

ASSET PURCHASE AGREEMENT

by and between

BLUEBONNET COMMUNICATIONS LLC

(“*Seller*”)

and

KUIL OPERATING COMPANY, LLC

and

KUIL LICENSE COMPANY, LLC

(collectively “*Buyer*”)

Dated as of January 29, 2014

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ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this “**Agreement**”) is entered into as of January 29, 2014 by and among Bluebonnet Communications LLC, a Texas limited liability company (“**Seller**”), KUIL Operating Company, LLC, a Delaware limited liability company (“**KUIL Operating**”), and KUIL License Company, LLC, a Delaware limited liability company (“**KUIL License**”) (KUIL Operating and KUIL License are individually, collectively and interchangeably referred to herein as “**Buyer**,” and the Seller and Buyer are referred to herein as the “**Parties**”).

RECITALS

A. Seller is the owner and operator licensee of the television broadcast stations listed on Schedule 1 hereto (the “**Stations**”). Seller operates the Stations pursuant to certain licenses, franchises, authorizations and approvals issued by the Federal Communications Commission (“**FCC**”).

B. Seller has agreed to sell, assign and transfer to Buyer the Station and all other assets, tangible and intangible, owned by Seller and used in the operation of the Station as described in more detail below, and Buyer has agreed to purchase from Seller such other assets as described in more detail below, all under the terms and conditions described herein.

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

ARTICLE 1 DEFINITIONS

“**2013 Balance Sheet**” has the meaning set forth in Section 3.7.

“**2013 Financial Statements**” has the meaning set forth in Section 3.7.

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

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

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

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

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

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

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

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

“Assignment and Assumption of Lease” has the meaning set forth in Section 10.1(a).

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

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

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

“Business Day” means any day other than (a) Saturday or Sunday or (b) any other day on which banks in Texas are permitted or required to be closed.

“Buyer” has the meaning set forth in the preamble to this Agreement.

“Buyer Indemnifying Party” has the meaning set forth in Section 11.2(b).

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

“Ceiling” has the meaning set forth in Section 11.2(a).

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

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

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

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

“Communications Act” means the Communications Act of 1934, as amended.

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

“Consent” means any consent, approval, notification, waiver, or other similar action of any Person or Governmental Agency.

“Contemplated Transactions” means all the transactions contemplated by this Agreement.

“Contest Notice” has the meaning set forth in Section 11.3(b).

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

“Contract Schedules” has the meaning set forth in Section 2.1(a)(iii).

“Deficiencies” means any and all losses, liabilities, deficiencies, fines, damages, costs, expenses and claims.

“Disclosure Schedule” has the meaning set forth in ARTICLE 3 and ARTICLE 4 and includes all Schedules delivered pursuant to ARTICLE 3 and ARTICLE 4.

“DMA” means the Stations’ respective Designated Market Areas.

“DTV” means digital television.

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

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

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

“Environmental Laws” means any and all Laws properly enforced by Governmental Agencies regulating or imposing standards of Liability, standards of conduct or standards of remediation with respect to protection of public health or environmental media (including without limitation soil, surface water, ground water, stream sediments or air), including, without limitation, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Occupational Safety and Health Act of 1970, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Hazardous Materials Transportation Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Clean Water Act, the Safe Drinking Water Act, the Solid Waste Disposal Act, the Clean Air Act, and applicable state analogues and regulations promulgated thereunder, all as in effect on the Effective Date and as amended.

“Environmental Permits” has the meaning set forth in Section 3.28(b).

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

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

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

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

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

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

“Excluded Representations” has the meaning set forth in Section 11.1(a).

“FAA” means the Federal Aviation Administration.

“FCC” has the meaning set forth in Recital A to this Agreement.

“FCC Applications” has the meaning set forth in Section 5.7.

“FCC Files” means the FCC File Nos. set forth on Schedule 1.

“FCC Order” shall mean the action by the FCC (including any action duly taken by the FCC’s staff pursuant to delegated authority) granting its consent to the FCC Applications.

“Final” means an order of a Governmental Agency, or the failure of a Governmental Agency to act when required by Law to prevent a proposed action, (i) that is effective, (ii) that has not been vacated, reversed, enjoined, stayed, set aside, annulled or suspended, (iii) with respect to which no timely appeal, request for stay, request for reconsideration or other request for review by any party is pending, (iv) with respect to which the time for appeal, requesting a stay, requesting reconsideration or requesting other review has expired or otherwise terminated, and (v) with respect to which any formal time limit for the Governmental Agency to act *sua sponte* has expired.

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

“Funded Indebtedness” means, with respect to Seller, (i) all indebtedness for money borrowed (whether in the form of direct loans or capital leases) and purchase money

indebtedness, (ii) indebtedness of the type described in clause (i) above secured by any Lien upon property owned or leased by Seller, even though Seller has not in any manner become liable for the payment of such indebtedness, (iii) interest expense accrued but unpaid, and all prepayment premiums or penalties, on or relating to any of such indebtedness and (iv) indebtedness of the type described in clause (i) above guaranteed, directly or indirectly, by Seller.

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

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

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

“**Guaranty**” has the meaning set forth in Section 8.5.

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

“**Indemnification Claim**” has the meaning set forth in Section 11.3(a).

“**Indemnifying Party**” means a Seller Indemnifying Party or Buyer Indemnifying Party, as the context requires.

“**Indemnitees**” has the meaning set forth in Section 11.3(a).

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

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

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

“**Knowledge**” or “**Knowingly**” means, (i) for Seller, actual knowledge after due inquiry of the general manager[s] of the Stations, and any equity-holder, and (ii) for Buyer, actual knowledge after due inquiry of Terry London and Phil Hurley.

“**KUIL License**” has the meaning set forth in the preamble to this Agreement.

“KUIL Operating” has the meaning set forth in the preamble to this Agreement.

“Latest Balance Sheet Date” shall mean December 31, 2012.

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

“LBC” means London Broadcasting Company, Inc.

“Leased Real Property” has the meaning set forth in Section 2.1(a)(ii).

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

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

“Licensee” has the meaning set forth in the preamble to this Agreement.

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

“LMA” has the meaning set forth in Section 2.6(c).

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

“Material Adverse Effect” means any change or effect that (i) materially impairs the Seller’s authority, right, or ability to consummate the Contemplated Transactions or (ii) is materially adverse to the operations, business, prospects, financial condition or results of operations of the Stations and the Assets taken as a whole, in each case when viewed on a long-term or short-term basis.

“Material Consent” has the meaning set forth in Section 5.4.

“Material Contract” means (i) any Contract to which Seller is a party that involves aggregate annual payments to or from Seller in excess of \$10,000 or Seller’s receipt or delivery

of goods or services having fair value in excess of \$10,000 per year, (ii) employment agreements to which Seller is a party involving annual base salary payments in excess of \$10,000 and (iii) any Trade Accounts.

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

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

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

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

“Parties” has the meaning set forth in the preamble to this Agreement.

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

“Permitted Liens” means: (i) Liens for Taxes not yet due and payable or for Taxes the validity of which is being contested in good faith by appropriate proceedings and for which there are appropriate reserves; *provided, however*, that any such Liens or any foreclosure based thereon do not and would not materially interfere with the current use of the Real Property or have a Material Adverse Effect; and (ii) mechanics’, carriers’, workers’ and repairers’ Liens, purchase money security interests related to accounts payable and other similar Liens arising or incurred in the Ordinary Course of Business related to obligations as to which there is no default on the part of Seller as disclosed on Schedule 2.1(a)(xv).

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

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

“Promissory Note” has the meaning set forth in Section 2.4(b).

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

“Real Property” means the Leased Real Property.

“Real Property Leases” has the meaning set forth in Section 2.1(a)(ii).

“Representatives” means Buyer’s or Seller’s, as applicable, managers, members, partners, officers, employees, accountants, counsel, agents, consultants, potential financing sources (and respective representatives, attorneys and agents of such financing sources) or representatives, or any of them.

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

“Seller” has the meaning set forth in the preamble to this Agreement.

“Seller Indemnifying Party” has the meaning set forth in Section 11.2(a).

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

“Senior Lender” means any existing or future lender to Buyer or Buyer’s Affiliates.

“Stations” has meaning set forth in Recital A to this Agreement.

“Station Benefit Plan” has the meaning set forth in Section 3.18(c).

“Subordination Agreement” has the meaning set forth in Section 9.11.

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

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

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

“Trade Accounts” means Seller’s trade and barter accounts, trade contracts and trade commitments receivable and payable.

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

ARTICLE 2

PURCHASE AND SALE OF PROPERTIES AND ASSETS

2.1 Assets. Subject to the terms and conditions set forth in this Agreement, at the Closing, Seller shall sell, transfer, assign, convey and deliver to Buyer, and Buyer shall purchase,

all of Seller's right, title and interest in and to all properties and assets, real, personal and mixed, tangible and intangible, of every type and description, wherever located (except for Excluded Assets) that are owned or leased by Seller and used or held for use by the Stations, including, without limitation, the property and assets (except the Excluded Assets) which are acquired between the date hereof and the Closing Date, and are owned or leased by Seller and used or useful in the operations of the Stations (collectively, the "**Assets**"), free and clear of all Liens other than Permitted Liens. Except to the extent set forth in Section 2.3, Buyer is not assuming any Liabilities of Seller, whether relating to the Assets or not. The Assets shall be purchased by KUIL License and KUIL Operating acting collectively as Buyer; *provided*, pursuant to the terms of this Agreement, KUIL License shall specifically acquire the Assets addressed in clause (a)(vii) below and KUIL Operating shall acquire all of the other Assets.

(a) Without limiting the foregoing, the Assets shall include all of Seller's right, title and interest in and to the following Assets owned or leased by Seller and used or held for use in the operations of the Station, except to the extent that any of the following are included within the Excluded Assets:

(i) *Tangible Personal Property.* All equipment, machinery, transmitters, electrical devices, antennae, cables, tower equipment, distribution systems, amplifiers, microwave equipment, converters, testing equipment, computers and computer equipment, furniture, fixtures, office materials and supplies, hardware, tools, spare parts, vehicles, towers, software, prize inventory and other tangible personal property owned or leased by Seller on the date hereof, including, without limitation, and other tangible personal property described on attached Schedule 2.1(a)(i), together with any additions, modifications, alterations or improvements between the date of this Agreement and the Closing (collectively, the "**Tangible Personal Property**"), but excepting any immaterial retirements or dispositions thereof made between the date of this Agreement and the Closing in the Ordinary Course of Business in accordance with Section 5.1.

(ii) *Real Property.* All Seller's interests as a tenant or licensee, as the case may be, under all leases of real property, licenses of real property, leased rights of way and any other interests of Seller of every kind and description in and to all of the real property, towers, buildings and improvements thereon leased by Seller as of the date hereof (collectively, "**Real Property Leases**") and listed on Schedule 2.1(a)(ii) (the "**Leased Real Property**"), and Seller's interests in any additions, improvements, appurtenances (such as appurtenant rights in and to public streets), and alterations thereto made between the date of this Agreement and the Closing Date.

(iii) *Other Contracts.* All other Contracts relating to the Assets now existing that are listed on Schedule 2.1(a)(iii), together with all Contracts relating to the Assets that have been entered into in the Ordinary Course of Business between the date of this Agreement and the Closing Date; *provided, however*, Buyer is not assuming any Liability under any Contract existing as of the date of this Agreement which is not listed on Schedules 2.1(a)(ii), 2.1(a)(iii), 2.1(a)(ix), 2.1(a)(x) and 2.1(a)(xi) (collectively, the "**Contract Schedules**"). From time to time following the date of this Agreement, Seller may request that Buyer permit additional Contracts relating to the Assets not entered into in the Ordinary Course of Business between the date of this Agreement and the Closing Date to be added to the Schedules to this Agreement and to be assigned to and assumed by Buyer at the Closing. These Contracts may be

accepted or rejected by Buyer at Buyer's sole discretion; *provided* that if Buyer has consented to such Contract pursuant to Section 5.4, it shall be added to the Schedules and assigned to and assumed by Buyer at the Closing.

(iv) *Claims.* Any and all of Seller's claims and rights against third parties relating to the Assets or Assumed Liabilities with respect to the Assets, including, without limitation, all rights under manufacturers' and vendors' warranties, and all deposits, refunds, rights to recovery and rights of setoff and recoupment.

(v) *Prepaid Items.* All rights of Seller relating to prepaid expenses, prepaid ad valorem taxes and any other prepayments, and rent, utility and other deposits held by third parties.

(vi) *Goodwill.* All of Seller's goodwill in, and going concern value of, the Stations.

(vii) *Authorizations.* All rights in and to the Authorizations issued to Seller or any Affiliate of Seller, including, without limitation, all rights in and to the call letters and channel numbers set forth on Schedule 1 and all broadcast auxiliary and other authorizations of the FCC associated with the operation of the Stations, all of the Authorizations listed on attached Schedule 3.10, including without limitation, all amendments and all applications therefor, together with any renewals, extensions or modifications thereof and additions thereto and all public inspection files and other required records of Seller, including, without limitation, those required by the FCC.

(viii) *Receivables.* All receivables of Seller accrued through the Effective Time.

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

(x) *Network Affiliation Agreements.* Any and all of the Station's network affiliation agreements (collectively, the "**Affiliation Agreements**"), all as listed on Schedule 2.1(a)(x)

(xi) *Agreements for Sale of Time.* All orders and agreements now existing, including those listed on Schedule 2.1(a)(xi), or entered into in the Ordinary Course of Business between the date hereof and the Closing Date for the sale of advertising time on the Station, except those which on the Closing Date have already been filled or have expired.

(xii) *Files and Records.* Subject to Section 2.2(f), all files and other records of Seller relating to the Stations and the Assets (other than duplicate copies of such files)

including, without limitation, all books, files, ledgers, documents, architectural plans, specifications, creative materials, advertising and promotional materials, advertiser lists, and other printed or written materials, correspondence, studies, reports, projections, schematics, blueprints, engineering data, customer lists, reports, specifications, signal and program carriage, projections, statistics, creative materials, mats, plates, negatives and other advertising, marketing or related materials, dealings with governmental authorities (including all reports filed by or on behalf of Seller with the FCC and statements of account filed by or on behalf of Seller with the U.S. Copyright Office) and all other business, technical and financial information regardless of the media on which stored.

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

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

(xv) *Permits*. All other Permits and similar rights obtained from Governmental Agencies and issued to Seller, including without limitation those listed on Schedule 2.1(a)(xv).

2.2 Excluded Assets. Notwithstanding anything to the contrary contained in Section 2.1, the following assets of Seller (collectively, the “*Excluded Assets*”) are not part of the sale and purchase contemplated hereunder, are excluded from the Assets and shall be retained by Seller:

(a) Certain Assets. Pension, 401(k), profit sharing and savings plans and trusts and any assets in such plans or trusts and any other “employee benefit plan” within the meaning of Section 3(3) of ERISA and any assets thereof.

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

(c) Capital Stock. All shares of capital stock of Seller held in treasury.

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

(e) Insurance. Insurance policies, promissory notes, amounts due from employees, bonds, letters of credit or other similar items, and any cash surrender value in regard thereto, all as listed and described on Schedule 2.2(e).

(f) Tax Returns. Tax Returns and reports; financial statements and supporting materials; books and records that Seller is required by Law to retain; and records of Seller relating to the sale of the Assets (*provided* that copies of the foregoing shall be provided to Buyer as purchased Assets).

(g) Ordinary Course Dispositions. Tangible and intangible personal property disposed of or consumed in the Ordinary Course of Business between the date of this Agreement and the Closing Date.

(h) Rights under this Agreement. All rights of Seller under this Agreement and any of the other agreements entered into between the Parties in connection with the Contemplated Transactions, including, without limitation, the Promissory Note and the Subordination Agreement.

(i) Scheduled Excluded Assets. The assets listed on Schedule 2.2(i).

2.3 Liabilities.

(a) Assumed Liabilities. Subject to the terms and conditions of this Agreement, on the Closing Date, Buyer shall assume, and hereby agrees to perform and discharge when due, all Liabilities arising or to be performed after the Closing Date under the Contracts listed on the Contract Schedules (excluding any Liabilities related to any Breaches thereof that occurred on or prior to the Closing Date) that are Assets other than Excluded Assets and are effectively assigned and transferred to Buyer (the “**Assumed Liabilities**”). Notwithstanding anything in this Agreement to the contrary, Buyer is not assuming any compensation or employment related Liabilities, and any liabilities or obligations relating to any Excluded Assets identified in Section 2.2 shall not be Assumed Liabilities. For purposes of clarity, any monetary fines or forfeitures imposed by the FCC to be performed or paid after the Closing shall not be Assumed Liabilities, except to the extent such fine or forfeiture relates to the conduct or omission of Buyer after the Closing.

(b) Excluded Liabilities. Notwithstanding anything in this Agreement to the contrary, other than the Assumed Liabilities, Buyer shall not assume or be liable for, and does not undertake or attempt to assume or discharge any Liability of Seller.

(c) Retained Liabilities of Seller. Seller shall retain and shall hereafter pay, satisfy, discharge, perform and fulfill all Liabilities of Seller other than the Assumed Liabilities, (including, but not limited to any monetary fines or forfeitures imposed by the FCC for rule violations occurring prior to the Closing (whether or not disclosed or scheduled)) (the “**Excluded Liabilities**”), as they become due, without any charge or cost to Buyer. Seller agrees to indemnify and hold Buyer and its successors and assigns harmless from and against any and all such Excluded Liabilities in accordance with the terms of ARTICLE 11 below.

2.4 Purchase Price, Payment and Allocation.

(a) Purchase Price. The aggregate purchase price for the Assets shall be One Million Eight Hundred Ten Thousand Dollars (\$1,810,000) (the “**Purchase Price**”).

(b) Method of Payment. At the Closing, the Buyer shall pay the Purchase Price in the form of a promissory note issued by Seller to Buyer, substantially in the form attached hereto as Exhibit D (the “**Promissory Note**”).

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

2.5 Closing. Subject to Section 12.1(a), the consummation of the sale and purchase of the Assets provided for in this Agreement (the “**Closing**”) shall take place at the offices of Akin Gump Strauss Hauer and Feld, LLP, 1700 Pacific Avenue, Suite 4100, Dallas, Texas 75201 at 11:00 a.m. (Central Time), or such other time and place (including by facsimile or electronic exchange) as Buyer and Seller may agree to, on the last Business Day of the first month during which all conditions to the obligations of the parties set forth in ARTICLE 8 and ARTICLE 9 with respect to Contemplated Transactions with respect to the Assets (other than such conditions as may, by their terms, be satisfied only at the Closing or on the Closing Date) are satisfied or to the extent permitted by applicable Law, waived; *provided, however*, that should the date upon which all conditions to the obligations of the parties set forth in ARTICLE 8 and ARTICLE 9 with respect to the Assets (other than such conditions as may, by their terms, be satisfied only at the Closing or on the Closing Date) are satisfied or to the extent permitted by applicable Law, waived occur on a date that is fewer than 5 days from the end of a calendar month, the Closing shall occur on the last day of the immediately following calendar month or such earlier time as the parties may agree. The date on which the Closing is to occur is referred to herein as the “**Closing Date**.”

2.6 Adjustments.

(a) General Rule. The operation of the Stations and the income and normal operating expenses attributable thereto through 11:59:59 p.m. (Eastern Time) at the end of the Closing Date (the “**Effective Time**”) shall be for the account of Seller and thereafter for the account of Buyer and, if any income or expense is properly allocable or credited, then it shall be allocated, charged or prorated accordingly. Expenses for goods or services received both before and after the Effective Time, power and utilities charges, ad valorem and other property Taxes

(but excluding Taxes arising by reason of the transfer of the Assets as contemplated hereby, which shall be paid as set forth in Section 7.3(b)), frequency discounts, insurance premiums for any insurance policies being assigned to Buyer, prepaid cash, time sales agreements, commissions, wages, vacation or sick days, payroll taxes and rents, prepaid and deferred items (including, without limitation, accruals and deferrals under Contracts) shall be prorated between Seller and Buyer as of the Effective Time, in accordance with the principles of the immediately preceding sentence. Notwithstanding the immediately preceding sentence, in computing the determination of the estimated and final prorations pursuant to this Section 2.6, the aggregate amount of any and all cash or cash equivalents of Seller on deposit with and held by third parties with respect to any assets transferred to Buyer and which shall continue to be held by such third parties for the benefit of Buyer after the Closing shall be credited solely to the account of Seller. At the Closing, the Parties shall make all known prorations and estimate any remaining prorations.

(b) Adjustment Schedule. Buyer will prepare and deliver to Seller within 60 days after the Closing Date a report computing the details of the determination, in accordance with the provisions of Section 2.6(a), of Buyer's good faith calculations of the final prorations as compared to the estimated prorations made at the Closing. Seller and its Representatives shall have the right to review the supporting work papers (including schedules, memoranda and any other relevant documents) related to the preparation of such report. Within 30 days after receiving such report, Seller will provide Buyer with any objections to the computations therein. If Seller has no objections, the Party obligated to make payment under such report will do so within five Business Days after the expiration of the 30-day period. Any dispute which cannot be resolved by the Parties within 30 days after Seller provides Buyer with its objections to the computations will be resolved by Seller and Buyer each selecting their own reasonably agreeable certified public accountant knowledgeable in the broadcast industry (the "**Accountant**") to resolve the dispute; *provided, however*, that the Parties shall use reasonable efforts to mutually agree on one Accountant (in which case the cost shall be shared equally by the Parties) and if, and only if, the Parties are unable to so agree, then each Party shall utilize their own Accountant. If these two Accountants cannot resolve the dispute within 30 days after submission to them, then the two Accountants shall select a third Accountant and the decision of the third Accountant shall be binding on the Parties and subject to judicial enforcement. Each Party shall bear the costs of its own Accountant and one-half of the cost of the third Accountant. In the event that Buyer is obligated to make payments to Seller pursuant to this Section 2.6(a), Buyer may elect, in its sole discretion, satisfy such obligation by increasing the Principal (as defined in the Promissory Note) of the Promissory Note. In the event that Seller is obligated to make payments to Buyer pursuant to this Section 2.6(a), Buyer may elect, in its sole discretion, to receive such payment by decreasing the Principal of the Promissory Note or by decreasing any amounts owed by Buyer to Seller pursuant to the LMA.

(c) Local Marketing Agreement. Buyer and Seller agree that none of the payments made pursuant to this Section 2.6 will supersede any payment obligations under that certain Local Marketing Agreement, dated as of November 4, 2009, by and between Seller and KBMT Operating Company, LLC (the "**LMA**").

2.7 Compliance with Bulk Sales. The Parties hereby waive compliance with any applicable bulk sales Laws. The Seller will indemnify Buyer for any Deficiencies resulting from or relating to such non-compliance with any applicable bulk sales Laws.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in any applicable section in the Disclosure Schedule and making reference to the particular section or subsection of this ARTICLE 3 to which exception is being taken (subject to Section 12.7), the Seller represents and warrants to Buyer as follows:

3.1 Corporate Status. Bluebonnet Communications LLC is a Texas limited liability company, and is duly organized, in good standing and validly existing under the Laws of the State of Texas, and is duly qualified to transact business in every state in which the transaction of its business requires such qualification, except where the failure to be qualified would not have a Material Adverse Effect. Seller has made available to Buyer correct and complete copies of Seller's Organizational Documents, as amended to date.

3.2 No Options. No Person other than the Buyer has an option to acquire any of the Assets or any property used in the operation of the Station.

3.3 Authority; Enforceability.

(a) Seller has the requisite power and authority necessary to execute and deliver this Agreement and all ancillary agreements hereto to which it is a party and to perform its obligations under this Agreement. All board and equity-holder actions and proceedings necessary to be taken by or on the part of Seller in connection with the performance, execution and delivery of this Agreement have been duly and validly taken, have not been rescinded and are in full force and effect, and this Agreement has been duly and validly authorized, executed, and delivered by the Seller.

(b) This Agreement constitutes the legal, valid and binding obligation of the Seller Enforceable against the Seller in accordance with and subject to its terms.

3.4 No Defaults. Neither the execution, delivery and performance of this Agreement by the Seller nor the consummation by the Seller of the Contemplated Transactions is an event that, of itself or with the giving of notice or the passage of time or both, will: (a) violate or conflict with any provision of the Organizational Documents of Seller; (b) subject to receipt of third party Consents required in connection with any assignment to Buyer of the Contracts listed on the Contract Schedules or otherwise contemplated by this Agreement and subject to the LMA, constitute a violation of, conflict with or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation of the Seller under any Contract to which Seller is party or by which it is, or the Assets are, bound, which violation, conflict, breach, default, termination, modification or acceleration that would be material; (c) subject to receipt of the FCC Order, violate any Order or Law applicable to Seller, the Stations or the Assets; or (d) result in the creation or imposition of any Lien (other than Liens resulting from any financing obtained by Buyer in connection with the Contemplated Transactions) against the Stations or the Assets.

3.5 Contracts.

(a) Except as otherwise provided in the LMA, the Contract Schedules list each Material Contract and Seller is not a party to any Material Contract not listed on the

Contract Schedules. Also, each Material Contract and any other contract relate solely to the Assets and not to the Excluded Assets, any other station or any other assets. To Seller's Knowledge, no party to such Material Contract has repudiated any provision of the Material Contract. Except as set forth on the Schedule 3.5(a), each of the Material Contracts listed on the Contract Schedules is assignable by Seller without any other Person's Consent.

(b) Except for Contracts set forth on the Contract Schedules or Schedule 3.5(b), Seller is not a party to any:

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

(ii) Material license with respect to any Intellectual Property, other than customer or vendor contracts entered into in the Ordinary Course of Business or any license for non-custom, off-the-shelf or commonly available software programs with a replacement cost of less than \$1,000;

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

(iv) Any other Material Contract.

3.6 Breach. Subject to the LMA, Seller is not in material Breach of any of the terms, conditions or provisions of its Organizational Documents, any Contract or any indenture, mortgage or deed of trust or other instrument or any Order relating to or affecting the Stations or the Assets to which Seller is a party or by which it is bound. All accrued and currently payable amounts due from the Seller under the Contracts have been paid.

3.7 Financial Statements. Attached to this Agreement as Schedule 3.7 are true and complete copies of the following internally prepared financial statements of Seller (the "**Financial Statements**"): (a) the unaudited balance sheets as of the end of the fiscal years ended December 31, 2010, December 31, 2011 and December 31, 2012 and the related unaudited statements of income for the respective fiscal years then ended, and (b) the unaudited balance sheet as of December 31, 2013 (the "**2013 Balance Sheet**") and the related unaudited statement of income for the twelve-month period then ended (collectively, the "**2013 Financial Statements**"). The Financial Statements present fairly the financial condition of Seller as of such dates and the results of operations of Seller for such periods, are correct and complete in all material respects, and are consistent in all material respects with the books and records of Seller.

3.8 Liabilities. Except as otherwise provided in the LMA, Seller has no Liabilities arising out of or relating to the business, assets or operations of the Stations except for (a) Liabilities disclosed in this Agreement, the Schedules hereto, or quantified on the face of the 2013 Financial Statements (rather than in any notes thereto) and not heretofore paid or discharged, (b) Liabilities which have arisen after the Latest Balance Sheet Date in the Ordinary Course of Business which, individually or in the aggregate, are not material and are of the same character and nature as the Liabilities quantified on the face of the Financial Statements (rather than any notes thereto), none of which results from or relates to any Breach of Contract, Breach of warranty, tort, infringement, or Breach of Law or arose out of any Action or Order, and (c)

expenses incurred in connection with the Contemplated Transactions. Except as set forth in Schedule 3.8, Seller has no Funded Indebtedness. Schedule 3.8 also lists each creditor of the Seller. There are no outstanding capital expenses that have been incurred and are unpaid.

3.9 Taxes. Except as set forth in Schedule 3.9:

(a) Seller has paid all Taxes due and payable which it is required to pay or accrue before the date hereof, except to the extent that such amounts are reserved for in the 2013 Balance Sheet. There are no Taxes that are past due.

(b) There are no Tax deficiencies (including penalties and interest) that would result in Liens or claims on any of the Assets or on Buyer's title or use of the Assets or that would result in any claim against Buyer.

3.10 Station Authorizations. Seller validly holds all Permits, including antennae structure registrations, or any authorizations of any Governmental Agency required for the operation of the Stations in the manner operated as of the date hereof (collectively, the "**Authorizations**") and all of such Authorizations are listed on Schedule 3.10. The Authorizations constitute all of the licenses and authorizations required under the Communications Act, or the current rules, regulations and policies of the FCC for the operation of the Stations in the manner operated as of the date hereof. Except as set forth on Schedule 3.10, (a) the Authorizations are in full force and effect and have not been materially adversely modified, revoked, suspended, canceled, rescinded or terminated and have not expired and are not subject to any conditions (other than conditions appearing on the face of the Authorization or generally imposed on television broadcast licensees); (b) there is not pending or, to Seller's Knowledge, threatened any action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the Authorizations (other than proceedings to amend FCC rules of general applicability to television broadcast licensees) and (c) there is not now pending, issued or outstanding, or to Seller's Knowledge, threatened by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against the Authorizations, Seller or the Stations.

3.11 Additional Regulatory Matters.

(a) Reports. All material reports and filings required to be filed with any Governmental Agency by Seller have been timely filed. All such reports and filings are accurate and complete in all material respects.

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

(c) RF Radiation. The operation of the Stations does not cause or result in exposure of workers or the general public to levels of radio frequency radiation in violation of FCC rule Section 1.310 or FCC OST/OET Bulletin Number 65. Renewal of the Authorizations

issued by the FCC would not have a “significant impact on the quality of the human environment” within the meaning of Section 1.1301, et seq., of the FCC’s rules.

(d) Affiliation Agreements. The Affiliation Agreements listed on Schedule 2.1(a)(x) to this Agreement are in full force and effect and Seller has not received any written notice or other express communication of any intent or desire to change the terms of, terminate or not renew the Affiliation Agreements, except for discussions related to Buyer’s assumption of the Affiliation Agreements.

(e) MVPD Matters. As of the date hereof, the Stations are retransmitted on MVPD systems pursuant to the Retransmission Consent Agreements set forth on Schedule 3.11(e). Each such Retransmission Consent Agreement is in full force and effect. Schedule 3.11(e) accurately lists all of the Retransmission Consent Agreements to which Seller is a party relating to the Stations and the expiration date of each such Retransmission Consent Agreement. Seller has made available to Buyer true and complete copies of the Retransmission Consent Agreements set forth on Schedule 3.11(e). Seller has no Knowledge of any reason that a MVPD may terminate such carriage during its current term and no MVPD has notified Seller or the Stations in writing of any signal quality deficiency or copyright indemnity or other prerequisite to carriage of the Stations’ signals, and no MVPD has declined or threatened to decline such carriage or failed to respond to a request for carriage or sought any form of relief from carriage at the FCC. Seller has no Liability to any Person arising under or in respect of its performance of the Stations’ Retransmission Consent Agreements, including, without limitation, copyright royalties.

3.12 [Reserved].

3.13 Tangible Personal Property. The Tangible Personal Property includes all items of Tangible Personal Property utilized by Seller in connection with owning and operating the Stations and is listed on Schedule 3.13.

3.14 Consents and Permits.

(a) The only Consents of third party Persons that are legally or contractually required to be obtained by Seller to avoid a Breach in connection with the execution, delivery and performance by the Seller of this Agreement or consummation by the Seller of the Contemplated Transactions are the FCC Order and those listed on Schedule 3.5(a) or Schedule 3.14(a).

(b) Except as set forth on Schedule 2.1(a)(xv) and except for the FCC Order, no Permit is required of the Seller in connection with the execution, delivery and performance of this Agreement or the consummation of the Contemplated Transactions.

3.15 Availability, Title to, and Condition of Assets.

(a) Except as set forth on Schedule 3.15(a) and except for the Excluded Assets, the Assets constitute all the assets necessary to conduct the operation of the Stations as presently conducted by Seller.

(b) Except as set forth in Schedule 3.15(b), Seller has either good, marketable or indefeasible, as applicable, title to, a valid leasehold interest in, or valid contractual, license or other rights to, all of the Assets other than the Leased Real Property, in each case free and clear of all Liens other than Permitted Liens.

(c) Except as set forth on Schedule 3.15(c), no ownership of Assets is evidenced by a certificate of title or similar certificate

(d) All buildings, machinery, equipment, improvements, other Tangible Personal Property and Leased Real Property included as part of the Assets are free from material defects (patent or latent), have been maintained in all material respects in a manner consistent with generally accepted standards of good engineering practice within the television broadcast station industry, are in all material respects in good condition and repair, ordinary wear and tear excepted, are in all material respects suitable for the purposes for which they are presently used and, to Seller's Knowledge, are not in any material respect in need of imminent repair or replacement other than as part of routine maintenance in the Ordinary Course of Business.

3.16 Leased Real Property.

(a) Leases. Seller has delivered to Buyer complete copies of all Real Property Leases (including all renewals, extensions and modifications currently in effect).

(b) All Leases. The Real Property Leases constitute all the real property leases to which Seller is lessee or sublessee and the Leased Real Property is the only real property now leased or owned, respectively, by Seller and used by Seller in the operation of the Stations as the Stations are presently operated. Seller does not own any real property.

(c) Valid Leasehold Interest. With respect to the Real Property Leases, Seller has a valid leasehold interest in the underlying real property, in each case, free and clear of all Liens, except for Permitted Liens and Liens identified in the Real Property Leases or as disclosed on Schedule 3.16(c). With respect to each Real Property Lease, except as otherwise disclosed on Schedule 3.16(c) and subject to the LMA, (i) all accrued and currently payable rents and other payments required thereunder to be paid by Seller have been paid, (ii) neither Seller nor to Seller's Knowledge any other party thereto is in material default under, or in material Breach of, such lease, and (iii) Seller has not given nor received any written (or to Seller's Knowledge, oral) notice of default or termination, and, to Seller's Knowledge, no condition exists and no event has occurred that, with the giving of notice, the lapse of time or the happening of any further event would become a default or permit early termination under any such lease. Except as set forth on Schedule 3.5(a) or Schedule 3.14(a), no third party consent or approval is required for the assignment of the Real Property Leases to Buyer.

3.17 Insurance. A list of all insurance policies covering Seller and the Assets, which list includes the coverage amounts, is set forth on Schedule 3.17.

3.18 Labor, Employment Contracts and Benefit Programs.

(a) No Collective Bargaining Agreements. Except as otherwise provided in the LMA, there are no collective bargaining agreements or written or oral agreements relating to the terms and conditions of employment or termination of employment covering any employees,

consultants or agents of Seller. Except as listed on Schedule 3.18(a), all employees of Seller are employees-at-will.

(b) Employees. Except as otherwise provided in the LMA, the consummation of the Contemplated Transactions will not cause Buyer to incur or suffer any Liability of any Seller Party (or any Liability under any agreement, plan or action entered into, adopted or taken (or failed to be taken) by the Seller) relating to, or obligation of the Seller (or any obligation under any agreement, plan or action entered into, adopted or taken (or failed to be taken) by the Seller) to pay, severance, termination or other payments to any Person or any Liability or obligation of any Seller Party (or any Liability or obligation under any agreement, plan or action entered into, adopted or taken (or failed to be taken) by the Seller) to pay with respect to any Station Benefit Plans.

(c) Employee Benefit Plans. Schedule 3.18(c) lists each non-qualified deferred compensation plan, qualified defined contribution plan, qualified defined benefit plan, “welfare plan” (as defined in Section 3(1) of ERISA), “multiemployer plan” (as defined in Section 3(37) of ERISA), severance pay or other material employee benefit plan or fringe benefit plan or program that Seller maintains or to which Seller contributes (each, a “**Station Benefit Plan**”). There does not now exist, nor do any circumstances exist that would reasonably be expected to result in, any liabilities under (i) Title IV of ERISA, (ii) Section 302 of ERISA, or (iii) Sections 412 and 4971 of the Code, in each case, that would reasonably be expected to be a liability of Buyer following the Closing. Each Station Benefit Plan has at all times been properly administered in substantial compliance with its terms and with the applicable requirements of ERISA, the Code and any other applicable Laws governing such Station Benefit Plan, except for such noncompliance as is not likely to have a Material Adverse Effect. No Station Benefit Plan requires or obligates Buyer to assume the benefits or to have any liability thereunder.

(d) COBRA. Schedule 3.18(d) lists each person who is currently on COBRA continuation coverage, or entitled to elect such coverage, and a true, complete and accurate description of the related premium payments.

3.19 Litigation. Except as set forth on Schedule 3.19, there is no Action pending or, to Seller’s Knowledge, threatened against Seller or the Stations nor is there any valid basis for any such Action. Neither Seller nor the Stations are operating under or subject to, or in default with respect to, any Order applicable to the Stations or the Assets.

3.20 Intangible Property. Seller owns or has licenses to use all material Intangible Property necessary or reasonably desirable in the operation of the Stations as presently operated. Seller has not received any written or, to Seller’s Knowledge, oral notice of any claim of infringement of any third party’s intellectual property rights.

3.21 Brokers. There is no broker or finder or other Person who has any valid claim through Seller against any of the Parties for a commission or brokerage fee or similar payment in connection with this Agreement or the Contemplated Transactions as a result of any agreement of, or action taken by the Seller.

3.22 Conflicting Interests. Other than an equity interest in Seller, no director, officer, equity-holder, owner or general manager of Seller has any financial interest in any Asset,

supplier, advertiser or customer of Seller or in any other business enterprise with which the Stations or Seller engages in business or with which the Stations or Seller is in competition. Attached as Schedule 3.22 is a true and accurate list of all Contracts between Seller and any Affiliate of Seller.

3.23 Matters Arising After the Latest Balance Sheet Date. Except as set forth in Schedule 3.23 and as otherwise provided in the LMA, since the Latest Balance Sheet Date, Seller has operated the Stations in all material respects in the Ordinary Course of Business and no Material Adverse Effect has occurred. Without limiting the generality of the foregoing, except as set forth in Schedule 3.23, between the date of the Latest Balance Sheet Date and the date of this Agreement:

(a) There has not been any material adverse change in the financial condition or business of Seller, uncured default by Seller under the terms of the Real Property Leases;

(b) No Lien has been imposed upon any of the Assets other than Permitted Liens; and

(c) Seller has not issued any note, bond or other debt security or created, incurred, assumed or guaranteed any indebtedness either involving more than \$10,000 individually or \$25,000 in the aggregate.

3.24 FAA Compliance. Seller and the Assets are in material compliance with the rules and regulations of the FAA applicable to the Stations. Seller has made available to Buyer a copy of the most recent tower inspection report of the Stations.

3.25 Bankruptcy. Seller is not currently insolvent or the subject of bankruptcy or any similar proceeding, nor will Seller be rendered insolvent by any of the Contemplated Transactions. As used in this Section 3.25, “insolvent” means that the sum of the probable Liabilities of Seller exceeds the fair present value of Seller’s assets. Seller is not entering into this Agreement or any of the Contemplated Transactions with the intent to defraud, hinder or delay any other party from collecting on a Liability of Seller. Seller represents and warrants that it is selling the Assets for fair value.

3.26 Powers of Attorney. There are no outstanding powers of attorney executed on behalf of the Stations.

3.27 Promissory Note. Seller (a) understands that the Promissory Note has not been, and will not be, registered under the Securities Act, or under any state securities Laws, and is being offered and sold in reliance upon federal and state exemptions for transactions not involving any public offering, (b) is acquiring the Promissory Note solely for Seller’s own account for investment purposes, and not with a view to the distribution thereof, (c) is a sophisticated investor with knowledge and experience in business and financial matters, (d) has received certain information concerning Buyer and has had the opportunity to obtain additional information as desired to evaluate the merits and the risks inherent in holding the Promissory Note, (e) is able to bear the economic risk and lack of liquidity inherent in holding the Promissory Note, and (f) is an “accredited investor” as defined in Regulation D promulgated under the Securities Act.

3.28 Environmental Matters.

- (a) Seller is in material compliance with Environmental Laws;
- (b) Seller holds all material Authorizations necessary for the current use, occupancy or operation of the Stations under applicable Environmental Laws (“***Environmental Permits***”) and all such material Environmental Permits are set forth on Schedule 3.28(b);
- (c) Seller is in material compliance with any such Environmental Permits;
- (d) to Seller’s Knowledge, none of the following exists on the Leased Real Property: (i) under or above-ground storage tanks; (ii) friable asbestos-containing materials; (iii) materials or equipment containing polychlorinated biphenyls; or (iv) landfills, surface impoundments, or disposal areas;
- (e) Hazardous Material have not been Released at, on, in, under or from the Leased Real Property by Seller or, to Seller’s Knowledge, by any other Person;
- (f) Seller has not treated, recycled, stored, disposed of, arranged for or permitted the disposal of, transported, handled, or released any substance, including any Hazardous Materials, or owned or operated any property or facility (and no such property or facility is contaminated by any such substance) in any material manner that has given or would give rise to any damages, including any damages for response costs, corrective action costs, personal injury, property damage or natural resources damages, pursuant to any Environmental Law; and
- (g) Seller has not, either expressly or by operation of Law, assumed or undertaken any Liability, including any obligation for corrective or remedial action, of any other Person relating to Environmental Law with respect to the Stations or the Assets.

3.29 Environmental Studies. To the Seller’s Knowledge, there are no environmental reports, studies or analyses in the possession of Seller relating to the Leased Real Property or the operation of the Stations.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF BUYER

Except as set forth in any applicable section in the Disclosure Schedule and making reference to the particular section or subsection of this ARTICLE 4 to which exception is being taken (subject to Section 12.7), Buyer represents and warrants to the Seller as follows:

4.1 Qualification as a Broadcast Licensee. Buyer is familiar with the Communications Act and the existing rules, regulations and published policies of the FCC. Buyer is legally and financially qualified under the Communications Act and the rules, regulations and published policies of the FCC to acquire the Stations from Seller.

4.2 Status. KUIL License is a limited liability company duly organized, in good standing and validly existing under the Laws of the State of Delaware. KUIL Operating is a

limited liability company duly organized, in good standing and validly existing under the Laws of the State of Delaware. Buyer is (or will be at the Closing) duly authorized to transact business in the State of Texas.

4.3 Authority; Enforceability. Buyer has the requisite power and authority necessary to execute and deliver this Agreement and all ancillary agreements hereto to which it is a party and to perform its obligations under this Agreement and to consummate the Contemplated Transactions. All actions and proceedings necessary to be taken by or on the part of Buyer or its members, if required by applicable Law, in connection with the performance, execution and delivery of this Agreement and the Promissory Note have been duly and validly taken, have not been rescinded and are in full force and effect and this Agreement and the Promissory Note have been duly and validly authorized, executed and delivered by Buyer and constitute the legal, valid and binding obligations of Buyer, Enforceable against Buyer in accordance with and subject to their terms.

4.4 Absence of Litigation. There is no Action pending, or to Buyer's Knowledge, threatened, before or by any Governmental Agency, arbitrator or mediator, that seeks to enjoin or prohibit, or that questions the validity of, or that might materially hinder or impair Buyer's performance of its obligations under this Agreement. To Buyer's Knowledge, there are no Orders of any Governmental Agency, arbitrator or mediator outstanding against Buyer or any of its properties or assets that has had or that reasonably could be expected to have a material adverse effect on Buyer's ability to consummate the Contemplated Transactions.

4.5 Brokers. There is no broker or finder or other Person who would have any valid claim through Buyer against any of the Parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the Contemplated Transactions as a result of any agreement of or action taken by Buyer.

ARTICLE 5

COVENANTS OF SELLER PENDING THE CLOSING

Seller covenants and agrees that, from the date of this Agreement until the earlier to occur of completion of the Closing or termination of this Agreement pursuant to Section 12.1(a) (except for Seller's obligations in Section 5.11, which shall survive the Closing or termination of this Agreement for a period of one (1) year after the date hereof):

5.1 Operations of the Business. Except as otherwise contemplated by the LMA, Seller shall conduct the business of the Stations only in the Ordinary Course of Business. Seller shall operate the Stations in compliance in all material respects with the terms of the Authorizations and all applicable Laws, rules and regulations, including, without limitation, FCC rules and regulations. In addition, Seller shall take all commercially, reasonable action to protect the present digital service area of the Stations, and the digital service area authorized by the FCC Files from increased electrical interference from other stations, existing or proposed, and to maintain carriage of the Stations' signal on all Market MVPD Systems.

Seller shall maintain all Assets in good operating condition and repair in all material respects, ordinary wear and tear excepted. Seller shall maintain in all material respects adequate and usual supplies of office supplies, spare parts and other materials as have been customarily

maintained for the Stations in the past. Seller shall use its commercially reasonable efforts to maintain in effect in all material respects the casualty and liability insurance on the Assets heretofore in force. Seller shall pay all accounts payable in the Ordinary Course of Business.

5.2 Prohibited Actions. Seller shall not, except with the prior written consent of Buyer (not to be unreasonably conditioned, withheld or delayed):

- (a) Sell, lease or transfer or agree to sell, lease or transfer, any Assets;
- (b) Enter into any Material Contract with respect to the Assets;
- (c) Except as otherwise permitted by Section 5.15, enter into any Contracts with any employee or Affiliate of Seller (or any director, officer, shareholder or employee of such Affiliate) with respect to the Stations or the Assets;
- (d) Enter into any Trade Account or Contracts that are prepaid other than in the Ordinary Course of Business;
- (e) (i) Take any action that would result in (y) the Authorizations being materially adversely modified, revoked, suspended, canceled, rescinded or terminated, or (z) a reduction in coverage of the present digital service area and population of the Stations, or of the digital service area and population predicted to be served by the facilities set forth in the FCC Files, or (ii) otherwise make or attempt to make any change in the Authorizations, other than to keep the Authorizations in full force and effect, to secure the FCC Order or as may be required by applicable Law;
- (f) Delay or postpone the payment of accounts payable, performance of Trade Accounts and other Liabilities beyond their due date or accelerate the collection of accounts receivable, in each case other than in the Ordinary Course of Business;
- (g) Except as otherwise permitted by any subsection of this Section 5.2 or Section 5.15, enter into any Contract (or series of related Contracts) or amendment of any Contract involving an aggregate consideration in excess of \$25,000;
- (h) Incur any Funded Indebtedness or issue any securities evidencing Funded Indebtedness;
- (i) Create any Lien on any of the Assets;
- (j) Use or disclose to any Person, except as required by Law or Order and except in the Ordinary Course of Business and subject to obligations of confidentiality, any Confidential Information;
- (k) Change the call letters of the Stations;
- (l) Enter into, modify, amend or extend a Retransmission Consent Agreement to the extent such Retransmission Consent Agreement covers any of the Stations; or

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

5.3 Notice of Certain Matters. Seller shall give Buyer prompt written notice of the occurrence of any of the following:

- (a) an Event of Loss in excess of \$10,000;
- (b) receiving notice (i) of any Order or any Action praying for an Order restraining or enjoining the consummation of this Agreement or the Contemplated Transactions; (ii) from any Governmental Agency of its intention to institute an Action to restrain or enjoin the consummation of this Agreement or the Contemplated Transactions or to nullify or render ineffective this Agreement or the Contemplated Transaction if consummated; or (iii) of the commencement of any Action affecting any of the Authorizations or which could have a Material Adverse Effect, other than Actions of general applicability to the television broadcasting industry that do not have a disproportionate impact on the Stations;
- (c) any material violation by Seller or any of the Stations of any federal, state or local Law;
- (d) any notice received by Seller alleging breach or default by Seller of any Material Contract or any notice received by Seller of termination of any Material Contract;
- (e) if Seller discovers that any of its representations and warranties contained in ARTICLE 3 was untrue or inaccurate in any material respect, in which case in any respect as of the date of this Agreement; or
- (f) any other materially adverse developments with respect to the business or operations of the Station, including the loss of carriage or change in channel position on any Market MVPD System in the Station's DMA and the cessation of broadcasting or reduction by the Stations of its authorized power for more than twenty-four (24) consecutive hours.

5.4 Consents. Seller shall use commercially reasonable efforts to promptly obtain and deliver to Buyer prior to or at the Closing the Consent of any third Person required under any Contract listed on Schedule 3.5(a) or Schedule 3.14(a) or the Contract Schedules to assign any such Contract from Seller to Buyer, including providing adequate notice of the assignment where applicable. Schedule 5.4 lists all Contracts that the Parties have agreed are material to the operations of the Stations and that require Consents from third party Persons in connection with the Contemplated Transactions (a "**Material Consent**"). Buyer shall not be obligated to accept the assignment of any Contract or any Liability under such Contract for which a Material Consent is not obtained and, if such Consent is obtained after the Closing, Buyer will assume Liability under such Contract only when such Consent is obtained and only if Buyer is placed in substantially the same the position it would have been in if the Consent had been obtained before the Closing.

5.5 Notice of Proceedings. Seller will promptly notify Buyer in writing upon the commencement of any proceeding or litigation at Law or in equity or admiralty or before the FCC or any other commission, agency or administrative or regulatory body or authority involving any of the Authorizations.

5.6 Commercially Reasonable Efforts. Subject to the provisions of Section 12.1(a), Seller shall use commercially reasonable efforts to cause the conditions in Section 8.4 and in ARTICLE 9 to be satisfied.

5.7 Application for FCC Order. As promptly as practicable after the date of this Agreement, and in no event later than thirty (30) days after the execution of this Agreement, Seller and Buyer shall cause to be filed applications with the FCC requesting the FCC Order (“**FCC Applications**”) with respect to the Stations. Seller and Buyer shall use commercially reasonable efforts to take all steps that are proper, necessary or desirable to expedite the preparation of the FCC Applications and its prosecution to a favorable conclusion. Each Party shall promptly provide the other with a copy of any material pleading, order or other document served on such Party relating to the FCC Applications. Seller and Buyer shall furnish all information required by the FCC. Seller and Buyer will use their respective commercially reasonable efforts to oppose any petitions to deny or other objections that may be filed with respect to the FCC Applications and any requests for reconsideration or review of the FCC Order, *provided, however*, that neither Buyer nor Seller shall have any obligation to participate in any evidentiary hearing on any FCC Applications. Neither Seller nor Buyer will take any action that it knows or should know would adversely affect or delay the grant of FCC Order, or adversely affect or delay the FCC Order becoming Final. If the Closing occurs hereunder without the FCC Order and any required extension of the terms thereof becoming Final, then the Parties’ obligations under this Section 5.7 shall survive the Closing until the FCC Order and all such consents and extensions become Final. Buyer and Seller shall each pay their respective fees and expenses with respect to the FCC Applications and legal expenses related to any objection thereto.

5.8 FCC Reports/FCC Compliance. Within ten (10) days after each such report has been filed, Seller will furnish Buyer with a copy of any reports filed with the FCC by Seller with respect to the Station.

5.9 Publicity. Seller shall publish and broadcast a public notice concerning the filing of the FCC Applications in accordance with the requirements of Section 73.3580 of the FCC’s rules. As to any other announcement, neither Seller nor any of its Affiliates shall issue or cause the publication of any press release or any other public statement or any correspondence or other communication with respect to the execution and Closing of this Agreement, except as and to the extent that Seller shall be obligated by Law or Order, in which case Buyer shall have had the prior opportunity to review and comment thereon and such release or statement has been consented to by such party.

5.10 Exclusivity. Seller will not during the duration of this Agreement, nor will it authorize or permit any of its Representatives or Affiliates to (i) solicit, initiate, or encourage the submission of any proposal or offer from any Person relating to the acquisition of any of the voting securities, or any portion of the assets of Seller (including any acquisition structured as a merger, consolidation, or share exchange), (ii) entertain or participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do, seek or offer any of the foregoing, or (iii) enter into any agreement or understanding, whether written or oral, that would prevent the consummation of the Contemplated Transactions. Seller will promptly notify Buyer

if any Person attempts to initiate discussions or makes any proposal, offer, inquiry, or contact with respect to any of the foregoing.

5.11 Confidentiality. Any and all Confidential Information regarding Buyer, LBC and their respective operations disclosed to or otherwise obtained by Seller or its Representatives pursuant to or in connection with this Agreement, shall be kept confidential and shall not be divulged, disclosed or communicated to any other Person, except in connection with FCC filings or as required by Law and to Seller's Representatives for the purpose of consummating the Contemplated Transactions and Seller shall be responsible for any breach of confidentiality by Seller or its Representatives. If this Agreement is terminated before Closing, Seller shall return promptly any Confidential Information obtained regarding Buyer and LBC and Seller shall instruct its Representatives also to return any such information.

5.12 Charges, Fees, and Prepayment Obligations. Seller will use commercially reasonable efforts to ensure that no sums are owed or payable by Buyer to any Person in the nature of a transfer charge or processing fee with respect to the assignment and assumption of any Contracts of Seller as a result of the Contemplated Transactions which have not been disclosed to Buyer on Schedule 5.12.

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

5.14 Governmental Authorizations. On the Closing Date, Seller will hold the Authorizations from the FCC to operate the Stations. All such Authorizations will be in full force and effect and none of the Authorizations will be subject to any conditions outside the ordinary course (other than conditions appearing on the face of such Authorizations). Except as set forth on Schedule 3.10, no qualifications, registrations, filings, privileges, franchises, licenses, permits, approvals or authorizations, other than the Authorizations and those as set forth on Schedule 3.10, will be required in order for Seller to own and operate the Stations in the manner operated prior to the Closing. Except as set forth on Schedule 3.10, the Stations will have complied in all material respects with the FCC rules, regulations and policies concerning limits on the duration of advertising in children's programming, satisfaction of obligations with respect to children's programming responsive to the educational and informational needs of children, and the record keeping obligations related thereto.

5.15 Conveyance of Vehicle. On or prior to the Closing Date, Seller will consummate the purchase of the vehicle listed on Schedule 3.15(c) from Dyer Langley LLC on terms reasonably satisfactory to Buyer.

ARTICLE 6

COVENANTS OF BUYER PENDING THE CLOSING

Buyer covenants and agrees (and Seller covenants and agrees with respect to its express covenants and agreements set forth in Section 6.3) that from the date of this Agreement until the earlier to occur of completion of the Closing or termination of this Agreement pursuant to Section 12.1(a):

6.1 Commercially Reasonable Efforts.

(a) Subject to the provisions of Section 12.1(a), Buyer shall use commercially reasonable efforts to cause the conditions in ARTICLE 8 to be satisfied.

6.2 Notice of Certain Matters. Buyer shall give Seller prompt written notice of the occurrence of any of the following:

(a) Upon receiving notice (i) of any Order or any Action praying for an Order restraining or enjoining the consummation of this Agreement or the Contemplated Transactions; or (ii) from any Governmental Agency of its intention to institute an Action to restrain or enjoin the consummation of this Agreement or the Contemplated Transactions or to nullify or render ineffective this Agreement or the Contemplated Transaction if consummated;

(b) any material violation by Buyer of any federal, state or local Law which would reasonably be expected to have a Material Adverse Effect; or

(c) if Buyer discovers that any of its representations and warranties contained in ARTICLE 4 was untrue or inaccurate in any material respect as of the date of this Agreement.

6.3 Consents. Buyer shall reasonably cooperate with Seller in obtaining the Consent any third Person required under any Contract listed on Schedule 3.5(a) or Schedule 3.14(a) to assign any such Contract from Seller to Buyer.

6.4 Control Prior to Closing. Between the date hereof and the Closing Date, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct, the operation of the Stations. Such operation, including complete control and supervision of all programs, employees and policies, shall be the sole responsibility of Seller.

6.5 Confidentiality. Any and all Confidential Information regarding Seller and its respective operations disclosed to or otherwise obtained by Buyer or its Representatives pursuant to or in connection with this Agreement, shall be kept confidential and shall not be divulged, disclosed or communicated to any other Person, except in connection with FCC filings or as required by Law and to Buyer's Representatives for the purpose of consummating the Contemplated Transactions and Buyer shall be responsible for any breach of confidentiality by Buyer or its Representatives. If this Agreement is terminated before Closing, Buyer shall return promptly any Confidential Information obtained regarding Seller and Buyer shall instruct its Representatives also to return any such information.

ARTICLE 7 POST-CLOSING COVENANTS

7.1 Litigation Support. So long as any Party is actively contesting or defending against any Action by a third party in connection with (a) the Contemplated Transactions (other than Actions amongst the Parties) or (b) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving the Station, each other Party will cooperate in all commercially reasonable respects with such requesting Party and such Party's counsel in the contest or defense, in each case at the sole cost and expense of the contesting or defending Party (unless the contesting or defending Party or one of its Affiliates or their respective Representatives is entitled to indemnification therefor under ARTICLE 11).

7.2 FCC Compliance. After the Closing Date, to the extent not already provided under this Agreement, Seller shall furnish to Buyer all information in Seller's possession required of Buyer by the FCC relating to the operation of the Stations prior to the Closing Date.

7.3 Taxes.

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

(b) Any sales Tax attributable to the sale or transfer of the Assets will be paid by Seller.

7.4 Employees and Station Benefit Plans.

(a) Salaries and Benefits. Buyer will not be hiring any Active Employees and Seller will be responsible for (A) the payment of all wages and other remuneration due to employees listed on Schedule 7.4(a) ("**Active Employees**") with respect to their services as employees of Seller, including pro rata bonus payments and all vacation pay earned; (B) the payment of any termination or severance payments and the provision of health plan continuation coverage to any "M&A qualified beneficiaries" (within the meaning of Section 54.4980B-9, Q&A-4 of the Treasury Regulations) in accordance with the requirements of Sections 601 through 608 of ERISA and Sections 54.4980B-1 through -10 of the Treasury Regulations; and (C) any and all payments to employees required under the Worker Adjustment and Retraining Notification Act for termination of employees through the Closing Date.

(b) The Station Benefit Plans. Seller will retain sole responsibility for benefits attributable to claims made by the Active Employees (or their dependents) under the Station Benefit Plans.

(c) No Transfer of Assets. Neither Seller nor any ERISA Affiliate of Seller will make any transfer of any Station Benefit Plan assets to Buyer.

(d) General Employee Provisions.

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

(ii) In addition to the limitations of Section 13.9, the covenants set forth in this Section 7.4 are for the sole benefit of the Parties and no rights, compensation or benefits are conferred by this Section 7.4 on any other Person.

ARTICLE 8
CONDITIONS TO THE OBLIGATIONS OF SELLER

The obligations of Seller to consummate the Contemplated Transactions are, at its option, subject to the fulfillment of the following conditions before or on the Closing Date:

8.1 Representations, Warranties and Covenants.

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

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

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

8.2 No Injunction; Absence of Investigation and Proceedings.

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

(b) No Investigation and Proceedings. No Action shall be pending before any Governmental Agency in which it is sought to restrain or prohibit, or obtain damages or other relief in connection with, this Agreement or the consummation of the Contemplated Transactions.

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

8.4 Authorizations. The FCC Order shall have been granted without any condition materially adverse to Seller, shall be effective and shall have become Final and the Parties shall have obtained all other Permits necessary in connection with the Closing and such Permits shall be effective.

8.5 Guaranty.

LBC shall have executed and delivered to Seller a guaranty with respect to the Promissory Notes in substantially the form of Exhibit G (the “*Guaranty*”). Seller acknowledges and agrees that the Guaranty is subject to the approval of the Senior Lender and, in connection therewith, is subject to change in commercially reasonable respects required by the Senior Lender.

If any of the conditions set forth in this ARTICLE 8 have not been satisfied, Seller may nevertheless waive such condition (other than the effectiveness of the FCC Order which condition cannot be waived), but only in writing, and proceed with the consummation of the Contemplated Transactions, but any such waiver shall not relieve Buyer of any of its obligations under ARTICLE 11 hereof.

ARTICLE 9 CONDITIONS TO THE OBLIGATIONS OF BUYER

The obligations of Buyer to consummate the Contemplated Transactions are, at its option, subject to the fulfillment of the following conditions before or on the Closing Date:

9.1 Representations, Warranties and Covenants.

(a) Representations True. Each of the representations and warranties of the Seller contained in this Agreement shall have been true and correct in all material respects as of the date of this Agreement and as of the Closing Date, as applicable (as though made on the Closing Date with the Closing Date substituted for the date of this Agreement throughout ARTICLE 3) (except with respect to any provisions including the word “material” or words of similar import, with respect to which such representations and warranties must have been true and correct in all respects);

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

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

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

9.2 No Injunction; Absence of Investigation and Proceedings.

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

(b) No Investigation and Proceedings. No Action shall be pending before any Governmental Agency in which it is sought to restrain or prohibit, or obtain damages or other relief in connection with, this Agreement or the consummation of the Contemplated Transactions.

9.3 Liens Released.

(a) All Liens pertaining to the Assets shall be released of record and there shall be no Liens in respect of the Assets, except Permitted Liens and Liens resulting from actions of Buyer or any of its respective financing sources for the Contemplated Transactions.

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

9.5 Authorizations. The FCC Order shall have been granted without any condition materially adverse to Buyer other than those generally applicable to assignees of authorizations such as the FCC Authorizations, shall be effective and shall have become Final (*provided* that Buyer may, in writing, waive the condition that the FCC Order has become Final) and the Parties shall have obtained all other Permits necessary in connection with the Closing and such Permits shall be effective.

9.6 Material Consents. Seller shall have obtained all Material Consents without any adverse change in the terms of the Contract with respect to which such Consent has been given except those approved by Buyer in writing. Any material authorizations, consents or approvals of any and all Governmental Agencies necessary in connection with the Closing shall have been obtained and be in full force and effect. All network affiliation agreements shall be in full force and effect.

9.7 Possession; Instruments of Conveyance and Transfer. Seller shall have delivered to Buyer such other documents as shall be effective to vest in Buyer good and marketable title to the Assets and Tangible Personal Property and Real Property Leases as contemplated by this Agreement.

9.8 Material Adverse Effect. There shall not have occurred any change, event or development that, individually or in the aggregate, has had or is reasonably likely to have a Material Adverse Effect.

If any of the conditions set forth in this ARTICLE 9 have not been satisfied, Buyer may nevertheless waive such condition (other than the effectiveness of the FCC Order which

condition cannot be waived), but only in writing, and proceed with the consummation of the Contemplated Transactions, but any such waiver shall not relieve Seller of any of its obligations under ARTICLE 11 hereof.

9.9 Termination of LMA.

The LMA shall be terminated and no longer in force and effect except for those sections that survive termination.

9.10 Termination of Call Option Agreement.

That certain Call Option Agreement, dated as of November 4, 2009, by and among Seller and KBMT Operating Company, LLC, shall be terminated and no longer in force and effect.

9.11 Subordination Agreement.

Seller shall have executed and delivered a subordination agreement in a form reasonably satisfactory to Buyer and the Senior Lender (the “***Subordination Agreement***”), whereby Seller’s rights and claims with respect to the Promissory Note, Guaranty and any related loan documents are subordinated to the rights and claims of the Senior Lender.

ARTICLE 10
ITEMS TO BE DELIVERED AT THE CLOSING

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

(a) Instruments of Transfer. (i) A bill of sale for all Tangible Personal Property in the form of Exhibit A, (ii) an assignment of all the Assets that are intangible personal property in the form of Exhibit B, which assignment shall also contain Buyer’s undertaking and assumption of the Assumed Liabilities (the “***Assignment and Assumption Agreement***”), an assignment and assumption of lease for each Real Property Lease in such forms as shall be mutually agreed upon by the Parties (collectively, the “***Assignment and Assumption of Lease***”), and (iv) such certificates of title, endorsements, and other sufficient instruments of sale, conveyance, transfer and assignment, in form and substance reasonably satisfactory to Buyer, sufficient to sell, convey, transfer and assign to Buyer all right, title and interest of Seller in and to the Assets;

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

(c) Seller’s Compliance Certificate. the certificate referred to in Section 9.1(c);

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

(e) Estoppel Certificates. to the extent not included in any Consent received by Seller, Landlord estoppel certificates concerning the Leased Real Property in form and substance reasonably satisfactory to Buyer.

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

(g) Evidence of Satisfaction of Certain Conditions. documents evidencing the satisfaction of the conditions set forth in Sections 9.3, 9.5 and 9.6 in form and substance reasonably satisfactory to Buyer;

(h) Certificates of Title. At the Closing, certificates of title or origin (or like documents) with respect to any vehicles or other equipment included in the Assets for which a certificate of title or origin evidences title, together with properly completed assignments of such vehicles or other equipment to Buyer; and

(i) FIRPTA Certificate. a non-foreign affidavit, substantially in the form of Exhibit E, dated as of the Closing Date, sworn under penalty of perjury, duly executed by or on behalf of Seller, in form and substance required under Code Section 1445 and Treasury Regulation Section 1.1445-2 stating that Seller is not a “foreign person” as defined in Code Section 1445

(j) Subordination Agreement. The Subordination Agreement, duly executed by Seller.

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

(a) Payment of Purchase Price. the Purchase Price, in the form of the Promissory Note;

(b) Assumption Agreements. the Assignment and Assumption Agreement, the Assignment and Assumption of Lease and such other instruments of assumption of the Assumed Liabilities, in form and substance reasonably satisfactory to Seller, sufficient to effect Buyer’s assumption of all Assumed Liabilities;

(c) Resolutions. certified copies of resolutions, duly adopted by the member of Buyer, which shall be in full force and effect at the time of the Closing authorizing the execution, delivery and performance of this Agreement and the consummation of the Contemplated Transactions by Buyer;

(d) Buyer’s Compliance Certificate. the certificate referred to in Section 8.1(c);

(e) Officer’s Certificate. an Officer’s Certificate, in the form of Exhibit F, duly executed on Buyer’s behalf;

(f) Guaranty. The Guaranty, duly executed by LBC; and

(g) LBC Financials. A copy of the most recent unaudited monthly balance sheet and income statement of LBC that is available.

ARTICLE 11

SURVIVAL; INDEMNIFICATION

11.1 Survival.

(a) All representations and warranties contained in this Agreement or in any certificate delivered pursuant to Section 8.1(c) or Section 9.1(c) and the indemnification obligations with respect thereto shall survive the Closing until one (1) year after the Closing Date (the “**General Survival Period**”). Notwithstanding the preceding sentence, any intentional misrepresentation and the representations and warranties contained in Sections 3.1 (Corporate Status) and 3.3(a) (Authority) and the indemnification obligations with respect thereto shall survive in perpetuity, and the representations and warranties contained in Sections 3.9 (Taxes), 3.15(a) (Sufficiency of Assets), 3.15(b) (Title to Assets), 3.28 (Environmental Matters), 3.29 (Environmental Studies) (collectively, “**Excluded Representations**”) and the indemnification obligations with respect thereto shall survive the Closing until the expiration of the limitations period under applicable Law.

(b) All covenants and agreements contained herein which by their terms impose obligations following the Closing shall survive the Closing and remain in full force and effect in accordance with their terms. All covenants and agreements contained herein which by their terms contemplate full performance at or prior to Closing shall survive the Closing for the General Survival Period.

(c) If a Deficiency is asserted by either Party pursuant to Section 11.3 before the expiration of the General Survival Period or, with respect to the Excluded Representations, before the expiration of the limitations period under applicable Law, such asserted Deficiency shall survive until the assertion of such Deficiency has been finally resolved as provided below.

11.2 Indemnification.

(a) Indemnification by Seller. Subject to the limitations set forth in this ARTICLE 11, Seller (an “***Seller Indemnifying Party***”) shall hold harmless and indemnify Buyer, their respective Representatives and Affiliates, and its successors and assigns (the “***Buyer Indemnitees***”) from, against and in respect of any and all Deficiencies sustained by Buyer Indemnitees (whether or not resulting from third party claims), directly or indirectly, and arising out of, related to, in the nature of, caused by, based on or resulting from:

(i) Any breach by the Seller of any of its representations or warranties contained in this Agreement or in any certificate delivered pursuant to Section 9.1(c);

(ii) Any breach of, or failure to perform, any covenant, obligation or agreement of the Seller contained in this Agreement;

(iii) Any failure by Seller to pay or discharge any Excluded Liability or any other Liability of Seller and Seller Indemnitees, direct or contingent, that is not an Assumed Liability;

(iv) Any and all Actions, assessments and Orders and all reasonable fees, costs and expenses of any kind, related or incident to any breach or failure described in Sections 11.2(a)(i), 11.2(a)(ii), 11.2(a)(iii), 11.2(a)(v) or 11.2(a)(vi) (including, without limitation, any and all Legal Expenses);

(v) Any Action or Order resulting from Seller's operation of the Stations before the Effective Time; or

(vi) Any Deficiencies to the extent arising out of or resulting from any Excluded Asset or Excluded Liability;

provided, however, that there shall be an aggregate ceiling (the "***Ceiling***") on the obligation of Seller to indemnify the Buyer Indemnitees from and against Deficiencies resulting from the breach of any representations and warranties by Seller in an aggregate amount equal to the Purchase Price.

(b) Indemnification by Buyer. Subject to the limitations set forth in this ARTICLE 11, Buyer (an "***Buyer Indemnifying Party***") shall hold harmless and indemnify Seller, its Representatives and Affiliates, and their respective successors and assigns (collectively, the "***Seller Indemnitees***") from, against and in respect of any and all Deficiencies sustained by Seller Indemnitees (whether or not resulting from third party claims), directly or indirectly, and arising out of, related to, in the nature of, caused by, based on or resulting from:

(i) Any breach by Buyer of any of its representations or warranties contained in this Agreement or in any certificate delivered pursuant to Section 8.1(c);

(ii) Any breach of, or failure to perform, any covenant, obligation or agreement of Buyer contained in this Agreement or the Promissory Note;

(iii) Any failure by Buyer to pay or discharge any Assumed Liability;

(iv) Any and all Actions, assessments and Orders and all fees, costs and expenses of any kind, related or incident to any of any breach or failure described in Sections 11.2(b)(i), 11.2(b)(ii) or 11.2(b)(iii) (including, without limitation, any and all Legal Expenses); or

(v) Any Action or Order resulting from Buyer's operation of the Stations after the Effective Time;

provided, however, that there shall be an aggregate ceiling on the obligation of Buyer to indemnify the Seller Indemnitees from and against Deficiencies in an aggregate amount equal to the Purchase Price (in furtherance of, and not in limitation of, the provisions of Section 12.1(b)).

11.3 Procedures for Establishment of Deficiencies.

(a) Claim Asserted. In the event that any claim ("***Indemnification Claim***") shall be asserted by any third party against Buyer Indemnitees or Seller Indemnitees (Buyer Indemnitees or Seller Indemnitees, as the case may be, hereinafter, the "***Indemnitees***"), which, if sustained, would result in a Deficiency, as the case may be, then the Indemnitees promptly shall

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

(b) Notice. In the event that the Indemnitees assert the existence of any Deficiency against the Indemnifying Party, such Indemnitees shall give written notice to the Indemnifying Party of the nature and amount of the Deficiency asserted. If the Indemnifying Party within a period of 30 days after the giving of the Indemnitees' notice, shall not give written notice to the Indemnitees announcing its intent to contest such assertion of the Indemnitees (such notice by the Indemnifying Party being hereinafter referred to as the "***Contest Notice***"), such assertion of the Indemnitees shall be deemed accepted and the amount of the Deficiency shall be deemed established. In the event, however, that a Contest Notice is given to the Indemnitees within such 30-day period, then the contested assertion of a Deficiency shall be resolved through binding arbitration pursuant to Section 12.5.

11.4 Payment of Deficiencies. The Indemnifying Party hereby agrees to pay the amount of established Deficiencies within thirty (30) days after the establishment thereof. The amount of established Deficiencies shall be paid in cash.

Buyer will have the option of setting off all or any part of any established Deficiencies that are subject to indemnification by Seller pursuant to Section 11.2(a) by notifying Seller that Buyer is reducing the principal amount outstanding under the Promissory Note by the amount of such Deficiencies. If Buyer exercises its setoff rights in compliance with the immediately preceding sentence, the timing and amount of payments required under the Promissory Note will

be affected in the same manner as if Buyer had made a permitted prepayment (without premium or penalty) thereunder. Buyer's exercise of its setoff rights in compliance with this Section 11.4 will not constitute an event of default under the Promissory Note.

11.5 Other Indemnification Provisions.

(a) THE INDEMNIFICATION PROVIDED IN THIS ARTICLE 11 WILL BE APPLICABLE WHETHER OR NOT THE SOLE, JOINT, OR CONTRIBUTORY NEGLIGENCE OF THE INDEMNIFIED PARTY IS ALLEGED OR PROVEN. THE PARTIES AGREE THE PRECEDING SENTENCE IS COMMERCIALY CONSPICUOUS. Each Indemnatee's rights and remedies set forth in this Agreement will survive the Closing for the periods specified in Section 11.1 and will not be deemed waived by consummation of the Contemplated Transactions.

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

(c) The remedies provided in ARTICLE 11 shall be deemed the sole and exclusive remedies of the Parties with respect to this Agreement and the Contemplated Transactions after the Closing, except for any equitable relief to which any Party may be entitled or in the case of fraud, and no Party shall pursue or seek to pursue any other remedy.

ARTICLE 12 MISCELLANEOUS

12.1 Termination of Agreement; Effect of Termination.

(a) Termination. This Agreement may be terminated in writing at any time on or before the Closing Date:

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

(ii) in writing by either Party hereto with respect to the provisions of this Agreement concerning the Assets if the Closing Date has not occurred on or before the date that is twelve (12) months after the FCC Applications are tendered for filing with the FCC; *provided, however*, that such right to terminate the provisions of this Agreement concerning the Assets shall not be available to any Party whose failure to perform in any material respect any obligation of such Party under this Agreement when performance thereof was due is the cause of the delay;

(iii) in writing by Buyer if any of the conditions set forth in ARTICLE 9 shall become incapable of being satisfied (other than through the failure of Buyer to comply with its obligations under this Agreement);

(iv) in writing by Seller if any of the conditions set forth in ARTICLE 8 shall become incapable of being satisfied (other than through the failure of Seller to comply with its obligations under this Agreement);

(v) in writing by Buyer, *provided* Buyer is not then in material breach of any provisions hereunder, if Seller has failed to cure to Buyer's reasonable satisfaction a material breach of its representations, warranties or covenants under this Agreement within twenty (20) calendar days after it receives notice from Buyer of such breach;

(vi) in writing by Seller, *provided* Seller is not then in material breach of any provisions hereunder, if Buyer has failed to cure to Seller's reasonable satisfaction a material breach of its representations, warranties or covenants under this Agreement within twenty (20) calendar days after it receives notice from Seller of such breach; or

(vii) by written notice of Buyer to Seller if there shall have been a material adverse change in the financial condition, Liabilities, assets, or results of operation of Seller or the Station, including, without limitation, a default under the terms of any Contract which could permit the acceleration of any material amounts due thereunder or termination thereof.

(b) Effect of Termination. If this Agreement is terminated pursuant to Section 12.1(a), this Agreement shall thereupon become void and have no effect, the Contemplated Transactions with respect to the Assets shall be abandoned without further action by the Parties and all further obligations of the Parties hereunder shall terminate, except that the obligations and agreements of the Parties in this Section 12.1(b), Sections 5.11, 12.3, 12.5, 12.5, 12.8, and in ARTICLE 13 shall survive such termination.

12.2 Specific Performance. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with its terms and that the Parties shall be entitled, without posting a bond or similar indemnity, to an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof, in addition to any other remedy to which the Parties are entitled at law or in equity.

12.3 Expenses. Except as expressly set forth herein, each Party shall bear all of its respective fees and expenses incurred in connection with the preparation, negotiation, execution and performance of this Agreement and the Contemplated Transactions, including without limitation all fees and expenses of its Representatives.

12.4 Further Assurances. From time to time before, on and after the Closing Date, each Party hereto will execute all such instruments and take all such actions as any other Party, being advised by counsel, shall reasonably request, without payment of further consideration, in connection with carrying out and effectuating the intent and purpose hereof and all Contemplated Transactions including, without limitation, the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered on the Closing Date and any and all actions which may reasonably be necessary or desirable to complete the Contemplated Transactions.

12.5 Arbitration; Choice of Jurisdiction. If a controversy should arise in the performance, interpretation or application of this Agreement, either Party may serve on the other a written notice stating that such Party desires to have the controversy reviewed by an arbitrator. If the Parties cannot agree within fifteen (15) Business Days from the service of such notice on

the selection of such arbitrator, an arbitrator shall be selected or designated by the American Arbitration Association. Arbitration of such controversy, disagreement or dispute shall be conducted in accordance with the Commercial Arbitration Rules then in force of the American Arbitration Association and the decision and award of the arbitrator so selected shall be binding on the Parties. The arbitration will be held in Dallas, Texas. The cost of any such arbitration shall be shared equally by the Parties; *provided* that the arbitrator shall be authorized to enter as part of the award to any Party an amount equal to such Party's attorney's fees and other costs related to the arbitration. Except as provided by the arbitrator, each Party shall pay its own costs incurred as a result of its participation in any such arbitration. The provisions of this paragraph shall not affect any Party's right to terminate this Agreement. Except as specifically provided in this paragraph, any arbitrator shall have no authority to award punitive damages or any other damages not measured by the prevailing Party's actual damages, and may not make any ruling, finding or award that does not conform to the terms of this Agreement. Any controversy or claim arising out of or related to this Agreement which the Parties are unable to resolve and which is not requested to be arbitrated as set forth above shall be submitted to the state or federal courts located in the State of Texas which shall be the sole forums for the resolution of all disputes hereunder, to the jurisdiction of which both Parties submit.

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

12.7 Disclosure Schedule.

(a) The information in the Disclosure Schedule constitutes (i) exceptions to particular representations and warranties as set forth in this Agreement or (ii) descriptions or lists of assets and liabilities and other items referred to in this Agreement.

(b) The statements in the Disclosure Schedule relate only to the representations and warranties in the Section or subsection of this Agreement to which they expressly relate and not to any other representation or warranty in this Agreement, except to the extent that its relation to other representations and warranties is reasonably apparent from the face of such statement.

12.8 Joint and Several Liabilities of Buyer. KUIL Operating and KUIL License shall, jointly and severally, be liable for all Liabilities of Buyer under this Agreement.

ARTICLE 13

GENERAL PROVISIONS

13.1 Successors and Assigns. Except as otherwise expressly provided herein, this Agreement shall be binding on and inure to the benefit of the Parties hereto, and their respective representatives, successors and assigns. Seller may not assign any of its rights or delegate any of its duties hereunder without the prior written consent of Buyer. Buyer may otherwise freely assign some or all of its rights and obligations hereunder to (i) any entity controlled by or under common control with Buyer or (ii) after the Closing, a subsequent purchaser of the Stations or of all or substantially all of the Assets, or in connection with a merger of Buyer and/or its Affiliates; *provided, however*, that any such assignment by Buyer pursuant to clause (i) or (ii) above shall not relieve Buyer of any of its obligations hereunder. With respect to any permitted assignment hereunder, the Parties shall take such reasonable actions, at the sole cost and expense of the assigning party, necessary to effectuate such assignment, including but not limited to cooperating in any appropriate filings with the FCC or other Governmental Agencies.

13.2 Amendments; Waivers. The terms, covenants, representations, warranties and conditions of this Agreement may be changed, amended, modified, waived, discharged or terminated (and thus considering binding) only by a written instrument executed by the Party waiving compliance. The failure of any Party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such Party at a later date to enforce the same. No waiver by any Party of any condition or the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement, unless otherwise expressly provided.

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

(a) If to Seller, then to:

Lester Langley, Jr.
205 West College Street
Lake Charles, LA 70605
Office Number: (337) 477-2827

And

Thomas G. Henning
127 W. Broad Street, Suite 400
Lake Charles, LA 70601
Office Number: (337) 493-7290
Fax Number: (337) 493-7210

with a copy (which shall not constitute notice), given in the manner prescribed above, to:

James A. Koerner
11913 Grey Hollow Court
North Bethesda, MD 20852
Office Number: (301) 468-3336
Fax Number: (301) 468-3343

(b) If to Buyer, then to:

KUIL Operating Company, LLC
5052 Addison Circle
Addison, TX 75001
Office Number: (214) 812 9600
Fax Number: (214) 812 9625
Attention: Terry London

with a copy (which shall not constitute notice), given in the manner prescribed above, to:

Akin Gump Strauss Hauer & Feld LLP
1700 Pacific Avenue, Suite 4100
Dallas, TX 75201
Facsimile: 214-969-4343
Attention: James A. Deeken

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

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

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

13.6 Entire Agreement. This Agreement (including the Disclosure Schedule, the other Schedules hereto and the documents delivered hereunder) constitutes the full and entire understanding and agreement among the Parties with regard to its subject matter, and supersedes all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof.

13.7 Execution: Counterparts and Facsimile. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

13.8 Construction. Any reference to any federal, state, local, or foreign Law will be deemed also to refer to such Law as amended and all rules and regulations promulgated thereunder, unless the context requires otherwise. The words “include,” “includes,” and “including” will be deemed to be followed by “without limitation.” Pronouns in masculine, feminine, and neuter genders will be construed to include any other gender, and words in the singular form will be construed to include the plural and vice versa, unless the context otherwise requires. The words “this Agreement,” “herein,” “hereof,” “hereby,” “hereunder,” and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. “Articles” and “Sections” refer to the corresponding Articles and Sections of this Agreement and the Disclosure Schedule.

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

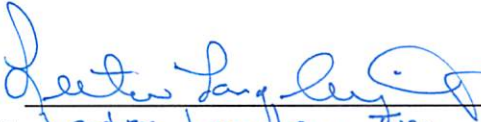
13.10 Severability. The provisions of this Agreement will be deemed severable and the invalidity or unenforceability of any provision will not affect the validity or enforceability of the other provisions hereof; *provided* that if any provision of this Agreement, as applied to any Party or to any circumstance,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

[SIGNATURE PAGE FOLLOWS]

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

SELLER:

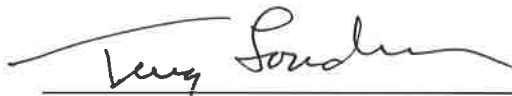
BLUEBONNET COMMUNICATIONS LLC

By: 
Name: Lester Langley, Jr.
Title: Treasurer

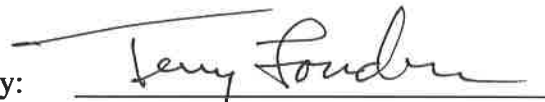
*Signature Page to
Asset Purchase Agreement*

BUYER:

KUIL OPERATING COMPANY, LLC

By: 
Name: Terry London
Title: President

KUIL LICENSE COMPANY, LLC

By: 
Name: Terry London
Title: President

