

**ASSET PURCHASE AGREEMENT
DATED
AUGUST 23, 2011**

BY AND AMONG

**LOCAL TV ARKANSAS, LLC
LOCAL TV ARKANSAS LICENSE, LLC**

AND

RIVERSIDE MEDIA, LLC

TABLE OF CONTENTS

	Page
SECTION 1 DEFINITIONS.....	1
1.1 Terms Defined in this Section.....	1
1.2 Terms Defined Elsewhere in this Agreement.....	5
1.3 Clarifications.....	6
SECTION 2 PURCHASE OF ASSETS	6
2.1 Agreement to Sell and Buy	6
2.2 Purchase Price.....	7
2.3 Adjustments and Prorations	7
2.4 Assumed Liabilities	8
SECTION 3 REPRESENTATIONS AND WARRANTIES OF SELLER.....	8
3.1 Organization and Authority	8
3.2 Authorization and Binding Obligations.....	8
3.3 Noncontravention; Consents.....	8
3.4 Title to Assets	9
3.5 Real Property	9
3.6 Equipment.....	9
3.7 Licenses.....	9
3.8 Personnel Matters.....	10
3.9 Taxes	10
3.10 Claims and Litigation.....	10
3.11 Compliance with Laws	10
3.12 Signal Carriage.....	10
3.13 Environmental Matters.....	11
3.14 Insurance.....	11
3.15 Conduct of Business in Ordinary Course.....	11
3.16 Brokers.....	11
SECTION 4 REPRESENTATIONS AND WARRANTIES OF BUYER.....	11
4.1 Organization and Authority	11
4.2 Authorization and Binding Obligations.....	11
4.3 Noncontravention; Consents.....	11
4.4 Absence of Litigation.....	12

TABLE OF CONTENTS
(continued)

	Page
4.5 FCC Qualifications	12
4.6 Brokers.....	12
SECTION 5 COVENANTS OF THE PARTIES	12
5.1 Covenants of Seller	12
5.2 Covenants of Buyer.....	14
SECTION 6 JOINT COVENANTS	15
6.1 Consultations regarding Consents.....	15
6.2 Application for FCC Consent	15
6.3 Employee Matters	16
6.4 Notification of Changes	16
6.5 Confidentiality	16
6.6 Press Releases	16
6.7 KPBI Transmitter.....	17
6.8 Allocation of Purchase Price.....	17
6.9 Risk of Loss	17
6.10 Bulk Sales	18
6.11 Further Assurances.....	18
SECTION 7 CONDITIONS PRECEDENT TO OBLIGATION OF SELLER TO CLOSE.....	18
7.1 Representations, Warranties and Covenants.....	18
7.2 Closing Deliveries.....	18
7.3 FCC Consent.....	18
7.4 No Injunction	18
SECTION 8 CONDITIONS PRECEDENT TO OBLIGATION OF BUYER TO CLOSE.....	18
8.1 Representations, Warranties and Covenants.....	19
8.2 Closing Deliveries.....	19
8.3 FCC Consent.....	19
8.4 Material Consents	19
8.5 Material Adverse Effect.....	19
8.6 No Injunction	19

TABLE OF CONTENTS
(continued)

	Page
8.7 Station Operation	19
SECTION 9 THE CLOSING	19
9.1 The Closing.....	19
9.2 Deliveries by Seller to Buyer	20
9.3 Deliveries by Buyer to Seller	20
SECTION 10 INDEMNIFICATION.....	20
10.1 Survival	20
10.2 Seller’s Indemnity	21
10.3 Buyer’s Indemnity	21
10.4 Procedures	22
10.5 Qualifications and Limitations.....	22
SECTION 11 TERMINATION.....	23
11.1 Termination by Seller	23
11.2 Termination by Buyer	23
11.3 Unsatisfied Conditions; Opportunity to Satisfy	24
11.4 Effect of Termination.....	24
11.5 Specific Performance	25
11.6 Retention of Deposit	25
11.7 Attorneys’ Fees	25
11.8 Surviving Obligations	25
SECTION 12 MISCELLANEOUS	25
12.1 Notices	25
12.2 Expenses	26
12.3 Choice of Law	26
12.4 Assignment	26
12.5 Entire Agreement	26
12.6 Waivers of Compliance; Consents.....	27
12.7 Severability	27
12.8 Counterparts	27

LIST OF SCHEDULES

Schedule 2.1(a)	–	Tangible Personal Property
Schedule 3.7	–	Licenses
Schedule 3.11	–	Compliance with Legal Requirements
Schedule 3.12	–	Signal Carriage
Schedule 3.14	–	Certificate of Insurance

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is dated August 23, 2011, by and among Local TV Arkansas, LLC, a Delaware limited liability company ("LTV Arkansas"), Local TV Arkansas License, LLC, a Delaware limited liability company ("LTV Arkansas License", and together, with LTV Arkansas, "Buyer" and each individually, a "Buyer"), and Riverside Media, LLC, an Arkansas limited liability company ("Seller"). Seller and Buyer are sometimes referred to herein as the "Parties" and each as a "Party."

RECITALS:

A. Seller is the licensee of and owns and operates certain assets used in connection with the business and operations of television station KPBI(TV), operating on Channel 34 and licensed to Eureka Springs, Arkansas (Facility ID No. 81593) (the "Station"), pursuant to a license issued by the FCC.

B. Seller owns, leases, or otherwise has the right to use and operate the assets used in the operation of the Station.

C. Seller desires to sell to Buyer certain of the assets and transfer certain of the liabilities, and Buyer desires to purchase from Seller certain of the assets and assume certain of the liabilities, related to the business and operation of the Station on the terms and subject to the conditions hereinafter set forth.

AGREEMENTS:

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

Section 1 DEFINITIONS

1.1 Terms Defined in this Section. The following terms, as used in this Agreement, have the meanings set forth in this Section:

"Action" means, for any Person, any action, counterclaim, suit, litigation, arbitration, governmental investigation or other legal, administrative or Tax proceeding, or Judgment, claim, or complaint by or against such Person, excluding any litigation affecting the television broadcasting industry generally in which such Person is not a named party, and any rule-making proceedings.

"Affiliate" of a Person means any Person, which directly or indirectly controls, is controlled by or is under common control with, such Person. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Assets” means the specific assets and property of Seller listed in **Section 2.1**.

“Assignment Application” means the application filed jointly by Seller and Buyer with the FCC relating to the assignment of the FCC Licenses by Seller to Buyer in the manner contemplated by this Agreement.

“Books and Records” means all of the books and records of Seller related to the Assets or the operation of the Station, including the Station’s public inspection file, technical information and data, equipment and other warranties, engineering records and filings with the FCC relating to the operation of the Station (other than any included in the Excluded Assets).

“Business” means the business and operations of Seller relating to the Station.

“Business Day” means any day of the year on which banks are not required or authorized to be closed in the State of Arkansas.

“Closing” means the consummation of the transactions contemplated by this Agreement, including the assignment, transfer, conveyance and delivery of the Assets and the Purchase Price as contemplated hereunder.

“Closing Date” means the date of Closing, which shall be set by Buyer with at least five (5) days’ prior written notice to Seller, that is (i) not earlier than the first Business Day after the FCC Consent is granted, and (ii) not later than ten (10) Business Days following the date upon which the FCC Consent has become a Final Order, subject to satisfaction or waiver of all other conditions precedent to the holding of the Closing. If Buyer fails to specify the date for Closing prior to the fifth (5th) Business Day after the date upon which the FCC Consent becomes a Final Order, the Closing shall take place on the tenth Business Day after the date upon which the FCC Consent becomes a Final Order.

“Code” means the Internal Revenue Code of 1986, as amended.

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

“Compensation Arrangement” means any plan or compensation arrangement other than an Employee Plan, whether written or unwritten, which provides to Employees, former Employees, officers, directors and shareholders of Seller or any entity related to Seller (under the terms of Sections 414(b), (c), (m) or (o) of the Code), any compensation or other benefits, whether deferred or not, in excess of base salary, sales commissions or wages (excluding overtime pay), including any bonus or incentive plan, stock rights plan, deferred compensation arrangement, stock purchase plan, severance pay plan and any other employee fringe benefit plan.

“Consent” or “Consents” means the consents, permits or approvals of any third parties (but not including the FCC) required by Seller to transfer the Assets to Buyer, or required by Buyer to purchase the Assets from Seller, or otherwise for Buyer or Seller to consummate the transactions contemplated hereby.

“Contracts” means the leases, contracts, commitments, understandings and agreements whether written or oral (including any amendments and other modifications thereto), to which Seller is a party or which are binding upon Seller and which relate to the Assets or the business or operations of the Station.

“Deposit” means the sum of Fifty Thousand Dollars (\$50,000) that is being paid by Buyer to Seller in immediately available funds on the date hereof to secure the obligations of Buyer to close under this Agreement, with such funds to be held by Seller and (i) applied to the Purchase Price payable at the Closing or (ii) returned to Buyer or retained by Seller, in each case in accordance with the terms of this Agreement.

“Employee Plan” means any pension, retirement, profit-sharing, deferred compensation, vacation, severance, bonus, incentive, medical, vision, dental, disability, life insurance or other employee benefit plan as defined in Section 3(3) of ERISA to which either of the Seller or any entity related to Seller (under the terms of Sections 414 (b), (c), (m) or (o) of the Code) contributes or which either of Seller or any entity related to Seller (under the terms of Sections 414 (b), (c), (m) or (o) of the Code) sponsors or maintains, or by which Seller or any such entity is otherwise bound.

“Employees” means the persons employed by Seller on a full or part-time basis with respect to the Business.

“Enforceability Exceptions” means the exceptions or limitations to the enforceability of contracts under bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors’ rights generally, and by the application of general principles of equity.

“Environmental Laws” means the Legal Requirements relating to health, safety or the environment, including the Handling of Hazardous Substances, the presence of Hazardous Substances on any Real Property, or any antipollution requirements.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Excluded Assets” means all assets and properties of Seller used or useful in the Business, other than those described in **Section 2.1**. Without limitation, the Excluded Assets shall include (i) all cash and cash equivalents of Seller, (ii) all Receivables, (iii) the KPBI Transmitter, (iv) Seller’s corporate and tax records and the account books of original entry, general ledger and financial records used in connection with the Station (*provided* that Seller shall provide Buyer with a copy of any such records related to the Business that Buyer shall reasonably request), (v) Seller’s Employee Plans and Compensation Arrangements and (vi) all Contracts, other than the Transmitter Site Lease.

“FCC” means the Federal Communications Commission.

“FCC Consent” means action by the FCC granting its consent to the assignment of the FCC Licenses by Seller to Buyer as contemplated by this Agreement.

“FCC Licenses” means the Licenses issued or granted to Seller by the FCC, as set forth on Schedule 3.7.

“Final Order” means the FCC Consent that has not been reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which no requests or applications are pending for administrative or judicial review, reconsideration, appeal or stay, and the time for filing any such request or application and the time for the FCC to set aside the action on its own motion have expired.

“GAAP” means generally accepted accounting principles as currently in effect.

“Governmental Authority” means any court or any federal, state, county, local or foreign governmental, legislative or regulatory body, agency, department, authority, instrumentality or other subdivision thereof, including the FCC.

“Handling” means the production, use, generation, storage, treatment, recycling, disposal, discharge, release or other handling or disposition of any kind of any Hazardous Substances.

“Hazardous Substance” means any pollutant, contaminant, hazardous or toxic substance, material, constituent or waste or any pollutant that is labeled or regulated as such by any Governmental Authority pursuant to any Environmental Law.

“Judgment” means any judgment, writ, order, injunction, determination, award or decree of or by any court, judge, justice or magistrate, including any bankruptcy court or judge, and any order of or by a Governmental Authority.

“knowledge” or “to the knowledge” of a Party (or similar phrases) means actual knowledge of a fact, or constructive knowledge if a reasonably prudent person in a like position would have known or should have known the fact.

“KPBI Transmitter” means the Comark transmitter currently used in the operation of the Station, including the beam supply associated with the transmitter, but specifically excluding the heat exchanger and associated cooling items, the K-TECH exciter, all racks, and any equipment located in the racks or in the vicinity of the transmitter currently used in the operation of the Station.

“Legal Requirement” means any statute, ordinance, code, law, rule, regulation, permit or permit condition, Judgment, or other requirement, standard, policy, or procedure enacted, adopted or applied by any Governmental Authority.

“Liabilities” means claims, obligations, commitments or liabilities of a Person of any nature, absolute, accrued, contingent or otherwise, known or unknown, whether matured or unmatured.

“Licenses” means all licenses, permits, registrations and other authorizations issued by the FCC, the Federal Aviation Administration, or any other federal, state, or local Governmental Authorities to Seller in connection with the conduct of the Business or operations of the Station (including all auxiliary facilities), together with any pending applications therefor and any additions, renewals, extensions or modifications thereto between the date of this Agreement and the Closing Date.

“Lien” means any lien, pledge, charge, easement, security interest, mortgage, deed of trust, right-of-way or other encumbrance.

“Material Adverse Effect” means any event, circumstance or condition that, individually or when aggregated with all other similar events, circumstances or conditions, would reasonably be expected to have a material adverse effect on: (i) with respect to Seller, the Assets or the broadcast operation of the Station, or the ability of Seller to consummate the transactions contemplated by this Agreement, and (ii) with respect to Buyer, the ability of Buyer to consummate the transactions contemplated by this Agreement.

“MVPD” means any cable system, satellite system, telco wireline video provider and other multichannel video programming distributor as defined by the FCC.

“Permitted Liens” means the following: (i) statutory landlord’s liens and liens for current Taxes not yet due and payable (or being contested in good faith); (ii) zoning laws and ordinances and similar Legal Requirements; and (iii) rights reserved to any Governmental Authority to regulate the affected property.

“Person” means any person or entity, whether an individual, trustee, corporation, general partnership, limited partnership, limited liability company, trust, unincorporated organization, business association, firm, joint venture or Governmental Authority.

“Real Property” means all of the premises and other real property interests leased by Seller under the Transmitter Site Lease, including all rights to access, and rights of way, and all buildings, other improvements or fixtures located thereon.

“Receivables” means all promissory notes or other similar obligations payable to Seller, and all accounts receivable and other receivables of Seller relating to or arising out of the operation of the Station prior to or on the Closing Date.

“Taxes” means any taxes, charges, fees, levies or other assessments, including income, excise, use, transfer, payroll, occupancy, property, sales, franchise, unemployment and withholding taxes, penalties and interest imposed by the United States or any state, county, local or foreign government or subdivision or agency thereof.

1.2 Terms Defined Elsewhere in this Agreement. In addition to (i) the defined terms in the preamble, recitals and Section 1.1 hereof, or (ii) certain defined terms used solely within a single section hereof, the following is a list of terms used in this Agreement and a reference to the section hereof in which such term is defined:

<u>Term</u>	<u>Section</u>
Adjustments	2.3(b)
Assumed Liabilities	2.4
Broadcast Interruption	6.9(b)
Claimant	10.4
Claim Notice	10.4
Closing Cash Payment	2.2
Equipment	2.1(a)
Indemnity Period	10.1

<u>Term</u>	<u>Section</u>
Indemnitor	10.4
Losses	10.2
MyTV	5.2(d)
Non-Assumed Liabilities	2.4
Ownership Waiver	6.2(a)
Purchase Price	2.2
Seller's Estimate	2.3(b)
Termination Date	11.1(d)
Transmitter Site Lease	2.1(b)

1.3 Clarifications. Words used in this Agreement, regardless of the gender and number specifically used, shall be deemed and construed to include any other gender and any other number as the context requires. As used in this Agreement, the word “including” is not limiting. Except as specifically otherwise provided in this Agreement in a particular instance, a reference to a section, schedule or exhibit is a reference to a section of this Agreement or a schedule or exhibit hereto, and the terms “hereof,” “herein,” and other like terms refer to this Agreement as a whole, including the Schedules and Exhibits to this Agreement, and not solely to any particular part of this Agreement. The descriptive headings in this Agreement are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Section 2 PURCHASE OF ASSETS

2.1 Agreement to Sell and Buy. Pursuant to the terms and upon satisfaction of the conditions contained in this Agreement, at the Closing, Seller shall sell, convey, transfer, assign and deliver, to Buyer all of Seller's right, title and interest in and to the assets and property listed in this **Section 2.1**, and Buyer shall purchase, acquire and accept from Seller all of Seller's right, title and interest in, to and under such assets and property, free and clear of all Liens other than Permitted Liens.

(a) The broadcast equipment and other tangible personal property of Seller listed on Schedule 2.1(a) hereto, together with any replacements thereof made by Seller between the date of this Agreement and the Closing Date (the “Equipment”) all of which have been inspected by Buyer and are being purchased “As Is”, except as expressly provided in Section 3.6.

(b) The Tower/Ground Lease Agreement dated September 2, 2004, among Jerry C. Clark, Becky M. Clark, dba Clark Communications, Inc., and TV 34, Inc. (the “Transmitter Site Lease”).

(c) The transmitter building on the Real Property and any other improvements constructed by Seller on the Real Property.

(d) The Licenses.

(e) Books and Records.

Buyer may, upon reasonable notice to Seller prior to the Closing designate LTV Arkansas License as the purchaser of the Licenses and such other assets related to the Licenses as Buyer shall determine and the documents to be delivered by the Parties at the Closing shall reflect such designation; provided, however, that the designation of LTV Arkansas License shall be made prior to filing the application for FCC Consent.

2.2 Purchase Price. The purchase price for the Assets shall be Seven Hundred Eighty-Four Thousand Dollars (\$784,000) (the “Purchase Price”), as adjusted pursuant to **Section 2.3**. The preliminary determination of the Purchase Price that shall be payable on the Closing Date (the “Closing Cash Payment”) shall be paid by Buyer by wire transfer of immediately available funds in U.S. dollars, to Seller and to an account thereof designated in writing by Seller and provided to Buyer at least three (3) days prior to the Closing Date.

(a) Concurrently with the execution and delivery of this Agreement, Buyer is paying to Seller the Deposit. Upon the Closing, the entire amount of the Deposit shall be applied as a partial credit against the payment of the Purchase Price due at Closing to Seller. In the event the Closing does not occur, the Deposit shall be retained by Seller or returned to Buyer as provided in **Sections 11.4 and 11.6**.

2.3 Adjustments and Prorations.

(a) Subject to the terms of this Agreement, expenses relating to the ownership or operation of the Assets prior to or on the Closing Date, including rent payments and other charges under the Tower Site Lease, utility charges, real and personal property Taxes and assessments levied against the Assets (except for Taxes arising from the transfer of the Assets hereunder), shall be prorated between Seller and Buyer in accordance with GAAP and subject to the general principle that Seller shall be responsible for all costs, expenses and Liabilities allocable to the Station for the period prior to or on the Closing Date, and Buyer shall be responsible for all costs, expenses and Liabilities allocable to the Station after the Closing Date. Such proration shall not include any expenses attributable to the Excluded Assets or the Excluded Liabilities, and Seller shall be obligated to pay all costs, expenses, Liabilities attributable to the Excluded Assets and the Excluded Liabilities. Notwithstanding the foregoing, Seller shall be responsible for and pay all annual FCC regulatory fees payable with respect to the FCC Licenses for the Fiscal Year commencing on October 1, 2010 and ending September 30, 2011, and, upon the Closing, Buyer shall be responsible for and pay all annual FCC regulatory fees payable with respect to the FCC Licenses for subsequent Fiscal Year periods.

(b) Seller shall prepare and submit to Buyer, not later than three (3) Business Days prior to the Closing Date, a written good faith estimate of the adjustments and prorations set forth in subsection (a) above (the “Adjustments”) in accordance with this **Section 2.3**, along with Seller’s estimate of the Purchase Price resulting from the Adjustments (“Seller’s Estimate”). After delivery of Seller’s Estimate, including all supporting documentation of any proposed Adjustments, and prior to Closing, Buyer and Seller shall in good faith attempt to resolve any disputes between them with respect to the determination of the Closing Cash Payment. If as of Closing any items shall be in dispute between them with respect to the Closing Cash Payment, the Purchase Price adjusted to reflect those Adjustments agreed to by the Parties shall be used to determine the amount of the Closing Cash Payment payable on the Closing Date, with such

disputed items to be settled between the Parties following Closing pursuant to subsection (c) below.

(c) Within thirty (30) days following Closing, Seller shall prepare and deliver to Buyer a schedule showing any changes to the Adjustments that Seller believes to be appropriate. Final settlement of all Adjustments made under this **Section 2.3**, with payment being made by the appropriate Party by wire transfer of immediately available funds in U.S. dollars, to an account designated by the Party entitled to receive such payment, shall occur no later than sixty (60) days after the Closing Date. Each Party having documentation regarding the basis for or amount and payment status of any Adjustment shall, upon request of the other Party, provide the other Party with a copy of such documentation.

2.4 Assumed Liabilities. At and after the Closing, Buyer shall assume and timely (i) pay, discharge and perform all Liabilities arising out of or relating to Buyer's ownership of the Assets or operation of the Station after the Closing Date, including all Liabilities attributable to periods after the Closing Date under or with respect to the Licenses and the Transmitter Site Lease (the "Assumed Liabilities"). All Liabilities expressly not assumed by Buyer in accordance with the preceding sentence are referred to herein as "Non-Assumed Liabilities" and such Liabilities, whether presently in existence or arising hereafter shall remain and be the obligations and liabilities solely of Seller.

Section 3 REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer as follows:

3.1 Organization and Authority. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Arkansas. Seller has all requisite limited liability company power and authority (i) to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby, and (ii) to own, lease and operate the Station and the Assets owned by it and to carry on the Business as now being conducted.

3.2 Authorization and Binding Obligations. The execution, delivery and performance of this Agreement by Seller have been duly and validly authorized by all requisite limited liability company action on the part of the Seller. This Agreement has been duly executed and delivered by Seller and constitutes a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as its enforceability may be limited by Enforceability Exceptions.

3.3 Noncontravention; Consents. The execution, delivery and performance of this Agreement, the consummation of the transactions contemplated hereby and the compliance with the provisions hereof by Seller will not (i) require any Consent, (ii) violate any provisions of the organizational documents of Seller, (iii) result in the breach of, constitute a default under, or result in the creation of any Lien upon any of the Assets under the provisions of any Contract, or (iv) subject to obtaining the FCC Consent, conflict with or violate any Legal Requirements applicable to Seller, the Business, the Station or any of the Assets.

3.4 Title to Assets. Seller has good, valid and marketable title to all of the Assets, free and clear in each case of any Liens except for Permitted Liens. Seller has no Contract with any of its Affiliates, and has not been involved in any business arrangement or relationship with any Affiliate relating to the Assets, and no Affiliate of Seller holds any tangible or intangible properties or rights with respect to the Assets or the operation of the Station.

3.5 Real Property. Seller has made available to Buyer a true and complete copy of the Transmitter Site Lease, including all amendments thereto and assignments thereof. The Transmitter Site Lease is in full force and effect, and Seller has complied in all material respects with all commitments and obligations on its part to be performed or observed under the Transmitter Site Lease. To the best of Seller's knowledge, the Station's transmission tower, guy anchors and transmitter building are located entirely on the Real Property. So long as Seller fulfills its obligations under the Transmitter Site Lease, Seller has enforceable rights to nondisturbance and quiet enjoyment, and no third party holds any interest in the Real Property with the right to interfere with or foreclose upon Seller's leasehold interest. No event or condition has occurred and presently exists that constitutes under the terms of the Transmitter Site Lease a material default by Seller, or to Seller's knowledge any other party bound thereby.

3.6 Equipment. All Equipment has been inspected by Buyer and is being purchased "As Is", except that the Station's transmission line is, and for the entire period between the date of this Agreement and Closing shall be, pressurized in accordance with the manufacturer's specifications for such line. Seller owns all Equipment included in the Assets, free and clear of all Liens, except Permitted Liens. No Person other than Seller has any rights to use any of the Equipment, whether by lease, sublease, license or other instrument.

3.7 Licenses.

(a) Schedule 3.7 is a true, correct and complete list of all FCC Licenses and other material Licenses. Seller has made available to Buyer true and complete copies of the FCC Licenses, including any and all amendments and modifications thereto. All FCC Licenses and other material Licenses are validly issued in the name of Seller, are in full force and effect, and to Seller's knowledge, are not subject to any conditions other than those set forth on the face of such FCC Licenses or on Schedule 3.7, or that generally affect the television broadcast industry or substantial segments thereof. No waiver of FCC rule or policy is required for Seller to be the holder of any of the FCC Licenses.

(b) Except as set forth on Schedule 3.7, Seller has no applications pending before the FCC relating to the operation of the Station.

(c) Except as set forth on Schedule 3.7 or otherwise disclosed to Buyer, (i) Seller has operated the Station in compliance in all material respects with the Communications Act and the FCC Licenses and (ii) the Station is licensed by the FCC to operate, and is operating in all material respects with the facilities authorized by the FCC Licenses and in compliance in all material respects with the terms of those licenses. Except as set forth in Schedule 3.7, to the Knowledge of Seller, (w) all antenna support structures used in the operation of the Station have been registered with the FCC, if registration is required, and comply with all other requirements of the FCC and the Federal Aviation Administration, (x) there are no applications, petitions, complaints, proceedings or other actions pending or, to Seller's knowledge, threatened before the

FCC relating to the Station, (y) there is not pending or, to Seller's knowledge, threatened any action by or before the FCC to revoke, suspend, cancel, rescind, modify or refuse to renew any of the FCC Licenses, and (z) there is not now issued or outstanding, pending or, to Seller's knowledge, threatened, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, notice of forfeiture or complaint against Seller with respect to the Station, other than proceedings affecting broadcast television stations generally.

(d) Seller is qualified under the Communications Act to assign the FCC Licenses to Buyer. To the Knowledge of Seller, there is no fact or circumstance relating to the Station or Seller or any of its Affiliates that would cause the FCC to deny the FCC Application.

3.8 Personnel Matters. No Employee of the Station is represented by any labor union or collective bargaining agreement and no such agreement is being negotiated by Seller, and there are no strikes, slowdowns, boycotts or picketing in progress or pending, or, to Seller's knowledge, threatened, involving the Employees of the Station.

3.9 Taxes. Seller has filed, or caused to be filed, with the appropriate Governmental Authority in a timely manner, all required Tax returns required to be filed in respect of the Business and the Assets, and all such Tax returns are correct and complete in all material respects. Seller has paid, caused to be paid or accrued all Taxes shown to be due and payable or claimed to be due and payable thereon. Neither the IRS nor any other Governmental Authority has asserted any deficiency or claim for additional Taxes against, or any adjustment of Taxes relating to, Seller in respect of the Business.

3.10 Claims and Litigation. There are no Actions pending or, to Seller's knowledge, threatened by or against Seller relating to the Station, the Assets, the Business or the transactions contemplated by this Agreement.

3.11 Compliance with Laws. Except as set forth in Schedule 3.11 or otherwise disclosed to Buyer, Seller is in compliance in all material respects with all applicable Legal Requirements and Licenses relating to the Station, the Business and the Assets. Except as set forth in Schedule 3.11 or otherwise disclosed to Buyer, no event has occurred, and, to Seller's knowledge, no condition or circumstance exists, that might in any material respect (with or without notice or lapse of time) constitute, or result directly or indirectly in, a default under, a breach or violation of, or a failure to comply with any Legal Requirement.

3.12 Signal Carriage.

(a) Schedule 3.12 is an accurate and complete list in all material respects of each MPVD that carries the Station. Seller has duly and validly elected must carry, either affirmatively or by operation of law, with respect to each MPVD that provides service within the Fort Smith-Fayetteville-Springdale-Rogers, Arkansas DMA. No MPVD has provided written notice to Seller of any signal quality issue or sought relief from carriage of the Station. Seller has not received written notice of any MPVD's intention to delete the Station from carriage or to change the Station's channel position on such MPVD's system. Seller has no petition pending before the FCC to extend the Station's market for cable carriage purposes.

(b) Seller has not entered in any retransmission consent agreements with any MVPD pursuant to which the multichannel video programming distributor retransmits the Station's signal.

3.13 Environmental Matters. Seller is in compliance in all material respects with Environmental Laws, and, to Seller's knowledge, there is no (and there has not previously been any) (i) Handling of any Hazardous Substances on the Real Property or on any properties adjacent to the Real Property, (ii) underground tanks, PCBs or asbestos-containing materials located on the Real Property, and (iii) asbestos on the Real Property. Seller has not received any notice of or, to Seller's knowledge, is not the subject of, any Action by any person alleging liability under or noncompliance with any Environmental Law.

3.14 Insurance. Seller maintains insurance policies and other comparable arrangements with respect to the Station and the Assets consistent with industry standards for owners and operators of broadcast television stations. The Certificate of Liability Insurance attached as Schedule 3.14 (the "Certificate of Insurance") accurately and completely summarizes the insurance policies held by Seller with respect to the Assets and operation of the Station. Seller has not received written notice of cancellation or non-renewal of any such insurance policies or notice or any requirements for Seller to change or improve its operations in order to maintain its existing insurance policies.

3.15 Conduct of Business in Ordinary Course. Since January 1, 2011 Seller has conducted the Business and the operation of the Station in the ordinary and usual course consistent with past practice in all material respects, and has not experienced any Material Adverse Effect.

3.16 Brokers. Seller has not engaged any agent, broker or other Person acting pursuant to the express or implied authority of Seller which is or may be entitled to a commission or broker or finder's fee from Buyer or any of its Affiliates in connection with the transactions contemplated by this Agreement or otherwise with respect to the sale of the Assets or the Business.

Section 4 REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

4.1 Organization and Authority. Buyer is a limited liability company, duly organized, validly existing and in good standing under the laws of Delaware and is, or will be at Closing, qualified to do business in the State of Arkansas. Buyer has all requisite limited liability company power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby.

4.2 Authorization and Binding Obligations. The execution, delivery and performance of this Agreement by Buyer have been duly and validly authorized by all necessary limited liability company action. This Agreement has been duly executed and delivered by Buyer and constitutes a valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms, except as its enforceability may be limited by Enforceability Exceptions.

4.3 Noncontravention; Consents. Subject to obtaining the FCC Consent and the other consents listed on Schedule 4.3, the execution, delivery and performance of this Agreement, the consummation of the transactions contemplated hereby and the compliance with the provisions hereof by Buyer will not (i) violate any provisions of the organizational documents of Buyer, (ii) violate any Legal Requirements applicable to Buyer, or (iii) require the consent of any third party, or violate, or be in conflict with, or constitute a default under any contract or agreement to which Buyer is a party, such that Buyer cannot perform its obligations hereunder in all material respects. Except for the FCC Consent and the consents set forth in Schedule 4.3, no material consent, approval, license or authorization of any Person is required by Buyer in connection with the execution, delivery and performance of this Agreement by Buyer or the consummation by Buyer of the transactions contemplated hereby.

4.4 Absence of Litigation. As of the date hereof, there are no Actions pending against or, to Buyer's knowledge, threatened against Buyer before any Governmental Authority that in any manner challenge or seek to prevent, enjoin, alter or delay materially the transactions contemplated by this Agreement.

4.5 FCC Qualifications. Subject to obtaining the Ownership Waiver, Buyer is legally, financially and otherwise qualified under the Communications Act (as in effect on the date hereof) to acquire the FCC Licenses and own and operate the Station. Other than the matter described in **Section 6.2(a)**, there are no facts known to Buyer that would, under existing Law and the existing rules, regulations, policies and procedures of the FCC, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Station.

4.6 Brokers. Buyer has not engaged any agent, broker or other Person acting pursuant to the express or implied authority of Buyer which is or may be entitled to a commission or broker or finder's fee in connection with the transactions contemplated by this Agreement or otherwise with respect to the sale of the Assets or the Business.

Section 5 COVENANTS OF THE PARTIES

5.1 Covenants of Seller. Seller covenants and agrees from and after the execution and delivery of this Agreement to and including the Closing Date as follows; *provided, however*, that each of such covenants or agreements is subject to the terms of any prior written consents that may be given by Buyer with respect thereto:

(a) Commercially Reasonable Efforts. Seller shall use its commercially reasonable efforts to cause the transactions contemplated by this Agreement to be consummated in accordance with the terms hereof, and, without limiting the generality of the foregoing, use its commercially reasonable efforts to obtain all necessary Consents required in connection with this Agreement and the transactions contemplated hereby and the FCC Consent.

(b) Control of the FCC Licenses and the Station. Notwithstanding any provision of this Agreement to the contrary, pending the Closing, Seller shall maintain actual (*de facto*) and legal (*de jure*) control over the FCC Licenses and the Station. Seller shall retain responsibility for the operation of the Business and the Station pending the Closing.

(c) Access. Seller shall give Buyer and its counsel, accountants, engineers, and other authorized representatives reasonable access to the Assets for the purpose of audit and inspection and will furnish or cause to be furnished to Buyer or its authorized representatives all information with respect to the Business or the operation of the Station that Buyer may reasonably request. Without limiting the generality of the foregoing, Seller shall provide Buyer with reasonable access to the Real Property prior to the Closing to allow Buyer, at Buyer's expense, to (i) install, test and operate on or near Seller's transmitter building a receive antenna, cable and related equipment and hardware for an over-the-air antenna capable of receiving the signal of Buyer's KFSM(TV) and delivering such signal to the Station's transmitter as of the Closing and (ii) install and operate such equipment as may be required to dehydrate the Station's antenna line.

(d) Ordinary Course. Seller shall use its commercially reasonable efforts to operate the Station and preserve and maintain the Assets in the ordinary course of business consistent with past practice, including maintaining the insurance reflected in the Certificate of Insurance.

(e) Licenses. Seller shall not cause or permit, by any act or failure to act, any of the Licenses to expire or to be revoked, suspended, or modified, or take any action that could cause the FCC or any other governmental authority to institute proceedings for the suspension, revocation, or adverse modification of any of the Licenses. Seller shall not fail to prosecute with due diligence any applications to any governmental authority in connection with the operation of the Station.

(f) Contract and Liens. Seller shall use its commercially reasonable efforts to (i) not default under, or breach any term or provision of, or suffer or permit to exist any condition or event that, after notice or lapse of time, or both, would constitute a default under, the Real Property Lease, (ii) not cause or permit the termination, modification or amendment of the Real Property Lease, and (iii) not create, assume, consent to or suffer to exist any Lien on any of its Assets (other than Permitted Liens). Unless Buyer shall have given its prior written consent, Seller shall not enter into any new Contract or incur any obligation (including obligations arising from the amendment of any existing Contract) that will be binding on Buyer after the Closing.

(g) Compliance with Laws. Seller shall comply in all material respects with all Licenses held by Seller and all Legal Requirements applicable to Seller or the Station.

(h) No Solicitation. Seller shall not (i) sell, transfer, lease, assign or otherwise dispose of or distribute any of the Assets to any third party except for the disposition of Equipment in the ordinary course in connection with the acquisition of replacement property of equivalent kind and value, or (ii) knowingly solicit, encourage, entertain, negotiate or enter into with any third party any such transaction or agreement of the nature described in clause (i) above.

(i) No Inconsistent Action. Seller shall not take any action that is inconsistent with its obligations under this Agreement, that could reasonably be expected to cause any of its representations or warranties set forth herein to be untrue as of Closing in any material respect, or that could hinder or delay the consummation of the transactions contemplated by this Agreement.

(j) Carriage Election. Pursuant to and in accordance with the FCC's Rules, Seller shall provide written notice to each of DirecTV, Inc. and Dish Network on or before September 1, 2011 that Seller elects mandatory carriage of the Station's signal on each such operator's systems serving the Station's DMA for the carriage cycle commencing January 1, 2012, to addresses and on forms that Buyer shall provide to Seller by August 24, 2011. Seller shall deliver to Buyer copies of all such notices. Seller shall not elect retransmission consent status for the Station's signal on any MVPD system for the carriage cycle commencing on January 1, 2012.

(k) Call Sign Change. As soon as practicable following the date hereof, but in no event later than fifteen (15) Business Days prior to the Closing Date, Buyer and Seller shall apply to the FCC for authority to change the call letters of the Station to such call letters that Buyer shall reasonably designate (subject to the consent of the FCC) and shall request that such change shall be effective as of the Closing Date. Seller shall be permitted to simultaneously request the reassignment of the "KPBI" call sign to such other station (subject to the consent of the FCC) as Seller may designate.

5.2 Covenants of Buyer. Buyer covenants and agrees that from and after the execution and delivery of this Agreement to and including the Closing Date as follows:

(a) Commercially Reasonable Efforts. Buyer shall use its commercially reasonable efforts to cause the transactions contemplated by this Agreement to be consummated in accordance with the terms hereof, and, without limiting the generality of the foregoing, use its commercially reasonable efforts to obtain all necessary Consents required in connection with this Agreement and the transactions contemplated hereby and the FCC Consent. Notwithstanding the foregoing, Buyer shall have no obligation (i) to expend funds to obtain any Consent except as provided in **Section 12.2** with respect to the FCC Consent, or (ii) to agree to any adverse change in any License or the Transmitter Site Lease to obtain a Consent required with respect thereto.

(b) No Control. Notwithstanding any provision of this Agreement to the contrary, pending the Closing, Buyer shall do nothing to interfere with Seller's actual (*de facto*) and legal (*de jure*) control over the FCC Licenses and the Station. Buyer acknowledges and agrees that the responsibility for the operation of the Business and the Station shall, pending the Closing, reside with Seller.

(c) No Inconsistent Action. Buyer shall not take any action that is inconsistent with its obligations under this Agreement, that could reasonably be expected to cause any of its representations or warranties set forth herein to be untrue as of Closing in any material respect, or that could hinder or delay the consummation of the transactions contemplated by this Agreement.

(d) Relocation of RTV and/or MeTV. Prior to the Closing, Buyer shall provide such notices as Seller shall reasonably request to those MVPDs that currently retransmit Channel 5.2 of Buyer's KFSM-TV, Fort Smith, Arkansas ("MyTV"), in connection with Seller's efforts to seek carriage of Seller's local stations' signals affiliated with the Retro Television Network and/or MeTV on the channel position on which each such MVPD currently retransmits MyTV; *provided, however*, that Buyer shall not be required to expend funds, waive any rights, or

incur any obligation to assist Seller in obtaining such carriage. Buyer shall deliver to Seller copies of each notice that Buyer proposes to send pursuant to this Section 5.2(d).

Section 6 JOINT COVENANTS

6.1 Consultations regarding Consents. The Parties shall consult with one another as to the approach to be taken with respect to obtaining any necessary Consent to the transactions contemplated hereby and the FCC Consent, and each Party shall keep the other Party reasonably informed as to the status of any communications by it with the FCC.

6.2 Application for FCC Consent.

(a) The assignment of the FCC Licenses as contemplated by this Agreement is subject to the receipt of the FCC Consent prior to the Closing, including the grant of any waiver or determination of the FCC that may be necessary under rules and policies of the FCC in effect as of the date of the grant of such FCC Consent to permit Buyer to hold the FCC Licenses for the Station, together with the license for KFSM-TV, Fort Smith, Arkansas without time limitation or any condition requiring the future divestiture of either station (the “Ownership Waiver”). Buyer and Seller acknowledge that under rules and policies of the FCC in effect as of the date of this Agreement, the grant of an Ownership Waiver is required to obtain the FCC Consent for Buyer’s purchase and sale of the FCC License. Seller and Buyer shall cooperate in the preparation of the Assignment Application to be filed by Seller and Buyer, and Buyer and Seller shall use their reasonable efforts to file the Assignment Application no later than ten Business Days following the date hereof; provided, however, that all expenses and costs payable to third parties for the preparation and filing of the Ownership Waiver shall be borne by Buyer.

(b) Buyer shall notify Seller of the financial and other information reasonably needed by Buyer to prepare a request for an Ownership Waiver as soon as practicable. Seller shall use its commercially reasonable efforts to provide such requested information to Buyer as soon as practicable following Buyer’s requests for such information. Seller shall cooperate fully with Buyer in the preparation of the Ownership Waiver.

(c) Buyer and Seller shall diligently prosecute the Assignment Application and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible; *provided, however*, that except for customary filing fees, neither Buyer nor Seller shall be required to pay consideration to any third party to obtain the FCC Consent. Buyer and Seller each shall oppose any petitions to deny or other objections filed with respect to the Assignment Application to the extent such petition or objection relates to such Party.

(d) Each Party agrees to comply with any condition imposed on it by the FCC Consent, except that no Party shall be required to comply with a condition if (i) the condition was imposed on it as the result of a circumstance the existence of which does not constitute a breach by the Party of any of its representations, warranties, or covenants under this Agreement, and (ii) compliance with the condition would have a material adverse effect upon it. Any condition requiring the present or future divestiture of any rights of Buyer in the Station or KFSM-TV shall constitute a condition materially adverse to Buyer and also a condition imposed as the result of a circumstance, the existence of which does not constitute a breach by Buyer of any of its representations, warranties, or covenants under this Agreement.

(e) If the Closing shall not have occurred for any reason within the original effective period of the FCC Consent, and neither Party shall have terminated this Agreement under **Section 11**, the Parties shall jointly request an extension of the effective period of the FCC Consent. No extension of the FCC Consent shall limit the exercise by either Party of its rights under **Section 11**.

6.3 Employee Matters.

(a) Buyer shall not hire any employee of Seller for a period of twelve months from the Closing Date; provided, however, that this restriction shall not apply to any person that is hired by Buyer as a result of a general solicitation for employees not specifically directed at any employee of Seller.

(b) Seller shall retain full responsibility and liability for offering and providing “continuation coverage” to any “qualified beneficiary” who is covered by a “group health plan” sponsored or contributed to by Seller for the benefit of its Employees and who has experienced a “qualifying event” or is receiving “continuation coverage” on or prior to the Closing. “Continuation coverage,” “qualified beneficiary,” “qualifying event” and “group health plan” shall each have the meaning given such term under Section 4980B of the Code and Section 601 *et seq.* of ERISA.

(c) Seller acknowledges that Buyer has no obligation to employ any of Seller’s Employees and that Seller shall be responsible for satisfying in full all amounts owed to such Employees, including wages, salaries, severance pay, sick pay, accrued vacation, any employment, incentive, compensation or bonus agreements or other benefits or payments relating to the period of employment by Seller. Seller may, at its option, provide stay bonuses to its Employees.

6.4 Notification of Changes. Buyer and Seller shall give prompt notice to one another of (i) the occurrence or nonoccurrence of any event the occurrence or nonoccurrence of which has caused or would be likely to cause any representation or warranty contained in this Agreement to be untrue or inaccurate in any material respect at or prior to the Closing Date, and (ii) any material failure of Buyer or Seller, as the case may be, to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it hereunder; *provided, however*, that the delivery of any notice pursuant to this **Section 6.4** shall not cure such breach or non-compliance or limit or otherwise affect the remedies available hereunder to the Party receiving such notice.

6.5 Confidentiality. Except as necessary for the consummation of the transaction contemplated by this Agreement, and except as and to the extent required by applicable Legal Requirements, each Party will keep confidential all information obtained from the other Party in connection with the transactions contemplated by this Agreement (unless such information thereafter becomes generally available to the public, is otherwise available to it on a non-confidential basis from another source, or has been developed independently by it). If this Agreement is terminated, each Party will, upon request, return to the other Party all information obtained by the first Party from the other Party in connection with the transactions contemplated by this Agreement.

6.6 Press Releases. No Party hereto will issue any press release or make any other public announcements concerning this Agreement or the transactions contemplated hereby except with the prior approval (not to be unreasonably withheld) of the other Party hereto regarding the timing and content of such announcement; *provided* that any Party hereto may make any disclosure that it in good faith determined to be necessary to comply with applicable Legal Requirements so long as such Party shall give prior written notice to the other Party of such disclosure.

6.7 KPBI Transmitter. No later than ninety (90) days following the Closing, Buyer shall remove from service and transfer possession of the KPBI Transmitter to Seller at its current location on the Real Property. No later than thirty (30) days following the date Buyer notifies Seller that the KPBI Transmitter has been removed from service, Seller shall, at Seller's expense and risk, remove the KPBI Transmitter from the Real Property in such a manner so as not to interfere with the operation of the Station. If Seller fails to remove the KPBI Transmitter prior to the end of such thirty (30) day period, Buyer may, at its option, dispose of the KPBI Transmitter in such manner as Buyer may determine and at Buyer's sole expense.

6.8 Allocation of Purchase Price. Seller and Buyer shall use good faith efforts to agree to an allocation of the aggregate purchase consideration among the Assets in a manner consistent with Section 1060 of the Code and the United States Treasury Regulations promulgated thereunder within sixty (60) days after the Closing Date and, if Seller and Buyer reach such agreement, then Seller and Buyer agree to file all income Tax Returns (including IRS Form 8594 or any successor form) in accordance with such allocation and agree not to take any position before any taxing authority that is inconsistent with such allocation. If Seller and Buyer shall not have agreed on such allocation by the sixtieth (60th) day following the Closing Date, then Seller and Buyer shall have no further obligations pursuant to this **Section 6.8**, and each of Seller and Buyer shall make its own determination of such allocation for financial and Tax reporting purposes.

6.9 Risk of Loss. The risk of any loss, damage, impairment, confiscation or condemnation of any of the tangible Assets shall be borne by Seller at all times prior to Closing, and by Buyer at all times after Closing.

(a) In the event that any such loss or damage occurring prior to Closing shall be sufficiently substantial so that any representation or warranty of Seller shall not to be true and correct in all material respects at Closing (after giving consideration to any repairs, restoration or replacement to occur prior to Closing), Seller shall promptly notify Buyer in writing of the circumstances, and Buyer, at any time within ten (10) days after receipt of such notice, may elect by written notice to Seller either to (i) proceed toward consummation of the transactions contemplated by this Agreement in accordance with the terms hereof, and subject to the occurrence of Closing, complete the restoration and replacement of the Assets after Closing, in which event Seller shall deliver to Buyer all insurance proceeds received in connection with such damage, destruction or other event (other than any insurance proceeds received by Seller for the KPBI Transmitter, which proceeds shall be retained by Seller), or (ii) terminate this Agreement. If Buyer elects to so terminate this Agreement, Seller shall promptly return the Deposit Amount to Buyer, and Buyer and Seller shall stand fully released and discharged of any and all other obligations hereunder.

(b) Subject to **Section 6.9(a)**, if prior to Closing, the Station is off the air or operating at a power level that results in a material reduction in coverage (a “Broadcast Interruption”), then Seller shall use commercially reasonable efforts to return the Station to the air and restore prior coverage as promptly as possible in the ordinary course of business. Notwithstanding anything herein to the contrary, if prior to Closing there is a Broadcast Interruption in excess of 24 hours, then Buyer may, if applicable, postpone Closing until the date five (5) business days after the Station returns to the air and prior coverage is restored in all material respects.

6.10 Bulk Sales. Seller shall indemnify Buyer for any damages, costs or expenses incurred by Buyer as a result of the failure to comply with any Arkansas bulk sales laws.

6.11 Further Assurances. On and after the Closing Date, the Parties will take all appropriate and commercially reasonable actions and execute all documents, instruments or conveyances of any kind that may be reasonably necessary or advisable to put Buyer in possession and operating control of the Assets and the Station, or to otherwise carry out any of the provisions hereof.

Section 7 CONDITIONS PRECEDENT TO OBLIGATION OF SELLER TO CLOSE

The obligations of Seller to sell the Assets and to otherwise consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, on or prior to the Closing Date, of each of the following conditions:

7.1 Representations, Warranties and Covenants. All representations and warranties of Buyer contained in this Agreement shall be true and complete at and as of the Closing Date as if such representations and warranties were made at and as of the Closing Date except for (i) any inaccuracies that 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, or (iii) changes in any representation or warranty that are contemplated by this Agreement; and Buyer shall have performed all agreements and covenants required hereby to be performed by Buyer prior to or on the Closing Date, except to the extent such occurrences of noncompliance would not in the aggregate have a Material Adverse Effect, disregarding any that result from an act or omission of Seller or its agents.

7.2 Closing Deliveries. Seller shall have received from Buyer the documents and other items to be delivered to Seller by Buyer pursuant to **Section 9.3** of this Agreement.

7.3 FCC Consent. The FCC Consent shall have been issued.

7.4 No Injunction. No material Legal Requirement shall have been promulgated, enacted, entered or enforced, and no other action in any court proceeding shall have been taken, by any Governmental Authority that has the effect of making illegal or of restraining or prohibiting the consummation of the transactions contemplated hereby.

Section 8 CONDITIONS PRECEDENT TO OBLIGATION OF BUYER TO CLOSE

The obligations of Buyer to purchase the Assets and to otherwise consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, on or prior to the Closing Date, of each of the following conditions:

8.1 Representations, Warranties and Covenants. All representations and warranties of Seller contained in this Agreement shall be true and complete at and as of the Closing Date as if such representations and warranties were made at and as of the Closing Date except for (i) any inaccuracies that 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, or (iii) changes in any representation or warranty that are contemplated by this Agreement; and Seller shall have performed all agreements and covenants required hereby to be performed by Seller prior to or on the Closing Date, except to the extent such occurrences of noncompliance would not in the aggregate have a Material Adverse Effect, disregarding any that result from an act or omission of Buyer or its agents.

8.2 Closing Deliveries. Buyer shall have received from Seller the documents and other items to be delivered by Seller pursuant to **Section 9.2** of this Agreement.

8.3 FCC Consent. The FCC Consent shall have become a Final Order and shall not contain any condition or qualification that requires Buyer to dispose of the Station or television station KFSM-TV.

8.4 Material Consents. Each Consent that is designated by Buyer and Seller on Schedule 3.4 as being a “required consent” shall have been obtained without any adverse change in the terms or conditions of each Contract to which such Consent relates from those in effect on the date hereof.

8.5 Material Adverse Effect. Between the date of this Agreement and the Closing Date, Seller has experienced no Material Adverse Effect.

8.6 No Injunction. No material Legal Requirement shall have been promulgated, enacted, entered or enforced, and no other action in any court proceeding shall have been taken, by any Governmental Authority that has the effect of making illegal or of restraining or prohibiting the consummation of the transactions contemplated hereby.

8.7 Station Operation. The Station shall be in the same operating condition, reasonable wear and tear excepted, that the Station is in as of the date of this Agreement.

Section 9 THE CLOSING

9.1 The Closing. On the Closing Date, Seller shall make such deliveries as are set forth in **Section 9.2**, and Buyer shall make such deliveries as are set forth in **Section 9.3**. All transactions at the Closing are deemed to have taken place simultaneously and no transaction shall be deemed to have been completed, nor shall any document be deemed to have been delivered, until all transactions shall have been completed and all documents, delivered. The

Closing may occur by the exchange of documents by email or facsimile or by such other method as Buyer and Seller may determine.

9.2 Deliveries by Seller to Buyer. Seller shall deliver to Buyer:

(a) Officer's Certificate. A certificate dated as of the Closing Date, executed on behalf of Seller by an officer of Seller, attesting to its fulfillment of the conditions set forth in **Section 8.1**;

(b) Resolutions. A certified copy of the resolutions duly adopted by the board of managers of Seller, authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby;_

(c) Bill of Sale and Assignment. A bill of sale in form and substance reasonably acceptable to Buyer and Seller, duly executed by the Seller, conveying and delivering the Assets to Buyer and an assignment providing for the assignment of the Transmitter Site Lease to Buyer;

(d) Assignment of FCC Licenses. A duly executed assignment of the FCC Licenses in form and substance reasonably acceptable to Buyer and Seller;

(e) Other Transfer Documents. Such other instruments and certificates of transfer as Buyer may reasonably request in order for Seller to effectively convey, transfer, assign and deliver the Purchased Assets to Buyer;

(f) Required Consents. A copy of each instrument evidencing each required Consent that shall have been obtained prior to Closing; and

(g) Estoppel Certificate. An estoppel certificate, in form and substance reasonably acceptable to Buyer, from the lessor under the Transmitter Site Lease.

9.3 Deliveries by Buyer to Seller. Buyer shall deliver to Seller:

(a) Closing Cash Payment. The Closing Cash Payment in accordance with the provisions of **Section 2.2** hereof;

(b) Officer's Certificate. A certificate dated as of the Closing Date, executed on behalf of Buyer by an officer of Buyer, attesting to its fulfillment of the conditions set forth in **Section 7.1**;

(c) Resolutions. A certified copy of the resolutions duly adopted by the board of managers of Buyer, authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby; and_

(d) Assumption Agreements. One or more appropriate assumption agreements duly executed by Buyer, whereby Buyer assumes and agrees to perform the Assumed Liabilities in form and substance reasonably satisfactory to Seller.

Section 10 INDEMNIFICATION

10.1 Survival. The representations and warranties of either Party contained in this Agreement or in any document delivered in connection herewith shall (i) be deemed to have been made on the date of this Agreement, and on the Closing Date, subject to any changes in any representation or warranty that are contemplated by this Agreement, (ii) be deemed to be material and to have been relied upon by the Parties notwithstanding any investigation made by the Parties, (iii) survive the Closing, and (iv) remain operative and in full force and effect for a period of twelve (12) months following the Closing, *provided, however*, that the representations and warranties set forth in **Sections 3.2** (Authorization and Binding Obligations) and **4.2** (Authorization and Binding Obligations) shall survive until sixty days following the expiration of the applicable statute of limitations. (The applicable period of such survival subsequent to Closing is referred to as the “Indemnity Period.”) The covenants and agreements to be performed in full prior to Closing shall survive until twelve (12) months after the Closing Date and all other covenants and agreements shall survive the Closing until 90 days after such covenants and agreements are performed in full. No claim may be brought under this Agreement unless written notice describing in reasonable detail the nature and basis of such claim is given on or prior to the last day of the applicable survival period. In the event such notice is given, the right to indemnification with respect thereto shall survive the applicable survival period until such claim is finally resolved and any obligations with respect thereto are fully satisfied.

10.2 Seller’s Indemnity. Following Closing Seller shall indemnify and hold harmless Buyer, its Affiliates and its representatives from and against any and all demands, losses, Liabilities, Actions, assessments, damages, fines, Taxes, penalties, reasonable costs and expenses (including reasonable expenses of investigation, and reasonable fees and disbursements of counsel, accountants and other experts) (the “Losses”) incurred or suffered by Buyer, its Affiliates or its representatives, arising out of, resulting from or relating to:

(a) Any breach of any of the representations or warranties made by Seller in this Agreement or in any document delivered in connection herewith, except that Buyer acknowledges that the Equipment is conveyed “As Is” except as expressly provided in Section 3.6.

(b) Any failure by Seller to perform any of its covenants or agreements contained in this Agreement or in any document delivered in connection herewith; or

(c) The Non-Assumed Liabilities.

10.3 Buyer’s Indemnity. Following Closing Buyer shall indemnify and hold harmless Seller, its Affiliates and its representatives from and against any and all Losses incurred or suffered by Seller, its Affiliates or its representatives, arising out of, resulting from or relating to:

(a) Any breach of any of the representations or warranties made by Buyer in this Agreement or in any document delivered in connection herewith;

(b) Any failure by Buyer to perform any of its covenants or agreements contained in this Agreement or in any document delivered in connection herewith; or

(c) The Assumed Liabilities or any Liabilities arising from events occurring after Closing relating to Buyer's ownership and control of the Assets, the Business or the Station following the Closing.

10.4 Procedures. In the event that any Party hereto shall sustain or incur any Losses in respect of which indemnification may be sought by such Party pursuant to this **Section 10**, the Party seeking such indemnification (the "Claimant") shall assert a claim for indemnification by giving prompt written notice thereof (a "Claim Notice") which shall describe in reasonable detail the facts and circumstances upon which the asserted claim for indemnification is based, along with a copy of, if applicable, any claim or complaint by a third party related thereto, to the Party providing indemnification (the "Indemnitor").

(a) Upon the receipt of a Claim Notice regarding a claim or complaint by a third party against Claimant for which it seeks indemnification, the Indemnitor shall have the right to undertake (at its own expense), by counsel or representatives of its own choosing, the good faith defense, compromise or settlement to be undertaken on behalf of the Claimant and shall keep the Claimant reasonably informed with respect thereto. If the Indemnitor elects to undertake such defense by its own counsel or representatives, the Indemnitor shall give notice to the Claimant within thirty (30) days of its receipt of the Claim Notice.

(b) The Claimant shall cooperate with the Indemnitor in such defense and provide the Indemnitor with all information and assistance reasonably necessary to permit the Indemnitor to settle and/or defend any such claim. The Indemnitor shall have the right in good faith to settle or compromise any such claim, *provided* that at least ten (10) days prior notice of such settlement or compromise is given to the Claimant.

(c) If an Indemnitor fails, within thirty (30) days after the date of the Claim Notice to give notice to the Claimant of such Indemnitor's election to assume the defense thereof, the Indemnitor shall be bound by any determination made in such action or any compromise or settlement thereof effected by the Claimant and shall reimburse the Claimant for all Losses (including reasonable attorney's fees) incurred by the Claimant; *provided, however*, that the Claimant shall keep the Indemnitor advised on a timely basis of significant developments with respect to such defense and permit the Indemnitor to participate, at its own election and expense, at any time, in the defense thereof.

10.5 Qualifications and Limitations. Notwithstanding any provision contained in this Agreement to the contrary, the Indemnitor's obligations to indemnify the Claimant pursuant to **Section 10.2 or 10.3** shall be subject to the following qualifications and limitations:

(a) The indemnity rights of Buyer under **Section 10.2(a)** or of Seller under **Section 10.3(a)**, as Claimant, with respect to any breach of a representation or warranty by the other Party as Indemnitor expire upon the expiration of the Indemnity Period except with respect to any claim for indemnification for which a Claim Notice shall have been given prior to the expiration of the Indemnity Period.

(b) No indemnification shall be required to be made by Seller or Buyer, as Indemnitor, as the case may be, under **Section 10.2(a) or 10.3(a)**, until the aggregate amount of Losses of Buyer or Seller as Claimant exceeds \$50,000.

(c) In determining after Closing whether a breach has occurred with respect to any representation or warranty contained in **Section 3** or **Section 4** of this Agreement for purposes of the exercise by Buyer or Seller, as the case may be, of its indemnity rights under **Section 10.2(a)** or **10.3(a)** hereof and the determination of the aggregate Losses sustained by Buyer or Seller, as the case may be, for purposes of **Section 10.5(b)**, any exception for “Material Adverse Effect” and any qualification by “in all material respects” in any representation or warranty shall be disregarded as if such representation or warranty did not contain such exception or qualification, and the phrase “material breach” or “material default” in any representation or warranty shall be read as if the word “material” were not present therein.

Section 11 TERMINATION

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

(a) Conditions. Subject to **Section 11.3**, if on the date that would otherwise be the Closing Date, any of the conditions precedent to the obligations of Seller set forth in **Section 7** has not been satisfied, or waived in writing by Seller.

(b) Assignment Application. If the FCC denies the Assignment Application and such denial has become a Final Order; *provided, however*, that this Agreement may not be so terminated by Seller if Seller is in default or breach in any material respect of its representations, warranties or covenants set forth in this Agreement and such default or breach is the cause of such denial.

(c) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any Judgment that would prevent or make unlawful the Closing.

(d) Failure to Close. If the Closing shall not have occurred on or before the date that is twelve (12) months after the date the Assignment Application is filed with the FCC pursuant to **Section 6.2** (the “Termination Date”); *provided, however*, that, at Buyer’s election upon written notice to Seller given prior to the Termination Date, if the Closing has not occurred on or before the Termination Date because the FCC has not granted the FCC Consent, the Termination Date may be extended until the date that is six months after the Termination Date (the “Extended Termination Date”); *provided, further, however*, that this Agreement may not be so terminated by Seller, if Seller is in default or breach in any material respect of its representations, warranties or covenants set forth in this Agreement.

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

(a) Conditions. Subject to **Section 11.3**, if on the date that would otherwise be the Closing Date, any of the conditions precedent to the obligations of Buyer set forth in **Section 8** has not been satisfied, or waived in writing by Buyer.

(b) Assignment Application. If the FCC denies the Assignment Application and such denial has become a Final Order; *provided, however*, that this Agreement may not be so terminated by Buyer, if Buyer is in default or breach in any material respect of its representations, warranties or covenants set forth in this Agreement and such default or breach is the cause of such denial.

(c) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any Judgment that would prevent or make unlawful the Closing.

(d) Failure to Close. If the Closing shall not have occurred on or before the Termination Date or, if the Termination Date has been extended by Buyer pursuant to Section 11.1(d), the Extended Termination Date; *provided, however*, that this Agreement may not be so terminated by Buyer, if Buyer is in default or breach in any material respect of its representations, warranties or covenants set forth in this Agreement.

(e) Damage to Assets. If Buyer shall elect to exercise its termination right pursuant to **Section 6.9(a)**.

11.3 Unsatisfied Conditions; Opportunity to Satisfy. If upon the initially scheduled Closing Date any of the conditions precedent to the obligations of either Party set forth in **Section 7** or **Section 8** of this Agreement shall not have been materially satisfied, and the Party entitled to the benefit of such condition is unwilling to waive the satisfaction of such unsatisfied condition, then such Party shall provide the other Party with written notice specifying in reasonable detail the nature of such unsatisfied condition, whereupon the other Party shall have twenty (20) calendar days from the date of receipt of such notice to effect the satisfaction of such unsatisfied condition (but only if such condition is capable of being satisfied within such time period), and Closing shall be postponed until a Business Day specified by such other Party with five day's written notice to the Party requiring the satisfaction of such condition, with such postponed Closing to occur within five (5) Business Days of the satisfaction of such condition and no later than five (5) Business Days after the thirtieth calendar day following the initially scheduled Closing Date. Notwithstanding the foregoing, no opportunity to cure shall be available to Buyer with respect to its obligation or ability to pay the Purchase Price at Closing, and the Closing Date shall only be subject to one postponement. If the unsatisfied condition is not satisfied in all material respects (or is not subject to such satisfaction) within such time period, then each Party shall be entitled to exercise its rights under **Section 11** with this **Section 11.3** having no further effect.

11.4 Effect of Termination. Upon termination: (i) if neither Party hereto is in material breach of any provision of this Agreement, the Parties hereto shall not have any further liability to each other and Seller shall retain the entire amount of the Deposit, including if Seller terminates this Agreement pursuant to Section 11.1(d) because the FCC has not granted the Ownership Waiver on or before the Termination Date or the Extended Termination Date, as applicable; (ii) if Seller shall be in material breach of any provision of this Agreement, Seller shall immediately repay the entire amount of the Deposit to Buyer and Buyer shall have the rights and remedies provided in **Section 11.5** or otherwise available at law or equity; (iii) if Buyer shall be in material breach of any provision of this Agreement, Seller shall be entitled to retain the Deposit as liquidated damages as provided in **Section 11.6** or (iv) if Seller terminates

this Agreement pursuant to Section 11. 1(b) because the FCC has denied the Ownership Waiver, Seller shall retain the entire amount of the Deposit.

11.5 Specific Performance. The Parties recognize that if Seller refuses to perform under the provisions of this Agreement or otherwise breaches its obligation to consummate this Agreement, monetary damages alone would not be adequate to compensate Buyer for its injury. Buyer shall therefore be entitled, in addition to any other remedies that may be available, to obtain specific performance of the terms of this Agreement. If any action is brought by Buyer to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law.

11.6 Retention of Deposit. If this Agreement is terminated as a result of a material breach by Buyer of any of its obligations, representations, warranties or covenants set forth in this Agreement, then and in that event Seller shall have the right to retain the Deposit. The Parties agree that the amount of the actual damages suffered by Seller as a result of a breach by Buyer are likely to be difficult or impractical to ascertain and, therefore, the retention of the Deposit by Seller is fair and reasonable and does not constitute a penalty. If this Agreement is terminated and Seller is permitted to retain the Deposit as otherwise provided in Section 11.4, the Parties agree that the retention of the Deposit by Seller in those circumstances is fair and reasonable and does not constitute a penalty.

11.7 Attorneys' Fees. In the event of a default by either Party that results in a lawsuit or other proceeding for any remedy available under this Agreement, the prevailing party shall be entitled to reimbursement from the other party of its reasonable legal fees and expenses (whether incurred in arbitration, at trial, or on appeal).

11.8 Surviving Obligations. The rights and obligations of the Parties described in **Sections 6.5 and 6.6, Section 12**, and this **Section 11** shall survive any termination.

Section 12 MISCELLANEOUS

12.1 Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be (i) in writing, may be delivered by personal delivery, sent by commercial delivery service or certified mail, return receipt requested, or sent by email (with, if available under email options, a "delivery receipt" and a "read receipt" being requested), (ii) deemed to have been given on the date of actual receipt, which may be presumptively evidenced by the date set forth in the records of any commercial delivery service or on the return receipt, or on the date of the sender's receipt of a "read receipt" from recipient or sender's confirmation by phone of recipient's receipt, and (iii) addressed to the recipient at the address specified below, or with respect to any party, to any other address that such party may from time to time designate in a writing delivered in accordance with this **Section 12.1**:

If to Buyer:

Local TV Arkansas, LLC
Local TV Arkansas License, LLC
1717 Dixie Highway Suite 650
Ft. Wright, Kentucky 41011
Attention: Chief Executive Officer
Phone: (850) 448-2700

Email: BLawrence@localtvllc.com

with a copy (which shall not constitute notice) to: Michael D. Basile, Esq.
Dow Lohnes PLLC
1200 New Hampshire Avenue, NW
Washington, D.C. 20036
Phone: 202-776-2539
Email:

If to Seller: Riverside Media, LLC
Attn: Greg Fess
#1 Shackleford Drive, Suite 100
Little Rock, Arkansas 72211
Phone: 501-353-2227
Email: gfess@duo-media.com

with copies (which shall not constitute notice) to: Lori Withrow, Esq.
Southern, Allen & Withrow 12410 Cantrell Road, Suite 100
Little Rock, Arkansas 72223
Phone: (501) 227-2000
Email: lwithrow@southernallen.com

12.2 Expenses. Any sales and transfer Taxes arising from the purchase and sale of the Assets pursuant to this Agreement shall be paid by the party that is obligated by law to pay such Taxes. Buyer shall pay (i) the FCC fees associated with filing the Assignment Application for the FCC Consent, and (ii) any fees associated with any other filing or similar fees relating to applications for any other Consent required from any Governmental Authority, and Buyer shall receive, in each case, a credit at Closing for one-half of amount of all such payments. Except as otherwise provided in this Agreement (including Buyer's payment obligation with respect to the Ownership Waiver as provided in **Section 6.2(a)**), Seller and Buyer shall each be liable for its own fees and expenses incurred in connection with the negotiation, preparation, execution or performance of this Agreement and the consummation of the transactions contemplated herein.

12.3 Choice of Law. THIS AGREEMENT SHALL BE CONSTRUED, INTERPRETED AND THE RIGHTS OF THE PARTIES DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ARKANSAS, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAW OF SUCH STATE.

12.4 Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by Seller or Buyer without the prior written consent of the other Party hereto. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, and no other person shall have any right, benefit or obligation hereunder.

12.5 Entire Agreement. This Agreement, all schedules and exhibits hereto, and all documents and certificates to be delivered by the Parties pursuant hereto, collectively represent the entire understanding and agreement between the Parties hereto with respect to the subject matter of this Agreement. All schedules and exhibits attached to this Agreement shall be deemed part of this Agreement and are incorporated herein, where applicable, as if fully set forth herein.

This Agreement supersedes all prior negotiations, letters of intent or other writings between the Parties and their respective representatives with respect to the subject matter hereof and cannot be amended, supplemented, or modified except by an agreement in writing that makes specific reference to this Agreement or an agreement delivered pursuant hereto, as the case may be, and which is signed by the Party against which enforcement of any such amendment, supplement, or modification is sought.

12.6 Waivers of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any of the Parties to comply with any obligation, representation, warranty, covenant, agreement, or condition herein may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any Party hereto, 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.

12.7 Severability. In the event that any one or more of the provisions contained in this Agreement or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument and this Agreement shall be construed in a manner that, as nearly as possible, reflects the original intent of the Parties.

12.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument. Delivery of counterpart signature pages may be effected by email of scanned copies of executed signature pages and shall be effective as delivery of a manually executed counterpart of this Agreement.

[END OF PAGE. SIGNATURES FOLLOW.]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties hereto as of the date first above written.

BUYER:

LOCAL TV ARKANSAS, LLC

By: Ted Kuhlman

Name: Ted Kuhlman

Title: Chief Financial Officer

SELLER:

RIVERSIDE MEDIA, LLC

By: _____

Name: _____

Title: _____

LOCAL TV ARKANSAS LICENSE, LLC

By: Ted Kuhlman

Name: Ted Kuhlman

Title: Chief Financial Officer

IN WITNESS WHEREOF, this Agreement has been executed by the Parties hereto as of the date first above written.

BUYER:

LOCAL TV ARKANSAS, LLC

By: _____

Name: Ted Kuhlman

Title: Chief Financial Officer

SELLER:

RIVERSIDE MEDIA, LLC

By: _____

Name: Larry E. Morton

Title: President

LOCAL TV ARKANSAS LICENSE, LLC

By: _____

Name: Ted Kuhlman

Title: Chief Financial Officer