

**ASSET PURCHASE AGREEMENT**

**THIS ASSET PURCHASE AGREEMENT** (the "Agreement") is entered into as of this 26<sup>th</sup> day of September, 2014 (the "Effective Date") by and between **FAMILY BROADCASTING GROUP, INC.**, an Oklahoma corporation ("Seller"), and **GRIFFIN COMMUNICATIONS, L.L.C.**, an Oklahoma limited liability company, or its assignee ("Buyer") (each a "Party" and, collectively, the "Parties").

**RECITALS**

**WHEREAS**, Seller is the licensee and operator of television broadcast station KSBI(TV), Oklahoma City, Oklahoma (FCC Facility ID No. 38214) ("KSBI") and the low power television and translator stations listed on Exhibit A hereto (collectively, the "Translator Stations" and together with KSBI, the "Stations") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC");

**WHEREAS**, Seller owns or leases other assets used in connection with the operation of the Stations;

**WHEREAS**, on the terms and conditions described herein, Seller desires to sell and Buyer desires to purchase assets owned or leased by Seller and used in connection with the operation of the Stations; and

**WHEREAS**, Seller and Buyer are, simultaneously with the execution and delivery of this Agreement, entering into a Local Marketing Agreement for the Stations in the form set forth on Exhibit B (the "LMA"), pursuant to which, commencing on December 1, 2014 (the "LMA Commencement Date"), Buyer shall provide programming on the Stations pursuant to the terms and conditions contained therein, pending the Closing of the transactions contemplated by this Agreement.

**NOW, THEREFORE**, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree to the following terms and conditions:

**ARTICLE 1: SALE AND PURCHASE**

1.1 **Station Assets**. Subject to the terms and conditions herein contained, Seller shall grant, convey, sell, assign, transfer and deliver to Buyer on the Closing Date (as defined below) the assets, properties, interests and rights of Seller used or useful in connection with the operation of the Stations (collectively, the "Station Assets"), but excluding the Excluded Assets (as defined below). The Station Assets shall include, without limitation, the following:

(a) **Licenses and Authorizations**. All licenses, authorizations, permits and granted construction permits issued with respect to the Stations by the FCC (the "FCC Authorizations"), and all pending applications for renewal or modifications thereof, and all transferable licenses, authorizations and permits issued by the Federal Aviation Administration

(“FAA”) or by any other federal, state or local governmental authorities in connection with the conduct of the business and operation of the Stations, including without limitation those listed on Schedule 1.1(a) attached hereto;

(b) **Tangible Personal Property**. The machinery and equipment, towers, transmitters, antennas, vehicles, fixtures, computers, software, inventory, cables, spare parts and other tangible personal property (including associated manufacturers and vendor warranties) used or held for use in connection with the conduct of the business and operation of the Stations that are not Excluded Assets, including, but not limited to all tangible property listed and described on Schedule 1.1(b) attached hereto that is not specifically listed as Excluded Assets, and any additions and improvements thereto between the Effective Date and the Closing Date (collectively, the “Tangible Personal Property”);

(c) **Real Property**. All right, title and interest of Seller in the real estate leases, licenses, subleases or sublicenses for the Stations’ broadcast transmission facilities (e.g., towers, transmitter sites and transmitter buildings) as listed and described on Schedule 1.1(c) and all of Seller’s rights thereto (the “Real Property Leases”);

(d) **Contracts**. All (i) contracts, agreements and leases listed on Schedule 1.1(d), (ii) agreements to sell time on the Stations and entered into in the ordinary course of business consistent with Seller’s past practices that are terminable on no more than fourteen (14) days notice or thirty (30) days in the case of paid programming agreements (i.e. infomercials) (“Sales Agreements”), and (iii) other reasonable and customary station contracts, agreements and leases approved in writing by Buyer, such approval not to be unreasonably withheld, which are entered into between the Effective Date and the Closing Date (collectively, the “Assumed Contracts”);

(e) **Intangible Property**. All of Seller’s rights in the call letters of the Stations and in any trademarks, trade names, service marks, patents, patent applications, internet domain names and associated websites, copyrights, programs and programming material (including program rights), jingles, slogans, logos, and other intangible property owned or leased by Seller used or held for use in the operation of the Stations, including without limitation those listed on Schedule 1.1(e), and all goodwill associated with the foregoing (collectively, the “Intangible Property”);

(f) **Files and Records**. KSBI’s paper and online public inspection files, filings with the FCC relating to the Stations, and such other technical information, engineering data, books and records that relate to the Stations and the Station Assets being conveyed hereunder; all sales and promotional literature, manuals and data, sales and purchase correspondence, advertiser lists, lists of present and former suppliers, and lists of present and former customers that relate to the Stations and the Station Assets;

(g) **Claims**. Any and all claims and rights against third parties under manufacturers’ and vendors’ warranties for the Station Assets; and

(h) **Prepaid Items.** All deposits, reserves and prepaid expenses relating to the Station Assets and prepaid taxes relating to the Station Assets, pro-rated as of Closing under Section 1.5.

The “KSBI Station Assets” are those Station Assets used exclusively in the operation of KSBI. The Station Assets shall be delivered as is, where is, without any representation or warranty by Seller except as expressly set forth in Article 3 of this Agreement or in the documents delivered by Seller at the Closing, and Buyer acknowledges that it has not relied on or been induced to enter into this Agreement by, and hereby disclaims and waives, any representation or warranty other than those expressly set forth in Article 3 hereof or in the documents delivered by Seller at the Closing.

1.2 **Excluded Assets.** The following shall be excluded from the Station Assets and retained by Seller (collectively, the “Excluded Assets”):

(a) **Cash.** All cash, cash equivalents or similar investments such as certificates of deposit, treasury bills and other marketable securities on hand and/or in banks and deposits of Seller;

(b) **Accounts Receivable.** All accounts receivable of Seller arising from the operation of the Stations prior to the LMA Commencement Date which are outstanding and uncollected as of the LMA Commencement Date (the “Accounts Receivable”);

(c) **Insurance.** Any insurance policies, intercompany accounts, promissory notes, amounts due from employees, bonds, letters of credit, or other similar items, any cash surrender value in regard thereto of Seller, and any proceeds from insurance claims made by Seller relating to property or equipment included in the Station Assets that has been repaired, replaced or restored by Seller prior to the Closing Date;

(d) **Benefit Plans.** Any pension, profit-sharing or cash or deferred (Section 401(k)) plans and trusts and assets thereof, or any other employee benefit plan or arrangement, and the assets thereof;

(e) **Tax Refunds.** Any interest in and to any refunds of federal, state or local franchise, income or other taxes of Seller for taxes incurred and actually paid by Seller prior to the Closing;

(f) **Real Property.** The main studio building for KSBI and the associated land and the tower as described on Schedule 1.2(f) (the “KSBI Studio Property”);

(g) **Personal Property.** Any tangible and intangible personal property of Seller listed on Schedule 1.2(g);

(h) **Books and Records.** All the financial records, account books and general ledgers, and all corporate records (including organizational documents) of Seller, including tax returns and transfer books;

- (i) **Employees**. The employees of the Station or of Seller; and
- (j) **Contracts**. Any contracts or agreements other than the Assumed Contracts.

1.3 **Liabilities**. At Closing, the Station Assets shall be transferred by Seller to Buyer free and clear of all debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements, equipment leases, and other liens, liabilities and encumbrances of every kind and nature ("Liens"), other than Permitted Liens (as defined below). Buyer shall assume and undertake to pay, discharge and perform (i) all obligations and liabilities relating to the Real Property Leases, Assumed Contracts and other Station Assets arising or occurring on or after the Closing and (ii) any liability of Seller for which Buyer has received a credit under Section 1.5 (collectively, the "Assumed Liabilities"). Unless otherwise provided in the LMA, Buyer shall not assume (i) any obligations or liabilities under the Real Property Leases, Assumed Contracts or other Station Assets relating to the period prior to the Closing; (ii) any obligations or liabilities of Seller which are unrelated to the Station Assets being sold hereunder, (iii) any obligations or liabilities relating to employees of Seller (including but not limited to any pension obligations or pension withdrawal liabilities), (iv) any obligations or liabilities relating to the Excluded Assets, (v) any federal, state or local franchise, income or other taxes of Seller, or (vi) any other obligations or liabilities of Seller, in each case, except to the extent Buyer has received a credit for such liability under Section 1.5 (collectively, the "Retained Liabilities"). "Permitted Liens" means (a) Liens for taxes not yet due and payable; (b) Liens that will be discharged prior to Closing, (c) Liens arising under the Real Property Leases, Assumed Contracts and other Station Assets (other than as a result or consequence of a breach thereof and other than Retained Liabilities), (d) the Assumed Liabilities, (e) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and repairmen incurred in the ordinary course of the Business and not yet delinquent; (f) zoning, building or other similar legal restrictions, variances, covenants, rights of way, encumbrances, and easements, none of which, individually or in the aggregate, materially impairs the continued use of the Station Assets as operated by Seller; and (g) any right reserved to any Governmental Authority to regulate the affected property.

#### 1.4 **Purchase Price**.

(a) **Purchase Price**. The purchase price to be paid for the Station Assets will be Three Million Two Hundred Thousand Dollars (\$3,200,000), subject to the adjustments described in Section 1.5 (the "Purchase Price"). At Closing, Buyer shall pay the Purchase Price less the Escrow Amount to Seller by wire transfer of immediately available funds.

(b) **Escrow Deposit**. Simultaneously with the execution and delivery of this Agreement, Buyer (or an affiliate of Buyer) will deposit One Hundred Fifty Thousand Dollars (\$150,000) (together with any interest earned thereon, the "Escrow Amount") of the Purchase Price into escrow. The Escrow Amount shall be held and disbursed by BOKF, NA d/b/a Bank of Oklahoma as the escrow agent (the "Escrow Agent") pursuant to the terms of an escrow agreement in the form attached hereto as Exhibit C (the "Escrow Agreement"). At the Closing, the Parties shall cause the Escrow Agent to pay the Escrow Amount to Seller.

1.5 **Prorations.** Except as provided in the LMA, the parties agree to prorate all revenue and expenses arising out of the operation of the Stations which are incurred, accrued, or payable, as of 11:59 p.m. local time of the day preceding the Closing. Except as provided in the LMA, the items to be prorated shall include, but not be limited to, power and utilities charges, real and personal property taxes upon the basis of the most recent tax bills and information available, security deposits, and similar prepaid and deferred items. Notwithstanding anything to the contrary, the items to be prorated shall not include the FCC regulatory fees (based on the most recent publicly available information about the cost of such regulatory fees for the Stations), and Seller shall pay the FCC regulatory fees for the Stations that are to become due and payable on or about September 2014. The prorations shall, insofar as feasible, be determined and paid on the Closing Date, with final settlement and payment to be made within forty-five (45) days after the Closing Date.

1.6 **Allocation of Purchase Price.** Buyer and Seller shall negotiate in good faith an allocation of the Purchase Price to the assets acquired hereunder in a manner which complies with Section 1060 of the Internal Revenue Code of 1986, as amended (the “Code”), prior to Closing.

1.7 **Effect of LMA.** Simultaneously with the execution of this Agreement, Seller and Buyer are executing and delivering the LMA. To the extent that any Station Assets are assigned, any Assumed Liabilities are assumed or assets and liabilities are prorated under the LMA, any obligation of the Seller under this Agreement to assign such Station Assets, of the Buyer to assume such Assumed Liabilities or of the parties to prorate such Station Assets and Assumed Liabilities, shall be deemed satisfied. Notwithstanding anything contained herein to the contrary, Seller shall not be deemed to have breached any of its representations, warranties, covenants or agreements contained herein or to have failed to satisfy any condition precedent to Buyer’s obligation to perform under this Agreement (nor shall the Seller have any liability or responsibility to the Buyer in respect of any such representations, warranties, covenants, agreements or conditions precedent), in each case, to the extent that the inaccuracy of any such representations, the breach of any such warranty, covenant or agreement or the inability to satisfy any such condition precedent arises out of or results from (a) any actions taken by or under the authorization of Buyer or its affiliates (or any of their respective officers, directors, employees, agents or representatives) in connection with Buyer’s performance of its obligations under the LMA or (b) the failure of Buyer to perform any of its obligations under the LMA. Buyer’s actions or failures as provided for in (a) and (b) of this Section 1.7 shall hereinafter be referred to as “Buyer LMA Actions.” Buyer acknowledges and agrees that Seller shall not be deemed responsible for or to have authorized or consented to any action or failure to act on the part of Buyer or its affiliates (or any of their respective officers, directors, employees, agents or representatives) in connection with the LMA solely by reason of the fact that prior to Closing, Seller shall have the legal right to control, manage and supervise the operation of the Stations

## **ARTICLE 2: FCC CONSENT; CLOSING**

2.1 **FCC Consent; Assignment Application.** Buyer and Seller shall prepare, execute, file, and vigorously prosecute an application to the FCC (the “Assignment Application”) requesting the FCC’s consent (the “FCC Consent”) to the assignment from Seller to Buyer of the

FCC Authorizations. The Assignment Application shall be filed not later than five (5) business days after the date of the execution of this Agreement. Buyer and Seller shall take all reasonable steps to cooperate with each other and with the FCC in order to secure such FCC Consent without delay and to promptly consummate the transaction contemplated in this Agreement. Buyer shall pay the FCC filing fees due in connection with the Assignment Application, one-half of which fees shall be credited against the Purchase Price at the Closing. Seller shall pay the costs associated with the FCC required public notices of the Assignment Application, one-half of which fees shall be added to the Purchase Price at the Closing. Each party shall be responsible for all of its other costs with respect to the preparation, filing and prosecution of the Assignment Application. Buyer and Seller shall promptly notify each other of, and provide copies of, all documents filed with or received from the FCC or any other governmental agency with respect to this Agreement, the Assignment Application or the transaction contemplated hereby. If Buyer or Seller becomes aware of any fact which would prevent or delay the FCC Consent or the Final Order (as defined in Section 2.2), it shall promptly notify the other Party.

2.2 **Closing Date; Closing Place.** The closing (the “Closing”) of the transaction contemplated in this Agreement shall occur on a date (the “Closing Date”) that is no more than ten (10) business days following the date (i) on which the FCC Consent shall have been initially granted and (ii) the other conditions to the Closing set forth in Articles 7 and 8 hereof shall have either been waived or satisfied; and Seller and Buyer agree to cooperate to the extent necessary to obtain the FCC’s extension of the effectiveness of the FCC Consent as may be required. It is not a condition to Closing that the FCC Consent become a Final Order. For purposes of this Agreement, the term “Final Order” means action by the FCC consenting to the Assignment Application, and such consent shall not have been reversed, stayed, enjoined, set aside, annulled, or suspended, and with respect to which action no timely request for stay, petition for rehearing, petition for reconsideration, application for review, or notice of appeal is pending, and as to which the times for filing any such request, petition, application, notice, or appeal, or for reconsideration or review by the FCC on its own motion, shall have expired. The Closing shall be held at the offices of Buyer’s counsel or by exchange of documents via email, or as Seller and Buyer may agree.

2.3 **Assignment of Assumed Contracts at Closing.** In the event any Assumed Contract or Real Property Lease may not be assigned without the consent of any third party, and such consent has not been obtained as of the Closing, then such Assumed Contract or Real Property Lease will not be deemed assigned to Buyer until such third party consent is obtained. If consent is subsequently obtained or deemed obtained (by virtue of the passage of time) after Closing, such Assumed Contract or Real Property Lease shall be deemed assigned by Seller and assumed by Buyer pursuant to this Agreement as of the date of such consent without further action or writing by the Parties. Prior to obtaining any required consent, to the extent permitted by law, Seller agrees to equitably assign its rights in the Assumed Contract or Real Property Lease to Buyer until such consent is obtained. In doing so, Buyer shall receive all benefits of such Assumed Contract or Real Property Lease and be obligated to pay any monies owned thereunder, and perform and comply with the terms of such Assumed Contract or Real Property Lease on Seller’s behalf.

### **ARTICLE 3: REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller makes the following representations and warranties to Buyer:

3.1 **Organization and Authorization.** Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of Oklahoma. Seller has all requisite corporate power to own and operate the Stations as currently operated. Seller has the legal power and authority to execute and deliver this Agreement and to consummate the transaction contemplated hereby. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby on Seller's part, have been duly and validly authorized by Seller and its owners, and no other actions on the part of Seller (or its owners) are necessary to authorize the execution and delivery of, or the performance of Seller's obligations under, this Agreement, or to consummate the transaction contemplated hereby. This Agreement has been duly and validly executed and delivered by Seller. This Agreement constitutes the legal, valid, and binding obligation of Seller enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, or other laws affecting generally the enforcement of creditors' rights or the application of principles of equity.

3.2 **No Defaults.** The execution, delivery, and performance of this Agreement by Seller will not (i) constitute a violation of, or conflict with, Seller's organizational documents, (ii) result in a default (or give rise to any right of termination, cancellation, or acceleration) under, or conflict with, any of the terms, conditions, or provisions of any note, bond, mortgage, indenture, agreement, lease, or other instrument or obligation relating to the business of the Stations or to which Seller or any of the Station Assets may be subject, (iii) assuming the FCC Consent is obtained, violate any statute, regulation, order, injunction, or decree of any federal, state, or local governmental authority or agency which is applicable to Seller or any of the Station Assets, (iv) result in the creation or imposition of any Lien other than a Permitted Lien upon any of the Station Assets or (v) require a notice to or the consent or approval of any governmental authority, lending institution, or other third party other than the FCC Consent, except, in the case of clauses (ii), (iii), and (v), as noted in Schedule 3.10 hereto.

3.3 **Tangible Personal Property.** Schedule 1.1(b) hereto contains a list of the material Tangible Personal Property owned by Seller that will be conveyed to Buyer. Seller owns and has, and will have on the Closing Date, good title to the Tangible Personal Property.

3.4 **Real Property.** Seller holds no fee simple ownership interests in real property used in the operation of the Stations, except for the KSBI Studio Property that will not be transferred to Buyer hereunder. Seller holds valid leasehold (or license) interests for the transmitter site for KSBI. The Real Property Leases set forth on Schedule 1.1(c) and the KSBI Studio Property are Seller's sole interests in real estate used in connection with the operation of the Stations in the manner in which they are being operated. Subject to obtaining the applicable lessor consent, Seller has the full legal power and authority to assign its rights under the KSBI Real Property Lease (as defined on Schedule 1.1(c)) to Buyer.

3.5 **FCC Authorizations and Other Licenses.** Schedule 1.1(a) includes a true and complete list of all FCC Authorizations and all pending applications for renewal or modification

thereof. Except as listed on Schedule 1.1(a), the KSBI FCC Authorizations (as defined on Schedule 1.1(a)) are in full force and effect, unimpaired by any act or omission of Seller. Seller lawfully holds each of the KSBI FCC Authorizations, none of which is subject to any restrictions or conditions that would limit in any material respect the operations of KSBI, other than (i) as may be set forth on the faces of such KSBI FCC Authorizations and other licenses, or (ii) as may be applicable to the television broadcasting industry. Except as set forth in Schedule 1.1(a), Seller is operating KSBI in all material respects in compliance with the FCC Authorizations, the Communications Act of 1934, as amended, and all regulations and published policies of the FCC (the “Communications Laws”). To Seller’s knowledge, KSBI is not causing objectionable interference with any other broadcast station. To Seller’s knowledge, there is not now pending or threatened any action by or before the FCC to revoke, cancel, rescind, modify, or refuse to renew any of the KSBI FCC Authorizations. Seller has not received any notice of, and has no knowledge of, any pending, issued, or outstanding investigation, order to show cause, notice of violation, notice of apparent liability, notice of forfeiture, or material complaint by or before the FCC against KSBI. All material reports and filings required to be filed with the FCC by Seller with respect to the operation of KSBI have been filed, and all such reports and filings are accurate and complete in all material respects.

3.6 **Title; Title Documents.** Except as set forth in Schedule 3.6, Seller has possession of and good title to or valid leasehold interests in all Station Assets, free and clear of all Liens other than Permitted Liens. Seller has good right, full power and lawful authority to sell, bargain, convey, transfer, deliver and assign to Buyer all of its right, title and interest in, to and under each of the Station Assets. The instruments to be executed by Seller and delivered to Buyer at the Closing conveying the Station Assets to Buyer will transfer title to the Station Assets, free and clear of all Liens other than Permitted Liens.

3.7 **Employees.** Seller is not a party or subject to any labor union or collective bargaining agreements with respect to the Stations.

3.8 **Brokers.** Except for John Tupper, whose fee, if any fee is payable, shall be paid solely by Seller, there is no broker or finder or other person who would have any valid claim for a commission or a brokerage fee in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding, or action on the part of Seller.

3.9 **Litigation; Compliance with Law.** Seller is not subject to any order, writ, injunction, judgment, arbitration, decision, or decree having a binding effect and affecting the KSBI Station Assets or which restrains or enjoins, or purports to restrain or enjoin, or could reasonably be expected to restrain or enjoin, the transaction contemplated hereby, and to Seller’s knowledge no such proceeding is pending. There is no material litigation or administrative investigation or proceeding pending by or against, or, to Seller’s knowledge, threatened against, Seller which could materially and adversely affect any of the KSBI Station Assets or KSBI. Seller, with respect to KSBI, has complied in all material respects with all applicable laws, regulations, orders, or decrees. The present uses by Seller of the KSBI Station Assets and the operation of KSBI do not violate any such laws, regulations, orders, or decrees in any material respect, and

Seller has no knowledge of any basis for any claim for compensation or damage or other relief from any violation of the foregoing.

3.10 **Approvals and Consents.** Except as described in Schedule 3.10 hereto, the execution, delivery, and performance by Seller of this Agreement and the consummation of the transaction contemplated hereby will not require any consent, permit, license or approval of any person, entity, or government or regulatory authority other than the FCC Consent.

3.11 **Insurance.** All of the material KSBI Station Assets that are insurable are insured against loss, injury, or damage in accordance with Seller's past practices.

3.12 **Taxes.** Seller has duly, timely, and in the required manner filed all federal, state, and local income, franchise, sales, use, property, excise, payroll, and other tax returns and forms required to be filed by Seller in connection with the operation of KSBI, and has paid in full or discharged all taxes, assessments, excises, interest, penalties, deficiencies, and losses required to be paid by Seller in connection with the operation of KSBI. No event with respect to KSBI has occurred which could impose upon Buyer any liability for any taxes, penalties, or interest due or to become due from Seller from any taxing authority.

3.13 **Performance of Real Property Leases and Assumed Contracts.** Schedules 1.1(c) and 1.1(d) include contracts, agreements and leases that relate primarily to the operation of the Stations or the ownership of the Station Assets, including, without limitation, programming and film contracts, syndication contracts, national sales representation contracts, employment contracts, retransmission contracts, distribution contracts and network affiliation contracts, Real Property Leases, income-producing leases and agreements. Seller has fully and timely performed all of its obligations pursuant to the KSBI Real Property Lease (as defined on Schedule 1.1(c)) and the Assumed Contracts in all material respects and is not in material default or breach of any such agreements. Seller has not received notice from any party to the KSBI Real Property Lease or any Assumed Contract that such party contends that Seller is in default or breach under the KSBI Real Property Lease or any Assumed Contract. Each of the KSBI Real Property Lease and the Assumed Contracts is in full force and effect; and, to the knowledge of Seller, there has not been, and is not, any material default or breach under the KSBI Real Property Lease or any Assumed Contract by the other party to any Real Property Lease or Assumed Contract. Except as set forth in Schedules 1.1(c) and 1.1(d), there have been no modifications, extensions, or amendments of the KSBI Real Property Lease or any Assumed Contract. Seller has not been notified by any other party to the KSBI Real Property Lease or any Assumed Contract that such party has a present intent to terminate or not to renew the KSBI Real Property Lease or any Assumed Contract. Except as set forth on Schedule 1.1(d), none of the Assumed Contracts included in the Station Assets has as the other party an entity controlled by Seller or any of Seller's owners.

3.14 **Sufficiency of Assets.** The Station Assets together with the Excluded Assets are sufficient for the operation of KSBI as presently operated by Seller.

3.15 **Intellectual Property.** Seller has not received any notice of infringement or conflict, or has any knowledge of any basis for such claim, with asserted rights of others with respect to any intellectual property included in the KSBI Station Assets.

3.16 **MVPD Matters.** Schedule 3.16 contains (i) a complete list of all material U.S. cable television systems, open video systems, telephone companies and DBS systems (collectively, “MVPDs”) which carry the signal of KSBI and (ii) a list of all retransmission consent agreements entered into by Seller with respect to KSBI. Seller has not received notice that any MVPD which is currently carrying the KSBI’s signal intends to delete the station from carriage or to change the station’s channel position on such MVPD system. Seller has provided Buyer with copies of all notices, correspondence or petitions from any MVPD with respect to KSBI received by Seller since January 1, 2014. Seller has provided Buyer with copies of all retransmission consent agreements from any MVPD with respect to KSBI.

3.17 **AS IS CONDITION.** Except as otherwise provided in this Article 3, the Station Assets are being sold to Buyer hereunder on an as is, where is basis without any representation or warranty as to the condition of the Station Assets. Buyer has conducted any due diligence Buyer has deemed necessary to be performed and Buyer is aware of the condition of the Station Assets.

3.18 **Accuracy of Representations and Statements.** To Seller’s knowledge, no representation or warranty made by Seller in this Agreement, and no statement made in any certificate, document, exhibit, or schedule to this Agreement or to be delivered at Closing by Seller in connection with the transactions herein contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to Buyer in the circumstance under which such representation, warranty, or statement was made.

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

Buyer makes the following representations and warranties to Seller:

4.1 **Organization and Authorization.** Buyer is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Oklahoma. Buyer has the legal power and authority to execute and deliver this Agreement, and to consummate the transaction contemplated hereby. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby have been duly and validly authorized by Buyer, and no other proceedings on the part of Buyer are necessary to authorize the execution and delivery of, or the performance of Buyer’s obligations under this Agreement, or to consummate the transaction contemplated hereby. This Agreement has been duly and validly executed and delivered by Buyer. This Agreement constitutes the legal, valid, and binding agreement of Buyer enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, or other laws affecting generally the enforcement of creditors’ rights or the application of principles of equity.

4.2 **No Defaults.** The execution, delivery, and performance of this Agreement by Buyer will not (i) conflict with or result in any breach of any provision of the certificate of formation, limited liability company agreement or other similar organizational documents of Buyer, or (ii) result in a default (or give rise to any right of termination, cancellation, or acceleration) under, or conflict with, any of the terms, conditions, or provisions of any note, bond, mortgage, indenture, agreement, lease, or other instrument or obligation relating to Buyer or its

business, except for such defaults (or rights of termination, cancellation, or acceleration) or conflicts as to which requisite waivers or consents have been obtained and delivered to Seller, (iii) violate any statute, regulation, order, injunction, or decree of any federal, state, or local governmental authority or agency which is applicable to Buyer, or (iv) require the consent or approval of any governmental authority other than the FCC Consent.

4.3 **Buyer's Qualification**. Buyer is legally, financially, technically and otherwise qualified to acquire, and to become the FCC licensee of, the Stations and to perform its obligations under this Agreement. To Buyer's knowledge, there are no facts that would disqualify Buyer as an assignee of the FCC Authorizations or as the owner and operator of the other Station Assets or result in a delay in the processing of the Assignment Application. To Buyer's knowledge, no waiver of any FCC rule or policy relating to the qualifications of Buyer is necessary for the FCC Consent to be obtained.

4.4 **Litigation**. Buyer is not subject to any order, writ, injunction, judgment, arbitration, decision, or decree having a binding effect and affecting the business of Buyer or which restrains or enjoins, or purports to restrain or enjoin, or could reasonably be expected to restrain or enjoin, the transaction contemplated hereby, and no such proceeding is pending. There is no material litigation pending by or against, or, to the knowledge of Buyer, or threatened against Buyer, that would prevent or materially impede the consummation by Buyer of the transaction contemplated by this Agreement.

4.5 **Brokers**. There is no broker or finder or other person who would have any valid claim for a commission or a brokerage fee in connection with this Agreement or the transaction contemplated hereby as a result of any agreement, understanding, or action on the part of Buyer.

4.6 **Accuracy of Representations and Statements**. To the knowledge of Buyer, no representation or warranty made by Buyer in this Agreement, and no statement made in any certificate, document, exhibit, or schedule to this Agreement or to be delivered at Closing by Buyer in connection with the transactions herein contemplated, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading to Seller in the circumstance under which such representation, warranty, or statement was made.

## **ARTICLE 5: COVENANTS OF SELLER**

The following terms of this Article 5 shall apply from the Effective Date until the completion of the Closing (except as expressly permitted by this Agreement or the LMA).

5.1 **Station Documents**. The records, files and other documents kept in connection with the Stations shall be maintained by Seller in the usual and ordinary manner consistent with standard broadcast industry practice. Except as set forth in Schedule 5.3, Seller shall maintain the FCC Authorizations in accordance with their terms and in compliance in all material respects with all applicable laws, rules and regulations and all applicable FCC regulations and published policies. Except as set forth in Schedule 5.3, Seller shall maintain the FCC Authorizations in full force and effect and shall take all actions necessary to so maintain them, including but not limited

to the timely filing and prosecution of any necessary or renewal applications of the FCC Authorizations or other submissions to the FCC, in consultation with Buyer.

5.2 **FCC Compliance**. Seller shall deliver to Buyer, promptly after filing, copies of any material reports, applications, or responses to the FCC, or any material communications from the FCC, or if from any other party directed to the FCC, promptly after receipt by Seller, related to the Stations that are filed or received by Seller between the date of this Agreement and the Closing Date. Seller will not file any application with the FCC requesting authority to modify the facilities of the Stations without Buyer's prior written consent and, subject to Schedule 5.3, Seller shall take all actions necessary to keep the FCC Authorizations valid and in full force and effect.

5.3 **Operation of Stations in Ordinary Course**. Except as set forth on Schedule 5.3 or as disclosed in writing to, and approved in writing by, Buyer, such approval not to be unreasonably withheld, and except as contemplated by Section 12.6 (Damage to Station Assets), Seller shall operate the Stations solely in the ordinary course of business and in accordance with past practice, including without limitation, any maintenance to and repair of the Station Assets, and shall pay and perform all of its obligations with respect to the Stations (including those required under the Assumed Contracts and Real Property Leases) in the ordinary course as such obligations become due. Seller shall not amend any Real Property Lease or Assumed Contract (other than Sales Agreements) without Buyer's written approval.

5.4 **Insurance**. Seller shall maintain in full force and effect through the Closing Date its existing property damage, liability, and other insurance with respect to the Station Assets.

5.5 **Disposition of Assets**. Prior to the Closing Date, Seller shall not, without the prior written consent of Buyer, sell, lease, or transfer, or agree to sell, lease, or transfer, any of the Station Assets that are used or useful in operating the Stations without replacement thereof with an asset of equivalent kind, condition, and value that satisfies industry standards for such assets, nor create any new Lien on the Station Assets other than Permitted Liens and Liens arising pursuant to, and in accordance with the terms of, this Agreement.

5.6 **Compliance with Law**. Seller shall comply in all material respects with all federal, state, and local laws, rules and regulations in connection with the operation of the Stations.

5.7 **Access to Facilities, Files and Records**. At the request of Buyer, Seller shall from time to time give or cause to be given to Buyer full access during normal business hours to the Station Assets, and all accounts, books, insurance policies, licenses, agreements, contracts and equipment with respect to the Stations; provided, however, that all such access shall require the express consent of Seller and shall be scheduled in a manner reasonably acceptable to Seller.

5.8 **Representations and Warranties and Covenants**. Seller shall give detailed written notice to Buyer promptly upon learning of the occurrence of any event that would cause or constitute a breach, or that would have caused a breach had such event occurred or been known to Seller prior to the Effective Date, of any of the representations, warranties or covenants contained in this Agreement. Updates provided in order to comply with the covenant in this Section 5.8 will

not have any impact on Buyer's conditions to Closing or serve to limit Buyer's right to indemnification hereunder, except for updates with respect to the Translator Stations.

5.9 **Consummation of Agreement.** Seller shall use all commercially reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement, and to cause the transaction contemplated by this Agreement to be fully carried out in accordance with its terms.

5.10 **Employees.**

(a) **Hiring.** Buyer shall have no obligation to offer employment to any employee of Seller or the Stations. Buyer shall have no liability with respect to any such employee or for any such employee's benefits of any kind or nature, except to the extent that Buyer offers employment to any such employee and then only from and after the time at which such offer shall have been extended, and accepted by such employee.

(b) **Continuation Coverage.** Seller shall provide Continuation Coverage to all "M&A qualified beneficiaries," as such term is defined in Treasury Regulation § 54.4980B-9, with respect to Seller's group medical plan. For purposes of this Agreement, "Continuation Coverage" means benefits under Section 4980B of the Internal Revenue Code of 1986, as amended, and Sections 601 through 608 of the Employee Retirement Income Security Act of 1974, as amended, and any comparable continuation medical plan coverage obligations under any applicable state law.

5.11 **MVPD Election Letters.** Seller shall ensure that election letters are timely sent to the MVPDs in the Oklahoma City DMA set forth on Schedule 5.11, via certified mail, indicating that KSBI has elected retransmission consent for the January 1, 2015 to December 31, 2017 election period pursuant to Section 76.64(f) of the FCC's rules.

5.12 **Termination Letter MVPD.** Seller shall ensure that a termination letter is timely sent to the MVPDs in the Oklahoma City DMA set forth on Schedule 5.12, via certified mail, indicating that Seller will not be renewing its retransmission agreement with such MVPD after the expiration of the current term of such agreements.

5.13 **No Shop; No Further Negotiations.** Unless and until such time as this Agreement is terminated pursuant to Section 11.1, Seller shall not, nor will it permit any owner, director, officer, employee, affiliate, attorney, advisor or other representative or agent of Seller to (a) enter into any negotiations, discussions or agreements with any third parties, other than Buyer or its representatives, with respect to the sale of all or any portion of the Station Assets, or (b) solicit, accept, approve or otherwise facilitate any proposals or offers from third parties, other than Buyer or its representatives, to purchase all or any portion of the Station Assets.

5.14 **Estoppel Certificate.** Seller shall use commercially reasonable efforts to obtain an Estoppel Certificate executed by the lessor under the KSBI Real Property Lease in a form reasonably satisfactory to Buyer, confirming the terms of such lease and that Seller is not in default

under, or in breach of, such lease and such other customary matters reasonably requested by Buyer (the "Estoppel Certificate").

## **ARTICLE 6: COVENANTS OF BUYER**

Buyer covenants and agrees that:

6.1 **Representations and Warranties and Covenants.** From the Effective Date until the completion of the Closing, Buyer shall give detailed written notice to Seller promptly upon learning of the occurrence of any event that would cause or constitute a breach or would have caused a breach had such event occurred or been known to Buyer prior to the Effective Date, of any of the representations, warranties or covenants of Buyer contained in this Agreement. Updates provided in order to comply with the covenant in this Section 6.1 will not have any impact on Seller's conditions to Closing or serve to limit Seller's right to indemnification hereunder.

6.2 **Consummation of Agreement.** From the Effective Date until the completion of the Closing, Buyer shall use all commercially reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement, and to cause the transaction contemplated by this Agreement to be fully carried out in accordance with its terms. Subject to the provisions of Article 5 and the LMA, Buyer shall not, directly or indirectly, control, supervise or direct the operations of the Stations prior to the Closing. Such operations shall be the sole responsibility of Seller and shall be in its complete discretion.

6.3 **Removal of Equipment from KSBI Studio Property.** Following the Closing, Buyer shall remove, at its own expense, all Tangible Personal Property from the KSBI Studio Property without damage within ten (10) business days after the Closing Date. In no event shall Buyer remove any Excluded Assets. Buyer shall reimburse Seller for any reasonable costs incurred by Seller for material damage to any facilities or equipment caused by Buyer's removal of Tangible Personal Property.

## **ARTICLE 7: CONDITIONS TO THE OBLIGATIONS OF SELLER**

The obligations of Seller under this Agreement are subject to the fulfillment of the following conditions prior to or on the Closing Date or Seller's waiver of any such condition, in Seller's sole discretion.

7.1 **Representations, Warranties and Covenants.**

(a) Each of the representations and warranties of Buyer contained in this Agreement was true and correct in all material respects (except for any representation or warranty that is qualified by materiality, which shall be true and correct in all respects) as of the date when made and is deemed to be made again on and as of the Closing Date and is then true and correct in all material respects (except for any representation or warranty that is qualified by materiality, which shall be true and correct in all respects), except in both cases, for changes expressly contemplated by this Agreement.

(b) Buyer shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

7.2 **Proceedings.** Neither Seller nor Buyer is subject to any restraining order or injunction (or similar action) and no action is pending (other than routine FCC actions or a petition for reconsideration of the FCC Consent) which would restrain or prohibit the consummation of the transaction contemplated hereby.

7.3 **FCC Authorizations.** The FCC Consent has been issued by the FCC.

7.4 **Deliveries.** Buyer has complied with each and every one of its obligations set forth in Section 9.2.

7.5 **Required Consent.** The contract noted with an asterisk (\*) on Schedule 3.10 shall be deemed the "Required Consent." The Required Consent described in Schedule 3.10 shall have been obtained.

**ARTICLE 8: CONDITIONS TO THE OBLIGATIONS OF BUYER**

The obligations of Buyer under this Agreement are subject to the fulfillment of the following conditions prior to or on the Closing Date or Buyer's waiver of any such condition, in Buyer's sole discretion.

8.1 **Representations, Warranties and Covenants.**

(a) Each of the representations and warranties of Seller contained in this Agreement was true and correct in all material respects (except for any representation or warranty that is qualified by materiality, which shall be true and correct in all respects) as of the date when made and is deemed to be made again on and as of the Closing Date and is then true and correct in all material respects (except for any representation or warranty that is qualified by materiality, which shall be true and correct in all respects), except, in both cases, (i) for changes expressly contemplated by this Agreement or permitted under Article 5 or that take place as a result of Buyer LMA Actions, and (ii) casualty losses or damages subject to Section 12.6 or that are reimburseable by Buyer under the LMA .

(b) Seller shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

8.2 **Proceedings**. Neither Seller nor Buyer is subject to any restraining order or injunction (or similar action) and no action is pending (other than routine FCC actions or a petition for reconsideration of the FCC Consent) which would restrain or prohibit the consummation of the transaction contemplated hereby.

8.3 **FCC Authorizations**. The FCC Consent has been issued by the FCC.

8.4 **Deliveries**. Seller has complied with each and every one of the obligations set forth in Section 9.1.

8.5 **Required Consent**. The Required Consent shall have been obtained.

8.6 **Liens**. No Liens (other than Permitted Liens) shall exist or have been filed or recorded against the Station Assets in the public records of the central filing of Seller's state of incorporation or in any other jurisdiction in which the Station Assets are located that is not fully discharged, or agreed in writing to be fully discharged upon receipt of payment from the proceeds of the transaction contemplated by this Agreement, on the Closing Date. Duly executed UCC releases, mortgage terminations or other similar documents or instruments required to transfer the Station Assets free and clear of Liens (other than Permitted Liens) shall have been delivered by Seller.

8.7 **Estoppel Certificate**. Buyer shall have received a duly executed copy of the Estoppel Certificate.

## **ARTICLE 9: ITEMS TO BE DELIVERED AT CLOSING**

9.1 **Deliveries by Seller**. At Closing, Seller shall deliver to Buyer, duly executed by Seller or such other signatory as may be required by the nature of the document:

(a) a certificate for Seller, dated as of the Closing Date, executed by an officer of Seller, certifying on behalf of Seller that the closing conditions specified in Sections 8.1(a) and (b) have been satisfied;

(b) a bill of sale sufficient to sell, convey, transfer and assign the Tangible Personal Property and all other assets included in the Station Assets (other than the FCC Authorizations, Real Property Leases and Assumed Contracts) to Buyer free and clear of any Liens other than Permitted Liens, in a form reasonably acceptable to Buyer and Seller (the "Bill of Sale");

(c) an assignment and assumption agreement sufficient to sell, convey, transfer and assign the Assumed Contracts to Buyer free and clear of any Liens other than Permitted Liens,

in a form reasonably acceptable to Buyer and Seller (the “Assignment and Assumption Agreement”);

(d) an assignment and assumption agreement sufficient to assign the FCC Authorizations (including the Stations’ call letters) to Buyer, in a form reasonably acceptable to Buyer and Seller (the “FCC Authorizations Assignment and Assumption Agreement”);

(e) assignment and assumption agreements sufficient to assign each Real Property Lease in a form reasonably acceptable to Buyer and Seller (each a “Lease Assignment and Assumption Agreement”);

(f) assignment and assumption instruments sufficient to assign the Intangible Property from Seller to Buyer (including any trademarks registered with the Patent and Trademark office and domain name transfers assigning the Stations’ domain names (if any) included in the Intangible Property) (collectively the “Intangible Property Assignment Documents”);

(g) the Required Consent;

(h) executed releases, in suitable form for filing and otherwise in form and substance reasonably satisfactory to Buyer, of any security interests granted in the Station Assets as security for payment of loans and other obligations and of any other Liens (other than Permitted Liens);

(i) certified copies of appropriate resolutions, duly adopted, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Seller of this Agreement, and the consummation of the transaction contemplated hereby;

(j) duly endorsed certificates of title to all the Station Assets represented by certificates of title; and

(k) any other documents and instruments of conveyance, assignment and transfer that may be reasonably requested by Buyer to convey, transfer and assign the Station Assets to Buyer, free and clear of Liens, except for Permitted Liens.

9.2 **Deliveries by Buyer**. At the Closing, Buyer shall deliver to Seller, duly executed by Buyer or such other signatory as may be required by the nature of the document:

(a) a certificate for Buyer, dated as of the Closing Date, executed by an officer or other authorized representative of Buyer, certifying on behalf of Buyer that the closing conditions specified in Sections 7.1(a) and (b) have been satisfied;

(b) the payment of the Purchase Price, less the Escrow Amount;

(c) the Bill of Sale;

(d) the Assignment and Assumption Agreement;

- (e) the FCC Authorizations Assignment and Assumption Agreement;
- (f) the Lease Assignment and Assumption Agreements;
- (g) the Intangible Property Assignment Documents;
- (h) certified copies of resolutions, duly adopted, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Buyer of this Agreement, and the consummation of the transaction contemplated hereby; and
- (i) any other documents and instruments of assumption that may be reasonably necessary to effectuate the Closing on the terms provided in this Agreement.

## **ARTICLE 10: SURVIVAL AND INDEMNITY**

The rights and obligations of Buyer and Seller under this Agreement shall be subject to the following terms and conditions:

10.1 **Survival of Representations and Warranties.** Except as stated below, the representations and warranties of Buyer and Seller contained in this Agreement shall survive the Closing for eighteen (18) months from the Closing Date. Except as stated below, neither Seller nor Buyer shall have any liability whatsoever with respect to any representation or warranty unless a claim is made hereunder or an action at law or in equity is commenced prior to expiration of the eighteen (18) month survival period for such representation or warranty. None of the covenants and agreements shall survive the Closing except to the extent such covenants and agreements contemplate performance after the Closing, in which case, such covenants and agreements shall survive until performed.

10.2 **General Agreement to Indemnify.**

(a) Subject to Sections 10.1 and 10.4, from and after the Closing, Seller on the one hand, and Buyer on the other hand, shall indemnify, defend and hold harmless each other and any employee, representative, agent, director, officer, affiliate or permitted assign of each other (each, an "Indemnified Party") from and against any and all claims, actions, suits, proceedings, liabilities, obligations, losses and damages, amounts paid in settlement, diminution of value, interest, costs and expenses (including reasonable attorneys' fees, court costs and other out-of-pocket expenses incurred in investigating, preparing or defending the foregoing) (collectively, "Losses") asserted against, incurred or suffered by any Indemnified Party as a result of, arising out of or relating to: (i) the failure of any representation or warranty of the Indemnifying Party (defined below) made in the Agreement to have been true and correct when made or as of the Closing Date as though such representation or warranty were made at and as of the Closing Date; or (ii) the breach by the Indemnifying Party of any covenant or agreement of such party contained in this Agreement or any collateral agreement to the extent not waived by the other Party hereto. The term "Losses" is expressly limited to such Indemnified Party's actual out-of-pocket costs and expenses and does not and shall not include consequential or punitive damages unless paid in satisfaction of a Third Party Claim (defined below). For avoidance of doubt, Purchase Price

Adjustments made pursuant to Section 1.5 of this Agreement shall not be included in any calculation of any Indemnified Party's total "Losses" for purposes of meeting the Loss threshold provided in Section 10.4.

(b) Seller further agrees to indemnify and hold harmless Buyer and any other Indemnified Party of Buyer from and against any Losses asserted against, incurred or suffered by Buyer or any other Indemnified Party of Buyer arising out of, resulting from, or relating to the Retained Liabilities.

(c) Buyer further agrees to indemnify and hold harmless Seller and any other Indemnified Party of Seller from and against any Losses asserted against, incurred or suffered by Seller or any other Indemnified Party of Seller arising out of, resulting from, or relating to the Assumed Liabilities.

### 10.3 General Procedures for Indemnification.

(a) The Indemnified Party seeking indemnification under this Agreement shall promptly notify in writing the party or parties against whom indemnification is sought (the "Indemnifying Party") of the assertion and basis of any third party claim, or the commencement and basis of any action, suit or proceeding by any third party in respect of which indemnity may be sought hereunder (a "Third Party Claim") and will give the Indemnifying Party such information with respect thereto as the Indemnifying Party may reasonably request, but failure to give such notice shall not relieve the Indemnifying Party of any liability hereunder (unless the Indemnifying Party has suffered material prejudice by such failure). The Indemnifying Party shall have the right, but not the obligation, exercisable by written notice to the Indemnified Party within thirty (30) days of receipt of notice from the Indemnified Party of the commencement of a Third Party Claim, to assume the defense and control the settlement of such Third Party Claim that involves (and continues to involve) solely money damages; provided, however, that prior to assuming any claim defense, the Indemnifying Party must show the other Party that they have the financial ability to pay out any potential monetary claim before they are allowed to assume its defense. Failure by the Indemnifying Party to so notify the Indemnified Party shall be deemed a waiver by the Indemnifying Party of its right to assume the defense of such claim.

(b) Whether or not the Indemnifying Party chooses to defend or prosecute any Third Party Claim, the parties hereto shall cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials and appeals, as may be reasonably requested in connection therewith.

(c) The Indemnifying Party or the Indemnified Party, as the case may be, shall have the right to participate in (but not control), at its own expense, the defense of any Third Party Claim that the other is defending, as provided in this Agreement; provided that the Indemnifying Party shall pay the cost of defense of both parties by separate counsel if a conflict of interest precludes common representation.

(d) The Indemnifying Party, if it has assumed the defense of any Third Party Claim as provided in this Agreement, shall not consent to, or enter into, any compromise or

settlement of, or consent to the entry of any judgment arising from, any such Third Party Claim (which compromise, settlement, or judgment: (i) commits the Indemnified Party to take, or to forbear to take, any action; or (ii) does not provide for a complete release by such Third Party of the Indemnified Party) without the Indemnified Party's prior written consent. If the conditions set forth herein are met but the Indemnified Party refused to settle any Third Party Claim, the Indemnifying Party may tender the settlement amount and be relieved of further liability.

(e) The Indemnifying Party shall not be entitled to require that any action be brought against any other person before action is brought against it hereunder by the Indemnified Party, but shall be subrogated to any right of action to the extent that it has paid or successfully defended against any Third Party Claim.

10.4 **Limitations.** Neither Party shall be required to indemnify the other Party under this Article 10 unless (i) written notice of a claim under this Article 10 was received by a Party within eighteen (18) months following the Closing, and (ii) the aggregate claim for Losses exceeds \$40,000, after which the claimant shall be entitled to recover only such portion of the Losses that exceed such amount. The maximum liability of either party under this Article 10 shall be \$750,000. In calculating the amount of Losses to Buyer or Seller under Section 10.2 above, such Losses shall be reduced by any recovery from any third party (including insurance proceeds) as a result of the facts or circumstances giving rise to the Losses. The limitations set forth in this Section 10.4 shall not apply to (i) Third Party Claims against a Party entitled to indemnification under Section 10.2, (ii) fraud or willful breach of this Agreement, (iii) the failure of the representation and warranty of Seller in Section 3.6 to be true and correct, or (iv) Seller's failure to comply with the covenants set forth in Section 5.10(b). The right to indemnification or any other remedy based on representations, warranties, covenants and agreements in this Agreement shall not be affected by any investigation conducted at any time, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement.

10.5 **Exclusive Remedy.** The right to indemnification, defense, hold harmless, payment or reimbursement provided in this Article 10 will be the exclusive remedy of any Party with respect to Losses after the Closing with respect to the transaction contemplated by this Agreement.

## ARTICLE 11: TERMINATION

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

(a) by the mutual written consent of Seller and Buyer;

(b) by written notice of Seller to Buyer if Buyer: (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by Buyer on or before the Closing Date in any material respect; (ii) breaches in any material respect any of Buyer's representations or warranties; or (iii) defaults in any material respect in the performance of any of Buyer's covenants or agreements under this Agreement; and in any of which events such breach or default is not cured within the Cure Period (as defined below), if applicable;

(c) by written notice of Buyer to Seller if Seller: (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by Seller on or before the Closing Date in any material respect; (ii) breaches in any material respect any of Seller's representations or warranties; or (iii) defaults in any material respect in the performance of any of Seller's covenants or agreements under this Agreement; and in any of which events such breach or default is not cured within the Cure Period (as defined below), if applicable;

(d) by Buyer or Seller as provided in Section 12.6 (Damage to Station Assets);

(e) by written notice of Seller to Buyer, or Buyer to Seller: (i) if the Closing has not been consummated within twelve (12) months of the Effective Date of this Agreement; (ii) if, for any reason, the FCC denies or dismisses the Assignment Application and the time for reconsideration or court review under the Communications Act with respect to such denial or dismissal has expired and there is not then pending with respect thereto a timely filed petition for reconsideration or request for review; or (iii) if, for any reason, the Assignment Application is designated for an evidentiary hearing, provided, however, that the right to terminate this Agreement under this clause (e) shall not be available to any Party whose breach of this Agreement has been the cause of, or resulted in, the failure of the Closing to occur on or before such date;

11.2 **Cure Period.** The term "Cure Period" as used herein means a period commencing with the date that Buyer or Seller receives from the other Party written notice of breach or default hereunder and continuing until thirty (30) days thereafter; provided, however, that if the breach or default cannot reasonably be cured within such period but can be cured before the Closing Date, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date. Except as set forth below, the termination of this Agreement shall not relieve any Party of any liability for breach or default under this Agreement prior to the date of termination.

11.3 **Liability; Right to Terminate.** A termination of this Agreement shall not relieve any Party hereto of any liability for which it otherwise would be subject. Notwithstanding anything in this Agreement to the contrary, no Party that is in material breach of this Agreement shall be entitled to terminate this Agreement except with the written consent of the other Party. A termination of this Agreement shall not terminate the LMA nor affect the parties rights and obligations thereunder unless required by the FCC or applicable law.

11.4 **Default; Payment of Escrow Amount.**

(a) **Buyer's Default.** Upon a termination of this Agreement by Seller pursuant to Section 11.1(b) above due to a breach by Buyer of any of its material obligations under this Agreement, Seller's sole remedy (other than specific performance) shall be delivery of the Escrow Amount, including all interest earned thereon, from the Escrow Agent, as liquidated damages. Seller and Buyer each acknowledge that these liquidated damages are reasonable in light of the anticipated harm that would be caused by Buyer's breach of any of its material obligations under this Agreement and the difficulty of ascertaining damages and proof of loss and that these damages are not a penalty. Instead of terminating this Agreement, upon a default by Buyer, Seller may seek specific performance as provided in Section 11.4(d) below.

(b) **Seller's Default.** Upon a termination of this Agreement by Buyer pursuant to Section 11.1(c) due to a breach by Seller of any of its material obligations under this Agreement, as Buyer's sole remedy (other than specific performance), Buyer may terminate this Agreement and shall be entitled, in addition to the return of the Escrow Amount (and all accrued interest thereon) from the Escrow Agent, to receive upon such termination, as liquidated damages and not as penalty, the sum of One Hundred Fifty Thousand Dollars (\$150,000) (the "Liquidated Damages Amount"). Seller and Buyer each acknowledge that these liquidated damages are reasonable in light of the anticipated harm that would be caused by Buyer's breach of any of its material obligations under this Agreement and the difficulty of ascertaining damages and proof of loss and that these damages are not a penalty. Instead of terminating this Agreement, upon a default by Seller, Buyer may seek specific performance as provided in Section 11.4(d) below.

(c) **Other Termination.** Upon a termination of this Agreement for any reason other than as a result of a breach by either Party of its material obligations under this Agreement, Buyer shall be entitled to the return of the Escrow Amount from the Escrow Agent including all interest earned thereon, and thereafter neither Party shall have any further obligation to the other under this Agreement.

(d) **Specific Performance.** The parties acknowledge and agree that irreparable damage for which monetary damages, even if available, would not be an adequate remedy, would occur in the event that either party hereto fails to perform the provisions of this Agreement, including its obligation to consummate the transaction contemplated hereby, in accordance with its specified terms or otherwise breach such provisions. Therefore, each party agrees and acknowledges that in the event of its failure to perform the provisions of this Agreement, including its obligation to consummate the transaction contemplated hereby, the other party shall be entitled to specific performance of the terms of this Agreement and of the obligation to consummate the transaction contemplated hereby. If any action is brought by any party to enforce this Agreement, the parties shall waive the defense that there is an adequate remedy at law and shall not be required to provide any bond or other security in connection with any such order or injunction.

(e) **Attorneys Fees.** The prevailing party in litigation shall be entitled to receive from the non-prevailing party all court costs, attorney's fees and other out-of-pocket expenses incurred by the prevailing party in enforcing or defending its rights under this Section 11.4 or otherwise under this Agreement.

## ARTICLE 12: MISCELLANEOUS

12.1 **Governing Law; WAIVER OF JURY TRIAL.** The construction and interpretation of this Agreement shall at all times and in all respects be governed by the laws of the State of Oklahoma (exclusive of those relating to conflicts of laws). Any action at law, suit in equity or judicial proceeding arising directly, indirectly, or otherwise in connection with, out of, related to or from this Agreement, or any provision hereof, shall be litigated only in the state or federal courts located in the State of Oklahoma. The Parties hereby consent to the personal and subject matter jurisdiction of such courts and waive any right to transfer or change the venue of any litigation between them. SELLER AND BUYER HEREBY IRREVOCABLY AND

UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING IN ANY WAY TO THIS AGREEMENT, INCLUDING ANY COUNTERCLAIM MADE IN SUCH ACTION OR PROCEEDING, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE DECIDED SOLELY BY A JUDGE. Seller and Buyer hereby acknowledge that they have each been represented by counsel in the negotiation, execution and delivery of this Agreement and that their lawyers have fully explained the meaning of this Agreement, including in particular the jury-trial waiver.

12.2 **Expenses; Taxes.** Except as provided in Section 2.1 and in this Section 12.2, each Party hereto shall bear all of its expenses incurred in connection with the transaction contemplated by this Agreement, including without limitation, accounting, engineering and legal fees incurred in connection herewith. Any state or local sales, use, stamp or transfer taxes and other similar taxes payable in connection with consummation of the transactions contemplated herein shall be borne one-half by Buyer and one-half by Seller.

12.3 **Entire Agreement; Amendment; No Waiver.** This Agreement, including the schedules and exhibits hereto, contain the entire agreement and understanding by and between the Parties, and no other representations, promises, agreements, or understanding, written or oral, not contained herein shall be of any force or effect, the terms of which are superseded and replaced by this Agreement. This Agreement may only be amended in a writing signed by the Parties. No oral agreement shall have any effect. No failure or delay in exercising any right hereunder shall be deemed or construed to be a waiver of such right, either prospectively or in the particular instance. This Agreement has been prepared by all of the Parties hereto, and no inference of ambiguity against the drafter of a document therefore applies against any Party hereto.

12.4 **Confidentiality.** Except for information about the Stations and the Station Assets acquired by Buyer at Closing and except where such information is known through other lawful sources or where its disclosure is required in accordance with applicable law, including requirements of the FCC pursuant to the Assignment Application, Buyer and Seller shall keep confidential all information obtained by it with respect to the other Party in connection with this Agreement. If the transaction contemplated hereby is not consummated for any reason, Buyer and Seller shall return to each other or destroy, without retaining a copy thereof in any medium whatsoever, any schedules, documents or other written information, including all financial information, obtained from the other in connection with this Agreement and the transaction contemplated hereby.

12.5 **Public Announcements.**

(a) Prior to the Closing Date, no Party shall, without the approval of the other Party hereto, make any press release or other public announcement concerning the transaction contemplated by this Agreement, except to the extent that such Party shall be so obligated by law, in which case such Party shall give advance notice to the other Party and the Parties shall use their best efforts to cause a mutually agreeable release or announcement to be issued.

(b) Notwithstanding the foregoing, the Parties acknowledge that the rules and regulations of the FCC require that local public notice of the transaction contemplated by this

Agreement be made after the Assignment Application has been filed with the FCC and that a copy of this Agreement be included as a material part of the Assignment Application, which will be made available for public inspection in the KSBI online public inspection file and in the FCC's records, with appropriate redactions. The form and substance of the required public notice, to the extent not dictated by the rules and regulations of the FCC, shall be mutually agreed upon by Seller and Buyer.

12.6 **Damage to Station Assets.** Notwithstanding anything in this Agreement to the contrary:

(a) Seller is under no obligation to repair or replace any lost, damaged or destroyed Station Asset.

(b) If any material portion of the Station Assets are lost, damaged or destroyed prior to the Closing Date, Seller shall have the option to repair or replace the lost, damaged or destroyed Station Assets. In the event that Seller elects not to repair or replace such lost, damaged or destroyed Station Assets and such lost, damaged, or destroyed Station Assets are KSBI Station Assets, either party may terminate this Agreement upon written notice to the other party; provided, however, Buyer may accept the Station Assets irrespective of any lost, damaged, or destroyed Station Assets and proceed to Closing, in which case Seller shall assign to Buyer all proceeds of insurance on the Station Assets and Buyer shall have the responsibility to repair and/or replace such Station Assets. In the event that Buyer accepts the Station Assets and proceeds to Closing notwithstanding such loss, damage or destruction, Buyer shall be deemed to have irrevocably waived its right to seek damages or indemnification under Article 10 with respect to such matter.

12.7 **Successors and Assigns.** Except as otherwise expressly provided herein, this Agreement shall be binding upon and inure to the benefit of the Parties hereto, and their respective representatives, heirs, successors and assigns. Seller may not assign this Agreement or any part hereof without the prior written consent of Buyer, which shall not be withheld unreasonably, and any attempted assignment without such consent shall be void. Buyer may not assign this Agreement or any part hereof without the prior written consent of Seller, which shall not be withheld unreasonably; provided, however, that Buyer may assign this Agreement to an affiliated entity without the consent of Seller provided that such assignment does not delay the receipt of the FCC Consent or the Closing. In the event of any assignment of this Agreement, the assignee shall enter into a written agreement accepting joint and several liability for all obligations under this Agreement.

12.8 **Notices.** All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (which shall include notice by facsimile transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by facsimile communications equipment, delivered by such equipment with a confirmation answerback, addressed as set forth below:

If to **Seller**, then to:

Family Broadcasting Group, Inc.  
P.O. Box 720553  
Oklahoma City, OK 73172  
Attn: Aubrey McClendon  
Fax: (405) 470-8309

and to (which shall not constitute notice):

Steven A. Lerman  
Lerman Senter PLLC  
2000 K Street NW, Suite 600  
Washington, DC 20006  
Fax: (202) 293-7783

If to **Buyer**, then to:

Griffin Communications, L.L.C.  
7401 N. Kelley Avenue  
Oklahoma City, OK 73111  
Attn: Steve Foerster  
Fax: (405) 841-9135

and to (which shall not constitute notice):

David A. O'Connor  
Wilkinson Barker Knauer, LLP  
2300 N Street, NW, Suite 700  
Washington, DC 20037  
Fax: (202) 783-5851

Any Party may change the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section 12.8 providing for the giving of notice.

12.9 **Further Assurances**. From time to time prior to, on and after the Closing Date, each Party hereto will execute all such instruments and take all such actions as any other party shall reasonably request, without payment of further consideration, in connection with carrying out and effectuating the intent and purpose hereof and all transactions contemplated by this Agreement, including without limitation the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered on the Closing Date, and any and all actions which may reasonably be necessary to complete the transaction contemplated hereby. The Parties shall cooperate fully with each other and with their respective counsel and accountants in

connection with any steps required to be taken as part of their respective obligations under this Agreement.

12.10 **Partial Invalidity**. Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any provision contained herein, or its application to any particular circumstance shall, for any reason, be held to be invalid or unenforceable by the FCC or a court of competent jurisdiction, such provision or such application shall be ineffective to the extent of such invalidity or unenforceability in such jurisdiction, without invalidating the remainder of such provision or any other provisions hereof, or its application in any other circumstance, unless such a construction would be unreasonable, and without invalidating such provision or its application in any other jurisdiction.

12.11 **Facsimile; Counterparts**. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original and all of which together constitute one and the same agreement. Facsimile and .pdf signatures to this Agreement shall be acceptable and binding.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

**IN WITNESS WHEREOF**, the Parties have duly executed this Agreement as of the date first above written.

**SELLER:**

**FAMILY BROADCASTING GROUP, INC.**

By: Jerry Hart  
Name: Jerry HART  
Title: VP-OPERATIONS

**BUYER:**

**GRIFFIN COMMUNICATIONS, L.L.C.**

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

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first above written.

**SELLER:** FAMILY BROADCASTING GROUP, INC.

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

**BUYER:** GRIFFIN COMMUNICATIONS, L.L.C.

By: Steve Forster  
Name: Steve Forster  
Title: V.P. Corporate Development

## **EXHIBITS**

- Exhibit A LPTV and Translator Stations
- Exhibit B Local Marketing Agreement
- Exhibit C Escrow Agreement

## **SCHEDULES**

- 1.1(a) FCC & Other Governmental Authorizations
- 1.1(b) Tangible Personal Property
- 1.1(c) Real Property Interests
- 1.1(d) Assumed Contracts
- 1.1(e) Intangible Property
- 1.2(f) Excluded Real Property
- 1.2(g) Excluded Personal Property
- 3.6 Exceptions to Title
- 3.10 Required Consents
- 3.16 MVPD Matters
- 5.3 Status of Translators
- 5.11 MVPDs in OKC DMA (Elections)
- 5.12 MVPDs in OKC DMA (Terminations)