

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

NRJ TV LA OPCO, LLC

and

NRJ TV LA LICENSE CO, LLC

and

NRJ TV HAWAII OPCO, LLC

and

NRJ TV HAWAII LICENSE CO, LLC

“BUYERS”

AND

INTERNATIONAL MEDIA GROUP, INC.

“IMG”

and

KSCI, INC.

and

KSLS, INC.

and

KHAI, INC.

and

KHLS, INC.

“SELLERS”

Dated as of January __, 2012

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made this ____ day of January, 2012, by and among **INTERNATIONAL MEDIA GROUP, INC.**, a Delaware corporation ("**IMG**"), **KSCI, INC.**, a Delaware corporation ("**KSCI**"), **KSLS, INC.**, a Delaware corporation ("**KSLS**", and together with **KSCI**, the "**LA Sellers**"), **KHAI, Inc.**, a Delaware corporation ("**KHAI**"), and **KHLS, Inc.**, a Delaware corporation ("**KHLS**", and together with **KHAI**, the "**Hawaii Sellers**", and together with the **LA Sellers**, "**Sellers**", and individually, "**Seller**"), and **NRJ TV LA OPCO, LLC**, a Delaware limited liability company ("**LA OpCo**"), and **NRJ TV LA LICENSE CO, LLC**, a Delaware limited liability company ("**LA License Co.**", and together with **LA OpCo**, the "**LA Buyers**"), and **NRJ TV HAWAII OPCO, LLC**, a Delaware limited liability company ("**Hawaii OpCo**"), and **NRJ TV Hawaii License Co**, a Delaware limited liability company ("**Hawaii License Co.**", and together with **Hawaii OpCo**, the "**Hawaii Buyers**", and together with the **LA Buyers**, "**Buyers**", and individually, "**Buyer**").

RECITALS:

A. Sellers are engaged in the business of television broadcasting and presently own the assets of and operate: (1) commercial television broadcast stations **KSCI**, Digital Channel 18, licensed to Long Beach, California; (2) low power commercial television broadcast station **KUAN-LP**, Channel 48 licensed to Poway, California (collectively the "**LA Stations**"); and (3) commercial television broadcast station **KIKU**, Digital Channel 19 (virtual channel 30), licensed to Honolulu, Hawaii (the "**Hawaii Station**", and together with the **LA Stations**, the "**Stations**");

B. On or about September 9, 2004, **IMG**, as borrower, with its subsidiaries, including the **LA Sellers** and the **Hawaii Sellers** as guarantors, and General Electric Capital Corporation as agent, and the lenders from time to time party thereto, entered into that certain (1) *Credit Agreement*, (2) *Security Agreement*, (3) *Pledge Agreement* and (4) *Subsidiary Guarantee*, all as may be further amended, restated, supplemented or otherwise modified from time to time, and together with certain agreements, documents, and instruments in respect thereof (collectively, the "**First Lien Credit Documents**"), which provided for certain financial accommodations collateralized by substantially all, if not all, of the assets of the borrower and guarantors thereunder, including, but not limited to substantially all, if not all, of **Sellers'** assets. **Buyers** are the assignee and successor-in-interest to the agent and lenders under the **First Lien Credit Documents**.

C. **IMG** and **Sellers** intend to file a voluntary Chapter 11 petition (the "**Bankruptcy Case**") under Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (collectively, the "**Bankruptcy Code**") with the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**");

D. Upon the terms and subject to the conditions set forth herein and as authorized under Sections 105, 363, and 365 of the Bankruptcy Code, **Buyers** desire to purchase from **Sellers**, and **Sellers** desire to sell to **Buyers**, properties and rights of **Sellers** related to the conduct of the **Stations** as set forth herein, in exchange for the credit bid payment assigned by

NRJ TV II LLC (“NRJ”) to Buyers and made by Buyers to Sellers of the purchase price set forth herein and the assumption by Buyers of certain of Sellers’ liabilities and obligations relating to such Acquired Assets;

E. IMG and Sellers believe, following consultation with IMG’s and Sellers’ legal and financial advisors, and upon consideration of available alternatives, that, in light of IMG’s and Sellers’ current liquidity and financial crisis, a sale of substantially all properties and rights of Sellers related to the conduct of the Stations as specifically set forth herein is necessary to maximize value and is in the best interest of IMG and Sellers and all of their creditors, shareholders and all other parties-in-interest; and

F. The transactions contemplated by this Agreement are subject to the approval of the Bankruptcy Court pursuant to Sections 105, 363, and 365 of the Bankruptcy Code and the FCC pursuant to Section 310(d) of the Communication Laws and may only be consummated pursuant to a final order entered by the Bankruptcy Court in IMG’s and Sellers’ bankruptcy case approving the terms of this Agreement and the consent of the FCC.

NOW, THEREFORE, in consideration of the Recitals and of the mutual covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

ARTICLE I DEFINITIONS

Section 1.1. Definitions. Except as specified otherwise, when used in this Agreement, the following terms have the meanings specified:

“**Accountants**” has the meaning set forth in Section 2.4(f);

“**Accounts Receivable**” means all accounts receivable of Sellers related to the Stations immediately prior to the Closing as determined in accordance with GAAP;

“**Acquired Assets**” means (a) all assets used or useable in the operation of the Stations, other than the Excluded Assets, including but not limited to (i) the Accounts Receivable; (ii) the Business Records; (iii) the Contracts; (iv) the Customer Lists; (v) the Equipment; (vi) the FCC Licenses; (vii) the Intangible Property; (viii) the Leases; (ix) the Miscellaneous Assets; (x) the Motor Vehicles; and (xi) the Trade Secrets and (b) any and all claims and causes of action of any Seller against any Buyer and/or any of its affiliates, officers, directors, attorneys or agents, including, but not limited to, all claims and causes of action that could be asserted under Chapter 5 of the Bankruptcy Code against any buyer, its officers, directors, affiliates, attorneys or agents;

“**Action**” means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of apparent liability, notice of violation, order of forfeiture, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at Law or in equity;

“**Adjustment Amount**” has the meaning set forth in Section 2.4(e);

“Adjustment List” has the meaning set forth in Section 2.4(e);

“Agreement” means this Asset Purchase Agreement, together with the Schedules and the Exhibits attached hereto, as the same shall be amended from time to time in accordance with the terms hereof;

“Alternative Transaction” shall mean any transaction between IMG and Sellers and any Person other than Buyers regarding any (a) merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving Sellers and their affiliates, (b) purchase or acquisition directly or indirectly by merger, consolidation, business combination, share exchange, joint venture of substantially all of the Acquired Assets or (c) any combination of the foregoing;

“Assigned and Assumed Agreements” shall mean those Contracts listed on Schedule 1.2 and the Leases listed on Schedule 1.7 to be assigned by Sellers to Buyers pursuant to the Contract Assignments and the Lease Assignments and the liabilities for which will be assumed pursuant to the Assumption Agreements;

“Assumed Liabilities” means (a) the liabilities of Sellers, if any, listed on Schedule 1.1; (b) the monetary obligations of Sellers under the Contracts listed on Schedule 1.2, Contracts not required pursuant to Section 4.7(a) to be listed on Schedule 1.2, Contracts entered into after the date hereof and prior to the Closing Date in accordance with this Agreement, and the Leases, in each case arising from and accruing with respect to the operation of the Stations after the Closing Date, except those Contracts and Leases, if any, included in the Excluded Assets; and (c) the monetary liabilities, obligations and claims resulting from the operation of the Stations prior to the Closing Date to the extent such liabilities, obligations and claims are subject of a Purchase Price adjustment in favor of Buyers pursuant to Section 2.4(f) and (d) those non-monetary obligations of Sellers not relating to a breach or default by Sellers under any such Contract or Lease of the type referred to in clause (b) above;

“Assumption Agreements” means instruments in the form of Exhibit “A-1” and Exhibit “A-2” attached hereto by which the Assumed Liabilities shall be assumed by Buyers;

“Avoidance Actions” means any and all actions which a trustee, a debtor-in-possession or other appropriate party in interest may assert on behalf of the estate under applicable state statute or Chapter 5 of Bankruptcy Code, including actions under one or more provisions of sections 542, 543, 544, 545, 546, 547, 548, 549, 550, 551 and 553;

“Bankruptcy Case” has the meaning set forth in the Recitals of this Agreement;

“Bankruptcy Code” has the meaning set forth in the Recitals of this Agreement;

“Bankruptcy Court” has the meaning set forth in the Recitals of this Agreement;

“Benefit Arrangements” means a benefit program or practice providing for bonuses, incentive compensation, vacation pay, severance pay, insurance, restricted stock, stock options, employee discounts, company cars, tuition reimbursement or any other perquisite or

benefit (including, without limitation, any fringe benefit under Section 132 of the Code) to employees, officers or independent contractors that is not a Plan;

“Bidding Procedures Order” means an order of the Bankruptcy Court, substantially in the form of Exhibit “B” hereto, with such changes as are reasonably acceptable to Buyers and Sellers;

“Bills of Sale and Assignment” means instruments in the form of Exhibit “C-1” and Exhibit “C-2” attached hereto, by which Sellers shall convey to Buyers title to the Accounts Receivable, the Business Records, the Customer Lists, the Equipment, the Intangible Property, the Licenses, the Miscellaneous Assets, the Motor Vehicles and the Trade Secrets;

“Business Records” means files and records, including schematics, technical information and engineering data, programming information, correspondence, books of account, employment records, customer files, purchase and sales records and correspondence, advertising records, files and literature, and FCC logs, files and records and other written materials of Sellers relating to any of the Stations other than those that are Excluded Assets;

“Buyers” has the meaning set forth in the Preamble to this Agreement;

“Buyers’ Closing Certificates” means the certificates of Buyers in the form of Exhibit “D-1” and Exhibit “D-2” attached hereto;

“Buyers’ Information” has the meaning set forth in Section 10.9(b);

“Buyers’ Performance Certificates” means the certificates of Buyers in the form of Exhibit “E-1” and Exhibit “E-2” attached hereto;

“Cash” means all moneys of Sellers relating to any of the Stations, whether in the form of cash, cash equivalents, marketable securities, short term investments or deposits in bank or other financial institution accounts of any kind;

“Closing” means the conference to be held at 10:00 a.m., Atlanta, Georgia time on the Closing Date at the offices of Greenberg Traurig, LLP, 3290 Northside Parkway, Suite 400, Atlanta, Georgia 30327, or at such other time and place as may be designated by counsel to Buyers’ lenders or as the parties may mutually agree to in writing, at which time the transactions contemplated by this Agreement shall be consummated;

“Closing Date” means (a) the date designated by Buyers upon at least five (5) days’ prior written notice to Sellers that is no later than ten (10) days after the last to occur of the date on which (i) FCC Consents have become Final Orders, provided, however, that Buyers in their sole discretion and upon ten (10) days’ prior written notice may waive the requirement that the FCC Consents have become Final Orders; or (ii) the conditions set forth in Article VII and Article VIII have been satisfied or waived, or (b) such other date as Buyers and Sellers may agree upon in writing. The Closing shall be deemed effective as of 12:01 a.m. on the first day subsequent to the Closing Date;

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

“Communications Laws” means the Communications Act of 1934, as amended, together with the rules, regulations and published policies of the FCC;

“Contract Assignments” means the Assignment and Assumption of Contracts, in the form of Exhibit “F-1” and Exhibit “F-2” attached hereto, by which Sellers shall assign the Contracts to Buyers and Buyers shall assume the then remaining rights and obligations of Sellers under the Contracts;

“Contracts” means those agreements (other than those included in the Excluded Assets and other than the Leases) under which the business of the Stations is conducted, whether written, oral or implied, including all contractual obligations incurred by Sellers for the Program Rights, including without limitation those agreements listed on Schedule 1.2;

“Copyrights” means all copyrights and copyright applications related to any of the Stations, including without limitation those items described on Schedule 1.3;

“Cure Costs” has the meaning set forth in Section 2.3(c);

“Customer Lists” means all lists, documents, written information and computer tapes and programs and other computer readable media used by or in any Seller’s possession concerning past, present and potential purchasers of advertising or services from any of the Stations;

“DBS” has the meaning set forth in Section 4.18;

“Disputed Amount” has the meaning set forth in Section 2.4(f);

“DMA” has the meaning set forth in Section 4.18;

“Environmental Laws” means the rules and regulations of the FCC, the Environmental Protection Agency and any other federal, state or local Government Authorities pertaining to human exposure to RF radiation and all laws, including statutes, regulations, ordinances, codes, and rules, as amended, relating to the discharge of air pollutants, water pollutants or process waste water or otherwise relating to the environment or Hazardous Materials or toxic substances or harmful physical agents, health and human safety, including, but not limited to, the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Federal Resource Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Occupational Safety and Health Act of 1979, as Amended, regulations of the Environmental Protection Agency, regulations of the Nuclear Regulatory Agency, and regulations of any state department of natural resources or state environmental protection agency now or at any time hereafter in effect;

“Equipment” means all machinery, equipment, furniture, fixtures, furnishings, toolings, parts, blank films and tapes and other items of tangible personal property owned or leased by Sellers that are used or useable in the operation of any of the Stations, including without limitation to those items listed on Schedule 1.4;

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

“Event of Loss” means any loss, taking, condemnation, damage or destruction of or to any of the Acquired Assets or any of the Stations;

“Excluded Assets” means (a) the Cash; (b) any and all claims of Sellers with respect to transactions prior to the Closing Date including, without limitation, claims for tax refunds and refunds of fees paid to the FCC, except to the extent such claims relate to Assumed Liabilities or the Acquired Assets; (c) all contracts of insurance entered into by Sellers; (d) all rights and obligations under any agreements listed on Schedule 1.5; (e) those other assets, if any, described on Schedule 1.5; (f) all assets related to the Stations’ Employee Benefit Plans; (g) books and records relating to the organization of Sellers; and (h) any other assets, contracts, or leases of the Sellers designated in writing by Buyers prior to the Closing Date;

“FCC” means the Federal Communications Commission;

“FCC Consents” means action by the FCC granting its consent to the assignment of the FCC Licenses from Sellers to Buyers;

“FCC Licenses” means all licenses, permits and authorizations issued or granted by the FCC to Sellers in connection with the operation of the Stations and associated auxiliary and other facilities authorized by the FCC, as listed on Schedule 1.6;

“FCC Licenses Assignments” means the instruments in the form of Exhibit “G-1” and Exhibit “G-2” attached hereto between Sellers and Buyers, by which Sellers assign the FCC Licenses to Buyers;

“Final Order” means an FCC Consent, with respect to which no action, request for stay, petition for rehearing or reconsideration, appeal or review by the FCC on its own motion is pending and as to which the time for filing or initiation of any such request, petition, appeal or review has expired;

“Financial Statements” means the audited consolidated financial statements of IMG and Sellers described in Section 4.11(a);

“Financing Lease” means any Lease that is properly characterized as a capitalized lease obligation in accordance with GAAP;

“First Lien Credit Documents” has the meaning set forth in the Recitals of this Agreement;

“GAAP” means United States generally accepted accounting principles as consistently applied by Sellers;

“Governmental Authority” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision (including the FCC), or any self-regulated organization or other non-governmental regulatory authority or quasi-Governmental Authority (to the extent that the

rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction;

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority;

“Hazardous Materials” means any wastes, substances, or materials (whether solids, liquids or gases) that are deemed hazardous, toxic, pollutants, or contaminants, including without limitation, substances defined as **“hazardous wastes,” “hazardous substances,” “toxic substances,” “radioactive materials,”** or other similar designations in, or otherwise subject to regulation under, any Environmental Laws. **“Hazardous Materials”** includes but is not limited to polychlorinated biphenyls (PCB’s) asbestos, lead-based paints, infectious wastes, radioactive materials and wastes and petroleum and petroleum products (including, without limitation, crude oil or any fraction thereof);

“Intangible Property” means: (a) the Copyrights; (b) the Trademarks; (c) the Trade Secrets; (d) all of the rights of the Sellers in and to the call letters **“KSCI,” “KUAN-LP”** and **“KIKU”**; (e) all slogans, phrases or logos of any of the Stations; (f) all domain names and websites associated with any of the Stations; (g) the economic rights in the FCC Licenses; and (h) all goodwill associated therewith and with the Acquired Assets;

“Interim Financial Statements” means the unaudited financial statements of IMG and Sellers described in Section 4.11(b);

“Knowledge of Sellers” or **“to the Sellers’ Knowledge”** means the actual knowledge of Dennis Davis or Douglas Keith or, with respect to the Hawaii Station, Phyllis Kihara, the general manager of the Hawaii Station, or knowledge which any of such Persons should have possessed upon a reasonable investigation of the business affairs of the Stations;

“Law” means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority;

“Lease Assignments” means the Assignment and Assumption of Leases in the form of Exhibit “H-1” and Exhibit “H-2” attached hereto, by which Sellers shall assign to Buyers the Leases;

“Lease Estoppel Letters” means letters from Persons who have leased real property to Sellers related to the Stations in the form of Exhibit “I” attached hereto or in such other form as is reasonably acceptable to Buyers’ lenders;

“Leases” means those leases of real property and Equipment related to the Stations as listed on Schedule 1.7;

“Lien” means any mortgage, deed of trust, pledge, hypothecation, security interest, encumbrance, claim, lien, lease (including any capitalized lease) or charge of any kind, whether voluntarily incurred or arising by operation of Law or otherwise, affecting any of the Acquired Assets or the Stations, including any agreement to give or grant any of the

foregoing, any conditional sale or other title retention agreement and the filing of or agreement to give any financing statement with respect to any of the Acquired Assets or the Stations under the Uniform Commercial Code of the States of California or Hawaii or comparable Law of any jurisdiction;

“Miscellaneous Assets” means all tangible and intangible assets used or useable in the operation of any of the Stations and not otherwise specifically referred to in this Agreement, including any warranties related to any of the Acquired Assets, excepting therefrom only the Excluded Assets;

“Motor Vehicles” means all motor vehicles owned by Sellers related to the operation of any of the Stations including without limitation those listed on Schedule 1.8;

“Motor Vehicle Title Certificates” means the official evidences of title to the Motor Vehicles;

“MVPD” means multichannel video programming distributor;

“MVPD Act Requirements” has the meaning set forth in Section 4.18;

“NRJ” has the meaning set forth in the Recitals;

“Permitted Liens” means the following Liens: (a) Liens existing on the Closing Date to remain on the Acquired Assets after the Closing as listed on Schedule 1.9; (b) Liens for taxes, assessments or other governmental charges or levies not yet due; (c) statutory Liens of landlords, carriers, warehousemen, mechanics, materialmen and other Liens imposed by Law created in the ordinary course of business of Sellers consistent with past practices for amounts not yet due; (d) Liens (other than any Lien imposed by ERISA) incurred or deposits made in the ordinary course of business of Sellers consistent with past practices in connection with worker’s compensation, unemployment insurance or other types of social security; (e) with respect to interests in real property, minor defects of title, easements, rights-of-way, restrictions and other similar charges or encumbrances not materially detracting from the value of such real property or interfering with the ordinary conduct of any of the Stations; and (f) Liens created by or through Buyers or any of their affiliates;

“Person” means any natural person, general or limited partnership, corporation, limited liability company or other entity;

“Plan” means any plan, program or arrangement, whether or not written, that is or was (a) an **“employee benefit plan”** as such term is defined in Section 3(3) of ERISA and (i) which was or is established or maintained by any Seller; (ii) to which any Seller contributed or was obligated to contribute or to fund or provide benefits; or (iii) which provides or promises benefits to any Person who performs or who has performed services for any Seller and because of those services is or has been (A) a participant therein or (B) entitled to benefits thereunder; (b) an **“employee pension benefit plan”** as such term is defined in Section 3(2) of ERISA, including, without limitation, any such plan that satisfies, or is intended by any Seller to satisfy, the requirements for tax qualification described in Section 401 of the Code; (c) a

“multiemployer plan” as such term is defined in Section 3(37) of ERISA; or (d) an **“employee welfare benefit plan”** as such term is defined in Section 3(1) of ERISA;

“Program Rights” means all rights of any Seller presently existing or obtained prior to the Closing, in accordance with this Agreement, to broadcast television programs or shows as part of any of the Stations’ programming and for which any Seller is or will be obligated to compensate the vendor of such Program Rights, including all film and program barter agreements;

“Purchase Price” means the credit bid sum, against the obligations owed to NRJ pursuant to the First Lien Credit Documents of Forty Five Million Dollars (\$45,000,000) adjusted pursuant to Section 2.4;

“Retained Liabilities” means all the obligations and liabilities of Sellers whether now existing or previously or hereafter incurred other than the Assumed Liabilities, which Retained Liabilities shall include but not be limited to (a) all taxes that result from or have accrued in connection with the operation of any of the Stations prior to the Closing Date; (b) monetary liabilities and obligations arising under Contracts and Leases transferred to Buyers in accordance with this Agreement to the extent such liabilities and obligations arise during or relate to or have accrued in connection with any period prior to the Closing except to the extent any such liabilities have been taken into account in adjusting the Purchase Price pursuant to Section 2.4; (c) all monetary liabilities and obligations accruing with respect to the operation of any of the Stations prior to the Closing except to the extent any such liabilities have been taken into account in adjusting the Purchase Price pursuant to Section 2.4; (d) non-monetary liabilities and obligations arising under Contracts and Leases transferred to Buyers in accordance with this Agreement to the extent such liabilities and obligations relate to a breach or default under any such Contract or Lease prior to the Closing; (e) all liabilities related to the Stations Employee Benefit Plans; and (f) all liabilities and obligations of IMG or Sellers under this Agreement and any other agreement entered into in connection herewith;

“Sale” means the sale, assignment and conveyance of the Acquired Assets from Sellers to Buyers in accordance with this Agreement;

“Sale Motion” means the motion or motions of IMG and Sellers, in form and substance reasonably acceptable to Buyers, IMG and Sellers, seeking approval and entry of the Bidding Procedures Order and the Sale Order;

“Sale Order” means an order of the Bankruptcy Court substantially in the form of Exhibit “J” hereto, with such changes as are reasonably acceptable to IMG, Buyers and Sellers;

“Schedules” means those schedules referenced to in this Agreement which have been bound in that separate volume executed by or on behalf of the parties, and delivered concurrently with the execution of this Agreement, which schedules and volume are hereby incorporated herein and made a part hereof;

“Sellers” has the meaning set forth in the Preamble to this Agreement;

"Sellers' Closing Certificates" means the certificates of Sellers in the form of Exhibit "K-1" and Exhibit "K-2" attached hereto;

"Sellers' Information" has the meaning set forth in Section 10.9(a);

"Sellers' Performance Certificates" means the certificates of Sellers in the form of Exhibit "L-1" and Exhibit "L-2" attached hereto;

"Stations" has the meaning set forth in the Recitals;

"Station Employee" means an employee of any of the Stations as of the Closing Date;

"Station Employee Benefit Plans" means any Plan or Benefit Arrangement in which any current, former or retired employee of any Seller participates;

"Trade Secrets" means all proprietary information of Sellers relating to any of the Stations;

"Trademarks" means all of those names, trademarks, service marks, jingles, slogans, logos, trademark and service mark registrations and trademark and service mark applications owned, used, held for use, licensed by or leased by any Seller relating to any of the Stations including without limitation those set forth on Schedule 1.10;

"Trademark Assignments" means instruments in the form of Exhibit "M-1" and Exhibit "M-2" attached hereto, by which Sellers shall convey to Buyers the Trademarks;

"Tradeout Agreement" means any contract, agreement or commitment of any Seller, oral or written, pursuant to which any Seller has sold or traded commercial air time of any of the Stations in consideration for any property or services in lieu of or in addition to Cash, excluding film and program barter agreements; and

"Transferred Employee" means a Station Employee who becomes an employee of Buyers as contemplated by Section 9.2.

Section 1.2. Construction. Where the context so requires or permits, the use of the singular form includes the plural, and the use of the plural form includes the singular, and the use of any gender includes any and all genders. Except as specifically set forth herein, all Section and Article references are to Sections and Articles of this Agreement.

ARTICLE II PURCHASE AND SALE

Section 2.1. Purchase and Sale. At the Closing on the Closing Date, and upon all of the terms and subject to all of the conditions of this Agreement and subject to Bankruptcy Court approval of this Agreement as provided under Sections 363(b) and 363(f) of the Bankruptcy Code and entry of the Sale Order, Sellers shall sell, assign, convey, transfer and deliver the Acquired Assets to Buyers, and Buyers shall purchase the Acquired Assets from the Sellers,

including all of Sellers' legal and equitable interests therein. Notwithstanding any provision of this Agreement to the contrary, Sellers shall not transfer, convey or assign to Buyers, but shall retain, all of their right, title and interest in and to the Excluded Assets.

Section 2.2. Payment on Closing. At the Closing on the Closing Date:

(a) Buyers shall deduct the Purchase Price from the amounts owed to NRJ pursuant to the First Lien Credit Documents; and

(b) Buyers shall assume the Assumed Liabilities pursuant to the Assumption Agreements.

Section 2.3. Closing Date Deliveries. At the Closing on the Closing Date:

(a) Sellers shall deliver, or cause to be delivered to Buyers, properly executed and dated as of the Closing Date: (i) the Assumption Agreements; (ii) the Bills of Sale and Assignment; (iii) the Contract Assignments; (iv) the FCC Licenses Assignments; (v) the Lease Assignments; (vi) the Lease Estoppel Letters; (vii) the Motor Vehicle Title Certificates; (viii) Sellers' Closing Certificates; (ix) Sellers' Performance Certificates; (x) the Trademark Assignments; (xi) a certificate of existence or good standing from the Secretary of State of each Seller's state of formation; and (xiii) such other documents as provided in Article VII hereof or as Buyers shall reasonably request;

(b) in addition to the payments or actions described in Section 2.2, Buyers shall deliver, or cause to be delivered to Sellers, properly executed and dated as of the Closing Date: (i) the Assumption Agreements; (ii) the Bills of Sale and Assignment; (iii) Buyers' Closing Certificates; (iv) Buyers' Performance Certificates; (v) the Contract Assignments; (vi) the FCC Licenses Assignments; (vii) the Lease Assignments; (viii) the Trademark Assignments; (ix) a certificate of existence or good standing from the Secretary of State of each Buyer's state of formation; and (x) such other documents as provided in Article VIII hereof or as Sellers shall reasonably request; and

(c) to the extent any amount is required to be paid to cure any monetary defaults which exist as of the Closing Date with respect to any of the Assigned and Assumed Agreements, Buyers shall cure such monetary defaults at or prior to the Closing to the extent such cure is required by Section 365 of the Bankruptcy Code (any such amounts paid to cure any such defaults, being referred to as the "**Cure Costs**"). Section 2.3(c) of the Disclosure Schedule sets forth the Cure Costs that Buyers reasonably believes due and payable. If, following the date hereof, Buyers determine to assume any contract or agreement that is specified herein as an Excluded Asset as of the date hereof, Buyers shall be required to cure all monetary defaults, solely with respect to such newly assumed contracts or agreements, at or prior to the Closing to the extent such cure is required by Section 365 of the Bankruptcy Code.

Section 2.4. Adjustments to Purchase Price.

(a) All prepaid revenue, prepaid expenses, accrued income and accrued expenses of the Stations as of the end of the Closing Date shall, except as otherwise expressly provided

herein, be adjusted and allocated between Sellers and Buyers to reflect the principle that all revenue, income and expenses arising from the operation of the Stations or relating to the Acquired Assets prior to the Closing Date shall be for the account of Sellers, and all revenue, income and expenses arising from the operation of the Stations from and after the Closing Date shall be for the account of Buyers.

(b) Any and all rebates that, under any agreements in effect on the Closing Date, may be payable after such date to any advertiser or other user of the Stations' facilities, based in part on business, advertising or services prior to the Closing Date, shall be borne by Sellers and Buyers ratably in proportion to revenues received or volume of business done by each during the applicable period. Any and all agency commissions which are subject to adjustment after the Closing based on revenue, volume of business done or services rendered in part before the Closing Date and in part on or after the Closing Date shall be borne by Sellers and Buyers ratably in proportion to the revenue, volume of business done or services rendered, as the case may be, by each during the applicable period.

(c) Buyers shall receive a credit against the Purchase Price to the extent any liabilities of the Stations as set forth on the books of the Stations, in accordance with GAAP, under Tradeout Agreements on the Closing Date exceed the value, as set forth on the books of the Stations in accordance with GAAP, of any assets from Tradeout Agreements as of the date received; and Sellers shall receive credit in the Adjustment List and against other credits of Buyers, to the extent any liabilities of the Stations as set forth on the books of the Stations, in accordance with GAAP, under Tradeout Agreements on the Closing Date are less than the value, as set forth on the books of the Stations in accordance with GAAP, of any assets from Tradeout Agreements as of the date received.

(d) To the extent not inconsistent with the express provisions of this Agreement, the allocations made pursuant to this Section 2.4 shall be made in accordance with GAAP.

(e) Net settlement of the adjustments contemplated under this Section 2.4 shall be made at the Closing, if feasible. For items not readily subject to ascertainment at the Closing, the following procedures shall apply. Buyers shall prepare and deliver to Sellers within thirty (30) business days following the Closing Date, or such earlier or later date as shall be mutually agreed to by Sellers and Buyers, an itemized list (the "**Adjustment List**") of all sums that are an increase or decrease to the Purchase Price, with a brief explanation thereof. Such list shall show the net amount of the increase or decrease to the Purchase Price (the "**Adjustment Amount**"). If the Adjustment Amount is a decrease to the Purchase Price, Buyers shall be granted an increased allowed claim in Sellers' Bankruptcy Case equal to such amount. If the Adjustment Amount is an increase to the Purchase Price, Buyers shall reduce the amount owed by Sellers pursuant to the First Lien Credit Documents in a corresponding amount. Except as provided otherwise in Section 2.4(f), payment of the Adjustment Amount shall be made not later than ten (10) business days following the delivery of the Adjustment List.

(f) Not later than ten (10) business days following the delivery of the Adjustment List, Sellers may furnish Buyers with written notification of any dispute concerning any items shown thereon or omitted therefrom together with a detailed explanation in support of Sellers'

position in respect thereof. Buyers and Sellers shall consult to resolve any such dispute for a period of ten (10) business days following the notification thereof. In the event of any such dispute, that portion of the Adjustment Amount that is not in dispute shall be paid to the party entitled to receive the same on the day for payment provided in Section 2.4(e). If such ten (10) business day consultation period expires and the dispute has not been resolved, the matter shall be referred to an independent public accounting firm mutually agreed upon by Sellers and Buyers (the “**Accountants**”), which shall resolve the dispute and shall render its decision (together with a brief explanation of the basis therefore) to Buyers and Sellers not later than twenty (20) business days following submission of the dispute to it; provided, however, if Buyers and Sellers are unable to mutually agree upon an independent public accounting firm, then Buyers and Sellers shall each choose an independent public accounting firm and those firms shall appoint a third independent public accounting firm to act as the Accountants. The disputed portion of the Adjustment Amount (the “**Disputed Amount**”) shall be paid by the party required to pay the same within five (5) business days after the delivery of a copy of such decision to Sellers and Buyers. The fees and expenses of the Accountants shall be paid by Buyers.

(g) The Adjustment List (to the extent not disputed within the specified period by Sellers), any mutually agreed written settlement of any such dispute concerning the Adjustment List and any determination of disputed items by the Accountants shall be final, conclusive and binding on the parties hereto absent manifest error.

Section 2.5. Non-Assumption of Liabilities. Buyers do not and shall not assume or become obligated to pay any debt, obligation or liability of any kind or nature of Sellers or the Stations, whether or not incurred or accrued in connection with the operation of the Stations, except the Assumed Liabilities or such other liabilities or charges as are specifically allocated to Buyers elsewhere in this Agreement.

Section 2.6. Taxes. All federal, state, local and other transfer, sales and use taxes applicable to, imposed upon or arising out of the transfer to Buyers of the Acquired Assets as contemplated by this Agreement shall be paid by Buyers.

Section 2.7. Risk of Loss. Subject to Section 9.1 hereof, the risk of all Events of Loss prior to the Closing shall be upon Sellers and the risk of all Events of Loss at or subsequent to the Closing shall be upon Buyers.

Section 2.8. Allocation of Purchase Price. The Purchase Price will be allocated among each item or class of the Acquired Assets and allocated between the LA Stations and the Hawaii Station based upon an appraisal to be paid by Buyers to be conducted by BIA-Kelsey under the residual method of allocating assets, which allocation shall be incorporated in a schedule to be provided by Buyers and executed by the parties within one hundred twenty (120) days after the Closing. Buyers and Sellers agree to report such allocation to the Internal Revenue Service in the form required by Treasury Regulation 1.1060T.

Section 2.9. Access of Sellers. After Closing, Sellers and their authorized agents, officers and representatives, upon prior written request, shall have access to the appropriate records of Buyers to conduct such examination and investigation as Sellers deem necessary to assure

compliance with this Article 2, and to permit Sellers to comply with its tax reporting compliance requirements, provided that such examination and investigation shall be during the Stations' normal business hours, shall not unreasonably interfere with the Stations' operations and activities and shall not constitute Sellers' exercising control over the Stations under Communications Laws.

ARTICLE III

GOVERNMENTAL APPROVALS AND CONTROL OF STATIONS

Section 3.1. FCC Consents. It is specifically understood and agreed by Buyers and Sellers that the Closing shall be in all respects subject to, and conditioned upon, the receipt of prior FCC Consents. Buyers and Sellers shall prepare and file with the FCC as soon as practicable but in no event later than ten (10) business days after the entry of the Sale Order by the Bankruptcy Court, all requisite applications and other necessary instruments and documents to request the FCC Consents. After the aforesaid applications, instruments and documents have been filed with the FCC, Buyers and Sellers shall prosecute such applications with all reasonable diligence and take all steps reasonably necessary to obtain the requisite FCC Consents. No party hereto shall take any action that such party knows or should know would adversely affect obtaining an FCC Consent, or adversely affect an FCC Consent becoming a Final Order. Buyers shall pay all FCC filing or transfer fees relating to the transactions contemplated hereby irrespective of whether the transactions contemplated by this Agreement are consummated and irrespective of whether such fees are assessed before or after the Closing.

Section 3.2. Control Prior to Closing. Between the date hereof and the Closing Date, Buyers shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct, the operation of the Stations. Such operation, including complete control and supervision of all programs, employees and policies, shall be the sole responsibility of Sellers. Neither title nor right to possession of the Acquired Assets shall pass to Buyers until the Closing, but Buyers shall, however, be entitled to reasonable inspection of the Stations and the Acquired Assets (upon reasonable prior notice) during normal business hours with the purpose that an uninterrupted and efficient transfer of the assets and business of the Stations may be accomplished. After the Closing, Sellers shall have no right to control the Stations, and Sellers shall have no reversionary rights in the Stations.

Section 3.3. Other Governmental Approvals. Promptly following the entry of the Sale Order by the Bankruptcy Court, Buyers and Sellers shall proceed to prepare and file with the appropriate Governmental Authorities any other requests for approvals or waivers, if any, that are required from other Governmental Authorities in connection with the Closing, and shall diligently and expeditiously prosecute, and shall cooperate fully with each other in the prosecution of, such requests for approvals or waivers and all proceedings necessary to secure such approvals and waivers. Buyers shall pay all fees required to be paid in connection with the approvals and waivers under this Section 3.3 which relate to the transactions contemplated hereby, irrespective of whether the transactions contemplated by this Agreement are consummated.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF IMG AND SELLERS

IMG and Sellers represent and warrant to Buyers as follows:

Section 4.1. Organization. IMG and each Seller is a corporation duly organized, validly existing and in good standing under the Law of the State of Delaware and IMG and each LA Seller is qualified to do business as a foreign corporation in California and in each jurisdiction where the failure to be so qualified and in good standing would have a material adverse effect on IMG or the LA Seller. Each Hawaii Seller is qualified to do business as a foreign corporation in Hawaii and in each jurisdiction where the failure to be so qualified and in good standing would have a material adverse effect on the Hawaii Sellers. Sellers have the power and authority to own, lease, and operate the Acquired Assets and to conduct the business of the Stations as it is now being conducted. Complete and correct copies of the certificates of incorporation of each of IMG and the Sellers as in effect through the date hereof have been delivered to Buyers.

Section 4.2. Authorization; Enforceability. The execution, delivery and performance of this Agreement and all of the documents and instruments required hereby by each Seller are within the corporate power of IMG and each Seller and have been duly authorized by all necessary corporate action by IMG and each Seller. Subject to Bankruptcy Court approval, this Agreement is, and the other documents and instruments required hereby will be, when executed and delivered by IMG and each Seller, the valid and binding obligations of IMG and each Seller, enforceable against IMG and each Seller in accordance with their respective terms, subject only to bankruptcy, insolvency, reorganization, moratorium or similar laws at the time in effect affecting the enforceability or rights of creditors generally and by general equitable principles, which may limit the right to obtain equitable remedies.

Section 4.3. Absence of Conflicting Agreements. Except as set forth on Schedule 4.3, neither the execution, delivery or performance of this Agreement in accordance with its terms by IMG or any Seller nor the consummation of the sale and purchase of the Acquired Assets or any other transaction contemplated by this Agreement, does or will, after the giving of notice, or the lapse of time or both, or otherwise:

(a) conflict with, result in a breach of, or constitute a default under, (i) the certificates of incorporation or by-laws of IMG or any Seller, or (ii) any Law or Governmental Order applicable to IMG or any Seller;

(b) result in the creation of any Lien upon any of the Acquired Assets, except for Permitted Liens;

(c) assuming that the required consents disclosed on Schedule 4.3 are obtained, conflict with, result in a termination, amendment or modification of, or cause any acceleration of any obligation of IMG or any Seller under any material contract, agreement, arrangement, commitment or plan to which any Seller is a party or by which IMG or any Seller is bound and which relates to the ownership or operation of any of the Stations or the Acquired Assets; or

(d) require the consent, waiver, approval, permit, license, clearance or authorization of, or any declaration or filing with, any Governmental Authority other than the FCC Consents and the approval of the Bankruptcy Court.

Section 4.4. Acquired Assets. The Acquired Assets include all of the assets, properties and rights of every type and description, real, personal and mixed, tangible and intangible, that are necessary for, used or useable in the conduct of the business of owning and operating the Stations in the manner in which the Stations have been and are now operated, with the exception of the Excluded Assets. All inventories of supplies, tubes and spare parts necessary or appropriate for the operation of the Stations are at levels substantially consistent with past operations of the Stations, subject to monthly and seasonal variances.

Section 4.5. Title to Acquired Assets; Liens and Encumbrances. Except as set forth on Schedule 4.5, Sellers own good and marketable title to or have valid leasehold interests in all of the Acquired Assets free and clear of any and all Liens except for Permitted Liens and the Liens granted under the First Lien Credit Documents.

Section 4.6. Equipment. Except as set forth on Schedule 4.6:

(a) each material item of Equipment is in good condition and repair, ordinary wear and tear excepted, and is not in need of imminent repair, modification or replacement and those material items of Equipment constituting transmitting and studio equipment are operating in accordance with standards of good engineering practice in the television broadcasting industry;

(b) the Equipment includes all items of tangible personal property utilized in connection with owning and operating the Stations other than tangible personal property which is an Excluded Asset; and

(c) the list of Equipment on Schedule 1.4 is a true and correct list of all items of tangible personal property having a book value in excess of \$500 necessary for or used in the operation of any of the Stations in the manner in which they have been and are now operated other than tangible personal property which is an Excluded Asset.

Section 4.7. The Contracts. Except as set forth on Schedule 4.7:

(a) Schedule 1.2 lists all Contracts except for (i) agreements (other than Tradeout Agreements) for the sale of time on any of the Stations that involve the purchase of less than \$10,000 in advertising time and require performance over a period of less than sixty (60) days, and (ii) other agreements which are cancelable by Sellers or their assignee without breach or penalty on not more than thirty (30) days notice and which involve average annual payments or receipts by the Stations of less than \$10,000 in the case of any single contract and \$100,000 in the aggregate;

(b) Sellers have performed, or are in compliance with, each material term, covenant and condition of each of the Contracts required to be listed on Schedule 1.2, and no material default or any event which with the passing of time or giving of notice would

constitute a default on the part of any Seller and, to the Knowledge of Sellers, any other party thereto exists under any of the Contracts;

(c) each of the Contracts listed on Schedule 1.2 is in full force and effect, unimpaired by any acts or omissions of any Seller, and constitutes the legal and binding obligation of, and is legally enforceable against Sellers, and to the Knowledge of Sellers, against each other party thereto in accordance with its terms;

(d) Sellers have furnished true and complete copies of all Contracts listed on Schedule 1.2, including all amendments, modifications and supplements thereto, and Schedule 1.2 contains summaries of all oral contracts;

(e) Schedule 1.2 sets forth an accurate and complete list of all Tradeout Agreements, and sets forth for each Tradeout Agreement the parties thereto, the value of broadcast time required to be provided on any of the Stations from and after the date shown on such Schedule and the value of goods and services to be provided to any of the Stations from and after such date; and

(f) except for those agreements that require consent to assignment listed on Schedule 4.3, the Contracts required to be listed on Schedule 1.2 are fully assignable to Buyers without the consent, approval or waiver of any other Person.

Section 4.8. Intangible Property. Except as set forth on Schedule 4.8:

(a) there are no Actions instituted, pending or, to the Knowledge of Sellers, threatened by any third party pertaining to or challenging any Seller's right to use any of the Intangible Property;

(b) to the Knowledge of Sellers, no Seller is infringing upon or otherwise acting adversely to any trademark, trade name, patent or copyright owned by a third party;

(c) there are no royalty agreements between any Seller and any third party relating to any of the Intangible Property;

(d) the Intangible Property constitutes all of the intangible and intellectual property interests and other intellectual property necessary or appropriate for or used in the operation of the Stations (other than Copyrights and Trademarks with respect to Program Rights); and

(e) all Copyrights and Trademarks are listed on Schedule 1.3 and Schedule 1.10, respectively, all of which are transferable to Buyers by the sole act of Sellers.

Section 4.9. Real Property. No Seller owns any real property.

Section 4.10. The Leases. Except as set forth on Schedule 4.10:

(a) the Leases described on Schedule 1.7 constitute all of the lease agreements between any Seller and third parties relating to the operation of any of the Stations or the Acquired Assets;

(b) Sellers have performed each material term, covenant and condition of each of the Leases that is required to be performed by any Seller at or before the date hereof, and no material default or event which with the passing of time or giving of notice or both would constitute a default on the part of any Seller and, to the Knowledge of Sellers, on the part of any other party thereto, exists under any Lease;

(c) each of the Leases is in full force and effect, unimpaired by any acts or omissions of any Seller, and constitutes the legal and binding obligation of, and is legally enforceable against Sellers, and to the Knowledge of Sellers, against each other party thereto in accordance with its terms;

(d) Sellers have furnished true and complete copies of the written Leases to Buyers, including any and all amendments thereto;

(e) there are no leasing commissions or similar payments due, arising out of, resulting from or with respect to any Lease that are owed by any Seller;

(f) except for the required third-party consents listed on Schedule 4.3, Sellers' right, title and interest in and to each of the Leases is fully assignable to Buyers without the consent, waiver or approval of any Person; and

(g) each of Sellers' Financing Leases is listed as such on Schedule 4.10.

Section 4.11. Financial Statements and Interim Financial Statements.

(a) Attached as Schedule 4.11(a) are true and complete copies of the audited consolidated and consolidating balance sheet of IMG and Sellers as at December 31, 2010 and the related consolidated and consolidating statements of income and changes in cash flow for the fiscal year then ended. The Financial Statements are in accordance with the books and records of IMG and Sellers, have been prepared in accordance with GAAP applied on a basis consistent with preceding years and present fairly in all material respects the financial condition of IMG and Sellers as at the date indicated and the results of its operations and changes in cash flows for the period then ended.

(b) Attached as Schedule 4.11(b) are true and complete copies of (i) the unaudited consolidated balance sheets of IMG and Sellers as at October 31, 2011, and the related consolidated statements of income and changes in cash flows for the month then ended and (ii) the separate unaudited balance sheets of the LA Sellers and the Hawaii Sellers and the related statements of income and changes in cash flow for the month then ended. The Interim Financial Statements are in accordance with the books and records of IMG and Sellers, have been prepared in accordance with GAAP applied on a basis consistent with the Financial Statements and present fairly in all material respects the financial condition of IMG and Sellers as at the date indicated and the results of their operations and changes in financial position for the period then ended; subject, however, to year-end adjustments which, in the aggregate, will not be materially adverse and provided that the Interim Financial Statements do not contain footnotes and lack other presentation items.

(c) When delivered, the monthly financial reports required to be delivered pursuant to Section 6.4 shall have been prepared in conformity with GAAP applied on a basis consistent with the Financial Statements and will present fairly in all material respects the financial condition of IMG and Sellers as at the dates indicated and the results of its operations for the periods then ended; subject, however, to year-end adjustments which, in the aggregate, will not be materially adverse, and provided, that such financial reports will not contain footnotes.

(d) The intercompany accounts, if any, which are listed on Schedule 1.5 as Excluded Assets are not included in and do not affect the net operating income calculations presented in either the Financial Statements or the Interim Financial Statements.

Section 4.12. No Changes. Except as set forth on Schedule 4.12 or as otherwise contemplated by this Agreement, since December 31, 2010, there has not been any:

(a) contract, transaction or commitment by any Seller with respect to any of the Stations except in the ordinary course of business consistent with past practices conducted as of that date;

(b) material adverse change in the financial condition, liabilities, assets or results of operation of any of the Stations;

(c) default under any indebtedness of IMG or Sellers, or any event which with the lapse of time or the giving of notice, or both, would constitute such a default;

(d) amendment or termination of any Contract, Lease, or FCC License to which any Seller is a party, except in the ordinary course of business;

(e) increase in compensation paid, payable or to become payable by Sellers to any of their employees at the Stations or any material change in personnel policies or benefits, except in the ordinary course of business consistent with past practices;

(f) extraordinary losses (whether or not covered by insurance) or waiver by any Seller of any extraordinary rights of value;

(g) commitment to or liability to any labor organization which represents, or proposes to represent, employees of any of the Stations;

(h) lowering of the advertising rates of any of the Stations in a manner not consistent with past practices or not reflective of current market conditions;

(i) notice from any sponsor or any customer as to the sponsor's or customer's intention not to conduct business with any of the Stations, the result of which loss or losses of business, individually or in the aggregate, has had, or could reasonably be expected to have, a material adverse effect on any of the Stations;

(j) change in MVPD carriage or channel position on which any of the Stations is carried;

(k) notification to any Seller or any of the Stations by any MVPD that any Station may not be entitled to must carry rights either because any Station fails to meet the requisite signal strength for such status or any Station would be considered a distant signal under the cable compulsory copyright license, 17 U.S.C. § 111;

(l) write down of the value of any assets or write off as uncollectible any Accounts Receivable except in the ordinary course of business, none of which individually or in the aggregate are material;

(m) change in any of the Stations' method of accounting;

(n) sale, assignment, lease or other transfer or disposition of any of the Acquired Assets or properties of any of the Stations except in the ordinary course of business or in connection with the acquisition of similar property or assets in the ordinary course of business;

(o) other event or condition of any character, that had or might reasonably have a material adverse effect on any Seller or any of the Stations' financial condition, business or assets; or

(p) agreement by any Seller to do any of the foregoing.

Section 4.13. No Litigation; Labor Disputes; Compliance with Laws. Except as set forth on Schedule 4.13:

(a) except for FCC rulemaking proceedings generally affecting the television broadcasting industry, there is no Action before or by any Governmental Authority or any third party pending or, to the Knowledge of Sellers, threatened, to which any Seller is a party or otherwise relating to any of the Stations or the Acquired Assets;

(b) to the Knowledge of Sellers, there is no Action by any Governmental Authority pending or threatened, which is specifically concerned with the operations, business or affairs of IMG, any Seller, any of the Stations or the Acquired Assets;

(c) none of the Stations is subject to or bound by any labor agreement or collective bargaining agreement, there is no labor dispute, grievance, controversy, strike or request for union representation pending or, to the Knowledge of Sellers, threatened against any Seller relating to or affecting the business or operations of any of the Stations and, to the Knowledge of Sellers, there has been no occurrence of any events which would give rise to any such labor dispute, controversy, strike or request for representation; and

(d) Sellers own and operate, and have owned and operated, each of the Stations and the Acquired Assets and have carried on and conducted, the business and affairs of each of the Stations in material compliance with all Laws and all Governmental Orders or processes, including but not limited to FCC, Occupational Safety and Health Administration, Equal Employment Opportunity Commission, National Labor Relations Board and Environmental Protection Agency. Each of the Stations comply in all material respects with

all applicable Laws pertaining to equal employment opportunity, including, without limitation, those of the FCC.

Section 4.14. Taxes. Except as disclosed on Schedule 4.14:

(a) IMG and each Seller have duly and timely filed all required federal, state and local tax returns, reports and estimates for all years and periods (and portions thereof) for which any such returns, reports and estimates were due, and any and all amounts shown on such returns and reports to be due and payable have been paid in full except as may be contested in good faith. All of such returns, reports and estimates are true and complete in all respects. Each Seller has withheld all tax required to be withheld under applicable Law and regulations, and such withholdings have either been paid to the proper governmental agency or set aside in accounts for such purpose, or accrued, reserved against and entered upon the books of each Seller, as the case may be; and

(b) there are, and after the date of this Agreement will be, no tax deficiencies (including penalties and interest) of any kind assessed against or relating to Sellers or the Acquired Assets with respect to any taxable periods ending on or before, or including, the Closing Date of a character or nature that would result in Liens or claims on any of the Acquired Assets or on Buyers' title or use of the Acquired Assets or that would result in any claim against Buyers or the Acquired Assets.

Section 4.15. Governmental Authorizations. Sellers hold, and on the Closing Date Sellers will hold, all of the FCC Licenses, which, collectively, are all of the licenses, permits and authorizations required to operate the Stations as television broadcast Stations in substantially the same manner as they are being operated as of the date hereof. Schedule 1.5 includes a true and complete list of the FCC Licenses and all pending applications for FCC licenses, permits and authorizations applied for in connection with the operation of each of the Stations and associated auxiliary and other facilities. Sellers have delivered to Buyers true and complete copies of the FCC Licenses (including amendments and modifications thereto). The FCC Licenses are in full force and effect and have been validly issued and KSLS is the authorized legal holder of the FCC Licenses related to the LA Stations and KHLS is the authorized legal holder of the FCC Licenses related to the Hawaii Station. Except as set forth on Schedule 4.15, no qualifications, registrations, filings, privileges, franchises, licenses, permits, approvals or authorizations other than the FCC Licenses and those as set forth on Schedule 4.15 are required for the LA Sellers to own and operate the LA Stations in the manner operated on the date hereof or for the Hawaii Sellers to own and operate the Hawaii Station in the manner operating on the date hereof. As of the date hereof, no Action is pending or, to the Knowledge of Sellers, threatened before the FCC or any other Governmental Authority to revoke, refuse to renew or modify such FCC Licenses or other authorizations of any of the Stations. Except as set forth on Schedule 4.15, Sellers have no reason to believe that any of the FCC Licenses would not be renewed for a full term with no adverse conditions by the FCC or other granting authority in the ordinary course. None of the Stations was silent or operating on less than the required minimum schedule for a period of more than thirty (30) days during the current license term.

Section 4.16. Compliance with Communications Laws. Except as set forth on Schedule 4.16, each of the Stations, its physical facilities, electrical and mechanical systems and transmitting and studio equipment are being and have been operated in all material respects in accordance with the specifications of the applicable FCC Licenses and with each document submitted in support of such FCC Licenses, and each of the Sellers and each of the Stations are in compliance in all material respects with all Communications Laws. The Sellers do not own any antenna structures that require registration with the Federal Aviation Administration or the FCC. Except as set forth on Schedule 4.16, all material obligations, reports and other filings required by the FCC with respect to the Stations, including without limitation items required to be placed in each of the Stations' public inspection files have, in all material respects been duly and currently filed as of the date hereof, and are true and complete in all material respects and after the Closing Date, Sellers shall furnish to Buyers all information required by the FCC relating to the operation of the Stations prior to the Closing Date. Except as set forth on Schedule 4.16, each of the Stations has complied in all material respects with the Communications Laws concerning limits on the duration of advertising in children's programming, and each Seller has fulfilled its obligations with respect to children's programming responsive to the educational and informational needs of children; and the recordkeeping obligations related thereto. Except as set forth on Schedule 4.16, to the Knowledge of Sellers, there are no matters relating to Sellers or the Stations that might reasonably be expected to result in the denial or delay of the FCC Consents.

Section 4.17. Insurance. Schedule 4.17 is a correct list of all liability and casualty insurance and errors and omissions insurance policies insuring the business, properties and assets of each of the Stations. All of such policies are in full force and effect and are for such coverage and in such amounts as is usual and customary for businesses similar to that of Sellers. No Seller is in default with respect to such insurance policies, nor has any Seller failed to give any notice or present any claim under any policies in a due and timely fashion.

Section 4.18. MVPD Matters. The attached Schedule 4.18 sets forth (or has appended to it) for each of the Stations, the items described in clauses (a) through (h) below:

(a) a list of all U.S. cable television systems and direct broadcast satellite ("DBS") systems which, to Sellers' knowledge carry a Station's signal and in what Designated Market Area ("DMA") each MVPD carries a Station's signal;

(b) a list of all MVPD Systems to which a Station has provided a must-carry notice or retransmission consent notice in accordance with the provisions of the Cable Television Consumer Protection and Competition Act of 1992 and the Satellite Home Viewers Improvement Act of 1999, and the Satellite Home Viewer Extension and Reauthorization Act of 2004, all as amended, and FCC regulations implementing such statutes (collectively, the "MVPD Act Requirements");

(c) a list of all retransmission consent and/or copyright indemnification agreements, if any, entered into by any Seller with respect to each Station;

(d) a list of all retransmission consent notices referred to in clause (b) above, if any, which were not delivered to the MVPD System in question on or before the date required

under the MVPD Act Requirements for such notices to be effective for the three-year period ending on December 31, 2011, for cable, or the election cycle ending on December 31, 2011, for DBS or any upcoming election cycle;

(e) a list of all MVPD Systems, if any, which are carrying each Station's signal and which have given notice of such MVPD System's intention to delete a Station from carriage or to change a Station's channel position on such MVPD system, other than pursuant to any agreement described in clause (c) above;

(f) a list of all notices, if any, received from any MVPD System alleging that a Station does not deliver an adequate signal level, as defined in 47 C.F.R. § 76.55(c)(3), to such Market MVPD System's principal headend or local receive facility (other than any such notice as to which such failure has been remedied or been determined not to exist), and all further correspondence with or from any such MVPD System relating to such notice;

(g) a list of all pending petitions for special relief to include any additional community or area as part of a Station's television market, as defined in 47 C.F.R. § 76.55(e), if any; and

(h) a list of all pending petitions for special relief requesting the deletion of any community or area from a Station's television market, if any.

Sellers have furnished to Buyers true and correct copies of all notices, agreements, correspondence, petitions and other items described in clauses (a) through (h) of this Section 4.18.

Section 4.19. Brokers. Neither this Agreement nor the sale and purchase of the Acquired Assets or any other transaction contemplated by this Agreement was induced or procured through any Person acting on behalf of or representing IMG or any Seller as broker, finder, investment banker, financial advisor or in any similar capacity, other than the Persons listed on Schedule 4.19, whose fees and expenses shall be paid and satisfied by Sellers at the Closing.

Section 4.20. Powers of Attorney. Except as set forth on Schedule 4.20, there are no Persons holding a power of attorney on behalf of any Seller that would enable such Persons to sell the Acquired Assets.

Section 4.21. Employees. Schedule 4.21 is a true and complete list of all of Sellers' employees which list identifies the name and position of such employees, and the following compensation information for fiscal year 2011: (a) annual base salary; (b) annual bonus; (c) commissions, (d) perquisites; (e) severance; and (f) all other items of compensation. Except as set forth on Schedule 4.21 hereto, there are no collective bargaining agreements, employment agreements, consulting agreements or independent contractor agreements to which any Seller is a party relating to any of the Stations which are not terminable at will. The consummation of the transactions contemplated under this Agreement will not cause Buyers to incur or suffer any liability relating to, or obligation to pay, severance, termination, or other payments to any Person or entity. Schedule 4.21 includes all employees of any Seller who are on unpaid leave pursuant to the Family and Medical Leave Act of 1993.

Section 4.22. Employee Benefit Plans. Except as set forth on Schedule 4.22:

(a) No Seller has at any time maintained or been a party to or made contributions to any Station Employee Benefit Plan. All Station Employee Benefit Plans maintained by any Seller or to which any Seller is obligated to contribute, are, and have in the past been, in all material respects maintained, funded and administered in compliance with ERISA and the Code, and other applicable Law; no Plan subject to Title IV of ERISA has been terminated; no proceedings to terminate any Plan have been instituted under Subtitle C of Title IV of ERISA; no reportable event within the meaning of Section 4043 of Subtitle C of ERISA has occurred for any Plan maintained by any Seller; no Seller has withdrawn from a multi-employer plan (as defined in Section 4001(a) of ERISA); the consummation of the transactions contemplated hereby will not result in any withdrawal liability on the part of any Seller under a multi-employer plan; no Plan or Benefit Arrangement established or maintained by any Seller or to which any Seller is obligated to contribute has any “**accumulated funding deficiency**,” as defined in ERISA; and no Seller has incurred any liability to the Pension Benefit Guaranty Corporation with respect to any Plan. No Seller, and to the Knowledge of Sellers, no plan fiduciary, have engaged in any “**prohibited transaction**,” as defined in Section 406 of ERISA, or in Section 4975 of the Code with respect to any Plan of any Seller; and

(b) Each Seller has (i) filed or caused to be filed all returns and reports on the Plans that such Seller is required to file and (ii) paid or made adequate provisions for all fees, interest, penalties, assessments or deficiencies that have become due pursuant to those returns or reports or pursuant to any assessment or adjustment that has been made relating to those returns or reports. All other fees, interest, penalties and assessments that are payable by or for any Seller with respect to the Plans have been timely reported, fully paid and discharged. There are no unpaid fees, penalties, interest or assessments due from any Seller or from any other Person with respect to the Plans that are or could become a Lien on any Acquired Asset or could otherwise adversely affect any of the Stations or the Acquired Assets. Each Seller has collected or withheld all amounts that are required to be collected or withheld by it to discharge its obligations with respect to the Plans, and all of those amounts have been paid to the appropriate Governmental Authority or set aside in appropriate accounts for future payment when due. Sellers have furnished to Buyers true and complete copies of all documents setting forth the terms and funding of each Plan.

Section 4.23. Environmental Compliance.

(a) Each Seller has complied and is in material compliance with all Environmental Laws.

(b) No Sellers is a party to any Action and, to the Knowledge of Sellers, nor is any Action threatened against any Seller, that in either case (i) asserts or alleges that any Seller violated any Environmental Laws, (ii) asserts or alleges that any Seller is required to clean up, remove or take remedial or other response action due to the disposal, depositing, discharge, leaking or other release of any Hazardous Materials, or (iii) asserts or alleges that any Seller is required to pay all or a portion of the cost of any past, present or future cleanup, removal or remedial or other response action that arises out of or is related to the disposal, depositing, discharge, leaking or other release of any Hazardous Materials by any Seller.

(c) There are not now, nor to the Knowledge of Sellers have there previously been, tanks or other facilities on, under, or at any real property occupied by any Seller which contained any Hazardous Materials which, if known to be present in soils or ground water, would require cleanup, removal or some other remedial action under Environmental Laws.

(d) There are no conditions existing currently at any real property leased, used or occupied by any Seller that would subject any Seller to damages, penalties, injunctive relief or cleanup costs under any Environmental Laws or that require or are likely to require cleanup, removal, remedial action or other response by any Seller pursuant to Environmental Laws.

(e) No Seller is subject, as a result of its interest in any real property, to any judgment, order or citation related to or arising out of any Environmental Laws and has not been named or listed as a potentially responsible party by any Governmental Authority in a matter related to or arising out of any Environmental Laws.

(f) The operation of the Stations does not exceed the permissible levels of exposure to RF radiation specified in the FCC's current rules, regulations and policies concerning RF radiation.

(g) Sellers have been duly issued, and currently have and will maintain through the Closing Date all permits, licenses, certificates and approvals required under any Environmental Laws. A true and complete list of such permits, licenses, certificates and approvals, all of which are valid and in full force and effect, is set out in Schedule 4.23. Except in accordance with such permits, licenses, certificates and approvals, there has been no discharge of any Hazardous Materials or any other material regulated by such permits, licenses, certificates or approvals.

Section 4.24. Subsidiaries; Equity Ownership. Except as set forth in Schedule 4.24, there is no corporation, general partnership, limited partnership, limited liability company, joint venture, association, trust or other entity or organization which any Seller controls or in which any Seller owns equity interest or any other interests. There are no outstanding contractual obligations of any Seller to acquire any outstanding shares of capital stock or other ownership interests of any corporation, partnership or other entity. All of the issued and outstanding equity interests of each subsidiary is duly authorized and validly issued, fully paid and nonassessable, and there are no preemptive rights in respect thereof.

Section 4.25. Representation as of the Closing Date. Sellers' representations and warranties set forth in this Agreement shall be true and correct on and as of the Closing Date, as though such representations and warranties were made on and as of such date, except for representations and warranties as of a specified date, which need only be true as of such date or as otherwise provided in this Agreement.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF BUYERS

Buyers represent and warrant to Sellers as follows:

Section 5.1. Organization. Each of Buyers is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware and on the Closing Date each of the LA Buyers shall be duly qualified to do business as a foreign limited liability company in California and each Hawaii Buyer shall be duly qualified to do business as a foreign limited liability company in Hawaii, and Buyers have full limited liability company power to purchase the Acquired Assets pursuant to this Agreement.

Section 5.2. Authorization; Enforceability. Buyers' execution, delivery and performance of this Agreement and all of the documents and instruments required hereby are within the limited liability company power of each Buyer and have been duly authorized by all necessary limited liability company action by each Buyer. This Agreement is, and the other documents and instruments required hereby will be, when executed and delivered by Buyers the valid and binding obligations of each Buyer enforceable against each Buyer in accordance with their respective terms, subject only to bankruptcy, insolvency, reorganization, moratorium or similar laws at the time in effect affecting the enforceability or right of creditors generally and by general equitable principles which may limit the right to obtain equitable remedies.

Section 5.3. Absence of Conflicting Laws and Agreements. Except as set forth on Schedule 5.3, neither the execution, delivery or performance of this Agreement by Buyers nor the consummation of the sale and purchase of the Acquired Assets or any other transaction contemplated by this Agreement, does or will, after the giving of notice, or the lapse of time, or otherwise:

(a) conflict with, result in a breach of, or constitute a default under, (i) the certificates of formation or limited liability company agreements of any Buyer, or (ii) any Law or Governmental Order applicable to any Buyer;

(b) conflict with, result in a breach of, or constitute a default under, any material contract, agreement, commitment or plan to which any Buyer is a party or by which any Buyer or its assets is bound;

(c) require the consent, waiver, approval, permit, license, clearance or authorization of, or any declaration or filing with, any Governmental Authority other than the FCC Consents and Bankruptcy Court approval; or

(d) require the consent of any Person under any material agreement, arrangement or commitment of any nature to which any Buyer is a party or by which it is bound.

Section 5.4. Brokers. Neither this Agreement nor the sale and purchase of the Acquired Assets or any other transaction contemplated by this Agreement was induced or procured through any Person acting on behalf of or representing any Buyer as broker, finder, investment banker, financial advisor or in any similar capacity.

Section 5.5. FCC Qualification. Buyers are legally, financially and otherwise qualified to be the licensee of, and to acquire, own and operate, the Stations under the Communications Laws, including the provisions relating to media ownership and attribution, foreign ownership and control, and character qualifications. There are no facts that would, under existing Communications Laws, disqualify any Buyer as an assignee of any of the FCC Licenses or as

the owner and operator of any of the Stations. No waiver of or exemption with respect to Buyers, whether temporary or permanent, from any provision of the Communications Laws is necessary for the FCC Consents to be obtained, and there are no matters related to Buyers or Buyers' FCC qualifications which would reasonably be expected to result in the FCC's denial or delay in approving the FCC Consents. Buyers do not own, control or have an attributable interest in any media outlet subject to the FCC multiple ownership rules and that, together with an attributable ownership interest in the Stations, would conflict with or violate the FCC multiple ownership rules ("Conflicting Media Outlet"). Except as set forth on Section 5.5, Buyers do not own, control or have an attributable interest in any media outlet that is subject to the FCC multiple ownership rules and that is in the same market (as defined in the FCC's multiple ownership rules) as any of the Stations.

Section 5.6. Financing. The Buyers, at the Closing, will have adequate funds or financing to consummate the transactions contemplated by this Agreement.

Section 5.7. Representations and Warranties. Buyers' representations and warranties set forth in this Agreement shall be true and correct on and as of the Closing Date, as though such representations and warranties were made on and as of such time, except for representations and warranties made as of a specified date, which need only be true as of such date or as otherwise provided in this Agreement.

ARTICLE VI CERTAIN MATTERS PENDING THE CLOSING

From and after the date of this Agreement and until the Closing (unless otherwise provided herein):

Section 6.1. Access. Buyers and their authorized agents, officers and representatives shall have reasonable access to the Stations and the Acquired Assets to conduct such examination and investigation of the Stations, the business of Sellers and the Acquired Assets as they deem reasonably necessary, provided that such examinations shall be during the Stations' normal business hours, shall not unreasonably interfere with the Stations' normal operations and activities and shall not be in violation of Section 3.2 hereof concerning "**control**".

Section 6.2. Notice of Adverse Changes. Pending the Closing, Sellers shall give Buyers prompt written notice of the occurrence of any of the following:

- (a) an Event of Loss involving more than \$50,000;
- (b) the commencement of any Action before the FCC or any other Governmental Authority which involves any of the FCC Licenses or which could reasonably be expected to have a material adverse effect on any of the Stations or the Acquired Assets, other than proceedings or litigation of general applicability to the television broadcasting industry;
- (c) any material labor grievance, controversy, strike request for union representation, or dispute affecting the business or operations of any of the Stations;

(d) any violation by any Seller or any of the Stations, or written notice of any alleged violation, of any Law;

(e) any notice of breach, default, claimed default or termination of any Contract or Lease other than pursuant to its terms; or

(f) any other material adverse developments with respect to the business or operations of any of the Stations including the cessation of broadcasting by any of the Stations of its authorized power for more than forty-eight (48) consecutive hours.

Section 6.3. Operations Pending Closing. Subject to the provisions of Section 3.2 hereof regarding control of the Stations and taking into account that the parties contemplate that the Sellers will commence chapter 11 cases and be subject to orders of the Bankruptcy Court, after the date hereof and prior to the Closing, Sellers shall:

(a) operate the Stations in the ordinary course of business in accordance with past practices;

(b) operate the Stations in accordance with the FCC Licenses and the Communications Laws;

(c) maintain the Equipment in good working order, ordinary wear and tear and usage excepted, and replace any of the Equipment which shall be worn out, broken, lost, stolen or destroyed, which Equipment would have been replaced in the ordinary course of business in accordance with past practices;

(d) other than in any cash collateral order in form and substance reasonably acceptable to NRJ and the Sellers, not sell, lease, mortgage, pledge or otherwise dispose of any of the Acquired Assets except for transactions in the ordinary and regular course of the operation of the Stations;

(e) not increase or otherwise change the rate or nature of the compensation (including wages, salaries and bonuses) which is paid or payable to any Person, except pursuant to existing compensation and fringe benefit plans, practices and arrangements which have been disclosed to Buyers, and not enter into, renew or allow the renewal of, any employment or consulting agreement or other contract or arrangement with respect to the performance of personal services;

(f) except with Buyers' prior written consent, not enter into, or become obligated under, any agreement or commitment on behalf of any of the Stations including any Program Rights agreement except for (i) commitments for advertising time on the Stations at market rates to be paid in cash, entered into in the ordinary and regular course of the operation of its business, or (ii) other agreements or commitments not requiring expenditures of more than \$15,000 or \$75,000 in the aggregate, or change, amend, terminate or otherwise modify any Contract, Lease, material agreement or material commitment in any material respects except for those which terminate or expire by their own terms;

(g) keep Buyers apprised of material developments in negotiations for Program Rights agreements and promptly provide Buyers with copies of all Program Rights agreements entered into by any Seller;

(h) maintain in full force and effect policies of liability and casualty insurance of substantially the same type, character and coverage as the policies currently carried with respect to the business, operations and assets of the Stations;

(i) not enter into any Tradeout Agreements relating to any of the Stations which create obligations or liabilities of any Seller extending to or beyond the Closing Date without the prior written consent of Buyers;

(j) proceed with all reasonable diligence to satisfy obligations pursuant to Tradeout Agreements in the ordinary course of business of the Stations;

(k) utilize the Program Rights of the Stations only in the ordinary course of business and not sell or otherwise dispose of any such Program Rights; and make all payments on Program Rights and agreements on a current basis;

(l) use its commercially reasonable efforts to take all appropriate, reasonable action to protect the present service areas of the Stations from increased electrical interference from other stations, existing or proposed, and to exercise commercially reasonable efforts to maintain carriage, if any, of the Stations' signals on all MVPD Systems;

(m) not adopt, or commit to adopt, any Plan Benefit Arrangement or other pension, profit sharing, deferred compensation or similar plan, program or trust on behalf of personnel of any of the Stations, other than the Station Employee Benefit Plans or any other such plan, program or trust currently maintained by any Seller or modify the existing Station Employee Benefit Plans;

(n) promptly notify Buyers of any attempt or actual collective bargaining organizing activity with respect to any employees of any of the Stations, and not enter into any collective bargaining agreement applicable to any employees of any of the Stations;

(o) follow Sellers' usual and customary policy with respect to extending credit for sales of broadcast time on the Stations and with respect to collecting Accounts Receivable arising from such extension of credit and not engage in any activity with the purpose or effect of accelerating the collection of Accounts Receivable;

(p) make reasonable commercial efforts to promote and advertise the Stations and make expenditures therefore consistent with past practices;

(q) promptly provide Buyers with copies of all correspondence with Market MVPD Systems concerning must carry status, retransmission consent and other matters arising under the MVPD Act Requirements, and keep Buyers advised of the status of material developments in all negotiations with MVPDs concerning such matters; and

(r) not take or agree to take any action inconsistent with consummation of the Closing as contemplated by this Agreement.

Section 6.4. Financial and FCC Reports. Within thirty (30) days after the end of each month ending after the date hereof, Sellers will furnish Buyers with a copy of Sellers' monthly financial reports for the Stations prepared after the date of the Interim Financial Statements (including balance sheet and operating statement for each such month and the fiscal year to the end of such month) and will furnish to Buyers within ten (10) days after filing all reports filed with the FCC with respect to any of the Stations after the date hereof. In addition, Sellers will furnish Buyers with copies of regular management reports, if any, concerning the operation of the Stations within ten (10) days after such reports are prepared.

Section 6.5. Consents. Sellers will use their commercially reasonable efforts to obtain all consents and approvals required from third Persons, whose consent or approval is required pursuant to any Contract or Lease, prior to the Closing Date, including the Lease Estoppel Letters.

Section 6.6. Cooperation. Buyers and Sellers will cooperate in all respects in connection with: (a) securing any nongovernmental approvals, consents and waivers of third parties listed in Schedule 4.3; and (b) giving notices to any Governmental Authority, or securing the permission, approval, determination, consent or waiver of any Governmental Authority, required by Law in connection with the transfer of the Acquired Assets from Sellers to Buyers.

Section 6.7. Tax Returns and Payments.

(a) All tax returns, estimates and reports required to be filed by any Seller prior to the Closing Date or relating to periods prior to the Closing Date will be timely filed when due with the appropriate governmental agencies or extensions will have been granted.

(b) All taxes pertaining to ownership of the Acquired Assets or operation of any of the Stations prior to the Closing Date will be paid when due and payable unless protested in good faith.

Section 6.8. Release of Liens. Except for the Permitted Liens disclosed on Schedule 6.8, at or prior to the Closing, the Sale Order shall release all Liens disclosed in the Schedules hereto and any other Liens on the Acquired Assets. To the extent the Sale Order is not sufficient to release all Liens disclosed in the Schedules hereto and any other Liens on the Acquired Assets, Buyers or Sellers shall, at the Buyers' expense, obtain the release of all Liens disclosed in the Schedules hereto and any other Liens on the Acquired Assets and shall duly file releases or terminations of all such Liens in each governmental agency or office in which any such Lien or evidence thereof shall have been previously filed and Sellers shall transfer and convey, or cause to be transferred and conveyed, to Buyers at Closing good and marketable title to all of the Acquired Assets free and clear of all Liens, except for those Permitted Liens disclosed on Schedule 6.8; provided, however, Buyers may waive the requirement of this Section 6.8 in Buyers' sole discretion.

Section 6.9. Intentionally Deleted.

Section 6.10. Public Announcement. Sellers shall publish and broadcast a public notice concerning the filing of the application for assignment of the FCC Licenses in accordance with the requirements of Section 73.3580 of the FCC's rules. As to any other announcements, no party hereto shall issue any press release or public announcement or otherwise divulge the existence of this Agreement or the transactions contemplated hereby without prior approval of the other parties hereto which shall not be unreasonably withheld except as and to the extent that such party shall be obligated by Law, in which case the other party shall be so advised and the parties shall use their best efforts to cause a mutually agreeable release or announcement to be issued.

Section 6.11. Adequate Assurances Regarding Assigned and Assumed Agreements and Required Orders. With respect to each Assigned and Assumed Agreement, Buyers shall provide adequate assurance of the future performance of such Assigned and Assumed Agreement by Buyers. Buyers shall take such actions as may be reasonably requested by IMG and Sellers to assist IMG and Sellers in obtaining the Bankruptcy Court's entry of the Sale Order and any other order of the Bankruptcy Court reasonably necessary to consummate the transactions contemplated by this Agreement.

Section 6.12. Alternative Transaction Solicitations.

(a) IMG and Sellers shall cooperate with Buyers and, with respect to the Stations, shall not solicit inquiries, proposals, offers or bids from, and negotiate with any Person other than Buyers with respect to any Alternative Transaction until after entry of the Bidding Procedures Order by the Bankruptcy Court, except to the extent authorized by Buyers in Buyers' sole discretion and except for the marketing activities of Houlihan, Lokey & Company. From the date on which the Bankruptcy Court enters the Bidding Procedures Order until the entry of the Sale Order, IMG, Sellers and their affiliates and representatives shall be permitted to market, initiate contact regarding, and solicit or encourage submission of inquiries, proposals, offers or bids from, and negotiate with, any Person other than Buyers regarding any Alternative Transaction, and may take any other affirmative action in connection therewith (including, but not limited to) (i) entering into any definitive agreement or letter-of-intent with respect thereto, (ii) issuing press releases, placing advertisements or making other releases or disclosures in connection therewith), or (iii) seeking approval of the Bankruptcy Court for any Alternative Transaction, and nothing in this Agreement will, or is intended to, in any way be deemed to restrict such actions or efforts). In addition, during such time period, Sellers have the responsibility and obligation to respond to any inquiries or offers to purchase all or any part of the Acquired Assets and perform any and all other acts related thereto which are required under the Bankruptcy Code or other applicable Law, including supplying information relating to the Acquired Assets to prospective purchasers. Neither IMG, Sellers nor any of their respective affiliates or representatives shall have any liability to Buyers or any of their affiliates or representatives, either under or relating to this Agreement or any Law, by virtue of entering into or seeking Bankruptcy Court approval of such a definitive agreement for an Alternative Transaction.

(b) Following entry of the Sale Order by the Bankruptcy Court, neither IMG or Sellers shall seek, solicit, encourage or negotiate any offer to purchase or acquire all or any portion of the Acquired Assets, whether pursuant to a potential sale, plan or otherwise.

Section 6.13. Efforts. Without limiting the specific obligations of any party hereto under any agreement or covenant hereunder, each party hereto shall use commercially reasonable efforts to take all action and do all things necessary in order to consummate the transactions contemplated by this Agreement, including, without limitation, cooperation with third parties involved in the due diligence process of financing of Buyers' acquisition hereunder, and satisfaction, but not waiver, of the closing conditions set forth in Article VII and Article VIII.

Section 6.14. Sale Order. The Sale Order to be filed by IMG and Sellers with the Bankruptcy Court shall contain a determination that: (a) NRJ validly assigned its credit bid to Buyers; and (b) Buyers are not a successor to IMG or Sellers or otherwise liable for any of IMG or Sellers' liabilities (other than Assumed Liabilities) and shall permanently enjoin all Persons from commencing, continuing or otherwise pursuing or enforcing any remedy, claim, Action or Lien against Buyers or the Acquired Assets.

Section 6.15. Schedules. Buyers and Sellers acknowledge that the Schedules to this Agreement are not complete as of the date hereof. Sellers shall provide completed Schedules to Buyers along with copies of all Contracts, Leases and other information set forth or referred to on such Schedules within fifteen (15) days of this Agreement, which Schedules and information shall be to the satisfaction of Buyers in their sole discretion. Buyers shall be entitled to terminate this Agreement within ten (10) days of receipt of final Schedules and all accompanying information pursuant to Section 10.1(g) hereof, if Buyers determine that such Schedules or accompanying information is not satisfactory in any respect.

ARTICLE VII

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF BUYERS

Each and every obligation of Buyers to be performed on the Closing Date shall be subject to the satisfaction prior to or at the Closing of the following express conditions precedent:

Section 7.1. Compliance with Agreement. IMG and Sellers shall have performed and complied in all material respects with all of their respective obligations under this Agreement which are to be performed or complied with by them prior to or at the Closing.

Section 7.2. Proceedings and Instruments Satisfactory. All proceedings, corporate or otherwise, to be taken by IMG and Sellers in connection with the performance of this Agreement, and all documents incident thereto, shall be complete to the reasonable satisfaction of Buyers and Buyers' counsel and Sellers shall have made available to Buyers for examination the originals or true and correct copies of all documents which Buyers may reasonably request in connection with the transactions contemplated by this Agreement.

Section 7.3. Representations and Warranties. The representations and warranties made by IMG and Sellers in this Agreement, which are qualified in any respect as to materiality, shall be true and correct as of the Closing Date with the same force and effect as though such representations and warranties had been made on the Closing Date, except for changes permitted or contemplated by this Agreement. All other representations and warranties made

by IMG or Sellers in this Agreement shall be true and correct in all material respects as of the Closing Date, except for changes permitted by this Agreement.

Section 7.4. Event of Loss. Between the date of this Agreement and the Closing, neither the Stations nor the Acquired Assets shall have sustained an Event of Loss which individually or in the aggregate would cost in excess of \$500,000 to repair and such repair shall not have been completed on or prior to the Closing Date to Buyers' reasonable satisfaction; provided, however, Sellers may elect to extend the Closing Date for a reasonable period not to exceed sixty (60) days necessary to complete such repairs, and provided, further if Buyers waive this condition, the provisions of Section 9.1 shall be applicable.

Section 7.5. Deliveries at Closing. Sellers shall have delivered or caused to be delivered to Buyers the documents, each properly executed and dated as of the Closing Date, as required pursuant to this Agreement.

Section 7.6. Other Documents. Sellers shall have delivered to Buyers such documents and certificates of officers of Sellers and public officials as shall be reasonably requested by Buyers' counsel to establish the existence and good standing of Sellers and the due authorization of this Agreement and the transactions contemplated hereby by IMG and Sellers, including board of directors resolutions of IMG and Sellers.

Section 7.7. Possession; Instruments of Conveyance and Transfer. Sellers shall deliver to Buyers at the Closing such other documents as shall be effective to vest in Buyers good and marketable title to the Acquired Assets as contemplated by this Agreement.

Section 7.8. Required Approvals and Consent. There shall have been secured such permissions, approvals, determinations, consents and waivers as listed on Schedule 7.8.

Section 7.9. Absence of Investigations and Proceedings. There shall be no Governmental Order and no Action before or by any Governmental Authority pending to which any Seller is a party or to which any of the Stations or the Acquired Assets are subject, including any with respect to condemnation, zoning, use or occupancy, which would materially adversely affect the ability of Buyers to operate any of the Stations or to use or acquire the Acquired Assets in the same manner as operated and used by Sellers. Without limiting the generality of the foregoing, no Action or formal investigation by any Person or Governmental Authority shall be pending with the object of challenging or preventing the Closing and no other proceedings shall be pending with such object or to collect damages from Buyers on account thereof. No Action shall be pending before the FCC or any Governmental Authority to revoke, modify in any material respect or refuse to renew any of the FCC Licenses. No Action shall be pending before any court or Governmental Authority in which it is sought to restrain or prohibit, or obtain damages or other relief in connection with, this Agreement or the consummation of the transactions contemplated hereby.

Section 7.10. Governmental Consents. The FCC Consents (a) shall have been issued, (b) shall, at Closing, be in full force and effect, (c) shall contain no provision materially adverse to Buyers, and (d) shall be Final Orders; provided, however, that Buyers in their sole discretion and upon ten (10) days' prior written notice may waive the requirement that the

FCC Consents have become Final Orders. All other authorizations, consents and approvals of any and all Governmental Authorities necessary in connection with the consummation of the transactions contemplated by this Agreement shall have been obtained and be in full force and effect.

Section 7.11. FCC Licenses. KSLS shall be the holder of the FCC Licenses for the LA Stations and KHLS shall be the holder of the FCC Licenses for the Hawaii Station, and there shall not have been any modification of any of such FCC Licenses which would have an adverse effect on any of the Stations or the conduct of their business operations. Each of the Stations shall be operating in material compliance with all Communications Laws and no proceeding shall be pending or, to the Knowledge of Sellers, threatened, the effect of which would be to revoke, cancel, fail to renew, suspend or modify any of the FCC Licenses. KSCI, Digital Channel 18, shall have resumed operations at full power using its main antenna. KSLS's application with respect to KSCI, Digital Channel 18, for a digital covering license, as amended (FCC File No. BLCDDT - 20100412AEF), shall have been granted.

Section 7.12. Absence of Liens. On the Closing Date and simultaneously with the Closing, there shall not be any Liens on the Acquired Assets except for Permitted Liens.

Section 7.13. Non-Foreign Affidavit. Each Seller shall have furnished to Buyers an affidavit of Sellers, in form reasonably satisfactory to Buyers, stating under penalty of perjury each Seller's United States taxpayer identification number and that no Seller is a foreign person within the meaning of Section 1445(b)(2) of the Code.

Section 7.14. Lease Estoppel Letters. Buyers shall have received the Lease Estoppel Letters, executed and dated as of the Closing Date.

Section 7.15. Entry of Bidding Procedures Order. The Bankruptcy Court shall have entered the Bidding Procedures Order.

Section 7.16. Entry of Sale Order. The Bankruptcy Court shall have entered the Sale Order in form and substance reasonably acceptable to Buyers containing, at a minimum, the required provisions outlined in Section 6.14, and the Sale Order shall have become a final order not subject to any stay.

If any of the conditions set forth in this Article VII have not been satisfied prior to or at Closing, Buyers may in their sole discretion nevertheless elect to proceed with the consummation of the transactions contemplated hereby.

ARTICLE VIII CONDITIONS PRECEDENT TO THE OBLIGATIONS OF SELLERS

Each and every obligation of Sellers to be performed on the Closing Date shall be subject to the satisfaction prior to or at the Closing of the following express conditions precedent:

Section 8.1. Compliance with Agreement. Buyers shall have performed and complied in all material respects with all of their respective obligations under this Agreement which are to be performed or complied with by them prior to or at the Closing.

Section 8.2. Proceedings and Instruments Satisfactory. All proceedings, corporate or otherwise, to be taken by Buyers in connection with the transactions contemplated by this Agreement, and all documents incident thereto, shall be complete to the reasonable satisfaction of Sellers and Sellers' counsel, and Buyers shall have made available to Sellers for examination the originals or true and correct copies of all documents which Sellers may reasonably request in connection with the transactions contemplated by this Agreement.

Section 8.3. Representations and Warranties. The representations and warranties made by Buyers in this Agreement which are qualified in any respect as to materiality shall be true and correct as of the Closing Date with the same force and effect as though such representations and warranties had been made on the Closing Date, except for changes permitted or contemplated by this Agreement. All other representations and warranties made by Buyers in this Agreement shall be true and correct in all material respects as of the Closing Date, except for changes permitted by this Agreement.

Section 8.4. Deliveries at Closing. Buyers shall have delivered, or caused to be delivered, to Sellers the documents, each properly executed and dated as of the Closing Date, required pursuant to this Agreement. Buyers shall also have made the payments described in Section 2.2.

Section 8.5. Other Documents. Buyers shall have delivered, or caused to be delivered, to Sellers such documents and certificates of officers of Buyers and of public officials as shall be reasonably requested by Sellers' counsel to establish the existence and good standing of Buyers and the due authorization of this Agreement and the transactions contemplated hereby by Buyers, including board of director resolutions of Buyers.

Section 8.6. Absence of Investigations and Proceedings. No Action by any Person or Governmental Authority shall be pending with the object of challenging or preventing the Closing and no other proceedings shall be pending with such object or to collect damages from Sellers on account thereof.

Section 8.7. Governmental Consents. The FCC Consents shall have been issued, and shall, at Closing, be in full force and effect. All other material authorizations, consents or approvals of any and all Governmental Authorities necessary in connection with the consummation of the transactions contemplated by this Agreement shall have been obtained and be in full force and effect.

Section 8.8. Entry of Sale Order. The Bankruptcy Court shall have entered the Sale Order in form and substance reasonably acceptable to Sellers and the Sale Order shall have become a final order not subject to any stay.

If any of the conditions set forth in this Article VIII have not been satisfied prior to or at Closing, Sellers may nevertheless elect to proceed with the consummation of the transactions contemplated hereby.

ARTICLE IX FURTHER AGREEMENTS

Section 9.1. Event of Loss. Upon the occurrence of an Event of Loss or Events of Loss in excess of \$500,000 prior to the Closing, Sellers shall take steps to repair, replace and restore the damaged, destroyed or lost property to its former condition. At Closing, if Buyers have waived the condition set forth in Section 7.4, Sellers shall assign to Buyers all their rights under any insurance and all proceeds of insurance (excluding business interruption proceeds for periods prior to the Closing Date) covering the property damage, destruction or loss not so repaired, replaced or restored prior to Closing.

Section 9.2. Station Employees.

(a) Buyers may at any time after receipt of the FCC Consents approach Station Employees and make arrangements or enter into agreements with such employees concerning becoming employees of the Buyers, although Buyers assume by this Agreement no obligation to employ or continue the employment of any Person after the Closing. All such offers of employment shall be expressly conditioned upon the consummation of the Closing. Any Station Employee who thereby becomes employed by Buyers shall constitute a Transferred Employee. Sellers agree to fully cooperate with the Buyers in connection with its offer to hire any Station Employees and will not take any action, directly or indirectly, to prevent any Station Employee from becoming employed by Buyers from and after the Closing.

(b) Sellers shall be solely responsible for and shall pay all salaries and other compensation (including, but not limited to, any deferred or incentive compensation and any severance pay) which will or may become payable at any time in the future to any Transferred Employee for services rendered by Transferred Employee to Sellers on or before the later of the Closing Date or the date a Transferred Employee becomes employed by Buyers.

(c) Buyers do not and shall not assume any obligations or liability under any collective bargaining agreement currently in existence or which may come into existence prior to Closing.

(d) Sellers shall, prior to the Closing, but not earlier than the day prior to the Closing Date, terminate all of Sellers' Employees. Any notification required by any federal, state or local Law governing mass layoffs or terminations, including without limitation the federal Worker Adjustment and Retraining Notification Act of 1988, shall be given by Sellers. Compliance with all such Laws shall be Sellers' sole responsibility and liability. Sellers shall indemnify, defend and hold Buyers harmless from and against all liabilities, claims and causes of action (including, without limitation, reasonable attorney fees and other legal costs and expenses) arising out of the violation, or alleged violation, of any such Laws.

(e) Buyers shall assume the responsibility for the administration of benefits paid to Sellers' Employees who are terminated prior to Closing under applicable COBRA regulations but shall not be responsible for the cost of such benefits which shall be borne by such Sellers' Employees.

Section 9.3. Change of Sellers' Trade Name. Sellers shall, at the Closing, deliver to Buyers all documents, properly executed, required to change Sellers' corporate name and tradenames to names not substantially similar to any names or marks being purchased by Sellers from Buyers pursuant to this Agreement. Buyers may immediately file such documents with the appropriate governmental agencies. Buyers shall pay all required governmental and publication fees relative to such change of names.

Section 9.4. Bulk Transfer. Buyers and Sellers hereby waive compliance with the California and Hawaii Bulk Transfer provisions of the Uniform Commercial Code and all similar Laws.

ARTICLE X TERMINATION; MISCELLANEOUS

Section 10.1. Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing Date, as follows:

- (a) by mutual written agreement of IMG, Sellers and Buyers; or
- (b) by written notice from Buyers to IMG and Sellers or IMG and Sellers to Buyers if the Closing shall not have occurred on or before the date that is 18 months after the date of execution of this Agreement for any reason other than delay or nonperformance or breach by the party seeking such termination; or
- (c) by Buyers, if Buyers are not then in material breach of this Agreement and Sellers are then in material breach of this Agreement, and such breach remains uncured within thirty (30) days after receipt of written notice thereof from Buyers; or
- (d) by Buyers, so long as Buyers are not then in breach of its obligations under this Agreement in any material respect, if (i) the Bidding Procedures Order is not entered within sixty (60) days from the date hereof, or (ii) the Sale Order is not entered within ninety (90) days from the date hereof;
- (e) by Sellers, if Sellers are not then in material breach of this Agreement and Buyers are then in material breach of this Agreement, and such breach remains uncured within thirty (30) days after receipt of written notice thereof from Sellers;
- (f) by Buyers or Sellers, if the Bankruptcy Court shall enter an order approving the Sale to a Person other than Buyer and such sale actually closes, subject to the limitations set forth in the Bidding Procedures Order; or
- (g) By Buyers, pursuant to Section 6.15, if the Schedules or information to be furnished to Buyers are determined not to be satisfactory in any respect in Buyers' sole discretion.

Section 10.2. Rights on Termination; Waiver.

(a) If this Agreement is terminated pursuant to Section 10.1(a) or 10.1(b) or 10.1(d), 10.1(e), 10.1(f) or 10.1(g), all further obligations of the parties under or pursuant to this Agreement shall immediately terminate without further liability of any party to the other.

(b) If this Agreement is terminated pursuant to Section 10.1(c), Buyers shall be entitled to pursue all legal and equitable remedies against Sellers for such default or breach, including, but not limited to, specific performance (Sellers hereby acknowledging that the Acquired Assets are unique and that Buyers have no adequate remedy at Law if Sellers breach this Agreement).

(c) If this Agreement is terminated pursuant to Section 10.1(e), Sellers shall be entitled to claim and be paid as its sole liquidated damages, pursuant to Section 10.3, any deposit required of the Buyer pursuant to the Bidding Procedures Order (the “**Deposit**”), provided, however, Sellers have agreed to waive any damages which Sellers might otherwise have against Buyers as the “Stalking Horse Bidder” if this Agreement is terminated under Section 10.1(e), in exchange for the Stalking Horse Bidder agreeing to not seek any break-up fee or reimbursement of expenses.

Section 10.3. Liquidated Damages. Seller agrees that if the transactions contemplated herein fail to close for any reason set forth in Section 10.1(e), Seller's sole and exclusive remedy under Section 10.1(e) shall be the right to claim and be paid the Deposit together with all interest accrued thereon. The parties agree that the liquidated damages provided in this Section is intended to limit the claims that Seller may have against a buyer other than the Buyers as the Stalking Horse Bidder in the circumstances described herein. The parties acknowledge and agree that the liquidated damages provided in this Section bear a reasonable relationship to the anticipated harm which would be caused by a buyer's breach of the Agreement. The parties further acknowledge and agree that the amount of actual loss caused by a buyer's breach of this Agreement is incapable and difficult of precise estimation and that Seller would not have a convenient and adequate alternative to liquidated damages hereunder. The provisions of this Section 10.3 shall apply regardless of whether or not Seller has terminated this Agreement pursuant to Section 10.1.

Section 10.4. Further Assurances. From time to time after the Closing Date, upon the reasonable request of Buyers, Sellers shall execute and deliver or cause to be executed and delivered such further instruments of conveyance, assignment and transfer and take such further action as Buyers may reasonably request in order to more effectively sell, assign, convey, transfer, reduce to possession and record title to Buyers to any of the Acquired Assets. Sellers agree to cooperate with Buyers in all reasonable respects to assure to Buyers the continued title to and possession of the Acquired Assets in the condition and manner contemplated by this Agreement; provided, however, that Buyers shall not be required to spend additional sums of money.

Section 10.5. Survival. The agreements contained herein shall survive the Closing and the consummation of the transactions contemplated by this Agreement, and any dissolution, merger or consolidation of Buyers or Sellers and shall bind the legal representatives, assigns and successors of Buyers and Sellers. The representations and warranties in Articles IV and V hereof shall not survive the Closing.

Section 10.6. Schedules. Any disclosure with respect to a Section of this Agreement requires a specific reference in the Schedules to such Section of the Agreement to which any such disclosure applies, and no disclosure shall be deemed to apply with respect to any Section to which it does not expressly apply.

Section 10.7. Entire Agreement; Amendment; and Waivers. This Agreement and the documents required to be delivered pursuant hereto constitute the entire agreement between the parties pertaining to the subject matter hereof, and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, and 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 amendment, 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 provision of this Agreement, whether or not similar, unless otherwise expressly provided.

Section 10.8. Expenses. Except as otherwise specifically provided herein and in the Bidding Procedures Order, whether or not the transactions contemplated by this Agreement are consummated, each of the parties shall pay the fees and expenses of its respective counsel, accountants and other experts incident to the negotiation, drafting and execution of this Agreement and consummation of the transactions contemplated hereby.

Section 10.9. Benefit; Assignment. This Agreement shall be binding upon and inure to the benefit of and shall be enforceable by Buyers and IMG and Sellers and their respective proper successors and assigns. This Agreement (and any rights, obligations or liabilities hereunder) may not be assigned or delegated in whole or in part by any party without the prior written consent of the other party; provided, however, that Buyers may, without such consent, assign in whole or in part its rights, obligations or liabilities under this Agreement to an affiliate of Buyers; and provided, further, that Buyers may, without such consent, collaterally assign its rights hereunder to its lenders. Any such assignee of Buyers shall fully assume the obligations of Buyers hereunder and Buyers shall remain liable for their obligations hereunder.

Section 10.10. Confidentiality.

(a) Buyers agree that prior to Closing, Buyers and their respective agents and representatives shall not use for its or their own benefit (except when required by Law, rule or regulation and except for use in connection with Buyers' financing of the transaction and Buyers' investigation of the Stations and its assets in connection with this Agreement), and shall hold in strict confidence and not disclose, (i) any data or information relating to Sellers, their affiliates, or the Stations obtained from Sellers or any of their directors, officers, employees, agents or representatives in connection with this Agreement, or (ii) any data and information relating to the business, customers, financial statements, conditions or operations of the Stations which is confidential in nature and not generally known to the public (clauses (i) and (ii) together, "**Sellers' Information**"). If the transactions contemplated in this Agreement are not consummated for any reason, Buyers shall return to Sellers all data,

information and any other written material obtained by Buyers from Sellers in connection with this transaction and any copies, summaries or extracts thereof, and shall refrain from disclosing any of Sellers' Information to any third party or using any of Sellers' Information for its own benefit or that of any other person.

(b) Sellers agree that Sellers and their agents and representatives shall not use for its or their own benefit (except when required by Law and except for use in connection with their investigations and review of Buyers in connection with this Agreement), and shall hold in strict confidence and not disclose, (i) any data or information, relating to Buyers or their affiliates obtained from Buyers, or from any of their directors, officers, employees, agents or representatives, in connection with this Agreement, or (ii) any data and information relating to the business, customers, financial statements, conditions or operations of the Buyers which is confidential in nature and not generally known to the public (clauses (i) and (ii) together **"Buyers' Information"**). If the transactions contemplated in this Agreement are not consummated for any reason, Sellers shall return to Buyers all data, information and any other written material obtained by Sellers from Buyers in connection with this transaction and any copies, summaries or extracts, thereof and shall refrain from disclosing any of Buyers' Information to any third party or using any of Buyers' Information for its own benefit or that of any other person.

(c) Notwithstanding any other provision to the contrary herein, the provisions of this Section 10.9 shall survive the termination of this Agreement.

Section 10.11. Notices. All communications or notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given (a) on the date of personal delivery to an officer of the other party, or (b) if sent by telecopy or facsimile machine to the number shown below, on the date of such confirmed facsimile or telecopy transmission, or (c) when properly deposited for delivery by commercial overnight delivery service, prepaid, or by deposit in the United States mail, certified or registered mail, postage prepaid, return receipt requested, on the date that is two days after the date set forth in the records of such delivery service or on the return receipt and addressed as follows, unless and until either of such parties notifies the other in accordance with this Section of a change of address or change of telecopy number:

If to Buyers:	NRJ TV II LLC NRJ TV II LA OpCo, LLC NRJ Hawaii OpCo, LLC c/o 722 South Denton Tap Road Suite 130 Coppell, Texas 75019 Attention: Ted B. Bartley
---------------	--

With a copy to: Greenberg Traurig, LLP
3290 Northside Parkway, Suite 400
Atlanta, Georgia 30327
Attention: James S. Altenbach, Esq.
Telecopy No.: (678) 553-2188

If to Sellers: Dennis J. Davis
KSCI-TV 18
Chief Executive Officer
1990 S. Bundy Drive
Los Angeles, California 90025
Telecopy No.: (310) ____ - ____

With a copy to: William E. Chipman, Jr. (No. 3818)
Landis Rath & Cobb, LLP
919 Market Street, Suite 1800
Wilmington, Delaware 19801
Telephone: (302) 467-4400
Facsimile: (302) 467-4450
Email: chipman@lrclaw.com

Section 10.12. Counterparts; Headings. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same Agreement. This Agreement may be executed and delivered in counterpart signature pages executed and delivered via facsimile transmission, and any such counterpart executed and delivered via facsimile transmission shall be deemed an original for all intents and purposes. The Table of Contents and Article and Section headings in this Agreement are inserted for convenience of reference only and shall not constitute a part hereof.

Section 10.13. Income Tax Position. Neither Buyers nor Sellers shall take a position for income tax purposes which is inconsistent with this Agreement.

Section 10.14. Severability. If any provision, clause or part of this Agreement or the application thereof under certain circumstances is held invalid, or unenforceable, the remainder of this Agreement, or the application of such provision, clause or part under other circumstances, shall not be affected thereby.

Section 10.15. No Reliance. Except for (a) any assignees permitted by Section 10.8 of this Agreement and (b) lenders (and their successors and assigns) providing financing for the consummation of the transactions contemplated by this Agreement:

(a) no third party is entitled to rely on any of the representations, warranties or agreements of Buyers or Sellers contained in this Agreement; and

(b) Buyers and Sellers assume no liability to any third party because of any reliance on the representations, warranties or agreements of Buyers and Sellers contained in this Agreement.

Section 10.16. Judicial Interpretation. Should any provision of this Agreement require judicial interpretation, the parties hereto agree that the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party which itself or through its agent prepared the same, it being agreed that the agents of each party have participated in the preparation hereof.

Section 10.17. Saturdays, Sundays and Legal Holidays. If the time period by which any acts or payments required hereunder must be performed or paid expires on a Saturday, Sunday or legal holiday, then such time period shall be automatically extended to the close of business on the next regularly scheduled business day.

Section 10.18. Consent to Jurisdiction. EACH OF THE PARTIES HERETO AGREES THAT ANY LEGAL ACTION BETWEEN THE PARTIES RELATING TO THE ENTRY INTO OR PERFORMANCE OF THIS AGREEMENT OR ANY ANCILLARY AGREEMENT, OR THE INTERPRETATION OR ENFORCEMENT OF THE TERMS HEREOF OR THEREOF, SHALL EXCLUSIVELY BE BROUGHT IN A FEDERAL OR STATE COURT LOCATED IN THE NEW CASTLE COUNTY, DELAWARE, HAVING JURISDICTION OF THE SUBJECT MATTER THEREOF, AND EACH PARTY IRREVOCABLY CONSENTS TO PERSONAL JURISDICTION IN ANY SUCH FEDERAL OR STATE COURT, WAIVES ANY RIGHT TO OBJECT TO SUCH VENUE OR TO ASSERT THE DEFENSE OF FORUM NON-CONVENIENS, AND AGREES THAT SERVICE OF COMPLAINT OR OTHER PROCESS MAY BE MADE BY CERTIFIED OR REGISTERED MAIL ADDRESSED TO SUCH PARTY AT ITS ADDRESS SET FORTH IN, OR DETERMINED IN ACCORDANCE WITH, SECTION 10.10 HEREOF.

Section 10.19. Bankruptcy Court Matters.

(a) This Agreement is subject to approval by the Bankruptcy Court and the consideration by IMG and Sellers of higher or otherwise better competing bids.

(b) Prior to Sellers furnishing any non-public information to any Person in connection with an offer regarding the sale or other disposition of all or any part of the Acquired Assets, Sellers shall enter into a customary confidentiality agreement with such Person.

(c) As promptly as practicable following the execution of this Agreement, but in no event later than twenty five (25) business days after the execution hereof, Sellers shall file and seek the approval of the Bankruptcy Court of the Sale Motion and the Bidding Procedures Order (which order shall provide for the conduct of the Sale in accordance with the bidding procedures that will contain such provisions described more fully on Exhibit B and shall be in a form and substance agreed upon by Buyers and Sellers). IMG and Sellers

will seek Bankruptcy Court approval for the Bidding Procedures Order as a matter preliminary to the Bankruptcy Court's subsequent approval of this Agreement and the transactions contemplated herein by entry of the Sale Order. Buyers agree that they will promptly take such actions as are reasonably requested by Sellers to assist in obtaining entry of the Sale Order and the Bidding Procedures Order and a finding of adequate assurance of future performance by Buyers, including, without limitation, furnishing affidavits or other documents or information for filing with the Bankruptcy Court for the purposes, among others, of providing necessary assurances of performance by Buyers under this Agreement and demonstrating that Buyers are a "good faith" purchaser under Section 363(m) of the Bankruptcy Code. If this Agreement represents the highest and best bid for the Acquired Assets as determined in accordance with the procedures set forth in the Bidding Procedures Order, IMG and Sellers shall present the Sale Order at the hearing to approve a sale of the Acquired Assets. In the event the entry of the Sale Order or the Bidding Procedures Order shall be appealed, each party shall use their respective commercially reasonable efforts to defend against such appeal. In the event that an appeal is taken, or a stay pending appeal is requested from the Sale Order or the Bidding Procedures Order, Sellers shall promptly notify Buyers of such appeal or stay request and shall provide Buyers within three (3) business days a copy of the relevant notice of appeal or order of stay. Sellers shall also provide Buyers with written notice of any motion or application filed in connection with any appeal from either of such orders.

(d) Notice of the sale of the Acquired Assets contemplated in this Agreement shall be in a form reasonably acceptable to Buyer and be served in accordance with applicable laws (including, to the extent applicable, Rules 2002, 3016, 3017 and 6004 of the Federal Rules of Bankruptcy Procedure and any local rules or orders of the Bankruptcy Court) and the Bidding Procedures Order on all Persons required to receive notice under applicable Law.

Section 10.20. Governing Law. This Agreement shall be construed and interpreted according to the laws of the State of Delaware, without regard to the conflict of Law principles thereof.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

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

NRJ TV LA OPCO, LLC

By: Ted B. Bartley
Name: TED B. BARTLEY
Title: CEO

NRJ TV LA LICENSE CO, LLC

By: Ted B. Bartley
Name: TED B. BARTLEY
Title: CEO

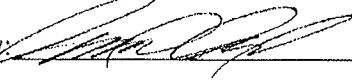
NRJ TV HAWAII OPCO, LLC

By: Ted B. Bartley
Name: TED B. BARTLEY
Title: CEO

NRJ TV HAWAII LICENSE CO, LLC

By: Ted B. Bartley
Name: TED B. BARTLEY
Title: CEO

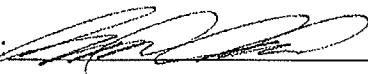
INTERNATIONAL MEDIA GROUP, INC.

By: 

Name: DENNIS DAVIS

Title: CRO

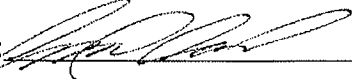
KSCI, INC.

By: 

Name: DENNIS DAVIS

Title: CRO

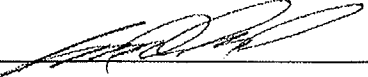
KSLs, INC.

By: 

Name: DENNIS DAVIS

Title: CRO

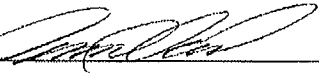
KHLS, INC.

By: 

Name: DENNIS DAVIS

Title: CRO

KHAI, INC.

By: 

Name: DENNIS DAVIS

Title: CRO

Table of Contents

Article I DEFINITIONS.....	2
Section 1.1. Definitions	2
Section 1.2. Construction	10
Article II PURCHASE AND SALE	10
Section 2.1. Purchase and Sale	10
Section 2.2. Payment on Closing	11
Section 2.3. Closing Date Deliveries	11
Section 2.4. Adjustments to Purchase Price	11
Section 2.5. Non-Assumption of Liabilities	13
Section 2.6. Taxes.....	13
Section 2.7. Risk of Loss	13
Section 2.8. Allocation of Purchase Price	13
Section 2.9. Access of Sellers.....	13
Article III GOVERNMENTAL APPROVALS AND CONTROL OF STATIONS	14
Section 3.1. FCC Consents	14
Section 3.2. Control Prior to Closing.....	14
Section 3.3. Other Governmental Approvals.....	14
Article IV REPRESENTATIONS AND WARRANTIES OF IMG AND SELLERS	15
Section 4.1. Organization	15
Section 4.2. Authorization; Enforceability	15
Section 4.3. Absence of Conflicting Agreements.....	15
Section 4.4. Acquired Assets	16
Section 4.5. Title to Acquired Assets; Liens and Encumbrances	16
Section 4.6. Equipment.....	16
Section 4.7. The Contracts.....	16
Section 4.8. Intangible Property	17

Section 4.9.	Real Property	17
Section 4.10.	The Leases	17
Section 4.11.	Financial Statements and Interim Financial Statements.	18
Section 4.12.	No Changes	19
Section 4.13.	No Litigation; Labor Disputes; Compliance with Laws	20
Section 4.14.	Taxes.....	21
Section 4.15.	Governmental Authorizations.....	21
Section 4.16.	Compliance with Communications Laws	22
Section 4.17.	Insurance.....	22
Section 4.18.	MVPD Matters	22
Section 4.19.	Brokers	23
Section 4.20.	Powers of Attorney	23
Section 4.21.	Employees	23
Section 4.22.	Employee Benefit Plans.....	24
Section 4.23.	Environmental Compliance	24
Section 4.24.	Subsidiaries; Equity Ownership	25
Section 4.25.	Representation as of the Closing Date	25
Article V REPRESENTATIONS AND WARRANTIES OF BUYERS.....		25
Section 5.1.	Organization	26
Section 5.2.	Authorization; Enforceability	26
Section 5.3.	Absence of Conflicting Laws and Agreements	26
Section 5.4.	Brokers	26
Section 5.5.	FCC Qualification.....	26
Section 5.6.	Financing	27
Section 5.7.	Representations and Warranties.....	27
Article VI CERTAIN MATTERS PENDING THE CLOSING.....		27
Section 6.1.	Access.....	27
Section 6.2.	Notice of Adverse Changes	27

Section 6.3.	Operations Pending Closing	28
Section 6.4.	Financial and FCC Reports.....	30
Section 6.5.	Consents	30
Section 6.6.	Cooperation	30
Section 6.7.	Tax Returns and Payments	30
Section 6.8.	Release of Liens.....	30
Section 6.9.	Intentionally Deleted	30
Section 6.10.	Public Announcement.....	31
Section 6.11.	Adequate Assurances Regarding Assigned and Assumed Agreements and Required Orders	31
Section 6.12.	Alternative Transaction Solicitations.....	31
Section 6.13.	Efforts	32
Section 6.14.	Sale Order	32
Section 6.15.	Schedules	32
Article VII CONDITIONS PRECEDENT TO THE OBLIGATIONS OF BUYERS.....		32
Section 7.1.	Compliance with Agreement	32
Section 7.2.	Proceedings and Instruments Satisfactory	32
Section 7.3.	Representations and Warranties.....	32
Section 7.4.	Event of Loss	33
Section 7.5.	Deliveries at Closing	33
Section 7.6.	Other Documents	33
Section 7.7.	Possession; Instruments of Conveyance and Transfer	33
Section 7.8.	Required Approvals and Consent	33
Section 7.9.	Absence of Investigations and Proceedings.....	33
Section 7.10.	Governmental Consents.....	33
Section 7.11.	FCC Licenses.....	34
Section 7.12.	Absence of Liens	34
Section 7.13.	Non-Foreign Affidavit.....	34

Section 7.14.	Lease Estoppel Letters.....	34
Section 7.15.	Entry of Bidding Procedures Order	34
Section 7.16.	Entry of Sale Order.....	34
Article VIII CONDITIONS PRECEDENT TO THE OBLIGATIONS OF SELLERS		34
Section 8.1.	Compliance with Agreement	35
Section 8.2.	Proceedings and Instruments Satisfactory	35
Section 8.3.	Representations and Warranties.....	35
Section 8.4.	Deliveries at Closing	35
Section 8.5.	Other Documents	35
Section 8.6.	Absence of Investigations and Proceedings.....	35
Section 8.7.	Governmental Consents.....	35
Section 8.8.	Entry of Sale Order.....	35
Article IX FURTHER AGREEMENTS.....		36
Section 9.1.	Event of Loss	36
Section 9.2.	Station Employees	36
Section 9.3.	Change of Sellers' Trade Name.....	37
Section 9.4.	Bulk Transfer	37
Article X TERMINATION; MISCELLANEOUS		37
Section 10.1.	Termination	37
Section 10.2.	Rights on Termination; Waiver	37
Section 10.3.	Liquidated Damages	38
Section 10.4.	Further Assurances	38
Section 10.5.	Survival.....	38
Section 10.6.	Schedules	39
Section 10.7.	Entire Agreement; Amendment; and Waivers.....	39
Section 10.8.	Expenses	39
Section 10.9.	Benefit; Assignment	39
Section 10.10.	Confidentiality	39

Section 10.11.	Notices	40
Section 10.12.	Counterparts; Headings	41
Section 10.13.	Income Tax Position	41
Section 10.14.	Severability	41
Section 10.15.	No Reliance	41
Section 10.16.	Judicial Interpretation	42
Section 10.17.	Saturdays, Sundays and Legal Holidays	42
Section 10.18.	Consent to Jurisdiction	42
Section 10.19.	Bankruptcy Court Matters.	42
Section 10.20.	Governing Law	43

EXHIBITS

Assumption Agreement	Exhibit A-1, Exhibit A-2
Bidding Procedures Order	Exhibit B
Bills of Sale and Assignment	Exhibit C-1, Exhibit C-2
Buyers' Closing Certificates	Exhibit D-1, Exhibit D-2
Buyers' Performance Certificates	Exhibit E-1, Exhibit E-2
Assignments and Assumptions of Contracts	Exhibit F-1, Exhibit F-2
FCC Licenses Assignments	Exhibit G-1, Exhibit G-2
Assignments and Assumptions of Leases	Exhibit H-1, Exhibit H-2
Lease Estoppel Letters	Exhibit I
Sale Order	Exhibit J
Sellers' Closing Certificates	Exhibit K-1, Exhibit K-2
Sellers' Performance Certificates	Exhibit L-1, Exhibit L-2
Trademark Assignments	Exhibit M-1, Exhibit M-2

SCHEDULES

1.1	Assumed Liabilities	4.14	Tax Exceptions
1.2	Contracts	4.15	Governmental Authorizations
1.3	Copyrights	4.16	FCC License Exceptions
1.4	Equipment	4.17	Insurance
1.5	Excluded Assets	4.18	MVPD Matters
1.6	FCC Licenses	4.19	Brokers
1.7	Leases	4.20	Powers of Attorney
1.8	Motor Vehicles	4.21	Employees
1.9	Permitted Liens	4.22	Employee Benefit Plans
1.10	Trademarks	4.23	Environmental Compliance
4.3	Conflicting Agreements of Sellers	4.24	Subsidiaries
4.5	Title Exceptions/Locations – Personal Property	5.3	Conflicts
4.6	Equipment Exceptions	5.4	Brokers
4.7	Contract Exceptions	5.5	FCC Qualification
4.8	Intangible Property Exceptions	6.8	Permitted Liens
4.10	Lease Exceptions	7.8	Required Approvals and Consents
4.11(a)	Financial Statements		
4.11(b)	Interim Financial Statements		
4.12	Changes		
4.13	Litigation		