property; and (ii) copies of all documents, filings and information disclosed in the Title Commitment. The Title Commitment shall not be subject to any Encumbrances or Liens other than (x) Encumbrances or Liens that will be released at Closing or that do not materially adversely affect the use of the Real Property for the operation of the Station, and (y) Permitted Liens. If a Title Commitment meets the requirements set forth in the immediately preceding sentence, then Buyer must accept the status of title to the Real Property, except with respect to any subsequently occurring events; however if a Title Commitment fails to meet the

requirements set forth in the immediately preceding sentence, then Buyer may within ten (10) days after the Title Date, notify Seller in writing (which notice shall include copies of the Title Commitment and the relevant title documents) in reasonable detail the title failure(s) to which Buyer objects (the “**Title Objection Letter**”). Seller may, at Seller’s option, within thirty (30) days after receipt of Buyer’s Title Objection Letter cure the title deficiency (or deficiencies) at Seller’s cost. If Buyer fails to deliver the Title Objection Letter within ten (10) days after the Title Date, then Buyer shall be deemed to have accepted the status of title to the Real Property for purposes of this Section 5.12(a) except with respect to any subsequently occurring events. In addition, if Seller cures the deficiencies as noted in the Title Objection Letter within thirty (30) days after receipt of the Title Objection Letter, then Buyer must accept the status of title to the Real Property for purposes of this Section 5.12(a), except with respect to any subsequently occurring events. All standard exceptions which can be deleted by the use of reasonable owner’s or Seller’s affidavits (without indemnification of any kind from Seller) are to be deleted from the Title Commitment and Title Policies, and Seller shall elect to cure or otherwise cooperate with Buyer in executing and delivering such instruments to the Title Company. In the event that the Title Commitment or documents listed in the exceptions thereto indicate information that clearly shows there has been a breach of a representation or warranty in Section 3.12 or Section 3.20, Buyer will provide written notice thereof to Seller within ten days after the Title Date.

(b) Buyer may, at its own expense, within sixty (60) days of the date of this Agreement (the “**Survey Date**”), obtain a survey of the Real Property conforming to the 2005 ALTA/ACSM Minimum Detail Requirements for Urban Land Title Surveys (each, a “**Survey**”) which shall: (i) be prepared by a land surveyor chosen by Buyer and (ii) show with respect to such Real Property: (A) the legal description of such parcel of Real Property (which shall be the same as the Title Policy pertaining thereto); (B) all buildings, structures and improvements thereon and all plottable easements, sidewalks, rights of way, roadways, utility lines and such other matters shown customarily on surveys, including restrictions that have been established by an applicable zoning or building code or ordinance or rights of way; (C) no material encroachments upon such parcel or adjoining parcels by buildings, structures or improvements (unless valid easements or leases have been obtained with respect thereto); and (D) access to such parcel from a public street or valid easements or rights of way. The Parties understand and agree that the procedures outlined in this Section 5.12(b) shall in no event delay the Closing beyond the date on which the Closing would occur but for such procedures. If a Survey meets the requirements set forth in the immediately preceding sentence and is otherwise reasonably satisfactory to Buyer, then Buyer must accept the Survey; however, if a Survey fails to meet the requirements set forth in the immediately preceding sentence or is not otherwise reasonably satisfactory to Buyer, then Buyer may within ten (10) days after the Survey Date, notify Seller in writing (which notice shall include copies of the Survey and any other relevant documentation) in reasonable detail of the Survey failure(s) (the “**Survey Objection Letter**”). Seller may, at Seller’s option, within thirty (30) days after receipt of the Survey Objection Letter cure the Survey deficiency (or deficiencies) at Seller’s cost. If Buyer fails to deliver the Survey Objection Letter to Seller within ten (10) days after the Survey Date, then Buyer shall be deemed to have accepted the Survey. In addition, if Seller cures the Survey deficiencies within thirty (30) days after receipt of the Survey Objection Letter, then Buyer must accept the Survey. In the event that the Survey indicates information that clearly shows there has been a breach of a representation or warranty in Section 3.12 or Section 3.20, Buyer will provide written notice thereof to Seller within ten days after the Survey Date.

(c) Buyer acknowledges that the improvements constructed upon the Real Property are approximately forty (40) years old, and that the building may contain asbestos, lead based paint, and other Hazardous Materials which were commonly used at the time of the construction of the improvements. Within forty-five (45) days from the date hereof (the “**Phase I Time Period**”), Buyer shall have the right, at its sole cost and expense, to engage an environmental engineering firm (the “**Consultant**”) to conduct a Phase I Environmental Site Assessment, as defined by the American Society for Testing and Materials (including without limitation a non-invasive inspection for asbestos-containing materials) (a “**Phase I Environment Site Assessment**”), with respect to the Real Property, *provided* such inspections and interviews shall be conducted only (A) during regular business hours upon reasonable notice to Seller, (B) in a manner which will not unduly interfere with the operation of the Station and/or the use of access to or egress from the Real Property and (C) without damage to any property of Seller. Promptly upon receipt thereof, Buyer shall deliver to Seller a complete and accurate copy of the Consultant’s report generated in connection with the Phase I Environmental Site Assessment (the “**Phase I Report**”).

(i) If the Phase I Report details a Recognized Environmental Condition (as such term is defined in the American Society for Testing and Materials Standard for Phase I Environmental Site Assessments) (a “**Recognized Environmental Condition**”) in connection with the Real Property, the Consultant reasonably recommends in the Phase I Report further investigatory action with respect to such Recognized Environmental Condition and Buyer makes a request in writing to Seller prior to expiration of the Phase I Time Period for Seller’s approval for Buyer to conduct such further investigatory action so recommended (the “**Phase II Request**”), then Seller shall have the right, by written notice to Buyer within 15 days after receipt of the Phase II Request (the “**Election Notice**”), to: (A) terminate this Agreement if the Phase I Report identifies a Recognized Environmental Condition that, in the reasonable opinion of Seller after consultation with its legal counsel and/or environmental consultant, is reasonably likely to require clean up, removal, remedial, corrective or responsive action at a cost in excess of \$50,000 (*provided* that if Seller shall elect to terminate this Agreement pursuant to this Section 5.12(c)(i), Seller shall (notwithstanding any provision in this Agreement to the contrary) as a condition to such termination pay to Buyer an amount equal to the costs and expenses incurred by Buyer in connection with this Agreement, such amount not to exceed \$50,000); (B) propose an alternative method for handling the risk of the Recognized Environmental Condition; or (C) agree in principle to the Phase II Request. If either (i) the Phase I Report does not detail a Recognized Environmental Condition or (ii) Buyer does not make a Phase II Request, then in either such event, Buyer will be deemed to have accepted the Real Property with respect to an environmental standpoint for purposes of this Section 5.12(c)(i) subject to the occurrence of subsequently occurring events.

(ii) In the event Seller elects option (B) of Section 5.12(c)(i), the Parties shall use their respective good faith efforts to reach an agreement in writing with respect to such alternative method, and such agreement, if any, shall be binding upon the Parties. If the Parties cannot reach such an agreement within 20 days after Buyer’s receipt of the Election Notice or Seller does not otherwise agree in principle to the Phase II Request within such 20 days, then either party may terminate this Agreement by written

notice to the other Party; *provided* that if Seller shall elect to terminate this Agreement pursuant to this Section 5.12(c)(ii), Seller shall (notwithstanding any provision in this Agreement to the contrary) as a condition to such termination pay to Buyer an amount equal to the costs and expenses incurred by Buyer in connection with this Agreement, such amount not to exceed \$50,000.

(iii) In the event Seller elects option (C) of Section 5.12(c)(i), Buyer shall deliver to Seller, as promptly as practicable and in any event no later than 15 days after Buyer's receipt of the Election Notice, a copy of the proposed work plan, which shall be commercially reasonable, for the investigation so recommended in the Phase I Report, and the Parties shall use their respective good faith efforts to reach an agreement in writing with respect to the scope of such investigation. If the Parties cannot reach such an agreement within 20 days after Seller's receipt of Buyer's proposed work plan, then either party may terminate this Agreement by written notice to the other Party; *provided* that if Seller shall elect to terminate this Agreement pursuant to this Section 5.12(c)(iii), Seller shall (notwithstanding any provision in this Agreement to the contrary) as a condition to such termination pay to Buyer an amount equal to the costs and expenses incurred by Buyer in connection with this Agreement, such amount not to exceed \$50,000.

(iv) If the Parties reach an agreement pursuant to Section 5.12(c)(iii) with respect to the scope of such investigation (such agreed upon scope of investigation is referred to herein as the "**Phase II Inspection**"), Buyer shall have the right until 75 days from the expiration of the Phase I Time Period (the "**Phase II Time Period**"), to conduct, at Buyer's sole cost and expense, the Phase II Inspection. The Phase II Inspection shall be conducted only (i) during regular business hours upon reasonable notice to Seller and (ii) in a manner which will not unduly interfere with the operation of the Station and/or the use of, access to or egress from the Real Property. The Consultant shall perform the Phase II Inspection (i) in accordance with generally accepted standards and practices of the industry of environmental site assessment and remediation and (ii) in compliance with all applicable Laws. All individuals accessing the Real Property in connection with the Phase II Inspection shall be properly licensed to perform the activities to the extent required by Law. Buyer shall ensure that the Consultant maintains, at all times during the course of the Phase II Inspection, liability and workers compensation insurance in the amounts of at least \$1,000,000 per occurrence and the applicable statutory minimums, respectively. If Buyer does not complete the Phase II Inspection within the Phase II Time Period, then Buyer will be deemed to have accepted the Real Property with respect to an environmental standpoint subject to the occurrence of subsequently occurring events for purposes of this Section 5.12(c)(iv).

(v) Buyer and its agents shall exercise due care to prevent damage or injury to persons or property in the course of the Phase I Environmental Site Assessment and Phase II Inspection. Any damage caused by Buyer or its agents in the course of the Phase I Environmental Site Assessment and any Phase II Inspection shall be promptly repaired by Buyer, at its sole cost and expense. Notwithstanding the foregoing, Buyer shall not be responsible to cure or remediate any environmental condition or Hazardous Materials existing at the Real Property even if it may be disturbed or released by the

Phase II Inspection. Buyer shall be solely responsible for properly disposing of any drilling, soils or other material generated or removed from the Real Property in connection with such Phase II Inspection, including all costs related thereto; *provided, however*, that Buyer will not be obligated to execute any documents identifying Buyer as the owner or generator of these materials, which status will continue to be held by Seller, and Seller will cooperate with Buyer and execute documents necessary to permit the disposal of such materials in accordance with applicable Laws.

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

(vii) Buyer shall provide the results of any and all analyses of samples collected by Buyer as part of the Phase II Inspection and final drafts of any and all reports, including estimates of the Environmental Work described in Section 5.12(c)(vi), prepared for or by Buyer concerning the results of such analyses to Seller promptly after such results and reports are delivered to Buyer (the “**Phase II Report**”), and in any event within thirty (30) days after the end of the Phase II Time Period. Seller shall have no liability (as defined under applicable common law) to Buyer, and Buyer shall accept the Real Property AS IS, with respect to any Recognized Environmental Condition addressed in the Phase II Report if (i) the Phase II Report does not recommend that any further investigation, clean up, removal, remedial, corrective or response action is necessary to address such Recognized Environmental Condition, (ii) the Phase II Report indicates that such Recognized Environmental Condition is contamination that is below acceptable regulatory standards for current commercial land use or (iii) the cost to complete the Environmental Work recommended in the Phase II Report is less than \$50,000. If the Seller fails to agree in writing within ten (10) days after receipt of the Phase II Report to pay the portion of the cost of the Environmental Work that is in excess of \$50,000, then Buyer may terminate this Agreement by written notice delivered to Seller on or before the day which is fifteen (15) days after receipt by the Parties of the Phase II Report and if not, Buyer will be deemed to have accepted the Real Property with respect to an environmental standpoint for purposes of this Section 5.12(c), subject to the occurrence of subsequently occurring events.

(viii) Buyer shall not disclose information obtained or generated as a result of the activities permitted under this Section 5.12(c) to third Persons, other than as required by law, or other than to Buyer’s lending sources, attorneys, consultants or accountants, without Seller’s advance written permission.

(ix) In the event that a Phase I Report or Phase II Report indicates information that clearly shows there has been a breach of a representation or warranty in

Section 3.18, Section 3.19 or Section 3.20, Buyer will provide written notice thereof to Seller within ten days after receipt of the Phase I Report or Phase II Report, as applicable.

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

5.14 Exclusivity.

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

(b) Neither Buyer nor London Broadcasting Company, Inc. ("**LBC**") will (i) submit any proposal or offer to any Person relating to the acquisition of any ownership interest in or of the voting securities of, or any interest in any portion of the assets of, such Person relating to a television station or MVPD located within the DMA of the Station or (ii) participate, without limitation, in any discussions or negotiations regarding, assist or participate in, or facilitate in any other manner any effort or attempt by Buyer or LBC or any Affiliate of Buyer or LBC to do or seek any of the foregoing.

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

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

5.17 Financing Support. Seller shall afford Buyer and its potential financing sources and their respective representatives and agents (including accountants, consultants and attorneys) (i) reasonable access to the assets, business, properties, books, records (including Tax Returns filed and those in preparation) and executive personnel of Seller in order to provide Buyer and its potential financing sources with a full opportunity to make such investigation of Seller and the Station as they reasonably desire; (ii) upon reasonable notice and at times and in accordance with procedures to be mutually agreed by Seller and Buyer, permit Buyer, its potential financing sources and their respective representatives to make such reasonable inspections of Seller and its operations as they reasonably require; and (iii) the opportunity to review such financial and operating data and other information with respect to the Station as they may from time to time reasonably request, *provided* that the activities in (i) through (iii) above shall be conducted in such a way so as not to unreasonably interfere with the operation of the Station, and all such access and inspections shall be coordinated through the General Manager of the Station, and shall be subject to such reasonable restrictions as may be mutually agreed by the General Manager of the Station and Buyer for the purposes of minimizing disruption with the conduct of the business of the Station and minimizing unnecessary speculation and rumors among Station employees and personnel. Buyer understands that this access to financial and other information is being provided by Seller to Buyer as an accommodation only, without representation or warranty of any kind except to the extent as may otherwise be expressly provided for in Article 3 above, and that the closing of the Transactions in accordance with this Agreement is not in any way contingent upon the approval by Buyer or Buyer's lender of the financial and other information described in this paragraph. Notwithstanding the foregoing, Buyer shall not be allowed to access or review the Microsoft Great Plains software or the Wide Orbit software used by Seller in connection with the operation of the Station, and the Parties acknowledge that upon request Seller shall copy and deliver the Station database from these software programs to Buyer for Buyer's review.

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

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

5.20 Children's Programming. Except as set forth on Schedule 3.10, the Station will comply in all material respects with the FCC rules, regulations and policies concerning limits on the duration of advertising in children's programming, satisfaction of obligations with respect to children's programming responsive to the educational and informational needs of children, and the record keeping obligations related thereto.

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

## **ARTICLE 6 COVENANTS OF BUYER PENDING THE CLOSING**

Buyer covenants and agrees that from the date of this Agreement until the completion of the Closing:

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

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

6.3 Additional Contracts to be Assumed. Any new Contracts entered into by Seller after the date of this Agreement which are approved by Buyer pursuant to Section 5.2 above shall be added to the Schedules to this Agreement and shall be assigned to and assumed by Buyer at Closing. From time to time following the date of this Agreement, Seller may request that Buyer permit additional Contracts to be added to the Schedules to this Agreement and to be assigned to and assumed by Buyer at the Closing (i.e., Contracts which were not existing on the date of this Agreement, and were not otherwise approved by Buyer pursuant to Section 5.2 above). These Contracts may be accepted or rejected by Buyer at Buyer's sole discretion (unless the Contracts were entered into by Seller in the Ordinary Course of Business, in which case Buyer shall not unreasonably withhold its acceptance and approval). If Buyer accepts these Contracts, the Contracts shall be added to the Schedules to this Agreement and shall be assigned to and assumed by Buyer at Closing.

6.4 Confidentiality. Any and all information, disclosures, knowledge or facts regarding Seller, the Assets and the Station and their operations derived from or resulting from Buyer's acts or conduct (including, without limitation, acts or conduct of Buyer's Representatives) obtained by Buyer (or its Representatives) pursuant to or in connection with

this Agreement, shall, except after Closing to the extent related solely to the Station or the Assets, be confidential and shall not be divulged, disclosed or communicated to any other Person, except as required by Law and to Buyer's Representatives and their respective attorneys for the purpose of consummating the transactions contemplated by this Agreement and Buyer shall be responsible for any breach of confidentiality by any such Person. If this Agreement terminates before Closing, Buyer shall return promptly any confidential information obtained regarding Seller, the Station or the Assets and Buyer shall instruct its Representatives also to return any such information.

6.5 Consents. Buyer shall use its Commercially Reasonable Efforts and shall otherwise cooperate with Seller in the effort to obtain the consent or approval of any third Person required under any Contract listed on the Contract Schedules to assign such Contract from Seller to Buyer, in accordance with the provisions set forth in Section 5.6 above; *provided* that Buyer shall not under any circumstances be required to agree to any changes in the terms of any Contract as a condition to obtaining the consent or approval of any third Person or incur material expenses or any Liabilities in connection with the foregoing.

6.6 Consummation of Agreement. Subject to the provisions of Section 12.1 of this Agreement, Buyer shall fulfill and perform all obligations on its part to be fulfilled and performed under this Agreement.

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

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

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

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

7.3 Taxes.

(a) Seller shall not permit to exist any Tax deficiencies (including penalties and interest) of any kind assessed against or relating to Seller with respect to any Taxable periods

ending on or before, or including, the Closing Date of a character or nature that could reasonably be expected to result in Liens (other than Permitted Liens) or claims on any of the Assets or on Buyer's title or use of the Assets following the Closing or that would reasonably be expected to result in any claim against Buyer.

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

#### 7.4 Employees and Station Benefit Plans.

##### (a) Salaries and Benefits.

(i) With the exception of accrued and unused vacation and sick time of employees to be hired by Buyer as expressly included within the Assumed Liabilities, Seller will be responsible for (A) the payment of all wages and other remuneration due to employees listed on Schedule 3.22(b) ("**Active Employees**") with respect to their services as employees of Seller through the close of business on the Closing Date, including pro rata bonus payments earned prior to the Closing Date; (B) the payment of any termination or severance payments and the provision of health plan continuation coverage to any "M&A qualified beneficiaries" (within the meaning of Section 54.4980B-9, Q&A-4 of the Treasury Regulations) in accordance with the requirements of Sections 601 through 608 of ERISA and Sections 54.4980B-1 through -10 of the Treasury Regulations; and (C) any and all payments to employees required under the WARN Act for termination of employees through the Closing Date.

(ii) The Station Benefit Plans will be responsible for any health claims required to be provided to participants and their beneficiaries pursuant to the terms of the Station Benefit Plans which are made or incurred through the Closing Date, without regard to whether such claims are submitted to the Station Benefit Plan before or after Closing. For purposes of the immediately preceding sentence, and except as provided by the terms of the relevant Station Benefit Plan, a charge will be deemed to be incurred, in the case of hospital, medical or dental benefits, when the services that are subject of the charge are performed and, in the case of other benefits (such disability or life insurance), when an event has occurred or when a condition has been diagnosed that entitles the employee to the benefit pursuant to the terms of the Station Benefit Plan. Seller will retain sole responsibility for benefits attributable to claims made by the Active Employees (or their dependents) through the time that the Active Employees cease to be participants under the Station Benefit Plans.

(b) Collective Bargaining Matters. Buyer will set its own initial terms and conditions of employment for employees and others it may hire, including work rules, benefits and salary and wage structure, all as permitted by Law, which will differ from those provided by Seller. Any Active Employees that are hired by Buyer will commence their employment with Buyer effectively immediately upon the Closing; provided that Buyer shall determine in its own discretion which Active Employees to whom to offer employment. Buyer is not obligated to and will not assume any collective bargaining agreements under this Agreement. Seller will be solely liable for any severance payment required to be made to its employees due to the Transactions.

(c) General Employee Provisions.

(i) Buyer will not have any Liability or obligation, whether to Active Employees, former employees, their beneficiaries or any other Person, with respect to any Station Benefit Plans, practices, programs or arrangements (including the establishment, operation or termination thereof and the notification and provision of COBRA coverage extension) maintained by Seller.

(ii) In addition to the limitations of Section 13.9, the covenants set forth in this Section 7.4 and Section 12.10 are for the sole benefit of the Parties and no rights, compensation or benefits are conferred by this Section 7.4 on any other Person. This Agreement does not amend, nor may it be deemed to amend, any Station Benefit Plan or any benefit plan maintained by Buyer.

(d) Eligibility in Buyer's Plans. Buyer or LBC shall extend, on the Closing Date, the then-existing welfare benefit plans, including medical, dental, life insurance, and short- and long-term disability, of Buyer or LBC (such plans collectively, the "**Buyer Welfare Benefit Plans**"), to the hired Assumed Employees on the same terms on which similarly situated employees of Buyer or LBC participate in such plans; provided that Assumed Employees who were not eligible to participate in a comparable Station Benefit Plan as of the Closing Date will be subject to each applicable Buyer Welfare Benefit Plan's eligibility waiting period. To the extent commercially reasonable and allowed under the Buyer Welfare Benefit Plans, Buyer or LBC shall cause the Buyer Welfare Benefit Plans to recognize, effective as of the Closing Date, any out-of-pocket medical and dental expenses incurred by each of the Assumed Employees hired by Buyer and their eligible dependents on or prior to the Closing Date and during the calendar year in which the Closing Date occurs for purposes of determining deductibles and out-of-pocket maximums under the Buyer Welfare Benefit Plans (and Seller shall provide such information to Buyer or LBC upon request, to the extent not included in the records that are part of the Assets). Nothing contained herein shall require Buyer or LBC to provide any specific form of benefit or inhibit Buyer's or LBC's ability to establish, amend or terminate any employee benefit plan of Buyer or LBC following the Closing.

**ARTICLE 8**  
**CONDITIONS TO THE OBLIGATIONS OF SELLER**

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

8.1 Representations, Warranties and Covenants.

(a) Representations True. Each of the representations and warranties of Buyer contained in this Agreement shall have been materially true and correct as of the date of this Agreement and as of the Closing Date (as though made on the Closing Date with the Closing Date substituted for the date of this Agreement throughout Article 4) (except with respect to any provisions including the word "material" or words of similar import, with respect to which, in each such case, such representations and warranties must have been accurate and complete) and shall then be true and correct in all material respects (except with respect to any provisions including the word "material" or words of similar import and except with respect to materiality as reflected under GAAP, with respect to which, in each such case, such representations and warranties must have been accurate and complete); *provided, however*, that changes in representations and warranties that result from events that occur after the date hereof shall only cause the condition set forth in this paragraph not to be satisfied if such changes would have a Material Adverse Effect;

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

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

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

8.2 No Injunction; Absence of Actions.

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

(b) No suit, action or other proceeding shall be pending before any court or governmental agency in which it is sought to restrain or prohibit, or obtain damages or other relief in connection with, this Agreement or the consummation of the transactions contemplated hereby.

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

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

8.4 Authorizations. The FCC Order shall have been granted, shall be effective and shall have become Final.

8.5 Other Consents. All the Material Consents shall have been obtained. Any material authorizations, consents or approvals of any and all Governmental Agencies necessary in connection with the Closing shall have been obtained and be in full force and effect.

8.6 Network Affiliation Agreement. All network Affiliation Agreements shall be in full force and effect, and ABC and NBC shall have consented to the assignment of the Affiliation Agreements to Buyer without any adverse change in the terms and conditions therein.

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

## **ARTICLE 9 CONDITIONS TO THE OBLIGATIONS OF BUYER**

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

### 9.1 Representations, Warranties and Covenants.

(a) Representations True. Each of the representations and warranties of Seller contained in this Agreement shall have been materially true and correct as of the date of this Agreement and as of the Closing Date (as though made on the Closing Date with the Closing Date substituted for the date of this Agreement throughout Article 3) (except with respect to any provisions including the word “material” or words of similar import and except with respect to materiality as reflected under GAAP, with respect to which, in each such case, such representations and warranties must have been accurate and complete) and shall then be true and correct in all material respects (except with respect to any provisions including the word “material” or words of similar import and except with respect to materiality as reflected under GAAP, with respect to which, in each such case, such representations and warranties must have been accurate and complete); *provided, however*, that changes in representations and warranties that result from events that occur after the date hereof shall only cause the condition set forth in this paragraph not to be satisfied if such changes would have a Material Adverse Effect;

(b) Seller's Performance. Seller must have performed and complied with all of its covenants to be performed or complied with at or prior to Closing (singularly and in the aggregate) in all material respects (except with respect to any covenants including the word

“material” or words of similar import, such covenants shall have been complied with in all respects);

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

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

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

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

(b) No Investigation and Proceedings. There shall be no decree, judgment, order or litigation at Law or in equity, no mediation or arbitration proceedings, and no proceeding before or by any commission, agency or other administrative or regulatory body or authority pending to which Seller is a party or to which the Station is subject, including any with respect to condemnation, zoning, use or occupancy, which could materially affect the ability of Buyer to operate the Station or to use or acquire the Assets and Tangible Personal Property in substantially the same manner as operated and used by Seller or as currently proposed to be used by Seller; and no suit, action or other proceeding shall be pending before any court or governmental agency in which it is sought to restrain or prohibit, or obtain damages or other relief in connection with, this Agreement or the consummation of the transactions contemplated hereby.

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

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

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

9.5 Material Consents. Buyer and Seller shall have obtained within eighty (80) days after the date of this Agreement all Material Consents for the Material Consent Contracts in accordance with the provisions set forth in Section 5.6 above, without any change in the terms thereof, except those approved by Buyer in writing; *provided, however*, if Buyer fails to deliver written notice to Seller of election to terminate this Agreement within the Buyer Material Consent Response Period of receiving, in accordance with this Agreement, the Seller's Material Consent Notice, then Buyer shall be deemed to have waived the right to terminate this Agreement pursuant to Section 5.6 based upon the lack of the receipt of a Material Consent that is listed as missing in the Seller's Material Consent Notice.

9.6 Network Affiliation Agreement. All network Affiliation Agreements shall be in full force and effect (other than those with CNN and the Associated Press), and ABC and NBC shall have consented to the assignment of the Affiliation Agreements to Buyer without any adverse change in the terms and conditions therein.

9.7 Revised Schedules. Seller shall have delivered to Buyer such revised forms of each of the Schedules or updated information for addition to or inclusion in the Schedules as are necessary to reflect changes in such Schedules as of the Closing Date; *provided, however*, that, except for changes that are permitted by the terms of this Agreement, no material change in any Schedule will be binding on Buyer without its prior written consent, which consent may be withheld by Buyer for any or no reason.

9.8 No Material Change in Business or Assets.

(a) Subsequent to the date of this Agreement, no event or series of events shall have occurred which, singularly or in the aggregate, could reasonably be expected to have a Material Adverse Effect on the Assets or the Station.

(b) For purposes of this Section 9.8, any circumstance, state of facts or matters, change, decrease in revenue, effect, event, occurrence, action or omission resulting from any of the following will not constitute a Material Adverse Effect (but excluding clause (G) below in the event that a Material Adverse Effect has resulted in a decrease in revenue): (A) actions taken by Buyer in breach or default of this Agreement; (B) the announcement of this Agreement or the pendency of the transactions contemplated by this Agreement; (C) changes in general economic or political conditions or economic or capital markets, including changes in interest rates or currency rates and changes in the lending industry or lending environment (other than any such changes that disproportionately affect the Station's business in any material respect compared to other television broadcasting businesses); (D) changes in any applicable Law or accounting standards of general applicability to television broadcasting businesses (other than any such changes that disproportionately affect the Station's business in any material respect compared to other television broadcasting businesses); (E) changes that result from factors, conditions or trends generally affecting television broadcasting businesses (including changes in commodity prices, general market prices, political advertising cycles and regulatory changes affecting television broadcasting businesses generally other than any such changes that disproportionately affect the Station's business in any material respect compared to other television broadcasting businesses); (F) changes in general national or international political conditions (other than any such changes that disproportionately affect the Station's business in any material respect compared to other television broadcasting businesses); or (G) any failure by the Station's business in and of itself to meet any estimates, expectations, projections or forecasts of revenue or earnings (*provided* that the inaccuracy or breach of any of the representations and warranties of Seller contained in this Agreement or any underlying cause for such failure shall not be deemed to be such an excluded failure).

9.9 Authorizations. Except as otherwise contemplated by Section 2.7, the FCC Order with respect to all Authorizations issued by the FCC shall have been granted, shall be effective and shall have become Final

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

9.11 Title to Real Property. Buyer shall have accepted, or Buyer shall have been deemed to have accepted, the state of title to the Real Property in accordance with the provisions set forth in Section 5.12(a) above. If Buyer delivers the Title Objection Letter to Seller in a timely manner as required by Section 5.12(a), and if Seller thereafter fails to cure the title deficiency (or deficiencies) at Seller's cost within thirty (30) days after Seller's receipt of the Title Objection Letter, then Buyer may terminate this Agreement by written notice to Seller within thirty-five (35) days after the receipt by Seller of the Title Objection Letter. The condition set forth in this paragraph, except with respect to subsequently occurring events, shall be deemed to be satisfied or waived by Buyer if Buyer fails to deliver written notice of termination to Seller within thirty-five (35) days after the receipt of the Title Objection Letter by Seller.

9.12 Survey of Real Property. Buyer shall have accepted, or Buyer shall have been deemed to have accepted, the Survey for the Real Property, in accordance with the provisions set forth in Section 5.12(b) above. If Buyer delivers the Survey Objection Letter to Seller in a timely manner as required by Section 5.12(b), and if Seller fails to cure the Survey deficiency (or deficiencies) at Seller's cost within thirty (30) days after receipt of the Survey Objection Letter by Seller, then Buyer may terminate this Agreement by written notice to Seller within thirty-five (35) days after the receipt by Seller of the Survey Objection Letter. The condition set forth in this paragraph shall be deemed to be satisfied or waived by Buyer, except with respect to subsequently occurring events, if Buyer fails to deliver written notice of termination to Seller within thirty-five (35) days after the date of receipt of the Survey Objection Letter by Seller.

9.13 Additional FCC Matters. The Station shall have obtained both the Interim Operation STA Grant by June 13, 2009 and filed the Digital Operation License, in a form reasonably satisfactory to Buyer, with the FCC by June 13, 2009, each of which shall be in full force and effect. If Buyer has Knowledge that the Station has not obtained the Interim Operation STA Grant by June 13, 2009 and/or filed the Digital Operation License with the FCC by June 13, 2009, Buyer must provide written notice to Seller by June 30, 2009 if it wishes to terminate this Agreement for failure of the Station to obtain the Interim Operation STA Grant and file the Digital Operation License by June 13, 2009 otherwise the condition that the Station obtain the Interim Operation STA Grant by June 13, 2009 and file the Digital Operation License by June 13, 2009 will be deemed satisfied.

9.14 Non-Foreign Affidavit. Seller shall have furnished to Buyer a non-foreign affidavit, substantially in the form of Exhibit C, dated as of the Closing date, sworn under penalty of perjury, duly executed by or on behalf of the Seller, in form and substance required under Code Section 1445 and Treasury Regulation Section 1.1445-2 stating that Seller is not a "foreign person" as defined in Code Section 1445 (the "*FIRPTA Certificate*").

9.15 Approval of Tower. Buyer shall, within sixty (60) days after the date of this Agreement, determine to Buyer's reasonable satisfaction that the Tower is in a condition

adequate and appropriate to accommodate full power digital antenna with the associated transmission lines and otherwise meet all applicable structural codes and standards, including those defined by the Electronics Industry Association. From and after the date hereof, Seller shall from time to time grant Buyer and its representatives and prospective contractors access to the Tower site during regular business hours upon reasonable advance notice in order to inspect the Tower and assess whether and to what extent repairs or replacement is required. In the event that Buyer reasonably determines that repair, replacement or other work is required to cause the Tower to meet the requirements set forth above (“**Required Work**”), Buyer shall obtain estimates of the scope and cost of the Required Work from a contractor reasonably acceptable to Seller, and shall deliver such estimates of the cost of the Required Work (“**Work Estimate**”) to Seller within sixty (60) days after the date of this Agreement. The Parties agree that Precision Communications, Inc. is a contractor and inspector reasonably acceptable to Seller for purposes of this Section 9.15, provided that Precision Communications, Inc. must provide reasonable evidence of necessary insurance upon request by Seller before beginning the Required Work. If Buyer fails to deliver the Work Estimate to Seller within sixty (60) days after the date of this Agreement, then the conditions set forth in this paragraph shall be deemed to be satisfied or waived by Buyer, except for any changes to the Tower that occur as a result of subsequently occurring events (*provided* that, in the event of any such subsequent occurring events, Buyer will provide a Work Estimate to Seller). If Buyer delivers the Work Estimate to Seller in a timely manner, and if Seller fails to agree in writing to pay the cost of the Required Work as shown in the Work Estimate by written notice delivered to Buyer within ten (10) days after receipt of the Work Estimate, then Buyer may at Buyer’s option terminate this Agreement by written notice to Seller, which written notice must be delivered to Seller within fifteen (15) days after the delivery by Buyer to Seller of the Work Estimate, and if not terminated within such fifteen (15) day period, the conditions set forth in this Section 9.15 shall be deemed satisfied except for any changes to the Tower that occur as a result of subsequent occurring events.

## **ARTICLE 10 ITEMS TO BE DELIVERED AT THE CLOSING**

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

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

(b) Board Resolutions. Certified copies of resolutions, duly adopted by the board of directors of the Seller Parties, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by the Seller Parties of this Agreement and the consummation of the Transactions contemplated hereby;

(c) Assignment of Contracts. An Assignment and Assumption Agreement (the “**Assignment and Assumption Agreement**”) covering the Affiliation Agreements, Program License Agreements, and the Contracts to be assigned from Seller to Buyer pursuant to the

provisions set forth in Section 2.1(f) and Section 5.6 above, in the form of Exhibit E attached hereto, to be executed on the Seller's behalf;

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

(e) Opinions. An opinion of FCC counsel for Seller in a form reasonably satisfactory to counsel for Buyer, dated the Closing Date;

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

(g) A general warranty deed with respect to each of the parcels of Owned Real Property, duly executed by the Seller and in form and substance reasonably satisfactory to Buyer;

(h) Indemnification Escrow Agreement. The Indemnification Escrow Agreement duly executed by Seller;

(i) FIRPTA Certificate. The FIRPTA Certificate;

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

(k) If applicable, certificates of title or origin (or like documents) with respect to any vehicles or other equipment included in the Assets for which a certificate of title or origin evidences title, together with properly completed assignments of such vehicles or other equipment to Buyer, duly executed by Seller.

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

(a) Purchase Price. An aggregate amount equal to the Purchase Price and the Transmitter Reimbursement (less the amount of the Earnest Money Escrow Deposit (inclusive of accrued interest thereon)), which shall be paid in full at the Closing in the manner specified in Section 2.5(b) above;

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

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

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

(e) Indemnification Escrow Agreement. The Indemnification Escrow Agreement, duly executed by the Buyer.

## ARTICLE 11 SURVIVAL; INDEMNIFICATION

11.1 Survival. All representations and warranties contained in this Agreement or in any certificate delivered hereunder shall survive the Closing, any investigation conducted by any Party hereto and any information which any Party may receive, until 455 days after the Closing Date (the “**General Survival Period**”) whereupon all such representations, warranties, and indemnities with respect thereto, shall expire and terminate and shall be of no further force or effect; *provided, however*, that representations and warranties and indemnities with respect to title of assets, intentional misrepresentation, income and other taxes, environmental matters, and employee and employee benefit matters (collectively, “**Superior Claims**”) may be asserted at any time on or before the expiration of the limitations period under applicable Law. If a Deficiency is asserted by either Party, before the expiration of the survival or limitations period, such asserted Deficiency shall survive until the existence of such Deficiency has been finally established and the Deficiency is resolved as provided below. The Parties acknowledge and agree that it is their intention that (i) the General Survival Period may be shorter than the statute of limitations for breach of contract claims for a breach of certain representations and warranties in this Agreement and to such extent this Agreement operates to shorten the statute of limitations for such certain breaches of representations and warranties and (ii) a Party may not bring a claim for a breach of a representation and warranty under this Agreement that is subject to the General Survival Period if, such claim is not asserted within the General Survival Period (notwithstanding any longer period for asserting a breach of a representation or warranty subject to the General Survival Period that may otherwise have been provided under for the statute of limitations); it being understood that Superior Claims may be asserted after the expiration of the General Survival Period.

### 11.2 Basic Provision.

(a) Buyer Indemnitees. Subject to the provisions set forth in Section 11.6 below, the Seller Parties (an “**Indemnifying Party**”) hereby agree to indemnify and hold harmless Buyer, its members, managers, directors, officers, agents, representatives and employees and all persons which directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with Buyer, and its successors and assigns (collectively, the “**Buyer Indemnitees**”) from, against and in respect of, and to reimburse Buyer Indemnitees for the amount of any and all Deficiencies. After Closing, Buyer shall be partially secured through access to the Indemnification Escrow Amount for the purpose of providing collateral security from the Deficiencies suffered or incurred pursuant to this Section 11.2(a).

(b) Seller Indemnitees. Buyer (an “**Indemnifying Party**”), hereby agrees to indemnify and hold harmless the Seller Parties and their directors, officers, shareholders, agents, representatives, employees and all persons which directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Seller Parties,

and their respective successors and assigns (collectively, the “*Seller Indemnitees*”) from, against and in respect of, and to reimburse Seller Indemnitees for the amount of any and all Deficiencies.

### 11.3 Definition of “Deficiencies”.

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

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

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

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

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

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

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

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

(viii) Any and all suits, proceedings, demands, assessments and judgments and all reasonable fees, costs and expenses of any kind, reasonably arising or

incurred in connection with any of the foregoing (including, without limitation, any and all Legal Expenses), subject to compliance with Section 11.4; or

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

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

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

(ii) Any failure by Buyer to pay or discharge any of the Assumed Liabilities or any other Liability arising after the Closing Date; or

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

#### 11.4 Procedures for Establishment of Deficiencies.

(a) Claim Asserted. In the event that any claim ("**Indemnification Claim**") shall be asserted by any third party against Buyer Indemnitees or Seller Indemnitees (Buyer Indemnitees or Seller Indemnitees, as the case may be, hereinafter, the "**Indemnitees**"), which, if sustained, would result in a Deficiency, then the Indemnitees promptly shall notify the Indemnifying Party in writing of such claim, stating the nature, basis and (to the extent known) amount thereof; *provided that* failure to give prompt notice shall not jeopardize the right of any Indemnitee to indemnification except to the extent such failure shall have materially prejudiced the ability of the Indemnifying Party to defend such claim. The Indemnitees shall permit the Indemnifying Party to defend against such claim, at the Indemnifying Party's sole expense and through legal counsel reasonably acceptable to the Indemnitees; *provided that* (i) within fifteen (15) days following the receipt of notice of the Indemnification Claim, the Indemnifying Party notifies the Indemnitee in writing that the Indemnifying Party will indemnify the Indemnitee from and against the entirety of any damages the Indemnitee may suffer resulting from, relating to, arising out of, or attributable to the Indemnification Claim, (ii) the Indemnifying Party will have the financial resources to defend against the Indemnification Claim and pay, in cash, all damages the Indemnitee may suffer resulting from, relating to, arising out of, or attributable to

the Indemnification Claim, (iii) the Indemnification Claim involves only money damages and does not seek an injunction or other equitable relief and (iv) the Indemnifying Party conducts the defense of the Indemnification Claim as reasonably necessary to protect the Indemnitees from Deficiencies arising from such Indemnification Claim. The Indemnitees shall, at their option and expense, have the right to participate in any defense undertaken by the Indemnifying Party with legal counsel of their own selection and at their expense. The Parties will cooperate fully in any such action and shall make available to each other any books or records reasonably necessary to the other party for the defense of such claim. No settlement or compromise of any claim which may result in a Deficiency may be made by the Indemnifying Party without the prior written consent of the Indemnitees (which consent shall not be unreasonably withheld or delayed) unless: (x) before such settlement or compromise, the Indemnifying Party acknowledges in writing its obligation to pay in full the amount of the settlement or compromise and all associated expenses, (y) the Indemnitees are furnished with security reasonably satisfactory to the Indemnitees that the Indemnifying Party will in fact pay such amount and expenses or the Indemnifying Party obtains a release of the Indemnitees from all Liability in respect of such claim, and (z) such settlement or compromise will not have a Material Adverse Effect on the Indemnitees.

(b) Notice. In the event that the Indemnitees assert the existence of any Deficiency against the Indemnifying Party, such Indemnitees shall give written notice to the Indemnifying Party of the nature and amount of the Deficiency asserted (“**Claim Notice**”). If the Indemnifying Party fails, within a period of thirty (30) days after the receipt of the Claim Notice, to give written notice to the Indemnitees announcing the intent of the Indemnifying Party to contest such assertion of the Indemnitees (such notice by the Indemnifying Party being hereinafter referred to as the “**Contest Notice**”), then the Indemnitees may deliver a second written Claim Notice to the Indemnifying Party. If the Indemnifying Party fails, within a period of fifteen (15) days after the receipt of the second Claim Notice, to deliver the written Contest Notice to the Indemnitees, then such assertion of the Indemnitees shall be deemed accepted and the amount of the Deficiency shall be deemed established. In the event, however, that a Contest Notice is given to the Indemnitees within such thirty (30) day period after receipt of the Claim Notice or within such fifteen (15) day period after receipt of the second Claim Notice, then the contested assertion of a Deficiency shall be resolved through binding arbitration pursuant to Section 12.12.

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

11.5 Payment of Deficiencies. The Indemnifying Party hereby agrees to pay the amount of established Deficiencies within thirty (30) days after the establishment thereof. The amount of established Deficiencies shall be paid in cash or, as applicable, through the Indemnification Escrow Amount. Any amounts not paid by the Indemnifying Party when due under this Section 11.5 shall bear interest from and after the due date thereof until the date paid at a rate equal to the lesser of: (a) ten percent (10%) per annum and (b) the highest legal rate permitted by applicable Law. At the option of the Indemnitees, the Indemnitees may offset any Deficiency or any portion thereof that has not been paid by the Indemnifying Party to the

Indemnites against any obligation any of the Indemnites may have to the Indemnifying Party under this Agreement.

11.6 Limitation on Deficiencies. Notwithstanding any other provision of this Agreement to the contrary (a) no Party shall have any obligation to indemnify an Indemnitee from and against any Deficiencies resulting from, arising out of, relating to, in the nature of, or caused by any misrepresentation and/or any breach of any representation or warranty until such Indemnitee has suffered Deficiencies by reason of all such misrepresentations and breaches in excess of \$100,000 (the “**Deductible Amount**”) (at which point such Party will be obligated to indemnify the relevant Indemnitee from and against all further Deficiencies which are in excess of the Deductible Amount), and (b) there will be a \$2,500,000 aggregate ceiling (the “**Ceiling**”) on the obligation of a Party to indemnify an Indemnitee from and against Deficiencies resulting from any misrepresentation and/or any breach of any warranties or representations by a Party; *provided that*, notwithstanding the foregoing, the Ceiling shall be inapplicable to any Superior Claims related to a breach of a representation or warranty. If any Deficiency results from both a misrepresentation or the breach of any representation or warranty and from any other cause, then the Deficiency and the obligation of any party to indemnify an Indemnitee from and against such Deficiency shall be subject to the Deductible Amount and the Ceiling as set forth in this paragraph; *provided that*, notwithstanding the foregoing, the Ceiling shall be inapplicable to any Superior Claims related to a breach of a representation or warranty. The provisions of this Section 11.6 shall not apply to the Closing pro rations made pursuant to Section 2.6.

11.7 Other Indemnification Provisions.

(a) **THE INDEMNIFICATION PROVIDED IN THIS ARTICLE 11 WILL BE APPLICABLE WHETHER OR NOT THE SOLE, JOINT, OR CONTRIBUTORY NEGLIGENCE OF THE INDEMNIFIED PARTY IS ALLEGED OR PROVEN. THE PARTIES AGREE THE PRECEDING SENTENCE IS COMMERCIALY CONSPICUOUS.** Each Indemnified Party’s rights and remedies set forth in this Agreement will survive the Closing and will not be deemed waived by such Indemnified Party’s consummation of the Transactions and will be effective regardless of any inspection or investigation conducted, or the awareness of any matters acquired (or capable or reasonably capable of being acquired), by or on behalf of such Indemnified Party or by its directors, officers, employees, or representatives at any time (regardless of whether notice of such knowledge has been given to Indemnitor), whether before or after the Execution Date or the Closing Date.

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

**ARTICLE 12  
MISCELLANEOUS**

12.1 Termination of Agreement. This Agreement may only be terminated by Buyer or Seller (or both in the case of clause (a)), as applicable, under the following circumstances:

- (a) by the mutual written consent of Seller and Buyer;
- (b) by written notice of Buyer to Seller as provided in Sections 12.8 and 12.9;

(c) by written notice of either Buyer or Seller (to the other Party) if the FCC Order with respect to all Authorizations issued by the FCC has not been granted, become effective and Final by April 1, 2010 (the “***Final Closing Date***”);

(d) by written notice of Buyer to Seller if any of the conditions set forth in Article 9 shall become incapable of being satisfied (other than through the failure of Buyer to comply with its obligations under this Agreement); provided that if Buyer has Knowledge that the Station has not obtained the Interim Operation STA Grant by June 13, 2009 and/or filed the Digital Operation License with the FCC by June 13, 2009, Buyer must provide written notice to Seller by June 30, 2009 if it wishes to terminate this Agreement for failure of the Station to obtain the Interim Operation STA Grant and file the Digital Operation License by June 13, 2009;

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

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

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

(h) by Buyer or Seller pursuant to Section 5.12(c);

(i) by Buyer pursuant to Section 5.12(a) or Section 5.12(b);

(j) by Buyer pursuant to Section 5.6, Section 9.11, Section 9.12 or Section 9.15;

(k) by written notice of either Buyer or Seller (to the other Party) in the event the FCC Order with respect to all Authorizations issued by the FCC has been granted, become effective and Final but the Closing has not occurred within forty days following the date such FCC Order has become Final; *provided*, that a Party (Buyer or Seller) shall only have the right to terminate this Agreement under this Section 12.1(k) if (x) the other Party’s (Buyer or Seller, as applicable) closing conditions, as set forth in Article 8 or Article 9, as applicable, have been satisfied and (y) it is not in material breach of this Agreement; or

(l) by written notice of either Buyer or Seller (to the other Party) if the Closing has not otherwise occurred by the Final Closing Date (other than through the failure of the terminating Party to comply with its obligations under this Agreement).

If this Agreement is terminated rightfully pursuant to this Article 12, all further obligations of the Parties hereunder shall terminate, except that all obligations for confidentiality under Sections 5.15 and 6.4 shall survive such termination for a period of three (3) years. If this Agreement is terminated pursuant to Section 12.1(f) above and Seller is not in material default of their obligations hereunder, the Earnest Money Escrow Deposit (together with all accrued

interest thereon) shall be delivered to Seller as liquidated damages, which shall be the sole and exclusive remedy of the Seller for any Breach of this Agreement by the Buyer (and Seller hereby waives any other claims for damages, specific performance or other remedies (other than forfeit of the Earnest Money Escrow Deposit) in the event of any Breach by Buyer of this Agreement). Each Party acknowledges that the agreements contained in this Section 12.1 are an integral part of the transactions contemplated by this Agreement, that the damages resulting from termination or breach of this Agreement are uncertain and incapable of accurate calculation, and that the amount payable under this Section is not a penalty, but rather constitutes liquidated damages in a reasonable amount, and that without such agreements the Parties would not enter into this Agreement. On a termination pursuant to Sections 12.1(a), (b), (c), (d), (e), (g), (h), (i), (j), (k) or (l) above, the Earnest Money Escrow Deposit (together with all accrued interest thereon) shall be returned to Buyer.

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

12.3 Expenses. Each Party hereto shall bear all of its expenses incurred in connection with the transactions contemplated by this Agreement including, without limitation, accounting and legal fees incurred in connection herewith; *provided, however*, Buyer and Seller shall each bear one-half (1/2) of the cost of application filing fees relating to the transfer of the FCC licenses (and any related licenses) for the Station and all usual and customary federal, state and local sales or transfer taxes arising from the conveyance of the Assets to Buyer.

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

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

12.6 Non-Assignable Contracts. Nothing contained in this Agreement shall be construed as an assignment or an attempted assignment of any Contract which is by Law non-assignable without the consent of the other party or parties thereto, unless such consent shall be given. Seller shall use its Commercially Reasonable Efforts (and Buyer shall assist Seller) both after and before the Closing to obtain such consents to the assignment or transfer of Contracts to

vest in Buyer all of Seller's right, title and interest in such Contracts, in all cases in which such consent is required for assignment or transfer. If such consent is not obtained, Seller shall cooperate with Buyer in any arrangements reasonably necessary or desirable, on commercially reasonable terms, to provide for Buyer to have the benefits and to have Buyer assume the burdens arising after the Closing Date thereunder, including, without limitation, enforcement for the benefit of Buyer, and payment by Buyer of the costs of enforcing, any and all rights of Seller thereunder against the other party thereto arising out of the cancellation thereof by such other party or otherwise.

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

12.8 Risk of Loss. The risk of loss, damage or destruction to any of the Assets from fire or other casualty or cause shall be borne by Seller at all times before the Effective Time. On 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. It is expressly understood and agreed that, in the event of any loss or damage to any of the Assets or the Station from fire, casualty or other causes before the Closing, Seller shall notify Buyer of same 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 such event, Seller may at Seller's option by written notice to Buyer elect to extend the Closing Date by a period of time not to exceed forty-five (45) days (*provided* that such period shall be ninety (90) days if related to the Tower) as necessary to complete such repair, replacement, or restoration, and if necessary, Buyer shall join Seller in requesting from the FCC any extensions of time in which to consummate the Closing that may be required in order to complete such repair, replacement, or restoration. If the damaged property is not repaired, replaced or restored in all material respects on or before the Closing Date (as extended by Seller pursuant to this paragraph, if applicable), Buyer at its sole 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) to the reasonable satisfaction of Buyer if the repair, replacement or restoration can be accomplished within forty-five (45) days following the date of the loss or damage or the Final Closing Date, whichever is the earlier; (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) may elect to terminate this Agreement without Liability to any party, and upon such termination Buyer (or its designee) shall be entitled to have the Earnest Money Escrow Deposit,

together with all accrued interest, returned to it on or on the business day following such termination.

#### 12.9 Broadcast Transmission Interruption.

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

(b) If the regular broadcast transmission of the Station is interrupted or the operating power or coverage of either Station is reduced more than 20% below the power and coverage of the Station's facilities as reflected on the Authorizations for the Station ("***Transmission Interrupted***"), at any time, and such Transmission Interruption continues for more than 72 hours within any two week period, or 48 consecutive hours on two occasions, whether or not consecutive, then (i) Seller shall give prompt written notice thereof to Buyer; and (ii) Buyer shall have the right, by giving written notice to Seller, to (A) within three (3) business days after receiving notice from Seller of such interruption, to terminate this Agreement without Liability to Seller or Buyer, in which event the Earnest Money Escrow Deposit shall promptly be returned to Buyer or its designee, together with all accrued interest, or (B) postpone the Closing as provided above.

12.10 Employees. Except as provided otherwise in this Section 12.10, Seller shall terminate the employment of all of the Station's employees effective as of the Effective Time and pay all termination and severance costs in connection with such termination. Buyer will provide to Seller at least thirty (30) days before Closing a list of employees to whom it will offer employment beginning at the Effective Time ("***Assumed Employees***"), together with a summary of the terms and conditions of employment that will be offered to the Assumed Employees. Seller acknowledges and agrees that the foregoing representation by Buyer does not require Buyer to continue to employ any such Assumed Employee for any specific periods of time after the Effective Time, nor to employ any such Assumed Employee on any terms and conditions previously agreed to or provided by Seller.

12.11 Receivables. On the Closing Date, Seller shall assign to Buyer, for purpose of collection only, all of the Receivables. For a period of one hundred eighty (180) days after the Closing Date, Buyer will collect the Receivables for Seller's benefit in the normal course of business. Seller will furnish Buyer with a complete list of the Receivables at or as soon as is reasonably possible after the Closing. Buyer will not adjust, compromise or settle any dispute concerning the Receivables without prior written consent of Seller. Every thirty (30) days after the Closing Date, ending 180 days after the Closing Date, Buyer shall deliver to Seller a written report of the status of the Receivables and along with such report pay to Seller, without setoff, all amounts collected on account of the Receivables during the previous period following the Closing Date. The obligation of Buyer hereunder will be to collect such Receivables in the ordinary and normal course of business and does not extend to the institution of litigation or

employment of counsel; however, Seller reserves the right to direct Buyer to engage a collection agency, at the cost of Seller, before the end of the 180-day period to collect any then outstanding Receivables. On the day which is 180 days after the Closing Date, Buyer will then reassign to Seller any Receivables that remain uncollected and provide Seller whatever information concerning the then outstanding Receivables as is reasonably necessary for Seller to engage a collection agency or pursue any other collection practices. Notwithstanding any provision of this Section 12.11 to the contrary, Buyer will have no liability (as defined under applicable common law) under this Section 12.11 except for actions under this Section 12.11 taken by Buyer in bad faith or with gross negligence.

12.12 Arbitration; Choice of Jurisdiction. Subject to Section 11.4(b), if a controversy should arise in the performance, interpretation or application of this Agreement, either Party may, within the applicable time period set forth in Article 11 hereof, serve on the other a written notice stating that such Party desires to have the controversy reviewed by an arbitrator. If the Parties cannot agree within fifteen (15) business days from the service of such notice on the selection of such arbitrator, an arbitrator shall be selected or designated by the American Arbitration Association. Arbitration of such controversy, disagreement or dispute shall be conducted in accordance with the Commercial Arbitration Rules then in force of the American Arbitration Association and the decision and award of the arbitrator so selected shall be binding on the Parties. The arbitration will be held in Dallas, Texas. The cost of any such arbitration shall be shared equally by the Parties; *provided* that the arbitrator shall be authorized to enter as part of the award to any Party an amount equal to such Party's attorney's fees and other costs related to the arbitration. Except as provided by the arbitrator, each Party shall pay its own costs incurred as a result of its participation in any such arbitration. The provisions of this paragraph shall not affect any Party's right to terminate this Agreement pursuant to the termination rights expressly set forth in this Agreement. Except as specifically provided in this paragraph, any arbitrator shall have no authority to award punitive damages or any other damages not measured by the prevailing Party's actual damages, and may not make any ruling, finding or award that does not conform to the terms of this Agreement. Any controversy or claim arising out of or related to this Agreement which the Parties are unable to resolve and which is not requested to be arbitrated as set forth above shall be submitted to the state or federal courts located in the State of Texas which shall be the sole forums for the resolution of all disputes hereunder, to the jurisdiction of which both Parties submit.

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

WRITING, AND THE WAIVER WILL APPLY TO ANY AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING HERETO. In the event of an action, this Agreement may be filed as a written consent to trial by a court.

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

### **ARTICLE 13 GENERAL PROVISIONS**

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

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

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

(a) If to Seller or Seller Owner, then to:

Texas Telecasting, Inc.  
Attn: Michael D. McKinnon  
5002 South Padre Island Drive  
Corpus Christi, TX 78411  
Fax Number: (361) 986-8411

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

Seltzer Caplan McMahon Vitek  
Attn: John H. Alspaugh  
2100 Symphony Towers  
750 "B" Street  
San Diego, California 92101  
Fax Number: (619) 702-6813

(b) If to Buyer, then to:

KBMT Operating Company, LLC  
KBMT License Company, LLC  
Attn: Terry London  
5052 Addison Circle  
Addison, Texas 75001  
Fax Number: (214) 812-9625

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

Akin Gump Strauss Hauer & Feld, LLP  
Attn: James A. Deeken  
1700 Pacific Avenue, Suite 4100  
Dallas, Texas 75201  
Fax Number: (214) 969-4343

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

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

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

13.6 Entire Agreement. This Agreement and the Schedules hereto and thereto and the other documents delivered hereunder constitute the full and entire understanding and agreement between the Parties with regard to the subjects hereof and thereof, and supersede all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof.

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

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

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

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

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

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

**[SIGNATURE PAGES FOLLOW]**

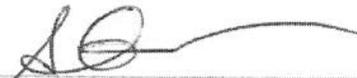
IN WITNESS WHEREOF, the Parties have caused this Asset Purchase Agreement to be duly executed by their duly authorized signatories, all as of the day and year first above written.

**SELLER:**

**TEXAS TELECASTING, INC.,**  
a Texas corporation

By:   
Name: Stephen P. Sadler  
Title: Secretary, Treasurer

**CHANNEL 12 OF BEAUMONT, INC.,**  
a Texas corporation

By:   
Name: Stephen P. Sadler  
Title: Secretary, Treasurer

**SELLER OWNER:**

**TEXAS TELEVISION, INC.,**  
a Texas corporation

By:   
Name: Stephen P. Sadler  
Title: Secretary, Treasurer

**BUYER:**

**KBMT OPERATING COMPANY, LLC**

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

**IN WITNESS WHEREOF**, the Parties have caused this Asset Purchase Agreement to be duly executed by their duly authorized signatories, all as of the day and year first above written.

**SELLER:**

**TEXAS TELECASTING, INC.,**  
a Texas corporation

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

**CHANNEL 12 OF BEAUMONT, INC.,**  
a Texas corporation

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

**SELLER OWNER:**

**TEXAS TELEVISION, INC.,**  
a Texas corporation

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

**BUYER:**

**KBMT OPERATING COMPANY, LLC**

By: Terry E. London  
Name: Terry E. London  
Title: President

**KBMT LICENSE COMPANY, LLC**

By: Terry E. London  
Name: Terry E. London  
Title: President