

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made and entered into this 11th day of January, 2012, by Liberman Broadcasting of Houston License LLC and Liberman Broadcasting of Houston LLC, each a Delaware limited liability company (collectively, “**Seller**”), on the one hand, and KSBJ Educational Foundation, Inc., a Texas non-profit organization (“**Buyer**”), on the other.

WITNESSETH:

WHEREAS, Seller owns certain assets used or held for use in connection with the operation of radio station KNTE-FM, (96.9 FM, El Campo, Texas) (the “**Station**”) and Seller desires to sell and assign to Buyer the Station and certain related assets, including the licenses, permits and other authorizations issued to Seller by the Federal Communications Commission (the “**FCC**” or “**Commission**”) for or in connection with the operation of the Station, including any and all assignable pending applications therefor (the “**FCC Licenses**”); and

WHEREAS, Buyer desires to acquire the FCC Licenses, and Buyer desires to acquire from Seller some of the other assets relating to the Station; and

WHEREAS, the FCC Licenses may not be assigned to Buyer without the prior written consent of the Commission.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the Parties, intending to be legally bound, agree as follows:

ARTICLE I DEFINITIONS

1.1 Definitions. Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

“**Agreement**” means this Asset Purchase Agreement, and references to “**Articles**,” “**Sections**,” “**Schedules**” and “**Exhibits**” are to the Articles and Sections of this Agreement and to the Schedules and Exhibits attached hereto.

“**Assignment Application**” means the application which Seller and Buyer will join in and file with the Commission requesting its written consent to the assignment of the FCC Licenses from Seller to Buyer.

“**Buyer**” has the meaning set forth in the first paragraph of this Agreement.

“**Closing**” means the consummation of the sale and purchase of the Purchased Assets provided for in this Agreement. The Closing shall take place on or before the fifth business day after the Final Order Day or on such other day after the Initial Grant as Buyer and Seller may mutually agree, subject to the satisfaction or waiver of the conditions set forth in Article VIII below.

“**Closing Date**” means the date on which the Closing is to occur.

“**Closing Place**” means such place mutually agreed to in writing by the Parties.

“**Commission**” has the meaning set forth in the recitals hereto.

“**Communications Act**” means the Communications Act of 1934, as amended, or any successor statute or statutes thereto, and all rules, regulations, written policies, orders and decisions of the FCC thereunder, in each case as from time to time in effect.

“**Cure Period**” means a period commencing on the date Buyer or Seller receives from the other written notice of breach or default under this Agreement and continuing until the earlier of (i) twenty (20) calendar days thereafter or (ii) the Closing Date determined under the definition of Closing above; provided, however, that if the breach or default is non-monetary and cannot reasonably be cured within such period but can be cured before the Closing Date determined under the definition of Closing above, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date determined under the definition of Closing above.

“**Damages**” means any and all claims, demands, liabilities, obligations, actions suits, proceedings, losses, damages, costs, expenses, assessments, judgments, recoveries and deficiencies, including interest, penalties and reasonable attorneys’ fees, of every kind and description, contingent or otherwise.

“**Encumbrance**” means any option, pledge, security interest, lien, charge, mortgage, claim, debt, liability, obligation, encumbrance or restriction (whether on voting, sale, transfer or disposition), whether imposed by agreement, understanding, law, rule or regulation.

“**Escrow Agent**” means JPMorgan Chase Bank, N.A.

“**Escrow Agreement**” means the Escrow Agreement executed by the Escrow Agent, Buyer.

“**Escrow Deposit**” has the meaning set forth in Section 3.3.

“**Excluded Assets**” has the meaning set forth in Section 2.2.1.

“**FCC**” has the meaning set forth in the recitals hereto.

“**FCC Licenses**” has the meaning set forth in the recitals hereto.

“**Final Order Day**” means the date on which the Initial Grant has not been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte*

action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC, shall have expired or otherwise terminated.

“**Governmental Authority**” shall mean any court, arbitrator, department, commission, board, bureau, agency, authority, instrumentality or other body, whether federal, state, municipal, foreign or other.

“**Hazardous Substance**” has the meaning set forth in Section 4.9.

“**HSRA**” means the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended, and the regulations thereunder, as in effect from time to time.

“**Indemnified Party**” and “**Indemnifying Party**” have the meanings specified in Section 10.3.

“**Initial Grant**” means, with respect to the Assignment Application, the Commission’s written consent to the assignment of the FCC Licenses associated with the Station to Buyer pursuant to the Assignment Application (including without limitation, by the Audio Services Division or the Media Bureau by delegated authority) without any conditions materially adverse to any Party (other than those of general applicability).

“**Initial Grant Day**” means the day on which the Commission publishes public notice of an Initial Grant with respect to the Assignment Application.

“**Lease**” means the Lease Agreement executed at the time of Closing in the form of **Schedule III**.

“**Party**” means any of Buyer or Seller, as the context requires, and the term “**Parties**” means all such entities.

“**Permits**” means the licenses, permits, approvals, authorizations, consents, variances and orders of any federal, state or local Governmental Authority used or held for use in connection with the operation of the Station (other than the FCC Licenses), if any, and all assignable pending requests and applications therefor, if any.

“**Permitted Liens**” means obligations assumed by Buyer pursuant to this Agreement, liens for taxes not yet due and payable, liens that will be released at or prior to Closing, and, with respect to the Real Property, such other easements, rights of way, building and use restrictions and other exceptions that do not in any material respect detract from the value of the property subject thereto or impair the use thereof in the ordinary course of the business of the Station.

“**Proceeds**” has the meaning set forth in Section 7.5.1.

“**Purchased Assets**” means all the assets to be conveyed to Buyer by Seller pursuant to the terms of this Agreement. The Purchased Assets shall not include any Excluded Assets.

“**Real Property**” means the Station’s transmitter site located at Palacios, Texas (known as the Bay City Tower).

“**Seller**” has the meaning set forth in the first paragraph of this Agreement.

“**Station**” has the meanings set forth in the recitals hereto.

“**Tangible Personal Property**” has the meaning set forth in Section 2.1.1.

“**Taxes**” means all federal, state and local taxes (including income, profit, franchise, sales, use, real-property, personal-property, ad valorem, excise, employment, social-security and wage-withholding taxes) and installments of estimated taxes, assessments, deficiencies, levies, imports, duties, license fees, registration fees, withholdings, or other similar charges of every kind, character or description imposed by any Governmental Authorities.

1.2 Knowledge. The term “**knowledge**,” as it relates to a Party, shall mean the knowledge of such Party after reasonable investigation.

ARTICLE II PURCHASE AND SALE OF ASSETS

2.1 Assets to Be Conveyed. On the Closing Date at the Closing Place, Seller will sell, assign, convey, transfer and deliver (i) to Buyer, the FCC Licenses, the Permits and all assignable applications therefor, together with any renewals, extensions, additions or modifications thereof between the date hereof and the Closing Date, and (ii) to Buyer, those assets of Seller of every kind and nature, whether tangible or intangible, absolute or contingent, specifically identified herein that are used or held for use by Seller exclusively in connection with the operation of the Station (which, together with the FCC Licenses, the Permits and assignable applications therefor, are collectively referred to as the “**Purchased Assets**”), except for Excluded Assets. Such sale, assignment, conveyance, transfer and delivery is to be made by instruments of conveyance and is to be free and clear of all Encumbrances except Permitted Liens. The Purchased Assets are:

2.1.1 All of Seller’s RF and transmitting equipment and certain other equipment and tangible personal property that is used or held for use by Seller exclusively in the operation of the Station and which is listed on **Schedule II**, together with any replacements thereof or additions thereto made between the date hereof and the Closing Date, less any retirements made in the ordinary and usual course of the Station’s business (collectively, the “**Tangible Personal Property**”);

2.1.2 The FCC Licenses and the Permits;

2.1.3 The Station's call letters; and

2.1.4 Such files, records and logs pertaining exclusively to any of the Purchased Assets or the operation of the Station, including the Station's public inspection files and other records relating to the FCC Licenses and other filings with the Commission.

2.2 Excluded Assets and Liabilities.

2.2.1 Excluded Assets. It is understood and agreed that the Purchased Assets do not include any assets of Seller that are not used or useful in the operation of the Station, cash, cash equivalents, accounts receivable of Seller attributable to the period prior to Closing, causes of action and claims attributable to the period prior to Closing, tax refunds attributable to the period prior to Closing, insurance claims, contracts or proceeds, employee benefit plans, employment records and contracts with employees, Seller's corporate and trade names, Seller's organizational documents, all records not relating exclusively to the operation of the Station, duplicate copies of records relating to the Station, deposits and prepaid expenses except to the extent Seller receives a credit therefor under Section 3.6, non-transferable shrinkwrapped computer software, operating systems and related assets that are used in the operation of multiple stations or other business units, the Station's studio facilities and studio equipment, the Station's intangible property and format and programming assets, the Station's contracts, the Station's tower and transmitter site, and all assets used or held for use in the operation of any other radio or television station or other business owned or operated by Seller or an affiliate of Seller except for any such shared items that are specifically set forth as included in the Purchased Assets on the Schedules hereto (all the foregoing of which are referred to as the "Excluded Assets").

2.2.2 Liabilities Not Assumed. Except for the liabilities and obligations specifically assumed by Buyer pursuant to Section 3.2, Buyer will not assume and will not be or become liable for, any liabilities or obligations of Seller of any kind or nature whatsoever, whether absolute, contingent, accrued, known or unknown, related to the ownership of the Purchased Assets, the Excluded Assets, the operation of the Station, Seller's employees or otherwise.

ARTICLE III

PURCHASE PRICE; METHOD OF PAYMENT; ESCROW DEPOSIT

3.1 Purchase Price. The purchase price to be paid to Seller by Buyer at Closing for the Purchased Assets will be Two Million One Hundred Thousand Dollars (\$2,100,000), subject to adjustment under Section 3.6 (the "Purchase Price").

3.1.1 Payment of Purchase Price. Subject to the terms and conditions set forth in this Agreement, on the Closing Date, Buyer will pay Seller an amount

equal to the Purchase Price minus the Escrow Deposit by wire transfer of immediately available funds in accordance with wire-transfer instructions to be provided by Seller to Buyer not less than five business days prior to the Closing Date.

3.1.2 Release of Escrow Deposit. Also on the Closing Date, concurrently with the wire transfer of the Purchase Price (minus the Escrow Deposit) in accordance with Section 3.1.1 above, Seller and Buyer shall jointly execute and deliver to the Escrow Agent written instructions to deliver the entire Escrow Deposit to Seller, and the entire Escrow Deposit shall be counted towards the Purchase Price.

3.1.3 Post-Closing Proration. Following the Closing Date, the Parties shall determine and make the prorations called for in Section 3.6.

3.2 Liabilities Assumed. As of the Closing Date, Buyer will assume and agree to pay, discharge and perform, all the obligations and liabilities of Seller under the Purchased Assets insofar as they relate to the time period on and after the Closing Date and arise out of events occurring on or after the Closing Date, and any other liabilities of Seller to the extent Buyer receives a credit therefor under Section 3.6.

3.3 Escrow Deposit. Concurrently with the execution and delivery of this Agreement, Buyer has deposited Two Hundred Ten Thousand Dollars (\$210,000) under the Escrow Agreement (together with any interest accrued on such amount, the "**Escrow Deposit**"). The Escrow Deposit will be held, maintained, administered and disbursed by the Escrow Agent in accordance with the terms and provisions hereof and of the Escrow Agreement, with the terms of the Escrow Agreement controlling in the event of any conflict. The parties shall each instruct the Escrow Agent to disburse the Escrow Deposit and all interest thereon to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement unless contested by a party in good faith in writing within five (5) business days of a disbursement request, in which event the Escrow Deposit shall remain with the Escrow Agent until the parties' dispute is resolved. Any failure by Buyer to make the Escrow Deposit on the date hereof constitutes a material default as to which no Cure Period applies, entitling Seller to immediately terminate this Agreement. The Escrow Deposit will be disbursed as follows:

3.3.1 Delivery to Seller. If this Agreement is terminated by Seller pursuant to Section 7.4.2, the Escrow Deposit, including accrued interest, will be delivered to Seller, it being understood and agreed that payment to Seller of the full amount of the Escrow Deposit will constitute liquidated damages.

THE PARTIES ACKNOWLEDGE AND AGREE IN ADVANCE THAT THE ACTUAL DAMAGES SELLER WOULD SUFFER AS A RESULT OF BUYER'S FAILURE TO CONSUMMATE THE PURCHASE AND SALE OF THE PURCHASED ASSETS WOULD BE EXTREMELY DIFFICULT OR IMPOSSIBLE TO CALCULATE; THAT THE FULL AMOUNT OF THE ESCROW DEPOSIT IS A FAIR AND EQUITABLE AMOUNT TO REIMBURSE SELLER FOR ANY DAMAGES WHICH THE PARTIES

ESTIMATE MAY BE SUSTAINED BY SELLER DUE TO BUYER'S FAILURE TO CONSUMMATE THE PURCHASE AND SALE OF THE PURCHASED ASSETS UNDER THE CIRCUMSTANCES STATED IN THIS SECTION 3.3.1; AND THAT THIS SECTION 3.3.1 SHALL CONSTITUTE A LIQUIDATED-DAMAGES PROVISION, WHICH DAMAGES WILL BE SELLER'S SOLE REMEDY HEREUNDER IN THE EVENT OF BUYER'S FAILURE TO CONSUMMATE THE PURCHASE AND SALE OF THE PURCHASED ASSETS UNDER THE CIRCUMSTANCES STATED IN THIS SECTION 3.3.1.

3.3.2 Delivery to Buyer. The Escrow Deposit and any accrued interest thereon shall be delivered to Buyer if this Agreement terminates and the purchase and sale contemplated by this Agreement is not consummated and Seller is not entitled to receive the Escrow Deposit in accordance with Section 3.3.1.

3.4 Specific Performance. In the event of failure or threatened failure by either Party to comply with the terms of this Agreement, the other Party shall be entitled to an injunction restraining such failure or threatened failure and, subject to obtaining any necessary FCC consent, to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement. Notwithstanding the foregoing, if prior to Closing the condition described in Section 7.4.2 exists, then Seller's sole remedy for Buyer's breach of this Agreement shall be termination of this Agreement and receipt of the liquidated damages amount pursuant to Section 3.3.1, except for any failure by Buyer to comply with its obligations related to the Escrow Deposit or Sections 7.1.1, 7.1.2, 7.7 or 11.3, as to which Seller shall be entitled to all available rights and remedies, including without limitation specific performance.

3.5 Allocation. Within 60 days after Closing, Seller and Buyer shall allocate the Purchase Price for tax purposes in accordance with the respective fair market values of the Purchased Assets and the goodwill being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code"). Each of Buyer and Seller shall file a tax return reflecting this allocation as and when required under the Code.

3.6 Prorations. The operation of the Station and all income, expenses and liabilities attributable thereto through 11:59 p.m., local station time, on the day immediately preceding the Closing Date will be for the account of Seller and thereafter for the account of Buyer; and all Station income and expenses, including such items as power and utilities charges, rents, annual FCC regulatory fees, music and other license fees, ad valorem property taxes (if any), and other prepaid and deferred items will be prorated between Seller and Buyer in accordance with generally accepted accounting principles consistently applied. Seller shall receive a credit for all of the Station's deposits and prepaid expenses. The prorations described in this Section are to be made and paid, insofar as feasible, on the Closing Date, with a final settlement sixty days after the Closing Date.

**ARTICLE IV
REPRESENTATIONS AND WARRANTIES BY SELLER**

Seller hereby represents and warrants to Buyer as follows:

4.1 Organization and Standing. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the state of its formation. Seller has the requisite power and authority to enter into and complete the transactions contemplated by this Agreement.

4.2 Authorization. All necessary actions and proceedings to duly approve the execution, delivery and performance of this Agreement; the Escrow Agreement; and other agreements, documents and instruments being executed by the Seller in connection herewith or therewith and to approve the consummation of the transaction contemplated hereby or thereby have been duly and validly taken by Seller. This Agreement; the Escrow Agreement; and other agreements, documents and instruments executed by Seller in connection herewith or therewith has been duly and validly authorized, executed and delivered by Seller and constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with and subject to their respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.3 FCC Licenses.

4.3.1 The FCC Licenses (all of which are listed on **Schedule I**) constitute all the FCC licenses and authorizations required for and used in connection with the Purchased Assets and the operation of the Station. No waivers of the Communications Act are necessary in order to permit Seller's ownership and operation of the Station as currently operated by Seller. Seller is the holder of all the FCC Licenses. **Schedule I** correctly sets forth the expiration date of each FCC License. Except as set forth on **Schedule I**, each FCC License is validly issued and in full force and effect and has not been revoked, suspended, canceled, rescinded or terminated and has not expired. Seller has taken all actions necessary to maintain the FCC Licenses without material adverse modification or impairment. To Seller's knowledge, no event has occurred which has resulted in, or after notice or lapse of time or both would result in, revocation, suspension, adverse modification, non-renewal or termination of, or any order of forfeiture with respect to, any FCC License. There are no restrictions on the FCC Licenses other than those of general applicability and those set forth on the face of the FCC Licenses. None of the FCC Licenses require that any assignment thereof must be approved by any Governmental Authority other than the FCC.

4.3.2 With respect to the Station, Seller is not a party to, and there are no outstanding notices of apparent liability, forfeitures, notices of violation,

orders to show cause or, to Seller's knowledge, any investigations or complaints, issued by or pending before any court or regulatory body, including, without limitation, the FCC, or of any other proceedings (other than proceedings relating to the radio industry generally or proceedings of general applicability) that is reasonably likely to threaten or adversely affect the validity or continued effectiveness of, or result in the material adverse modification of, any of the FCC Licenses. The Station is now operating in accordance with the FCC Licenses, and is in compliance in all material respects with the rules and regulations of the FCC and the Communications Act, including, without limitation, those rules governing the location of the Station's main studio and rules governing the required contents of the Station's public-inspection files. Seller has no reason to believe that the FCC Licenses will not be renewed in the ordinary course.

4.3.3 Seller is authorized to sell the Station and to assign the FCC Licenses (subject to FCC approval) in accordance with the terms of this Agreement and in compliance with the Communications Act.

4.3.4 Each material report or certification filed by or on behalf of Seller with the FCC with respect to the Station, including, without limitation, Seller's payment of annual FCC regulatory fees, any filing pursuant to 47 C.F.R. § 73.3615 with respect to its ownership of the Station and any other filing relating to the Station, was timely filed, and was at the time of filing true, correct and complete in all material respects. There have been no changes in the ownership of the Station since the filing of the most recent such ownership reports or certifications, and those ownership reports and certificates are true, correct and complete in all material respects.

4.3.5 To Seller's knowledge, the operation of the Station by the Seller does not cause or result in exposure of workers or the general public to levels of radio frequency radiation in excess of the applicable limits stated in 47 C.F.R. § 1.1310.

4.4 Purchased Assets. No other affiliate of Seller (including without limitation direct or indirect subsidiaries of Seller) owns or has any rights, title or interest in any Purchased Assets. On the Closing Date, Seller will have good and valid title to the Purchased Assets, free and clear of all Encumbrances, other than Permitted Liens. Seller has received no written notice of noncompliance with any restriction or Encumbrance encumbering the Real Property. Seller maintains and operates the Station under and in accordance with the terms of all applicable regulations in all material respects. Seller maintains the Tangible Personal Property under and in accordance with the terms of all applicable regulations in all material respects. Seller is not aware of any proceedings pending regarding the Real Property, the Station's antennas, the Station's radio transmitters, or any of the Purchased Assets (other than proceedings of general applicability). There is no pending or, to the knowledge of Seller, threatened, any action or proceeding that is reasonably likely to interfere with the quiet enjoyment or operation of the Purchased Assets by Seller or, on and immediately after the Closing Date, by Buyer. The material items of Tangible Personal Property are, in all material respects, in normal operating

condition for equipment of their age and usage (ordinary wear and tear excepted). The technical equipment constituting a part of the Tangible Personal Property has been maintained in accordance with the Station's past practice and is operating and complies in all material respects with all applicable rules and regulations of the FCC and the terms of the FCC Licenses. The Purchased Assets include all assets that are owned or leased by Seller and used or held for use in the operation of the Station in all material respects as currently operated, except for the Excluded Assets.

4.5 Insurance. Seller now has in force insurance on the Purchased Assets consistent with its practices with other similar stations, and Seller will continue to maintain insurance in full force and effect up through the Closing Date.

4.6 Litigation. No litigation, action, suit, judgment, proceeding or, to the knowledge of Seller, investigation relating to the Station or the Purchased Assets is pending or outstanding before any forum, court, or governmental body, department or agency, and, to the knowledge of Seller, no such litigation, action, proceeding or investigation is threatened, in any case that will subject Buyer to liability or which will affect Seller's ability to perform its obligations under this Agreement.

4.7 Reports. All material returns, reports and statements currently required to be filed by Seller with respect to the Station with the Commission or with any other governmental agency have been filed, and each such return, report and statement is true, correct and complete in all material respects. With respect to the Station, Seller has complied in all material respects with the reporting requirements of the Commission and other governmental authorities having jurisdiction over the Station and its operations.

4.8 No Defaults. Neither the execution, delivery and performance by Seller of this Agreement, the Escrow Agreement and the other agreements, documents and instruments being executed by Seller in connection herewith or therewith nor the consummation by Seller of the transaction contemplated hereby is an event that, of itself or with the giving of notice or the passage of time or both, will (i) conflict with the provisions of the organizational documents of Seller, (ii) constitute a violation of, conflict with or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation under, any material contract, mortgage, indenture, agreement, lease, license or other instrument to which Seller is a party or by which it is bound, or result in the creation of any Encumbrance on any of the Purchased Assets (except Permitted Liens), or (iii) violate any judgment, decree, order, statute, rule or regulation applicable to Seller. The execution, delivery and performance by Seller of this Agreement, the Escrow Agreement, and the other agreements, documents and instruments being executed by Seller in connection herewith or therewith do not require the consent of any third party other than the FCC.

4.9 Environmental Compliance. To Seller's knowledge (i) Seller has not, in connection with the operation of the Station, including the Purchased Assets, generated, used, transported, treated, stored, released or disposed of, or suffered or permitted anyone else to generate, use, transport, treat, store, release or dispose of any Hazardous Substance (as defined below) in violation of any applicable environmental law; and (ii) Seller has complied in all material respects with all environmental, health and safety laws applicable to the Station. As

used herein, "**Hazardous Substance**" means any of the substances that are defined or listed in, or otherwise classified pursuant to, any applicable laws as "hazardous substances," "hazardous materials," "hazardous wastes" or "toxic substances," or any other formulation of any applicable environmental law intended to define, list or classify substances by reason of deleterious properties such as ignitibility, corrosivity, reactivity, radioactivity, carcinogenicity, reproductive toxicity or "EP toxicity," and petroleum and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal energy.

4.10 Insolvency. No insolvency proceedings of any character including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or any of its assets or properties, including the Purchased Assets, are pending or, to the knowledge of Seller, threatened.

4.11 Brokers. No agent, broker, investment or commercial banker, person, or firm acting on behalf of Seller or under the authority of Seller is or will be entitled to any broker, finder or financial-advisor fee or any other commission or similar fee directly or indirectly in connection with the transaction contemplated by this Agreement.

4.12 Taxes. All Tax reports and returns required to be filed by Seller in respect of the Station's business or relating to the Purchased Assets have been filed with the appropriate Governmental Authority, and there have been paid all Taxes, penalties, interest, deficiencies, assessments or other charges due with respect to such Taxes, as reflected on the filed returns or claimed to be due by such federal, state or local taxing authorities (other than Taxes, deficiencies, assessments or claims which are being contested in good faith and which in the aggregate are not material). With respect to the Station, Seller has not received any written notice of any examinations or audits pending that have not been resolved or any unresolved examinations or audit issues with respect to Seller's federal, state or local Tax returns. All additional Taxes, if any, assessed as a result of any such examinations or audits have been paid, and to Seller's knowledge, there are no pending claims or proceedings relating to, or asserted for, Taxes, penalties, interest, deficiencies or assessments against the Purchased Assets.

4.13 No Interference with Signal. Seller has not received any written complaints of actual, harmful interference arising from the Station's signal.

ARTICLE V REPRESENTATIONS AND WARRANTIES BY BUYER

Buyer represent and warrant to Seller as follows:

5.1 Status. Buyer is a Texas non-profit corporation, duly organized, validly existing and in good standing under the laws of the State of Texas. Buyer has the requisite power and authority to enter into and complete the transactions contemplated by this Agreement.

5.2 No Defaults. Neither the execution, delivery and performance by Buyer of this Agreement, the Escrow Agreement, and the other agreements, documents and instruments being executed by Buyer in connection herewith or therewith nor the consummation by Buyer of the transaction contemplated hereby is an event that, of itself or with the giving of notice or the

passage of time or both, will (i) conflict with the provisions of the Articles of Incorporation or Bylaws of Buyer, (ii) constitute a violation of, conflict with or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation under, any material contract, mortgage, indenture, agreement, lease, license or other instrument to which Buyer is a party or by which it is bound, or result in the creation of any Encumbrance on any of its assets, or (iii) violate any judgment, decree, order, statute, rule or regulation applicable to Buyer. The execution, delivery and performance by Buyer of this Agreement, the Escrow Agreement, and the other agreements, documents and instruments being executed by Buyer in connection herewith or therewith do not require the consent of any third party other than the FCC.

5.3 Authorization. All necessary actions and proceedings to duly approve the execution, delivery and performance of this Agreement, the Escrow Agreement, and other agreements, documents and instruments being executed by Buyer in connection herewith or therewith and to approve the consummation of the transaction contemplated hereby or thereby have been duly and validly taken by Buyer. Each of this Agreement, the Escrow Agreement, and other agreements, documents and instruments executed by Buyer in connection herewith or therewith has been duly and validly authorized, executed and delivered by Buyer and constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer as the case may be in accordance with and subject to their respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.4 Brokers. No agent, broker, investment or commercial banker, person, or firm acting on behalf of Buyer or under the authority of Buyer is or will be entitled to any broker, finder or financial-advisor fee or any other commission or similar fee directly or indirectly in connection with the transaction contemplated by this Agreement, other than John Saunders, whose fee shall be paid by Buyer.

5.5 Qualification as a Broadcast Licensee. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Station under the Communications Act and the rules, regulations and policies of the FCC. Buyer does not know of any fact that would, as of the date hereof, under the Communications Act, disqualify Buyer as owner, operator and licensee of the Station. No waiver of or exemption from any FCC rule or policy is necessary for the Initial Grant to be obtained. There are no matters related to Buyer which might reasonably be expected to result in the FCC's denial or delay of approval of the Assignment Application.

5.6 Litigation. There are no suits, legal proceedings or investigations of any nature pending or, to the knowledge of Buyer, threatened against or affecting it that could materially affect the ability of Buyer to carry out the transaction contemplated by this Agreement or which question the legality or propriety of the transactions contemplated by this Agreement.

5.7 Sufficiency of Funds. Buyer has available, or has made arrangements to obtain (through existing credit arrangements or otherwise), sufficient funds to enable it to pay the Purchase Price to Seller on the Closing Date in accordance with this Agreement.

5.8 Insolvency. No insolvency proceedings of any character including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Buyer or any of its assets or properties are pending or, to the knowledge of Buyer, threatened.

ARTICLE VI COVENANTS OF SELLER

6.1 Affirmative Covenants of Seller. Between the date hereof and the Closing Date, except as otherwise expressly permitted by this Agreement, or with the prior written consent of Buyer (which shall not be unreasonably withheld, delayed or conditioned):

6.1.1 Maintenance. Seller will continue to operate the Station and the Purchased Assets in substantial conformity in all material respects with past practices, and in conformity in all material respects with the FCC Licenses and the Communications Act and will continue to maintain the Tangible Personal Property in normal working order and condition (ordinary wear and tear excepted) and in compliance in all material respects with all applicable laws.

6.1.2 Reasonable Access. Following reasonable advance notification, Seller will provide Buyer and representatives of Buyer with reasonable access to the properties, titles, books, files, logs, records and affairs of the Station and the Purchased Assets, and Seller will furnish or will cause to be furnished such additional information concerning the Station and the Purchased Assets as Buyer may from time to time reasonably request. Such access right shall not be exercised in a manner that interferes with the operation of the Station or other stations owned by Seller or its affiliates. Seller agrees that a request by Buyer at least three business days prior to a visit by personnel of Buyer to the Station during normal business hours shall constitute reasonable advance notification.

6.1.3 Books and Records. Seller will maintain the books and records of the Station consistent with past practices in all material respects.

6.1.4 Insurance. Seller will maintain in force insurance policies for the Purchased Assets consistent with its policies in effect for similar stations.

6.1.5 Notification. Seller will promptly, upon learning of the same, notify Buyer of any order to show cause, notice of violation, notice of apparent liability or of forfeiture, or the filing or threat of filing of any complaint against the Station or any of the Purchased Assets or against Seller in connection with the Station or any of the Purchased Assets, occurring between the date hereof and the Closing Date.

6.2 Negative Covenants of Seller. From the date hereof through Closing on the Closing Date, except as contemplated by this Agreement, Seller will not, without the prior written consent of Buyer (which shall not be unreasonably withheld, delayed or conditioned):

6.2.1 Encumbrances. Create or assume any Encumbrance on any of the Purchased Assets, whether now owned or hereafter acquired, except for Permitted Liens;

6.2.2 Transfers. Sell, assign, lease or otherwise transfer or dispose of any of the Purchased Assets, whether now owned or hereafter acquired, except for retirements in the normal and usual course of business;

6.2.3 Call Letters. Change the Station's call letters or modify the Station's FCC Licenses in any material respect;

6.2.4 Rights. Cancel or compromise any claim or waive or release any right of Seller relating to the Purchased Assets, except in the ordinary course of business consistent with past practice; or

6.2.5 FCC Licenses. Cause or permit, by any act or failure on its part, the FCC Licenses to expire or to be surrendered or materially adversely modified; take any action which would cause the FCC or any other Governmental Authority to institute proceedings for the suspension, revocation or material adverse modification of any of the FCC Licenses; fail to prosecute with due diligence any pending applications to any Governmental Authority in connection with the ownership and operation of the Station or any of the Purchased Assets; or take any other action within Seller's control which would result in the Station or any of the Purchased Assets being in non-compliance in any material respect with the requirements of the Communications Act or any other applicable law material to the ownership and operation of the Station and the Purchased Assets.

ARTICLE VII ADDITIONAL AGREEMENTS

7.1 Application for Commission Consent; Other Consents.

7.1.1 FCC Consent. Buyer and Seller agree to proceed as expeditiously as is practical and, in no event later than five business days after the execution hereof by Buyer and Seller, to file or cause to be filed the Assignment Application requesting FCC consent to the transaction contemplated by this Agreement. The Parties agree that the Assignment Application will be prosecuted in good faith and with due diligence, including cooperating with all requests of the Commission and filing amendments and responses as reasonably appropriate. The Parties acknowledge that this Agreement will have to be filed with the FCC. Buyer and Seller shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Buyer and Seller

shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation and prosecution of the Assignment Application.

7.1.2 Control of the Station. The purchase and sale transaction contemplated by this Agreement shall not be consummated until the Closing Date. Between the date of this Agreement and the Closing Date, Buyer, its employees or its agents, shall not directly or indirectly control, supervise or direct or attempt to control, supervise or direct the operation of the Station, but such operation will be the sole responsibility and in the complete discretion of Seller. Until the Closing Date, Buyer's interest in the Station is limited to its rights under this Agreement and the Assignment Application.

7.2 Termination. If the Closing has not occurred on or before the 12 month anniversary of the date hereof, either Buyer or Seller may terminate this Agreement upon written notice to the other Party.

Except as provided by Section 3.3.1, the termination of this Agreement for any reason shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Sections 3.3 (Escrow Deposit), 7.6 (as to expenses) and 7.7 (Confidentiality) and shall survive any termination of this Agreement.

7.3 Buyer's Right to Terminate. Buyer, at its option, may terminate this Agreement, so long as Buyer is not then in material default under or material breach of this Agreement, by written notice to Seller upon the happening of any of the following events:

7.3.1 A material FCC License is lost or substantially and materially adversely modified.

7.3.2 The Assignment Application is designated for a hearing before an administrative law judge;

7.3.3 The FCC institutes revocation-of-license proceedings against the Station; or

7.3.4 Seller breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period.

7.4 Seller's Right to Terminate. Seller, at its option, may terminate this Agreement, so long as Seller is not then in material default under or material breach of this Agreement, by written notice to Buyer upon the happening of any of the following events:

7.4.1 The Assignment Application is designated for a hearing before an administrative law judge; or

7.4.2 Buyer breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period; provided, however, that the Cure Period shall not apply to Buyer's obligations to make the Escrow Deposit on the date hereof and to pay the Purchase Price at Closing.

7.5 Risk of Loss.

7.5.1 The risk of loss and damage, whether by force majeure or for any other reason, to the Purchased Assets or the operation of the Station between the date of this Agreement and the Closing Date will be on Seller, and Buyer shall bear the risk of any such loss or damage on and after the Closing Date. Seller shall take all commercially reasonable steps in the ordinary course of business to repair, replace and restore the Purchased Assets in all material respects as soon as possible after any loss or damage that occurs prior to Closing.

7.5.2 In the event of any damage to the Station or any Purchased Assets that prevents broadcast transmissions of the Station or causes operation of the Station at a power level that results in a material reduction in coverage (a "**Broadcast Interruption**") (other than scheduled, ordinary-course maintenance), Seller will give prompt notice thereof to Buyer, and Seller shall use commercially reasonable efforts to return the Station to the air and restore prior coverage as promptly as possible in the ordinary course of business. Notwithstanding anything herein to the contrary, if prior to Closing there is a Broadcast Interruption in excess of 24 hours, then Buyer, in addition to its other rights and remedies, will have the right to postpone the Closing Date until the date five business days after the Station returns to the air and prior coverage is restored in all material respects, subject to Section 7.2. During the period of postponement, Seller shall use commercially reasonable efforts to resume broadcast transmissions of the Station.

7.5.3 If any loss of or damage to the Purchased Assets occurs prior to the Closing Date, and if repair, replacement or restoration in all material respects of the applicable Purchased Assets has not been made on or before the Closing Date, then the parties shall proceed to Closing (as the Closing Date may be extended as provided in Section 7.5.2 if applicable) and Buyer shall accept the Purchased Assets in their then-current condition and the Purchase Price shall be reduced by the reasonably estimated cost to complete any such repair, replacement or restoration as full satisfaction of any claim by Buyer against Seller with respect to the condition of any such Purchased Asset. The Parties agree to cooperate in determining the amount of the reduction to the Purchase Price in accordance with the provisions hereof.

7.6 Transfer Taxes and FCC Filings; Expenses; Bulk Sales.

7.6.1 Transfer Taxes; FCC Filings. All federal, state or local excise, transfer, sales or use taxes, or similar taxes and other governmental costs imposed on or in connection with the sale, purchase or transfer of the Purchased Assets will be paid one-half by Seller and one-half by Buyer. All FCC filing fees charged by the FCC for the Assignment Application will be paid one-half by Seller and one-half by Buyer.

7.6.2 Expenses. Except as otherwise provided herein, Buyer and Seller shall each pay its own expenses incident to the negotiation, preparation and performance of this Agreement and consummation of the transaction contemplated hereby, including but not limited to the fees, expenses and disbursements of its accountants and counsel.

7.6.3 Compliance with Bulk Sales Laws. The parties do not believe that any bulk sales statute applies to the transaction contemplated by this Agreement. Buyer therefore waives compliance by Seller with the requirements of any such statute. Seller agrees that its indemnification under Section 10.1 includes any Damages arising from any claim made against Buyer by any creditor of Seller as a result of a failure to comply with any such statute.

7.7 Confidentiality. Subject to the requirements of applicable law, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement (including without limitation any financial information provided by Seller to Buyer) shall be confidential and shall not be disclosed to any other person or entity, except the parties' representatives and lenders for the purpose of consummating the transaction contemplated by this Agreement.

7.8 Nonsolicit. No employees of Seller are available for hire by Buyer at Closing. Between the date of this Agreement and the date one (1) year after Closing, Buyer shall not, without the prior written consent of Seller, solicit for hire any of Seller's (or its affiliates') employees in the Station's market. Notwithstanding the foregoing, this Section shall not prohibit general solicitations not directed at such employees or the use of employee recruiting or search firms (provided that such employee recruiting or search firms do not direct their activities at such employees), or the hiring of any such employee that does not result from a breach of this Section.

7.9 Accounts Receivable. Buyer shall not collect any of the Station's accounts receivable attributable to the period prior to Closing, and Buyer shall promptly pay over to Seller any such receivables it receives, without offset.

7.10 Actions. After Closing, Buyer shall reasonably cooperate with Seller in the investigation, defense or prosecution of any action which is pending or threatened against Seller or its affiliates with respect to the Station, whether or not any party has notified the other of a claim for indemnification with respect to such matter. Without limiting the generality of the

foregoing, Buyer shall make available its employees to give depositions or testimony and shall preserve and furnish all documentary or other evidence that Seller may reasonably request.

7.11 FCC Compliance. If Buyer and Seller elect to proceed to Closing prior to the Final Order Day, and if after Closing the Initial Grant is reversed or otherwise set aside, and there is a final order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Licenses to Seller, then the purchase and sale of the Purchased Assets shall be rescinded. In such event, Buyer shall reconvey to Seller the Purchased Assets free and clear of Encumbrances other than Permitted Liens, and Seller shall repay to Buyer the Purchase Price and the Lease shall terminate. Any such rescission shall be consummated on a mutually agreeable date within thirty days of such final order (or, if earlier, within the time required by such order). In connection therewith, Buyer and Seller shall each execute such documents (including execution by Buyer of instruments of conveyance of the Purchased Assets to Seller) and make such payments (including repayment by Seller to Buyer of the Purchase Price) as are necessary to give effect to such rescission.

7.12 No Inconsistent Action. Between the date of this Agreement and the Closing Date, neither Buyer nor Seller shall take any action inconsistent in any material respect with its obligations under this Agreement or which could hinder or delay in any material respect the consummation of the transaction contemplated by this Agreement.

ARTICLE VIII CLOSING CONDITIONS

8.1 Conditions Precedent to Buyer's Obligations. The obligation of Buyer to consummate the transaction contemplated hereby is subject to the fulfillment prior to and as of the consummation of the transaction contemplated hereby on the Closing Date of each of the following conditions, each of which may be waived (but only by an express written waiver) in the sole discretion of Buyer:

8.1.1 Commission Approval. The Initial Grant shall have been obtained and the Final Order Day shall have occurred.

8.1.2 Representations and Warranties. All representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date as if made on the Closing Date except as specifically contemplated by this Agreement.

8.1.3 Performance. Seller shall have performed and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to and on the Closing Date.

8.1.4 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

8.1.5 Deliveries. All deliveries required under Section 9.1 shall have been completed.

8.2 Conditions Precedent to Seller's Obligations. The obligation of Seller to consummate the transaction contemplated hereby is subject to the fulfillment prior to and as of the consummation of the transaction contemplated hereby on the Closing Date of each of the following conditions, each of which may be waived (but only by an express written waiver) in the sole discretion of Seller:

8.2.1 Commission Approval. The Initial Grant shall have been obtained and the Final Order Day shall have occurred.

8.2.2 Representations and Warranties. All representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date as if made on the Closing Date, except as specifically contemplated by this Agreement.

8.2.3 Performance. Buyer shall have performed and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to and on the Closing Date.

8.2.4 Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

8.2.5 Deliveries. All deliveries required under Section 9.2 shall have been completed.

ARTICLE IX ITEMS TO BE DELIVERED AT THE CLOSING

9.1 Seller's Performance at Closing. On the Closing Date at the Closing Place, Seller will execute and deliver or cause to be delivered to Buyer:

9.1.1 A bill of sale conveying to Buyer all of the Tangible Personal Property and other Purchased Assets to be acquired by Buyer hereunder;

9.1.2 An assignment assigning to Buyer the FCC Licenses;

9.1.3 Copies of resolutions of Seller, executed by Seller and certified by an officer of Seller, authorizing the execution, delivery and performance of this Agreement and the transaction contemplated hereby;

9.1.4 A certificate, dated as of the Closing Date, executed by an officer of Seller, to the effect that the conditions set forth in Sections 8.1.2 and 8.1.3 have been satisfied;

9.1.5 Written instructions to deliver the Escrow Deposit to Seller executed by Seller;

9.1.6 Delivery of the executed Lease;

9.1.7 Good standing certificates issued by the Secretary of State of Seller's jurisdiction of formation; and

9.1.8 Such other instruments of transfer, documents or certificates as may be reasonably necessary to transfer to and vest in Buyer all of Seller's right, title and interest in and to the Purchased Assets.

9.2 Buyer's Performance at Closing. On the Closing Date at the Closing Place, Buyer will execute and deliver or cause to be delivered to Seller:

9.2.1 The Purchase Price, payable as set forth in Section 3.1.1 by wire transfer of federal funds;

9.2.2 Copies of resolutions of the Board of Directors of Buyer, certified by its Secretary, authorizing the execution, delivery and performance of this Agreement and the transaction contemplated hereby;

9.2.3 A certificate, dated as of the Closing Date, executed by an officer of Buyer, to the effect that the conditions set forth in Sections 8.2.2 and 8.2.3 have been satisfied;

9.2.4 Delivery of the executed Lease;

9.2.5 Written instructions to deliver the Escrow Deposit to Seller executed by Buyer;

9.2.6 A good standing certificate issued by the Secretary of State of Buyer's jurisdiction of organization; and

9.2.7 Such other instruments, documents and certificates as reasonably may be reasonably necessary for Buyer to assume the obligations to be assumed by it pursuant to this Agreement.

ARTICLE X INDEMNIFICATION

10.1 Indemnification by Seller. Following the consummation of the Closing subject to Section 10.1.3, Seller hereby agrees to indemnify, defend and hold harmless Buyer and its successors and assigns from and against:

10.1.1 Any and all Damages arising out of or resulting from the ownership or operation of the Station or the Purchased Assets prior to the Closing Date, including, but not limited to, any and all claims, liabilities and obligations

arising or required to be performed with respect to Seller's ownership and operation of the Station prior to the Closing Date, but not for obligations expressly assumed by Buyer pursuant to this Agreement; and

10.1.2 Any and all Damages arising out of or resulting from breach by Seller of its representations and warranties made under this Agreement or any default by Seller of any covenant or agreement made under this Agreement.

10.1.3 Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Seller shall have no liability to Buyer for breach of a representation or warranty under Section 10.1.2 until Buyer's aggregate Damages exceed an amount equal to \$30,000, after which such threshold amount shall be included in, not excluded from, any calculation of Damages, and (ii) the maximum aggregate liability of Seller under Section 10.1.2 shall be an amount equal to 20% of the Purchase Price.

10.2 Indemnification by Buyer. Following the consummation of the Closing Buyer hereby agrees to indemnify, defend and hold harmless Seller and its successors and assigns from and against:

10.2.1 Any and all Damages arising out of or resulting from the operation of the Station or the Purchased Assets on or subsequent to the Closing Date, including, but not limited to, any and all claims, liabilities and obligations arising or required to be performed with respect to Buyer's ownership and operation of the Station from and after the Closing Date, or arising out of or resulting from the obligations to be assumed by Buyer pursuant to this Agreement; and

10.2.2 Any and all Damages arising out of or resulting from breach by Buyer of its representations and warranties made under this Agreement or any default by Buyer of any covenant or agreement made under this Agreement.

10.3 Third-Party Claims. In the event of third-party claims, each Party ("**Indemnified Party**") shall give written notice to the other Party ("**Indemnifying Party**") as soon as practicable of any facts that, in its opinion, entitle or may entitle it to indemnification under this Section 10.3. However, failure to give such notice will not preclude the Indemnified Party from seeking indemnification hereunder, unless, and to the extent that, such failure adversely affects to a material degree the Indemnifying Party's ability to defend against such a claim. The Indemnifying Party will promptly defend such a claim by counsel approved by the Indemnified Party, which approval shall not be unreasonably withheld. The Indemnified Party may appear at any proceeding, at its own cost, by counsel of its own choosing and will otherwise reasonably cooperate in the defense of such claim. If the Indemnifying Party fails to timely defend the Indemnified Party, the Indemnified Party will be entitled to undertake the defense, compromise or settlement of such claim at the expense of and for the account and risk of the Indemnifying Party (subject to the right of the Indemnifying Party to assume defense of or opposition to such claim at any time prior to settlement, compromise or final determination thereof). Anything in this Section to the contrary notwithstanding:

10.3.1 The Indemnified Party will have the right, at its own cost and expense, to participate in the prosecution, compromise and settlement of such claim, and the Indemnifying Party will reasonably cooperate with the Indemnified Party;

10.3.2 The Indemnifying Party will not, without the written consent of the Indemnified Party, enter into or settle or compromise any claim or consent to any entry of judgment which does not include the giving by the claimant or the plaintiff to the Indemnified Party of a full and complete release from all liability in respect to such claim;

10.3.3 In the event that the Indemnifying Party undertakes defense of or opposition to any claim, the Indemnified Party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the Indemnifying Party and its counsel concerning such claim and the Indemnifying Party and the Indemnified Party and their respective counsel shall cooperate in good faith with respect to such claim; and

10.3.4 Neither Party shall have any liability to the other under any circumstances for special, indirect, consequential, punitive or exemplary damages or lost profits or similar damages of any kind, whether or not foreseeable.

10.4 Survival of Representations and Warranties. The representations and warranties contained in this Agreement or in any Schedule or Exhibit, or in any certificate or other instrument delivered pursuant to this Agreement, will survive the consummation of the purchase-and-sale transaction contemplated by this Agreement on the Closing Date for a period of one year; provided that, if a claim or notice is given under this Article X with respect to any such representation and warranty prior to such expiration date, such claim shall continue (and such representation and warranty shall survive) indefinitely until such claim is finally resolved. The covenants and agreements in this Agreement shall survive Closing until performed.

ARTICLE XI MISCELLANEOUS PROVISIONS

11.1 Notices. All notices, demands and requests, required or permitted to be given under the provisions of this Agreement shall be in writing and will be deemed duly given on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, and shall be addressed as follows:

If to Seller:

Liberma Broadcasting, Inc.
1845 Empire Avenue
Burbank, California 91504
Attention: Lenard Liberman

Facsimile: (818) 558-4244

Copy (which shall not, by itself, constitute notice) to:

Wiley Rein LLP
1776 K Street, N.W.
Washington, D.C. 20006
Attention: James Bayes
Facsimile: (202) 719-7049

If to Buyer:

Tim McDermott
KSBJ Educational Foundation
1722 Treble Dr.
Humble, TX 77338
Facsimile: (281) 540-2198

Copy (which shall not, by itself, constitute notice) to:

A. Wray Fitch III, Esq.
Gammon & Grange, P.C.
8280 Greensboro Drive, 7th Floor
McLean, VA 22102
Phone: (703) 761-5000
Fax: (703) 761-5023

or any other such facsimile numbers, telephone numbers and addresses as any Party may from time to time supply by written notice to the other Parties.

11.2 Benefit and Assignment. This Agreement will be binding upon and inure to the benefit of the Parties, and their respective successors and assigns. This Agreement will not be assignable by a Party without the prior written consent of the other Party hereto. No assignment shall relieve any party of any obligation or liability under this Agreement.

11.3 Public Announcements. Prior to Closing, Buyer and Seller will consult with, and obtain the approval of (such approval not to be unreasonably withheld or delayed), each other before issuing, and provide each other the opportunity to review, comment upon and concur with, any press release or other public statement with respect to the transactions contemplated by this Agreement. None shall issue any such press release or make any such public statement prior to such consultation and approval, except as may be required by applicable law, court process or by obligations pursuant to any listing agreement with any national securities exchange or disclosures required in connection with FCC approvals or as required by any national securities exchange or the Securities and Exchange Commission.

11.4 Other Documents. After Closing, the Parties, without further cost or expense to the other Party, will execute such other documents as may be reasonably requested in order to more effectively implement and consummate this Agreement.

11.5 Appendices. All Schedules and Exhibits to this Agreement are deemed to be part of this Agreement and are incorporated, where applicable, as if fully set forth herein. Whenever, by the terms of this Agreement or any subsequent agreement of the Parties, any additions or deletions are made to the Purchased Assets shown on the Schedules, the Schedules affected shall be deemed to be appropriately modified to reflect those changes.

11.6 Attorneys' Fees. Each party hereto agrees that, in the event of any and all claims, grievances, demands, controversies, causes of action or disputes of any nature whatsoever arising out of this Agreement, the prevailing party shall be entitled to recover from the losing party reasonable attorneys' fees, expenses and costs.

11.7 Construction. This Agreement will be governed, construed and enforced in accordance with the laws of the State of Texas.

11.8 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were upon the same instrument.

11.9 Headings. The headings of the Sections of this Agreement are inserted as a matter of convenience and for reference purposes only. They in no respect define, limit or describe the scope of this Agreement or the intent of any Section.

11.11 Severability. If any term or provision of this Agreement to any extent, is declared to be invalid or unenforceable by any court or governmental authority, then, so long as no party is deprived of the benefits of this Agreement in any material respect, the remaining terms and provisions shall not be affected and shall remain in full force and effect and to such extent are severable.

11.12 Entire Agreement. This Agreement, the Escrow Agreement, and all Schedules and Exhibits hereto and thereto; and all agreements, certificates and instruments delivered by the Parties pursuant to the terms of this Agreement represent the entire understanding and agreement between the Parties with respect to the subject matter hereof, supersede all prior negotiations and agreements between the Parties, including the Letter of Intent (if any), and can be amended, supplemented, waived or changed only by an amendment in writing which makes specific reference to this Agreement and which is signed by the Party against whom enforcement of any such amendment, supplement, waiver or modification is sought. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement.

11.13 No Beneficiaries. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns.

[SIGNATURE PAGE FOLLOWS]

13381527

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized officers on the day and year first above written.

SELLER:

**LIBERMAN BROADCASTING OF HOUSTON
LICENSE LLC**

By: _____

Lenard D. Liberman

Title: _____

**LIBERMAN BROADCASTING OF HOUSTON
LLC**

By: _____

Lenard D. Liberman

Title: _____

BUYER:

KSBJ EDUCATIONAL FOUNDATION, INC.

By: _____

Tim McDermott
President

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized officers on the day and year first above written.

SELLER:

**LIBERMAN BROADCASTING OF HOUSTON
LICENSE LLC**

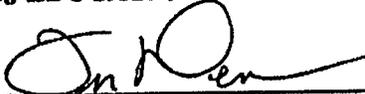
By: _____
Lenard D. Liberman
Title:

**LIBERMAN BROADCASTING OF HOUSTON
LLC**

By: _____
Lenard D. Liberman
Title:

BUYER:

KSBJ EDUCATIONAL FOUNDATION, INC.

By:  _____
Tim McDermott
President