

ASSET PURCHASE AGREEMENT

dated as of

August 28, 2013

by and among

TELEMUNDO RIO GRANDE VALLEY, LLC, or its nominee,

and

SUNBELT MULTIMEDIA COMPANY

and

MULTIMEDIA ASSOCIATES, LTD.

and

W. LAWRENCE PATRICK, RECEIVER FOR SUNBELT MULTIMEDIA CO. (SOLELY IN  
HIS REPRESENTATIVE CAPACITY AS RECEIVER)

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## **LIST OF EXHIBITS AND SCHEDULES**

Exhibit A – Form of Assignment and Assumption Agreement  
Exhibit B – Form of Assignment of FCC Authorizations  
Exhibit C – Form of Bill of Sale  
Exhibit D – Form of Deed  
Exhibit E – Form of NDA Termination  
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## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this “**Agreement**”) is dated as of August 28, 2013 by and among Telemundo Rio Grande Valley, LLC, a Delaware limited liability company or its nominee (“**Buyer**”), Sunbelt Multimedia Company, a Texas corporation (“**Sunbelt**”), Multimedia Associates, Ltd., a Texas limited partnership (“**Multimedia**”) and W. Lawrence Patrick, Receiver for Sunbelt Multimedia Co. (solely in his representative capacity as receiver) (the “**Receiver**”). Each of Sunbelt, Multimedia and the Receiver are sometimes hereinafter referred to as a “**Seller**” and collectively as the “**Sellers**.”

### WITNESSETH:

WHEREAS, Sellers own and operate KTLM, a full power digital television station licensed to Rio Grande City, Texas and assigned to the Harlingen-Weslaco-Brownsville-McAllen, Texas DMA and its associated facilities (the “**Station**”), licensed by the Federal Communications Commission;

WHEREAS, by Order entered September 6, 2012 by the United States District Court for the Southern District of Texas (the “**Receivership Court**”) in the action encaptioned Compass Bank, successor in interest to Texas State Bank v. Sunbelt Multimedia Co., et al., C.A. No. 4:11-CV-00964 (the “**Receivership Order**”), the Receiver was appointed and continues to serve as receiver of the Receivership Property (as defined in the Receivership Order), including the Station and the Assets, and granted authority with respect to the Receivership Property specified in the Receivership Order, including authority to enter into this Agreement for the sale of the Assets and to perform the transactions contemplated hereby.

WHEREAS, on August 28, 2013, pursuant to a certain assignment and assumption agreement (the “**Assignment of AdEx Contracts**”), dated as of August 28, 2013, by and between Advertising Executives, LLC, a Texas limited liability company (“**AdEx**”) and Sunbelt, AdEx assigned all of the right, title and interest of AdEx in certain Contracts to Sunbelt, and Sunbelt assumed certain Liabilities of AdEx with respect to such Contracts.

WHEREAS, on August 28, 2013, Buyer and Compass Bank entered into a lease agreement and a lease agreement (collectively, the “**New Lease**”), each dated as of August 28, 2013, pursuant to which, subject to and simultaneous with the Closing, Compass Bank will lease or license certain premises located at 3900 North Tenth, McAllen, Texas to Buyer.

WHEREAS, Sellers desire to sell, and Buyer desires to purchase, on the terms and subject to the conditions contained in this Agreement, substantially all of Sellers’ assets, rights, privileges, interests, business and properties, including all such assets owned, leased, used, useful or held for the use by Sellers in connection with the Station.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties, covenants and agreements herein contained, and intending to be legally bound, the parties hereto agree as follows:

## ARTICLE 1 DEFINITIONS AND INTERPRETATION

### Section 1.1 Definitions.

(a) The following terms, as used herein, shall have the meanings ascribed to them below:

**“Affiliate”** means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such first Person. For such purpose “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or voting interests, by contract or otherwise.

**“Affiliation Agreement”** means the Affiliation Agreement, dated December 31, 2009, between Telemundo Network Group LLC and Sunbelt Multimedia Company, as amended from time to time.

**“A/R”** means all accounts receivable of Sellers arising from the operation of the Station prior to Closing that are outstanding and uncollected as of the Closing, to the extent set forth on the A/R Certificate and excluding all accounts receivable payable by a Seller or any current or former Affiliate of a Seller.

**“Assignment and Assumption Agreement”** means the Assignment and Assumption Agreement to be entered into on the Closing Date among Sellers and Buyer in the form attached hereto as Exhibit A.

**“Assignment of FCC Authorizations”** means the Assignment of FCC Authorizations to be entered into on the Closing Date between the Receiver and Buyer or its assignee in the form attached hereto as Exhibit B.

**“Bill of Sale”** means the Bill of Sale to be executed by Sellers in favor of Buyer on the Closing Date in the form attached hereto as Exhibit C.

**“Business Day”** means any day other than a Saturday, Sunday or holiday on which financial institutions in the State of New York are or may elect to be closed.

**“Business Records”** means all business records, regardless of the medium of storage, relating to Sellers, the Assets and/or the Station, including all correspondence, accounts, advertiser lists, archives, morgues, papers, schematics, blueprints, working drawings, engineering data, current customer lists, maps, reports, plans, specifications, projections, statistics, promotional graphics, original art work, mats, plates, negatives, sales and/or advertising, marketing or related materials, files, manuals and records, and all other technical, accounting and financial information concerning Sellers, the Assets and/or the Station and all logs and other records relating to the operation of the Station, including those required by the

FCC to be maintained by Sellers at the Station;

“**CERCLA**” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980.

“**Closing Date**” means the date of the Closing.

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

“**Contracts**” means all claims and rights of every kind arising out of or related to all agreements for the sale of advertising time, network affiliation agreements, spectrum lease agreements, website agreements, local marketing or time brokerage agreement, retransmission agreements, agreements in respect of the Starr County Tower, agreements in respect of Programming, and other contracts, agreements, arrangements, leases, franchises, licenses, commitments, sales and purchase orders, bonds and other instruments, whether written or oral, in each case to which a Seller is a party or otherwise bound and which relate to the Station or the Assets, together with all agreements in respect of the Real Property, including the items listed on Schedule 3.7(a).

“**Copyright Act**” means the Copyright Act of 1976, as amended.

“**Copyright Office**” means the United States Copyright Office.

“**Deed**” means the Deed to be executed by Sellers in favor of Buyer on the Closing Date in the form attached hereto as Exhibit D.

“**DMA**” means the Harlingen-Weslaco-Brownsville-McAllen, Texas Designated Market Area as defined by Nielsen Media Research.

“**Employee Benefit Plan**” means any pension, retirement, profit sharing, deferred compensation, bonus, incentive, performance, stock option, phantom stock, stock purchase, restricted stock, premium conversion, medical, hospitalization, vision, dental or other health, life, disability, severance, termination or other employee benefit plan, program, arrangement, agreement or policy, whether written or unwritten, to which any Seller contributes, is obligated to contribute to, is a party to or is otherwise bound, or with respect to which any Seller may have any liabilities.

“**Environmental Laws**” means any Legal Requirement, License or Contract applicable to a Seller, the Assets or the Station, in each case relating to the environment, the effect of the environment on human health or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic, radioactive or hazardous substances or wastes into the environment, including ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or



petroleum products, chemicals or industrial, toxic, radioactive or hazardous substances or wastes or the clean-up or other remediation thereof.

**“Environmental Liabilities”** means any and all Liabilities arising in connection with or in any way relating to a Seller, the Station, the Assets or activities or operations occurring or conducted at any of the Real Property (including offsite disposal), whether accrued, contingent or fixed, actual or potential, known or unknown, which (i) arise under or relate to Environmental Laws and (ii) relate to actions occurring or conditions existing on or prior to the Closing Date, including any matter disclosed or required to be disclosed on Schedule 3.12.

**“Environmental Permits”** means all Licenses relating to or required by Environmental Laws and affecting, or relating in any way to, the Station or the Assets (including the Real Property).

**“FAA”** means the Federal Aviation Administration.

**“FCC”** means the Federal Communications Commission.

**“FCC Consent”** means the actions of the FCC or its staff acting under delegated authority consenting to the assignment of the FCC Authorizations to Buyer .

**“Final FCC Order”** means a grant of the FCC Consent which has not been reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which: (i) no request for stay by the FCC or any third party is pending, and no such stay is in effect, and any deadline for filing a request for any such stay has passed; (ii) no appeal, petition for rehearing or reconsideration, or application for review is pending before the FCC and the applicable deadline for filing any such appeal, petition or application has passed; (iii) the FCC has not initiated reconsideration or review on its own motion and the time in which such reconsideration or review is permitted has passed; and (iv) no appeal to a court, or request for stay by a court, of the FCC Consent is pending or in effect, and the deadline for filing any such appeal or request has passed.

**“Final Receivership Court Order”** means an order of the Receivership Court that is no longer subject to any appeal, or request for reconsideration or rehearing.

**“GAAP”** means generally accepted accounting principles in the United States, consistently applied, including the statements and interpretations of the U.S. Financial Accounting Standards Board.

**“Governmental Authority”** means (i) the United States of America, (ii) any state, commonwealth, territory or possession of the United States of America and any political subdivision thereof (including counties, municipalities, provinces and parishes), (iii) any foreign (as to the United States of America) sovereign entity and any political subdivision thereof, (iv) any court, quasi-governmental authority, tribunal, department, commission, board, bureau, agency, authority or instrumentality of any of the foregoing, (v) any multinational organization

or body, or (vi) Person exercising or entitled to exercise any executive, legislative, judicial, administrative, regulatory, police, military or taxing power of any nature.

**“Hazardous Substances”** means any pollutant, contaminant, toxic, radioactive, corrosive or otherwise hazardous substance, including petroleum, its derivatives, by-products and other hydrocarbons, or any substance having any constituent elements displaying any of the foregoing characteristics, regulated by or which may form the basis for Liability under Environmental Laws or that is regulated or labeled as such pursuant to any Environmental Law.

**“Intellectual Property”** means all of the following, whether arising under the laws of the United States or any foreign jurisdiction: (i) patents, patent applications (including provisional patent applications), and all reissues, continuations, divisionals, continuations-in-part (to the extent covering material disclosed in the parent application), revisions, extensions and reexaminations thereof (collectively, **“Patents”**); (ii) trademarks, service marks, trade dress, logos, jingles, slogans, trade names and corporate names, together with the goodwill associated with any of the foregoing and with all translations, adaptations, derivations and combinations thereof, and all applications, registrations and renewals in connection therewith (collectively, **“Marks”**); (iii) copyrightable works, copyrights and all applications, registrations and renewals in connection therewith (collectively, **“Copyrights”**); (iv) Internet domain names and all applications, registrations and renewals in connection therewith; (v) trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, technical data, designs, drawings, specifications, advertiser lists, customer and supplier lists, and business marketing plans and proposals); (vi) computer software (including data and related documentation); (vii) all other proprietary rights; and (viii) copies and tangible embodiments thereof (in whatever form or medium).

**“IP Rights”** means all of the rights arising from or in respect of Intellectual Property, whether registered or not, whether owned or licensed, and which are used by the Sellers in connection with the business of the Station as currently conducted.

**“Judgment”** means any judgment, judicial decision, writ, order, and injunction, award or decree of or by any Governmental Authority or private arbitration tribunal.

**“Knowledge”** (and with correlative meaning for derivations thereof) means, (i) with respect to an individual, that such individual is actually aware of a particular fact or other matter, and (ii) with respect to the Sellers, that any individual who is serving, or who has at any time served, an officer or management employee of a Seller or Patrick Communications, LLC has, or at any time had, Knowledge of a particular fact or other matter.

**“Legal Requirement”** means applicable common law and any statute, ordinance, code, law, rule, regulation, order, restriction, technical or other written standard, requirement (licensing or otherwise) or procedure enacted, adopted, promulgated, applied or followed by or any agreement entered into by any Governmental Authority, including any Judgment and including the Receivership Order.

**“Letter of Intent”** means that certain letter agreement, dated as of April 17, 2013 and fully executed April 23, 2013 by and among Sellers and Telemundo Network Group LLC.

**“Liability”** means any debt, obligation, duty or liability of any kind or nature whatsoever, whether accrued, absolute, determined, determinable or otherwise (including any unknown, undisclosed, unmatured, unaccrued, unasserted, contingent, indirect, conditional, implied, vicarious, derivative, joint, several or secondary liability), regardless of whether such debt, obligation, duty or liability would be required to be disclosed on a balance sheet prepared in accordance with GAAP and regardless of whether such debt, obligation, duty or liability is immediately due and payable.

**“Licenses”** means all broadcast licenses, broadcast auxiliary licenses, satellite earth station licenses, relay service licenses, business radio licenses, microwave licenses, certificates of public convenience and necessity, telecommunications ordinances, copyright notices and other licenses, authorizations, registrations, certificates, approvals, consents and permits issued by the FCC or any other Governmental Authority.

**“Lien”** means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest, encumbrance or other adverse claim of any kind in respect of such property or asset, including any Station Option, conditional sale agreement, capital lease or other title retention agreement.

**“Material Adverse Effect”** means any event, occurrence, development, state of circumstances, fact or condition that, individually or in the aggregate, has had or could reasonably be expected to have an adverse effect in the amount of one million dollars (\$1,000,000) or more on the business, assets, condition (financial or otherwise), results of operations or prospects of Sellers, the Assets or the Station.

**“Material Contracts”** means all Licenses and Contracts of the kind described in any of Section 3.7(a)(i) to (xviii) inclusive.

**“NDA Termination”** means the Termination of Letter Agreement to be entered into on the Closing Date between Patrick Communications, LLC and Telemundo Network Group LLC in the form attached hereto as Exhibit E.

**“Outside Date”** means the date that is one year following the date hereof; provided, however, that if on such date the FCC Consent shall not have become a Final FCC Order, then either Buyer or Sellers may extend the Outside Date until the date that is the 21-month anniversary of the date hereof upon written notice of such extension to the other parties hereto.

**“Permitted Liens”** means (i) statutory liens for taxes and other governmental charges and assessments which are not yet due and payable and (ii) rights reserved to any Governmental Authority to regulate the affected Asset, including zoning laws and ordinances, none of which, individually or in the aggregate, adversely detract from the value of any of the Assets or interfere with the right or ability to own, use, dispose of or operate any of the Assets.

**“Person”** means an individual, corporation, limited liability company, partnership, association, trust or other entity or organization, including any Governmental Authority.

**“Personal Property”** means all tangible personal property, including all electronic devices; towers; satellite earth stations; equipment; antennas; transmitters; machinery; origination, transmission and distribution systems and equipment; internal wiring; hardware; tools; inventory; vehicles; spare parts; microwave equipment and systems; furniture; furnishings; trade fixtures; office equipment and supplies.

**“Prime Rate”** means the prime rate of interest, as amended from time to time, of The Bank of New York in New York City.

**“Proceeding”** means any claim, action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), prosecution, contest, hearing, inquiry, inquest, audit, examination or investigation that is, has been or may in the future be commenced, brought, conducted or heard at law or in equity or before any Governmental Authority or any arbitrator or arbitration panel and any other activity or procedure that could result in a Judgment, and any notice of any of the foregoing.

**“Programming”** means (i) all films, film libraries and news archives, if any, all programs, programming material and inventories and production material of whatever form or nature (whether recorded on film, tape or any other substance or whether intended for live performance, television broadcast or any other medium, and whether completed or in production) owned by Sellers and/or used or intended for use in the operation of the Station, (ii) all licenses and broadcast and other rights thereto and all amendments, extensions, renewals, substitutions and replacements thereof, and (iii) other licenses and rights related thereto as may be entered into in accordance with the terms of this Agreement from the date hereof through the Closing Date;

**“Real Property”** means all owned real property and all leases, easements, owned rights of access and other interests, in each case used or held for use in the operation of the Station, in each case together with all buildings, fixtures, and improvements erected thereon, including the items listed on Schedule 3.5(a) and Schedule 3.7(a)(i).

**“Regulated Activity”** means any generation, treatment, storage, recycling, transportation or Release of any Hazardous Substance.

**“Regulatory Notices”** means all written notices, written requests, written inquiries or other written communications from the FCC relating to or requesting information from the Station or requesting that the Station take certain actions.

**“Regulatory Orders”** means all written orders, written decisions, written actions, written determinations or other written pronouncements of the FCC specifically with respect to the Station.

**“Regulatory Petitions”** means all petitions, motions, oppositions, notices of appeal, applications or similar instruments filed or submitted by or to the FCC with respect to the Station.

**“Related Party”** means (i) any current or former Affiliate of any Seller, (ii) any current or former director, officer or employee of any Seller or any such current or former Affiliates that is not a natural person, (iii) any family member of any Seller that is a natural person or any such director, officer or employee described in clause (ii), and (iv) any current or former Affiliate of any individual described in clause (ii) or (iii) or any other Person with respect to which any such individual serves as a director, officer, partner, executor or trustee (or in a similar capacity).

**“Release”** (and with correlative meaning for derivations thereof) means any discharge, emission or release, including a “release” as defined in CERCLA at 42 U.S.C. § 9601(22).

**“Sound Investments Lease”** means the KTLM-TV Tower Lease between Multimedia Associates, Ltd. as Lessor and Sound Investments Unltd., Inc., a Starr County Company, as Lessee, dated January 1, 2000 for space on tower at 2.4 miles east of Hwy 755 on Hwy 490, Starr County, TX and studio space/space for STL at 3900 N. 10th Street, McAllen, TX, as amended by Extension and Amendment to Lease effective January 1, 2010.

**“Starr County Tower”** means the broadcast transmission tower with FCC antenna structure registration no. 1056488 registered to Multimedia.

**“Station Call Letters”** means the television call letters “KTLM,” and the names or styles “Channel 40,” “Telemundo 40” and any derivation, variant or modification thereto and any logograms, jingles and other Intellectual Property Rights incorporating or using such call letters, names or styles;

**“Station Logs and Records”** means all logs and other records relating to the operation of the Station, including those required by the FCC to be maintained by any Seller at the Station;

**“Station Option”** means any purchase option, right of first refusal or similar arrangement which would be triggered by the change of control, sale, disposition or other transfer of the Station or the Assets.

(b) Each of the following terms is defined in the Section set forth opposite such term:

<b><u>Term</u></b>	<b><u>Section</u></b>
AdEx	Recitals
Agreement	Preamble
A/R Certificate	5.12
A/R Collection Period	2.8

<b><u>Term</u></b>	<b><u>Section</u></b>
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Assignment of AdEx Contracts	Recitals
Assumed Contracts	2.1(k)
Assumed Liabilities	2.3
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Environmental Condition	6.5(d)
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ERISA Affiliate	8.1
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FCC Application	6.2
FCC Authorizations	3.9(a)
FCC Rules	3.11
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Indemnifying Party	10.3(a)
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Interim Consolidated Balance Sheet	3.4(a)
Interruption Event	5.10
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Multimedia	Preamble
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Post-Closing Tax Period	7.1
Pre-Closing Tax Period	7.1
Proposed Allocation	2.8
Purchase Price	2.5
Rebates and Credits	2.1(g)
Receiver	Preamble
Receivership Court	Recitals
Receivership Court Order	6.3
Receivership Order	Recitals

<b><u>Term</u></b>	<b><u>Section</u></b>
Representatives	5.4
Required Consents	3.8
Search Results	5.6
Seller	Preamble
Seller Owned IP	3.14
Station	Recitals
Sunbelt	Preamble
Taking	5.11(b)
Tax	7.1
Tax Return	7.1
Transferred Employee	8.3(c)
Uncollected Receivable	2.8

## **Section 1.2 Interpretation.**

(a) In this Agreement, unless a clear contrary intention appears:

(i) where not inconsistent with the context, words used in the present tense include the future tense and vice versa and words in the plural number include the singular number and vice versa;

(ii) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement;

(iii) reference to any gender includes each other gender;

(iv) except for references made in any Schedule to this Agreement, reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and includes all addenda, exhibits and schedules thereto;

(v) reference to any Legal Requirement means such Legal Requirement as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Legal Requirement means that provision of such Legal Requirement from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision;

(vi) reference to any Governmental Authority includes any designee thereof or successor thereto;

(vii) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision hereof and, unless the context otherwise requires, references herein to

a specific Article, Section, subsection, preamble, recital, Schedule or Exhibit refer, respectively, to Articles, Sections, subsections, preamble, recitals, Schedules or Exhibits of this Agreement;

(viii) “including” (and with correlative meaning, “include”) means including without limiting the generality of any description preceding such term;

(ix) “or” is used in the inclusive sense of “and/or”;

(x) with respect to the determination of any period of time, “from” means “from and including” and “to” means “to but excluding”; and

(xi) the terms “Dollars” and “\$” mean United States Dollars.

(b) Unless otherwise specified herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with GAAP.

(c) The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

(d) This Agreement was negotiated by the parties with the benefit of legal representation, and any rule of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party shall not apply to any construction or interpretation hereof.

## **ARTICLE 2**

### **PURCHASE AND SALE**

**Section 2.1 Purchase and Sale.** Except as otherwise provided below, upon the terms and subject to the terms and conditions of this Agreement, at the Closing, Buyer shall purchase and accept the conveyance, transfer, assignment and delivery from Sellers, and each Seller shall sell, convey, transfer, assign and deliver, or cause to be sold, conveyed, transferred, assigned and delivered, to Buyer, free and clear of all Liens other than Permitted Liens, all of the right, title and interest of each Seller in, to and under the assets, properties, goodwill, business and rights, of every kind, nature and description, wherever located, real, personal or mixed, tangible or intangible, owned by such Seller or held or used in the conduct of the Station’s business by a Seller, in each case as the same shall exist on the Closing Date, including all right, title and interest of each Seller in, to and under the following, which (whether or not listed below) are hereinafter collectively referred to as the “**Assets**”:

(a) all Licenses, including the FCC Authorizations and including the Licenses listed on Schedule 2.1(a) and all deposits with respect thereto or with respect to any bonding or surety arrangement;

(b) all Station Call Letters;

(c) all Programming;



- (d) all Station Logs and Records;
- (e) all benefits owed to a Seller and/or the Station under trade, barter or similar arrangements to be received for advertising time on the Station that have not been received prior to the Closing Date;
- (f) all rights in performance or other bonds, security or other deposits, advances, advance payments, prepaid credits and expenses, and deferred charges;
- (g) all rights in, to and under claims for refunds, rebates or other discounts due from suppliers or vendors and rights to offset in respect thereof (the “**Rebates and Credits**”);
- (h) all Real Property;
- (i) all Personal Property;
- (j) the Starr County Tower;
- (k) subject to Section 2.9, all Contracts with advertisers for paid advertising (other than any such Contracts with respect to which Sellers or their respective Affiliates have accepted prepayments or otherwise have deferred revenue received by a Seller on or prior to the Closing Date for services to be rendered after the Closing Date, including prepayments for television commercials or other services or rentals), and all other Contracts listed on Schedule 2.1(k) (collectively, the “**Assumed Contracts**”);
- (l) all Business Records;
- (m) all Intellectual Property;
- (n) all rights, claims and causes of action against third parties resulting from or relating to the operation of the Station or the Assets prior to the Closing, including any rights, claims and causes of action arising under warranties from vendors and other third parties, and all amounts payable to a Seller, if any, from the United States Copyright Office or such arbitral panels as may be appointed by the United States Copyright Office that relate to the Station or the Assets with respect to the period prior to the Closing Date;
- (o) subject to Section 2.8, all accounts receivable, notes receivable, prepaid expenses and insurance and indemnity claims to the extent related to any of the Assets;
- (p) all goodwill associated with the Station and the Assets;
- (q) all vehicles;
- (r) all other assets of whatever nature and wherever located that are owned, used or held for use by a Seller in connection with the Station; and

(s) copies of any books and records that a Seller is required by law to retain.

*provided, however*, that, notwithstanding the foregoing, the Assets shall not include the Excluded Assets.

**Section 2.2 Excluded Assets.** The following (and only the following) assets and properties of the Sellers (the “**Excluded Assets**”) shall be excluded from the Assets:

(a) all cash and cash equivalents on hand and in banks (other than any deposits referred to in Section 2.1);

(b) all Contracts that are not Assumed Contracts, including the Contracts set forth on Schedule 2.2(b);

(c) any books and records that the Sellers are required by law to retain, and Sellers’ corporate books and records;

(d) all claims, rights and interest in and to any refunds of Taxes of any nature;

(e) any claims or causes of action of Sellers against the Receiver, Compass Bank and/or Sam Vale;

(f) shares of capital stock or other equity securities of any Person; and

(g) any claims, rights, interest or causes of action of Sellers arising out of or related to any Contracts that are not Assumed Contracts or to any assets or properties of Sellers that are not Assets being acquired hereunder.

**Section 2.3 Assumption of Liabilities.** Upon the terms and subject to the conditions of this Agreement, Buyer shall, effective at the time of the Closing, assume and agree to pay, discharge and perform the following (and only the following) Liabilities of Sellers (the “**Assumed Liabilities**”): to the extent attributable to actions occurring or conditions first occurring after the time of the Closing, all Liabilities of Sellers arising under the Assumed Contracts (other than Liabilities attributable to any failure by any of the Sellers to comply with the terms thereof).

**Section 2.4 Excluded Liabilities.** Notwithstanding any provision in this Agreement or any other writing to the contrary, Buyer is assuming only the Assumed Liabilities and is not assuming any other Liability of Sellers (or any predecessor owner of all or part of its business and assets) of whatever nature, whether presently in existence or arising hereafter, known or unknown, disclosed or undisclosed, contingent or otherwise. All such other Liabilities shall be retained by and remain Liabilities of Sellers or such predecessor, as applicable (all such Liabilities not being assumed being referred to herein as the “**Excluded Liabilities**”). The Excluded Liabilities shall include the following:

(a) any Liability attributable to any assets, properties or Contracts that are not included in the Assets;

(b) any Liability for breaches of any Assumed Contract on or prior to the Closing Date or any Liability for payments or amounts due and owing under any Assumed Contract on or prior to the Closing Date;

(c) any Liability with respect to periods prior to the time of the Closing;

(d) all accounts payable and accrued expenses related to the Station prior to the Closing;

(e) any Liability for Taxes or any audits related thereto (including property, sales and payroll taxes) arising from or relating to (i) the Excluded Assets or any business of Seller and (ii) the Assets or the operation of the Station attributable to or incurred in the Pre-Closing Tax Period;

(f) any Liability for or with respect to any loan or other indebtedness of Sellers;

(g) any Liability relating to Sellers' or Seller's Affiliates' employee benefits or compensation arrangements, including any Liability arising from or relating to (i) "sticking bonuses" or similar payments to induce Seller's employees to remain in Seller's employ prior to the Closing; (ii) severance payments or accrued and unused paid time off, (iii) short-term or long-term disability benefits, (iv) classification of employees, including as exempt or nonexempt from provisions of applicable Legal Requirements or (v) any of Sellers' Employee Benefit Plans;

(h) any Environmental Liability;

(i) any Liability relating to an Excluded Asset, including any Liability arising out of a claim by any party to any Contract which is an Excluded Asset arising out of the failure to transfer such Excluded Asset;

(j) any Liability arising from any Proceeding, actual or threatened, relating to any act or omission occurring on or prior to the Closing Date;

(k) any Liability arising from accidents, occurrences, misconduct, negligence, breach of fiduciary duty or statements made or omitted to be made (including libelous, slanderous or defamatory statements) prior to the Closing, whether or not covered by workers' compensation or other forms of insurance;

(l) any Liability incurred in connection with the making or performance of this Agreement and the transactions contemplated hereby;

(m) any costs or expenses incurred in connection with shutting down, deinstalling and removing equipment not included in the Assets and any costs or expenses associated with any Contracts not included in the Assumed Contracts hereunder;

(n) any Liability for expenses and fees incurred by a Seller incidental to the preparation of this Agreement and the documents executed in connection with the transactions contemplated by this Agreement, preparation or delivery of materials or information requested by Buyer, and the consummation of the transactions contemplated by this Agreement, including any Liability of any Seller to any broker, counsel or accountant (subject to the other provisions of this Agreement, including the agreement of Sellers, on the one hand, and Buyer, on the other hand, to bear one-half of all FCC filing fees in connection with the FCC Application);

(o) any Liability to any Affiliates of Seller (including any other Seller);

(p) any Liability as to which a Seller or any other Person might assert that Buyer has transferee liability, other than the Assumed Liabilities;

(q) any Liability relating to or arising out of a claim that the Station on or prior to the Closing Date does not have all Licenses necessary to operate the Station as it is currently being operated, or that Sellers or the Station have violated any License or failed to pay any license, regulatory or other fees owing to the applicable Governmental Authority;

(r) any Liability related to or arising out of a claim that a Seller has failed to make any required filings with, or pay any copyright fees owing to, the Copyright Office in respect of Sellers' operation of the Station on or prior to the Closing Date (whether such filing or payment obligation arises on, before or after the Closing);

(s) any Liability relating to or arising out of a finding that a Seller has not complied with the Communications Act, the Copyright Act, or any other Legal Requirements with respect to operation of the Station;

(t) any Liability relating to or arising out of the Assignment of AdEx Contracts; and

(u) any Liability of any Person other than Sellers, including AdEx or any of Sellers' respective current or former Affiliates.

For the avoidance of doubt, the fact that any of the foregoing Excluded Liabilities are set forth or described on a Schedule to this Agreement does not change their status as Excluded Liabilities.

**Section 2.5 Purchase Price.** In consideration of the sale, conveyance, transfer, assignment and delivery of the Assets by Sellers to Buyer, Buyer shall, at the Closing, on the terms set forth in this Agreement, pay to Seller an amount in cash equal to: Eight Million Five Hundred Thousand Dollars (\$8,500,000) minus the amount of all deferred revenue received by Sellers on or prior to the Closing Date with respect to obligations pursuant to the Sound Investments Lease with respect to time periods after the Closing Date (the "**Purchase Price**").

**Section 2.6 Closing.** On the terms and subject to the conditions set forth herein, the closing of the purchase and sale of the Assets and the assumption of the Assumed Liabilities hereunder (the “**Closing**”) shall take place at the offices of Buyer or its affiliates in Philadelphia, Pennsylvania, or at such other location as the parties may mutually agree, including without limitation at multiple locations by exchange of electronic documents, on the fifth Business Day after all conditions to Closing set forth in Article 9 have been satisfied or waived in writing, or on such date as Buyer and Sellers may otherwise mutually agree. The Closing shall be effective at 11:59 p.m. on the date of the Closing. At the Closing:

(a) Buyer shall deliver to Sellers the Purchase Price by wire transfer of immediately available funds to such account as Sellers shall designate by written notice to Buyer no fewer than two Business Days prior to the Closing Date (or if not so designated, then by certified or official bank check payable in immediately available funds to the order of Sellers in such amount);

(b) Sellers shall execute and deliver to Buyer any documents described in Section 9.1(k) not provided prior to the Closing;

(c) Buyer shall execute and deliver to Sellers any documents described in Section 9.2(e) not provided prior to the Closing;

(d) Sellers shall deliver to Buyer evidence of any filings required to comply with any applicable bulk sales laws;

(e) Buyer and Sellers shall execute and deliver all such further documents, instruments and agreements as may be reasonably requested by Buyer or Sellers or their respective counsel, in order to more effectively provide for Buyer’s assumption of the Assumed Liabilities or transfer title to the Assets to Buyer, as the case may be, including any such endorsements, assignments and other good and sufficient instruments of conveyance and assignment as Buyer shall deem reasonably necessary or appropriate to vest in Buyer all right, title and interest in, to and under the Assets free and clear of all Liens, subject only to Permitted Liens and Assumed Liabilities, or to effectuate and carry out any provision of this Agreement.

**Section 2.7 Allocation of Final Purchase Price.** Within ninety (90) days after the Closing Date, Buyer shall deliver to Sellers a certificate setting forth Buyer’s allocation (the “**Proposed Allocation**”), allocating the Purchase Price (plus Assumed Liabilities, to the extent properly taken into account under Section 1060 of the Code) among the Assets in accordance with Section 1060 of the Code. Sellers shall have the right to review and comment on the Proposed Allocation, and Buyer shall consider in good faith such changes to the Proposed Allocation as are requested by Sellers, provided that Buyer shall have no obligation to accept any such proposed changes. If Buyer and Sellers agree to an allocation, Buyer and Sellers agree (unless otherwise required by a change in applicable income Tax law or as a result of a good faith resolution of a contest) to (i) be bound by the allocation for all Tax purposes and (ii) act in accordance with the allocation in the preparation, filing and audit of any Tax return (including filing Form 8594 with its federal income Tax Return for the taxable year that includes the date of the Closing). If Sellers and Buyer do not agree to an allocation within one hundred fifty (150) days after the Closing Date, Sellers and Buyer (i) may prepare their own allocation, (ii) may use

such allocation in connection with the preparation and filing of any applicable Tax Returns, and (iii) shall have no liability to any other party hereto for any additional Taxes that may be imposed by any Governmental Authority as a result of inconsistencies between their respective allocations. If the parties agree to an allocation, not later than 30 days prior to the filing of their respective Forms 8594 relating to the transactions contemplated by this Agreement, each party shall deliver to the other parties a copy of its Form 8594.

**Section 2.8 Accounts Receivable.** For a period of one hundred twenty (120) days following the Closing Date (the “**A/R Collection Period**”), Buyer shall, without charge to Sellers, use commercially reasonable efforts to collect the A/R in the ordinary course of business; provided that Buyer shall not be required to institute any Proceedings to enforce the collection of such A/R or to refer any A/R to a collection agency. Buyer may offset against the A/R collected any sales commissions earned in connection with the A/R that Buyer pays directly to the persons entitled to such sales commissions, and Buyer may offset against the A/R any fees or expenses reasonably incurred by Buyer in connection with the collection of the A/R; provided, however, that Buyer shall provide Sellers written notice promptly following any material changes to applicable sales commission policies during the A/R Collection Period. Within thirty (30) calendar days after the end of each month during the A/R Collection Period in which A/R is collected, Buyer shall deliver to Sellers a report showing A/R collections for the prior month, along with documentation showing all sales commissions paid by Buyer and detailing any fees or expenses incurred by Buyer in connection with the collection of such A/R, and Buyer shall make a payment, without any additional offset, to Sellers equal to the net amount of all such collections. All payments received by Buyer from any advertiser or other business relation of the Station whose name appears in the A/R Certificate and who is also an advertiser or business relation of Buyer following the Closing shall be credited as payment of the account or invoice designated by such Person in writing. In the absence of any such designation by such Person, payments shall be credited to the oldest invoice that is not disputed by such Person. Following the expiration of the A/R Collection Period, Buyer shall have no further obligation to collect A/R for the benefit of Sellers. Following the expiration of the A/R Collection Period, with respect to each account receivable included in the A/R, to the extent uncollected at the expiration of the A/R Collection Period (each, an “**Uncollected Receivable**”), Buyer shall, at its option, either (i) assign such Uncollected Receivable to the Receiver or (ii) pay the receiver the Discounted Value of such Uncollected Receivable, in which case Buyer shall retain such Uncollected Receivable for Buyer’s account. As used in this Section 2.8, the “**Discounted Value**” of an Uncollected Receivable shall be the face value of the uncollected portions of such Uncollected Receivable, subject to a discount to be mutually agreed between the Buyer and the Receiver; provided, however, that: (A) with respect to Uncollected Receivables with customers of the Station who have historically paid substantially all of their accounts receivable but have historically done so 90 or more days after being invoiced therefor, no discount shall be applied in determining the Discounted Value, and (B) for all Uncollected Receivables other than those described in clause (A) of this sentence, the discount applied shall be at least half of the face value of the uncollected portions of such Uncollected Receivable. To the extent that, following expiration of the A/R Collection Period, Buyer receives any payments in respect of Uncollected Receivables assigned to the Receiver pursuant to clause (i) of the immediately preceding sentence, Buyer shall turn over such payments to the Receiver within 15 days of Buyer’s receipt thereof.

**Section 2.9 Third-Party Consents.** Notwithstanding any other provision hereof, to the extent that assignment or attempted assignment of a Seller's rights under any Asset (including any Assumed Contract or License) hereunder would violate or conflict with, result in a breach of, or constitute a default under or give rise to any right of termination, cancellation, modification or acceleration of any right or obligation, or to a loss of any benefit under any Asset (including any Assumed Contract or License) or result in the creation or imposition of any Lien under such Assumed Contract or on any of the Assets, in each case, without the consent of another Person, which such consent has not been obtained as of the Closing, this Agreement shall not constitute an agreement to assign the same. If any such consent has not been obtained and/or if any attempted assignment would be ineffective, would impair Buyer's rights under the Asset in question such that Buyer would not in effect acquire the benefit of all rights the applicable Seller or Sellers have with respect to the Asset in question or would otherwise violate or conflict with, result in a breach of, or constitute a default under or give rise to any right of termination, cancellation, modification or acceleration of any right or obligation, or to a loss of any benefit under any Asset (including any Assumed Contract or License) or result in the creation or imposition of any Lien under such Assumed Contract or on any of the Assets then each Seller, to the maximum extent permitted by law, shall act after the Closing as Buyer's agent in order to obtain for it the benefits thereunder until the required consent can be obtained, and shall cooperate, to the maximum extent permitted by law with Buyer in any other reasonable arrangement or request of Buyer designed to provide such benefits to Buyer; provided, that Buyer shall perform the Assumed Liabilities of the applicable Seller under or in connection with each such Asset (including without limitation, by paying all Assumed Liabilities pursuant to any Assumed Contract from and after Closing). Upon the receipt of each such required consent, each Seller shall assign to Buyer, and Buyer shall assume, any Asset with respect to which consent to assignment described in this Section 2.9 is granted after the Closing Date.

### **ARTICLE 3**

#### **REPRESENTATIONS AND WARRANTIES OF THE SELLERS**

Sunbelt and Multimedia, jointly and severally, represent and warrant to Buyer as of the date hereof and as of the Closing Date as set forth in this Article 3. The Receiver represents and warrants to Buyer, with respect to itself and the FCC Authorizations, as of the date hereof and as of the Closing Date as set forth in Sections 3.2, 3.3, 3.9 and 3.11.

**Section 3.1 Existence and Power.** Schedule 3.1 sets forth the jurisdiction of organization of Sunbelt and Multimedia and each state or other jurisdiction in which such Sunbelt or Multimedia is qualified to do business. Sunbelt is a corporation, duly incorporated and validly existing and in good standing under the laws of the State of Texas. Multimedia is a limited partnership, duly organized and validly existing and in good standing under the laws of the State of Texas. Subject to the jurisdiction of the Receivership Court, each Seller has all requisite power required to carry on its business as it is now conducted, has all requisite power and authority to own, lease and use the Assets and to conduct the business of the Station as currently conducted and is duly qualified to do business as a foreign entity and is in good standing in each jurisdiction where such qualification is necessary.



**Section 3.2 Authorization.** Each Seller has all requisite power and authority to execute, deliver and perform its obligations under this Agreement and consummate the transactions contemplated hereby. The Receiver has all requisite legal capacity to execute, deliver and perform their obligations under this Agreement and consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by each Seller have been duly authorized by all necessary action on the part of each Seller. This Agreement has been duly and validly executed and delivered by each Seller, and this Agreement and the other agreements to be executed and delivered by each Seller at the Closing constitute or, when executed and delivered, will constitute valid and binding obligations of each Seller, enforceable against each Seller in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally.

**Section 3.3 Non-Contravention.** The execution, delivery and performance of this Agreement by the Sellers and the consummation of the transactions contemplated hereby do not and will not (with or without notice or lapse of time): (a) violate or conflict with the certificate of incorporation or bylaws or other organizational or constituent documents of any Seller, (b) assuming the receipt of all Required Consents, violate or conflict with any Legal Requirement applicable to any of the Sellers, (c) assuming the receipt of all Required Consents, violate or conflict with, result in a breach of, or constitute a default under or give rise to any right of termination, cancellation, modification or acceleration of any right or obligation of any of the Sellers, or to a loss of any benefit relating to the Station or the Assets to which any Seller is entitled under any provision of any agreement, contract or other instrument (including any License or other Assumed Contract) binding upon any of the Sellers or by which any of the Assets is or may be bound, or (d) result in the creation or imposition of any Lien on any of the Assets.

**Section 3.4 Financial Statements.**

(a) Schedule 3.4(a) consists of (i) the unaudited, consolidated income statements, statements of operations and statements of cash flows of Sellers (in each case, reflecting elimination of intercompany balances between the Sellers) for the fiscal years ended December 31, 2012 and December 31, 2011 respectively, and (ii) the unaudited, consolidated balance sheet of Sellers (reflecting elimination of intercompany balances between the Sellers) as of each of December 31, 2012 and December 31, 2011.

(b) The financial statements attached as Schedule 3.4 are true and complete in all material respects and fairly present, in accordance with GAAP, the results of operations of the business of the Station as of the dates thereof, and the changes in the Sellers' financial position for the periods then ended (subject to normal year-end adjustments, none of which will be material).

(c) Sellers' financial statements have been internally prepared from, and are in accordance with, the books and records of Seller and reflect the consistent application of GAAP through the periods involved, and Sellers do not have material capital commitments.



### **Section 3.5**    **Properties.**

(a)    Schedule 3.5(a) describes (including address and use) all of the Real Property that a Seller owns, leases, subleases or otherwise uses in connection with the Station or the Assets, any title insurance policies and surveys with respect thereto, and any Liens (other than Permitted Liens) thereon.

(b)    Schedule 3.5(b) describes all of the tangible Personal Property that any Seller owns, leases, subleases or otherwise uses primarily in connection with the Station or the Assets, and any Liens thereon (other than Permitted Liens), specifying, in the case of leases or subleases, the name of the lessor or sublessor, the commencement date, the lease term and the amount of basic annual rent the terms of any revenue- or profit-sharing rights or obligations.

(c)    Each Seller has good and marketable, indefeasible, fee simple title to all of the Real Property owned by it (the “**Owned Real Property**”), has good title to all of its other owned Assets, and has valid leasehold interests in all of the leased Real Property and Personal Property, in each case subject only to Permitted Liens and to those Liens described on Schedule 3.5(a) or Schedule 3.5(b) (except that with respect to the Owned Real Property the same shall be free and clear of all Liens except for those shown on Exhibit D as permitted exceptions to the Deed). The Real Property includes all real property as is used or held for use in connection with the conduct of the business and operations of the Station.

(d)    Except as set forth on Schedule 3.5(a) or Schedule 3.5(b), no Asset is subject to any Lien except Permitted Liens.

### **Section 3.6**    **Assets.**

(a)    The Assets include all assets necessary to permit the owner of the Station to operate the Station as a fully operational full power television station with all material assets, properties, Licenses, operating rights, leases, easements, rights-of-way, agreements, commitments and arrangements necessary to conduct all operations that are currently being conducted.

(b)    Sellers have no subsidiaries and do not own any shares of capital stock or other securities of any other Person.

### **Section 3.7**    **Material Contracts.**

(a)    To Sellers’ Knowledge, Schedule 3.7(a) sets forth a true and complete list of (and, in the case of any oral Contracts, a description of the material terms of) each Contract to which a Seller is a party or by which a Seller is otherwise bound or affected, that relates to any of the Assets or the Station and that falls within any of the following categories: (i) leases of Real Property (both as lessor and lessee) or Personal Property (both as lessor and lessee), including all capital leases (with a clear indication on such schedule which leases are capital leases for Personal Property); (ii) Contracts with MVPDs; (iii) network affiliation agreements; (iv) film or program license Contracts or similar Contracts or Contracts to broadcast television programs or shows as part of the Stations’ programming; (v) Contracts that

relate to the nonbroadcast use of the Station's licensed spectrum or that lease or otherwise grant use of the Station's licensed spectrum by a third party; (vi) Contracts with the FCC or any other Governmental Authority relating to the operation or construction of the Station, or with community groups or similar third parties restricting or limiting the types of programming that may be shown on the Station; (vii) partnership, joint venture or other similar Contracts, including any involving a sharing of revenues or profits; (viii) Contracts that limit the freedom of the Station to compete in any line of business or with any Person or in any area or to own, operate, sell, transfer, pledge or otherwise dispose of or encumber any Asset or which would so limit the freedom of Buyer after the Closing Date; (ix) management fee Contracts; (x) program license Contracts; (xi) website agreements; (xii) advertising interconnect agreements; (xiii) Contracts with any employees of the Station (other than oral, at-will employment relationships); (xiv) Station Options; (xv) local marketing or time brokerage Contracts, joint sales Contracts, shared services Contracts, management Contracts, local news sharing Contracts or similar Contracts; (xvi) Contracts evidencing the incurrence, assumption or guarantee of any indebtedness for borrowed money; (xvii) Contracts relating to the Starr County Tower; and (xviii) Contracts other than those described in any other clause of this Section 3.7(a) that: (A) involve an annual payment in excess of \$10,000; (B) could involve total payment by Seller in excess of \$50,000; (C) do not terminate by their terms or are not cancelable by a Seller without penalty on no more than 60 days prior notice; or (D) are otherwise material to the operation of the Station.

(b) To Sellers' Knowledge, Sellers have provided to Buyer true and complete copies of each of the Licenses and other Material Contracts, together with any notices alleging non-compliance with the requirements thereof. To Sellers' Knowledge, except as described on Schedule 3.7(b): (i) each Seller is in compliance with each of the Material Contracts to which it is a party or otherwise subject; (ii) each Seller has fulfilled when due, or has taken all action necessary to enable it to fulfill when due, all of its obligations under each of the Material Contracts; (iii) there has not occurred any default (without regard to lapse of time or the giving of notice, or both) by Seller or, to the Knowledge of the Sellers, any other Person under any of the Material Contracts; and (iv) the Material Contracts are valid and binding agreements and are in full force and effect and have not been revoked, canceled, encumbered or adversely affected in any manner. To Sellers' Knowledge, no Seller has received notice from any party regarding termination or amendment of any Material Contract or refusal to renew or extend the same upon expiration of its term.

**Section 3.8 Required Consents.** Schedule 3.8 sets forth a true and complete list of each consent or other action by or in respect of, or filing with, any Governmental Authority or any other Person (including pursuant to any Assumed Contract) required as a result of the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby (the "**Required Consents**").

**Section 3.9 FCC Authorizations; Governmental Approvals.**

(a) Schedule 2.1(a) contains an accurate and complete list and summary description of all Licenses, permits, registrations and/or other authorizations issued to any Seller by the FCC for the operation of the Station or the conduct of its business, including any other Governmental Approvals issued to any Seller by the FCC authorizing any activity

ancillary or incidental to the ownership or operation of the Station and all antenna structure registrations in the name of any Seller required by the FCC (collectively, the “**FCC Authorizations**”). A Seller is the authorized legal holder of the FCC Authorizations. Except as set forth on Schedule 3.9(a), each such FCC Authorization is valid and in full force and effect, and there is not pending or, to the Knowledge of Sellers, threatened any Proceeding which could result in the nonrenewal, suspension, termination, revocation, cancellation, adverse modification, limitation or impairment of any such FCC Authorization.

(b) Schedule 3.9(b) sets forth all Governmental Approvals (other than the FCC Authorizations) necessary to permit Sellers to operate the Station as the Station is now being operated.

**Section 3.10 Proceedings.** Except for the proceedings before the Receivership Court and as set forth on Schedule 3.10: (a) there is no Proceeding pending or, to the Knowledge of the Sellers, threatened, by any Person or by or before any Governmental Authority or private arbitration tribunal, against or affecting any Seller or any of their respective Affiliates (to the extent such Proceeding against or affecting any Affiliate relates to or affects the Station or the Assets or the ability of the Sellers to consummate the transactions contemplated hereby), the Station or the Assets except for proceedings affecting the broadcasting industry generally; and (b) there is no Judgment requiring any Seller to take any action of any kind with respect to the Assets or the operation of the Station, or to which any Seller, the Station or the Assets are subject or by which they are bound or affected, in either case, which (i) could adversely affect the financial condition or operations of the Station, the Assets or the ability of the Sellers to perform their respective obligations under this Agreement, (ii) seeks or could result in the modification, revocation, termination, suspension of or other limitation of any of the Assumed Contracts, or (iii) challenges or seeks to prevent, enjoin, alter or materially delay the transactions contemplated hereby or the ability of the Sellers to consummate the same.

**Section 3.11 Compliance with Legal Requirements.** Except as set forth on Schedule 3.11, each Seller and/or the Station, as applicable, is and has been in compliance in all material respects with each Legal Requirement, including without limitation the Communications Act and the rules and published policies of the FCC (the “**FCC Rules**”), that is applicable to any Seller, the Station or the Assets or such Seller’s operations or business in connection with the Station or the Assets. To the best of Sellers’ Knowledge, no event has occurred, and no condition or circumstance exists, that would (with or without notice or lapse of time) constitute, or result directly or indirectly in, a material default under, a material breach or violation of, or a material failure to comply with, any Legal Requirement.

**Section 3.12 Environmental Compliance.** Except as set forth on Schedule 3.12, Sellers are and have always been in compliance with all Environmental Laws, and the Station is operated in compliance with all Environmental Laws.

**Section 3.13 Cable and Satellite Matters.**

(a) Schedule 3.13 sets forth:

(i) a list of all multichannel video programming distributors, including cable systems, SMATV, open video systems and DBS systems (hereinafter “MVPDs”) that carry the Station’s signal, and the channel on which the Station’s signal is carried;

(ii) a list of all MVPDs in the DMA to which a Seller has provided a must-carry or retransmission consent election in accordance with the provisions of the Communications Act and the FCC Rules for the three-year period ending December 31, 2014, including a detailed description of the disposition and current status of each such must-carry or retransmission consent election; and

(iii) a list of all currently effective retransmission consents and/or copyright indemnification Contracts entered into with any MVPD in the DMA with respect to the Station and the expiration date for each such Contract.

**Section 3.14 Intellectual Property.** Schedule 3.14 sets forth an accurate and complete list of all IP Rights owned by the Sellers (“**Seller Owned IP**”).

**Section 3.15 Finders’ Fees.** W. Lawrence Patrick, Patrick Communications is entitled to a brokerage payment from the Purchase Price to be paid to Sunbelt and Multimedia at Closing, pursuant to the Receivership Order. Other than as described in the immediately preceding sentence, there is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of any Seller or any of their respective Affiliates who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

**Section 3.16 Employees.** Schedule 3.16 sets forth a true and complete list of each full-time employee of the Station, including the following information: name, job title, work location, commencement date of service to the Station, compensation (expressed as either a wage rate or annual salary, together with all bonuses and other incentive compensation), the number of accrued but unused paid time off days as of the date hereof and any other compensation or benefits provided to such employee. No Seller is, or has ever been, a party to any collective bargaining agreement or similar contract with a labor union or other similar organization, and there are no petitions or applications for certification or request for recognition of, or collective bargaining with, any labor union or other similar organization (whether or not the same resulted in a collective bargaining agreement or similar contract) with respect to the Station.

**Section 3.17 AdEx Contracts.** Sellers have provided Buyer a true and complete copy of each of the Assignment of AdEx Contracts. The Assignment of AdEx Contracts is a valid and binding agreement of each of Sunbelt and AdEx, is in full force and effect and has not been amended, terminated, modified, waived, revoked, canceled, encumbered or adversely affected in any manner.

**Section 3.18 Full Disclosure.** The statements made by the Sellers in this Agreement to their Knowledge do not include or contain any untrue statement of a material fact, and do not omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

**Section 3.19 Limitation.** EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR ANY DOCUMENT EXECUTED IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, SELLERS MAKE NO REPRESENTATION OR WARRANTY OF ANY KIND WITH RESPECT TO THE STATION, THE ASSETS OR THE BUSINESSES AND OPERATIONS OF THE SELLERS, AND EXPRESSLY DISCLAIM ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. EXCEPT AS PROVIDED HEREIN OR IN ANY DOCUMENT EXECUTED IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT (INCLUDING THE REPRESENTATIONS, WARRANTIES, COVENANTS AND INDEMNITIES CONTAINED HEREIN OR THEREIN), THE STATION AND THE ASSETS ARE CONVEYED ON A “WHERE IS” AND, AS TO CONDITION, “AS IS” BASIS.

#### **ARTICLE 4** **REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to the Sellers as of the date hereof and as of the Closing Date that:

**Section 4.1 Existence and Power.** Buyer is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware, and has all necessary power required to carry on its business as it is now conducted.

**Section 4.2 Authorization.** The execution, delivery and performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby are within the necessary power of Buyer and have been duly authorized by all necessary action on the part of Buyer. This Agreement has been duly and validly executed and delivered by Buyer, and this Agreement and the other agreements to be executed and delivered by Buyer at Closing constitute or, when executed and delivered, will constitute valid and binding obligations of Buyer, enforceable against it in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors’ rights generally.

**Section 4.3 Non-Contravention.** The execution, delivery and performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby do not and will not (a) violate the certificate of formation, operating agreement or other organizational or constituent documents of Buyer, (b) assuming compliance with the matters referred to in Section 4.4, violate or conflict with any Legal Requirement applicable to Buyer, or (c) assuming compliance with the matters referred to Section 4.4, violate or conflict with, result in a breach of, or constitute a default under or give rise to any right of termination, cancellation, modification or

acceleration of any right or obligation of Buyer under any provision of any agreement, contract or other instrument binding upon Buyer.

**Section 4.4 Required Consents.** The execution, delivery and performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby require no consent or other action by or in respect of, or filing with, any Governmental Authority or other Person by Buyer, other than the filing of the FCC Application and the grant of the FCC Consent and the grant of the Receivership Court Order.

**Section 4.5 Proceedings.** There is no Proceeding pending or, to the Knowledge of Buyer, threatened, by any Person or by or before any Governmental Authority or private arbitration tribunal, against or affecting Buyer, which challenges or seeks to prevent, enjoin, alter or materially delay the transactions contemplated hereby or the ability of Buyer to consummate the same.

**Section 4.6 Buyer's Qualification.** Buyer is and, pending the Closing, will remain legally, financially and otherwise qualified under the Communications Act and the FCC Rules to acquire and operate the Station. Without limiting the generality of the foregoing, Buyer will be financially and otherwise qualified to perform (i) all of its obligations hereunder and (ii) to perform all Assumed Liabilities, in each case of clause (i) or (ii), from and after the Closing.

**Section 4.7 Finders' Fees.** W. Lawrence Patrick, Patrick Communications is entitled to a brokerage payment from the Purchase Price to be paid to Sunbelt and Multimedia at Closing, pursuant to the Receivership Order. Other than as described in the immediately preceding sentence, there is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of Buyer or any of its Affiliates who might be entitled to any fee or commission from any Seller in connection with the transactions contemplated by this Agreement.

**Section 4.8 Acknowledgment.** BUYER EXPRESSLY ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY ALLOWED BY SECTION 5.4, BUYER HAS COMPLETED ITS DUE DILIGENCE OF THE STATION AND THE ASSETS PRIOR TO THE EXECUTION OF THIS AGREEMENT, AND AT THE CLOSING, IT SHALL ACCEPT THE STATION AND THE ASSETS ON A "WHERE IS" AND, AS TO CONDITION, "AS IS" BASIS.

## **ARTICLE 5**

### **COVENANTS OF THE SELLERS**

**Section 5.1 Operation of the Station.** From the date hereof until the Closing Date, Sellers shall operate the Station solely in the ordinary course of business and use their respective best efforts to preserve intact its business organizations and relationships with third parties and to retain the services of the employees presently employed in the operation of the Station. Notwithstanding anything to the contrary in this Agreement, prior to the Closing, Buyer shall not, directly or indirectly, control, supervise or direct, or attempt to control, supervise or direct, the operations of the Station. Such operations, including control and supervision of all of the Station's employees and policies, shall be the responsibility of Seller.



**Section 5.2 Affirmative Covenants.** Without limiting the generality of Section 5.1, from the date hereof until the Closing Date, with respect to the Station, Sellers shall:

- (a) maintain their respective legal existences;
- (b) deliver promptly to Buyer, true and complete copies of any unaudited consolidated monthly balance sheets, income statements, cash flow statements and operating reports, along with comparisons thereof to the most recent budget in effect prior to the date hereof, that may be prepared by or on behalf of such Seller in the ordinary course of business for the Station for each month for which such materials are prepared from the date hereof until the Closing Date;
- (c) comply in all material respects with all applicable Legal Requirements (including FCC Legal Requirements) and comply with, and use their best efforts to maintain in full force and effect, all Licenses and other Assumed Contracts, including filing all reports and timely paying all FCC regulatory or filing fees pertaining to the Station required to be filed with or paid to the FCC or to operate the Station in compliance in all material respects with the provisions of the Communications Act and the terms and conditions of the FCC Authorizations;
- (d) pay all debts, Liabilities and Taxes of or relating to the Station as they become due in the ordinary course of business, subject to the Receivership Order, except for such debts or obligations which are contested by Sellers in good faith and for which a Seller maintains appropriate reserves on its books;
- (e) maintain the FCC Authorizations in full force and effect and unimpaired by any materially adverse conditions and amendments, other than any conditions that are set forth on the face of such FCC Authorizations or are generally applicable to authorizations such as the FCC Authorizations;
- (f) maintain their respective facilities and assets in good working condition, reasonable wear and tear excepted, and maintain commercially reasonable inventory levels consistent with that which would be expected for television stations of similar size;
- (g) continue to maintain all of the business records of the Station in accordance with its past practice;
- (h) maintain in full force and effect all of the insurance policies and fidelity bonds currently in effect and make no material change in any such insurance coverage with respect to the Station without the prior written consent of Buyer, which consent shall not be materially withheld or delayed; provided, however, that Sellers shall not in any event, and Buyer shall not be required to consent to, allow Sellers' including risk property insurance coverage to be in a coverage amount less than the full replacement cost of the all Real Property and Personal Property of the Sellers;
- (i) give, or cause to be given, to Buyer (i) a copy of all copyright statements of account to be filed by a Seller or in connection with the Station at least ten days

after the filing of such copyright statements of accounts and (ii) a copy of all notifications received with respect to viewer complaints; and

- (j) comply with the terms of the Affiliation Agreement.

**Section 5.3 Negative Covenants.** Without limiting the generality of Section 5.1, from the date hereof until the Closing Date, with respect to the Station, except as ordered or otherwise directed by the Receivership Court no Seller shall, without the prior written consent of Buyer, which shall not be unreasonably withheld or delayed:

- (a) enter into any transaction or take any action that would result in any of the Sellers' representations and warranties in this Agreement or in any of the documents required to be delivered by this Agreement not being true and correct in all material respects when made or at the Closing (unless and to the extent that any such representation or warranty speaks specifically as of an earlier date, in which case, at such earlier date);

- (b) amend its certificate or articles of incorporation, certificate of limited partnership, bylaws, or other organizational or constituent documents or merge or consolidate with any other Person;

- (c) issue, sell, deliver or agree to issue, sell or deliver (whether through the issuance or granting of options, commitments, subscriptions, rights to purchase or otherwise) any equity interests of a Seller;

- (d) modify, amend, cancel, terminate, or fail to renew any Assumed Contract or any Governmental Approval;

- (e) enter into any Contract (except for renewals of existing Contracts on their current terms in the ordinary course of business) or commitment of any kind relating to the Station which would be binding on a Seller or Buyer after the Closing and which (i) could involve aggregate expenditure or receipt in excess of \$10,000; (ii) would have a term in excess of one year unless terminable without payment or penalty upon 30 days' (or fewer) notice; (iii) is not being entered into in the ordinary course of business; (iv) is not on arm's-length terms; or (v) is with a Related Party;

- (f) incur, assume, guarantee any indebtedness for borrowed money with respect to the Station or the Assets (including borrowings under capital leases) or mortgage, pledge or subject to any Lien (other than Permitted Liens) any of the Assets except as ordered or authorized by the Receivership Court;

- (g) sell, lease or dispose of any assets material to the Station;

- (h) cause the FCC to institute any Proceedings for the cancellation, revocation, non-renewal or adverse modification of the FCC Authorizations or take or permit to be taken any other action within its control that results in material non-compliance with requirements of the Communications Act;



(i) commence a Proceeding other than (i) for the routine collection of Receivables; (ii) any Proceeding relating to Sellers' rights or remedies under this Agreement, including the enforcement thereof; (iii) any Proceeding relating to the FCC Authorizations or to the rules or policies of the FCC; or (iv) any other Proceeding reasonably required for the preservation or protection of the Assets;

(j) provide any credit, loan, advance, guaranty, endorsement, indemnity, warranty or mortgage to any Person, including any of the customers, officers, members, employees, managers or directors of Sellers;

(k) change its accounting methods or practices or standards used to maintain its books, accounts or business records other than in the ordinary course of business or as required by any Legal Requirement;

(l) change the terms of its accounts receivable or take any action directly or indirectly to cause or encourage any acceleration or delay in the payment, collection or generation of its accounts receivable;

(m) accept prepayments or otherwise create deferred revenue for services to be rendered after the Closing Date, including prepayments for television commercials or other services or rentals;

(n) make any (i) changes in discretionary costs, such as advertising, maintenance and repairs and training; or (ii) deviations from operating budgets;

(o) make or change any election in respect of Taxes, adopt or change any accounting method in respect of Taxes, file any amendment to a Tax Return, settle any claim or assessment in respect of Taxes, or Consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes, but, in each case, only to the extent such action would be binding on Buyer or the Station after the Closing;

(p) reveal, orally or in writing, to any Person, other than Buyer and its authorized agents, any of the business procedures and practices followed by the Station in the conduct of its business or any technology used in the processing, evaluation or distribution of any of its products or services;

(q) hire any new employee, terminate any officer or key employee of a Seller, increase the annual level of compensation of any existing employee, establish or adopt any Employee Benefit Plan, or grant any bonuses, benefits or other forms of direct or indirect compensation to any employee, director, officer or consultant other than in the ordinary course of business and consistent with the Sellers' past practice; or

(r) agree, in writing or otherwise, to take any of the actions described in this Section 5.3.

**Section 5.4 Access to Information.** From the date hereof until the Closing Date, Sellers shall: (a) give Buyer and its affiliates and the respective counsel, financial advisors,

auditors and other authorized representatives of Buyer or its Affiliates (“**Representatives**”) reasonable access to the offices, properties, books and records of Sellers relating to the Station and the Assets, including granting Buyer and its Representatives access for the purposes of (i) conducting surveys and taking other actions with respect obtaining title insurance on the Owned Real Property and (ii) exercising Buyer’s rights pursuant to Section 6.5 for environmental investigation and (b) instruct the employees, counsel and financial advisors of each Seller to cooperate with Buyer in its exercise of its rights pursuant to clause (a) of this Section 5.4. The right to any remedy based upon such representations, warranties, covenants and obligations and the satisfaction or non-satisfaction of any condition to Closing hereunder shall not be affected by any investigation (including any environmental investigation or assessment) conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with any such representation, warranty, covenant or obligation. Any investigation pursuant to Section 5.4(a) shall be conducted during Sellers’ normal business hours upon reasonable notice of not less than one (1) Business Day and in such a manner as not to interfere unreasonably with the conduct of the Station. Except for Actions taken pursuant to Buyer’s rights under this Agreement or any document executed in connection with the transactions contemplated by this Agreement, Buyer has completed its due diligence of the Station and the Assets prior to the execution of this Agreement. Buyer expressly acknowledges that, except as expressly allowed by this Section 5.4, Buyer has completed its due diligence of the Station and the Assets prior to the execution of this Agreement, and at the Closing, it shall accept the Station and the Assets on a “where is” and, as to condition, “as is” basis.

**Section 5.5    Notices of Certain Events.** Sellers shall promptly notify Buyer of:

(a) any fact, circumstance, event, or action by a Seller which, if known on the date of this Agreement, would have resulted in any of the representations and warranties of Sellers contained in this Agreement or in any Agreement or any document executed in connection with the transactions contemplated by this Agreement not being true and correct when made;

(b) any circumstance or event which will result in, or could reasonably be expected to result in, the failure of a Seller to timely satisfy any of the closing conditions specified in Article 9 of this Agreement;

(c) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(d) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement or relating in any way to an alleged violation of any Legal Requirement applicable to the Station;

(e) any Proceeding, commenced or, to the Knowledge of a Seller, threatened against, relating to or involving or otherwise affecting the Assets or the Station that, if pending on the date of this Agreement, would have been required to have been disclosed

pursuant to Section 3.10 or that relates to the consummation of the transactions contemplated by this Agreement;

(f) any Proceeding known to a Seller and threatened against or affecting the business of operating the Station or the assets or properties of the Station, in any court, or before any arbitrator, or before or by any Governmental Authority (other than FCC rulemakings or other proceedings generally affecting the television broadcasting industry and not particular to a Seller);

(g) any termination or any threatened termination of any Assumed Contract or other material right which is necessary for the ownership by Buyer of any of the Assets or the operation by Buyer following the Closing Date of any of the business of operating the Station;

(h) any Regulatory Petitions, Regulatory Orders and Regulatory Notices filed or received by any Seller with respect to the Station; and

(i) any communications, written or oral, between any Seller and the FCC with respect to the Station.

**Section 5.6** **Liens.** Sellers shall reasonably cooperate with Buyer to obtain not more than ten (10) business days after grant of the FCC Consent searches (the “Search Results”), in all appropriate jurisdictions, for state and federal tax liens, judgment liens, Uniform Commercial Code financing statements, title and survey searches on the Owned Real Property, and pending litigation against Seller and the Assets, provided that such searches shall be performed by a nationally recognized company selected by Buyer, and Buyer shall be responsible for the cost thereof. Subject to any order of the Receivership Court, on or prior to the Closing Date, Sellers shall cause any Liens on any Asset (other than Permitted Liens except with respect to the Owned Real Property), including the Liens identified in the Search Results, on Schedule 3.5(a) and on Schedule 3.5(b), to be removed, so that the Assets are free and clear of all Liens (other than Permitted Liens) at the Closing. With respect to the Owned Real Property, the Deed (Exhibit D hereto) shall be subject to the matters listed therein as permitted exceptions.

**Section 5.7** **Required Consents; Estoppel Certificates.**

(a) From the date hereof until the Closing Date, the Sellers shall use their best efforts, at their expense, to obtain in writing as promptly as possible the Required Consents (and deliver to Buyer copies of any such Required Consents as it obtains each) in Sellers’ standard form of consent, copies of which Sellers have made available to Buyer prior to the date hereof; *provided, however*, that any Required Consent to a Contract containing certifications or representations as to Seller’s status as a small business, minority-owned business, veteran-owned business or similar preferred vendor shall contain a waiver of the counterparty thereto of such certifications or representations with respect to Buyer. Buyer agrees that any counterparty to an Assumed Contract may condition its consent upon Buyer reasonably demonstrating sufficient creditworthiness or, if Buyer fails to meet such counterparty’s reasonable credit requirements, upon Buyer providing such deposits, guarantees, letters of credit or similar assurances of performance as such counterparty may reasonably require.

(b) The Sellers shall use their best efforts to obtain, at their expense, such estoppel certificates or similar documents from the landlords of any leased real property as specified on Schedule 3.5(a).

(c) Notwithstanding anything herein to the contrary, Buyer shall not be required to accept any material and adverse modifications, conditions or qualifications with respect to any Assumed Contract, including any adverse modifications to the payment or other economic provisions thereof. Within ten (10) Business Days of receiving a Modification Request, Buyer shall provide Sellers with written notice of such Modification Request, including a reasonably detailed summary thereof. Within ten (10) Business Days after any decision by Buyer not assume any Contract pursuant to this Section 5.7(c), Buyer shall provide Sellers with prompt written notice of its decision to not to assume the Contract and the most recent Modification Request with respect thereto, in order to allow the Receiver to reject or terminate such Contract or take such other action as he deems necessary and appropriate to limit Sellers' liability thereunder in accordance with the procedures applicable to the Receivership. A **"Modification Request"** means a request that is made by a counterparty to an Assumed Contract from whom a Required Consent is sought, which such request is requesting material and adverse modifications, conditions or qualifications with respect to such Assumed Contract.

**Section 5.8 No Shop.** Subject to the last sentence of this Section 5.8, Buyer understands, acknowledges and agrees that the Receivership Court may require that the sale of the Station and the Assets be subject to competing bids. Subject to the last sentence of this Section 5.8, no action of Sellers required by any applicable law, rule or judicial order or binding judicial directive shall be deemed a violation of this Section 5.8, and to the extent that this Section 5.8 is inconsistent with any such applicable law, rule or judicial order or binding judicial directive, this Section 5.8 shall be of no further force or effect. Buyer and the Sellers acknowledge and agree that Telemundo Network Group LLC holds a right of first refusal pursuant to Section 13 of the Affiliation Agreement and that any bid, offer or similar communication with respect to a Competing Transaction, whether made pursuant to a requirement of the Receivership Court or otherwise, shall be subject to such right of first refusal and the procedures set forth with respect thereto under the Affiliation Agreement.

**Section 5.9 Risk of Loss; Condemnation.**

(a) Sellers shall bear the risk of any loss or damage to the Assets at all times prior to the Closing. In the event that the Closing occurs, notwithstanding any such loss or damage that has not been repaired prior to the Closing, the amount of all insurance proceeds payable as a result of the occurrence of the event resulting in such loss or damage that is equal to such unrepaired loss or damage shall be delivered by Sellers to Buyer, or the rights to such proceeds shall be assigned by Sellers to Buyer if not yet paid over to Sellers.

(b) If, prior to the Closing, all or any material part of or interest in the Assets is taken or condemned as a result of the exercise of the power of eminent domain, or if a Governmental Authority having such power informs Sellers or Buyer that it intends to condemn all or any part of or interest in the Assets and such taking is so substantial as to prevent normal operation of any material portion of the Station (such event being called, in either case, a **"Taking"**), then Buyer may terminate this Agreement. If Buyer does not elect to terminate this

Agreement, then (i) Buyer shall have the sole right, in the name of a Seller or the Sellers, if Buyer so elects, to negotiate for, claim, contest and receive all damages with respect to the Taking, (ii) such Seller shall be relieved of its obligation to convey to Buyer the Assets or interests that are the subject of the Taking, (iii) at the Closing, such Seller shall assign to Buyer all of its rights to all damages payable with respect to such Taking and shall pay to Buyer all damages previously paid to such Seller with respect to the Taking, and (iv) following the Closing, such Seller shall give Buyer such further assurances of such rights and assignment with respect to the Taking as Buyer may from time to time reasonably request.

**Section 5.10 Broadcast Transmission Interruption.** Sellers shall notify Buyer in writing within forty-eight (48) hours of an Interruption Event (as hereinafter defined). If an Interruption Event occurs, Buyer may, at its option and in its sole discretion, terminate this Agreement by written notice to Sellers not later than ten (10) Business Days after receipt of Sellers' notice with respect to a particular Interruption Event. If Buyer elects not to terminate this Agreement or fails to give written notice within such ten (10) Business Day period with respect to a particular Interruption Event, Buyer shall have no further right to terminate this Agreement by reason of such Interruption Event, and the remaining provisions of this Agreement shall govern. An "**Interruption Event**" means (i) the Station shall be off the air for a period of more than twelve (12) days, (ii) there shall be a reduction in the Station's effective radiated power by more than 25% or other material impairment of the Station's normal broadcast transmission and such condition shall continue for more than twenty (20) consecutive calendar days; or (iii) on more than five occasions during any thirty (30) day period: (A) the Station shall be off the air for more than 12 hours or (B) there shall be a reduction in the Station's effective radiated power by more than 25% or other material impairment of the Station's normal broadcast transmission for a period of more than 12 hours. Notwithstanding the foregoing, the removal of the Station from operation or the operation of the Station at reduced power for any period during which the Station's primary transmitter is being repaired or replaced as a result of any impairment shall not constitute or be deemed an Interruption Event giving Buyer the right to terminate this Agreement if the reduced power transmission does not last for a continuous period in excess of twenty-five (25) days. In the event that Closing would otherwise be required or scheduled to occur during an Interruption Event, Buyer may elect to delay Closing until full power operations are restored. Each such Interruption Event shall give rise to a separate right to terminate by Buyer, which shall be subject to the notice procedures and deadlines described in this Section 5.10; provided, however, that notwithstanding the Buyer's decision not to terminate this Agreement as a result of the occurrence of any single Interruption Event described in subsections (i) or (ii), the occurrence of such Interruption Events shall nonetheless be counted towards the cumulative Interruption Event described in subsection (iii).

**Section 5.11 Copyright Fees.** Following the Closing, Sellers shall be responsible for filing any required copyright reports, notices, statements of account, supplemental statements and amendments in proper form and for paying when due any required copyright royalty fee payments relating to the Station's carriage of television and radio broadcast signals on or prior to the Closing Date.

**Section 5.12 Accounts Receivable.** No fewer than two Business Days prior to the Closing Date, Sellers shall deliver to Buyer a certificate (the “**A/R Certificate**”) setting forth the true and complete detail and aging schedule of the A/R as of the Closing Date.

**Section 5.13 Possession and Control of the Station.** Notwithstanding any other provision of this Agreement, the Closing shall not be consummated prior to the grant of the FCC Consent. Sellers and Buyer acknowledge and agree that at all times commencing on the date hereof and ending on the Closing Date, neither Buyer nor any of its respective employees or Representatives, directly or indirectly, shall, or have any right to, control, direct or otherwise supervise, or attempt to control, direct or otherwise supervise any of the management or operation of the Station, it being understood that the operation, management, control and supervision of all programs, equipment, operations and other activities of the Station shall be the sole responsibility, and at all times prior to the Closing Date remain within the complete control and discretion, of Sellers.

**Section 5.14 Make-Goods.** Sellers shall use commercially reasonable efforts to satisfy all make-good obligations pursuant to any Contract with respect to the sale or barter of advertising time that require any commercial inventory make-goods (including any such obligations arising as a result of a breach of such Contract) prior to the Closing Date.

**Section 5.15 Satisfaction of Excluded Liabilities.** Sellers shall be responsible for, and shall pay, discharge and perform, all Excluded Liabilities in accordance with their terms.

## **ARTICLE 6**

### **ADDITIONAL COVENANTS**

**Section 6.1 Commercially Reasonable Efforts; Further Assurances.**

(a) Subject to the terms and conditions of this Agreement, including Section 6.1(b), Buyer and the Sellers shall each use their respective commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable Legal Requirements to consummate the transactions contemplated by this Agreement. Each of Buyer and Sellers shall execute and deliver such other documents, certificates, agreements and other writings and take such other actions as may be necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement and to vest in Buyer good and marketable title to the Assets and to provide for Buyer’s assumption of the Assumed Liabilities (whether before or after the Closing).

(b) Notwithstanding anything contained in this Section 6.1, Section 6.2, or Section 6.3, or in any other provision hereof, neither Buyer nor any of its Affiliates shall be required to (i) agree to any conditions or limitations on any asset, business or property of Buyer or any of its Affiliates, on any asset, business or property which Buyer or any of its Affiliates has or hereafter has an unconsummated contract to acquire or to transfer or on the Assets, (ii) take or refrain from taking any action with respect to the acquisition, divestiture, leasing or other transaction involving, directly or indirectly, any television broadcasting business or other asset, business or property of any Person or in any area or market, including in the DMA



or (iii) take any action that may adversely affect Buyer or its Affiliates, the Station or the Assets; provided, however, that with respect to Buyer, the Station or the Assets (but not with respect to Buyer's Affiliates), there must be an adverse effect in the amount of one million dollars (\$1,000,000) or more (any such requirement described in this Section 6.1, a "**Burdensome Condition**").

(c) Following the Closing, Sellers shall take no action that would interfere with or adversely impact Buyer's efforts to preserve Buyer's relationships and goodwill with the customers, suppliers, creditors, employees, contractors, agents and other business relations of the Station that existed before the Closing. Following the Closing, the Sellers shall refer to Buyer all customer, supplier and other business-relationship inquiries received in connection with the Station's business.

## **Section 6.2 FCC Applications.**

(a) Within five (5) Business Days following the Receivership Court's initial entry of a Receivership Court Order (as defined below), prior to such Receivership Court Order becoming a Final Receivership Court Order, Sellers and Buyer shall jointly prepare and file with the FCC complete and accurate applications for FCC Consent to the assignment of the FCC Authorizations from Sellers to Buyer or its permitted assign as contemplated herein (the "**FCC Application**"). Sellers, on the one hand, and Buyer, on the other hand, shall each bear one-half of the amount of all FCC filing fees in connection with the FCC Application. Buyer shall notify Sellers, and Sellers shall notify Buyer, as the case may be, in the event it becomes aware of any facts, actions, communications or occurrences that might directly or indirectly affect the ability of Buyer or Sellers to obtain the FCC Consent. Subject to Section 6.1(b), Sellers and Buyer shall diligently take all necessary, desirable and appropriate actions, provide any additional information reasonably required or requested by the FCC and otherwise use their commercially reasonable efforts to obtain the FCC Consent. Sellers and Buyer shall oppose any petitions to deny or other objections filed with respect to the FCC Application, provided, however, that neither Sellers nor Buyer nor any of their respective Affiliates shall have any obligation to participate in any evidentiary hearing on the FCC Application or to pay a third party to obtain an FCC Consent. Sellers shall promptly enter into customary tolling or other arrangements with the FCC if necessary to resolve any complaints before the FCC relating to the Station in order to obtain the FCC Consent.

(b) Notwithstanding anything contained in any other section of this Agreement, neither Sellers nor Buyer makes any representation or warranty regarding the likelihood that the FCC will consent to the assignment of the FCC Authorizations, or that in connection with the FCC Application or applications or Proceedings relating to other FCC Authorizations not involving the Sellers, the FCC will not place or seek to place any Burdensome Condition on Buyer's acquisition of the FCC Authorizations or the other Assets, or that would otherwise cause any of the conditions specified in Article 9 to not be satisfied.

**Section 6.3 Court Order.** Sellers shall promptly seek and use their best efforts to obtain entry of an order of the Receivership Court in substantially the form attached hereto as Exhibit F, approving this Agreement and authorizing the Sellers to execute and to perform the

transactions contemplated hereby (a “**Receivership Court Order**”). Subject to Section 6.1(b), Buyer shall reasonably cooperate with Sellers in obtaining such Receivership Court Order, including without limitation by providing such information as the Receivership Court may require.

**Section 6.4 Use of Sellers’ Names.** Following the Closing, Sellers shall cease and desist from using all names, logos and marks that include, or could reasonably be expected to be confused with, any trademarks, service marks, trade dress, logos or trade names of Buyer, and shall terminate any registrations of any such names, logos and marks by Sellers with any Governmental Authorities; provided, however, that nothing in this Section 6.4 shall prohibit Sellers from using their legal entity names or any portion thereof.

**Section 6.5 Environmental Assessments.**

(a) Buyer shall have the right to obtain, at its own expense, a Phase I environmental assessment report (a “**Phase I Report**”) relating to each parcel of owned or leased Real Property included among the Assets; provided that Buyer shall have ordered the same within thirty (30) days of the date hereof, or this right shall be deemed waived.

(b) In the event that any Phase I Report identifies or presents evidence of (i) any condition in breach of, or requiring remediation under, Environmental Laws or (ii) or a recommendation for current remediation (each an “**Environmental Condition**”), Buyer shall have the right to obtain, at its own expense, a Phase II environmental assessment report (a “**Phase II Report**”) relating to each parcel of owned or leased Real Property included among the Assets; provided that Buyer shall have ordered the same within ten (10) Business Days of receipt of such Phase I report, or this right shall be deemed waived. The Phase I Report and Phase II Report, if applicable, shall be delivered to Buyer within two (2) business days of receipt by Buyer.

(c) In the event that any Phase II Report identifies or presents evidence of Environmental Conditions, the cost of remediation of which would exceed, in Buyer’s reasonable judgment, \$100,000 in the aggregate, Buyer shall have the right to terminate this Agreement.

(d) In the event that any Phase II Report identifies or presents evidence of Environmental Conditions, the cost of remediation of which would not exceed, in Buyer’s reasonable judgment, \$100,000 in the aggregate: (i) Buyer shall notify Sellers of such identification or evidence and present Sellers a copy of such Phase II Report, and (ii) Sellers shall have sixty (60) days following receipt of the notice described in clause (i) of this Section 6.5(d) (an “**Environmental Condition Notice**”) to initiate remediation of such Environmental Conditions, at the Sellers’ expense.

(e) In the event that remediation of any Environmental Condition has not been completed to Buyer’s reasonable satisfaction on or before the date that is ninety (90) days following Sellers’ receipt of an applicable Environmental Condition Notice, Buyer shall have the right to terminate this Agreement or to Close under this Agreement and remediate at its sole cost and expense post-Closing.



## **ARTICLE 7**

### **TAX MATTERS**

**Section 7.1**    **Tax Definitions.** The following terms, as used herein, have the following meanings:

“**Code**” means the Internal Revenue Code of 1986.

“**Escheat Payment**” means any payment required to be made to any state abandoned property administrator or other public official pursuant to an abandoned property, escheat or similar law.

“**Post-Closing Tax Period**” means any Tax period (or portion thereof) ending after the Closing Date.

“**Pre-Closing Tax Period**” means any Tax period (or portion thereof) ending on or before the close of business on the Closing Date.

“**Tax**” means (i) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, capital, paid-up capital, profits, greenmail, license, gains, withholding on amounts paid to or by a Seller or the Station, payroll, employment, excise, severance, stamp, occupation, premium, property, Escheat Payment, environmental or windfall profit tax, custom duty or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Authority (domestic or foreign) responsible for the imposition of any such tax or (ii) any Liability for the payment of any amounts of the type described in (i) as a result of being party to any agreement or any express or implied obligation to indemnify any other Person.

“**Tax Return**” means any report, return, statement, form or other information required to be supplied to a taxing authority in connection with Taxes.

**Section 7.2**    **Tax Representations.** Sellers, jointly and severally, hereby represent and warrant to Buyer as of the date hereof and as of the Closing Date that, except as disclosed on Schedule 7.2, to Sellers’ Knowledge, Sellers have filed all foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law in connection with the Stations’ business, and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable.

**Section 7.3**    **Tax Cooperation and Other Tax Matters.**

(a)    Buyer and the Sellers shall furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Station and the Assets (including access to books and records) as is reasonably necessary for the filing of all Tax Returns, the making of any election related to Taxes, the preparation for any

audit by any taxing authority, and the prosecution or defense of any claim, suit or proceeding relating to any Tax Return. Buyer and the Sellers shall retain all books and records with respect to Taxes pertaining to the Assets for a period of at least six years following the Closing Date. Buyer and the Sellers shall cooperate with each other in the conduct of any audit or other proceeding related to Taxes involving the Station or the Assets for any Pre-Closing Tax Period.

(b) At the Closing, each Seller shall deliver to Buyer a certificate as required by Treasury regulations Section 1.1445 to the effect that Seller is not a “foreign person” as defined in Section 1445 of the Code.

(c) Sellers shall request from the appropriate authorities in the State of Texas a tax clearance certificate or other applicable documentation from the State of Texas stating that, as of the Closing Date, such Seller does not owe any Taxes to such State, including with respect to the sale of the Assets. Sellers shall deliver to Buyer a copy of each such tax clearance certificate at Closing. Buyer shall be entitled to deduct and withhold from the Purchase Price all Taxes that Buyer may be required to deduct and withhold under any provision of applicable Legal Requirements, including pursuant to the instructions of any tax clearance certificate or other applicable documentation issued by the State of Texas. All such withheld amounts shall be treated as delivered to Sellers hereunder. Buyer shall provide Sellers with notice of any payment, deduction or withholding required by applicable Legal Requirements reasonably promptly after Buyer becomes aware thereof. Buyer shall provide Sellers with evidence of the payment of Taxes for which Buyer has withheld funds pursuant to this subsection within five (5) Business Days of Buyer making such payment.

## **ARTICLE 8**

### **EMPLOYEE BENEFITS AND EMPLOYEE MATTERS**

#### **Section 8.1    Seller’s Employee Benefit Plans.**

(a) Sellers shall retain all obligations and liabilities under or relating to the Employee Benefit Plans, and Buyer shall assume none thereof.

(b) On or before the Closing Date, each Seller shall pay to each of such Seller’s employees all liabilities relating to accrued and unused paid time off days accumulated by such employees prior to the Closing, and Buyer shall have no responsibility for any such liabilities. Each of Sellers’ employees hired by Buyer in accordance with the provisions of this Agreement (“**Transferred Employee**”), shall be permitted to participate in the employee benefit plans sponsored, maintained or contributed to by Buyer on the same terms and conditions as similarly situated employees of Buyer, except that Buyer shall give each such Transferred Employee full credit for his or her past continuous service with Sellers and their respective predecessors and affiliates, for purposes of eligibility to participate and any waiting periods, benefit eligibility, and vesting (but not benefit accrual) under Sellers’ Employee Benefit Plans.

(c) Prior to the Closing, each Seller shall have paid in full for all applicable insurance premiums due with respect to each insured Employee Benefit Plan for all periods ending on or before the Closing Date.

## **Section 8.2    Employee Matters.**

(a)     At least 30 days prior to the Closing Date, Buyer shall provide to Sellers a written list of employees it desires to employ following the Closing Date. From and after the Closing Date, Sellers shall cooperate in all reasonable respects with Buyer to allow Buyer to evaluate and interview employees in order to make hiring decisions. Buyer shall, at its cost, be permitted to conduct appropriate pre-hire investigations and other onboarding processes of such of Sellers' employees that it may desire to hire, and Buyer may make any offer of employment to any such employee conditional upon its receipt, review and approval of the results of such investigations and/or completion of onboarding processes. As of the Closing, each Seller shall have terminated the employment of all of its employees rendering services in connection with the Business (or transfer such employees to different positions in Sellers' operations) other than those employees who are on Buyer's list of employees it desires to hire, and Sellers shall be solely responsible for any severance or other obligations to all employees.

(b)     Nothing in this Section 8.2 or elsewhere in this Agreement shall be deemed to make any employee of a Seller a third-party beneficiary of this Agreement.

## **ARTICLE 9 CONDITIONS TO CLOSING**

**Section 9.1    Conditions to Obligation of Buyer.**    The obligation of Buyer to consummate the Closing is subject to the satisfaction, or waiver by Buyer in its absolute discretion, of the following conditions:

(a)     (i)     The Sellers shall have performed all of their respective obligations hereunder required to be performed by them on or prior to the Closing Date; (ii) the representations and warranties of each of the Sellers contained in this Agreement and in any certificate or other writing delivered by any of them pursuant hereto, to the extent not qualified by materiality or Material Adverse Effect, shall have been true and correct as of the date hereof and shall be true and correct at and as of the Closing Date in all material respects as if made at and as of such date, except for such representations and warranties made as of a certain date, which shall be true and correct in all material respects as of such date; (iii) the representations and warranties of each of the Sellers contained in this Agreement and in any certificate or other writing delivered by any of them pursuant hereto, to the extent qualified by materiality or Material Adverse Effect, shall have been true and correct as of the date hereof and at and as of the Closing Date as if made at and as of such date, except for the representations and warranties made as of a certain date, which shall be true and correct as of such date; and (iv) Buyer shall have received a certificate to the foregoing effect signed by each Seller.

(b)     Buyer and Sellers shall have received all Required Consents in form and substance reasonably acceptable to Buyer, and no such Required Consent shall have been revoked. The Sellers agree that Buyer will be deemed to be acting reasonably if it rejects a Required Consent due to any requested change in an Assumed Contract.

(c)     The FCC Consent shall have been granted and shall either (i) have become a Final FCC Order or (ii) have been granted following the required public notice period

during which no petitions to deny, informal objections or other oppositions to the FCC Application were filed; provided, however, that, in either case described in clause (i) or clause (ii) of this Section 9.1(d), the FCC Consent shall not contain a Burdensome Condition; and provided, further that Buyer, in its sole discretion, may elect to waive the condition that the FCC Consent shall have become a Final FCC Order.

(d) The Receivership Court shall have entered an order in substantially the form attached hereto as Exhibit F, approving this Agreement and authorizing the Receiver and the Sellers to execute and to perform the transactions contemplated hereby, and such order shall have become a Final Receivership Court Order.

(e) No provision of any applicable law or regulation and no judgment, injunction, order or decree shall restrain, prohibit or otherwise interfere with the consummation of the Closing or the effective operation or enjoyment by Buyer of all or any material portion of the Station or the Assets.

(f) Buyer shall have exercised or waived its rights under Section 6.5.

(g) No proceeding challenging this Agreement or the transactions contemplated hereby or seeking to prohibit, alter, prevent or materially delay the Closing shall have been (i) instituted by any Person before any arbitrator or Governmental Authority and be pending or (ii) threatened in writing by any Person.

(h) There shall have been no event, occurrence, development or state of circumstances or facts that, individually or in the aggregate, has, had or could reasonably be expected to have a Material Adverse Effect, except for changes affecting the television broadcast industry generally.

(i) Sellers shall have had all of the Liens on any Asset (including the Liens identified in the Search Results or listed on Schedule 3.5(a) or Schedule 3.5(b), but excluding the Permitted Liens) released and discharged, and Buyer shall have received evidence reasonably satisfactory to it (including UCC-3 termination statements) that such Liens have been released and discharged of record or that such Liens shall be released upon Closing.

(j) Seller shall have delivered a tax clearance certificate or similar documentation from the State of Texas to Buyer as provided in Section 7.3(c) hereof.

(k) On the Closing Date, Buyer shall have received:

(i) the Assignment and Assumption Agreement, duly executed  
by Sellers;

(ii) the Assignment of FCC Authorizations, duly executed by  
the Receiver;

(iii) the Bill of Sale, duly executed by Sellers;

(iv) the Deed, duly executed by Sellers, subject only to the matters listed as permitted exceptions to the Deed;

(v) the NDA Termination, duly executed by Patrick Communications, LLC;

(vi) the tax clearance certificates;

(vii) the instruments of conveyance and assignment described in Section 2.6(b), duly executed by Sellers; and

(viii) all such further documents, instruments and agreements as may be reasonably requested by Buyer or its counsel in order to more effectively provide for Buyer's assumption of the Assumed Liabilities or transfer title to the Assets to Buyer, as the case may be, or effectuate and carry out any provision of this Agreement.

(l) On or before the Closing Date, Buyer's title company shall have received any and all title affidavits and indemnities customarily delivered by a seller of real estate that are required by such title company to issue a title policy for the Owned Real Property, duly executed by the Sellers; provided, however, that this Section 9.1(l) shall be deemed waived by Buyer in the event all such documents are not presented to Sellers within fifteen (15) Business Days of the grant of the FCC Consent. Notwithstanding the foregoing and consistent with the "As Is/Where Is" nature of this Agreement as described in Section 3.19, issuance of a title policy for the Owned Real Property to Buyer shall not constitute a condition precedent to Closing.

(m) The statements on Schedule 9.1(m) shall have been true and correct as of the date hereof and shall be true and correct at and as of the Closing Date in all material respects as if made at and as of such date.

**Section 9.2 Conditions to Obligation of the Sellers.** The obligation of the Sellers to consummate the Closing is subject to the satisfaction, or waiver by the Sellers in their absolute discretion, of the following conditions:

(a) (i) Buyer shall have performed all of its obligations hereunder required to be performed by it at or prior to the Closing Date; (ii) the representations and warranties of Buyer contained in this Agreement and in any certificate or other writing delivered by Buyer pursuant hereto shall have been true and correct as of the date hereof and shall be true and correct at and as of the Closing Date in all material respects as if made at and as of such date, except for such representations and warranties made as of a certain date, which shall be true and correct in all material respects as of such date; and (iii) Sellers shall have received a certificate signed by an appropriate executive officer of Buyer to the foregoing effect.

(b) The FCC Consent shall have been granted.

(c) The Receivership Court shall have entered the Receivership Court Order.

(d) No provision of any applicable law or regulation and no judgment, injunction, order or decree shall restrain, prohibit or otherwise interfere with the consummation of the Closing or the effective operation or enjoyment by Buyer of all or any material portion of the Station or the Assets.

(e) On the Closing Date, the Sellers shall have received:

(i) the Assignment and Assumption Agreement, duly executed by Buyer;

(ii) the Assignment of FCC Authorizations, duly executed by Buyer or its assignee;

(iii) the NDA Termination, duly executed by Telemundo Network Group LLC;

(iv) the instruments of conveyance and assignment described in Section 2.6(c) that are required to be executed by Buyer, duly executed by Buyer; and

(v) all such further documents, instruments and agreements as may be reasonably requested by Sellers or their counsel in order to more effectively provide for Buyer's assumption of the Assumed Liabilities or transfer title to the Assets to Buyer, as the case may be, or effectuate and carry out any provision of this Agreement.

## **ARTICLE 10**

### **SURVIVAL; INDEMNIFICATION**

**Section 10.1 Survival.** The representations and warranties of the parties hereto contained in this Agreement or in any certificate or other writing delivered pursuant hereto or in connection herewith shall not survive the Closing. Notwithstanding the preceding sentence, any representation or warranty in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding sentence, if a claim under this Article 10 shall have been made against the party from whom such indemnity may be sought within one (1) year of the Closing. All covenants and agreements of the parties hereunder and the indemnification obligations of the parties set forth in Section 10.2(a)(i) and (ii) and Section 10.2(b)(ii) and (iii) shall survive the Closing indefinitely.

#### **Section 10.2 Indemnification.**

(a) The Sellers, jointly and severally, hereby indemnify Buyer and its Affiliates and their respective officers, directors, managers, shareholders, partners, members and employees against, and shall hold each of them harmless from, any and all damage, loss, Liability and expense (including reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding) (collectively, "**Loss**") incurred or suffered by any of the foregoing arising out of, resulting from, or related to:

(i) Sellers' ownership or operation of the Station before the Closing Date, except to the extent that such Loss relates to any matter for which Sellers are entitled to indemnification under Section 10.2(b); or

(ii) any Excluded Liability or Excluded Asset.

Provided, however, that, in no event shall Receiver be personally liable for any Loss or any other amount or claim arising out of or related to this Agreement

(b) Buyer hereby indemnifies the Sellers and their respective Affiliates against, and shall hold each of them harmless from, any and all Loss incurred or suffered by any of the foregoing arising out of, resulting from, or related to:

(i) any misrepresentation or breach of warranty made by Buyer pursuant to this Agreement or any document executed in connection with the transactions contemplated by this Agreement (disregarding, in each case for purposes of determining the existence of such misrepresentation or breach or the amount of Losses arising therefrom, any "materiality" or similar qualifications included in any such representation or warranty);

(ii) any Assumed Liability, including the failure of Buyer to perform or satisfy any such Assumed Liability; or

(iii) Buyer's ownership or operation of the Station or the Assets after the Closing Date, except to the extent that such Loss relates to any matter for which Buyer is entitled to indemnification under Section 10.2(a).

### **Section 10.3 Claim Procedures.**

(a) Any party seeking indemnification pursuant to this Section (the "**Indemnified Party**") shall promptly notify in writing (an "**Indemnity Notice**") the other party or parties from whom such indemnification is sought (the "**Indemnifying Party**") of the Indemnified Party's assertion or a third party's assertion of any claim with respect to which the indemnification provisions set forth in this Article relate, providing in reasonable detail the facts giving rise to such claim, a statement of the Indemnified Party's Loss to the extent then known, and an estimate of the amount of Losses that the Indemnified Party reasonably anticipates it will suffer or incur; *provided, however*, that no delay on the part of the Indemnified Party in giving the Indemnity Notice shall relieve the Indemnifying Party from any obligation hereunder unless (and solely to the extent) the Indemnifying Party is prejudiced thereby.

(b) With respect to any third party claim for which an Indemnified Party is seeking indemnification hereunder:

(i) The Indemnifying Party shall have the right, upon written notice to the Indemnified Party within ten Business Days after its receipt of any Indemnity Notice, to undertake (at its expense) the defense of such claim with counsel reasonably satisfactory to the Indemnified Party; *provided, however*, that the Indemnifying Party shall not have the right to assume the defense of such claim if (A) the Indemnifying Party is also a party to

such claim and the Indemnified Party determines in good faith that joint representation would be inappropriate, or (B) the Indemnifying Party fails to provide reasonable assurance to the Indemnified Party of its financial capacity to defend such claim and provide indemnification with respect to such claim, whereupon the Indemnified Party shall be entitled (but not obligated) to undertake the defense of such claim at the expense of the Indemnifying Party. The failure of the Indemnifying Party to give such notice and to undertake the defense of such a claim shall constitute a waiver of the Indemnifying Party's rights under this Section 10.3(b) and shall entitle (but not obligate) the Indemnified Party to undertake such defense at the expense of the Indemnifying Party. If the Indemnified Party undertakes the defense of any such claim, whether due to the Indemnifying Party's failure to assume such defense or the Indemnifying Party not having the right to assume such defense for one of the reasons set forth in clauses (A) and (B) above, then, in the absence of gross negligence or willful misconduct on the part of the Indemnified Party, the Indemnifying Party shall be precluded from disputing the manner in which the Indemnified Party conducted the defense of such claim or the reasonableness of any amount paid and any agreement made by the Indemnified Party in settlement of such claim.

(ii) If the Indemnifying Party has undertaken the defense of any such claim as provided in clause (i), the Indemnifying Party may not agree to any settlement or compromise of such claim without the prior written consent of the Indemnified Party unless (A) prior to such settlement or compromise, the Indemnifying Party acknowledges in writing its obligation to pay in full the amount of the settlement or compromise and all associated expenses, (B) the Indemnified Party is furnished with security satisfactory to the Indemnified Party that the Indemnifying Party will in fact pay such amount and expenses, (C) the settlement or compromise does not involve anything but the one-time payment of money and has no adverse impact on the Station or its operations, and (D) the Indemnifying Party obtains, at no cost to the Indemnified Party, a release executed and delivered by the claiming third party or parties of all claims against the Indemnified Party, which release shall be acceptable in form and substance to the Indemnified Party. The Indemnified Party may, through counsel selected and paid by it, participate in (but not control) the defense of any claim undertaken by the Indemnifying Party.

(c) Unless, within ten Business Days following the Indemnifying Party's receipt of an Indemnity Notice, the Indemnifying Party gives written notice to the Indemnified Party announcing its intent to contest the assertion of such indemnification claim (the "**Contest Notice**"), such claim shall be deemed accepted by the Indemnifying Party. Notwithstanding the foregoing, if the Indemnifying Party assumes the defense of any third party claim pursuant to subsection (b), such claim shall be deemed accepted by the Indemnifying Party whether or not a Contest Notice has been or is later delivered. In the event that a Contest Notice is given to the Indemnified Party, then the parties shall endeavor to settle and compromise such contested claim as between them. If the parties are unable to agree on a settlement or compromise of such claim within 30 days after the Indemnified Party's receipt of the Contest Notice, such contested claim shall be settled by arbitration to be held in Philadelphia, Pennsylvania in accordance with the rules of the American Arbitration Association. The determination of the arbitrator(s) shall be delivered in writing to the Indemnifying Party and the Indemnified Party and shall be conclusive and binding upon all parties, and the amount to be paid by the Indemnifying Party shall be deemed established thereby. In the event that the claim



relates to a third party claim that has not yet been resolved, the final amount to be paid shall be determined upon such resolution.

**Section 10.4 Payment of Losses.** Any Losses subject to indemnification under this Article 10 shall bear interest, in the case of a Loss attributable to a third party claim, from the date of the Indemnity Notice, and in all other cases, from the Closing Date, in each case until the date paid at a rate equal to the lesser of (i) two percent (2%) over Prime Rate, or (ii) the highest legal rate permitted by applicable Legal Requirements. The Indemnifying Party shall pay the amount of established Losses (including interest calculated pursuant to this Section 10.4) to the Indemnified Party in cash within five Business Days after establishment thereof.

**Section 10.5 Limitations on Indemnification Obligations.**

(a) In the absence of fraud or knowing misrepresentation or breach of warranty, no Indemnifying Party shall have any obligation to indemnify any Indemnified Party or any other person claiming through any such Indemnified Party against any Losses pursuant to Section 10.2(a)(i) or 10.2(b)(i), as applicable, of this Agreement arising out of or based upon any inaccuracy in or breach of any representation or warranty made in or pursuant to this Agreement unless and until the aggregate amount of all such Losses suffered or incurred by such Indemnified Party and other persons claiming through such Indemnified Party exceeds \$10,000, in which event such Indemnified Party and such persons claiming through such Indemnified Party shall be entitled to indemnification for the full amount of all Losses suffered or incurred.

(b) In the absence of fraud or knowing misrepresentation or breach of warranty, no Indemnifying Party shall have any obligation to indemnify any Indemnified Party or any other person claiming through any such Indemnified Party against any Losses pursuant to Section 10.2(a)(i) or 10.2(b)(i), as applicable, of this Agreement arising out of or based upon any inaccuracy in or breach of any representation or warranty made in or pursuant to this Agreement, to the extent that payments thereof by or on behalf of such Indemnifying Party to the Indemnified Party or persons claiming through such Indemnified Party or reasonably paid to third parties for the benefit of such Indemnified Party or persons claiming through such Indemnified Party pursuant to this terms of this Agreement exceed, in the aggregate, \$2,000,000;

(c) In the absence of fraud or knowing misrepresentation or breach of warranty, no Indemnifying Party shall have any obligation to indemnify any Indemnified Party or any other person claiming through any such Indemnified Party against any Losses pursuant to Section 10.2(a)(i) or 10.2(b)(i) to the extent that payments thereof by or on behalf of such Indemnifying Party to the Indemnified Party or persons claiming through such Indemnified Party or reasonably paid to third parties for the benefit of such Indemnified Party or persons claiming through such Indemnified Party pursuant to this terms of this Agreement exceed, in the aggregate, the Purchase Price.

**Section 10.6 Exclusive Remedy.** In the absence of fraud and except (i) with respect to the availability of specific performance or other equitable remedies for breach or non-compliance, and (ii) for the enforcement of rights under the documents and instruments executed and delivered by the parties at the Closing, in each case subject to and as available under Section

12.7, following the Closing, the indemnification provided by this Article 10 shall be the sole remedy of the parties hereto with respect to the transactions contemplated by this Agreement.

## **ARTICLE 11**

### **TERMINATION**

**Section 11.1 Grounds for Termination.** This Agreement may be terminated at any time prior to the Closing:

- (a) by mutual written agreement of Sellers and Buyer;
- (b) by Sellers or Buyer if the Closing shall not have been consummated on or before the Outside Date, provided that such failure to close by such date shall not have been the result of a material breach of any representation, warranty, covenant or other agreement contained herein by the party seeking termination;
- (c) by Sellers in the event that Buyer shall be in material breach or default under this Agreement and shall have failed to cure such breach or default within 30 days after receiving written notice from Sellers, provided that no Seller is then in material breach of any representation, warranty, covenant or other agreement contained herein;
- (d) by Buyer in the event that any Seller shall be in material breach or default under this Agreement and shall have failed to cure such breach or default within 30 days after Sellers' receiving written notice from Buyer, provided that Buyer is not then in material breach of any representation, warranty, covenant or other agreement contained herein; or
- (e) by Buyer or Sellers if (i) the FCC Consent has not been granted by the FCC twelve (12) months after the filing of the FCC Application, or (ii) the FCC designates the FCC Application for an evidentiary hearing;
- (f) by Buyer, if the Receivership Court Order has not become a Receivership Court Final Order on or before the date that is ninety (90) days following the date of this Agreement;
- (g) by Buyer under the circumstances set forth in Section 5.9;
- (h) by Buyer under the circumstances set forth in Section 5.10;
- (i) by Buyer under the circumstances set forth in Section 6.5(c); and
- (j) by Sellers or Buyer if there shall be any Legal Requirement that makes the consummation of the transactions contemplated hereby illegal or otherwise prohibited or if consummation of the transactions contemplated hereby would violate any nonappealable, final Judgment of any Governmental Authority.

Except with respect to subsection (a) of this Section 11.1, the party or parties desiring to terminate this Agreement shall give written notice of such termination to the other parties.

**Section 11.2 Effect of Termination.** If this Agreement is terminated as permitted by Section 11.1, such termination shall be without liability of any party (or any shareholder, partner, member, director, officer, manager, employee, agent, consultant or representative of such party) to the other parties to this Agreement and each party shall bear its own costs and expenses incurred in connection with the transactions contemplated hereby; *provided, however*, that, notwithstanding the foregoing, the non-terminating party (and its Affiliates that are parties hereto, if any) shall be fully liable for any and all Losses incurred or suffered by the terminating party if such termination is pursuant to (i) Section 11.1(b) and the failure to close by such date is the result of a material breach by the non-terminating party (subject to Section 12.7), (ii) Section 11.1(c) or Section 11(d). The provisions of Section 12.3 (Expenses) shall survive any termination hereof pursuant to Section 11.1.

## **ARTICLE 12** **MISCELLANEOUS**

**Section 12.1 Notices.** All notices, requests or other communications required or which may be given hereunder shall be in writing and either delivered personally to the addressee, sent via facsimile transmission to the addressee, mailed to the addressee by certified or registered mail or express mail, postage prepaid, or sent to the addressee by a nationally recognized overnight delivery service, service charges prepaid, in each case as follows:

if to Buyer, to:

2290 West 8th Ave.  
Hialeah, Florida 33101  
Attention: Chief Financial Officer  
Facsimile: (305) 889-7926  
Telephone: (305) 884-9607

with a copy to:

c/o Comcast Corporation  
One Comcast Center  
1701 John F. Kennedy Blvd.  
Philadelphia, PA 19103-2838  
Attn: General Counsel  
Facsimile: (215) 286-7794  
Telephone: (215) 286-1700

if to Sellers, to:

Sunbelt Media Co.  
c/o 6805 Douglas Legum Drive, Suite 100  
Elkridge, MD 21075  
Attention: W. Lawrence Patrick, Receiver  
Facsimile:

Telephone:

with a copy to:

Sciarrino & Shubert, PLLC  
5425 Tree Line Drive  
Centreville, VA 20120  
Attention: Dawn M. Sciarrino, Esq.  
Facsimile: (703) 991-7120  
Telephone: (202) 350-9658

All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or other communication shall be deemed to have been received on the next succeeding Business Day in the place of receipt.

**Section 12.2 Amendments and Waivers; Severability.**

(a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(c) If any provision of this Agreement is hereafter construed to be invalid or unenforceable (including in any particular jurisdiction), the same shall not affect the remainder of the provisions or the enforceability thereof in any other jurisdiction, which shall be given full effect, without regard to the invalid portions or unenforceable provisions.

**Section 12.3 Expenses.** Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

**Section 12.4 Successors and Assigns.** The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; *provided, however*, that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto except that Buyer may, without the consent of any of the Sellers, transfer or assign to one or more Affiliates, in whole or from time to time in part, the right to purchase all or a portion of the Assets, provided that such assignment by Buyer does not materially delay FCC Consent or Closing.

**Section 12.5 Governing Law.** This Agreement shall be governed by and construed in accordance with the law of the State of Texas (and United States law, to the extent applicable), without regard to the conflicts of law rules of such state.

**Section 12.6 WAIVER OF JURY TRIAL.** EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

**Section 12.7 Specific Performance; Remedies Cumulative.**

(a) The Sellers recognize that the Station cannot be readily obtained in the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall be entitled in such event, in lieu of a suit at law or equity for money or other damages, to obtain specific performance of the terms of this Agreement, including by injunction or restraining order. In any action to enforce the provisions of this Agreement, the Sellers shall waive the defense that there is an adequate remedy at law or equity and hereby agree that Buyer shall have the right to obtain specific performance of the terms of this Agreement.

(b) Except for the election of remedies required by Section 12.7(a), the remedies provided in this Agreement shall be cumulative and shall not preclude the assertion by any party hereto of any other rights or the seeking of any other remedies against the other party hereto.

**Section 12.8 Counterparts; Effectiveness.** This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto, which counterpart may be delivered via facsimile, PDF or other electronic means.

**Section 12.9 Entire Agreement; Third Party Beneficiaries.** This Agreement (including the Schedules and Exhibits attached hereto) constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter of this Agreement. No provision of this Agreement is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

\*\*\*\*\*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**BUYER:**

TELEMUNDO RIO GRANDE VALLEY, LLC

By: 

Name: Robert S. Pick  
Title: Senior Vice President

**SELLERS:**

SUNBELT MULTIMEDIA COMPANY

By: \_\_\_\_\_  
W. Lawrence Patrick, Receiver

MULTIMEDIA ASSOCIATES, LTD.

By: \_\_\_\_\_  
W. Lawrence Patrick, Receiver

\_\_\_\_\_  
W. Lawrence Patrick, Receiver for Sunbelt  
Multimedia Co. (solely in his representative  
capacity as receiver)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**BUYER:**

TELEMUNDO RIO GRANDE VALLEY, LLC

By: \_\_\_\_\_  
Name:  
Title:

**SELLERS:**

SUNBELT MULTIMEDIA COMPANY

By: W. Lawrence Patrick  
W. Lawrence Patrick, Receiver

MULTIMEDIA ASSOCIATES, LTD.

By: W. Lawrence Patrick  
W. Lawrence Patrick, Receiver

W. Lawrence Patrick  
W. Lawrence Patrick, Receiver for Sunbelt  
Multimedia Co. (solely in his representative  
capacity as receiver)