

5/22/09

ASSET PURCHASE AGREEMENT
(KVTT(FM), Dallas, TX)

This AGREEMENT (this "Agreement") is dated as of May 28 2009 by and between **Covenant Educational Media, Inc.** ("Seller") and **North Texas Public Broadcasting, Inc.** ("Buyer").

RECITALS:

1. Seller owns and operates radio station KVTT(FM), FCC Facility Identification No. 55768, licensed to Dallas, Texas ("Station"), and holds the licenses and authorizations issued by the FCC for the operation of the Station.

2. Buyer desires to acquire certain assets of the Station, and Seller is willing to convey such assets to Buyer.

3. The acquisition of the Station is subject to prior approval of the FCC.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, Seller and Buyer hereby agree as follows:

ARTICLE 1

TERMINOLOGY

1.1 Act. The Communications Act of 1934, as amended.

1.2 Adjustment Amount. As provided in Section 2.7, the amount by which Buyer's account is to be credited or charged, as reflected on the Adjustment List(s).

1.3 Adjustment List. As provided in Section 2.7, an itemized list(s) of all sums to be credited or charged against the account of Buyer, with a brief explanation in reasonable detail of the credits or charges, consistent with the allocation principle set forth in Section 2.7(a).

1.4 Assumed Obligations. Such term shall have the meaning defined in Section 2.3.

1.5 Business Day. Any calendar day, excluding Saturdays and Sundays, on which federally chartered banks are regularly open for business

1.6 Buyer Indemnified Parties. Such term shall have the meaning defined in Section 9.3(a) hereof.

1.7 Buyer's Threshold Limitation. As provided in Section 9.3(b), the threshold dollar amount for the aggregate of claims, liabilities, damages, losses, costs and expenses that

must be incurred by Buyer before Seller shall be obligated to indemnify Buyer. The Buyer's Threshold Limitation shall be Twenty Thousand Dollars (\$20,000) in the aggregate.

1.8 Closing. The closing with respect to the transactions contemplated by this Agreement.

1.9 Closing Date. The date determined as the Closing Date as provided in Section 8.1.

1.10 Code. The Internal Revenue Code of 1986, as amended.

1.11 Documents. This Agreement and all Exhibits and Schedules hereto, and each other agreement, certificate, or instrument delivered pursuant to or in connection with this Agreement, including amendments thereto that are expressly permitted under the terms of this Agreement.

1.12 Earnest Money. The amount of One Million Dollars (\$1,000,000).

1.13 ERISA. The Employee Retirement Income Security Act of 1974, as amended.

1.14 ERISA Affiliate. Any trade or business, whether or not incorporated, that together with Seller would be deemed a "single employer" under Section 414 of the Code.

1.15 Excluded Assets. Such term shall have the meaning defined in Section 2.2.

1.16 Escrow Agent. Wells Fargo Bank, National Association, [insert address].

1.17 Escrow Agreement. The Escrow Agreement in the form attached hereto as Schedule 1.17 which Buyer, Seller and Escrow Agent have entered into concurrently with the execution of this Agreement relating to the deposit, holding, investment and disbursement of the Earnest Money.

1.18 Existing Tower Lease Agreement. That certain Tower Lease Agreement, dated June 10, 2005, by and between Sonsinger Broadcasting Company of Houston, L.P. and Covenant Educational Media, Inc..

1.19 FCC. Federal Communications Commission.

1.20 FCC Licenses. The licenses, permits and authorizations (and any renewals, extensions, amendments or modifications thereof) issued by the FCC for the operation of the Station, including, without limitation, all auxiliary and similar authorizations (including, but not

limited to those listed in Schedule 3.8), all pending applications for licenses, permits, and authorizations to be issued by the FCC to the extent they pertain to the operation of the Station.

1.21 FCC Order. An action, order or decision of the FCC, granting its consent to the assignment of the FCC Licenses to Buyer.

1.22 FCC Rules. The rules and regulations of the FCC as set forth in Title 47 of the Code of Federal Regulations, as well as such other policies of the FCC, whether contained in the Code of Federal Regulations, or not, and the provisions of the Communications Act of 1934, as amended, 47 U.S.C. § 150 et seq., that apply to the Station or its operation.

1.23 Final Action. An action of the FCC that has not been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely petition for reconsideration or administrative or judicial appeal or sua sponte action of the FCC with comparable effect is pending and as to which the time for filing any such petition or appeal (administrative or judicial) or for the taking of any such sua sponte action of the FCC has expired.

1.24 Indemnified Party. Any party described in Section 9.3 or Section 9.4 against which any claim or liability may be asserted by a third party which would give rise to a claim for indemnification under the provisions of this Agreement by such party.

1.25 Independent Accountants. Such term shall have the meaning defined in Section 2.7(c) hereof.

1.26 Indemnifying Party. The party to the Agreement (not the Indemnified Party) that, in the event of a claim or liability asserted by a third party against the Indemnified Party which would give rise to a claim for indemnification under the provisions of this Agreement, is obligated to indemnify and hold harmless the Indemnified Party to the extent expressly provided in this Agreement.

1.27 Knowledge. For purposes hereof, "Knowledge," "knowledge", "to the knowledge of" or words or phrases of similar import shall mean the Seller's or Buyer's respective knowledge, assuming a reasonable degree of investigation by such party.

1.28 Law. Such term shall have the meaning defined in Section 3.13 hereof.

1.29 Lessor. Such term shall have the meaning defined in Section 5.10 hereof.

1.30 Lien. Any mortgage, deed of trust, pledge, hypothecation, security interest, encumbrance, lien, lease or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, affecting any Sale Assets or property, including any written or oral

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 or comparable law of any jurisdiction.

1.31 LMA. The Programming Agreement dated May 28, 2009 by and between Buyer and Seller relating to the programming of the Station.

1.32 Losses. Such term shall have the meaning defined in Section 9.3(a) hereof.

1.33 Material Adverse Condition. A condition, event or circumstance which would materially restrict, limit, increase the cost or burden of or otherwise materially adversely affect or materially impair the right of 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 a condition similar to those contained in the present FCC licenses issued for operation of the Station shall not be deemed a Material Adverse Condition.

1.34 New Tower Lease Agreement. Such term shall have the meaning defined in Section 5.10 hereof.

1.35 Permitted Lien. For purposes hereof, "Permitted Lien" shall mean all Liens specifically listed in Schedule 1.34, including (i) liens for taxes not due and payable or, such liens that are being contested in good faith by appropriate proceedings; (ii) mechanics, materialmen's, carriers', warehousemen's, landlords' or other similar liens in the ordinary course of business for sums not yet due or such liens that are being contested in good faith by appropriate proceedings; and (iii) liens or mortgages that will be released at Closing; provided that any of the foregoing alone or in the aggregate do not materially impair the value or materially interfere with the use of any asset or property of the Seller material to the operation of the Station as it has been and is now conducted; and/or (iv) a Lien securing only an Assumed Obligation.

1.36 Person. Any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivisions thereof.

1.37 Purchase Price. The consideration to be paid by Buyer to Seller for purchase of the Sale Assets in an amount equal to Eighteen Million Dollars (\$18,000,000) payable pursuant to the terms of Section 2.5 and subject to adjustments pursuant to Section 2.7.

1.38 Sale Assets. All of the tangible and intangible assets to be transferred by Seller to Buyer as set forth in Section 2.1.

1.39 Seller Indemnified Parties. Such term shall have the meaning defined in Section 9.4(a) hereof.

1.40 Seller Plan. Each bonus, deferred compensation, incentive compensation, stock purchase, stock option, employment or consulting, severance pay or benefit, change in control, savings, medical, life or other insurance, vacation, welfare benefit, fringe benefit, cafeteria, profit-sharing or pension benefit plan, program, agreement or arrangement, and each other employee benefit or compensation plan, program, agreement or arrangement, sponsored, maintained or contributed to or required to be contributed to by Seller or by any ERISA Affiliate or as to which Seller or any ERISA Affiliate has, or may have, any liability or obligation, whether written or oral and whether legally binding or not.

1.41 Seller's Threshold Limitation. As provided in Section 9.4 (b), the threshold dollar amount for the aggregate of claims, liabilities, damages, losses, costs and expenses that must be incurred by Seller before Buyer shall be obligated to indemnify Seller. The Seller's Threshold Limitation shall be Twenty Thousand Dollars (\$20,000) in the aggregate.

1.42 Station Agreements. Such term shall have the meaning defined in Section 3.9(a) hereof.

1.43 Tangible Personal Property. The personal property described in Section 2.1(a).

1.44 Tower. The tower used by the Station for its operations located at 1450 W. Beltline Rd., Cedar Hill, Texas.

1.45 Tower Coordinates. Such term shall have the meaning defined in Section 3.15 hereof.

1.46 Unassumed Obligations. Such term shall have the meaning defined in Section 2.3(b) hereof.

1.47 WARN Act. The Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101 et seq., as amended, or any similar applicable Law and any rules or regulations that have been issued in connection with the foregoing.

ARTICLE 2

PURCHASE AND SALE

2.1 **Sale Assets.** On the Closing Date, subject to the terms and conditions of this Agreement, Seller will sell, transfer, assign and convey to Buyer, and Buyer will purchase from

Seller, free and clear of all Liens, except Permitted Liens, all of Seller's right, title and interest, legal and equitable, in and to the assets, properties and rights of every type and description, tangible and intangible, real, personal and mixed, wherever situated, used or held for use in the operation of the Station other than the Excluded Assets as hereinafter defined (the "Sale Assets"), including the following:

(a) **Tangible Personal Property.** All equipment, parts, materials and supplies, furniture, fixtures, studio equipment, inventory, machinery and other tangible personal property now or hereinafter used or held for use in the operation of the Station as set forth in Schedule 3.6, together with such modifications, replacements, improvements and additional items, made or acquired between the date hereof and the Closing Date;

(b) **Licenses and Permits.** The FCC Licenses and all other assignable or transferable governmental permits, licenses and authorizations (and any renewals, extensions, amendments or modifications thereof) now held by Seller or hereafter obtained by Seller between the date hereof and the Closing Date, to the extent such other permits, licenses and authorizations pertain to or are used in the operation of the Station;

(c) **Station Agreements.** All Station Agreements listed in Schedule 3.9 as agreements which Buyer elects to assume; any renewals, extensions, amendments or modifications of those agreements being assumed which are made in the ordinary course of Seller's operation of the Station and in accordance with the terms and provisions of this Agreement; and

(d) **Records.** True and complete copies of all of the books, records, accounts, files, logs, ledgers, reports of engineers and other consultants or independent contractors, pertaining to or used in the operation of the Station (other than corporate records)

2.2 **Excluded Assets.** Notwithstanding any provision of this Agreement to the contrary, other than the Sale Assets, Seller shall not transfer, convey or assign to Buyer any of its right, title or interest in or to any of its other assets, properties or rights, including assets used in connection with the operation of any other broadcast stations owned or operated by Seller (such assets, properties and rights, collectively, the "Excluded Assets"). Excluded Assets are not part of the transactions contemplated hereby and shall remain the assets, properties and rights of Seller after the Closing and Seller may take, or cause to be taken, any action with respect to the Excluded Assets, notwithstanding any provisions herein to the contrary. For purposes of this Agreement, "Excluded Assets" include, without limitation, the following:

(a) Any and all cash, cash equivalents, cash deposits to secure contract obligations, all inter-company receivables from any affiliate of Seller and all other accounts receivable, bank deposits and securities held by Seller in respect of the Station at the Closing Date,

that are unrelated to the operation of the Station after the Closing Date and further provided that such cash or receivable is not for services on obligations of the Station after the Closing Date (except to the extent Seller receives a credit therefor under Section 2.7, in which event such cash, receivable, deposit or security shall be included as part of the Sale Assets).

(b) Any and all claims of Seller with respect to transactions occurring prior to the Closing including, without limitation, claims for tax refunds and refunds of fees paid to the FCC.

(c) All prepaid expenses (except to the extent Seller receives a credit therefor under Section 2.7, in which event the prepaid expense shall be included as part of the Sale Assets).

(d) Subject to Article XI, all contracts of insurance or insurance proceeds and insurance claims made by Seller relating to property or equipment repaired, replaced or restored by Seller prior to the Closing Date.

(e) All employee benefit plans and the assets thereof and all employment contracts.

(f) All contracts that are terminated in accordance with the terms and provisions of this Agreement or have expired prior to the Closing Date in the ordinary course of business; and all loans and loan agreements.

(g) All tangible personal property disposed of or consumed between the date hereof and the Closing Date in accordance with the terms and provisions of this Agreement and in the ordinary course of business.

(h) Seller's corporate records except to the extent such records pertain to or are used in the operation of the Station, in which case Seller shall deliver accurate copies thereof to Buyer.

(i) All commitments, contracts and agreements not specifically assumed by Buyer pursuant to Section 2.1(c), above.

(j) The Station's call letters, KVTT.

(k) The assets, both tangible and intangible, real, personal, or mixed, relating solely to radio station KAAI(FM) owned by Seller and located in Grand Junction, Colorado.

2.3 **Assumption of Liabilities.**

(a) At the Closing, Buyer shall assume and agree to perform, without duplication of Seller's performance, the following liabilities and obligations of Seller (the "Assumed Obligations"):

(i) Current liabilities of Seller for which Buyer receives a credit pursuant to Section 2.7, but not in excess of the amount of such credit;

(ii) Liabilities and obligations arising under the Station Agreements assumed by and transferred to Buyer in accordance with this Agreement, if any, but only to the extent such liabilities and obligations relate to the Sale Assets and are attributable to the period of time after the Closing; and

(iii) The obligations, if any, specifically listed in Schedule 2.3.

(b) Except for the Assumed Obligations, Buyer shall not assume or in any manner be liable for any debts, liens, charges, claims, encumbrances, duties, responsibilities, obligations or liabilities of Seller of any kind or nature, whether express or implied, known or unknown, contingent or absolute, including, without limitation, any liabilities to or in connection with Seller's employees whether arising in connection with the transaction contemplated hereunder or otherwise (the "Unassumed Obligations"), and the Unassumed Obligations are, and at all times shall remain, the obligations of the Seller.

2.4 **Earnest Money.**

(a) Within ten (10) business days of the execution of this Agreement, Buyer shall deposit with Escrow Agent the Earnest Money who shall hold the same pursuant to the terms of the Escrow Agreement attached hereto as Schedule 1.17. The Escrow Agent shall hold the Earnest Money under the terms of the Escrow Agreement in trust for the benefit of the parties hereto.

(b) If the Agreement is terminated pursuant to Sections 10.1 and 10.2, the Earnest Money shall be returned to Buyer, unless otherwise provided herein. If the Closing occurs, the Earnest Money and any accrued interest on the Earnest Money shall be applied to payment of the Purchase Price at Closing as provided in Section 2.5. Buyer and Seller agree to give the Escrow Agent joint written instructions in accordance with the terms of this Agreement and the Escrow Agreement.

2.5 **Payments of Purchase Price.**

(a) At the Closing, the Purchase Price shall be paid to Seller as follows:

(i) in partial satisfaction of the Purchase Price, by Escrow Agent's disbursement of Earnest Money and any accrued interest on Earnest Money; and

(ii) as to the balance of the Purchase Price, by wire transfer of immediately available funds from Buyer or Escrow Agent.

(b) Buyer shall pay to Seller, or Seller shall pay to Buyer, the Adjustment Amount in accordance with Section 2.7.

2.6 Allocation of the Purchase Price. Buyer and Seller shall agree to an allocation of the Purchase Price as set forth in Schedule 2.6 hereof. Buyer and Seller shall use such allocation for all reporting purposes in connection with federal, state and local income and, to the extent permitted under applicable law, franchise taxes. To the extent required, Buyer and Seller agree to report such allocation to the Internal Revenue Service in the form required by Treasury Regulation § 1.1060-1(e)(1).

2.7 Adjustment of Purchase Price.

(a) Except as otherwise set forth in the LMA, all operating income and operating expenses of the Station shall be adjusted and allocated between Seller and Buyer, and an adjustment in the Purchase Price shall be made as provided in this Section, to the extent necessary to reflect the principle that all such income and expenses attributable to the operation of the Station on or before the Closing Date shall be for the account of Seller, and all income and expenses attributable to the operation of the Station after the Closing Date shall be for the account of Buyer. Any cost or obligation related to any Permitted Lien shall also be included as part of the adjustment and allocation between Buyer and Seller.

(b) To the extent not inconsistent with the express provisions of this Agreement, the allocations made pursuant to this Section 2.7 shall be made in accordance with generally accepted accounting principles.

(c) For purposes of making the adjustments pursuant to this Section, Buyer shall prepare and deliver an initial Adjustment List to Seller within forty five (45) days following the Closing Date, or such later date as shall be mutually agreed to by Seller and Buyer. Buyer may also prepare and deliver to Seller additional Adjustment Lists as Buyer becomes aware of additional Adjustment List items. The Adjustment List(s) shall set forth the Adjustment Amount. If the Adjustment Amount is a credit to the account of Buyer, Seller shall pay such amount to Buyer within fifteen (15) days of receiving the Adjustment List(s) if both parties agree on the amount, and if the Adjustment Amount is a charge to the account of Buyer, Buyer shall pay such amount to Seller within fifteen (15) days of delivering the Adjustment List(s) to Seller

if both parties agree on the amount. In the event Seller disagrees with the Adjustment Amount determined by Buyer or with any other matter arising out of this subsection, and Buyer and Seller cannot within sixty (60) days resolve the disagreement themselves, the parties will refer the disagreement to a firm of independent certified public accountants, mutually acceptable to Seller and Buyer (the "Independent Accountants"), whose decision shall be final. The fees and expenses of the Independent Accountants shall be borne by Buyer and Seller in inverse proportion as they may prevail on matters resolved by the Independent Accountants, which proportional allocations shall also be determined by the Independent Accountants at the time the determination of the Independent Accountants is rendered on the matters submitted.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer as follows:

3.1 **Organization and Good Standing.** Seller is a Non-Stock corporation, duly organized, validly existing and in good standing under the laws of the State of Texas and authorized to conduct business in the State of Texas and each and every jurisdiction where Seller conducts business. Seller has all requisite power to own, operate and lease its properties and carry on its business as it is now being conducted and as the same will be conducted until the Closing.

3.2 **Authorization and Binding Effect of Documents.** Seller's execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents, and the consummation by Seller of the transactions contemplated hereby and thereby, have been duly authorized and approved by all necessary corporate action on the part of Seller, and no other corporate proceedings on the part of the Seller are necessary to authorize and approve this Agreement. As of the date hereof, the Board of Directors of Seller has determined that the transaction contemplated by this Agreement is advisable and in the best interest of the Seller. Seller has the power and authority to execute, deliver and perform its obligations under this Agreement and each of the other Documents and to consummate the transactions hereby and thereby contemplated. This Agreement and each of the other Documents have been, or at or prior to the Closing will be, duly executed by Seller. The Documents, when executed and delivered by the parties hereto, will constitute legal and valid obligations of Seller enforceable against it in accordance with their terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights or remedies generally, and except as may be limited by general principles of equity.

3.3 **Absence of Conflicts.** The execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents by Seller, and the consummation

by Seller of the transactions contemplated hereby and thereby:

(a) will not (with or without the giving of notice or the passage of time or both) (i) result in the creation of any Lien other than a Permitted Lien, on any of the Sale Assets or (ii) violate any provision of Law applicable to Seller;

(b) will not (with or without the giving of notice or the passage of time or both) conflict with or result in a breach or termination of, or constitute a default under or give rise to a right of termination or acceleration under the articles of incorporation or bylaws of Seller or pursuant to any lease, agreement, commitment or other instrument which Seller is a party to, or bound by, or by which any of the Sale Assets may be bound.

3.4 **Governmental Consents and Consents of Third Parties.** Except for such consents as are required by the FCC and such other consents as listed in Schedule 3.4, the execution and delivery of, and the performance of Seller's obligations under, this Agreement and each of the other Documents by Seller, and the consummation by Seller of the transactions contemplated hereby and thereby, will not require the consent, waiver, approval, permit, license, clearance or authorization of, or any declaration or filing with, any court or public agency or governmental body or other authority, or the consent of any Person under any agreement, arrangement or commitment of a nature to which Seller is a party or by which it is bound or by which the Sale Assets are bound or to which they are subject.

3.5 **Sale Assets.** The Sale Assets include all of the assets, properties and rights necessary to permit Buyer to conduct the business of owning and operating the Station in substantially the same manner in which the Station has been conducted by Seller immediately prior to the date hereof and during the period from the date hereof to the Closing. Seller has good, marketable and valid title to, valid leasehold interests in, or valid licenses to use all of the Sale Assets free and clear of Liens except Permitted Liens (including the right to transfer same). The use of the Sale Assets is not subject to any Liens other than Permitted Liens and, to Seller's knowledge, such use does not encroach on the property or rights of any Person. Subject to Section 8.4, there are no assets or properties used in the conduct of the business of owning and operating the Station that are owned by any other Person other than Seller that will not be licensed or leased to Buyer under valid, current license arrangements or leases. There are no facts or conditions affecting the Sale Assets that could reasonably be expected, individually or in the aggregate, to interfere in any material respect with the use, occupancy or operation thereof as used, occupied or operated prior to the date hereof and the Closing Date or their adequacy for such use.

3.6 **Tangible Personal Property.** Except for supplies and other incidental items which in the aggregate are not of material value, the list of Tangible Personal Property set forth in Schedule 3.6 is a complete and correct list of all of the items of tangible personal property (other than Excluded Assets) used or held for use in the operation of the Station in the manner in which it is now

operated. In addition:

(a) The Tangible Personal Property set forth in Schedule 3.6 has been maintained in accordance with industry practices, is in good operating condition subject only to ordinary wear and tear, and to Seller's Knowledge, is free from defect and usable in the manner in which it is now operated.

(b) The Tangible Personal Property complies with any applicable Laws relating to its construction, use and operation (including the FCC Rules) and the terms and conditions of the FCC Licenses.

3.7 **Existing Tower Lease Agreement.** The Existing Tower Lease Agreement is in full force and effect and without any default by Seller thereunder. All copies of the Existing Tower Lease Agreement provided by Seller to Buyer are true, correct and complete copies of the original Existing Tower Lease Agreement, as amended, modified or supplemented.

3.8 **FCC Licenses.** Seller is the holder of the FCC Licenses listed in Schedule 3.8, and except as set forth in such Schedule, (i) the FCC Licenses are valid, in good standing and in full force and effect, unimpaired by any act or omission of Seller, and constitute all of the licenses, permits and authorizations required by the Act and the FCC Rules for, or used in, the operation of the Station in all material respects as now operated, (ii) the FCC Licenses listed in Schedule 3.8 constitute all the current licenses, permits and authorizations issued by the FCC to Seller or pending before the FCC for or in connection with the Station; (iii) there is no condition imposed by the FCC as part of any FCC License which is neither set forth on the face thereof as issued by the FCC nor contained in the FCC Rules applicable generally to stations of the type, nature, class or location of the Station; (iv) the Station is being operated in all material respects in accordance with the terms and conditions of the FCC Licenses applicable to it and in accordance with the Act and the FCC Rules; (v) no application, action, complaint or proceeding is pending, or, to Seller's knowledge is threatened, which may result in the revocation, modification, non-renewal, cancellation or suspension of any of the FCC Licenses, the denial of any pending applications, the issuance of any cease and desist order or the imposition of any fines, forfeitures or other administrative actions by the FCC with respect to the Station or its operation, other than proceedings affecting the radio broadcasting industry in general; (vi) there is not before the FCC any investigation, proceeding, notice of violation or order of forfeiture relating to the Station; (vii) Seller has complied in all material respects with all requirements to file reports, applications and other documents with the FCC with respect to the Station, and all such reports, applications and documents are complete and correct in all material respects; (viii) to Seller's knowledge, there are no matters (A) which could reasonably be expected to result in the suspension, revocation, cancellation, modification of or the refusal to renew any of the FCC Licenses or the imposition of any fines or forfeitures by the FCC, or (B) against Seller which could reasonably be expected to result in the FCC's refusal to grant approval of the assignment to Buyer of the FCC Licenses or the imposition of any Material Adverse Condition in connection with

approval of such assignment; (ix) there are not any unsatisfied or otherwise outstanding citations issued by the FCC with respect to the Station or its operation; (x) during the current term of the FCC Licenses, the FCC has not issued any citation, notice, letter, forfeiture order or imposed a fine or censure on the Seller related in any respect to the Station or the FCC Licenses; and (xi) the "Public Inspection File" of the Station is in material compliance with Section 73.3527 of the FCC Rules.

3.9 **Station Agreements.**

(a) Schedule 3.9 sets forth an accurate and complete list of all material agreements, contracts, arrangements or commitments in effect as of the date hereof, including all amendments, modifications and supplements thereto which the Station or its assets or properties are bound by that Buyer elects to assume ("Station Agreements") other than underwriting agreements or agreements for the purchase of airtime on the Station which may be cancelled on less than ninety (90) days notice. A true, correct and complete copy of each Station Agreement set forth in Schedule 3.9 (including all amendments, waivers or other changes thereto (all of which are disclosed in Schedule 3.9) has been provided to Buyer. Except as set forth in Schedule 3.9, there are no oral Station Agreements with respect to the Station.

(b) Except as set forth in Schedule 3.9 (i) all Station Agreements are in full force and effect and constitute legal, valid and binding obligations upon Seller and, to Seller's knowledge, the other parties thereto, enforceable against Seller and, to Seller's knowledge, the other parties thereto, in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity; (ii) neither Seller, nor any party to the Station Agreement is in material breach of or in material default under any Station Agreements; (iii) there has not occurred any event which, after the giving of notice or the lapse of time or both, would constitute a material default under, or result in the material breach of, any Station Agreements; and (iv) Seller holds the right to enforce and receive the benefits under all of the Station Agreements, free and clear of all Liens (other than Permitted Liens) but subject to the terms and provisions of each such agreement. The Seller has not received written notification, or to Seller's knowledge, any other notification of the intention of any party to any Station Agreement to cancel, terminate or renegotiate any Station Agreement.

3.10 **Litigation.** Except as set forth in Schedule 3.10, there are no actions, suits, claims, investigations or administrative, arbitration or other proceedings or governmental investigations pending or, to Seller's knowledge, threatened against Seller relating to the Station or Sale Assets, or which would give any third party the right to enjoin the transactions contemplated by this Agreement. There are no existing or, to Seller's Knowledge, pending, orders, judgments or decrees of any court or governmental agency affecting Seller, the Station or any of the Sale Assets. Notwithstanding the disclosure of any matter herein, Buyer shall not assume any liability for any such matter.

3.11 **Labor Matters.**

(a) Seller is not a party to any collective bargaining agreement, and there is no collective bargaining agreement that determines the terms and conditions of employment of any employees of Seller. With respect to the Station, there are no labor strikes, disputes, slow-downs or stoppages pending or, to the actual knowledge of Seller, threatened against the Station, there are neither pending nor threatened any suits, actions, administrative proceedings, union organizing activities, arbitrations, grievances, complaints, charges, claims or other proceedings between Seller and any employees of the Station or any union representing such employees; and there are no existing labor or employment or other controversies or grievances involving employees of the Station which have had or are reasonably likely to constitute a Material Adverse Condition on the operation of the Station.

(b) Except as set forth in Schedule 3.11(b), with respect to the Station, Seller has complied in all material respects with applicable labor and employment laws, including those relating to wages, hours, unfair labor practices, collective bargaining, discrimination, equal employment opportunity, immigration, payment of social security and similar taxes, collective bargaining, occupational safety and health and plant closings. Seller is not liable for the payment of any compensation, damages, taxes, fines, penalties or other amounts, however designated, for failure to comply with any applicable labor and employment laws.

(c) There are no complaints against Seller or the Station pending before the National Labor Relations Board, the Equal Employment Opportunity Commission or any similar state or local labor agency by or on behalf of any employee of Seller.

(d) Except as set forth in Schedule 3.11(d), there is no (a) employment-related lawsuit, action, proceeding, or claim pending or, to Seller's knowledge, threatened against Seller which would constitute a Material Adverse Condition, nor (b) pending internal investigation of any complaints of employment law violations by Seller.

(e) Seller is in compliance with and has timely filed all notices required under the WARN Act.

3.12 **Employee Benefit Plans.** Buyer's consummation of the transactions contemplated by this Agreement in accordance with the terms hereof shall not, as a result of or in connection with the transactions contemplated hereby, impose upon Buyer any liability or obligation under any Seller Plan, contract or arrangement (regardless of whether they are written or unwritten and funded or unfunded) covering employees or former employees of Seller in connection with their employment by Seller.

3.13 **Compliance with Law.** The operation of the Station complies in all material respects

with the terms and conditions of the FCC Licenses and the FCC Rules and all other federal, state, local or other laws, statutes, common law, ordinances, regulations, and any applicable order, writ, injunction or decree of any court, commission, board, agency or other instrumentality (the "Law").

3.14 **[Intentionally Omitted]**

3.15 **Tower Coordinates.** The current vertical elevation and geographical coordinates of the Station's Tower ("the Tower Coordinates") are properly registered with the FCC and Federal Aviation Administration ("FAA"); and to Seller's knowledge the Tower Coordinates comply with and correspond to the current vertical elevation and geographical coordinates authorized by the FAA, FCC and any other governmental authority, including any federal, state or local authority having jurisdiction over the Station or said Tower.

3.16 **Filing of Tax Returns.** Seller has filed all federal, state and local tax returns which are required to be filed, and has paid all taxes and all assessments to the extent that such taxes and assessments have become due, other than such returns, taxes and assessments, the failure to file or pay would not, individually or in the aggregate, constitute a Material Adverse Condition.

3.17 **Absence of Insolvency.** No insolvency proceedings of any character including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting the Seller or any of the Sale Assets, are pending or threatened, and Seller has made no assignment for the benefit of creditors, nor taken any action with a view to, or which would constitute the basis for the institution of, any such insolvency proceedings.

3.18 **Broker's or Finder's Fees.** Except as set forth in Schedule 3.18, no agent, broker, investment banker or other Person or firm acting on behalf of or under the authority of Seller or any affiliate of Seller is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, in connection with the transactions contemplated by this Agreement.

3.19 **Insurance.** There is now, and through the Closing Date there shall be, valid and enforceable and in full force and effect with reputable insurance companies, fire and extended coverage insurance and public liability insurance with respect to the Station and all tangible Sale Assets, all in commercially reasonable amounts, and the Station and tangible Sale Assets shall be insured to cover the full amount of any loss. All policies or binders of insurance (with respect to the Station and tangible Sale Assets) are listed in Schedule 3.19, and all premiums owing in respect thereof have been timely paid, and, as of the date hereof, Seller has not received any written notification, or to Seller's knowledge, any other notification, of any material premium increase or cancellation with respect to such insurance or, within the past five (5) years, has been denied insurance coverage. There are no claims pending as to which the insurer has denied liability or is

reserving its rights, and all claims have been timely and properly filed in all material respects. Seller is not in material default with respect to, nor has it materially breached its obligations under, any insurance policy maintained by it.

3.20 **Absence Of Certain Changes Or Events.** Except as otherwise set forth in the LMA, as of the Closing Date, the Station and Sale Assets shall have been conducted and utilized in the ordinary course and there has not been any event, circumstance, occurrence or development that has or will constitute a Material Adverse Condition on the Station or Sale Assets.

3.21 **Representations Complete.** None of the representations or warranties made by Seller, nor any statement made in any document or certificate furnished by Seller pursuant to this Agreement contains or will contain at the Closing, any untrue statement of a material fact, or omits or will omit at the Closing, to state any material fact necessary in order to make the statements contained herein or therein, in the light of the circumstances under which they were made, not misleading.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

4.1 **Organization and Good Standing.** Buyer is a Non-Stock corporation duly organized, validly existing and in good standing under the laws of the State of Texas. Buyer has all requisite corporate power to own, operate and lease its properties and carry on its business as it is now being conducted and as the same will be conducted following the Closing.

4.2 **Authorization and Binding Effect of Documents.** Buyer's execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents, and the consummation by Buyer of the transactions contemplated hereby and thereby, have been duly authorized and approved by all necessary corporate action on the part of Buyer. Buyer has the power and authority to execute, deliver and perform its obligations under this Agreement and each of the other Documents and to consummate the transactions hereby and thereby contemplated. This Agreement and each of the other Documents have been, or at or prior to the Closing will be, duly executed by Buyer. The Documents, when executed and delivered by the parties hereto, will constitute the valid and legally binding agreement of Buyer, enforceable against Buyer in accordance with their terms, except as may be limited by bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights or remedies generally, and except as may be limited by general

principles of equity.

4.3 **Absence of Conflicts.** The execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents by Buyer, and the consummation by Buyer of the transactions contemplated hereby and thereby:

(a) will not (with or without the giving of notice or the passage of time or both) violate any provision of law, rule or regulation or any order, judgment, injunction, decree or ruling applicable to Buyer in any manner which would have a material adverse effect on the assets, business, operation or financial condition or results of operations of Buyer;

(b) will not (with or without the giving of notice or the passage of time or both) conflict with or result in a breach or termination of, or constitute a default or give rise to a right of termination or acceleration under, the articles of incorporation or bylaws of Buyer or pursuant to any lease, agreement, commitment or other instrument which Buyer is a party to, bound by, or by which any of its assets or properties may be bound, the results of which would be a Material Adverse Condition.

4.4 **Governmental Consents and Consents of Third Parties.** Except for the required consent of the FCC, Buyer's execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents and the consummation by Buyer of the transaction contemplated hereby and thereby, will not require the consent, waiver, approval, permit, license, clearance or authorization of, or any declaration or filing with, any court or public agency or other authority, or the consent of any Person under any agreement, arrangement or commitment of any nature to which Buyer is a party or by which it is bound, the failure of which to obtain would have a material adverse effect on the assets, business, operation or financial condition or results of operations of Buyer.

4.5 **Qualification.**

(a) Buyer has no knowledge after due inquiry of any facts concerning Buyer or any other Person with an attributable interest in Buyer (as such term is defined under the FCC Rules) which, under present law (including the Act) and the FCC Rules, would (i) disqualify Buyer from being the holder of the FCC Licenses, the owner of the Sale Assets or the operator of the Station upon consummation of the transactions contemplated by this Agreement, or (ii) raise a substantial and material question of fact (within the meaning of Section 309(e) of the Act) respecting Buyer's qualifications.

(b) Without limiting the foregoing Subsection(a), Buyer shall make the affirmative certifications provided in Section III of FCC Form 314, or as may be required on any form required by the FCC to obtain its consent to this transaction, at the time of filing of such form

with the FCC as contemplated by Section 5.2.

4.6 **Financing.** Buyer has, and as of the Closing Date will have, sufficient cash, available lines of credit or other sources of immediately available funds to enable it to make payment of the Purchase Price and any other amounts to be paid by it in accordance with the terms of this Agreement and the Documents. As further assurance from Buyer to Seller, on or before the date of this Agreement, Buyer shall deposit, or shall cause others to deposit and maintain a cumulative seventeen million dollars cash (\$17,000,000) in compliance with one or more Deposit Account Agreement(s), substantially in the form attached hereto in Schedule 4.6, to be executed by Buyer and/or the prospective lenders to Buyer and acknowledged and agreed to by Buyer and Seller. Evidence of such deposits, and the continuance thereof, shall be provided from Buyer to Seller throughout the term of the Deposit Account Agreement(s).

4.7 **Broker's or Finder's Fees.** Except as set forth in Schedule 4.7, no agent, broker, investment banker, or other Person or firm acting on behalf of or under the authority of Buyer or any affiliate of Buyer is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, in connection with the transactions contemplated by this Agreement.

4.8 **Litigation.** There are no actions, suits, claims, investigations or administrative, arbitration or other proceedings or governmental investigations pending or, to the knowledge of Buyer, threatened against Buyer that would give any third party the right to enjoin the transactions contemplated by this Agreement.

4.9 **Representations Complete.** None of the representations or warranties made by Buyer, nor any express statement made in any document or certificate furnished by Buyer pursuant to this Agreement contains or will contain at the Closing, any untrue statement of a material fact, or omits or will omit at the Closing, to state any material fact necessary in order to make the statements contained herein or therein, in the light of the circumstances under which they were made, not misleading.

ARTICLE V

TRANSACTIONS PRIOR TO THE CLOSING DATE

5.1 **Conduct of the Station's Business Prior to the Closing Date.** Seller covenants and agrees with Buyer that between the date hereof and the Closing Date, unless the Buyer otherwise agrees in writing (which agreement shall not be unreasonably withheld, conditioned or delayed), and except as otherwise set forth in the LMA, Seller shall (in connection with the Station and the Sale Assets):

- (a) Use reasonable commercial efforts to maintain insurance upon all of the Sale Assets in such amounts and of such kind as is consistent with Seller's other radio stations and with insurers of substantially the same or better financial condition;
- (b) Operate the Station and otherwise conduct its business in all material respects in accordance with the terms or conditions of its FCC Licenses, the FCC Rules, the Act and all other rules and regulations, statutes, ordinances and orders of all governmental authorities having jurisdiction over any aspect of the operation of the Station;
- (c) Operate the Station and otherwise conduct its business in the ordinary course of business consistent with past practice;
- (d) Maintain the FCC Licenses in full force and effect;
- (e) Not take any action with respect to the modification of the Station's facilities authorized by the construction permit granted by the FCC, File No BPED-20070906AAI, nor take any action to modify, surrender, alter or change such construction permit;
- (f) Use reasonable efforts to preserve the business and goodwill of the Station and the Sale Assets;
- (g) Maintain the Tangible Personal Property in normal operating condition consistent with Seller's past practices, ordinary wear and tear excepted;
- (h) Comply in all material respects with all Station Agreements Buyer is assuming now or hereafter existing;
- (i) Promptly notify Buyer of any default by, or claim of default against, any party under any Station Agreements Buyer is assuming and any event or condition which, with notice or lapse of time or both, would constitute an event of default under such Station Agreements;
- (j) Not mortgage, pledge or subject any of the Sale Assets to any Lien other than a Permitted Lien;
- (k) Not sell, lease or otherwise dispose of, nor agree to sell, lease or otherwise dispose of, any of the Sale Assets;
- (l) Not amend, terminate, take or omit to take any action that would constitute a violation of or a default under, or waive any rights under, any Station Agreement;

(m) Subject to Article XII, not introduce any material change with respect to the operation of the Station including, without limitation, any material changes in the broadcast hours of the Station or any other material change in the Station's programming policies, except such changes as, in the sole discretion of Seller, are exercised in good faith after consultation with Buyer, and are required by the public interest;

(n) Not modify any of the FCC Licenses;

(o) Not create, incur or assume any indebtedness; assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other Person; or make any loans, advances or capital contributions to, or investments in, any other Person that would give rise to any claim by such other Person against the Station or the Sale Assets;

(p) Not institute or settle any actions, suits, claims, investigations or administrative, arbitration or other proceedings or governmental investigations related to the Station or the Sale Assets;

(q) Not take any action or fail to take any action permitted by this Agreement with the knowledge that such action or failure to take action would result in (i) any of the representations and warranties of the Seller set forth in this Agreement becoming untrue or (ii) any of the conditions set forth in Articles VI and VII not being satisfied; and

(r) Not agree to do any of the prohibited actions in subsection (j) - (q) above.

5.2 Governmental Consents. Seller and Buyer shall file with the FCC, within ten (10) days after the execution of this Agreement, such applications and other documents in the name of Seller or Buyer, as appropriate, as may be necessary or advisable to obtain the FCC Order; provided, however, that the failure to file within such ten (10) day period will not constitute a breach of this Agreement so long as the filing is made as promptly as practicable thereafter. Seller and Buyer shall take all commercially reasonable steps necessary to prosecute such filings with diligence and shall diligently oppose any objections to, appeals from or petitions to reconsider such approval of the FCC, to the end that the FCC Order and a Final Action with respect thereto may be obtained as soon as practicable; provided, however, that in the event the application for assignment of the FCC Licenses has been designated for hearing, either Buyer or Seller may elect to terminate this Agreement pursuant to Section 10.1(c). Neither Buyer nor Seller shall knowingly take, any action that such party knows or has reason to know would materially and adversely affect or materially delay issuance of the FCC Order or materially and adversely affect or materially delay its becoming a Final Action without a Material Adverse Condition, unless such action is requested or required by the FCC, its staff or the FCC Rules,

provided that such action requested or required by the FCC would not constitute a Material Adverse Condition. Should Buyer or Seller become aware of any facts which could reasonably be expected to materially and adversely affect or materially delay issuance of the FCC Order without a Material Adverse Condition (including but not limited to, in the case of Buyer, any facts which would reasonably be expected to disqualify Buyer from controlling the Station), such party shall promptly notify the other party thereof in writing and both parties shall cooperate to take all steps necessary or reasonably desirable to resolve the matter expeditiously and to obtain the FCC's approval of matters pending before it. Subject to the terms and conditions herein provided, Buyer and Seller shall promptly determine whether any filings are required to be made with, or consents, permits, authorizations or approvals are required to be obtained from, any other governmental agency or regulatory body of the federal, state and local jurisdictions in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and take all reasonable actions necessary to obtain any required permits, authorizations or appraisals.

5.3 **Other Consents.** Buyer and Seller shall use their reasonable best efforts to obtain the consent or waivers required under any assumed Station Agreements reasonably necessary to consummate this transaction; provided that neither Buyer nor Seller shall be required to pay or grant any material consideration in order to obtain any such consent or waiver.

5.4 **Tax Returns and Payments.** All taxes pertaining to ownership of the Sale Assets or operation of the Station prior to the Closing Date will be timely paid by Seller; provided that Seller shall not be required to pay any such tax so long as the validity thereof shall be contested in good faith by appropriate proceedings and Seller shall have set aside adequate reserves with respect to any such tax to the reasonable satisfaction of Buyer.

5.5 **Access Prior to the Closing Date.** Prior to the Closing, Buyer and its representatives may make such reasonable investigation of the assets and business of the Station and the Sale Assets as it may desire; and Seller shall give to Buyer, its engineers, counsel, accountants and other representatives reasonable access during normal business hours throughout the period prior to the Closing to personnel and all of the assets, books, records and files of or pertaining to the Station and the Sale Assets, provided that (i) Buyer shall give Seller reasonable advance notice of each date on which Buyer or any such other Person or entity desires such access, (ii) each Person (other than an officer of Buyer) shall, if requested by Seller, be accompanied by an officer or other representative of Buyer approved by Seller, which approval shall not be unreasonably withheld, delayed or conditioned (iii) the investigations at the offices of Seller shall be reasonable in number and frequency and, (iv) all investigations shall be conducted in such a manner as not to physically damage any property or constitute a disruption of the operation of the Station or Seller. Seller shall furnish to Buyer during such period all documents and copies of documents and information concerning the business and affairs of Seller and the Station as Buyer may reasonably request. No investigation or information furnished pursuant to this Section 5.5 shall affect any representations or

warranties made by the Seller herein.

5.6 **Confidentiality; Press Release.** All information, data and materials furnished or to be furnished to either party with respect to the other party in connection with this transaction or pursuant to this Agreement are confidential. Each party agrees that prior to Closing (a) it shall not disclose or otherwise make available, at any time, any such information, data or material to any Person who does not have a confidential relationship with such party; (b) it shall protect such information, data and material with a high degree of care to prevent the disclosure thereof; and (c) if, for any reason, this transaction is not consummated, all information, data or material concerning the other party obtained by such party, and all copies thereof, will be returned to the other party. After Closing, neither party will disclose or otherwise make available to any Person any of such information, data or material concerning the other party, except as may be necessary or appropriate in connection with the operation of the Station by Buyer. Each party shall use its reasonable efforts to prevent the violation of any of the foregoing confidentiality provisions by its respective representatives. Notwithstanding the foregoing, nothing contained herein shall prohibit Buyer or Seller from:

(i) using such information, data and materials in connection with any action or proceeding brought or any claim asserted by Buyer or Seller in respect of any breach by the other of any representation, warranty or covenant made in or pursuant to this Agreement; or

(ii) supplying or filing such information, data or materials to or with the FCC or the Internal Revenue Service or any other valid governmental or court authority to the extent required by law or reasonably necessary to obtain any consent, waiver, amendment, modification, approval, authorization, permit or license which may be necessary to effectuate this Agreement, and to consummate the transactions contemplated herein.

In the event that either party determines in good faith that a press release or other public announcement is desirable under any circumstances, the parties shall consult with each other in good faith to determine the appropriate timing, form and content of such release or announcement and neither party shall unreasonably withhold, delay or condition consent to such release or announcement.

5.7 **Reasonable Best Efforts.** Subject to the terms and conditions of this Agreement, each of the parties hereto will use its reasonable best efforts to take all action and to do all things necessary, proper or advisable to satisfy any condition to the parties' obligations hereunder in its power to satisfy and to consummate and make effective as soon as practicable the transactions contemplated by this Agreement. For a period of one year following the Closing, Seller will use its reasonable best efforts to assist Buyer in preparing any reports or filings which may be required following consummation of the transactions contemplated by this Agreement; provided that Seller shall not be obligated to incur any costs or expenses in this regard, except to the extent Buyer has

advanced to Seller the amount of such costs and expenses.

5.8 **FCC Reports.** Seller shall continue to file, on a current basis until the Closing Date, all reports and documents required to be filed with the FCC with respect to the Station. Seller shall provide Buyer with copies of all such filings within five (5) business days of the filing with the FCC.

5.9 **Conveyance Free and Clear of Liens.** At or prior to the Closing, Seller shall obtain executed releases, in suitable form for filing and otherwise in form and substance reasonably satisfactory to Buyer, of any security interests granted in the Sale Assets and properties as security for payment of loans and other obligations or judgments and of any other Liens on the Sale Assets. At the Closing, Seller shall transfer and convey to Buyer all of the Sale Assets free and clear of all Liens except Permitted Liens.

5.10 **New Tower Lease Agreement.** Seller and Buyer shall furnish to the lessor under the Existing Tower Lease Agreement (the "Lessor") such information as may be reasonably required in connection with the procuring of a new tower lease from the Lessor containing commercially reasonable terms (the "New Tower Lease Agreement"), and shall otherwise cooperate in an effort to expeditiously procure such New Tower Lease Agreement.

5.11 **Disclosure Schedules.** Notwithstanding anything to the contrary in this Agreement, during the period after the date of execution of this Agreement but prior to the Closing, subject to the reasonable approval of Buyer, Seller shall be entitled to update, amend or supplement the Schedules to this Agreement to the extent information contained therein is discovered to be untrue, incomplete or inaccurate after the date of this Agreement by delivering such update, amendment or supplement to Buyer; (each such update, amendment or supplement reasonably approved by the Buyer, an "[date] Updated Schedule"). Buyer shall not be obligated to approve any change or changes to the schedules which would have, or which would reasonably be expected to have, in the aggregate, a material adverse effect on the Station Assets. If Seller delivers to the Buyer one or more Updated Schedule, all references in this Agreement to any such schedule shall thereafter mean the schedule as updated by each such Updated Schedule.

ARTICLE VI

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF BUYER TO CLOSE

Buyer's obligation to close the transaction contemplated by this Agreement is subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions, unless waived by Buyer in writing:

6.1 **Accuracy of Representations and Warranties; Closing Certificate.**

(a) The representations and warranties of Seller contained in this Agreement or in any other Document qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, on and as of the date hereof and at the Closing, in each case with the same effect as though made at and as of such time, except to the extent such representations and warranties are specifically made as of a particular date (in which case such representations and warranties shall be true and correct as of such date).

(b) Seller shall have delivered to Buyer on the Closing Date a certificate that (i) the condition specified in Section 6.1(a) is satisfied as of the Closing Date, and (ii) the condition specified in Section 6.2 is satisfied as of the Closing Date.

6.2 **Performance of Agreements.** Seller shall have performed in all material respects all of its covenants, agreements and obligations required by this Agreement and each of the other Documents to be performed or complied with by it prior to or upon the Closing Date.

6.3 **FCC and Other Consents.**

(a) The FCC Order shall have been issued by the FCC without any conditions that individually or in the aggregate would constitute a Material Adverse Condition and shall have become a Final Action, provided, however, that Buyer may, in its sole and unfettered discretion, waive the requirement of Final Action.

(b) Seller shall have satisfied all conditions which the FCC Order or any order, ruling or decree of any judicial or administrative body relating thereto or in connection therewith specifies and requires to be satisfied by Seller prior to assignment of the FCC Licenses to Buyer.

(c) All other material authorizations, consents, approvals and clearances of federal, state or local governmental agencies required to permit the consummation by Buyer of the transactions contemplated by this Agreement shall have been obtained; all material statutory and regulatory requirements for such consummation shall have been fulfilled; and no such authorizations, consents, approvals or clearances shall contain any conditions that individually or in the aggregate would constitute a Material Adverse Condition.

6.4 **Adverse Proceedings.** Neither Buyer nor any affiliate of Buyer shall be subject to any ruling, decree, order or injunction restraining, imposing material limitations on or prohibiting (i) the consummation of the transactions contemplated hereby or (ii) its participation in the operation, management, ownership or control of the Station; and no litigation, proceeding or other action seeking to obtain any such ruling, decree, order or injunction shall be pending. No governmental authority having jurisdiction shall have notified any party to this Agreement that consummation of

the transaction contemplated hereby would constitute a violation of the laws of the United States or of any state or political subdivision or that it intends to commence proceedings to restrain such consummation or to force divestiture, unless such governmental authority shall have withdrawn such notice. No governmental authority having jurisdiction shall have commenced any such proceeding.

6.5 **Other Consents.** Seller shall have obtained in writing and provided to Buyer on or before the Closing Date, without any condition materially adverse to Buyer or the Station, the consents or waivers to the transactions contemplated by this Agreement required under those Station Agreements which Buyer has elected to assume.

6.6 **Delivery of Closing Documents.** Seller shall have delivered or caused to be delivered to Buyer on the Closing Date each of the Documents required to be delivered pursuant to Section 8.2.

6.7 **New Tower Lease Agreement.** Buyer shall have entered into the New Tower Lease Agreement and the Existing Tower Lease Agreement shall have been terminated.

ARTICLE VII

CONDITIONS PRECEDENT OF THE OBLIGATION OF SELLER TO CLOSE

The obligation of Seller to close the transaction contemplated by this Agreement is subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions, unless waived by Seller in writing:

7.1 **Accuracy of Representations and Warranties.**

(a) The representations and warranties of Buyer contained in this Agreement or in any other Document qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, on and as of the date hereof and at the Closing, in each case with the same effect as though made at and as of such time, except to the extent such representations and warranties are specifically made as of a particular date (in which case such representations and warranties shall be true and correct as of such date).

(b) Buyer shall have delivered to Seller on the Closing Date a certificate that (i) the condition specified in Section 7.1(a) is satisfied as of the Closing Date, and (ii) the condition specified in Section 7.2 is satisfied as of the Closing Date.

7.2 **Performance of Agreements.** Buyer shall have performed in all material respects all of its covenants, agreements and obligations required by this Agreement and each of the other Documents to be performed or complied with by it prior to or upon the Closing Date.

7.3 **FCC and Other Consents.**

(a) The FCC Order shall have been issued by the FCC without any conditions that individually or in the aggregate would have any materially adverse effect on Seller and shall have become a Final Action, provided, however, that Seller may, in the event Buyer waives finality, waive the requirement of Final Action.

(b) Buyer shall have satisfied all conditions which the FCC Order or any order, ruling or decree of any judicial or administrative body relating thereto or in connection therewith specifies and requires to be satisfied by Buyer prior to assignment of the FCC Licenses to Buyer.

(c) All other authorizations, consents, approvals and clearances of all federal, state and local governmental agencies required to permit the consummation by Seller of the transactions contemplated by this Agreement shall have been obtained; all statutory and regulatory requirements for such consummation shall have been fulfilled; and no such authorizations, consents, approvals or clearances shall contain any conditions that individually or in the aggregate would have any material adverse effect on Seller.

7.4 **Adverse Proceedings.** Seller shall not be subject to any ruling, decree, order or injunction restraining, imposing material limitations on or prohibiting the consummation of the transactions contemplated hereby; and no litigation, proceeding or other action seeking to obtain any such ruling, decree, order or injunction shall be pending.. No governmental authority having jurisdiction shall have notified any party to this Agreement that consummation of the transactions contemplated hereby would constitute a violation of the laws of the United States or of any state or political subdivision or that it intends to commence proceedings to restrain such consummation or to force divestiture, unless such governmental authority shall have withdrawn such notice. No governmental authority having jurisdiction shall have commenced any such proceeding.

7.5 **New Tower Lease Agreement.** The New Tower Lease Agreement shall be duly executed as between Buyer and Lessor with a contract term to begin on the day of Closing.

7.6 **Delivery of Closing Documents and Purchase Price.** Buyer shall have delivered or caused to be delivered to Seller on the Closing Date each of the Documents required to be delivered pursuant to Section 8.3, and Seller shall have received payment of the Purchase Price with the form of payment set forth in Section 2.5.

ARTICLE VIII

CLOSING

8.1 **Time and Place.** Unless otherwise agreed to in advance by the parties, Closing shall take place in person or via facsimile at the offices of Seller's counsel in Dallas, Texas, or at such other place as the parties agree, at 10:00 A.M. Central Time on the date (the "Closing Date") that is the later of (i) the tenth Business Day after the Applicable Date, or (ii) the date as soon as practicable following satisfaction or waiver of the conditions precedent hereunder. The "Applicable Date" shall be the date on which issuance of the FCC Order without any Material Adverse Condition or condition materially adverse to Seller has become a Final Action under the rules of the FCC. Notwithstanding the foregoing, the parties will endeavor in good faith to effect the Closing simultaneously in different locations to avoid the travel and additional expense of requiring all parties to be located in the same place and in connection therewith the parties will deliver, in escrow, to opposing counsel and other appropriate parties, all agreements, instructions, documents, releases, certificates, wire transfer instructions, pay-off instructions, UCC-3's and other matters and things necessary to effect Closing in such manner.

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

(a) Certified resolutions of Seller's Board of Directors approving the execution and delivery of this Agreement and each of the other Documents and authorizing the consummation of the transactions contemplated hereby and thereby.

(b) The certificate required by Section 6.1(b).

(c) Executed releases, in suitable form for filing and otherwise in form and substance reasonably satisfactory to Buyer, of any security interests granted in the Sale Assets as security for payment of loans and other obligations and of any other Liens (other than Permitted Liens).

(d) A duly executed bill of sale and assignment and assumption agreement evidencing the assignment to Buyer of the Sale Assets and the assumption by Buyer of the Assumed Obligations in accordance with the terms herein.

(e) A duly executed instrument assigning to Buyer all right, title and interest of Seller in the FCC Licenses, and all other assignable or transferable governmental permits, licenses and authorizations (and any renewals, extensions, amendments or modifications thereof).

(f) True and correct copies of all records as described in Section 2.1(d) hereof.

(g) Such additional information, materials, documents and certificates as Buyer shall have reasonably requested, including without limitation, evidence that all consents and approvals required as a condition to Buyer's obligation to close hereunder have been obtained.

8.3 **Documents to be Delivered to Seller by Buyer.** At the Closing, Buyer shall deliver or cause to be delivered to Seller the following:

(a) Certified resolutions of Buyer's Board of Directors approving the execution and delivery of this Agreement and each of the other Documents and authorizing the consummation of the transactions contemplated hereby and thereby.

(b) The Purchase Price as set forth in Section 2.5.

(c) A duly executed bill of sale and assignment and assumption agreement evidencing the assignment to Buyer of the Sale Assets and the assumption by Buyer of the Assumed Obligations in accordance with the terms herein.

(d) The certificate required under Section 7.1(b).

(e) Such additional information, materials, documents and certificates as Seller shall have reasonably requested.

8.4 **Unassignable Station Agreements.** Buyer and Seller acknowledge that certain of the Station Agreements, to be included in the Sale Assets, and the rights and benefits thereunder necessary or appropriate or relating to the conduct of the business and activities of Seller and/or the Station may not, by their terms, be assignable. Notwithstanding anything in this Agreement to the contrary, nothing herein shall constitute an agreement to assign such Station Agreement, and Buyer shall not be deemed to have assumed the same or to be required to perform any obligations thereunder, if an attempted assignment thereof, without the consent of a third party thereto, would constitute a breach thereof or in any way affect the rights under such Station Agreement of Buyer or Seller thereunder. In such event, Seller will cooperate with Buyer to provide for Buyer all benefits to which Seller is entitled under such Station Agreements, any transfer or assignment to Buyer by Seller of any such Station Agreement that requires the approval of any third party shall be made subject to such consent or approval being obtained and Seller shall continue to use reasonable efforts to obtain any such consent or approval. Seller shall, without further consideration therefore, pay, assign, and remit to Buyer promptly all monies, and, to the extent permitted, all other rights or consideration received or obtained, or which may be received or obtained, in respect of performance of such Station Agreements. Buyer shall perform and fully pay and discharge all debts, obligations and liabilities in a timely manner with respect to any Station Agreements the benefits of which have been transferred to Buyer pursuant to this Section 8.4.

ARTICLE IX

SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION

9.1 **Survival of Representation and Warranties.** All representations, warranties, covenants and agreements contained in this Agreement or in any other Document shall survive the Closing for the Survival Period and the Closing shall not be deemed a waiver by either party of the representations, warranties, covenants or agreements of the other party contained herein or in any other Document. No claim may be brought under this Agreement or any other Document unless written notice describing in reasonable detail the nature and basis of such claim is given on or prior to the last day of the Survival Period. In the event such a notice is so given, the right to indemnification with respect thereto under this Article shall survive the Survival Period until such claim is finally resolved and any obligations with respect thereto are fully satisfied. For purposes of this Agreement the "Survival Period" shall be twelve (12) months after the Closing Date except as follows:

Any representation and warranty contained in this Agreement shall be subject to the twelve (12) month Survival Period, except the following which shall survive Closing until sixty (60) calendar days after the expiration of the applicable statute of limitations (including all applicable extensions): (i) the representations and warranties of Seller set forth in Sections 3.1 (Organization and Good Standing), 3.2 (Authorization and Binding Effect of Documents) and Section 3.16 (Filing of Tax Returns), and the representations and warranties of Buyer set forth in Sections 4.1 (Organization and Good Standing) and 4.2 (Authorization and Binding Effect of Documents), and (ii) the covenants of Seller set forth in Section 5.4 (Tax Returns and Payments).

9.2 **Indemnification in General.** Buyer and Seller agree that the rights to indemnification and to be held harmless set forth in this Agreement shall, as between the parties hereto and their respective successors and assigns, be exclusive of all rights to indemnification and to be held harmless that such party (or its successors or assigns) would otherwise have by statute, common law or otherwise. Except with respect to claims based on actual fraud or intentional misrepresentation, each party's rights under this Article IX shall be the sole and exclusive remedies with respect to claims resulting from or relating to any misrepresentation, breach of warranty or failure to perform any covenant or agreement contained in this Agreement or otherwise relating to the transactions that are the subject of this Agreement. Without limiting the generality of the foregoing, in no event shall either party or any Person claiming through, by or on behalf of either party, be entitled to claim or seek rescission of the transactions consummated under this Agreement, unless the FCC rules, in a Final Action, that the transaction was null and void.

9.3 Indemnification by Seller.

(a) Subject to the provisions of Section 9.3(b) below and Section 10.2 below, Seller shall indemnify and hold harmless Buyer, its respective successors and assigns, and any officer, director, agent, employee and affiliate thereof (the "Buyer Indemnified Parties") with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Losses") that the Buyer Indemnified Parties may incur or suffer, relating to or arising out of:

(i) Any breach or non-performance by Seller of any of its representations, warranties, covenants or agreements set forth in this Agreement or any other Documents; or

(ii) The ownership or operation by Seller of the Station and the Sale Assets on or prior to the Closing Date, other than the Assumed Obligations; or

(iii) All other liabilities and obligations of Seller pursuant to the terms of this Agreement other than the Assumed Obligations.

(iv) Noncompliance by Seller with the provisions of the Bulk Sales Act, if applicable, in connection with the transactions contemplated hereby.

(b) Except for any amounts owed by Seller to Buyer under Section 9.3(a)(iv), and Section 2.7, if Closing occurs, Seller shall not be obligated until the amount of such Losses exceeds Buyer's Threshold Limitation, in which case Buyer shall then be entitled to indemnification of the aggregate amount of all Losses regardless of Buyer's Threshold Limitation.

9.4 Indemnification by Buyer.

(a) Subject to the provisions of Section 9.4(b) below and Section 10.2 below, Buyer shall indemnify and hold harmless Seller, its respective successors and assigns, and any officer, director, agent, employee and affiliate thereof (the "Seller Indemnified Parties") with respect to any and all Losses that the Seller Indemnified Parties may incur or suffer relating to or arising out of:

(i) Any breach or non-performance by Buyer of any of its representations, warranties, covenants or agreements set forth in this Agreement or any other Document; or

(ii) The ownership or operation of the Station after the Closing Date; or

(iii) All other liabilities or obligations of Buyer pursuant to the terms of this Agreement, including, without limitation, the Assumed Obligations.

(b) Except for any amounts owed by Buyer to Seller under Section 2.7, if Closing occurs, Buyer shall not be obligated until the amount of such Losses exceeds Seller's Threshold Limitation, in which case Seller shall then be entitled to indemnification of the aggregate amount of all Losses regardless of Seller's Threshold Limitation.

9.5 **Indemnification Procedures.**

(a) If a third party shall notify either a Seller Indemnified Party or a Buyer Indemnified Party with respect to any matter that may give rise to a claim for indemnification under the indemnity set forth in Sections 9.3 or 9.4, as applicable, the procedure set forth below shall be followed.

(i) **Notice.** The Indemnified Party shall give to the Indemnifying Party written notice of any claim, suit, judgment or matter for which indemnity may be sought under Sections 9.3 or 9.4 promptly but in any event within thirty (30) days after the Indemnified Party receives notice thereof; provided, however, that failure by the Indemnified Party to give such notice shall not relieve the Indemnifying Party from any liability it shall otherwise have pursuant to this Agreement except to the extent that the Indemnifying Party is actually prejudiced by such failure. Such notice shall set forth in reasonable detail (A) the basis for such potential claim and (B) the dollar amount of such claim. The Indemnifying Party shall have a period of thirty (30) days within which to respond to the Indemnified Party thereto regarding acceptance or rejection of the Indemnified Party's claim (the "Response"). If the Indemnifying Party does not issue a Response within such 30-day period, the Indemnifying Party shall be deemed, subject to the provisions of Section 9.5(a)(ii), to have accepted responsibility for such indemnity. If the Indemnifying Party rejects such claim in whole or in part, the Indemnified Party shall submit the dispute to litigation in accordance with Section 9.5(a)(ii) hereof.

(ii) **Defense of Claim.** With respect to a claim by a third party against an Indemnified Party for which indemnification may be sought under this Agreement, the Indemnifying Party shall have the right, at its option, to be represented by counsel of its choice and to assume the defense or otherwise control the handling of any claim, suit, proceeding, judgment or matter for which indemnity is sought, which is set forth in the notice sent by the Indemnified Party, by notifying the Indemnified Party in its Response; provided, however, that the Indemnified Party shall have the right to employ counsel to represent itself, at the Indemnified Party's sole expense; provided, further, however, that except where the Indemnified Party assumes the defense of the claim pursuant to Section 9.5(a)(ii)(C), the Indemnifying Party shall control, subject to Section 9.5(a)(iii), the defense of the claim.

(A) If the Indemnifying Party does not give timely notice in its Response in accordance with the preceding sentence, the Indemnifying Party shall be deemed to have given notice that it does not wish to participate in such claim, suit,

proceeding or judgment.

(B) In the event the Indemnifying Party elects (by notice in writing within such 30-day period) to assume the defense of or otherwise participate in any such claim, suit, proceeding, judgment or matter for which indemnity is sought, the Indemnifying Party shall indemnify and hold harmless the Indemnified Party from and against any and all reasonable professional fees (including attorneys' fees, accountants, consultants and engineering fees) and investigation expenses incurred by the Indemnified Party prior to such election if the Losses giving rise to the claim are determined to be within the scope of and subject to indemnification under the respective Indemnifying Party's responsibilities in Sections 9.3 and 9.4.

(C) In the event that the Indemnifying Party does not assume the defense or otherwise control the handling of such matter, the Indemnified Party may retain counsel, as an indemnification expense, to defend such claim, suit, proceeding, judgment or matter. Notwithstanding the foregoing provisions of this Section 9.5(a)(ii), if there is a reasonable likelihood that such claim, suit, proceeding or judgment may adversely affect such Indemnified Party or its affiliates other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, then such Indemnified Party may, by notice to the Indemnifying Party, assume the exclusive right to defend, compromise or settle any such claim, suit, proceeding or judgment; provided, however, the Indemnified Party shall not enter into any such compromise or settlement without the express written consent of the Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed.

(iii) **Final Authority.** The parties shall cooperate in the defense of any such claim or litigation and each shall make available all books and records which are relevant in connection with such claim or litigation, notwithstanding any election by the Indemnifying Party not to participate in such claim or litigation. In connection with any claim, suit or other proceeding with respect to which the Indemnifying Party has assumed the defense or control or otherwise participated, (A) the Indemnifying Party will not consent to the entry of any judgment or enter into any settlement or compromise with respect to any matter without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed, unless (x) there is no finding or admission of any violation of Law or any violation of the rights of any Person and no effect on any other claims that may be made against the Indemnified Party; (y) the sole relief provided to the plaintiff or claimant in the matter is monetary damages that are paid in full by the Indemnifying Party; and (z) the plaintiff or claimant in the matter releases the Indemnified Party from all liability with respect thereto; and (B) the Indemnified Party will have no liability with respect to any compromise or settlement of such claims effected without its consent. In connection with any claim, suit or other proceeding with respect to which the Indemnifying Party has not assumed the defense or control or otherwise

participated, the Indemnified Party may compromise or settle such claim without the consent of the Indemnifying Party, and the Indemnifying Party shall be bound by any determination made in such claim, suit or other proceeding or any compromise or settlement effected by the Indemnified Party.

(b) **Claims Between the Indemnifying Party and the Indemnified Party.**

Any claim for indemnification under this Agreement that does not result from the assertion of a claim by a third party shall be asserted by written notice given by the Indemnified Party to the Indemnifying Party. The Indemnifying Party shall have a period of fifteen (15) days within which to respond thereto. If the Indemnifying Party does respond within such fifteen-day period, or rejects such claim in whole or in part, the Indemnified Party may submit the dispute to litigation in accordance with Section 14.8 and 14.9 hereof.

ARTICLE X

TERMINATION; LIQUIDATED DAMAGES

10.1 **Termination.** If Closing shall not have previously occurred, this Agreement shall terminate upon the earliest of:

(a) the giving of written notice from Seller to Buyer, or from Buyer to Seller, if:

(i) Seller gives such termination notice and is not at such time in material default hereunder, or Buyer gives such termination notice and Buyer is not at such time in material default hereunder; and

(ii) Either:

(A) Any of the representations or warranties contained herein of Buyer (if such termination notice is given by Seller), or of Seller (if such termination notice is given by Buyer), are inaccurate in any material respect and materially adverse to the party giving such termination notice unless the inaccuracy has been induced by or is the result of actions or omissions of the party giving such termination notice; or

(B) Any material obligation to be performed by Buyer (if such termination notice is given by Seller) or by Seller (if such termination notice is given by Buyer) is not timely performed in any material respect unless the lack of timely performance has been induced by or is the result of actions or omissions of the party giving such termination notice; or

(C) Any condition precedent under Articles VI or VII herein of the party giving such termination notice has not been timely satisfied, and

(iii) any such inaccuracy, failure to perform or non-satisfaction of a material condition neither has been cured nor satisfied within twenty (20) days after written notice thereof from the party giving such termination notice nor waived in writing by the party giving such termination notice.

(b) Written notice from Seller to Buyer, or from Buyer to Seller, at any time after twenty-four (24) months from the date this Agreement is executed; provided that termination shall not occur upon the giving of such termination notice by Seller if Seller is at such time in material default hereunder or upon the giving of such termination notice by Buyer if Buyer is at such time in material default hereunder.

(c) Written notice from Seller to Buyer, or from Buyer to Seller, at any time following a determination by the FCC that the application for consent to assignment of the FCC Licenses has been designated for hearing; provided that the party which is the subject of the hearing (or whose alleged actions or omissions resulted in the designation for hearing) may not elect to terminate under this Section 10.1(c).

(d) By mutual written consent of Buyer and Seller.

(e) Written notice from Buyer to Seller at any time following the occurrence of any casualty, loss, damage or destruction to the Tower that would constitute a Material Adverse Condition on the Station or Sale Assets that cannot be repaired within sixty (60) days following the occurrence.

10.2 **Obligations Upon Termination.**

(a) In the event this Agreement is terminated pursuant to Section 10.1(a)(ii)(A) or Section 10.1(a)(ii)(B), the aggregate liability of Buyer for breach hereunder shall be limited as provided in Section 10.2(c) below, and the aggregate liability for Seller for breach hereunder shall be limited as provided in Section 10.2(d). In the event this Agreement is terminated for any other reason, neither party shall have any liability hereunder.

(b) Upon termination of this Agreement, Buyer shall be entitled to the return of the Earnest Money (i) if such termination is effected by Buyer's giving of valid written notice to Seller pursuant to Section 10.1(a), Section 10.1(b), Section 10.1(c), or Section 10.1(e), or (ii) if such termination is effected by Seller's giving of valid written notice to Buyer pursuant to Section 10.1(a)(ii)(C), Section 10.1(b), or Section 10.1(c), or (iii) if termination is effected by Section 10.1(d).

(c) If this Agreement is terminated by Seller's giving of valid written notice to Buyer pursuant to Section 10.1(a)(ii)(A) or Section 10.1(a)(ii)(B), Buyer agrees that Seller shall be entitled to receive upon such termination, as liquidated damages and not as a penalty, the Earnest Money ("Liquidated Damages Amount"); provided, however, all interest accrued on the Earnest Money shall be paid to Buyer. THE DELIVERY OF THE LIQUIDATED DAMAGES AMOUNT TO SELLER SHALL BE CONSIDERED LIQUIDATED DAMAGES AND NOT A PENALTY, AND SHALL BE THE RECIPIENT'S SOLE REMEDY AT LAW OR IN EQUITY FOR A BREACH HEREUNDER IF CLOSING DOES NOT OCCUR. BUYER AND SELLER EACH ACKNOWLEDGE AND AGREE THAT THIS LIQUIDATED DAMAGE AMOUNT IS REASONABLE IN LIGHT OF THE ANTICIPATED HARM WHICH WILL BE CAUSED BY A BREACH OF THIS AGREEMENT, THE DIFFICULTY OF PROOF OF LOSS, THE INCONVENIENCE AND NON-FEASIBILITY OF OTHERWISE OBTAINING AN ADEQUATE REMEDY, AND THE VALUE OF THE TRANSACTION TO BE CONSUMMATED HEREUNDER. If Seller is entitled to the Liquidated Damages Amount, Buyer shall cooperate with Seller in taking such action as is required under the Escrow Agreement in order to effect such payment.

(d) Notwithstanding any provision of this Agreement to the contrary, if the Agreement is terminated by Buyer's giving of written notice to Seller pursuant to Section 10.1(a)(ii)(A) or Section 10.1(a)(ii)(B), Buyer shall not be entitled to monetary damages or indemnification from Seller.

10.3 Buyer's Right to Specific Performance in Lieu of Termination:

Notwithstanding any other provision of this Agreement, should Buyer have the right to terminate this Agreement pursuant to Section 10.1(a)(ii)(A) or Section 10.1(a)(ii)(B), Seller and Buyer each agree and acknowledge that Buyer may instead, at its sole discretion, seek specific performance of this Agreement. Also, Buyer shall be entitled to an injunction restraining such failure or threatened failure and to enforcement by a decree of specific performance of the terms of this Agreement and of Seller's obligation to consummate the transaction contemplated hereby. Notwithstanding any provision of this Agreement to the contrary, if the Buyer chooses this alternate remedy of specific performance, Buyer shall not be entitled to recover from Seller any monetary damages, legal fees and costs, or other damages otherwise incurred for Buyer to pursue its rights under this Section 10.3.

10.4 Effect of Termination. If either party terminates this Agreement pursuant to Section 10.1 hereinabove, all rights and obligations of the parties hereunder shall terminate without any liability of any party to the other party (except for any liability of any party then in breach or as provided in this Article X); provided, however, that the confidentiality provisions contained in Section 5.6 and the provisions contained in Sections 14.1, 14.3, 14.4, 14.5, 14.6, 14.7, 14.8, 14.9, 14.10, 14.11, 14.12, 14.13, 14.14, 14.15 and 14.16 shall survive termination.

ARTICLE XI

CASUALTY

Except as provided in Section 10.1(e), upon the occurrence of any casualty, loss, damage or destruction material to the operation of the Station or the Sale Assets prior to the Closing, Seller shall promptly give Buyer written notice setting forth in detail the extent of such loss, damage or destruction and the cause thereof if known. Seller shall use its reasonable efforts to promptly commence and thereafter to diligently proceed to repair or replace any such lost, damaged or destroyed property. In the event that such repair or replacement is not fully completed prior to the Closing Date, Seller shall assign to Buyer the portion of the insurance proceeds (less all reasonable costs and expenses, including without limitation attorney's fees, expenses and court costs incurred by Seller to collect such amounts), if any, not previously expended by Seller to repair or replace the damaged or destroyed property and Buyer shall accept the damaged Sale Assets in their damaged condition provided that Seller has satisfied its insurance obligations in Section 5.1(a) hereof.

ARTICLE XII

CONTROL OF STATION

Except as otherwise set forth in the LMA, between the date of this Agreement and the Closing Date, Buyer shall not control, manage or supervise the operation of the Station or conduct of its business, all of which shall remain the sole responsibility and under the control of Seller, subject to Seller's compliance with this Agreement.

ARTICLE XIII

[Intentionally Omitted]

ARTICLE XIV

MISCELLANEOUS

14.1 **Further Actions.** From time to time before, at and after the Closing, each party, at its expense and without further consideration, will execute and deliver such documents to the other party as the other party may reasonably request in order more effectively to consummate the transactions contemplated hereby.

14.2 **Access After the Closing Date.** After the Closing and for a period of twelve (12) months, Buyer shall provide Seller, Seller's counsel, accountants and other representatives with

reasonable access during normal business hours to the books, records, property, personnel, contracts, commitments and documents of the Station pertaining to transactions occurring prior to the Closing Date, that are the responsibility and obligation of the Seller, when requested by Seller, and Buyer shall retain such books and records for the normal document retention period of Buyer. At the request and expense of Seller, Buyer shall deliver copies of any such books and records to Seller.

14.3 Payment of Expenses.

(a) Any fees assessed by the FCC in connection with the filings contemplated by Section 5.2 or consummation of the transactions contemplated hereby shall be shared equally between Seller and Buyer.

(b) All state or local sales or use, stamp or transfer, grant and other similar taxes payable in connection with consummation of the transactions contemplated hereby shall be shared equally between Seller and Buyer.

(c) Except as otherwise expressly provided in this Agreement, each of the parties shall bear its own expenses, including the fees of any attorneys and accountants engaged by such party, in connection with this Agreement and the consummation of the transactions contemplated herein.

14.4 Notices. All notices, demands or other communications given hereunder shall be in writing and shall be sufficiently given if delivered by courier or sent by registered or certified mail, first class, postage prepaid, or by telex, cable, telegram, facsimile machine or similar written means of communication, addressed as follows:

(a) If to Seller, to:

Covenant Educational Media Inc.
23248 Calvert Street
Woodland Hills, CA 91367-3111
Attention: Fletcher Anderson
Telephone: 818-257-2011
Facsimile No.: 818-713-9018

With a copy to:

Brian Council
855 Aviation Drive
Camarillo, CA 93010
Telephone: 805-389-9302

Facsimile No.: 805-987-1382

(b) If to Buyer, to:

North Texas Public Broadcasting, Inc.
3000 Harry Hines Boulevard
Dallas, TX 75201
Attention: Mary Anne Alhadeff
Telephone: 214-871-1390
Facsimile No.: 214-754-0635

With a copy to:

Arnold & Porter LLP
555 12th Street, NW
Washington, DC 20004
Attention: Theodore D. Frank
Telephone: 202-942-5790
Facsimile No.: 202-942-5999

or such other address with respect to any party hereto as such party may from time to time notify (as provided above) to the other party hereto. Any such notice, demand or communication shall be deemed to have been given (i) if so mailed, as of the close of the third (3rd) business day following the date mailed, and (ii) if personally delivered or otherwise sent as provided above, on the date received.

14.5 **Entire Agreement.** This Agreement, the Schedules and Exhibits hereto, and the other Documents constitute the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede any prior negotiations, agreements, understandings or arrangements between the parties with respect to the subject matter hereof.

14.6 **Binding Effect; Benefits.** Except as otherwise provided herein, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors or assigns. Except to the extent specified herein, nothing in this Agreement, express or implied, shall confer on any Person other than the parties hereto and their respective successors or assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement.

14.7 **Assignment.** This Agreement and any rights hereunder shall not be assignable by either party hereto without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed.

14.8 **Governing Law.** This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of Texas, including all matters of construction, validity and performance.

14.9 **Jurisdiction.** Other than pursuant to Section 2.7 and Schedule 4.6, and other than with respect to any action or proceeding instituted against any Person who is not a party to this Agreement, each party hereby irrevocably agrees that all actions or proceedings concerning any disputes or claims arising out of or relating to this Agreement shall be instituted only in a United States District Court or a court of the State of Texas sitting in Dallas, Texas. Each party consents to jurisdiction of and venue in the courts in the State of Texas set forth in this Section 14.9, and hereby waives to the maximum extent permitted by applicable Law any objection which it may have based on improper venue or *forum non conveniens*. Notwithstanding anything in this Agreement that may be to the contrary, any final judgment rendered against a party in any action or proceeding shall be conclusive as to the subject of such final judgment and may be enforced in other jurisdictions in any manner provided by applicable Law.

14.10 **Bulk Sales.** Buyer hereby waives compliance by Seller with the provisions of the Bulk Sales Act and similar laws of any state or jurisdiction, if applicable. Seller shall, in accordance with Article IX, indemnify and hold Buyer harmless from and against any and all claims made against Buyer by reason of such non-compliance.

14.11 **Amendments and Waivers.** No term or provision of this Agreement may be amended, waived, discharged or terminated orally but only by an instrument in writing signed by the party against whom the enforcement of such amendment, waiver, discharge or termination is sought. Any waiver shall be effective only in accordance with its express terms and conditions.

14.12 **Severability.** If any provision of this Agreement, or the application thereof to any Person or entity or any circumstance, is invalid or unenforceable in any jurisdiction, (i) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the extent and purpose of such invalid and unenforceable provision, and (ii) the remainder of this Agreement and the application of such provision to other Persons, entities or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

14.13 **Headings.** Except as provided in Article I, the captions in this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

14.14 **Counterparts.** This Agreement may be executed in any number of counterparts, and by either party on separate counterparts, each of which shall be deemed an original, but all of which

together shall constitute one and the same instrument. Fax signatures shall be deemed the same as original signatures. This Agreement is not binding until executed by both parties hereto.


14.15 **References.** All references in this Agreement to Articles and Sections are to Articles and Sections contained in this Agreement unless a different document is expressly specified.

14.16 **Schedules and Exhibits.** Unless otherwise specified herein, each Schedule and Exhibit referred to in this Agreement is attached hereto, and each such Schedule and Exhibit is hereby incorporated by reference and made a part hereof as if fully set forth herein.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first written.

“SELLER”

Covenant Educational Media, Inc.

By: 
Name: Fletcher Anderson
Title: President

“BUYER”

North Texas Public Broadcasting, Inc.

By: _____
Name: _____
Title: _____

together shall constitute one and the same instrument. Fax signatures shall be deemed the same as original signatures. This Agreement is not binding until executed by both parties hereto.

14.15 **References.** All references in this Agreement to Articles and Sections are to Articles and Sections contained in this Agreement unless a different document is expressly specified.

14.16 **Schedules and Exhibits.** Unless otherwise specified herein, each Schedule and Exhibit referred to in this Agreement is attached hereto, and each such Schedule and Exhibit is hereby incorporated by reference and made a part hereof as if fully set forth herein.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first written.

"SELLER"

Covenant Educational Media, Inc.

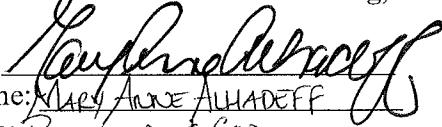
By: _____

Name: _____

Title: _____

"BUYER"

North Texas Public Broadcasting, Inc.

By: 

Name: MARY ANNE ALHADEFF

Title: PRESIDENT & CEO

LIST OF EXHIBITS AND SCHEDULES

Schedule 1.17	Escrow Agreement
Schedule 1.34	Permitted Liens
Schedule 2.3	List of liabilities assumed by Buyer
Schedule 2.6	Agreed allocation of purchase price
Schedule 3.4	Consents
Schedule 3.6	List of Tangible Personal Property
Schedule 3.8	List of FCC licenses, permits & authorizations
Schedule 3.9	List of Station Agreements
Schedule 3.11(b)	Compliance with Employment Law
Schedule 3.11(d)	Employment Related Proceedings or Investigations
Schedule 3.18	Seller's Broker's or Finder's Fees
Schedule 3.19	Insurance
Schedule 3.20	Absence of Certain Changes or Events
Schedule 4.6	Deposit Account Agreement
Schedule 4.7	Buyer's Broker's or Finder's Fee

The fact that any item of information is contained herein shall not, in and of itself, be construed to mean that such information is required to be disclosed in or by the Agreement or that such item of information is "material" as such term is used in the Agreement.

Any matter disclosed in one Schedule hereof in such a way as to make its relevance to information called for by another Schedule readily apparent shall be deemed to be disclosed in such other Schedules, notwithstanding the omission of an appropriate cross-reference. The headings in these Schedules are for convenience of reference only and shall not be deemed to alter or affect the express description of the sections of these Schedules as set forth in the

Agreement.

Schedule 3.8

FCC Licenses

Station KVTB(FM), Facility Identification 55768, Dallas, Texas.

Construction permit File No. BPED-20070906AAI to modify Station KVTB(FM).