

## PURCHASE AGREEMENT

This Purchase Agreement ("Agreement") is made this 31 day of August, 2005, between ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT ("Seller") and PERMIAN BASIN PUBLIC TELECOMMUNICATIONS, INC. ("Buyer").

WHEREAS, Seller holds a License (the "License"), issued by the Federal Communications Commission (the "FCC") for Station KOCV-TV, Odessa, Texas, Facility ID No. 50044, the construction permit for KOCV-DT, Odessa Texas, Facility ID No. 50044 and certain other assets related to KOCV-TV and KOCV-DT (the "Station"); and

WHEREAS, Seller desires to sell and Buyer desires to purchase the Station;  
and

WHEREAS, the parties hereto will be unable to consummate this Agreement until the FCC has granted its consent to the terms and conditions hereof and to the assignment of the License for the Station contemplated herein;

NOW, THEREFORE, for and in consideration of the premises, and of the terms and conditions set out below, and with intent of being bound hereby, the parties agree to the following:

1. After grant by the FCC of its consent to the assignment of the License for the Station, the construction permit, and to the other arrangements, terms and conditions set forth herein, Buyer will purchase from Seller and Seller will assign to Buyer on the closing date as hereinafter defined the License, the call sign KOCV-TV, the construction permit for KOCV-DT and certain other assets of the Seller

used, useful, or to be used in the operation of the Station, and any agreements relating to such operation, as specified in Schedule A.

2. Seller warrants that it possesses a valid FCC License to operate Station KOCV-TV and a valid construction permit to construct Station KOCV-DT, except as otherwise noted in Paragraph 5 below, and that to the best of Seller's knowledge said authorizations for the operation of the Station are not in jeopardy; and that pending approval of the assignment of the License for the Station, Seller will continue to hold the License and construction permit in accordance with the Communications Act of 1934, as amended and the Rules and Regulations of the FCC.

3. The consideration for this agreement is the performance by Seller of the covenants and agreements contained herein, and the Buyers agreeing to pay the Purchase Price of One Dollar (\$1.00) payable to Seller by cash at Closing in addition to the Buyer providing the following additional items of consideration to Seller;

1. KOCV-TV will offer ECISD students the opportunity to gain knowledge about broadcast production and non-profit fund raising through participation in membership drives. Participation may include membership drive staffing, serving on the phone bank, direct mail and premium processing, among other duties.
2. KOCV-TV will offer ECISD students the opportunity to serve an internship. Internship experience may include learning master control operations, production, programming, business management, business assistance, sponsor development and membership development.
3. KOCV-TV will work with ECISD to provide speakers for events for broadcast classes. These volunteers can

4. speak on topics including broadcasting, public television and educational outreach.

4. KOCV-TV will provide ECISD teachers with access to more than 3000 free lesson plans and activities online.

5. Through a joint project with twelve (12) other Texas PBS stations, KOCV-TV will provide ECISD teachers with access to PBS TeacherLine of Texas, an online professional development tool developed by PBS for Texas teachers.

4. There is no Escrow Deposit in this transaction.

5. To the best of Seller's knowledge, Seller warrants and represents as follows:

follows:

i) Seller has the right, power and authority to hold the License for the Station and to sell the License and Station to Buyer;

ii) Seller during its period as serving as license holder for Station has applied for certain grants and donations of money attributable to public television broadcasting. A true and correct schedule of all such received grants and pending grants is shown on Schedule B. Seller expressly agrees that it has the right, power and authority to transfer all such grant monies currently on deposit and if any additional grant monies are received by ECISD in accordance with any of the grants scheduled on Schedule B, that subject to approval by the grantor, same shall be transferred to Buyer.

iii) The execution and delivery of this Agreement and the consummation of this transaction does not conflict with or result in a breach of any of the terms, provisions or conditions of any statute, regulation or court or administrative order or process, or any agreement or instrument to which Seller is a

party or is bound or constitute a default thereunder;

iv) No litigation at law or in equity and no proceeding before the FCC or any other administrative or regulatory authority is pending or to the knowledge of Seller threatened against or affecting the License of the Station;

v) There are no debts, liens, contractual obligations or encumbrances of any kind against the Station, except as shown on Schedule C;

vi) The Station has at all times been operated in all material respects in accordance with the License and the rules regulations and policies of the FCC, no application, action, complaint or proceeding is pending or threatened that may result in: (A) denial of an application for renewal of the License for a full term without conditions or restrictions (other than those applicable to the broadcast industry as a whole); (B) the revocation, modification, non-renewal, restriction or suspension of the License; (C) the issuance of a cease-and-desist order; or (D) the imposition of any administrative or judicial sanction with respect to KOCV- TV and there is not now pending, issued or outstanding, by or before the FCC, any investigation, Order to Show Cause, Notice of Violation, Notice of Apparent Liability or Notice of Forfeiture or any other type of order or notice relating to KOCV-TV, the Station, Seller, or the License;

vii) All reports, fees, and statements which the Station was required to file with the FCC have been filed, and all reporting requirements of the FCC have been complied with in all material respects, and all such reports, fees, and statements are complete and correct as filed in all material respects;

viii) No representation or warranty by Seller contains any untrue

statement of a material fact or fails to state a material fact necessary to make the statements contained herein not misleading or necessary in order to provide Buyer with complete and accurate information as to the License and construction permit; and

ix) All equipment being transferred under this Agreement is transferred as-is/where-is, subject to ordinary wear and tear. Said equipment is Schedule D.

6. To the best of Buyer's knowledge, Buyer warrants and represents as follows:

i) Buyer has the right, power and authority to hold the License for the Station and to buy the License from Seller;

ii) The execution and delivery of this Agreement and the consummation of this transaction does not conflict with or result in a breach of any of the terms, provisions or conditions of any statute, regulation or court or administrative order or process, or any agreement or instrument to which Buyer is a party or by which it is bound or constitutes a default thereunder;

iii) Buyer will, prior to the date of closing, take all requisite action to obtain FCC approval of this Agreement and the assignment of the License from Seller as contemplated by this Agreement;

iv) Buyer knows of no reason why it should not be qualified before the FCC to carry out the terms of this Agreement; and

v) No representation or warranty by Buyer contains any untrue statement of a material fact or fails to state a material fact necessary to make the

statements contained herein not misleading or necessary in order to provide Seller with complete and accurate information.

7. This entire Agreement is subject to the approval of the FCC of the assignment of the License contemplated hereby, without any conditions materially adverse to Buyer. Seller and Buyer shall as soon as practicable make such application and take such other steps as may be necessary to secure the written consent of the FCC to all actions contemplated herein. Each party agrees to cooperate with the other fully in securing the necessary approval of the FCC and to file an assignment application with the FCC within fifteen (15) business days from the date of this Agreement.

8. It is agreed that Seller shall maintain and control the ownership of the License for the Station until the closing date following approval by the FCC of the assignment application contemplated herein. Seller will timely file with the FCC all documents required to keep its License in full force and effect. Seller will fully cooperate with Buyer in the operation of said station. At the same time this agreement is being entered into, the parties are entering into a companion Local Programming and Marketing Agreement. The Local Programming and Marketing Agreement shall govern operations of the station until all license transfers are completed.

9. In the event consent of the FCC to the arrangements, terms and conditions provided for in this Agreement (the "FCC Consent") shall not have become Final (i.e. no longer subject to administrative or judicial review), within twelve (12) months of the date of the filing of the application therefore, or such

application is designated for hearing by the FCC, Seller or Buyer may terminate this Agreement by giving notice to the other in writing; provided, however, if a petition to deny or informal objection is filed against the application, the term for FCC Consent will be automatically extended to eighteen (18) months. This Agreement may also be terminated at any time prior to the closing date by the mutual written consent of Seller and Buyer. In the event that this Agreement is terminated pursuant to the provisions of this paragraph, both parties hereto shall stand fully released and discharged of any and all obligations.

10. All payments and the assignment of License as contemplated by this Agreement shall occur at Closing, which shall be ten (10) days after the FCC Consent to the application for assignment of the License has become Final. However, at Buyer's sole option, Closing may occur prior to the FCC Consent becoming Final. The closing shall take place in the offices of Stubbeman, McRae, Sealy, Laughlin & Browder, Inc. The date and place of Closing may be changed by mutual consent of the parties. At Closing, Seller shall deliver (A) a bill of sale and other instruments of transfer and conveyance, in form and substance reasonably satisfactory to Buyer, transferring to Buyer the assets specified in Schedule A; and (B) an instrument assigning to Buyer all right, title, and interest of Seller in and to the License.

11. In the event either party hereto commits a substantial breach of any material agreement set forth herein, then the remedies for such breach shall be as follows:

(a) If such default be by Buyer, Seller shall be entitled, by written

notice to Buyer, to terminate this Agreement, and Seller shall be discharged from all further liability under this Agreement.

(b) If such default be by Seller, Buyer shall be entitled by written notice to Seller to terminate this Agreement and Buyer shall be discharged from all future liability under this Agreement.

13. All of the terms of this Agreement are to be interpreted in accordance with the laws of the State of Texas.

14. Any notices required or permitted to be given to Buyer by Seller shall be deemed sufficient if mail by certified mail, return receipt requested, to:

John H. James  
Permian Basin Public Telecommunications, Inc.  
550 West Texas Ave. Suite 800  
Midland, TX 79764

Any notice required or permitted to be given to Seller by Buyer shall be deemed sufficient if mailed by certified mail, return receipt requested, to:

Wendell Sollis, Superintendent of Schools  
Ector County Independent School District  
P. O. Box 3912  
Odessa, TX 79760

Such notices shall also be provided to (which shall not constitute notice):

Daphne Dowdy  
Acting General Manager KOCV-TV  
P.O. Box 3912  
Odessa, Texas 79760

Jerold L. Jacobs, Esq.  
KOCV Attorney  
Cohn and Marks LLP  
1920 N Street, NW, Suite 300  
Washington, DC 20036

The above addresses may be changed by written notice of such change to the last address designated.

15. This Agreement shall inure to and be binding upon the successors, representatives, heirs and assigns of the respective parties hereto. Buyer shall be entitled to assign its rights under this Agreement to another entity, upon written consent of Seller, which consent shall not be unreasonably withheld.

16. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute but one and the same instrument. This Agreement may be amended, modified, superseded or canceled, and the terms, covenants, representations, warranties or conditions hereof may be waived, only by a written instrument executed by the parties hereto. No waiver by any party of any condition, or of any breach of any term, covenant, representation or warranty contained in this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or a waiver of any other condition or of any breach of any other term, covenant, representation or warranty.

17. The duties, responsibilities and obligations of each party hereunder are expressly conditioned on the compliance or performance in all material respects, unless waived, of all of the terms, covenants and conditions to be complied with or performed by each of the other parties on or before Closing.

18. This Agreement and the Local Programming and Marketing Agreement between the parties, contains the entire understanding among the parties and supersedes all prior written or oral agreements between them

respecting the within subject matter unless otherwise provided herein. There are no representations, agreements, arrangements or understandings, oral or written, between and among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein.

19. The representations and warranties of the parties contained in this Agreement shall be true and correct in all material respects at and as of Closing as though such representations and warranties were made at and as of such time.

20. Buyer shall be responsible for the cost of any FCC-required written publication of this transaction, and Seller shall give any FCC-required broadcast notice of the filling of the assignment application. Both parties shall be solely responsible for their own costs and attorneys fees associated with or arising out of this transaction and the performance of their respective responsibilities and obligations provided for herein.

**IN WITNESS WHEREOF**, this Agreement has been executed in duplicate, with each version deemed an original, on the date and in the place first mentioned above.

SELLER:

ECTOR COUNTY INDEPENDENT  
SCHOOL DISTRICT

BY: Wendell Sollis

Wendell Sollis  
Superintendent of Schools

BUYER:

PERMIAN BASIN PUBLIC  
TELECOMMUNICATIONS, INC.

By: 

John H. James  
President

## **SCHEDULE A**

1. FCC License BLH-19860401KG, KOCV-TV, Odessa, Texas, Facility ID. No. 50044, construction permit for Station KOCV-DT, Odessa, Texas Facility ID NO. 50044.
2. KOCV-TV Public Inspection File.
3. All assets costs of the Station including all analog and digital equipment necessary for the broadcast operations of the Station, regardless of whether said equipment is already operational, installed but not operational, not installed, on order by Seller, or still to be ordered by Seller as of the date of this Agreement, more specifically described in Exhibit D.
4. All rights of Buyer to the KOCV-TV web site.
5. The business records and donor records of the Station.

## **SCHEDULE B**

### Grants

All grants received by the Stations, on or after September 1, 2005 and all anticipated grants. A complete list of same shall be provided at closing.

**SCHEDULE C**

**Accounts Payable, Station Obligations**

None.