

AGREEMENT FOR PURCHASE  
AND SALE OF ASSETS

THIS AGREEMENT FOR PURCHASE AND SALE OF ASSETS (this “Agreement”) is made this 20th day of February, 2014, by and among DAVID P. STAPLETON, AS SUCCESSOR TRUSTEE OF THE PAPPAS LIQUIDATING TRUST, U/A DATED DECEMBER 21, 2011, HARRY J. PAPPAS and STELLA A. PAPPAS, and solely with respect to Section 10.4, DAVID P. STAPLETON (each a “Party” and collectively, the “Parties”).

WITNESSETH

WHEREAS, on May 12, 2008, involuntary petitions under chapter 7 of the Bankruptcy Code were filed against the Debtors;

WHEREAS, the Bankruptcy Court subsequently granted the Debtors’ motion to convert their cases to cases under chapter 11 of the Bankruptcy Code;

WHEREAS, on January 3, 2012, pursuant to the Debtors’ First Amended Plan of Reorganization Pursuant to Chapter 11 of the United States Bankruptcy Code (the “Plan”), all Non-Exempt Assets of the Debtors vested in Seller’s predecessor;

WHEREAS, Comerica Bank and Debtors entered into that certain Purchase Option Agreement attached as Exhibit A hereto (the “Purchase Option Agreement”), pursuant to which Debtors have the option to purchase the Transferred Rights in exchange for the Option Price and pursuant to other conditions set forth in the Purchase Option Agreement;

WHEREAS, Buyer wishes to purchase all of the assets held by Seller, contingent upon successful exercise and consummation of the option described in the Purchase Option Agreement and upon the other terms and conditions set forth herein; and

WHEREAS, Seller wishes to sell all of the assets held by Seller to Buyer, contingent upon successful exercise of the option described in the Purchase Option Agreement and upon the other terms and conditions set forth herein.

NOW, THEREFORE, the Parties hereto for and in consideration of the mutual promises and covenants set forth herein and intending to be legally bound hereby, agree as follows.

1. DEFINITIONS. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Plan.

1.1 “Affiliate Claim” means any Claim of an Affiliate;

1.2 “Agreement” has the meaning set forth in the introductory paragraph.

1.3 “Assets” means all of the assets held by Seller on January 23, 2014, other than the Excluded Assets.

1.4 “Assignment Documents” means the documents necessary to transfer ownership of the Assets to Buyer or Buyer’s assignee, including, without limitation, a bill of sale, assigned vehicle titles, deeds, endorsed stock certificates, and stock powers.

1.5 “Assumed Liabilities” means the liabilities set forth on Schedule 1.4.

1.6 “Buyer” means the Debtors or their nominee(s), collectively.

1.7 “Cash Deposit” means cash or wire of immediately available funds in the amount of One Hundred Thousand and 00/100 Dollars (\$100,000.00).

1.8 “Circumstances” has the meaning given to that term in the Purchase Option Agreement. Any amendment of this Agreement shall be null and void to the extent it purports, or otherwise could be construed, to amend this definition.

1.9 “Debtors” means Harry J. Pappas and Stella A. Pappas, collectively.

1.10 “Deposit” means, collectively, the Cash Deposit and the PTO Note.

1.11 “Escrow Account” has the meaning set forth in Section 4.2(b).

1.12 “Excluded Assets” means the assets sold or otherwise realized by Seller prior to the Initial Closing Date, and proceeds thereof.

1.13 “FCC” means the Federal Communications Commission, a United States government agency.

1.14 “FCC Assets” means any Assets the transfer or transfer of control of which is subject to FCC regulatory approval.

1.15 “FCC Authorizations” means, collectively, (i) all licenses issued by the FCC for the operation of the Stations, (ii) any and all other licenses, permits, registrations, or authorizations issued by the FCC and used or held for use in connection with the Stations, and (iii) any applications for modification or renewal of the foregoing.

1.16 “Final Closing” has the meaning set forth in Section 9.1.

1.17 “Final Closing Date” has the meaning set forth in Section 9.1.

1.18 “Governmental Authority” means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any United States or foreign federal, state or local government, including any governmental authority (including any bilateral or multilateral governmental authority), agency, branch, department, board, commission or instrumentality of such government or any political subdivision thereof, and any tribunal, court or arbitrator(s) of competent jurisdiction, and shall include the Bankruptcy Court.

1.19 “Initial Assignment Application” means an application (FCC Form 316) for transfer of control of the FCC Assets from Successor Trustee to Harry J. Pappas, as successor trustee of Seller.

1.20 “Initial Closing” has the meaning set forth in Section 9.1.

1.21 “Initial Closing Date” has the meaning set forth in Section 9.1.

1.22 “Initial FCC Consent” means the consent of the FCC to transfer of control of the FCC Assets from Successor Trustee to Harry J. Pappas, as successor trustee of Seller.

1.23 “Intended Transferee” has the meaning given to that term in the Purchase Option Agreement. Any amendment of this Agreement shall be null and void to the extent it purports, or otherwise could be construed, to amend this definition.

1.24 “Law” means any federal, state or local law (including common law), statute, code, ordinance, rule, regulation, treaty, convention, decree, order, judgment, injunction, directive, technical standard or other requirement enacted, promulgated, issued, entered or enforced by a Governmental Authority.

1.25 “Lien Documents” means documents necessary to grant to Buyer’s lender first-priority perfected security interests in and liens upon (subject, however, to any Permitted Liens) all of the Assets and all of the assets of the Non-Debtor Affiliates, provided, however, that such security interests and liens shall not attach to any FCC Authorizations, though they may attach to the equity interests of the entities holding such FCC Authorizations.

1.26 “Liquidating Trust Reserve Amount” means cash in an amount to be determined at the Initial Closing so as to constitute twenty percent (20%) of the total Purchase Price. To illustrate, if the sum of the amounts set forth in Sections 3(a)-(d), after taking into account any adjustments required to be made prior to the Initial Closing, is \$6,000,000, then the Liquidating Trust Reserve Amount shall be \$1,500,000.

1.27 “Liquidating Trust Reserve Expenses” has the meaning set forth in Section 3(e).

1.28 “Motion for Approval” means the *Motion of David P. Stapleton, as Successor Liquidating Trustee Under the Chapter 11 Plan, for Entry of an Order (I) Authorizing the Private Sale of the Liquidating Trust’s Assets and (II) Granting Related Relief* filed January 27, 2014, in the Bankruptcy Court.

1.29 “Mutual Release” means a mutual release substantially in the form attached as Exhibit B hereto.

1.30 “Non-Debtor Affiliates” means, collectively, the Affiliates and Pappas GP, LLC.

1.31 “Option Price” has the meaning given to that term in the Purchase Option Agreement. Any amendment of this Agreement shall be null and void to the extent it purports, or otherwise could be construed, to amend this definition.

1.32 “Option Termination Date” means March 31, 2014; provided, however, that if the Circumstances occur, the Option Termination Date shall be extended to the tenth (10th) day after the Circumstances have ended; provided further, however, that in no event shall the Option Termination Date be extended beyond April 15, 2014. Any amendment to this Agreement shall be null and void to the extent it purports, or otherwise could be construed, to amend this definition.

1.33 “Permitted Liens” means, collectively, any Lien in the Weston Meadows Property in favor of the holder of the Stanley and Carol Trapp Trust Secured Claim, to the extent provided in the Plan, and (ii) with respect to any real property Asset, any and all covenants, rights of way, easements, conditions, and restrictions of record and any and all liens for any current or prior property or other Taxes assessed against property, without regard to whether such property or other Taxes are currently due and payable.

1.34 “Person” means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations and Governmental Authorities, whether or not legal entities.

1.35 “Plan” has the meaning set forth in the recitals.

1.36 “Post-Closing Professionals’ Fees” means the compensation and reimbursement of expenses payable to Seller’s professionals that accrue after the Initial Closing Date, to the extent approved in accordance with applicable orders of the Bankruptcy Court.

1.37 “Pre-Closing Professionals’ Fees” means the compensation and reimbursement of expenses payable to Seller’s and Successor Trustee’s professionals that

accrue on or before the Initial Closing Date, to the extent approved in accordance with applicable orders of the Bankruptcy Court.

1.38 “PRM” means Pappas Radio of Modesto, LLC, a Delaware limited liability company.

1.39 “PRoC” means Pappas Radio of California, a California limited partnership.

1.40 “PTO Note” means the note receivable by Harry J. Pappas from Pappas Telecasting of Opelika, L.P., dated as of December 26, 2012.

1.41 “Purchase Option Agreement” has the meaning set forth in the recitals.

1.42 “Purchase Price” has the meaning set forth in Section 3.

1.43 “Resigning Trustee Owed Amounts” means the compensation and reimbursement of expenses payable to Successor Trustee and the Stapleton Group, Inc. (including, without limitation, with respect to any ministerial and administrative tasks performed following Successor Trustee’s resignation with respect to the winding-up of his trusteeship and transition to Harry J. Pappas as successor trustee of Seller), to the extent approved in accordance with applicable orders of the Bankruptcy Court.

1.44 “Resigning Trustee Reserve Amount” means cash in the amount of One-Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00).

1.45 “Sale Order” means the order of the Bankruptcy Court approving this Agreement.

1.46 “Secondary FCC Consent” means the consent of the FCC to transfer control of the FCC Assets from Harry J. Pappas, as successor trustee of Seller, to Buyer.

1.47 “Section” refers to the relevant provision of this Agreement except where the context makes it clear that it is referring to a Section of a statute.

1.48 “Seller” means the Liquidating Trust.

1.49 “Stations” means, collectively, all television and radio stations owned or operated by any Non-Debtor Affiliate.

1.50 “Successor Trustee” means David P. Stapleton.

1.51 “Tax” or “Taxes” means all taxes, charges, fees, levies, duties or other like assessments, including without limitation, all federal, state, local, or foreign (or any governmental unit, agency, or political subdivision of any of the foregoing) income,

gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Section 59A of the Internal Revenue Code, 26 U.S.C. §§ 1-9834), customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, unclaimed property, ad valorem, value added, alternative or add-on minimum, estimated, or any other governmental charges of any kind whatsoever (but excluding any water, sewer, or utility charges), including any interest, penalty, or addition thereto, whether disputed or not for and including any obligations to indemnify or otherwise assume or succeed to the Tax liability of any other Person, including by reason of transferee or successor liability, the application of Treasury Regulation section 1.1502-6, by contract or otherwise.

1.52 “Tax Return” means all returns, reports, certificates, audit reports, estimates, claims for refund, information statements, elections, statements of foreign bank and financial accounts and other returns and documents relating to or required to be filed in connection with any Taxes (whether or not a payment is required to be made with respect to such filing), including any schedule or attachment thereto, and including any amendment thereof. Any one of the foregoing Tax Returns shall be referred to sometimes as a “Tax Return.”

1.53 “Termination Date” means the Option Termination Date unless Intended Transferee has received the Option Price and Debtors or Debtors’ nominee(s) have acquired the Transferred Rights in accordance with the Purchase Option Agreement on or before the Option Termination Date. Any amendment of this Agreement shall be null and void to the extent it purports, or otherwise could be construed, to amend the foregoing sentence. If Intended Transferee receives the Option Price and Debtors or Debtors’ nominee(s) acquire the Transferred Rights in accordance with the Option Agreement on or before the Option Termination Date, then the Termination Date shall be April 30, 2014, unless extended by written agreement of the Parties.

1.54 “Transferred Rights” has the meaning given to that term in the Purchase Option Agreement.

2. PURCHASE AND SALE OF ASSETS. Seller will sell, and Buyer will purchase, all of the Assets, wherever located, including, without limitation: (a) the equity interests in the Non-Debtor Affiliates (collectively, “Equity Interests”), (b) real estate, and (c) automobiles and other personal property. Other than the Assumed Liabilities, Buyer is not assuming any liabilities of Seller. For the avoidance of doubt, the equity interests in Non-Debtor Affiliates will be acquired by Buyer subject to the debts of such entities, intercompany and otherwise, including, without limitation, the debt owed by Pappas Telecasting of Central Nebraska, L.P. to Pappas Capital Partners.

3. PURCHASE PRICE. The purchase price for the Assets (the “Purchase Price”) shall be the sum of the following:

(a) cash in an amount equal to \$1,452,745.72, representing the compensation and reimbursement of expenses payable to professionals of the Debtors' bankruptcy estates that has been approved by the Bankruptcy Court (the "Estate Professionals' Fees"), as set forth in Schedule 3(a) hereto, provided, however, that such amount shall be subject to adjustment at or prior to the Initial Closing to account for any Estate Professionals' Fees paid by Seller prior to the Initial Closing Date; plus

(b) cash in an amount equal to \$7,111,420.09, representing the estimated maximum amount necessary to satisfy in full all allowed secured claims, administrative claims, priority claims, and general unsecured claims (other than any Comerica Bank Secured Claims, Comerica Bank Deficiency Claim, Affiliate Claims, or claims for Estate Professionals' Fees) as of the Initial Closing Date, as set forth on the official claims register or otherwise estimated by Successor Trustee in his reasonable discretion, all as set forth in Schedule 3(b) hereto; provided, however, that such amount shall be subject to adjustment at or prior to the Initial Closing (i) to account for (A) any documented settlements negotiated by Buyer with the holders of any such claims prior to the Initial Closing Date, (B) any Pre-Closing Professionals' Fees in excess of the amounts set forth on Schedule 3(c) that have been approved in accordance with applicable orders of the Bankruptcy Court as of the Initial Closing Date, and (C) any Trust Professionals' Fees paid by Seller prior to the Initial Closing Date, or (ii) as otherwise may be ordered by the Bankruptcy Court under the terms of the Plan prior to the Initial Closing Date; plus

(c) the Resigning Trustee Reserve Amount, to be held in trust by Successor Trustee as a reserve for payment of any Resigning Trustee Owed Amounts and Pre-Closing Professionals' Fees not paid in connection with the Initial Closing (the "Resigning Trustee Reserve Expenses"); less

(d) the amount of any cash on hand of the Seller as of the Initial Closing Date; plus

(e) the Liquidating Trust Reserve Amount, to be held in trust by Seller as a reserve for payment of (i) Post-Closing Professionals' Fees, and (ii) any administrative fees and claims resolution expenses that accrue after the Initial Closing Date (items (i) and (ii), collectively, "Liquidating Trust Reserve Expenses").

#### 4. PAYMENT OF PURCHASE PRICE; CLOSING COSTS AND TAXES.

##### 4.1 Payment. The Purchase Price shall be paid to Seller as follows:

(a) In order to provide Seller with a non-refundable deposit, upon execution of this Agreement, (i) Buyer shall pay the Cash Deposit to Seller, and (ii) Harry J. Pappas shall assign to Seller all his interest in and to the PTO Note. In the event that the Initial Closing does not occur by the Termination Date, the Parties agree Seller shall keep the Deposit to compensate Seller for actions taken by Seller in anticipation of the sale of the Assets, without any further obligations to Buyer or Debtors.

(b) On the Initial Closing Date, (i) Buyer shall pay the Resigning Trustee Reserve Amount to Successor Trustee, (ii) Seller shall deposit the Cash Deposit into an escrow account (the "Escrow Account") agreed to by Buyer and Seller and established by Seller, which Cash Deposit shall be credited towards Buyer's payment of the Purchase Price, and (iii) Buyer shall pay the balance of the Purchase Price into the Escrow Account. The cost of the Escrow Account shall be borne by Buyer. The Liquidating Trust Reserve Amount shall remain in escrow pending the Final Closing, but all other amounts in the Escrow Account will be disbursed as soon as practicable after the Initial Closing Date in accordance with Section 10.4.

4.2 Closing Costs and Taxes. All transfer, documentary, sales, use, stamp, registration and other similar Taxes and all application fees, conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement shall be paid by Buyer as they arise. Buyer will prepare and file all necessary Tax Returns and other documentation with respect to all such Taxes, fees and charges, and if required by applicable Law, Seller will join in the execution of any such Tax Returns and other documentation. Buyer and Debtors agree to be jointly and severally liable for any capital gains Taxes that result from the sale of the Assets to Buyer and to promptly pay such Taxes upon the request of Seller. Buyer and Debtors may request that the Bankruptcy Court deem the sale of the Assets, if the sale closes, be deemed to have occurred *nunc pro tunc* to January 2, 2012, and Seller agrees not to contest any such request.

5. REPRESENTATIONS AND WARRANTIES OF SELLER. Seller makes the following representations and warranties, which shall expire on the Initial Closing Date. BUYER HEREBY ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 5, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY MATTER RELATED TO THE ASSETS. WITHOUT IN ANY WAY LIMITING THE FOREGOING, SELLER HEREBY DISCLAIMS ANY WARRANTY, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AS TO ANY PORTION OF THE ASSETS. BUYER FURTHER ACKNOWLEDGES THAT BUYER HAS CONDUCTED AN INDEPENDENT INSPECTION AND INVESTIGATION OF THE ASSETS AND ALL SUCH OTHER MATTERS RELATING TO OR AFFECTING THE ASSETS AS BUYER HAS DEEMED NECESSARY OR APPROPRIATE AND THAT IN PROCEEDING WITH BUYER'S ACQUISITION OF THE ASSETS BUYER IS DOING SO BASED SOLELY UPON SUCH INDEPENDENT INSPECTIONS AND INVESTIGATIONS. ACCORDINGLY, BUYER WILL ACCEPT THE ASSETS AT THE INITIAL CLOSING AND FINAL CLOSING "AS IS," "WHERE IS," AND "WITH ALL FAULTS."

5.1 Powers, Authorizations, and Non-Violations. Seller has full power and authority to execute, deliver, and perform this Agreement, and upon receiving the approval of the Bankruptcy Court and initial approval of the FCC, has obtained all



authorizations, approvals, and consents necessary for the execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder.

5.2 Brokers or Finders. There are no claims for brokerage commissions, finders' fees, or similar compensation in connection with the transactions contemplated by this Agreement based upon any arrangement or agreement made by or on behalf of Seller.

6. REPRESENTATIONS AND WARRANTIES OF BUYER. Buyer makes the following representations and warranties, each of which is deemed by the Parties to be material and shall survive the Initial Closing Date and Final Closing Date:

6.1 Powers, Authorizations, and Non-Violations. Buyer has full power and authority to execute, deliver, and perform this Agreement, and has obtained, or will obtain prior to the Initial Closing Date, all authorizations, approvals, and consents necessary for the execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder.

6.2 Brokers or Finders. There are no claims for brokerage commissions, finders' fees, or similar compensation in connection with the transactions contemplated by this Agreement based upon any arrangement or agreement made by or on behalf of Buyer, other than any commissions or fees arising from Buyer securing financing of the Purchase Price.

6.3 Independent Investigation. In making the decision to enter into this Agreement and the Assignment Documents and to consummate the transactions contemplated hereby and thereby, Buyer has conducted its own independent investigation, review and analysis of the Assets and Assumed Liabilities, which investigation, review and analysis was done by Buyer and its representatives. Buyer acknowledges that it and its representatives have been provided adequate access to the personnel, properties, premises and records of Seller and the Affiliates for such purpose. In entering into this Agreement and the Assignment Documents, Buyer acknowledges that Buyer and its representatives have relied solely upon the aforementioned investigation, review and analysis and not on any factual representations or opinions of Seller, the Affiliates, or their representatives (except the specific representations and warranties of Seller set forth in this Agreement). Buyer hereby acknowledges and agrees that (a) other than the representations and warranties made in this Agreement by Seller, none of Seller, the Affiliates, or their representatives makes or has made any representation or warranty, express or implied, at law or in equity, with respect to the Assets or the Assumed Liabilities, including as to (i) merchantability or fitness for any particular purpose, (ii) the performance of the Assets or the Affiliates after the Initial Closing or Final Closing, or (iii) the probable success or profitability of the Assets or the Affiliates, and (b) none of Seller or its representatives will have or be subject to any liability or indemnification obligation to Buyer or to any other Person resulting from the distribution to Buyer or its representatives of, or Buyer's use of, any information relating to the Assets or the Assumed Liabilities and any information, documents or other

material made available to Buyer or its representatives in expectation of the transactions contemplated hereby.

6.4 Motion for Approval. The Motion for Approval and proposed form of Sale Order attached thereto were in form and substance acceptable to Buyer.

7. COVENANTS OF SELLER.

7.1 Maintenance of Stations; Payment of Taxes. Seller shall cause each Non-Debtor Affiliate other than PRoC and PRM, to the extent there is available cash flow, (a) to maintain and operate all FCC-licensed stations owned by such entities in the ordinary course, as heretofore operated, through the Final Closing Date, unless Buyer agrees in writing to surrender of a particular FCC license, and (b) to pay any Taxes owed in the ordinary course if such Taxes are due to taxing authorities prior to the Initial Closing Date; provided, however, that neither Successor Trustee nor Seller shall have any liability for any failure of a Non-Debtor Affiliate to maintain or operate any such FCC-licensed stations or to pay any such Taxes so long as Buyer shall have received five (5) business days' prior written notice of the same. Buyer acknowledges that Seller provided Buyer due and adequate notice of Seller's intention not to maintain or operate AM broadcast station KMPH after February 15, 2014.

7.2 Execution of Documents. Within twenty-four (24) hours after execution of this Agreement and Seller's receipt of the Deposit (or at such later time as may be agreed by the Parties in writing), Seller shall submit the Initial Assignment Application, which will be in a form agreed upon by Successor Trustee and Harry J. Pappas. Thereafter, Seller shall, in a prompt and timely manner, execute and file, or join in the execution and filing of, any applications or other documents that are (a) reasonably requested by Buyer in connection with receiving approval from the FCC and (b) in a form satisfactory to Seller. For the avoidance of doubt, the FCC's failure to approve the Initial Assignment Application or any other filing requested by Buyer on or before the Initial Closing Date shall not constitute a breach by Seller or Successor Trustee of this Agreement or otherwise entitle Buyer or Harry J. Pappas to a return of the Deposit, which is non-refundable.

7.3 Communications. Seller will promptly advise Buyer of all communications that are received by Seller from any Governmental Authority pertaining to the transactions contemplated by this Agreement.

7.4 Competing Transactions. Seller shall not sell any Asset or otherwise enter into any transaction inconsistent with this Agreement unless and until (i)(A) any of the conditions precedent to Seller's obligation to close are not timely satisfied, or (B) the transactions contemplated in this Agreement are terminated, revoked or rescinded, and (ii) the Bankruptcy Court enters an order permitting Seller to take such action upon motion by Seller on notice to Buyer.

8. COVENANTS OF BUYER.

8.1 Payment of Financing Fees. Buyer agrees to pay any commissions or fees arising from Buyer securing financing of the Purchase Price.

8.2 Communications. Buyer will promptly advise Seller of all communications that are received from any Governmental Authority pertaining to the transactions contemplated by this Agreement.

8.3 Indemnification for Excess Liquidating Trust Reserve Expenses. In the event the Liquidating Trust Reserve Expenses exceed the Liquidating Trust Reserve Amount, Debtors and Buyer agree to, jointly and severally, indemnify and hold Seller harmless from such expenses and to promptly reimburse Seller for any Liquidating Trust Reserve Expenses that exceed the Liquidating Trust Reserve Amount upon notice thereof.

8.4 Indemnification for Breach. Buyer and Debtors shall, jointly and severally, indemnify and hold Seller and Successor Trustee harmless from and against any loss, cost, expense, or other damage, including, without limitation, reasonable attorneys' fees and expenses resulting from or arising out of:

(a) the falsity or the breach of any representation or warranty in any material respects made by Buyer in this Agreement;

(b) the breach by Buyer of any covenant or agreement made by Buyer in this Agreement; and

(c) any debt, obligation, contract, or liability asserted against, or satisfied by, Seller or Successor Trustee that is expressly assumed, directly or indirectly, by Buyer in this Agreement.

Notwithstanding the foregoing, in any legal action or proceeding be commenced by Seller to enforce this Agreement or any provision thereof, payment of Seller's reasonable attorneys' fees, disbursements, and costs incurred shall be governed by Section 11.8.

9. CLOSING DATE, CLOSING PROCEDURE, AND TERMINATION.

9.1 Two-Step Closing.

(a) Initial Closing. The closing on the sale of Assets other than the FCC Assets (the "Initial Closing") shall occur on the date (the "Initial Closing Date") and at such time and place as the Parties shall mutually agree, subject to satisfaction of the conditions set forth in Sections 9.2(a) and 9.2(b). For the avoidance of doubt, unless the Debtors or the Debtors' nominee(s) shall have acquired the Transferred Rights on or prior to the Option Termination Date in accordance with the Purchase Option Agreement, the Initial Closing Date may not be later than the Option Termination Date. On the Initial

Closing Date, Buyer shall fund the Purchase Price and Seller shall transfer to Buyer all the Assets other than the FCC Assets.

(b) Final Closing. The closing on the sale of the FCC Assets (the “Final Closing”) shall occur on the date (the “Final Closing Date”) and at such time and place as the Parties shall mutually agree, subject to the satisfaction of the conditions set forth in Sections 9.2(b) and 9.3(b). On the Final Closing Date, Seller shall transfer to Buyer legal title to the FCC Assets.

9.2 Conditions Precedent to Buyer’s Obligations to Close.

(a) Initial Closing. Buyer shall not be obligated to close, and shall not close, the sale of the Assets other than the FCC Assets unless and until all the following conditions have been satisfied:

(i) Intended Transferee has received the Option Price and Debtors or Debtors’ nominee(s) have acquired the Transferred Rights in accordance with the Purchase Option Agreement on or before the Option Termination Date;

(ii) the Initial FCC Consent has been granted, and has become a final order no longer subject to administrative or judicial review, on or before the Termination Date (provided, however, that Buyer may waive the condition of the finality of the Initial FCC Consent prior to the Initial Closing Date);

(iii) the Sale Order has been entered, has become final, and is not subject to appeal or review (provided, however, that Buyer may waive the condition of finality of the Sale Order prior to the Initial Closing Date), on or before the Termination Date; and

(iv) from the date of execution of this Agreement through the Initial Closing Date, each Non-Debtor Affiliate other than PRoC and PRM has, to the extent there was available cash flow, (i) maintained and operated all Stations owned by such entities in the ordinary course, as heretofore operated, unless Buyer has agreed in writing to surrender of a particular FCC Authorization, and (ii) paid any Taxes owed in the ordinary course if such Taxes were due to taxing authorities prior to the Initial Closing Date (provided, however, that Buyer may waive this condition prior to the Initial Closing Date); and

(v) delivery of the documents and funds described in Section 10.1 at the Initial Closing (provided, however, that Buyer may waive this condition prior to the Initial Closing Date), which shall occur on or before the Termination Date.

For the avoidance of doubt, the non-occurrence of any of the foregoing conditions shall not constitute a breach by Seller of this Agreement or otherwise entitle Buyer or Harry J. Pappas to a return of the Deposit, which is non-refundable.

(b) **Final Closing.** Buyer shall not be obligated to close, and shall not close, the sale of the FCC Assets unless and until all the following conditions have been satisfied:

(i) the Initial Closing has occurred;

(ii) the Secondary FCC Consent has been granted, and has become a final order no longer subject to administrative or judicial review (provided, however, that Buyer may waive the condition of the finality of the Secondary FCC Consent prior to the Final Closing Date); and

(iii) delivery of the documents described in Section 10.13 at the Final Closing (provided, however, that Buyer may waive this condition prior to the Final Closing Date).

### 9.3 Conditions Precedent to Seller's Obligations to Close.

(a) **Initial Closing.** Seller shall not be obligated to close, and shall not close, the sale of the Assets other than the FCC Assets unless and until all the following conditions have been satisfied:

(i) the Sale Order has been entered, has become final, and is not subject to appeal or review (provided, however, that Seller may waive the condition of finality of the Sale Order prior to the Initial Closing Date), on or before the Termination Date;

(ii) Intended Transferee has received the Option Price and Debtors or Debtors' nominee(s) have acquired the Transferred Rights in accordance with the Purchase Option Agreement on or before the Option Termination Date;

(iii) the Initial FCC Consent has been granted on or before the Termination Date;

(iv) the representations and warranties made herein by Buyer shall be true and correct on the date of this Agreement and shall be true and correct on the Initial Closing Date as though made on the Initial Closing Date (provided, however, that Seller may waive this condition prior to the Initial Closing Date), which shall occur on or before the Termination Date; and

(v) delivery of the documents and funds described in Section 10.2 (including, without limitation, the Purchase Price) at the Initial Closing

(provided, however, that Seller may waive this condition prior to the Initial Closing Date), which shall occur on or before the Termination Date.

(b) Final Closing. Seller shall not be obligated to close, and shall not close, the sale of the FCC Assets unless and until all the following conditions have been satisfied:

- (i) the Initial Closing has occurred; and
- (ii) the Secondary FCC Consent has been granted.

9.4 Delivery of Assets; Risk of Loss and Business Transfer. Delivery of possession of the Assets purchased hereunder at the Initial Closing shall be deemed to have occurred for all purposes at 12:01 a.m. on the Initial Closing Date, and all risks of loss, whether or not covered by insurance, shall be on Seller until such time and on Buyer after such time.

9.5 Termination. This Agreement shall terminate automatically if the Initial Closing does not occur on or before the Termination Date. For the avoidance of doubt, unless Intended Transferee shall have received the Option Price and Debtors or Debtors' nominee(s) shall have acquired the Transferred Rights in accordance with the Purchase Option Agreement on or prior to the Option Termination Date, this Agreement will terminate on the Option Termination Date. Any amendment of this Agreement shall be null and void to the extent it purports, or otherwise could be construed, to amend the foregoing sentence.

9.6 Effect of Termination. In the event of termination of this Agreement, Seller shall keep the Deposit to compensate Seller for actions taken by Seller in anticipation of the sale of the Assets, without any further obligations to Buyer. The covenants and agreements set forth in Sections 4.1(a), 8.1, 8.4, and 11 shall survive such termination.

## 10. CLOSING OBLIGATIONS, CLOSING DOCUMENTS, AND POST-CLOSING OBLIGATIONS.

10.1 Seller's Deliverables at Initial Closing. Seller shall deliver at the time of the Initial Closing the following:

- (a) Assignment Documents sufficient to transfer the Assets other than the FCC Assets;
- (b) an assignment of the PTO Note to Harry J. Pappas;
- (c) an assignment of the DTV Notes and accrued interest thereon, other than those owed by Pappas Telecasting of Arizona, LLC, to the Debtors;
- (d) the Cash Deposit, into the Escrow Account;

- (e) the Mutual Release, executed by Seller;
- (f) Lien Documents, but only to the extent authorized by order of the Bankruptcy Court on or before the Initial Closing Date; and
- (g) such other documents as are reasonably requested by Buyer.

10.2 Buyer's Deliverables at Initial Closing. Buyer shall deliver at the time of Initial Closing the following:

- (a) the balance of the Purchase Price in excess of the Cash Deposit, into the Escrow Account;
- (b) the Mutual Release, executed by the Person(s) that acquired the Transferred Rights pursuant to the Purchase Option Agreement; and
- (c) such other documents as are reasonably requested by Seller.

10.3 Deliverables at Final Closing. At the Final Closing, Seller shall deliver to Buyer such Assignment Documents as are sufficient to transfer the FCC Assets to Buyer, after which the Liquidating Trust Expense Amount shall be released to Seller from the Escrow Account.

10.4 Post-Closing Obligations of Successor Trustee. At or as soon as practical following the Initial Closing, Successor Trustee will (i) pay the outstanding Estate Professionals' Fees, and any outstanding Resigning Trustee Owed Amounts and Pre-Closing Professionals' Fees (to the extent approved in accordance with applicable orders of the Bankruptcy Court) from the Escrow Account and (ii) distribute the balance of the Purchase Price (other than the Liquidating Trust Reserve Amount) from the Escrow Account in accordance with the Plan and applicable orders of the Bankruptcy Court. As soon as practical after all distributions in the foregoing sentence have been made, Successor Trustee shall resign as successor trustee of Seller. Following his resignation, Successor Trustee shall apply the Resigning Trustee Reserve Amount to any Resigning Trustee Owed Amounts and Pre-Closing Professionals' Fees that may be approved after the Initial Closing Date and remit the balance, if any, to Seller.

## 11. GENERAL.

11.1 Severability. If any provision of this Agreement is prohibited or unenforceable in any jurisdiction, then the Party that will be adversely affected thereby if the transaction is completed may, but shall not be obligated to, as to such jurisdiction, such prohibition, or such unenforceability, complete the transfers contemplated by this Agreement without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction as so waived shall not invalidate or render unenforceable such provisions in any other jurisdiction.

11.2 Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed to have been given if (i) placed in the United States mail, certified, postage prepaid, (ii) delivered to a recognized overnight courier service for next business day delivery, (iii) received at the facsimile number specified, or (iv) if personally delivered, and shall be addressed as follows:

<u>Seller</u> <u>or Successor Trustee</u>	David P. Stapleton, successor trustee of the Pappas Liquidating Trust c/o Stapleton Group, Inc. 515 South Flower Street 36th Floor Los Angeles, CA 90071 Fax: (213) 235-0620
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with a copy (that will not constitute notice) to:

Patrick A. Jackson, Esq.  
Young Conaway Stargatt & Taylor, LLP  
1000 North King Street  
Wilmington, Delaware 19801  
Fax: (302) 576-3544

Buyer: Harry J. and Stella A. Pappas  
8770 Lakeside Drive  
Reno, Nevada 89511-7638  
Fax: (559) 636-5550

with a copy (that will not constitute notice) to:

John D. McLaughlin, Jr., Esquire  
Ciardi Ciardi & Astin  
1204 N. King Street  
Wilmington, Delaware 19801  
Fax: (302) 658-1300

Each Party shall be entitled to specify a different address by giving notice as aforesaid to the other Party.

11.3 Entire Agreement, Modification, Waiver, Headings. This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof and supersedes all other prior agreements, understandings, negotiations, and discussions, whether oral or written, of the Parties. There are no warranties, representations, or other agreements between the Parties in connection with the subject matter hereof, except as specifically set forth herein. No supplement, modification, waiver, or termination of this Agreement shall be binding unless executed



in writing by the Party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver, unless otherwise expressly provided. Section and subsection headings are not to be considered part of this Agreement, are included solely for convenience, and are not intended to be a full or accurate description of contents thereof. Unless otherwise expressly provided herein, the Parties hereto may amend or modify this Agreement in such manner as may be agreed upon by a written instrument executed by all Parties to this Agreement affected thereby. The exhibits and schedules referred to in this Agreement (other than Exhibit A, which is attached for ease of reference only) shall constitute a part of this Agreement and are incorporated as though set forth in verbatim text by this reference thereto.

11.4 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns.

11.5 Assignment. No Party may assign its rights or obligations hereunder without the written consent of the other Parties; provided, however, that Buyer reserves the right to assign, in whole or in part, its rights and responsibilities pursuant to this Agreement, including, without limitation, the right to hold legal title to the Assets, to an affiliate of Buyer at any time before the Initial Closing. Notwithstanding any such assignment by Buyer, subject to the provisions of this Agreement, Buyer shall remain liable for the payment of the Purchase Price.

11.6 Further Assurances. Upon the request of a Party at any time after the Initial Closing Date, the other Parties will forthwith execute and deliver such further instruments of assignment, transfer, conveyance, endorsement, direction, or authorization and other documents as the requesting Party or its counsel may reasonably request in order to effectuate the purposes of this Agreement.

11.7 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflict of laws.

11.8 Expenses. Each Party hereto will pay all of such Party's expenses (including attorneys' and accountants' fees and other out-of-pocket expenses) in connection with the negotiation and execution of this Agreement; provided, however, that any expenses incurred by the Successor Trustee shall be borne by Seller. Should any legal action or proceeding be commenced by any Party to enforce this Agreement or any provision thereof, the prevailing Party will be entitled to an award of reasonable attorneys' fees, disbursements, and costs incurred.

11.9 Conflict. In the event that any terms of this Agreement conflict with the terms of the Sale Order, the terms of the Sale Order shall control.

11.10 Counterparts; Electronic Signatures; Effectiveness of this Agreement.

(a) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

(b) A manual signature on this Agreement or other documents to be delivered pursuant to this Agreement, or an image of which shall have been transmitted electronically, will constitute an original signature for all purposes. The delivery of copies of this Agreement or other documents to be delivered pursuant to this Agreement, including executed signature pages where required, by electronic transmission will constitute effective delivery of this Agreement or such other document for all purposes.


11.11 FCC Consent. Notwithstanding any other provision of this Agreement, no assignment of any rights or interests of Seller or any Non-Debtor Affiliate in any FCC Authorization shall take place prior to the issuance of FCC regulatory approval for such assignment pursuant to the Communications Act of 1934, as amended, and the rules and regulations promulgated thereunder. Any amendment to this Agreement shall be null and void to the extent it purports, or otherwise could be construed, to amend this Section 11.11.

11.12 No Modification of the Purchase Option Agreement. Nothing in this Agreement is intended, nor shall it be construed, to alter or amend any provision of the Purchase Option Agreement or to enlarge, limit, or otherwise affect the rights of Debtors or Intended Transferee thereunder. Any amendment to this Agreement shall be null and void to the extent it purports, or otherwise could be construed, to amend this Section 11.12.

{Signature Page Follows}

IN WITNESS WHEREOF, the Parties hereto have hereunto subscribed their names on the day and year first above written.

Seller:



DAVID P. STAPLETON, AS  
SUCCESSOR TRUSTEE OF THE  
PAPPAS LIQUIDATING TRUST

Buyer:

\_\_\_\_\_  
HARRY J. PAPPAS

\_\_\_\_\_  
STELLA A. PAPPAS

Solely with respect to Section 10.4:



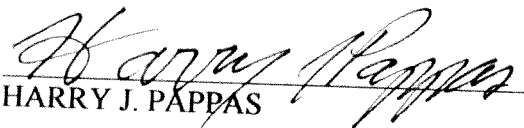
\_\_\_\_\_  
DAVID P. STAPLETON

IN WITNESS WHEREOF, the Parties hereto have hereunto subscribed their names on the day and year first above written.

Seller:

\_\_\_\_\_  
DAVID P. STAPLETON, AS  
SUCCESSOR TRUSTEE OF THE  
PAPPAS LIQUIDATING TRUST

Buyer:

  
\_\_\_\_\_  
HARRY J. PAPPAS

\_\_\_\_\_  
STELLA A. PAPPAS

Solely with respect to Section 10.4:

\_\_\_\_\_  
DAVID P. STAPLETON

IN WITNESS WHEREOF, the Parties hereto have hereunto subscribed their names on the day and year first above written.

Seller:

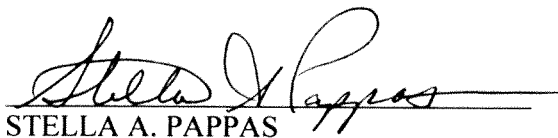
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DAVID P. STAPLETON, AS  
SUCCESSOR TRUSTEE OF THE  
PAPPAS LIQUIDATING TRUST

Buyer:

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HARRY J. PAPPAS



STELLA A. PAPPAS

Solely with respect to Section 10.4:

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DAVID P. STAPLETON