

## **ASSET PURCHASE AGREEMENT**

This **ASSET PURCHASE AGREEMENT** (this “**Agreement**”) is dated as of May 30, 2014, by and among **CASA of AUSTIN, L.P.** and **CASA of CORPUS CHRISTI, L.P.**, each a Delaware limited partnership (collectively, the “**Seller**”), and **ABRAHAM TELECASTING COMPANY, LLC**, a limited liability company organized under the laws of the State of Texas, or its permitted assignee (the “**Buyer**”).

### **RECITALS**

CASA of Austin, L.P. is licensee of Station KXLK-CA, Austin, Texas, Facility ID No. 48836; and CASA of Corpus Christi, L.P. is licensee of Station KXCC-CA, Corpus Christi, Texas, Facility ID Number 48834 (each a “Station” and collectively the “Stations”).

Seller owns or leases certain other assets that are used or useful in the business and operations of the Stations.

Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Assets (as defined herein) for the price and on the terms and conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

### **AGREEMENTS**

In consideration of the above recitals and of the mutual agreements and covenants contained in this Agreement, Buyer and Seller, intending to be bound legally, agree as follows:

#### **SECTION 1. PURCHASE AND SALE OF ASSETS**

1.1 **Agreement to Sell and Buy**. Subject to the terms and conditions set forth in this Agreement, upon the consummation of the purchase and sale (the “**Closing**”), Seller hereby agrees to sell, transfer, assign, and deliver to Buyer on the date of the Closing (the “**Closing Date**”), on an as-is, where-is basis as they exist on the date of execution of this Agreement, free and clear of debts, liens, and encumbrances, other than liens for taxes not yet due and payable, and Buyer agrees to purchase from Seller substantially all of the assets used or useful in the business and operation of the Stations (the “**Assets**”) on an as-is, where-is basis as they exist on the date of execution of this Agreement, limited to the following:

(a) The licenses issued by the FCC for the Stations and any and all other licenses, permits, registrations, or authorizations issued by the FCC and used or held for use in connection with the Stations and any applications for modification or renewal of the same, including those listed on Schedule 1.1(a) hereto (the “**FCC Authorizations**”);

(b) Technical information and data, engineering records, files, and computer disks used by Seller in connection with the Stations, and any and all records required by the FCC to be kept concerning the Stations which are in the possession of Licensee;

(c) Intellectual property and intangible property rights and interests issued to or owned by Seller and used or useful in the business and operations of the Stations;

(d) Each contract or agreement listed on Schedule 1.1(d) hereto and any other contract entered into by Seller between the date of this Agreement and the Closing Date that Buyer agrees in writing to assume (the “**Contracts**”);

(e) The tangible personal property used or held for use in the operation of the Stations, including, but not limited, to that listed on Schedule 1.1(e) hereto (the “**Tangible Personal Property**”), including all of Seller’s right, title, and interest in and to all service agreements and maintenance agreements of third parties that are transferable and continue in effect following the Closing with respect to the Tangible Personal Property. The Tangible Personal Property includes an EAS unit capable of receiving Common Alerting Protocol (“**CAP**”) formatted EAS alerts at KXLK-CA, and such equipment as currently owned by Seller and intended for use in the conversion of Station KXLK-CA to digital operations;

(f) The equipment detailed on Schedule 2.8; and

(g) All of Seller’s right, interest in and obligations under the real property leased by Seller for use in the operation of the Stations’ transmitting facilities as described in Schedule 1.1(f) hereto (the “**Leased Real Property**”) including the American Towers LLC lease for the KXLK-CA Austin transmitter site (Austin-A, TX / Site 7000) and the present (as of the date hereof) month-to-month lease for the analog transmitter site of KXCC-CA, Corpus Christi. In the event the Landlord of the KXCC-CA analog transmitter site is unwilling to consent to assignment of the month-to-month lease, it shall be Buyer’s responsibility to negotiate and procure a new lease with the KXCC-CA landlord at the 600 Building to be effective at or following Closing. The lease agreements covering the Leased Real Property listed on Schedule 1.1(f) shall be considered Contracts hereunder. Inability by Seller to assign the KXCC-CA month-to-month lease shall not be a breach or default of this Agreement.

Notwithstanding the foregoing, the following properties and assets of Seller shall be retained by Seller and shall not be included within the meaning of the term “**Assets**”: cash or cash equivalents; any assets not included on the schedules hereto; records of Seller relating to tax matters and corporate or limited partnership matters, as applicable; insurance policies and rights and claims thereunder; accounts receivable; and all claims, rights, and interest in and to any refunds for federal, state, or local income or other taxes or fees of any nature whatsoever for periods prior to the Closing Date.

1.2 Purchase Price. The purchase price for the Assets (the “**Purchase Price**”) shall be One Hundred Seventy Five Thousand Dollars (\$175,000.00).

The Purchase Price shall be paid as follows:

(a) Deposit. Concurrently with the execution of this Agreement, Buyer shall deliver to Escrow Agent a deposit in the amount of Twenty-Five Thousand Dollars (\$25,000.00) by federal wire transfer of immediately available funds pursuant to wire instructions provided by Escrow Agent (the "**Deposit**") with *WashingtonFirst Bank*. *WashingtonFirst Bank* will serve as Escrow Agent (hereafter "**Escrow Agent**") pursuant to an Escrow Deposit Agreement between Escrow Agent and Buyer and Seller. The Deposit shall be held pursuant to the terms of that certain Escrow Agreement and shall be payable to the Seller as provided therein. In the event that the Closing does not occur for any reason other than Buyer's failure or refusal to Close and tender the Purchase Price to Seller, unless the Deposit already has been released pursuant to the provisions of Section 4.2, the Deposit shall be returned to Buyer.

(b) At Closing or as provided in Section 4.2, (i) Buyer and Seller jointly shall release to Seller the Deposit, and (ii) Buyer shall pay to Seller the remainder of the Purchase Price as provided herein above by wire transfer of immediately available funds pursuant to written wire instructions provided by Seller in advance of Closing.

1.3 Prorations. The Purchase Price shall be increased or decreased as required to effectuate the proration of the revenue and expenses of the Stations as of the Closing Date, subject to the expenses already paid pursuant to the TBA (as defined in Section 10.12 below). All revenue and all expenses relating to the Stations, including tower rent, business and license fees, utility charges, real and personal property taxes, and assessments levied against the Assets, annual regulatory fees imposed by the FCC, and similar prepaid and deferred items, shall be prorated between Buyer and Seller in accordance with Generally Accepted Accounting Principles and the principle that Seller shall be entitled to all revenue and shall be responsible for all expenses, costs, and obligations allocable to the period prior to the Closing Date and except as provided in the Time Brokerage Agreement being entered between the parties, Buyer shall be entitled to all revenue and shall be responsible for all expenses, costs, and obligations allocable to the period on and after the Closing Date. Seller and Buyer shall cooperate and use commercially reasonable efforts to agree upon such prorations as soon as practicable prior to the Closing Date. Any adjustment to the Purchase Price pursuant to this Section 1.5 will, insofar as feasible, be determined and paid on the Closing Date, with final settlement and payment by the appropriate party no later than sixty (60) days following the Closing Date.

1.4 Assignment and Assumption. As of the Closing Date, except as provided in the TBA, Seller shall assign and Buyer shall assume and undertake to pay, discharge, and perform all obligations and liabilities of Seller with respect to the Assets insofar as they relate to the time on and after the Closing Date. Without limiting the generality of the foregoing, Seller shall assign and Buyer shall assume and perform all obligations on and after the Closing Date under the Contracts assumed by Buyer. Buyer shall not assume any other obligations or liabilities of Seller.

1.5 Allocation of Purchase Price. The Purchase Price shall be allocated as set forth on Schedule 1.8 and Buyer and Seller agree to file with their respective Federal income tax returns as required an initial asset acquisition statement and any supplemental statements on Internal Revenue Service Form 8594 required by Section 1060 of the Internal Revenue Code of 1986, as amended to the date hereof, all in accordance with and accurately reflecting any agreed upon allocation of the Purchase Price.

## SECTION 2. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

2.1 Organization, Standing, and Authority. Each Seller is a limited partnership duly organized and validly existing under the laws of the State of Delaware. Seller has all requisite authority to own, lease, and operate its Assets and to conduct the business of the Stations as now being conducted. Subject to the provisions of Section 4.1 below, Seller has all requisite power and authority to execute and deliver this Agreement and the documents contemplated hereby and to perform and comply with all of the terms, covenants, and conditions to be performed and complied with by Seller hereunder and thereunder.

2.2 Authorization and Binding Obligation. The execution, delivery, and performance of this Agreement by Seller have been duly authorized by all necessary actions on the part of Seller. Subject to the provisions of Section 4.1 below, this Agreement constitutes the legal, valid, and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

2.3 Absence of Conflicting Agreements. Subject to obtaining the consent described in Section 4.1 and the consent of the FCC to assign the FCC Authorizations from Seller to Buyer (the "**FCC Consent**"), and subject to obtaining the consent of parties to the Contracts where required under such Contracts, the execution, delivery, and performance of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (i) will not conflict with, result in a breach of, or constitute a default under, any law, judgment, order, ordinance, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality with jurisdiction over Seller; (ii) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license, or permit to which Seller is a party or by which Seller may be bound; and (iii) will not create any claim, liability, mortgage, lien, pledge, condition, charge, or encumbrance of any nature whatsoever upon the Assets.

2.4 FCC Authorizations and Station Operations. The FCC Authorizations listed in Schedule 1.1(a) have been validly issued and, subject to the exceptions enumerated below, are in full force and effect, and Seller is the authorized legal holder thereof. There are no other material permits, licenses, or authorizations that have been issued by any governmental agency relating to the Stations. The FCC Authorizations comprises all of the authorizations required by the FCC for the operation of the Stations as they are currently operated. Each station received and timely responded to an Order to Show Cause (DA 12-439 and DA 12-431) from the FCC why its FCC Authorization should not be downgraded from Class A to LPTV status. To the best of Seller's knowledge, except for FCC actions that may result from the above mentioned Orders to Show Cause or as part of the FCC license renewal process and subject to and except for FCC Docket No. 12-268, the FCC Authorizations are not subject to any restriction or condition that would limit Buyer's ability to operate the Stations as authorized subject to any restrictions on the face of the FCC Authorizations, or as generally applicable pursuant to FCC rules and policies, and there is not pending nor, to Seller's knowledge, threatened, any action by the FCC to revoke,

cancel, rescind, modify, or refuse to renew in the ordinary course the FCC Authorizations. Seller makes no representation or warranty as to the likelihood of renewal or assignment of the Stations' FCC Authorizations with Class A status intact.

2.5 Consents. Except for the Bankruptcy Court consent, FCC Consent, FCC consent to the license renewal applications, and any required consent noted on Schedule 1.1(d) hereto as "material," no consent, approval, permit or authorization of, or declaration to or filing with, any governmental or regulatory authority, or any other third party (other than parties to the Contracts), is required to (i) consummate this Agreement and the transactions contemplated hereby or (ii) permit Seller to assign or transfer the Assets to Buyer.

2.6 Contracts. To the best of Seller's knowledge, all of the Contracts are in full force and effect and valid, binding, and enforceable in accordance with their terms, except as such enforceability may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies. There is not under any Contract any material default thereunder by Seller or, to Seller's knowledge, by any other party thereto.

2.7 Tangible Personal Property. Except as otherwise described in Section 4.1 and Schedule 1.1(e), Seller has good title to each item of Tangible Personal Property, and, to the best of Seller's knowledge, none of the Tangible Personal Property is subject to any security interest, mortgage, pledge, conditional sales agreement, or other lien or encumbrance, except for liens set forth on Schedule 1.1(e) hereto. In the event that any liens on the Tangible Personal Property are discovered between the date hereof and Closing, such liens shall be released at or before Closing. The Tangible Personal Property is a portion of the tangible personal property necessary to operate the Stations' transmitting facilities. Each material item of Tangible Personal Property will be conveyed to Buyer without representation or warranty except as provided herein, "as-is, where-is" with all faults and defects as they exist on the date of execution of this Agreement.

2.8 Sufficiency and Condition of Assets. The Assets constitute (i) all the assets and properties used or held for use in connection with the analog operation of the Stations as well as (ii) some equipment needed for the KXLK-CA digital operation. All of the Assets shall be conveyed to Buyer "as-is, where-is" with all faults and defects as they exist on the date of execution of this Agreement.

With respect to the digital build-out of the Stations, Seller represents as follows:

(i) There is outstanding a construction permit for the KXLK digital facility on Channel 23. The Channel 23 digital facility construction permit, FCC File No. BMPDTA-20120215AAT (the "Channel 23 Digital CP") was granted on February 24, 2012 and will expire on September 1, 2015 (the "Deadline").

(ii) KXCC-CA is authorized currently as an analog station on Channel 45. An application by the Seller to the FCC for a construction permit for a digital station on Channel 45 for KXCC was objected to by the Mexican Government due to its concern over predicted interference from a digital Channel 45 operation, and was dismissed by the FCC.

2.9 Leased Property. Seller has provided true and accurate copies of all written leases under which Seller is the lessee of real or personal property used or held for use in connection with the operation of the Stations, and all such leases are described on Schedule 1.1(d). Seller has good and valid leasehold interests in all such properties held by Seller under such leases. The month-to-month lease for KXCC-CA, if assignable and assigned shall be assigned “as is, where is.” The Leased Real Property constitutes all of the real property used or held for use in the operation of the Stations. Seller is not in breach of or in default under, nor has any event occurred which (with or without the giving of notice or the passage of time or both) would constitute a default by Seller under such lease. To the knowledge of Seller, none of the lessors under any of such leases is in breach thereof or in default thereunder. Seller has full right and power to occupy or possess, as the case may be, all the property covered by each such lease.

2.10 Claims and Legal Actions. Except for FCC matters disclosed in this Agreement, there is no claim, legal action, counterclaim, suit, arbitration, governmental investigation, or other legal, administrative or tax proceeding, nor any order, decree, or judgment, in progress or pending, or to the knowledge of Seller threatened, against or relating to the Stations or the Assets, nor does Seller know or have reason to be aware of any basis for the same.

2.12 Tax Matters. Seller has (and as of the Closing Date will have) (i) duly filed all material, federal, state, and local tax returns for the Stations required to be filed by or with respect to it with the IRS or other applicable taxing authority, (ii) paid all material taxes due, or claimed by any taxing authority to be due, from or with respect to the Stations, except taxes that are being contested in good faith by appropriate legal proceedings and for which adequate reserves have been set aside, and (iii) made all material deposits required with respect to taxes, in each such case to the extent that the failure to do so would have a material adverse effect on Seller, the Assets or the Stations or would result in the imposition of any encumbrance on the Assets.

2.13 Broker. Neither Seller nor any person acting on Seller’s behalf has incurred any liability for any finders’ or brokers’ fees, or commissions in connection with the transactions contemplated by this Agreement and hereby represent and warrant the same to the other party.

2.14 Disclaimer. Except as expressly provided herein, Seller makes and at Closing shall make no representation or warranty as to the condition of the Assets. No representation or warranty made by Seller in this Agreement contains, at the time of delivery, any untrue statement of a material fact or omits, at the time of delivery, to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading. Notwithstanding the forgoing, Seller shall make no representation or warranty in this Agreement as to the condition of the Assets delivered at the Closing except as provided herein. All Assets will be delivered “as-is, where-is” with all faults and defects as they exist on the date of execution of this Agreement.

### **SECTION 3. REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Seller as follows:

3.1 Organization, Standing, and Authority. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of State of Texas and at or before

the Closing Date will be authorized to do business in the State of Texas. Buyer has all requisite power and authority to execute and deliver this Agreement and the documents contemplated hereby and to perform and comply with all of the terms, covenants, and conditions to be performed and complied with by Buyer hereunder and thereunder.

3.2 Authorization and Binding Obligation. The execution, delivery, and performance of this Agreement by Buyer have been duly authorized by all necessary actions on the part of Buyer. This Agreement constitutes the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

3.3 Absence of Conflicting Agreements. Subject to obtaining the FCC Consent, the execution, delivery, and performance by Buyer of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (i) will not conflict with, result in a breach of, or constitute a default under, any law, judgment, order, injunction, decree, rule, regulation, or ruling of any court or governmental instrumentality applicable to Buyer; and (ii) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license, or permits to which Buyer is a party or by which Buyer may be bound, such that Buyer could not acquire the Assets.

3.4 Broker. Neither Buyer nor any person acting on Buyer's behalf has incurred any liability for any finders' or brokers' fees, or commissions in connection with the transactions contemplated by this Agreement.

3.5 Qualifications. Subject to obtaining the FCC Consent, Buyer is, and at the Closing will be, legally, financially, and technically qualified under FCC standards to acquire and to hold the FCC Authorizations. Buyer warrants specifically that it either has sufficient cash on hand or has obtained commitments from qualified lending sources to consummate this transaction.

3.6 Litigation. There are no suits, arbitrations, administrative charges, or other legal proceedings, claims or governmental investigations pending against, or, to Buyer's knowledge, threatened against, Buyer relating to or affecting this Agreement or the transactions contemplated hereby nor, to Buyer's knowledge, is there any basis for any such suit, arbitration, administrative charge, or other legal proceeding, claim or governmental investigation.

## **SECTION 4. COVENANTS PRIOR TO CLOSING**

From the date hereof until the Closing:

4.1 David P. Stapleton ("**DPS**") is the trustee of the Pappas Liquidating Trust, which was established on December 21, 2011, by order of the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") in Chapter 11 Case No. 08-10949 (PJW). In his capacity as trustee, DPS is the sole owner of the capital stock of Pappas GP, LLC, a Delaware limited liability company ("**PGL**"). PGL is the general partner of Sellers. Promptly following the execution of this Agreement, DPS will file a motion (the "Sale Motion") requesting the entry

of an order from the Bankruptcy Court authorizing DPS to exercise his authority to enter in to the APA and to sell the Stations to the Buyer (the "**Sale Order**"). Following the filing of the Sale Motion, DPS will use reasonable efforts to obtain approval of the Sale Order. Entry of the Sale Order by the Bankruptcy Court shall be an express condition of closing under the APA.

4.2 Restrictions on Certain Actions. Subject to Seller's ultimate rights as licensee and the actions of Buyer under the TBA, except as provided below, Seller shall not, without prior consent of Buyer, agree to the downgrade of either Station's FCC Authorization from Class A to LPTV, or otherwise cause or permit by any act or failure to act, the FCC Authorizations to expire or to be revoked, suspended, or modified, or take any action that could cause the FCC or any other governmental authority to institute proceedings for the suspension, revocation, or adverse modification of the FCC Authorizations. In the event the FCC formally or informally, orally or in writing, explicitly notifies Seller (or Seller and/or Buyer) that the FCC does not intend to grant the pending renewal application and/or assignment application for one or both Stations without the relevant Station downgrading to LPTV status, then for a period of 45 calendar days after such notice, Buyer shall be permitted at Buyer's expense to take such reasonable actions as necessary to endeavor to maintain the Class A status of such Station through the renewal and assignment process and Closing hereunder (the "**45 Day Negotiation Period**"). Seller shall cooperate in all reasonable respects with Buyer with respect to (i) jointly contacting the FCC as to the status of the license renewal applications and the Assignment Applications and (ii) with respect to such actions chosen to be taken by Buyer in an effort to preserve the Class A status, provided that (i) Buyer shall not be obligated to reimburse Seller for Seller's attorneys' fees incurred in conjunction with such efforts; and (ii) Seller shall not be obligated to incur *any* costs or expenses other than reasonable attorney's fees of its counsel. Provided that Seller acts in good faith as provided in the foregoing sentence before the end of the Negotiation Period Termination date or, if Buyer timely pays the funds set forth in the next paragraph, the Upset Date, then no action or failure to act by Seller or its representatives as regards the Class A status of either of the Stations may be claimed by Buyer as a breach or default or basis for failing to Close as provided by the terms of this Agreement. Seller shall not be required to take or accept any action by the FCC that would have any negative impact or consequence to Seller. Seller and Buyer, in good faith, shall agree in writing concerning the date on which the 45 Day Negotiation Period commences and the date the 45 Day Negotiation Period terminates (the latter being the "**Negotiation Period Termination Date**"). Thereafter, except as provided below, the first business day following the end of the 45 Day Negotiation Period Seller may, in its sole discretion, consent to any such downgrades. Except during the 45 Day Negotiation Period or as provided in the second paragraph below, Buyer shall not take any action to delay or prevent the grant of the renewal application or the assignment application of either Station at any time.

At no time during the 45 Day Negotiation Period or, if the Buyer timely pays Seller the funds as set forth in the paragraph below, before the Upset Date shall Seller solicit or suggest to the FCC the downgrade of either Stations' Class A status without the Buyer's consent. In the event the FCC contacts directly one party but not the other, such party will use its best efforts to (i) include the other party in the conversation, or (ii) allow the other party to either confirm the information that is obtained or else cooperate in the other party's obtaining such information. In the event the 45 Day Negotiation Period ends on a weekend or Holiday, the 45 Day Negotiation Period shall not end until the close of business on the following business day.

Notwithstanding any of the forgoing, if, prior to the Negotiation Period Termination Date, Buyer agrees to pay the sum of \$140,000.00 in immediately available U.S. funds, then Seller shall not, in any event, before the Upset Date as provided in Sections 8.1(c) and 8.2(c), consent to a voluntary downgrade of either Station from Class A status to LPTV status without the consent of Buyer. Any fees or forfeitures imposed by the FCC as a result of the efforts of Buyer and Seller to retain the FCC Class A status shall be the responsibility of Buyer and shall be paid by Buyer at such time as prescribed by the FCC in order to facilitate the grant of the renewal application and/or assignment application of the relevant Station with Class A status intact. Any such fees or forfeiture paid by Buyer shall be in addition to the Purchase Price and not credited to Buyer's payment of the Purchase Price. The \$140,000.00 payment will be nonrefundable but shall be credited to Buyer's payment of the Purchase Price. If Buyer elects to pay Seller as provided in this paragraph, then Buyer will be obligated to Close within five business days of the later of the Upset Date or the initial FCC grant of the renewal applications and the Assignment Applications. If, after payment of the funds as provided in this provision, Buyer for any reason fails or refuses to Close consistent with the immediately preceding sentence, Seller shall be entitled to payment of the Deposit and any interest accrued thereon as liquidated damages.

Except in the ordinary course of business, Seller shall not mortgage or pledge any of the Assets or create or suffer to exist any encumbrance thereon; sell, lease, transfer, or otherwise dispose of, directly or indirectly, any of the Assets; amend, modify, or change any existing material lease, contract, permit, or agreement relating to the Stations or the Assets, other than in the Ordinary Course of Business consistent with past practice and except as specifically provided for herein or as may be required by order or regulation of the FCC or the Bankruptcy Court; or acquire or enter into any new agreement or contract which will bind the Stations beyond the Closing except as specifically provided for herein.

4.3 Notifications. Seller shall promptly notify Buyer in writing of any unusual or material developments with respect to the Assets or the Stations, and of any material change in any of the information contained in Seller's representations and warranties contained in Section 2 of this Agreement. Buyer shall promptly notify Seller in writing of any material change in any of the information contained in Buyer's representations and warranties contained in Section 3 of this Agreement.

4.4 No Inconsistent Action. Neither Seller nor Buyer shall take any action that is inconsistent with their respective obligations under this Agreement or that could hinder or delay the consummation of the transactions contemplated by this Agreement.

4.5 Access. Subject to Section 10.10 of this Agreement, Buyer shall have the right, itself or through its representatives, during normal business hours and after reasonable written notice to Seller, to inspect the Assets and Seller's records relating to the Stations including, without limitation, applications and reports to the FCC, and Seller shall furnish Buyer with such information respecting the Assets as Buyer may, from time to time, reasonably request.

4.6 Channel 23 Digital Build Out. Prior to Closing, under the supervision and ultimate control of Seller and at Buyer's sole cost and expense, Buyer may undertake and take such actions to implement and construct the KXLK-CA Channel 23 Digital CP facility and complete the digital conversion detailed therein (the "**Channel 23 Digital Build Out**"). If the

Closing has not yet occurred at the time the construction of the digital facility has been completed, Seller shall prepare and file, at Buyer's cost and expense, the license to cover with the FCC.

If the Channel 23 Digital Build Out is completed prior to the Closing hereunder, Buyer shall have the right to utilize such equipment listed and detailed on Schedule 1.1(e) and Schedule 2.8 that Seller already has purchased and which is included in the Assets subject to this sale after the Channel 23 Digital Build Out and during the TBA. The Channel 23 Digital Build Out equipment listed on Schedule 1.1(e) and Schedule 2.8 currently is located at either (i) the KXLK transmitter site in Austin, Texas; or (ii) the location of Seller's affiliate, Pappas Telecasting of Central Nebraska ("PTCN"), in Axtell, Nebraska. Promptly following the execution of this Agreement, Buyer shall arrange with Seller or PTCN for the transfer, shipping, and payment for shipping, of the equipment located in Axtell, Nebraska, and such equipment then will be shipped to Seller within ten (10) business days. All transfer and shipping costs for the delivery of such Assets currently located in Axtell, Nebraska shall be borne solely and directly by the Buyer.

For the sake of clarity, all of the equipment included on Schedules 1.1(e) and 2.8 purchased by Seller and intended for the Channel 23 Build Out is a part of the Assets being transferred under this Agreement, and no amounts paid for such equipment by Seller is required to be reimbursed to Seller by Buyer. At all times until the Closing hereunder, all Seller equipment listed on Schedule 1.1(e) and Schedule 2.8 and used in the Channel 23 Digital Build Out shall be and remain the property of Seller, and after Closing shall become the property of Buyer. Any additional equipment purchased by Buyer and used in the Channel 23 Digital Build Out shall be and remain the property of Buyer; however, in the event that the Closing hereunder does not occur, Buyer shall make available to Seller and Seller may, in its sole discretion, purchase all or any such additional equipment for the amounts actually paid by Buyer. Any and all costs associated with the Channel 23 Digital Build Out shall be the responsibility of Buyer and shall not be deducted from the Purchase Price.

In the event that Closing as contemplated herein does not occur, Seller shall have no obligation to repay to Buyer the amounts paid by Buyer for such digital build out.

4.7 Corpus Digital Build Out. At the request of Buyer and at Buyer's sole expense, Seller will cooperate with Buyer to file an application prepared by Buyer for a digital channel facility for KXCC-CA. The status of any application for a digital construction permit for Corpus Christi shall not delay or be a condition of the Closing of the APA.

In the event that a construction permit for a digital facility for KXCC-CA is granted by the FCC prior to Closing, Buyer may, under the supervision and ultimate control of Seller and at Buyer's sole cost and expense, undertake and take such actions to implement and construct the KXCC-CA digital CP facility and complete the digital conversion detailed therein (the "KXCC-CA Digital Build Out"). Any and all costs associated with the KXCC-CA digital build out shall be the responsibility of Buyer and shall not be deducted from the Purchase Price.

## **SECTION 5. FCC CONSENT**

5.1 The assignment of the FCC Authorizations pursuant to this Agreement shall be subject to the prior consent and approval of the FCC. Seller and Buyer shall promptly prepare

applications (FCC Form 314) for assignment of each FCC Authorization from Seller to Buyer (or an affiliate or subsidiary of Buyer) (the “**Assignment Applications**”) and shall file the Assignment Applications with the FCC within five (5) business days of the execution of this Agreement. The parties shall prosecute the Assignment Applications with all reasonable diligence and, except as permitted in Section 4.2, otherwise use their reasonable commercial efforts to obtain a grant of the application as expeditiously as practicable; *provided, however*, that no party shall be required to participate in a trial-type hearing or a judicial appeal in pursuit of a grant. Each party shall bear its own costs in connection with the preparation, filing, and prosecution of the Assignment Applications, except that Buyer and Seller shall each pay one-half of the filing fees associated with the Assignment Applications. Seller and Buyer understand that the Assignment Applications will not be granted until the applications for renewal of the FCC Authorizations are granted.

## **SECTION 6. CONDITIONS TO OBLIGATIONS OF BUYER AND SELLER AT CLOSING**

6.1 Conditions to Obligations of Buyer. All obligations of Buyer at the Closing are subject at Buyer’s option to the fulfillment by Seller prior to or on the Closing Date of each of the following conditions:

(a) Covenants and Conditions. Seller shall have performed and complied in all material respects with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by Seller prior to or on the Closing Date.

(b) Bankruptcy Court Consent. The Sale Order shall have been entered. In the event that the Sale Order is not entered or is entered and does not become final by the Closing Date, Buyer may terminate this Agreement upon written notice to Seller. Upon Buyer sending such written notice, Buyer shall immediately be entitled to the return of the Deposit.

(c) FCC Consent. The FCC Consent shall have been granted and, unless finality is waived by Buyer or subject to Section 4.2, shall have become a Final Order no longer subject to administrative or judicial review. Seller and Buyer shall have complied with any conditions imposed on it by the FCC Consent.

(e) Governmental Authorizations. Seller shall be the holder of the FCC Authorizations for the Stations. The renewal applications filed on April 1, 2014 shall have been granted. Except as may relate to the Class A status of the Stations or as applicable to television station (full power, Class A and LPTV) generally, no proceeding shall be pending the effect of which could be to revoke, cancel, fail to renew, suspend, or modify adversely the FCC Authorizations. Notwithstanding the foregoing, an action of the FCC that (i) on its own motion or (ii) if Buyer makes the payments as provided in Section 4.2, is with the mutual consent of Seller and Buyer, has the effect of downgrading one or both Stations’ FCC Authorizations from Class A to LPTV, such action shall not be a cause for Buyer to delay or refuse to Close and shall not be a breach or default under this Agreement.

(f) Consents. All Consents designated as “material” on Schedule 1.1(d) (the “**Material Consents**”) shall have been obtained and delivered to Buyer.

(g) Deliveries. Seller shall stand ready to deliver to Buyer on the Closing Date duly executed documents to convey to Buyer all of Seller's rights, title, and interest in and to the Assets including, but not limited to, assignments pursuant to which Seller shall convey to Buyer the Assets, consents, a certificate from an officer of Seller confirming Seller's warranties, representations, and compliance with all covenants and obligations required hereunder to be complied with on or before the Closing.

(h) No Proceedings. There shall be no suit, action, claim, investigation, inquiry, or proceeding instituted or threatened or an order, decree or judgment of any court, arbitrator, agency or governmental authority rendered which (i) questions the validity or legality of any transaction contemplated hereby, or (ii) seeks to enjoin any transaction contemplated hereby.

6.2 Conditions to Obligations of Seller. All obligations of Seller at the Closing are subject at Seller's option to the fulfillment by Buyer prior to or on the Closing Date of each of the following conditions:

(a) Representations and Warranties. All representations and warranties of Buyer contained in this Agreement shall be true and complete in all material respects at and as of the Closing Date as though made at and as of that time.

(b) Covenants and Conditions. Buyer shall have performed and complied in all material respects with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by Buyer prior to or on the Closing Date.

(c) Deliveries. Buyer shall stand ready to deliver to Seller on the Closing Date the Purchase Price, as adjusted, and appropriate assumption agreements pursuant to which Buyer shall assume and undertake to perform Seller's obligations under the Assets as they relate to the time on or after the Closing Date.

(d) Bankruptcy Court Consent. The Sale Order shall have been entered. In the event that the Sale Order is not entered or is entered and does not become final by the Closing Date, Seller may terminate this Agreement upon written notice to Buyer.

(d) FCC Consent and Renewal Grants. The FCC Consent shall have been granted, and Buyer shall have complied with any conditions imposed on it by the FCC Consent. In addition, the renewal applications filed on April 1, 2014 shall have been granted.

(e) No Proceedings. There shall be no suit, action, claim, investigation, inquiry, or proceeding instituted or threatened or an order, decree or judgment of any court, arbitrator, agency, or governmental authority rendered which (i) questions the validity or legality of any transaction contemplated hereby, or (ii) seeks to enjoin any transaction contemplated hereby.

## **SECTION 7. CLOSING**

Except as otherwise provided in Section 4.2, subject to the satisfaction or waiver of the conditions of Closing set forth in Sections 6.1 and 6.2, the Closing shall take place at 10:00 a.m.

on a date, to be set by Buyer on at least five (5) business days' written notice to Seller, that is no more than five business days following the date on which the FCC Consent shall have become a Final Order. For purposes of this Agreement, the term "**Final Order**" shall mean an order of the Commission (including action duly taken by the Commission's staff, pursuant to delegated authority) which is not reversed, stayed, enjoined, or set aside, and with respect to which no timely request for stay, reconsideration, review, rehearing, or notice of appeal or determination to reconsider or review is pending, and as to which the time for filing any such request, petition, or notice of appeal or for review by the Commission, and for any reconsideration, stay, or setting aside by the Commission on its own motion or initiative, has expired. The Closing shall be accomplished on the Closing Date by exchanging the closing documents required by this Agreement and such other closing documents as the parties may reasonably require in person, by mail, by email or air courier and by Buyer's delivery of the Purchase Price by wire transfer of immediately available funds.

The Closing shall be held by mail and facsimile if reasonably feasible or otherwise at the offices of Seller's counsel in Arlington, Virginia.

## **SECTION 8. TERMINATION**

8.1 Termination by Seller. This Agreement may be terminated by Seller and the purchase and sale of the Assets abandoned, if Seller is not then in material default, upon written notice to Buyer, upon the occurrence of any of the following:

(a) Conditions. If the Deposit is not fully funded by Buyer on the date provided for herein; or if, on the date that would otherwise be the Closing Date, Seller shall have notified Buyer in writing that one or more of the conditions precedent to the obligations of Seller set forth in this Agreement have not been satisfied by Buyer or waived in writing by Seller.

(b) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order, not caused by Seller that would prevent or make unlawful the Closing.

(c) Upset Date. Except as provided in Section 4.2, if by twelve months from the date of execution of this Agreement the Closing has not been consummated by the parties to this Agreement.

(d) Breach. If Buyer has failed to cure any material breach of any of its representations, warranties or covenants under this Agreement within thirty (30) calendar days after Buyer has received written notice of such breach from Seller.

8.2 Termination by Buyer. This Agreement may be terminated by Buyer and the purchase and sale of the Assets abandoned and the Deposit returned to Buyer, provided that Seller has wrongfully failed or refused to close, upon written notice to Seller, upon the occurrence of any of the following:

(a) Conditions. If, on the date that would otherwise be the Closing Date, Buyer shall have notified Seller in writing that one or more of the conditions precedent to the obligations of Buyer set forth in this Agreement have not been satisfied by Seller or waived by

Buyer, and such conditions shall not have been satisfied by Seller within thirty (30) calendar days following such notice.

(b) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order, not caused by Buyer that would prevent or make unlawful the Closing.

(c) Upset Date. Except as provided in Section 4.2, if by twelve months from the date of execution of this Agreement the Closing has not been consummated by the parties to this Agreement.

(d) Breach. If Seller has failed to cure any material breach of any of its representations, warranties or covenants under this Agreement within thirty (30) calendar days after Seller has received written notice of such breach from Buyer.

8.3 Rights on Termination. If this Agreement is terminated pursuant to Section 8.1 or 8.2 and neither party is in material breach of any provision of this Agreement, the parties hereto shall not have any further liability to each other with respect to the purchase and sale of the Assets, and Buyer shall be entitled to a return of the Deposit. Buyer agrees that in the event Seller terminates this Agreement pursuant to Section 8.1(d), it is agreed that Seller shall be entitled to release of the Deposit and any interest accrued thereon as liquidated damages as its sole and exclusive remedy for a breach by Buyer of this Agreement. The parties acknowledge and agree that payment of such amount shall constitute payment of liquidated damages and is not a penalty and that the liquidated damages amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused by material breach or default under this Agreement, the difficulty of proof of loss and damages, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder. If (A) in the event that the Sale Order (as defined in Section 4.1) shall not have been granted and, except as otherwise provided in Section 4.2, become a Final Order on or before the Closing Date, or (B) if the FCC Consent shall not have been granted, and, except as otherwise provided in Section 4.2, become a Final Order within twelve months of this Agreement; or (C) Buyer terminates this Agreement pursuant to Section 8.2, then this Agreement shall terminate and, except as provided in Section 4.2, Buyer shall be entitled to a return of the Deposit. If this Agreement is terminated by Buyer as a result of Seller's material breach of this Agreement, Buyer shall have all rights and remedies available at law or equity.

## **SECTION 9. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION; CERTAIN REMEDIES.**

9.1 Representations and Warranties. No Seller representations, warranties or covenants shall survive the Closing.

9.2 Indemnification by Buyer. Buyer hereby agrees to indemnify and hold Seller harmless against and with respect to, and shall reimburse Seller for any and all losses, liabilities, or damages (including reasonable legal fees and expenses) resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenant by Buyer contained in this Agreement; or in any certificate, schedule, document, or instrument delivered to Seller under this

Agreement; or from claims arising from the operation of any of the Stations after Closing or from Buyer's operations under the TBA.

9.4 Limits on Indemnification. No indemnification shall be required to be made by Buyer hereto until the aggregate amount of all indemnification claims against such indemnifying party exceeds Twenty-Five Thousand Dollars (\$25,000.00). The indemnification provisions in this Section 9 sets forth the exclusive remedies of Seller following the Closing for a breach of a representation, warranty or covenant under this Agreement or any other claims relating to this Agreement.

9.5 Defense. With respect to claims made under Section 9.3, the Seller must notify Buyer of any third party claim promptly after learning of such claim and in time to permit Buyer to assert a timely defense. Buyer may not settle a third party claim without the consent of Seller unless the settlement includes a complete release of Seller from liability to the claimant.

9.6 Specific Performance. Seller agrees that the Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, in the event of failure or threatened failure by Seller to comply with the terms of this Agreement, Buyer shall have the right specifically to enforce Seller's performance under this Agreement as its sole remedy, subject to obtaining any necessary Commission consent, and Seller agrees to waive the defense in any such suit that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy.

## **SECTION 10. MISCELLANEOUS.**

10.1 Attorneys' Fees. In the event of a default by either party which results in a lawsuit or other proceeding for any remedy available under this Agreement, the prevailing party shall be entitled to reimbursement from the other party of its reasonable legal fees and expenses.

10.2 Fees and Expenses. Any federal, state, or local sales or transfer tax arising in connection with the conveyance of the Assets by Seller to Buyer pursuant to this Agreement shall be split equally by Seller and Buyer. Except as otherwise provided in this Agreement, each party shall pay its own expenses incurred in connection with the authorization, preparation, execution, and performance of this Agreement, including all fees and expenses of counsel, accountants, agents, and representatives, and each party shall be responsible for all fees or commissions payable to any finder, broker, advisor, or similar person retained by or on behalf of such party.

10.3 Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be (a) in writing, (b) delivered by personal delivery, or sent by commercial delivery service or registered or certified mail, return receipt requested, sent by telecopy or facsimile transmission, confirmation of receipt requested, or sent by electronic mail, with confirmation of receipt requested, (c) deemed to have been given on the date of personal delivery or the date set forth in the records of the delivery service or on the return receipt, and (d) addressed as follows:

If to Seller: CASA of Austin, L.P. and CASA of Corpus Christi, L.P.  
823 W. Center Ave.  
Visalia, CA 93291-6013  
Attention: Mr. David P. Stapleton, Trustee

With a copy (which shall not constitute notice) to: Fletcher Heald & Hildreth, PLC  
Attn: Kathleen Victory, Esq.  
1300 N. 17<sup>th</sup> St., Suite 1100  
Arlington, VA 22209  
Fax: (703) 812-0486  
Email: [victory@fhhlaw.com](mailto:victory@fhhlaw.com)

If to Buyer: Abraham Telecasting Company, LLC  
Attn: Thomas Abraham, Managing Member  
223 Kingfisher Dr.  
Sugar Land, TX 77478  
Fax/Telephone: (281) 499-1142  
Email: [tabraham54@gmail.com](mailto:tabraham54@gmail.com)

With a copy (which shall not constitute notice) to: The Law Office of Dan J. Alpert  
Attn: Dan J. Alpert, Esq.  
2120 North 21<sup>st</sup> Rd.  
Arlington, VA 22201  
Fax: (703) 539-5418  
Email: [dja@commlaw.tv](mailto:dja@commlaw.tv)

or to any other or additional persons and addresses as the parties may from time to time designate in a writing delivered in accordance with this Section 10.3.

10.4 Entire Agreement; Amendment. This Agreement, together with the TBA, supersedes all prior agreements and understandings of the parties, oral and written, with respect to its subject matter. This Agreement may be modified only by an agreement in writing executed by all of the parties thereto. No waiver of compliance with any provision of this Agreement will be effective unless evidenced by an instrument evidenced in writing and signed by the parties thereto.

10.5 Further Assurances. From time to time after the date of execution hereof, the parties shall take such further action and execute such further documents, assurances and certificates as either party reasonably may request of the other to effectuate the purposes of this Agreement.

10.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and shall become effective when each of the parties hereto shall have delivered to it this Agreement duly executed by the other parties hereto.

10.6 Headings. The headings in this Agreement are for the sole purpose of convenience of reference and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Agreement.

10.7 Governing Law. This Agreement shall be construed in a manner consistent with federal law and otherwise under and in accordance with the laws of the State of Texas, without giving effect to the principles of conflicts of law.

10.8 Arbitration. Except as otherwise provided to the contrary below, any dispute arising out of or related to this Agreement that Seller and Buyer are unable to resolve by themselves shall be settled by arbitration by a panel of three (3) neutral arbitrators who shall be selected in accordance with the procedures set forth in the commercial arbitration rules of the American Arbitration Association. The persons selected as arbitrators shall have prior experience in the broadcasting industry but need not be professional arbitrators, and persons such as lawyers, accountants, brokers and bankers shall be acceptable. Before undertaking to resolve the dispute, each arbitrator shall be duly sworn faithfully and fairly to hear and examine the matters in controversy and to make a just award according to the best of his or her understanding. The arbitration hearing shall be conducted in accordance with the commercial arbitration rules of the American Arbitration Association in Washington, D.C. The written decision of a majority of the arbitrators shall be final and binding on Seller and Buyer. The costs and expenses of the arbitration proceeding shall be awarded to Seller and/or Buyer, as applicable, in accordance with the requirement of Section 10.1, and the amount of such award shall be set forth in the decision and award of the arbitrators. The arbitrators shall not have any authority to award punitive damages, treble damages, consequential or indirect damages, or any other damages not measured by the prevailing party's actual damages. Judgment on the award, if it is not paid within thirty days, may be entered in any court having jurisdiction over the matter. No action at law or suit in equity based upon any claim arising out of or related to this Agreement shall be instituted in any court by Seller or Buyer against the other except (i) an action to compel arbitration pursuant to this Section, or (ii) an action to enforce the award of the arbitration panel rendered in accordance with this Section.

10.9 Benefit and Binding Effect; Assignability. This Agreement shall inure to the benefit of and be binding upon Seller, Buyer and their respective heirs, successors, and permitted assigns. Neither Buyer nor Seller may assign this Agreement without the prior written consent of the other, except that Buyer, upon notice to Seller, may assign its rights and obligations to an entity that is controlled by, controlling, under common control with Buyer.

10.10 Confidentiality. Except as necessary for the consummation of the transaction contemplated by this Agreement, and except as and to the extent required by law, each party will keep confidential any information obtained from the other party in connection with the transactions contemplated by this Agreement. If this Agreement is terminated, each party will return to the other party all information obtained by such party from the other party in connection with the transactions contemplated by this Agreement which information is not readily available from other sources. Notwithstanding anything in this Agreement to the contrary, the obligations contained in this Section 10.10 shall indefinitely survive the termination of this Agreement.

10.11 Press Release. Buyer and Seller shall jointly prepare and determine the timing of any press release or other announcement to the public or the news media relating to the Letter

Agreement, this Agreement and/or the transactions contemplated by this Agreement. No party shall publish any press release, make any other public announcement or otherwise communicate with any news media concerning the Letter Agreement, this Agreement or the transactions contemplated hereby without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; *provided, however*, that nothing contained herein shall prevent either party from promptly making all filings with governmental authorities and publishing notices as may be required by applicable law (including FCC regulations, federal or state securities laws and the regulations of securities markets or the requirements of the Pappas Liquidating Trust) in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

10.12 Time Brokerage Agreement. On even date hereof, Seller and Buyer shall enter into a Time Brokerage Agreement (“TBA”). The TBA shall expire upon the Closing or upon Termination of this Agreement pursuant to the provisions of Section 8.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have duly executed this Asset Purchase Agreement as of the day and year first above written.

**Abraham Telecasting Company, LLC**



By: Thomas Abraham  
Its: Managing Member

**CASA of Austin, L.P.**

By: Pappas GP, LLC  
Its: General Partner

---

By: David P. Stapleton  
Its: Trustee, Pappas Liquidating Trust

**CASA of Corpus Christi, L.P.**

By: Pappas GP, LLC  
Its: General Partner

---

By: David P. Stapleton  
Its: Trustee, Pappas Liquidating Trust

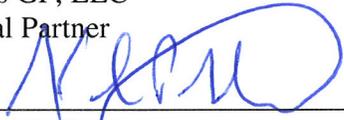
**IN WITNESS WHEREOF**, the parties hereto have duly executed this Asset Purchase Agreement as of the day and year first above written.

**Abraham Telecasting Company, LLC**

\_\_\_\_\_  
By: Thomas Abraham  
Its: Managing Member

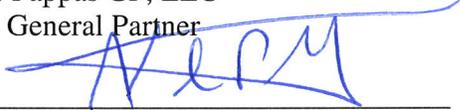
**CASA of Austin, L.P.**

By: Pappas GP, LLC  
Its: General Partner

  
\_\_\_\_\_  
By: David P. Stapleton  
Its: Trustee, Pappas Liquidating Trust

**CASA of Corpus Christi, L.P.**

By: Pappas GP, LLC  
Its: General Partner

  
\_\_\_\_\_  
By: David P. Stapleton  
Its: Trustee, Pappas Liquidating Trust