

STOCK PURCHASE AGREEMENT

dated as of

December 30, 2005

between

LAKEWOOD CHURCH, as Seller,

And

US FARM & RANCH SUPPLY, INC., DBA USFR MEDIA GROUP, as Buyer

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STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (this "**Agreement**") is entered into as of December 30, 2005 between US Farm & Ranch Supply, Inc. dba USFR Media Group, a Texas corporation ("**Buyer**"), and Lakewood Church, a Texas non-profit corporation ("**Seller**").

RECITALS

WHEREAS, Humanity Interested Media, L.P., a Texas limited partnership ("**Licensee**"), is the licensee of television station KTBU, Channel 55, Conroe, Texas, and is the permittee of associated digital television station Channel 42 (collectively the "**Station**"); and

WHEREAS, Channel 55 Broadcasting, LLC, a Texas limited liability company ("**Channel 55**"), provides programming and management services to the Station pursuant to an agreement with the Licensee; and

WHEREAS, HIM, Inc., a Delaware corporation ("**HIM**"), is the sole limited partner of Licensee and Channel 55 is the sole general partner of Licensee; and

WHEREAS, Seller owns all of the stock of Channel 55 Production Company, Inc., a Texas corporation ("**Production**"), and Production owns all of the membership interests of Channel 55 and 100% of the outstanding shares of HIM; and

WHEREAS, Buyer wishes to buy, and Seller wishes to sell, all of the issued and outstanding shares of the capital stock of Production (the "**Stock**"), which also will effectively transfer to Buyer Channel 55, HIM, Licensee and the Station.

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

ARTICLE I

DEFINITIONS

1.1 **Certain Definitions.** For all purposes of and under this Agreement, the following terms shall have the respective meanings set forth below:

(a) "**Acquired Companies**" means collectively, Production, Channel 55, Licensee and HIM.

(b) "**Action**" means any claim, action, suit or proceeding, arbitral action governmental inquiry, criminal prosecution or other investigation.

(c) "**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by or is under common control with such Person.

(d) "**Agreement**" means this Agreement by and among Buyer and Seller as amended or supplemented together with all Exhibits and Schedules attached or incorporated by reference.

(e) **"Approval"** means any approval, authorization, consent, qualification or registration, or any waiver of any of the foregoing, required to be obtained from, or any notice, statement or other communication required to be filed with or delivered to, any Governmental Authority or any other Person.

(f) **"Assets"** shall mean collectively the Tangible Personal Property, Leased Real Property, Leased Assets, Proprietary Rights, Contracts, Licenses and the equity securities of the Acquired Companies.

(g) **"Bank"** has the meaning set forth in **Section 2.4**.

(h) **"Benefit Plans"** has the meaning set forth in **Section 4.10**.

(i) **"Business"** means the business of owning and operating the Station.

(j) **"Business Day"** means any weekday (Monday through Friday) on which commercial banks in Houston, Texas are open for all business.

(k) **"Buyer"** has the meaning set forth in the preamble to this Agreement.

(l) **"Buyer Documents"** means, collectively, the (i) this Agreement, and (ii) the Escrow Agreements.

(m) **"Buyer Indemnified Party"** or **"Buyer Indemnified Parties"** shall have the meaning set forth in **Section 9.1**.

(n) **"Channel 55"** shall have the meaning set forth in the Recitals.

(o) **"Channel 55 Financial Statements"** has the meaning set forth in **Section 4.12(a)**.

(p) **"Closing"** means the consummation of the Transactions.

(q) **"Closing Date"** means the date of the Closing.

(r) **"Communications Act"** means the Communications Act of 1934, as amended, any successor statute thereto, and all rules, regulations and written policies of the FCC promulgated thereunder.

(s) **"Confidentiality Agreement"** means the confidentiality agreement executed by Buyer, dated as of June 6, 2005, a copy of which is attached hereto as **Exhibit A**.

(t) **"Contract"** means any legally binding contract, agreement, note, bond, instrument, lease, conditional sales contract, mortgage, license, franchise agreement, concession agreement, security interest, guaranty, binding commitment or other agreement or arrangement, whether written or oral.

(u) **"Deposit Escrow Agent"** has the meaning set forth in **Section 2.4**.

(v) **"Deposit Escrow Agreement"** has the meaning set forth in **Section 2.4**.

(w) **"Deposit Escrow Funds"** shall have the meaning set forth in **Section 2.4**.

(x) **"Digital Tower and Equipment"** shall mean (i) the digital tower leased by Channel 55 and located in Missouri City, Texas, and (ii) the digital converter and other equipment necessary for the broadcast of DTV service from a digital tower throughout the Station's area of signal coverage.

(y) **"DTV"** has the meaning set forth in **Section 4.19**.

(z) **"DTV License"** has the meaning set forth in **Section 4.19**.

(aa) **"Encumbrance"** means any security interest, pledge, mortgage, lien, charge, adverse claim of ownership or use, restriction on transfer, defect of title, or other encumbrance of any kind or character.

(bb) **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended, any successor statute thereto, and the rules and regulations promulgated thereunder.

(cc) **"Escrow Agreements"** means collectively the Deposit Escrow Agreement under **Section 2.4** and the Indemnity Escrow Agreement under **Section 9.5**.

(dd) **"FCC"** means the Federal Communications Commission or any successor entity.

(ee) **"FCC Rules"** means all rules, regulations and requirements of the FCC promulgated under the Communications Act or otherwise.

(ff) **"Financial Statements"** shall mean, collectively, Production Financial Statements and the Channel 55 Financial Statements.

(gg) **"GAAP"** means generally accepted accounting principles in the United States, consistently applied.

(hh) **"Governing Documents"** has the meaning set forth in **Section 3.2(a)(3)**.

(ii) **"Governmental Authority"** means any government, any governmental entity, department, commission, board, agency or instrumentality, and any court, tribunal, or judicial body, in each case whether federal, state, county or local.

(jj) **"Governmental Order"** means any statute, rule, regulation, order, judgment, injunction, decree, stipulation or determination issued, promulgated or entered by or with any Governmental Authority of competent jurisdiction.

(kk) **"Hazardous Material"** means any substance:

(i) the presence of which requires investigation or remediation under any existing Law or Governmental Order;

(ii) that is defined as a "hazardous waste," "hazardous substance," "petroleum," "pollutant" or "contaminant" under any Law, including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. Section 9601 et seq.) and/or the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); or

(iii) that is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated by any Governmental Authority having pertinent jurisdiction.

(ll) **"HIM"** shall have the meaning set forth in the Recitals.

(mm) **"Indemnified Party"** has the meaning set forth in **Section 9.3**.

(nn) **"Indemnity Escrow Agent"** shall have the meaning set forth in **Section 9.5(a)**.

(oo) **"Indemnity Escrow Agreement"** shall have the meaning set forth in **Section 9.5(a)**.

(pp) **"Indemnification Escrow Fund"** shall have the meaning set forth in **Section 9.5(a)**.

(qq) **"Intellectual Property"** means any (i) United States patents, patent applications, patent disclosures and improvements thereto, (ii) United States trademarks, service marks, trade dress, logos, trade names and corporate names, the goodwill associated therewith, and the registrations and applications for registration thereof, and (iii) United States copyrights, and the registrations and applications for registration thereof.

(rr) **"Interim Period"** means the period from the date of this Agreement through the earlier of the Closing Date or the termination of this Agreement.

(ss) **"Knowledge of Seller," "Known to Seller," "to Seller's Knowledge," "Knowingly"** and phrases of similar import mean, with respect to any matter in question relating to the Business of Seller Parties, any of which Donald E. Iloff, Jr., the General Manager of the Station, has actual knowledge.

(tt) **"Law" or "Laws"** means any federal, state, county, or local statute, law, ordinance, regulation, rule, code or rule of common law.

(uu) **"Leased Assets"** has the meaning set forth in **Section 4.5(b)**.

(vv) **"Leased Real Property"** has the meaning set forth in **Section 4.5(a)**.

(ww) **"Liability"** means any direct or indirect debt, obligation or liability of any kind or nature, whether accrued or fixed, absolute or contingent, determined or determinable, matured or unmatured, and whether due or to become due, asserted or unasserted, or known or unknown.

(xx) **"License"** means any franchise, approval, permit, order, authorization, consent, license, registration or filing, certificate, variance and any other similar right obtained from or filed with any Governmental Authority.

(yy) **"Licensee"** shall have the meaning set forth in the Recitals.

(zz) **"Material Adverse Effect"** means any change or effect that is materially adverse to the assets, properties, operations, financial condition and/or results of operations of the Business, taken as a whole, or to the consummation of the transactions contemplated by this Agreement, except for any such changes or effects resulting directly from (i) the transactions

contemplated by this Agreement, (ii) the announcement or other disclosure of the transactions contemplated by this Agreement, (iii) regulatory changes that affect the television broadcasting industry generally, (iv) changes in conditions generally applicable to the television broadcasting industry, or (v) changes in general economic conditions in the geographic region in which the Business is conducted. Any individual change or effect, or any multiple changes or effects arising or existing by reason of the same or any related or substantially similar events, acts, conditions or occurrences, with respect to which any Acquired Company would reasonably be expected to have, in the aggregate (aggregation being of any related or similar events, acts, conditions or occurrences, and not between unrelated or dissimilar events, acts, conditions or occurrences), \$75,000 or more in damages, losses, liabilities, costs or expenses being asserted against, imposed upon or sustained by such Acquired Company, shall constitute a "materially adverse" change or effect for purposes of this definition; provided, however, that with respect to the use of the term "Material Adverse Effect" in **Section 7.1** and **Section 7.2** hereof, the dollar amount specified in this sentence shall be increased from \$75,000 to \$500,000.

(aaa) **"Material Contracts"** has the meaning set forth in **Section 4.7(a)**.

(bbb) **"Merger and Acquisition Qualified Beneficiaries"** has the meaning set forth in **Section 4.10(f)**.

(ccc) **"Organizational Documents"** has the meaning set forth in **Section 3.2(a)(3)**.

(ddd) **"Permitted Encumbrances"** means the following: (i) Encumbrances for inchoate mechanics' and materialmen's liens arising in the ordinary course of the business, (ii) Encumbrances for Taxes not yet due and payable, (iii) those contractually created Encumbrances listed on **Schedule 1.1(ddd)**.

(eee) **"Person"** means any individual, general or limited partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity.

(fff) **"Physical Assets"** shall mean collectively the Tangible Personal Property, Leased Real Property and Leased Assets.

(ggg) **"Production"** has the meaning set forth in the Recitals.

(hhh) **"Production Financial Statements"** has the meaning set forth in **Section 4.12(b)**.

(iii) **"Programming Contracts"** means all Contracts pursuant to which an Acquired Company has been granted a license or other right to broadcast television programming.

(jjj) **"Proprietary Rights"** means any (i) Intellectual Property, (ii) trade secrets and confidential business information (including, without limitation, ideas, formulas, compositions, inventions (whether patentable or unpatentable and whether or not reduced to practice), know-how, research and development information, software, drawings, specifications, designs, plans, proposals, technical data, copyrightable works, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information), (iii) assumed names, call letters, channel positions, domain names, jingles, slogans, logos, (iv) other proprietary rights, (v) copies and tangible embodiments thereof (in whatever form or medium), and (vi) licenses granting any rights with respect to any of the foregoing.

- (kkk) **"Purchase Price"** has the meaning set forth in **Section 2.3**.
- (lll) **"Representatives"** has the meaning set forth in **Section 6.1**.
- (mmm) **"Routine Agreement"** has the meaning set forth in **Section 4.7(a)**.
- (nnn) **"Seller"** has the meaning set forth in the preamble to this Agreement.
- (ooo) **"Seller Documents"** means, collectively, (i) this Agreement, and (ii) the Escrow Agreements.
- (ppp) **"Seller Indemnified Party"** or **"Seller Indemnified Parties"** shall have the meaning set forth in **Section 9.2**.
- (qqq) **"Seller Parties"** shall mean, collectively, (i) Production, (ii) Channel 55, (iii) HIM, (iv) Licensee, and (v) Seller to the extent, but only to the extent that Seller's activities relate to the Business.
- (rrr) **"Short-Term Agreement"** shall have the meaning set forth in **Section 4.7(a)**.
- (sss) **"Station"** has the meaning set forth in the Recitals.
- (ttt) **"Station Licenses"** shall mean all licenses, permits, permissions and other authorizations and applications therefor, issued by the FCC for the operation of the Station including, but not limited to, those listed on **Schedule 4.16** and the Seller Parties' right in and to the call letters KTBU.
- (uuu) **"Stock"** has the meaning set forth in the Recitals.
- (vvv) **"Tangible Personal Property"** has the meaning set forth in **Section 4.5(a)**.
- (www) **"Tax"** or **"Taxes"** means any federal, state, county, or local income, sales, use, ad valorem, employment, franchise, or other taxes imposed by any Governmental Authority, together with any interest or penalties (civil or criminal) imposed by any Governmental Authority with respect thereto.
- (xxx) **"Tax Return"** means a report, return or other information required to be delivered to a Governmental Authority with respect to any Tax.
- (yyy) **"Termination Date"** has the meaning set forth in **Section 8.1(d)** hereof.
- (zzz) **"Transactions"** means the sale of the Stock pursuant to this Agreement and the other transactions contemplated by this Agreement.
- (aaaa) **"Transfer Application"** means the application filed jointly by Seller and Buyer with the FCC relating to the transfer of control of the Station from Seller Parties to Buyer in the manner contemplated in this Agreement.
- (bbbb) **"Transferred Assets"** means those assets identified in **Schedule 6.14**.

ARTICLE II

PURCHASE AND SALE

2.1 **Purchase and Sale.** At the Closing and subject to the terms and conditions of this Agreement, Seller will sell, assign, transfer, convey and deliver to Buyer the Stock, and Buyer will purchase from Seller the Stock.

2.2 **Delivery of Stock Certificates.** At the Closing, Seller will deliver or cause to be delivered to Buyer stock certificates evidencing the Stock. The certificates will be properly endorsed for transfer to or accompanied by a duly executed stock power in favor of Buyer and otherwise in a form acceptable for transfer on the books of Production, free and clear of any Encumbrance.

2.3 **Purchase Price.** The aggregate purchase price to be paid to Seller in exchange for the Stock (the "**Purchase Price**") is Thirty Million and No/100 Dollars (\$30,000,000.00), subject to the working capital adjustment provisions of **Section 2.6 hereof**.

2.4 **Deposit Escrow.** On or before January 5, 2006, Buyer shall deposit into escrow the sum of Five Hundred Thousand and No/100 Dollars (\$500,000.00) (such amount, together with all interest earned thereon, herein called the "**Deposit Escrow Funds**") by wire transfer or other form of immediately available funds with Bank of America ("**Bank**"). The disposition of the Deposit Escrow Funds shall be governed by that certain escrow agreement ("**Deposit Escrow Agreement**"), the form of which is attached hereto as **Exhibit B**, executed by the parties simultaneously herewith. Bank shall be the initial escrow agent (the "**Deposit Escrow Agent**"). The Deposit Escrow Funds shall be a deposit of a portion of the Purchase Price. If Closing has not occurred and this Agreement is terminated by Seller pursuant to **Section 8.1(b)** or if Buyer does not consummate the Transactions when all of its conditions to Closing are satisfied by March 31, 2006, after giving effect to the required waiver under Section 7.1(e), then Deposit Escrow Agent shall deliver to Seller, and Seller shall be entitled to retain the Deposit Escrow Funds, including any interest or other proceeds in the escrow account as liquidated damages and not as a penalty, it being impossible to actually calculate the damages Seller will suffer if Buyer shall fail to purchase the Stock. If the Closing has not occurred and this Agreement is terminated pursuant to **Section 8.1(a)**, **Section 8.1(c)**, **Section 8.1(d)** but only if Buyer has the right to terminate thereunder, or **Section 8.1(e)** hereof, then Deposit Escrow Agent shall return the Deposit Escrow Funds to Buyer, together with any interest or other proceeds in the escrow account, which shall be Buyer's sole remedy.

2.5 **Indemnity Escrow.** At Closing, the then amount of the Deposit Escrow Funds shall be placed in the Indemnification Escrow Fund pursuant to **Section 9.5** hereof.

2.6 **Working Capital.**

(a) At or prior to Closing, Seller shall make a capital contribution to Production in an amount sufficient to enable Channel 55 to pay off its outstanding line of credit loan at Northern Trust Bank. Such contribution and repayment of loans shall be reflected on the Proposed Working Capital Adjustment Balance Sheet prepared under paragraph (b) immediately below.

(b) Within sixty (60) days after the Closing Date, the Buyer shall prepare and deliver to Seller an unaudited consolidated balance sheet of Channel 55 and Production as of the close of business on the Closing Date after giving effect to the Transactions (the "Proposed Working Capital Adjustment Balance Sheet"). The Proposed Working Capital Adjustment Balance Sheet shall be computed consistently with the September 30, 2005 consolidated balance sheet of Channel 55 and Production attached hereto as part of **Schedule 4.12**. Such Proposed Working

Capital Adjustment Balance Sheet shall be accompanied by a certificate of the chief financial officer of Buyer to the effect that the Proposed Working Capital Adjustment Balance Sheet was computed from the books and records of Channel 55 and Production and, to the best knowledge of the chief financial officer, was prepared on a basis consistent with the September 30, 2005 consolidated balance sheet of Channel 55 and Production. Seller and a single firm of independent accountants designated by Seller ("Seller's Accountants"), if Seller so chooses, will be entitled to reasonable access during normal business hours to the relevant records of the Acquired Companies and the working papers of Buyer to aid in Seller's review of the Proposed Working Capital Adjustment Balance Sheet. The Proposed Working Capital Adjustment Balance Sheet shall be deemed to be accepted by Seller and shall be conclusive for the purposes of the adjustment provided for in this section except to the extent, if any, that Seller shall have delivered, within thirty (30) days of receipt of the Proposed Working Capital Adjustment Balance Sheet by Seller, written notice stating each and every item to which Seller takes exception as not being in accordance with this section, not in accordance with Channel 55 and Productions past practices or as having computational errors, specifying in reasonable detail and the nature and extent of any such exceptions (it being understood that any amounts not disputed shall be deemed accepted.) If any exception is disputed by Buyer, then Buyer and Seller shall negotiate in good faith to resolve such dispute. Any exceptions accepted by Buyer directly or as agreed by Seller and Buyer after negotiation will adjust the Proposed Working Capital Adjustment Balance Sheet. If, after a period of twenty (20) days following the date on which Seller gives Buyer notice of any exception, any exception still remains disputed, then Margolis Phipps & Wright PC, independent accountants (the "Accounting Firm") shall resolve any remaining disputes. The Accounting Firm shall act as an arbitrator to determine, based solely on presentations of Buyer and Seller, and not by independent review, only the issues still in dispute. The Accounting Firm shall assign this engagement to senior level accountants generally familiar with the type of business conducted by the Acquired Companies and deliver to Seller and Buyer, as promptly as practicable, a report setting forth its findings. The decisions of Accounting Firm shall be final and binding and shall be in accordance with the provisions of this section. All fees and expenses of the Accounting Firm, if any, shall be paid equally by Buyer, on the one hand, and Seller on the other hand. The Proposed Working Capital Adjustment Balance Sheet shall be adjusted, if required, as provided herein by any exceptions of Seller accepted by Buyer, any negotiated agreements between Buyer and Seller and the decisions of the Accounting Firm, if any, and the adjusted, if applicable, Proposed Working Capital Adjustment Balance Sheet shall then be the "Working Capital Adjustment Balance Sheet" for purposes of this Agreement.

(c) In the event that the Working Capital Adjustment Balance Sheet shows total consolidated current assets in excess of total consolidated current liabilities by more than \$100,000, then any amount of such excess over \$100,000 shall be added to the Purchase Price and paid to Seller by Buyer within two Business Days of the determination of the Working Capital Adjustment Balance Sheet. In the event that the Working Capital Adjustment Balance Sheet shows that total consolidated current Assets do not exceed total consolidated current liabilities by \$100,000, then any amount by which total consolidated current assets do not exceed total consolidated current liabilities by \$100,000 shall be deducted from the Purchase Price and paid to Buyer by Seller within two Business Days of the determination of the Working Capital Adjustment Balance Sheet.

ARTICLE III

CLOSING

3.1 **The Closing.** The Closing will take place at the offices of Winstead Sechrest & Minick P.C., Houston, Texas, on the fifth Business Day after the satisfaction or waiver of the conditions set forth in **Article VII** or on such later date and at such place as Seller and Buyer may agree.

3.2 **Payment of Purchase Price.** At the Closing, Buyer will (i) pay or cause to be paid to Seller by wire transfer of immediately available funds the Purchase Price, less the then amount of the Deposit Escrow Funds, and (ii) take such actions and execute such documents as may be necessary to cause the Deposit Escrow Funds to be transferred to the Indemnification Escrow Fund.

(a) **Closing Deliveries of Seller.** Seller shall make all of the following deliveries, in form and substance reasonably satisfactory to Buyer and its counsel:

(1) stock certificates representing the Stock, duly endorsed in blank or accompanied by stock powers duly executed in blank;

(2) a certificate, dated as of the Closing Date and signed by the Seller's chief executive officer, president or any vice president, certifying as to the matters set forth in **Sections 7.1(a) and 7.1(b)**;

(3) copies of the Acquired Companies' certificates of incorporation, organization or partnership, as applicable (the "**Organizational Documents**"), and bylaws, operating agreement, or partnership agreement, as applicable (the "**Governing Documents**"), certified as of a recent date (which is not more than thirty (30) days before Closing) by, with respect to the Organizational Documents, the secretary of state of the state of organization or incorporation, and with respect to the Governing Documents, each corporate secretary;

(4) a certificate of existence of each of the Acquired Companies, each issued as of a recent date (which is not more than thirty (30) days before Closing) by the secretary of state of each Acquired Company's state of organization or incorporation;

(5) a certificate of the Secretary of Seller dated as of the Closing Date, certifying (i) as to the absence of any amendments to the Organization Documents or Governing Documents of each of Acquired Companies since a specified date that is no later than the date of certification provided with respect to the Governing Documents pursuant to **Section 3.2(a)(3)** hereof, (ii) that attached thereto is a true and correct copy of the resolutions of the board of directors of Seller authorizing the execution and performance of this Agreement and the Transactions and (iii) as to the incumbency and genuineness of the signatures of the officers of Seller executing this Agreement and any related agreement;

(6) the executed Indemnity Escrow Agreement;

(7) resignations of all officers, directors and managers of the Acquired Companies;

(8) the minute books, stock books and corporate seals, and other similar books and records of each of the Acquired Companies, and all other books and records of the Acquired Companies, including bank account records, accounting records, computer records and Contracts with third parties;

(9) an instrument of mutual release executed by the Seller and the Acquired Companies releasing each other from any liability or obligation owed to the other or any of its (their) Affiliates (excluding any obligations arising under this Agreement);

(10) an estoppel certificate from each landlord with respect to Leased Real Property, except for the office lease described in **Section 6.20**;

(11) evidence of receipt of all approvals, consents, authorizations and waivers listed on **Schedule 4.3** and **Schedule 4.4** hereto;

(12) evidence of the release of any Encumbrance on, or otherwise relating to, any of the Assets, other than Permitted Encumbrances, including a release of the Encumbrances against the Assets currently held by Bank of America;

(13) evidence of payment of a contribution to Production sufficient to pay off any balance on Channel 55's line of credit with Northern Trust Bank;

(14) transfer of the office lease to Seller, or its termination, as required by **Section 6.20**; and

(15) such documents and other instruments as may be reasonably necessary to transfer the then amount of the Deposit Escrow Funds into the Indemnification Escrow Fund.

(b) Closing Deliveries of Buyer. Buyer shall make all of the following deliveries, in form and substance reasonably satisfactory to Seller and Seller's counsel:

(1) the Purchase Price less the then amount of the Deposit Escrow Funds, as provided in **Section 3.2**;

(2) such documents and other instruments as may be reasonably necessary to transfer the then amount of the Deposit Escrow Funds into the Indemnification Escrow Fund;

(3) a certificate, dated as of the Closing Date and signed by Buyer's chief executive officer, president, or vice president, certifying as to the matters set forth in **Sections 7.2(a) and 7.2(b)**;

(4) a certificate of existence of Buyer issued as of a recent date (which is not more than thirty (30) days before Closing) by the Secretary of State of Texas;

(5) a certificate of the Secretary of Buyer, dated as of the Closing Date, certifying (i) that attached thereto is a true and correct copy of the resolutions of the board of directors of Buyer authorizing the execution and performance of this Agreement and the Transactions and (ii) as to the incumbency and genuineness of the signatures of the officers of Buyer executing this Agreement and any related agreement;

- (6) the executed Indemnity Escrow Agreement;
- (7) evidence of payment of Channel 55's line of credit at Northern Trust and Seller's certificate of deposit and released guaranties as required by **Section 2.6**;
- (8) evidence of Buyer's consent to and approval of the mutual release required under **Section 3.2(a)(9)**.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in Seller's Schedules delivered to Buyer concurrently with the execution of this Agreement, Seller represents and warrants to Buyer (it being agreed that the disclosure in any Schedule of the existence of any document fact, circumstance or situation relating to a representation or warranty in this Article IV shall also serve as a disclosure of such fact, circumstance or situation for the purpose of any other representation or warranty of Seller in this Agreement if it is reasonably apparent as a disclosure relating to such other representation or warranty) as of the date of this Agreement and as of the Closing Date, as follows:

4.1 Organization and Capitalization.

- (a) Production is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas, and has all requisite corporate power and authority to own, operate or lease the assets and properties now owned, operated or leased by it, and to conduct the business presently conducted by Production.
- (b) HIM is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and has all requisite corporate power and authority to own, operate or lease the assets and properties now owned, operated or leased by it, and to conduct the business presently conducted by HIM.
- (c) Channel 55 is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Texas, and has all requisite corporate power and authority to own, operate or lease the assets and properties now owned, operated or leased by it and to conduct the business presently conducted by it.
- (d) Licensee is a limited partnership, duly organized, validly existing and in good standing under the laws of the State of Texas, and has all requisite partnership power and authority to own, operate or lease the assets and properties now owned, operated or leased by it, and to conduct the business presently conducted by Licensee.
- (e) Seller is a non-profit corporation, duly organized, validly existing and in good standing under the laws of the State of Texas.
- (f) True and complete copies of the Acquired Companies' Organizational Documents and Governing Documents, each as amended and in effect as of the date of this Agreement, have been made available to Buyer.
- (g) The authorized capital stock of Production consists of 1000 shares of common stock, no par value per share, of which 202 shares are issued and outstanding and constitute the

Stock. Seller is and will be on the Closing Date the record and beneficial owner and holder of the Stock, which on the Closing Date will be free and clear of all Encumbrances. With the exception of the Stock (which is owned by Seller), all of the outstanding equity securities of each Acquired Company are owned of record and beneficially by one or more of the Acquired Companies, and on the Closing Date will be free and clear of all Encumbrances. No legend or other reference to any purported Encumbrance appears upon any certificate representing equity securities of any Acquired Company. All of the outstanding equity securities of each Acquired Company has been duly authorized and validly issued and is fully paid and nonassessable. There are no Contracts relating to the issuance, sale, transfer or voting of any equity securities or other securities of any Acquired Company. None of the outstanding equity securities or other securities of any Acquired Company was issued in violation of the Securities Act or any other Law.

(h) Except for the other Acquired Companies, there is no corporation, partnership or other entity in which any of the Acquired Companies, directly or indirectly, owns any equity or other ownership interest.

4.2 **Authority.** Seller has all requisite corporate power and authority to enter into this Agreement and the Seller Documents, to perform its obligations hereunder and thereunder, and to consummate the Transactions. The execution and delivery by Seller of this Agreement and the Seller Documents, the performance by Seller of its obligations hereunder and thereunder, and the consummation by Seller of the Transactions, have been duly authorized by all necessary partnership and corporate action on the part of Seller. This Agreement has been duly executed and delivered by Seller and, assuming the due authorization, execution and delivery of this Agreement by Buyer, this Agreement constitutes a legally valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by principles of public policy, and subject to (a) the effect of any applicable Laws of general application relating to bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium or similar Laws affecting creditors' rights and relief of debtors generally, and (b) the effect of rules of law and general principles of equity, including, without limitation, rules of law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law). Upon the execution and delivery of the Seller Documents by Seller at the Closing and, assuming the due authorization, execution and delivery of each of Buyer Documents by Buyer, each of the Seller Documents will constitute a legally valid and binding obligation of Seller, enforceable against Seller in accordance with its respective terms, except as such enforceability may be limited by principles of public policy, and subject to (a) the effect of any applicable Laws of general application relating to bankruptcy, reorganization, insolvency, moratorium or similar Laws affecting creditors' rights and relief of debtors generally, and (b) the effect of rules of law and general principles of equity, including, without limitation, rules of law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.3 **No Violation; Third Party Consents.** Assuming that all consents, waivers, approvals, orders and authorizations set forth in **Schedule 4.3** hereto have been obtained and all registrations, qualifications, designations, declarations or filings with all Governmental Authorities set forth in **Schedule 4.4** have been made, the execution and delivery by Seller of this Agreement and the Seller Documents, the performance by Seller of its obligations hereunder and thereunder, and the consummation by Seller of the Transactions will not conflict with or violate, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, give rise to any right of termination, amendment, modification, acceleration or cancellation of any obligation or loss of any benefit under, result in the creation of any Encumbrance other than a Permitted Encumbrance on any of the Assets pursuant to, or require Seller or any of the Acquired Companies to obtain any consent, waiver,

approval or action of, make any filing with, or give any notice to any Person as a result of or under, the terms and provisions of (a) the Organizational Documents or Governing Documents of Seller, (b) the Acquired Companies' Organizational Documents or the Acquired Companies' Governing Documents, (c) any Material Contract to which Seller or the Acquired Companies are a party or by which any of the Assets are bound, or (d) any Law applicable to Seller, the Acquired Companies or any of the Assets, or any License or Governmental Order issued by a Governmental Authority by which the Acquired Companies or any of the Assets are in any way bound or obligated.

4.4 **Government Consents.** No consent, waiver, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority is required on the part of Seller or the Acquired Companies in connection with the execution and delivery by Seller of this Agreement and the Seller Documents, the performance by Seller of its obligations hereunder and thereunder, and the consummation by Seller of the Transactions, including, without limitation, the sale and transfer of the Stock to Buyer, except (a) as set forth in **Schedule 4.4** hereto, and (b) the consent and approval of the FCC.

4.5 **Tangible Property.**

(a) **Schedule 4.5(a)** hereto contains a true, correct and complete list of the following: (i) each parcel of real property leased by the Acquired Companies from a third party ("**Leased Real Property**"), the name of the third party lessor(s) thereof, the date of the lease contract relating thereto and all amendments thereof, and (ii) all material tangible personal property owned by the Acquired Companies, as reflected in the schedule of Assets prepared in the ordinary course of business by the Acquired Companies as of the date set forth therein ("**Tangible Personal Property**") (note, certain of such assets are also listed on **Schedule 6.14**, Seller's Transferred Assets list). None of the Acquired Companies own fee title to any parcel of real property.

(b) Except as set forth in **Schedule 4.5(b)** hereto, the Acquired Companies do not have a contractual obligation to purchase any material interest (fee or leasehold) in any parcel of real property or any material tangible personal property. All of the Tangible Personal Property and Leased Real Property used by the Acquired Companies pursuant to a lease or license included among the Assets shall be referred to herein, collectively, as "**Leased Assets**."

(c) Except as set forth in **Schedule 4.5(c)**, each Acquired Company has, and at Closing will have, (i) legal and valid title to all of the Assets other than the Leased Assets, and (ii) valid and subsisting licenses or leasehold interests in and to all of the Leased Assets, in each case free and clear of any Encumbrance other than Permitted Encumbrances, subject to the Assets listed on **Schedule 6.14** to be removed by Seller at or prior to Closing and the liens to be paid off by Seller at or prior to Closing.

(d) Except for (i) Permitted Encumbrances, (ii) the Leased Assets, (iii) the assets listed on **Schedule 6.14** and (iv) those liens that are to be paid off by Seller at or prior to the Closing, Acquired Companies have good and indefeasible title and owns outright, free and clear of all indebtedness, liens, claims, easements, rights of way or restrictions (whether zoning or otherwise), each improvement, fixture and item of equipment located in or on the Leased Real Property and used or occupied by it relating to the Business.

(e) To the Knowledge of Seller, no Leased Real Property or Tangible Personal Property has been condemned or otherwise taken by any public authority and no condemnation or taking is, to the Knowledge of Seller, threatened or contemplated, and none of such properties is,

to the Knowledge of Seller, subject to any claim, contract or Law which might affect its use or value for the purposes now made of it.

4.6 Intellectual Property and Proprietary Rights.

(a) **Schedule 4.6(a)** hereto contains a true, correct and complete list of all material Proprietary Rights as of the date hereof applied for, issued or owned by Acquired Companies or as to which Acquired Companies holds a license or franchise.

(b) The Acquired Companies own or have a valid right or license to use all Proprietary Rights used by the Acquired Companies in the conduct of the Business as currently conducted by the Acquired Companies, without infringing upon the rights of any other Person, except as would not, in the aggregate, reasonably be expected to have a Material Adverse Effect. To the Knowledge of Seller, no other Person is infringing upon the rights of the Acquired Companies in or to any of the Intellectual Property set forth in **Schedule 4.6(a)** hereto.

4.7 Contracts.

(a) Except as otherwise expressly provided in this **Section 4.7(a), Schedule 4.7(a)** hereto contains a true, correct and complete list of all Contracts ("**Material Contracts**") (whether written or oral and including all amendments thereto) to which any Acquired Company is a party or by which any Acquired Company or any of the Assets is bound, other than (x) Short-Term Agreements for the sale of time on the Station and (y) Routine Agreements. The Material Contracts listed on **Schedule 4.7(a)** include, without limitation, the following: (i) leases relating to all Leased Real Property; (ii) capital or operating leases or conditional sales agreements relating to any of the Assets (other than any Routine Agreements); (iii) Programming Contracts, (iv) employment, consulting, separation, collective bargaining or other labor agreements; and (v) Contracts that restrict or purport to restrict the freedom of any one or more of the Acquired Companies to engage in any line of business in any geographic area or compete with any Person. For all purposes of and under this Agreement, the term (1) "**Short-Term Agreement**" shall mean an agreement entered into in the ordinary course of business, consistent with past practice, that is terminable by the Acquired Companies upon sixty (60) days or less notice without premium or penalty and (2) "**Routine Agreement**" shall mean a Contract entered into in the ordinary course of business, consistent with past practices, related to the normal operation of the Business that does not involve, individually, financial obligations or financial benefits in excess of \$25,000.

(b) Seller has made available to Buyer a copy of all written Material Contracts. Except as set forth in **Schedule 4.7(b)** hereto, (i) each Material Contract is in full force and effect and represents a valid, binding and enforceable obligation of the Acquired Companies in accordance with the respective terms thereof and, to the Knowledge of Seller, represents a valid, binding and enforceable obligation of each of the other parties thereto; and (ii) there exists no breach(es) or default(s) (or event that with notice or the lapse of time, or both, would constitute a breach or default) on the part of the Acquired Companies or, to the Knowledge of Seller, on the part of any other party under any Material Contract, which, in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

4.8 Business Licenses. **Schedule 4.8** hereto contains a true, correct and complete list of all Licenses of Acquired Companies other than the Station Licenses. Acquired Companies, individually or collectively, own or possess all right, title and interest in and to all Licenses which are necessary to conduct the Business, except for such Licenses which the failure to obtain or possess, in the aggregate,

would not have a Material Adverse Effect. Among the Licenses listed in **Schedule 4.8**, are all Licenses that, to Seller's Knowledge, are material to the operation of the Business or to the Assets (each, a "**Material Business License**" and, collectively, the "**Material Business Licenses**"). No loss or expiration of any Material Business License is pending or, to the Knowledge of Seller, threatened, other than the expiration of any Material Business Licenses in accordance with the terms thereof that may be renewed in the ordinary course of business.

4.9 **Employees; Labor Relations.**

(a) **Schedule 4.9** contains a true, correct and complete list of all employees of Acquired Companies, indicating their hire date, current title, position, rate of compensation and benefits.

(b) Except as disclosed on **Schedule 4.9**, no legal proceedings, or to the Knowledge of Seller, charges, complaints or similar actions are pending against Acquired Companies under any Laws with respect to the employment relationship of any employee of Acquired Companies or the Station.

(c) The Acquired Companies have not had more than 100 full-time employees in the aggregate at any time during the last three (3) years.

(d) No employee of any of the Acquired Companies is currently represented by a union and no employee of any of the Acquired Companies has been represented by a union within the last five (5) years. No employee of any of the Acquired Companies is covered by any collective bargaining agreement with any labor union, on the one hand, and any of the Acquired Companies, on the other hand. There is no strike or work stoppage pending or, to Seller's Knowledge, threatened against any of the Acquired Companies involving employees of the Acquired Companies. The Acquired Companies have not received written notice of the intent of any Governmental Authority responsible for the enforcement of labor and employment laws to conduct an investigation of or relating to the Acquired Companies, and to the Knowledge of Seller, no such investigation is pending, involving employees of the Acquired Companies.

(e) The Acquired Companies have complied with all laws applicable to the employment of labor, including provisions thereof relating to wages, hours, equal opportunity, the payment of pension contributions, social security, and other Taxes or any other terms and conditions of employment except as would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(f) All individuals who perform services for the Acquired Companies have been properly classified as common law employees, independent contractors or leased employees under each Benefit Plan, ERISA and other applicable Law.

4.10 **Benefit Plans.**

(a) **Schedule 4.10** hereto contains a true, correct and complete list of each employment, bonus, incentive compensation, deferred compensation, pension, profit sharing, retirement, leave of absence, layoff, vacation, cafeteria, life, health, medical, accident, disability, workman's compensation or other insurance, severance, separation, termination, or other benefit plan or agreement, whether subject to ERISA or not (including, without limitation any "employee benefit plan" within the meaning of Section 3(3) of ERISA), that the Acquired Companies operate, maintain, have any obligation to contribute to, or to which the Acquired Companies are

otherwise a party, as of the date hereof, and which covers or otherwise provides benefits to any employees or former employees (or their dependants or beneficiaries) of any of the Acquired Companies (each a "**Benefit Plan**" and, collectively, the "**Benefit Plans**"). Seller has delivered or caused to be delivered to Buyer a true and complete copy of all Material Contracts in connection with each Benefit Plan.

(b) All contributions required to be made by the Acquired Companies to each Benefit Plan have been made for the most recent plan year thereof ending before the date hereof, and all such amounts payable with respect to the portion of the current plan year ending on the Closing Date will be paid on such date or are accrued and reflected as a current liability in the Working Capital Adjustment Balance Sheet].

(c) To the Knowledge of Seller, each Benefit Plan (including any related trusts) (i) complies in form with the requirements of all applicable Laws, including, without limitation, ERISA, and (ii) has at all times been maintained and operated in compliance with its terms and the requirements of all applicable Laws, including, without limitation, ERISA. None of the Acquired Companies has any commitment, intention or understanding to create, modify or terminate any Benefit Plan, and no condition or circumstance exists that would prevent the amendment or termination of any Benefit Plan. No event has occurred and no condition or circumstance has existed that could result in a material increase in the benefits under or the expense of maintaining any Benefit Plan from the level of benefits or expenses incurred by the Acquired Companies for the most recently ended fiscal year.

(d) None of the Acquired Companies participate in, have ever participated in, or have ever had a contribution obligation to any "Defined Benefit Plan" within the meaning of Section 3 (35) of ERISA.

(e) The execution of this Agreement and the consummation of the Transactions do not constitute a triggering event under any Benefit Plan, policy, arrangement, statement, commitment or agreement, whether or not legally enforceable, which (either alone or upon the occurrence of any additional or subsequent event) will or may result in any payment (whether of severance pay or otherwise), "parachute payment" (as such term is defined in Section 280G of the Internal Revenue Code of 1986, as amended), acceleration, vesting or increase in benefits to any employee or former employee or director of the Acquired Companies.

(f) **Schedule 4.10(f)** hereto contains a true, correct and complete list of former employees of the Acquired Companies who are currently being provided with continuation coverage under the health plans of the Acquired Companies pursuant to Section 601 of ERISA, *et seq.* and who are eligible to continue coverage under the health plan of the Acquired Companies pursuant to Section 601 of ERISA, *et seq.* as of the Closing Date (collectively, the "Merger and Acquisition Qualified Beneficiaries").

4.11 **Condition of Assets.** Seller makes no representations or warranties as to the Assets, and expressly negates and disclaims any and all representations or warranties, express or implied, written or oral, except as expressly stated in **Sections 4.5, 4.6 and 4.7** in this Agreement. Buyer will acquire the Physical Assets pursuant to this Agreement AS IS, WHERE IS, WITH ALL FAULTS, without any representation of physical condition, merchantability or fitness for particular purpose. Buyer acknowledges and agrees that it has been given the opportunity to inspect the Physical Assets, that it is relying solely on its own investigation and inspection of the Physical Assets, and that it will accept the Physical Assets "AS IS" "WHERE IS" and "WITH ALL FAULTS" except as specifically stated in **Sections 4.5, 4.6 and 4.7.**

4.12 Financial Statements.

(a) Attached to **Schedule 4.12(a)** hereto is a true, correct and complete copy of the following financial statements (collectively, the "**Channel 55 Financial Statements**"): (a) the audited balance sheet of Channel 55 as of December 31, 2004 and 2003, and the related audited statements of operations and members' deficit and cash flows for the years then ended, together with the report thereon by Harper & Pearson Company, independent public accountants and the footnotes thereto, and (b) the unaudited balance sheet of Channel 55 as of September 30, 2005, and the related unaudited year to date profit and loss statement of Channel 55 for the period ended September 30, 2005. Each of the Channel 55 Financial Statements is derived from the books and records of Channel 55, and to the Knowledge of Seller fairly present, in all material respects, the assets and the liabilities of Channel 55 that relate to, or arise out of, the Business as of the respective dates thereof, and the results of operations of the Business for the respective periods then ended. Based on the accountant's report, the audited Channel 55 Financial Statements were prepared in accordance with GAAP and fairly present, in all material respects, the financial position and results of operation and cash flows for the years then ended.

(b) Attached to **Schedule 4.12(b)** hereto is a true, correct and complete copy of the following financial statements (collectively, the "**Production Financial Statements**"): (a) the audited balance sheet of Production as of December 31, 2004 and 2003, and the related audited statements of operations and changes in shareholders' equity and cash flows for the years then ended, together with the report thereon by Harper & Pearson Company, independent public accountants and the footnotes thereto, and (b) the unaudited balance sheet of Production as of September 30, 2005 and the related unaudited statement of profit and loss of Production for the period ended September 30, 2005. Each of the Production Financial Statements is derived from the books and records of Production, and to the Knowledge of Seller fairly present, in all material respects, the assets and the liabilities of Production that relate to, or arise out of, Production's Business as of the respective dates thereof, and the results of operations of Production's Business for the respective periods then ended. Based on the accountant's report, the audited Production Financial Statements were prepared in accordance with GAAP and fairly present, in all material respects, the financial position and results of operations and cash flows, for the years then ended.

(c) Except as indicated on **Schedule 4.12(c)**, since September 30, 2005, the Acquired Companies have conducted their business in all material respects in the ordinary course, consistent with past practice. Without limiting the generality of the foregoing, except as described in **Schedule 4.12(c)**, none of the Acquired Companies has from September 30, 2005 through the date of this Agreement:

(1) incurred any damage, destruction or loss to any of the Assets which resulted in a Material Adverse Effect;

(2) merged or consolidated with, or acquired interest, any Person or otherwise acquired any material assets, except for acquisitions of tangible personal property in the ordinary course of business consistent with past practice;

(3) sold or otherwise disposed of any material properties or assets, except for dispositions of tangible personal property in the ordinary course of business consistent with past practices and the transfer of assets to Seller as described on **Schedule 6.14**;

(4) incurred, assumed or guaranteed any indebtedness or other liability except in the ordinary course and consistent with past practice;

(5) mortgaged, pledged or encumbered any Assets, except for Permitted Encumbrances;

(6) (i) increased the compensation or benefits payable to any of the employees of the Acquired Companies except for increases in compensation or benefits to non-officer employees in the ordinary course of business consistent with past practices or (ii) paid any bonus or other item of compensation in an amount or at a time other than is consistent with past practices of the Acquired Companies;

(7) made any Tax election or change in any accounting practices customarily followed by it (other than changes required by GAAP);

(8) made any investment in any Person or otherwise purchased any securities, bonds or any other capital stock or assets of any other Person or made any loan to any other Person, except among the Acquired Companies;

(9) entered into any new Contract (other than Short Term Agreements for the sale of time on the Station and Routine Agreements) or made any amendment, modification or other change to any Material Contract;

(10) terminated, amended or failed to renew any previously existing insurance coverage;

(11) made any material change in the physical condition of the Assets or in any buildings, leasehold improvements, or fixtures used or useful in the operation of the Station except in the ordinary course of business;

(12) taken any act, or to the Knowledge of Seller, failed to take any act, which might result in the expiration, revocation, suspension or adverse modification of any of the Station Licenses necessary for the operation of the Station; and

(13) entered into any Contract to do any of the foregoing.

(d) Since the date of its incorporation, HIM has had no income, receipts or revenues and incurred no expenses other than a capital contribution from its stockholder and those that flow through from Licensee. HIM has no assets except for its limited partnership interest in Licensee. HIM has no liabilities.

(e) To the Knowledge of Seller, at September 30, 2005, and for the nine months then ended, Licensee had no income, receipts or revenues and has incurred no expenses or liabilities not included in the Production/Channel 55 consolidated financial statements at September 30, 2005. Licensee has no assets except for the Station Licenses shown on **Schedule 4.16**. Licensee has not incurred any new liabilities since September 28, 2004, other than as reflected in the September 30, 2005 Channel 55 Financial Statements.

4.13 Litigation; Governmental Orders.

(a) Except as disclosed in **Schedule 4.13**, there are no pending or, to the Knowledge of Seller, threatened Actions (in each case for which written notice thereof has been received by the Acquired Companies) by any Person or Governmental Authority against or relating to Acquired Companies with respect to the Business or, to the Knowledge of Seller, any current or

former employees (in their capacity as such) of Acquired Companies, or to which any of the Assets are subject.

(b) Except as set forth in **Schedule 4.13** hereto, Acquired Companies are not subject to or bound by any Governmental Order other than those that would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.14 Compliance with Laws.

(a) The Acquired Companies have not received written notice of any violation of any Law or Governmental Order applicable to the Business; all FCC related matters are covered only by **Section 4.16** and are specifically excluded from this Section.

(b) Except as set forth in **Schedule 4.14**, the Acquired Companies have not engaged and are not currently engaged, in any operations upon real property presently or formerly owned or leased by it that involve the handling, manufacture, treatment, storage, use or generation of any Hazardous Materials, except for such quantities handled, manufactured, treated, stored, used or generated in compliance in all material respects with all applicable Laws in connection with the normal operation and maintenance of such property and operation of the Business in the ordinary course of the Business.

(c) The Acquired Companies are not a party to any litigation in which it is alleged, nor have Acquired Companies received written notice of any allegation or investigation of the possibility that they or any of their assets are subject to any Liability, clean-up or other obligation arising out of or relating to Hazardous Material, including any release, discharge, storage, handling or disposal of any Hazardous Material.

(d) Except as set forth in **Schedule 4.14** and except for janitorial and cleaning products of such type and in such amounts as customarily used in connection with normal office uses or the operation of a TV station and production of TV programs, there has been no release, discharge or disposal by the Acquired Companies of any Hazardous Material in connection with any of the Assets during the ownership or operation of the Assets by the Acquired Companies, and there are no Hazardous Materials present at the Assets which, in either event, are present in a quantity or manner that are required to be reported, investigated, monitored or remediated under applicable Laws.

(e) Except as set forth in **Schedule 4.14**, to the Knowledge of Seller, there are no aboveground or underground storage tanks, no facilities where solid waste has been disposed of, no surface impoundments, no lead based paint requiring remediation and no asbestos-containing material at, on, or under the Assets.

(f) To the Knowledge of Seller, there are no environmental Encumbrances associated with the Assets.

4.15 Brokers. All negotiations relative to this Agreement and the Transactions have been carried out by Seller directly with Buyer without the intervention of any Person on behalf of Seller in such manner as to give rise to any valid claim by any Person against Buyer for a finder's fee, brokerage commission or similar payment, other than Media Venture Partners, whose fees and expenses shall be borne by Seller in accordance with a separate agreement between Seller and such broker.

4.16 **FCC Matters.** Schedule 4.16 hereto contains a true, correct and complete list of all Station Licenses, including extensions or renewals thereof and a true, correct and complete list of all pending applications before the FCC with respect to such Station Licenses. The Acquired Companies, individually or collectively, hold all such Station Licenses, free and clear of all Encumbrances except for Permitted Encumbrances and Encumbrances that will be released at Closing. Such Station Licenses constitute all of the authorizations required under the Communications Act or the FCC Rules for the present operation of the Station. The Station Licenses are in full force and effect and are unimpaired in any material respect by any acts or omissions of the Seller, the Acquired Companies or their members, managers, partners, employees or agents. On the Closing Date, all Station Licenses shall be in full force and effect for their respective terms. Without limiting the generality of the foregoing, the Station Licenses are all valid for the balance of the current license term generally applicable to television stations licensed in the State of Texas, and are subject to no restrictions or conditions outside of the ordinary course, other than as disclosed in the Station Licenses. All FCC regulatory fees for the Station have been fully paid, all applications and reports required to be filed with the FCC have been duly and timely filed, and to the Knowledge of Seller, all towers from which the Station operates, have been duly registered with the FCC. There is no action pending or, to the Knowledge of Seller, threatened before the FCC or other Governmental Authority to revoke, refuse to renew, suspend or adversely modify any Station License, and to Seller's Knowledge there is and has been no proceeding that has resulted, or would reasonably be expected to result, in the issuance of any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture by or before the FCC with respect to the Station. Except as set forth on **Schedule 4.16**, the Station is operating in compliance, in all material respects, with the Communications Act, the FCC Rules and written policies and the Station Licenses. To the Knowledge of Seller, Acquired Companies and the Assets are in material compliance with all rules and regulations of the Federal Aviation Administration applicable to the Station, including, but not limited to, all towers from which the Station operates.

4.17 **Taxes.** Except as set out on **Schedule 4.17**, Acquired Companies have filed on or before the applicable due date (including extensions) all Federal and state Tax Returns and reports required by Law to be filed by them and paid all Taxes shown as due by Acquired Companies thereon. There are no Encumbrances for Taxes on the Assets except for inchoate liens for Taxes not yet due and payable. Except as set forth on **Schedule 4.17**, no extension of time has been requested or granted with respect to the filing of any Tax Return or payment of any Taxes, and no issue has been raised or adjustment proposed by the Internal Revenue Service or any other taxing authority in connection with any of Acquired Companies' Tax Returns, and there are no outstanding agreements or waivers that extend any statutory period of limitations applicable to any federal, state or local Tax Returns that include or reflect the use and operation of the Acquired Companies or the conduct of the Business. Except as set forth on **Schedule 4.17**, neither the Seller nor the Acquired Companies have received, and nor does Seller have any Knowledge of, any notice of deficiency, assessment, audit, investigation, or proposed deficiency, assessment or audit with respect to the Acquired Companies or the conduct of the Business from any taxing authority. None of the Acquired Companies has taken action which is not in accordance with past practice that could defer any liability for Taxes from any taxable period ending on or before the Closing Date to any taxable period ending after such date. None of the Acquired Companies has consented to the application of Section 341(f) of the Code.

4.18 **Insurance.** All of the Tangible Personal Property included in the Assets is insured against loss or damage in the amounts shown on **Schedule 4.18**.

4.19 **Digital Television Service.** The Station has been assigned Channel 42 by the FCC for the provision of digital television ("DTV") service, and the Station Licenses include a license for the DTV facility for the Station that permits the Station to transmit DTV programming and other services on such channel (the "DTV License"). The DTV License is in full force and effect, the FCC has not taken

any adverse action with respect thereto, and the Station is transmitting DTV programming on Channel 42. Acquired Companies have filed with the FCC all applications, reports, statements, channel elections and other notifications relating to the implementation of DTV service required to have been filed in accordance with FCC Rules and policies. Acquired Companies have taken all other actions necessary to maintain the DTV License in full force and effect and to ensure that the Station's authorized DTV facilities will provide signal coverage and be entitled to interference protection no less than that currently authorized in the DTV License. In addition to the representations and warranties made in this **Section 4.19**, all of Seller's representations and warranties made in **Section 4.16** shall apply to this DTV service.

4.20 **Bank Accounts.** **Schedule 4.20** contains a true, correct and complete list and summary description of the name and address of every bank and other financial institution in which the Acquired Companies maintain an account (whether checking, savings or otherwise), lockbox or safety deposit box, and the account number and names of Persons having signing authority or other access thereto.

4.21 **No Powers of Attorney.** No Power of Attorney currently in force has been granted by the Acquired Companies.

4.22 **Books and Records.** All the books and records of the Acquired Companies are prepared and maintained in accordance with good business practice and, where applicable, to the Knowledge of Seller, are in conformity with GAAP.

4.23 **Business Relationships.** Except as set forth on **Schedule 4.23**, the Acquired Companies have not received any written notice that any Person with whom they currently do business will not continue to do business with them after the Closing Date on terms and conditions substantially the same as those prevailing during the past twelve (12) months.

4.24 **Disclosure.** To the Knowledge of Seller, no representation or warranty in this Article IV or in any Schedule or Exhibit to this Agreement, contains any untrue statement of a material fact or omits or will omit a material fact necessary to make the statements therein not misleading.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents, warrants and agrees as follows:

5.1 **Organization and Related Matters.** Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the State of Texas. Buyer has all necessary corporate power and authority to execute, deliver and perform this Agreement.

5.2 **Authorization.** The execution, delivery and performance of this Agreement have been duly and validly authorized by the board of directors of Buyer and by all other necessary corporate action on the part of Buyer. This Agreement constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar Laws and equitable principles relating to or limiting creditors' rights generally.

5.3 **Funds.** Buyer reasonable believes that it will have access to adequate funds to consummate the Transactions in accordance with the terms hereof. Accordingly, Buyer will diligently attempt to obtain the necessary funding to consummate the Transactions in a timely manner.

5.4 **No Violation.** Assuming that all consents, waivers, approvals, orders and authorizations set forth in **Schedule 5.4** hereto have been obtained and all registrations, qualifications, designations, declarations or filings with any Governmental Authorities set forth in **Schedule 5.5** hereto have been made, the execution and delivery by Buyer of this Agreement and the Buyer Documents, the performance by Buyer of its obligations hereunder and thereunder, and the consummation by Buyer of the Transactions, will not conflict with or violate, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, give rise to any right of termination, amendment, modification, acceleration or cancellation of any obligation or loss of any benefit under, result in the creation of any Encumbrance other than a Permitted Encumbrance on any of the assets or properties of Buyer pursuant to, or require Buyer to obtain any consent, waiver, approval or action of, make any filing with, or give any notice to any Person as a result of or under the terms or provisions of (a) the Organizational Documents of Buyer, (b) any Contract to which Buyer is a party or is bound, or (c) any Law applicable to Buyer, or any License or Governmental Order issued by a Governmental Authority by which Buyer is in any way bound or obligated, except, in the case of clauses (b) and (c) of this **Section 5.4**, as would not, in the aggregate, reasonably be expected to have a Material Adverse Effect on the ability of Buyer to perform its obligations under this Agreement and the Buyer Documents or to consummate the Transactions.

5.5 **Governmental Consents.** No consent, waiver, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority is required on the part of Buyer in connection with the execution and delivery by Buyer of this Agreement and the Buyer Documents, the performance by Buyer of its obligations hereunder and thereunder, and the consummation by Buyer of the Transactions, except (a) as set forth in **Schedule 5.5** hereto, (b) where the failure to obtain such consent, waiver, approval, order or authorization, or to make such registration, qualification, designation, declaration or filing, would not have a Material Adverse Effect on the ability of Buyer to perform its obligations under this Agreement and the Buyer Documents or to consummate the Transactions, and (c) the consent and approval by the FCC.

5.6 **No Brokers or Finders.** No agent, broker, finder or investment or commercial banker, or other Person engaged by or acting on behalf of Buyer or any of its Affiliates in connection with the negotiation, execution or performance of this Agreement or the Transactions, is or will be entitled to any broker's or finder's or similar fee or commission as a result of this Agreement or the transactions hereby.

5.7 **Investment Representation.** Buyer is acquiring the Stock from Seller for Buyer's own account, for investment purposes only and not with a view to or for the sale in connection with the distribution thereof except for a permitted transfer to a wholly owned subsidiary of Buyer.

5.8 **Qualifications of Buyer.** Buyer will, from and after the date on which it executes the Transfer Application described in **Section 6.3** until completion of the Closing, be legally, financially and otherwise qualified under the Communications Act and FCC Rules to acquire the Stock of Production, acquire and hold the Station Licenses set forth on **Schedule 4.16** and own and operate the Station. To the knowledge of Buyer, there are no matters, facts or circumstances relating to Buyer, that could reasonably be expected to result in the FCC's refusal to grant the Transfer Application. To the knowledge of Buyer, there are no waivers of any FCC Rules necessary to be obtained for the grant of the Transfer Application. Buyer is legally and financially qualified under the Communications Act to enter into this Agreement and the Buyer Documents, and to consummate the Transactions. It is not necessary for Buyer or any Affiliate of Buyer (or any person in which Buyer or any Affiliate of Buyer has an attributable interest under the Communications Act) to seek or obtain any waiver from the FCC, dispose of any interest in any media or communications property or interest, terminate any venture or arrangement, or effectuate any changes or restructuring of its ownership, including, without limitation, the withdrawal or removal of officers or directors or the conversion or repurchase of equity securities of Buyer or any Affiliate of Buyer or owned

by Buyer or any Affiliate of Buyer (or any person in which Buyer or any Affiliate of Buyer has any attributable interest under the Communications Act). Buyer is able to certify on an FCC Form 315 that it is financially qualified.

ARTICLE VI

COVENANTS

6.1 Access.

(a) Subject to applicable Laws, any privacy obligations of which Seller will advise Buyer, and the terms of the Confidentiality Agreement, Seller will cause Acquired Companies to authorize and permit Buyer and its counsel, financial advisors, independent auditors and other authorized representatives (collectively, the "**Representatives**") to have reasonable access during normal business hours, upon reasonable notice and in such manner as will not unreasonably interfere with the conduct of the Business, to all of the Acquired Companies' respective offices, properties, books (including financial and operating data), records, documents, Tax Returns and all other information as Buyer may from time to time request, and to make copies of such books, records and other documents and to discuss the Business with such other Persons, including, without limitation, their respective directors, officers, employees, accountants, as Buyer reasonably considers necessary or appropriate for the purposes of familiarizing itself with the Business and obtaining any necessary Approvals for the Transactions. All information furnished hereunder will be subject to the confidentiality obligations set forth in **Section 6.12**.

(b) After Closing, Buyer will cause the Acquired Companies to authorize representatives of Seller and its counsel and independent auditors to have reasonable access during normal business hours, upon reasonable notice and in such manner as will not unreasonably interfere with the conduct of the Business, to all of the Acquired Companies' books and records and other documents for the purpose of preparing a final federal tax return and to respond to any claims against Seller with respect to the Acquired Companies.

6.2 Conduct of Business. Except as set forth in **Section 6.14**, Seller agrees that during the Interim Period, Acquired Companies will not without the prior consent in writing of Buyer (which may not be unreasonably withheld, conditioned or delayed, and if Buyer does not respond to a written request from Seller within five Business Days it shall be deemed a consent):

(a) conduct the Business of the Station in any manner except in the ordinary course consistent with past practices, and in material compliance with all Station Licenses, the Communications Act and all applicable FCC Rules;

(b) except as required by their terms, amend in any material respect, terminate, fail to renew or renegotiate any Material Contract or default (or take or omit to take any action that, with or without the giving of notice or passage of time, would constitute a default) in any of its obligations under any Contract or enter into any new Contract (except for (i) Short Term Agreements for the sale of time on the Stations, (ii) Routine Agreements and (iii) any Contracts that will not be obligations of any Acquired Company following Closing) or take any action that would jeopardize the continuance of its material supplier or customer relationships that would have a Material Adverse Effect on the Acquired Companies;

(c) terminate, amend or fail to renew any existing insurance coverage;

(d) make any loan, guaranty or other extension of credit, or enter into any commitment to make any loan, guaranty or other extension of credit, to or for the benefit of any Person (except for (i) accounts receivable and employee expense advances in the ordinary course of business and (ii) loans exclusively between or among the Acquired Companies);

(e) grant any general or uniform increase in the rates of pay or benefits to officers, directors or employees (or a class thereof) or any increase in salary or benefits of any officer, director, employee or agent or pay any bonus to any person other than any such payments made in the ordinary course of business consistent with past practices, (ii) enter into any new employment, collective bargaining or severance agreement or (iii) adopt or make any commitment to adopt any additional employee benefit plan or make any contributions other than regularly scheduled contributions to any employee benefit plan; provided, however, that nothing herein shall prohibit Channel 55 from entering into reasonable "stay-put" agreements or sales commissions incentive programs with any of the Channel 55 Employees; provided, further, that any such "stay-put" agreements or incentive programs shall not survive the Closing;

(f) sell, transfer or otherwise dispose of any Assets or any liabilities, except in the ordinary course of business;

(g) create, assume or permit to exist any Encumbrance upon the Assets, except for: (i) those in existence on the date of this Agreement and disclosed on Seller's Schedules, (ii) mechanics' liens and other similar liens incurred in connection with an activity that is not otherwise prohibited pursuant to this **Section 6.2**, (iii) Permitted Encumbrances, and (iv) such items that are immaterial to the value of such Assets and do not materially interfere with the operations of the Station as currently conducted;

(h) make any material change in the physical Assets or in any buildings, leasehold improvements, or fixtures used or useful in the operation of the Station except in the ordinary course of business;

(i) do any act or Knowingly fail to do any act which might result in the expiration, revocation, suspension or adverse modification of any of the Station Licenses necessary for the operation of the Station;

(j) issue, sell, redeem or acquire for value, or agree to do so, any debt obligations or equity securities of Acquired Companies;

(k) change or amend the Organizational Documents or Governing Documents of Acquired Companies;

(l) make any investment, by purchase, contributions to capital, property transfers, or otherwise, in any Person except another Acquired Company;

(m) dispose of or Knowingly permit to lapse any rights to the use of any Intellectual Property of Acquired Companies except upon the expiration of the term of the respective Contract, if any, for such Intellectual Property of the Station;

(n) make any Tax election, make any change in any method or period of accounting or in any accounting policy, practice or significant procedure if such change could reasonably be expected to have a Material Adverse Effect on Acquired Companies, Buyer or Buyer's Affiliates;

(o) waive or release any applicable statute of limitations, rights, claims or debts except in the ordinary course of business with respect to the collection of accounts receivable;

(p) enter into any new Contract for Station programming, if the term of such Contract extends beyond the Closing Date, unless such Contract is terminable on 30 days notice without penalty or premium;

(q) agree to or make any commitment to take any actions prohibited by this **Section 6.2.**

6.3 Government Filings.

(a) As promptly as practicable and no later than ten (10) Business Days following the date of this Agreement, Buyer and Seller Parties will jointly file with the FCC the Transfer Application. The parties will prosecute the Transfer Application with all reasonable diligence and otherwise use best efforts to obtain the grant of the Transfer Application as expeditiously as practicable. The parties will promptly provide each other with a copy of any pleading, order or other document filed by, served on or received by such party relating to the Transfer Application and any filing made by either party with the FCC relating to the Transactions. Each party will use reasonably diligent efforts and otherwise cooperate with the other party in (a) responding to any information requested by the FCC related to the Transfer Application or this Agreement and (b) defending against any petition, complaint or other objection that may be filed against the Transfer Application. The failure by either party to timely file or diligently prosecute its part of the Transfer Application as required by this **Section 6.3** shall be a material breach of this Agreement.

(b) None of the information to be supplied by or on behalf of either party to any Person for inclusion in any document or application filed with any Governmental Authority having jurisdiction over the Transactions will contain, at the respective times such information is delivered or becomes effective, any untrue statement of a material fact, or Knowingly omitted or will 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. If any of such information at any time subsequent to its delivery becomes untrue or misleading in any material respect, the party providing such information will promptly notify the other party in writing of such fact and of the reasons for such change. Each party will ensure that all documents required to be filed by or on behalf of such party with any Governmental Authority in connection with this Agreement or the Transactions will comply in all material respects with the provisions of all applicable Law.

6.4 Tax Covenants. Seller agrees to prepare and file all Tax Returns for periods ending on or before the Closing Date and to pay all Taxes owing in respect of those Tax Returns. Buyer agrees to prepare and file all federal Tax Returns for periods that begin after the Closing Date and to pay all Taxes associated therewith. Seller agrees to be responsible for the Texas franchise Taxes covering the report year 2005 (due May 2006), and Seller and Buyer shall pro-rate Texas franchise Taxes based on the results of operations in 2006 before and after the Closing Date. 2005 ad valorem/personal property Taxes will be paid by Seller, and 2006 ad valorem/personal property Taxes will be prorated based on the Closing Date and 2005 Taxes. Buyer shall be responsible for any Tax Return that covers a period that commences before and ends after the Closing Date and will pay all Taxes shown as due thereon.

6.5 **Insurance.** At all times during the Interim Period, Acquired Parties will maintain or cause to be maintained all insurance shown in **Schedule 4.18** in effect on the date of this Agreement with respect to the assets, liabilities and operations of the Station.

6.6 **Possession and Control.** Before the Closing Date, Buyer will not, directly or indirectly, control, supervise or direct, or attempt to control, supervise or direct, the Business and operations of the Station or of the Acquired Companies, and such operation, including complete control and supervision of all programming, will be the sole responsibility of Acquired Companies. Seller shall consult with Buyer on programming and business issues and as otherwise required under **Section 6.2**. From and after the Closing Date, Seller will have no control over, or right to intervene, supervise, direct or participate in, the Business and operations of the Station.

6.7 **Risk of Loss or Damage.** The risk of any loss, damage or impairment, confiscation or condemnation of any of the Assets from any cause whatsoever shall be borne by Seller at all times prior to the completion of the Closing. In the event of any loss, damage or impairment, confiscation or condemnation of any of the Assets prior to Closing, Seller shall promptly notify Buyer of all particulars thereof and shall, at its discretion, expend such funds and take such other actions as are necessary to repair, replace or restore such Assets to their prior condition as soon as possible after such loss, damage, impairment, condemnation or confiscation, in which case the Closing Date shall be extended, with FCC consent, if necessary, for up to sixty (60) days to permit such repair, replacement or restoration, or Seller may terminate this Agreement, in which case, the Deposit Escrow Funds, and all earnings thereon, shall be returned to Buyer. Notwithstanding the foregoing, if Seller exercises its option to terminate this Agreement pursuant to the provisions of the immediately preceding sentence, then such termination shall not be effective if Buyer agrees in a written notice to Seller, within ten (10) Business Days after receipt of written notice of the Seller's exercise of such option to terminate this Agreement, that Buyer will agree to close the Transactions and release Seller from its obligation to repair, replace or restore such Assets to their prior condition and release Seller from the effect of such loss, damage, impairment, confiscation or condemnation on Seller's representations, warranties and covenants.

6.8 **Further Actions.**

(a) Upon the terms and subject to the conditions set forth in this Agreement (including, without limitation, the terms of **Section 6.8(b)** hereof), Seller and Buyer shall each use their respective commercially reasonable efforts to take, or cause to be taken, all appropriate action, and to do, or cause to be done, and to assist and cooperate with the other party hereto in doing, all things necessary, proper or advisable under applicable Laws to consummate the Transactions, including, without limitation: (i) obtaining all necessary Licenses, actions or nonactions, waivers, consents, approvals, authorizations, qualifications and other orders of any Governmental Authorities with competent jurisdiction over the Transactions, (ii) obtaining all necessary consents, approvals or waivers from third parties, including estoppel certificates (if reasonably obtainable) with respect to Leased Property included as Assets, (iii) defending any lawsuits or other legal proceedings, whether judicial or administrative, challenging this Agreement or the consummation of the Transactions, including, without limitation, seeking to have vacated or reversed any stay or temporary restraining order entered by any Governmental Authority prohibiting or otherwise restraining the consummation of the Transactions, and (iv) executing and delivering any additional instruments, certificates and other documents necessary or advisable to consummate the Transactions and to fully carry out the purposes of this Agreement. Seller acknowledges that it will use commercially reasonable efforts (without any expenditure of funds) to obtain the consents, approvals, waivers and estoppels, as set forth in **Section 6.8(a)(ii)**, and Buyer acknowledges that it will use commercially reasonable efforts to cooperate with Seller in such endeavor.

(b) Without limiting the generality of the foregoing, Buyer and Seller hereby further agree to use their respective commercially reasonable efforts to (i) obtain any governmental clearances required for consummation of the Transactions, which shall specifically include, in the case of Buyer, (A) taking any and all actions necessary or appropriate to divest any shares of capital stock of any other Person held by Buyer (or any of its subsidiaries or Affiliates), any assets and properties of Buyer (or any of its subsidiaries or Affiliates), or any business conducted by Buyer (or any of its subsidiaries or Affiliates), and (B) consenting to any restriction or limitation on the ability of Buyer (or any of its subsidiaries or Affiliates) to operate or exercise control over any of the assets and properties of Buyer (or any of its subsidiaries or Affiliates) or conduct any business of Buyer (or any of its subsidiaries or Affiliates), which is necessary, in the case of any of the foregoing, to obtain such governmental clearances, (ii) respond to any government request for information, (iii) contest and resist any action, including any legislative, administrative or judicial action, and attempt to have vacated, lifted, reversed or overturned, any Governmental Order (whether temporary, preliminary or permanent) that restricts, prevents or prohibits the consummation of the Transactions, including, without limitation, by using all commercially reasonable legal efforts to vigorously pursue all available avenues of administrative and judicial appeal and all commercially reasonable available legislative action, and (iv) in the event that any permanent or preliminary injunction or other order is entered or becomes reasonably foreseeable to be entered in any proceeding that would make consummation of the Transactions in accordance with the terms of this Agreement unlawful or that would prohibit, prevent, delay or otherwise restrain the consummation of the Transactions, to attempt to cause the relevant Governmental Authorities to vacate, modify or suspend such injunction or order so as to permit the consummation of the Transactions prior to the Termination Date.

6.9 **Fulfillment of Conditions by Seller.** Seller shall not Knowingly take or cause to be taken, or fail to take or cause to be taken, any action that would cause the conditions to the obligations of Seller or Buyer to consummate the Transactions to fail to be satisfied or fulfilled at or prior to the Closing, including, without limitation, by taking or causing to be taken, or failing to take or cause to be taken, any action that would cause the representations and warranties made by Seller in **Article IV** hereof to fail to be true and correct as of the date of this Agreement or as of the Closing, in all material respects. Seller shall take, or cause to be taken, all commercially reasonable actions within its power to cause to be satisfied or fulfilled, at or prior to the Closing, the conditions precedent to Buyer's obligations to consummate the Transactions as set forth in **Section 7.1** hereof.

6.10 **Fulfillment of Conditions by Buyer.** Buyer shall not knowingly take or cause to be taken, or fail to take or cause to be taken, any action that would cause the conditions to the obligations of Seller or Buyer to consummate the Transactions to fail to be satisfied or fulfilled at or prior to Closing, including, without limitation, by taking or causing to be taken, or failing to take or cause to be taken, any action that would cause the representations and warranties made by Buyer in **Article V** hereof to fail to be true and correct as of the date of this Agreement or as of the Closing, in all material respects. Buyer shall take, or cause to be taken, all commercially reasonable actions within its power to cause to be satisfied or fulfilled, at or prior to the Closing, the conditions precedent to the obligations of Seller to consummate the Transactions as set forth in **Section 7.2** hereof.

6.11 **Publicity.** Seller and Buyer shall cooperate with each other in the development and distribution of all news releases and other public disclosures relating to the Transactions. Neither Seller nor Buyer shall issue or make, or allow to have issued or made, any press release or public announcement concerning the Transactions without the consent of the other party hereto, except as otherwise required by applicable Law, but in any event only after giving the other party hereto a reasonable opportunity to comment on such release or announcement in advance, consistent with such applicable legal requirements.

6.12 **Confidentiality.** The terms of the Confidentiality Agreement are hereby incorporated herein by reference and shall continue in full force and effect from and after the Closing in accordance with the terms thereof, such that the information obtained by any party hereto, or its officers, employees, agents or representatives, during any investigation conducted pursuant to **Section 6.1** hereof, in connection with the negotiation, execution and performance of this Agreement, the consummation of the Transactions, or otherwise, shall be governed by the terms set forth in the Confidentiality Agreement.

6.13 **Expenses.** Buyer shall pay all transaction costs and expenses (including legal, accounting and other professional fees and expenses) that it incurs in connection with the negotiation, execution and performance of this Agreement and the consummation of the Transactions. Buyer and Seller shall bear equally all filing fees incurred in connection with the filing of the Transfer Application as provided in **Section 6.3** hereof. Seller shall pay all transaction costs and expenses (including legal, accounting and other professional fees and expenses and other fees) that it incurs in connection with the negotiation, execution and performance of this Agreement and the consummation of the Transactions.

6.14 **Removal of Assets.** Prior to Closing, Seller shall have the right to transfer out of the Acquired Companies the Assets listed on **Schedule 6.14**.

6.15 **Inconsistent Actions.** Prior to the Closing, neither Buyer nor Seller shall take any action which is materially inconsistent with its obligations under this Agreement, or that could hinder or delay the consummation of the Transactions.

6.16 **Intercompany Arrangements.** At or before the Closing, Seller shall terminate, or shall cause to be terminated, all of the Contracts or any other arrangements between an Acquired Company, on the one hand, and a Seller or any Affiliate of a Seller (other than an Acquired Company), on the other hand, relating to the provision of services, cost-sharing or any other intercompany arrangements, in a form reasonably acceptable to Purchaser.

6.17 **Cessation of Benefit Plans.** All employees and Merger and Acquisition Qualified Beneficiaries of the Acquired Companies following the Closing Date (collectively, the "**Continued Employees**") will cease to participate in any and all of the Benefit Plans but Buyer will be solely responsible for fulfilling or causing to be fulfilled all remaining obligations to Continued Employees under Benefit Plans that constitute insurance benefits with comparable benefits.

6.18 **Severance Obligations.** On or before the Closing Date, Seller shall (i) cause Don Iloff to be terminated or resign and (ii) be responsible for all costs with respect to such termination, including the payment of any amounts due under any severance plan or policy, any employment agreement, at law or otherwise.

6.19 **Agreement Not to Shop.** From the date of this Agreement until the Closing Date, Seller agrees that it will not, and it will not permit any Acquired Company or any other Affiliate, agent or representative of Seller or any Acquired Company to solicit, entertain or encourage, directly or indirectly, inquiries or proposals to enter into an agreement or negotiate (except as provided below) with any other party, to sell, or to enter into any merger or consolidation with respect to, all or substantially all of the business or assets of any Acquired Company, or with respect to the transfer of the ownership interests of the Acquired Companies. Seller shall, and shall cause the Acquired Companies to immediately cease and cause to be terminated any existing activities, discussions or negotiations with any Persons other than Buyer conducted heretofore with respect to any acquisition proposal. Notwithstanding the foregoing, and not to diminish Seller's obligations hereunder, if Seller receives an offer not solicited after the date of this Agreement to purchase the Stock or Assets after the execution of this Agreement, Seller may negotiate a "back-up" sales agreement for use only if Buyer fails to consummate the Transactions; Seller must inform

any Person that provides such offer that Seller is obligated under this Agreement and that any agreement with such Person can only be a "back-up" agreement, enforceable only if the Transactions are not consummated under this Agreement. Seller shall provide notice to Buyer in the event that Seller should ever execute "back-up" agreement for the sale of the Stock or Assets as a result of the receipt of an offer to purchase the Stock.

6.20 **Office Lease.** At Closing, the Lease Agreement dated March 20, 1998 between Channel 55 and Sugar Grove H.R., Ltd. will be transferred to and assumed by Seller or terminated, at Seller's sole cost.

ARTICLE VII

CONDITIONS OF PURCHASE

7.1 **Conditions to Obligations of Buyer.** The obligations of Buyer to consummate this Agreement and the Transactions are subject to the satisfaction or fulfillment at or prior to the Closing of the following conditions, any of which other than **Section 7.1(e)** may be waived in whole or in part by Buyer in writing at the sole discretion of Buyer:

(a) The representations and warranties of Seller contained in this Agreement shall be true and correct at and as of the Closing with the same effect as though such representations and warranties were made at and as of the Closing except for (i) any inaccuracies that individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect, (ii) any representation or warranty that is expressly stated only as of a specified earlier date, in which case such representation or warranty shall be true as of such earlier date, (iii) changes in any representation or warranty that are contemplated by this Agreement, or (iv) changes in any representation or warranty as a result of any act or omission of Buyer or its Representatives.

(b) Seller shall have performed and complied with all the covenants and agreements required by this Agreement to be performed or complied with by it at or prior to the Closing.

(c) There shall be in effect no Law, injunction or Governmental Order issued by a court of competent jurisdiction, or other Governmental Authority of competent jurisdiction, making illegal or otherwise prohibiting or restraining the consummation of the transactions contemplated by this Agreement.

(d) Seller shall have delivered to Buyer all of the certificates, instruments and other documents required to be delivered by Seller at or prior to the Closing pursuant to **Section 3.2(a)** hereof.

(e) The FCC shall have granted a final, non-appealable consent to the Transfer Application; provided however, that if a "staff grant" of consent of transfer has been issued and the wait for consent to become a final non-appealable consent would mean that Closing is later than March 31, 2006, then Buyer shall waive this condition and consummate the Transactions on the "staff grant" of consent.

(f) Seller shall have supplied to Buyer a true, correct and complete list of all directors, managers and officers of Acquired Companies, and each officer, manager and director of Acquired Companies shall have submitted their resignations in writing. Such resignations of officers, managers and directors (in such capacity) shall be effective as of the Closing.

7.2 **Conditions to Obligations of Seller.** The obligations of Seller to effect the Closing shall be subject to the following conditions, except to the extent waived in writing by Seller:

(a) The representations and warranties of Buyer contained in this Agreement shall be true and correct at and as of the Closing with the same effect as though such representations and warranties were made at and as of the Closing except for (i) any inaccuracies that individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect, (ii) any representation or warranty that is expressly stated only as of a specified earlier date, in which case such representation or warranty shall be true as of such earlier date, (iii) changes in any representation or warranty that are contemplated by this Agreement, or (iv) changes in any representation or warranty as a result of any act or omission of Buyer or its Representatives.

(b) Buyer shall have performed and complied with the covenants and agreements required by this Agreement to be performed or complied with by it at or prior to the Closing.

(c) There shall be in effect no Law, injunction or other Governmental Order issued by a court of competent jurisdiction, or other Governmental Authority of competent jurisdiction, making illegal or otherwise prohibiting or restraining the consummation of the transactions contemplated by this Agreement.

(d) Buyer shall have delivered to Seller the Purchase Price and all of the certificates, instruments and other documents required to be delivered by Purchaser at or prior to the Closing pursuant to **Section 3.2(b)** hereof and forwarded to the Indemnification Escrow Fund.

(e) The FCC staff shall have granted a final, non-appealable consent to the Transfer Application; provided however, that if a "staff grant" of consent to transfer has been issued and the wait for such consent to become a final non-appealable consent would mean that the Closing Date is later than March 31, 2006, then Seller shall waive this condition and consummate the Transactions on the "staff grant" of consent.

ARTICLE VIII

TERMINATION OF OBLIGATIONS; SURVIVAL

8.1 **Termination of Agreement.** Anything herein to the contrary notwithstanding, this Agreement and the Transactions may be terminated at any time before the Closing as follows and in no other manner:

(a) by mutual consent in writing of Buyer and Seller;

(b) provided that Seller is not then in material breach of this Agreement, by written notice from Seller to Buyer in the event of a material breach by Buyer of any of its covenants, agreements, representations or warranties contained in this Agreement or if any of the representations or warranties of Buyer contained in this Agreement shall have been inaccurate in any material respect when made, and the failure of Buyer to cure such breach or inaccuracy within twenty (20) days after receipt of written notice from Seller requesting such breach or inaccuracy to be cured, and provided that the failure to cure such breach or inaccuracy would result in any of the conditions contained in **Section 7.2** not being satisfied;

(c) provided that Buyer is not then in material breach of this Agreement, by written notice from Buyer to Seller in the event of a material breach by Seller of any of its covenants,

agreements, representations or warranties contained in this Agreement or if any of the representations or warranties of Seller contained in this Agreement shall have been inaccurate in any material respect when made, and the failure of Seller to cure such breach or inaccuracy within twenty (20) days after receipt of written notice from Buyer requesting such breach or inaccuracy to be cured, and provided that the failure to cure such breach or inaccuracy would result in any of the conditions contained in **Section 7.1** not being satisfied;

(d) unless the Closing has not occurred as a result of a breach of this Agreement by the party seeking such termination, by either Seller or Buyer by written notice to the other if Closing has not been completed on or prior to 5:00 p.m. (Houston, Texas time) on March 31, 2006 (the "**Termination Date**");

(e) by Seller pursuant to **Section 6.7**.

8.2 **Effect of Termination.** If this Agreement is terminated pursuant to **Section 8.1** hereof, this Agreement shall become null and void and neither party hereto shall have any further Liability hereunder except that the provisions of **Section 2.4**, **Section 6.11**, **Section 6.12**, **Section 6.13** and this **Article VIII** generally shall remain in full force and effect.

8.3 **Remedies for Termination.**

(a) **Breach by Seller.** In addition to its right to terminate this Agreement pursuant to **Section 8.1(c)** in the event of a breach by Seller, Buyer shall be entitled to seek as its sole remedy (i) a refund of the Deposit Escrow Fund under **Section 2.4** or (ii) specific performance of its rights and obligations under this Agreement from a court of competent jurisdiction. The parties agree that the Stock is of a unique nature and that there may be no adequate remedy at law which could adequately compensate Buyer in the event of a breach by Seller of the obligation to consummate the Transactions. Seller agrees to waive any objections it may have to specific performance of its obligations under this Agreement pursuant to **Section 8.3(a)**. Return of the Deposit Escrow Fund or specific performance shall constitute an election of remedies, and Buyer waives its right to seek damages.

(b) **Breach by Buyer.** Seller's sole remedy in the event of a breach of this Agreement by Buyer is to terminate this Agreement in accordance with the provision of **Section 8.1(b)** and in such case to retain the Deposit Escrow Fund amount and any interest or other proceeds thereon pursuant to **Section 2.4** hereof, as liquidated damages and not as a penalty.

(c) **Limitation on Damages.** In no event shall a party be entitled to consequential damages, lost profits or special or punitive damages.

ARTICLE IX

INDEMNIFICATION

9.1 **Indemnification by Seller.** Subject to the limitations contained in this **Article IX**, Seller agrees to indemnify, defend and hold harmless Buyer and its Affiliates (each, a "**Buyer Indemnified Party**") from and against any and all losses, Liabilities, damages, costs and expenses (including reasonable fees and disbursements of counsel) (hereinafter individually, a "**Loss**" and collectively, "**Losses**") which arise out of, or result from, the following:

(a) any inaccuracy in or any breach of any representation or warranty of Seller contained in this Agreement, without taking into account any qualification as to materiality or Material Adverse Effect contained in such representation or warranty solely with respect to the calculation of any such Losses; or

(b) any breach of, or default under, any covenant or agreement of Seller contained in this Agreement.

9.2 **Indemnification by Buyer.** Subject to the limitations contained in this **Article IX**, Buyer agrees to indemnify, defend and hold harmless Seller and its Affiliates, (each, a "**Seller Indemnified Party**") from and against any and all Losses which arise out of, or result from, the following:

(a) any inaccuracy in or any breach of any representation or warranty of Buyer contained in this Agreement; or

(b) any breach of, or default under, any covenant or agreement of Buyer contained in this Agreement.

9.3 **Conduct of Proceedings.** If any claim, action, suit or proceeding covered by the foregoing agreements to indemnify and hold harmless (a "**Proceeding**") shall arise, the party seeking indemnification pursuant to this **Article IX** (the "**Indemnified Party**") shall give written notice thereof to the other party (the "**Indemnitor**") promptly after the Indemnified Party learns of the existence of such Proceeding; provided, however, that the Indemnified Party's failure to give the Indemnitor prompt notice shall not bar the Indemnified Party's right to indemnification unless such failure has materially prejudiced the Indemnitor's ability to defend the Proceeding. The Indemnitor shall have the right to employ counsel reasonably acceptable to the Indemnified Party to defend against any such Proceeding, or to compromise, settle or otherwise dispose of the same, if the Indemnitor deems it advisable to do so, all at the expense of the Indemnitor; provided, however, that, Indemnitor shall not settle, or consent to entry of any judgment in any Proceeding, without obtaining a release of the Indemnified Party from, or acknowledging its obligation to indemnify the Indemnified Party for, all Losses in respect of the claims underlying such Proceeding. The parties will fully cooperate in any such action, and shall make available to each other any books or records useful for the defense of any such Proceeding. If the Indemnitor fails to acknowledge in writing its obligation to defend against or settle such Proceeding within thirty (30) days after receiving notice thereof from the Indemnified Party (or such shorter time specified in the notice as the circumstances of the matter may dictate), the Indemnified Party shall have the right to undertake the defense and settlement of any such Proceeding, at the Indemnitor's expense; provided, however, that, if the Indemnified Party assumes the defense of any such Proceeding, the Indemnified Party shall not settle such Proceeding prior to final judgment thereon or forego any appeal with respect thereto without the prior written consent of the Indemnitor (which consent may not be unreasonably withheld or delayed).

9.4 **Limitations on Indemnification.** Notwithstanding the foregoing, (i) no claim may be made for indemnification pursuant to **Section 9.1** or **Section 9.2**, unless and until the aggregate of all Losses of the Buyer Indemnified Parties pursuant to **Section 9.1**, on the one hand, or the Seller Indemnified Parties pursuant to **Section 9.2**, on the other hand, as the case may be, exceed \$300,000 (the "**Indemnification Threshold Amount**"), in which event the Buyer Indemnified Parties or the Seller Indemnified Parties, as the case may be, shall be entitled to seek indemnity for the amount by which such Losses for which indemnification is provided hereunder exceed the Indemnification Threshold Amount, (ii) in no event shall the aggregate amount of Losses for which Seller and the Seller Indemnified Parties, on the one hand, or Buyer and the Buyer Indemnified Parties, on the other, shall be entitled to indemnification pursuant to this **Section 9.1** or **Section 9.2**, as applicable, exceed the amount of

\$3,000,000, provided, however, that such limitation shall not apply to a breach of the representations and warranties in **Section 4.1** and **4.2**, for which the limitation shall be the Purchase Price, and (iii) the amount of Losses for which an Indemnified Party is entitled to indemnification shall be reduced by any insurance recoveries or other indemnities, contributions or similar payments actually recovered from any third party, net of any tax costs, as a result of the incurrence of such Losses or the facts or circumstances giving rise thereto. In no event shall "Loss" or "Losses" under this Article IX include lost profits, consequential or special or punitive damages or penalties.

9.5 Indemnity Escrow.

(a) To provide a fund for Seller's potential indemnity obligations hereunder, Buyer shall place in escrow with Bank ("**Indemnity Escrow Agent**") under an escrow agreement in the form of **Exhibit C** hereto ("**Indemnity Escrow Agreement**") at Closing an amount equal to the then amount of the Deposit Escrow Funds as of the Closing Date out of the Purchase Price (the "**Retention Amount**"; and together with any interest thereon as provided in this **Section 9.5(a)**, the "**Indemnification Escrow Fund**").

(b) On the first business day after the six (6) month anniversary of the Closing Date, Indemnity Escrow Agent shall deliver to Seller in immediately available funds, free and clear of any interest of Buyer, an amount equal to (i) the Indemnification Escrow Fund through the date of payment less (ii) the amount of any Reserve. As used in this **Section 9.5**, "**Reserve**" shall mean an amount equal to Buyer's reasonable good faith determination of the amount of any claim for indemnification which has been made and not been resolved as of such date.

(c) If before the six (6) month anniversary of Closing, Buyer has delivered to Seller an itemized statement of unresolved claims for indemnification and a good faith estimate of the cost thereof, Indemnity Escrow Agent shall retain a portion of the Indemnification Escrow Fund equal to the lesser of the Indemnification Escrow Fund or the amount of such claim until such claim is resolved.

(d) If any claim for indemnification is asserted by Buyer that is not resolved as of the date of any distribution pursuant to **Section 9.5(b)**, following such determination and, if applicable, the payment to Buyer of any portion of the Indemnification Escrow Fund in respect thereof in accordance with the Indemnity Escrow Agreement, Indemnity Escrow Agent shall deliver to Seller the amount determined in accordance with **Section 9.5(b)** less any then remaining Reserve, free and clear of any interest of Buyer.

(e) The Indemnification Escrow Fund is being established solely to provide partial security for Seller's potential indemnity obligations hereunder. In no event shall the amount of funds held in the Indemnity Escrow Fund serve as a limitation on the indemnification obligations of the Seller under this Agreement, which limitation, however, is set out in **Section 9.4**.

9.6 Mitigation. Each party hereto agrees to take, and to cause its Affiliates to take, all commercially reasonable steps to mitigate any Losses incurred or to be incurred by such party or its Affiliates upon and after becoming aware of any event which could reasonably be expected to give rise to any Losses.

9.7 Survival. The representations and warranties of Seller and Buyer contained in this Agreement shall survive the execution and delivery of this Agreement for a period of twelve (12) months after the Closing Date, provided however, that the representations and warranties (i) contained in **Section 4.1** and **4.2** shall survive indefinitely and (ii) contained in **Section 4.10** and **4.17** shall survive for four

years. Except for the covenants that, by their own terms, are to be performed on or before the Closing, the covenants of the parties to this Agreement shall survive the Closing for the applicable time stated in such covenant. If written notice of a claim for breach of representation or warranty has been given in accordance with **Section 9.3** prior to the expiration of the survival period, provided that such notice also specifies in reasonable detail the basis for the claim and an estimate of the Losses entitled to indemnification, then the applicable representations, warranties, covenants or agreements shall survive as to such claim, until such claim has been finally resolved.

9.8 **Tax Treatment.** Unless prohibited by applicable law, all amounts paid with respect to indemnity claims under this Agreement shall be treated by the parties hereto for all Tax purposes as adjustments to the Purchase Price.

9.9 **Sole Remedy.** After the Closing has occurred, the right to indemnification under this **Article IX** shall be the sole remedy of each party hereto in connection with any breach by the other party of its representations, warranties, covenants or agreements contained herein or in any agreement delivered by Seller or Buyer pursuant to this Agreement.

ARTICLE X

GENERAL

10.1 **Amendments; Waivers.** This Agreement may not be modified or amended except in writing signed by the party against whom enforcement is sought. The terms of this Agreement may be waived only by a written instrument signed by the party waiving compliance. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise provided. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. Unless otherwise provided, the rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that the parties hereto may otherwise have at law or in equity. Whenever this Agreement requires or permits consent by or on behalf of a party, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this **Section 10.1**.

10.2 **Schedules; Exhibits; Integration.** Each Schedule and Exhibit delivered pursuant to the terms of this Agreement must be in writing and will constitute a part of this Agreement, although Schedules need not be attached to each copy of this Agreement. This Agreement, together with such Schedules and Exhibits, constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings of the parties in connection therewith, except for the Confidentiality Agreement.

10.3 **Governing Law; Jurisdiction.** This Agreement will be governed by and construed and interpreted in accordance with the substantive laws of the State of Texas, without giving effect to any conflicts of law, rule or principle that might require the application of the laws of another jurisdiction. The parties hereby agree that all legal actions arising out of or in connection with this Agreement shall, unless otherwise agreed, be litigated only in, and the parties hereby agree and consent to the jurisdiction of, the federal courts of the United States of America located in Houston, Texas, and in the absence of federal jurisdiction, the parties consent to be subject to the jurisdiction of the courts of the State of Texas sitting in Houston, Texas. The parties hereto irrevocably waive the defense of inconvenient forum to the maintenance of any such legal action.

10.4 **Assignment.** Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated by Seller or Buyer without the prior written consent of the other party and any purported assignment or delegation in violation hereof shall be null and void. Notwithstanding anything herein, (a) Buyer may, contemporaneously with the Closing, collaterally assign this Agreement, including without limitation all of its rights and remedies hereunder, to an agent on behalf of one or more lenders to secure the indebtedness of Buyer or any of its Affiliates in connection with the Transactions, and (b) Buyer may assign this Agreement to a wholly owned subsidiary, which Person shall assume such obligation, provided, however, that nothing in this provision shall relieve Buyer of its obligations hereunder as primary obligor, provided further that the FCC agrees to such assignment and such assignment does not delay obtaining final FCC approval of the Transfer Application or the Closing.

10.5 **Headings.** The descriptive headings of the Articles, Sections and subsections of this Agreement are for convenience only and do not constitute a part of this Agreement.

10.6 **Counterparts.** This Agreement and any amendment hereto or any other agreement (or document) delivered pursuant hereto may be executed in one or more counterparts and by different parties in separate counterparts. All of such counterparts will constitute one and the same agreement (or other document) and will become effective (unless otherwise provided therein) when one or more counterparts have been signed by each party and delivered to the other party.

10.7 **Parties in Interest.** This Agreement will be binding upon and inure to the benefit of each party, and nothing in this Agreement, express or implied, is intended to confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Agreement. Nothing in this Agreement is intended to relieve or discharge the obligation of any third party to (or to confer any right of subrogation or action over against) any party to this Agreement.

10.8 **Performance by Subsidiaries.** Each party agrees to cause its subsidiaries to comply with any obligations hereunder relating to such subsidiaries and to cause its subsidiaries to take any other action that may be necessary or reasonably requested by the other party in order to consummate the Transactions.

10.9 **Notices.** All notices that are required or may be given pursuant to this Agreement must be in writing and delivered personally, by a recognized courier service, by a recognized overnight delivery service, by telecopy or by registered or certified mail, postage prepaid, to the parties at the following addresses (or to the attention of such other person or such other address as any party may provide to the other parties by notice in accordance with this **Section 10.9**):

If to Buyer, addressed to: USFR Media Group
777 Post Oak Blvd, Suite 610
Houston, Texas 77056
Attn: Gregory L. Brown
Telecopy: 713.403.6998

with a copy to: Mr. Michael F. Rogers
Gardere Wynne Sewell L.L.P.
1000 Louisiana, Suite 3400
Houston, Texas 77002
Telecopy: 713.276.6769

If to Seller, addressed to: Lakewood Church
7317 East Houston Road
Houston, Texas 77028
Attention: Kevin Comes
Telecopy: 713.491.1209

with copies to: Winstead Sechrest & Minick P.C.
910 Travis Street
Suite, 2400
Houston, Texas 77002
Attention: Denis C. Braham
Telecopy: 713.650.2400

with copies (until Closing) to: Channel 55 Broadcasting, LLC
7026 Old Katy Road
Suite 201
Houston, Texas 77024
Attention: Donald E. Iloff, Jr.

Any such notices or other communication will be deemed to have been given and received on the day it is personally delivered or delivered by courier or overnight delivery service or sent by telecopy (receipt confirmed) or, if mailed, when actually received.

10.10 **Attorneys' Fees.** If attorneys' fees or other costs are incurred to secure performance of any obligations hereunder, or to establish damages for the breach thereof or to obtain any other appropriate relief, whether by way of prosecution or defense, the prevailing party will be entitled to recover reasonable attorneys' fees and costs incurred in connection therewith.

10.11 **Neutral Construction.** The parties to this Agreement agree that this Agreement was negotiated fairly between them at arms' length and that the final terms of this Agreement are the product of the parties' negotiations. Each party represents and warrants that it has sought and received legal counsel of its own choosing with regard to the contents of this Agreement and the rights and obligations affected hereby. The parties agree that this Agreement shall be deemed to have been jointly and equally drafted by them, and that the provisions of this Agreement therefore should not be construed against a party or parties on the grounds that any party or parties drafted or was more responsible for drafting the provision(s).

10.12 **Severability.** If any provision of this Agreement is determined to be invalid, illegal or unenforceable by any Governmental Authority, the remaining provisions of this Agreement to the extent permitted by Law will remain in full force and effect provided that the intent and purpose of the parties are not frustrated thereby. In the event of any such determination, the parties agree to negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intents and purposes hereof. To the extent permitted by Law, the parties hereby to the same extent waive any provision of Law that renders any provision hereof prohibited or unenforceable in any respect.

[Remainder of page intentionally left blank, signature page follows]

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

BUYER:

US FARM & RANCH SUPPLY, INC.
dba USFR MEDIA GROUP

By: _____

Name: Gregory L. Brown

Title: Chairman + President

SELLER:

LAKEWOOD CHURCH

By: _____

Name: _____

Title: _____

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

BUYER:

US FARM & RANCH SUPPLY, INC.
dba USFR MEDIA GROUP

By: _____
Name: _____
Title: _____

SELLER:

LAKEWOOD CHURCH

By: Kevin Comes
Name: KEVIN COMES
Title: ADMINISTRATOR