

ASSET PURCHASE AGREEMENT

THIS AGREEMENT dated the 8th day of July, 2003, by and between LOCKE SUPPLY CO, an Oklahoma corporation (“Seller”), and FAMILY BROADCASTING GROUP, INC., an Oklahoma corporation (“Buyer”).

Whereas, Seller is the owner of, and holds licenses and other authorizations issued by the Federal Communications Commission (the “FCC”) for the operation of a network of television stations, including KSBI-TV, Channel 52 in Oklahoma City, Oklahoma (to become KSBI-TV 51), KXOC-LP 54 in Oklahoma City, Oklahoma, K21DC in Lawton, Oklahoma, K31DY in Muskogee, Oklahoma, K51EK in McAlester, Oklahoma, K33EK in Sand Springs, Oklahoma, K15DA in Sapulpa, Oklahoma, K22FE in Wichita Falls, Texas, KFVT in Wichita, Kansas, K35CU in Ada, Oklahoma, K21DF in Stillwater, Oklahoma, K68EH in Ponca City, Oklahoma (to become K54FZ), K45EJ in Enid, Oklahoma, and Television Translator Station K17FB in Ardmore, Oklahoma (hereinafter collectively called “Channel 52”) located in Oklahoma City, Oklahoma, together with other Purchased Assets herein described; and

Whereas, upon the terms and subject to the conditions set forth herein, such conditions including, but not limited to, the consent of the FCC as hereinafter more fully described, Seller desires to sell, and Buyer desires to purchase, all the property and assets of Seller that are used or intended for use in connection with the operation of Channel 52, together with certain rights relating thereto, including, without limitation, such licenses and authorizations.

Accordingly, the parties hereto hereby agree as follows:

1. Definitions.

- (a) “Assumed Contracts.” See Section 2(a)(ii).
- (b) “Assumed Liabilities.” See Section 4(b)(ii).
- (c) “Books and Records.” See Section 2(a)(v).
- (d) “Closing.” See Section 5.
- (e) “Closing Date.” See Section 5.
- (f) “Commercially Reasonable.” See Section 4(c).
- (g) “Communications Act.” See Section 6(j).
- (h) “Excluded Assets.” See Section 2(b)(i) - (ix).
- (i) “FCC Consent.” See Section 8(b).
- (j) “FCC Licenses.” See Section 2(a)(iv).

- (k) “Final Order.” See Section 8(b).
- (l) “Intellectual Property Rights.” See Section 2(a)(vi).
- (m) “Lease Agreement.” See Section 14(g).
- (n) “Leased Premises.” See Section 14(g).
- (o) “Losses.” See Section 17(c)(iii).
- (p) “Material Adverse Effect.” See Section 6(j).
- (q) “Material Consents.” See Section 6(d).
- (r) “Nonassumed Liabilities.” See Sections 4(b)(ii) and 4(d).
- (s) “Purchased Assets.” See Section 2(a).
- (t) “Tower Facilities.” See Section 6(g).

2. Sale and Transfer Assets and Rights of Seller. Upon the terms and subject to the conditions set forth in this Agreement:

(a) Purchased Assets. Seller will on the Closing Date sell, convey, transfer, assign and deliver to Buyer, and Buyer will purchase and accept from Seller, all right, title and interest of Seller in and to the following (in each case as the same shall exist on the Closing Date) (collectively, the “Purchased Assets”):

(i) all tangible personal property owned or leased by Seller and used or intended for use in connection with the operation of Channel 52, including, but not limited to, that listed in Exhibit A attached hereto, with such additions and improvements thereto as may occur from the date hereof to the Closing Date;

(ii) all contracts, leases and agreements that create rights or obligations relating to the ownership or operation of Channel 52 and that are listed in Exhibit B attached hereto (the “Assumed Contracts”);

(iii) all easements and similar rights held or used by Seller and used or intended for use in connection with the operation of Channel 52, including, but not limited to, those listed in Exhibit C attached hereto, as the same shall exist on the Closing Date;

(iv) all assignable licenses, permits, consents, and other authorizations issued by the FCC to Seller and used by Seller exclusively in connection with the ownership and operation of Channel 52, including those listed in Exhibit D attached hereto (the “FCC Licenses”), and all additions thereto and extensions and renewals thereof, and all pending applications for extension or renewal thereof made on or prior to the Closing Date;

(v) all logs, books and records of Seller relating exclusively to the ownership and operation of Channel 52, and sufficient to meet regulatory requirements, including those listed in Exhibit E attached hereto (the “Books and Records”); and

(vi) rights to use the call sign KSBI-TV, KXOC-LP, K21DC, K31DY, K51EK, K33EK, K15DA, K22FE, KFVT, K35CU, K21DF, K68EH, K45EJ, K17FB, KSBI DT, and the trademarks, trade names, service marks, copyrights, and slogans listed in Exhibit F attached hereto (the “Intellectual Property Rights”) or as existing on the Closing Date.

(b) Excluded Assets. The Purchased Assets shall exclude the following assets (the “Excluded Assets”):

(i) Seller’s cash and cash equivalents on hand as of the Closing Date and all other cash and cash equivalents in any of Seller’s bank or investment accounts; any securities, whether debt or equity, owned by or on behalf of Seller; any choses in action; any insurance policies, letters of credit, deposits, or other similar items and any cash surrender value in regard thereto;

(ii) Any contracts or agreements other than the Assumed Contracts;

(iii) Any books and records that Seller is required by law to retain, subject to the right of Buyer to have access and to copy such books and records for a period of three years from the Closing Date, and books and records related to internal corporate matters of Seller or its affiliates and their respective businesses that do not relate to the operation and ownership of Channel 52;

(iv) Any and all claims relating to Channel 52 arising out of events or transactions occurring, or contractually required to occur, entirely prior to the Closing Date, including claims to any refunds or federal, state or local franchise, income or other taxes for periods prior to the Closing Date;

(v) Subject to the terms and conditions of the Time Brokerage Agreement between the parties, the right of Seller to payment for the sale of advertising time on Channel 52 which was produced, aired and completed prior to the Closing Date, or for services rendered by Channel 52 or for other revenues generated by Channel 52 prior to the Closing Date that require no performance by Buyer;

(vi) Any employee benefit plans of Seller and the assets of such plans;

(vii) Assets consumed or disposed of, consistent with industry standards and Seller’s past practices, in the ordinary course of Seller’s business prior to the Closing Date; provided, however, if it relates to an asset specifically listed in Exhibit A, the Seller shall give Buyer prior written notice of its intended disposal, and

(viii) Any and all interest in or right to use the name “Locke Supply” or any logo or derivation thereof; and

(ix) Any rights in Seller’s real property except those described on exhibits to this Agreement.

3. Purchase Price and Payment.

(a) Amount. The purchase price to be paid by Buyer to Seller for the Purchased Assets shall be Twenty Five Million Dollars (\$25,000,000) plus the assumption by Buyer of the Assumed Liabilities as provided in Section 4 hereof.

(b) Payment. The purchase price shall be paid to Seller as follows:

(i) At the time of Closing, Buyer shall wire transfer the sum of _____ in immediately available funds to an account of Seller’s designation. Buyer shall also authorize _____ Bank to release to the Seller the _____ heretofore deposited in an Escrow Account pursuant to an Escrow Agreement between Seller, Buyer, and _____ Bank dated as of _____ 2003 (the “Escrow Agreement”), all of which shall be applied to the Purchase Price; and

(ii) Buyer shall pay the remainder of the purchase price of _____ by a promissory note from Buyer to Seller in substantially the form as attached hereto as Exhibit G. The promissory note shall be secured by a _____ priority security interest in the Purchased Assets, not including accounts receivable, and subject only to a _____ priority security interest in favor of _____ securing a loan in the original principal amount of _____ and a _____ priority security interest in favor of _____ securing a loan in the original principal amount of _____, pursuant to a Security Agreement in the form of Exhibit H. Seller shall not obtain a security interest in the FCC Licenses, although Seller shall obtain a security interest in any proceeds from Buyer’s sale of this FCC License.

(c) Allocation of Purchase Price.

(i) The purchase price shall be allocated to tangible and intangible assets designations as agreed to by the parties at or prior to the time of Closing.

(ii) After the Closing, Seller and Buyer shall not take any position or action inconsistent with the agreed upon allocations.

(d) Prorations. On the Closing Date, all prorated amounts shall be reflected as appropriate adjustments to the amount to be paid by Buyer on the Closing Date.

(i) Personal property taxes applicable to the Purchased Assets for the year of the Closing Date shall be prorated on the basis of actual amounts billed for such year or, if not so billed, on the basis of 100% of actual taxes assessed or levied in the prior year, adjusted to reflect changes in assessments or rates of taxes known to be in effect for the year of the Closing Date.

(ii) All renewal and other regulatory fees applicable to the FCC Licenses for the year of the Closing Date shall be prorated on the basis of amounts paid for such year.

(iii) All payments received by Seller prior to the Closing for services to be provided by Channel 52 after the Closing shall be credited against the portion of the purchase price to be paid in cash at the Closing.

4. Assumption by Buyer of Specified Liabilities.

(a) Limitation on Assumption. Buyer shall not assume, and shall not be liable for, any obligations or liabilities of Seller of any nature whatsoever, express or implied, fixed or contingent, other than as specifically provided in this Agreement.

(b) Assumed Liabilities. Except as provided in paragraph (c) of this Section 3, Buyer shall pay, perform and discharge:

(i) all obligations and liabilities of Seller arising on or after the Closing Date under the Assumed Contracts, the FCC Licenses, and the Intellectual Property Rights; and

(ii) all claims, liabilities or obligations arising out of or resulting from the ownership of the Purchased Assets or the operation of Channel 52 after the Closing Date (the obligations and liabilities so assumed pursuant to this and the preceding paragraph being collectively called the "Assumed Liabilities" and all other obligations and liabilities being hereinafter collectively called the "Nonassumed Liabilities").

(c) Consents. Prior to Closing, both Seller and Buyer shall use commercially reasonable efforts to obtain any consents required from third parties for Buyer's assumption of the Assumed Liabilities to the end that such matters will be effectively concluded on or before the Closing. "Commercially Reasonable" shall be defined as all efforts that commercial enterprises similarly situated would deem necessary to effectuate an expected outcome, based upon the materiality of the outcome to the overall endeavor. In the event any contract or agreement cannot be validly assigned and Buyer cannot receive the full benefit of all of Seller's rights under it, Buyer shall assume Seller's liability only to the extent Buyer obtains the rights and benefits.

(d) Nonassumed Liabilities. Notwithstanding the provisions of paragraph (b) of this Section 4, Buyer shall not assume or become liable to pay, perform or discharge, or indemnify Seller against any of the following (all of which shall, without limitation, constitute Nonassumed Liabilities):

(i) any obligation or liability with respect to any contract or agreement that has been fully performed by Seller prior to or on the Closing Date;

(ii) any obligation or liability of Seller arising or incurred on or after the Closing Date and not based upon the ownership of the Purchased Assets or operation of Channel 52;

(iii) any obligation or liability of Seller arising or incurred prior to or on the Closing Date, including but without limitation, any obligation or liability arising prior to or on the Closing Date with respect to any Assumed Contracts, the FCC Licenses, and the Intellectual Property Rights;

(iv) any obligation or liability with respect to any breach by Seller prior to or on the Closing Date of any contract, lease or agreement of Seller;

(v) any obligation or liability of Seller for adjustments to be made with third parties before or after the Closing Date with respect to the purchase of equipment for, or the operation of, Channel 52.

(vi) any obligation or liability of Seller relating to any bonus, pension, profit sharing, retirement, deferred compensation, severance pay, savings, stock purchase, stock option, hospitalization, insurance or similar plan, vacation pay or other benefit agreement or arrangement (including ERISA) in effect with respect to Seller's employees or others; or

(vii) any obligation or liability relating to the continued employment of any employee of Seller after the Closing Date.

(e) Prior Events. Any claims that relate to the ownership and operation of Channel 52 and based on events prior to or on the Closing Date, whether asserted before or after the Closing Date, shall be borne solely by Seller.

5. Closing. The consummation of the transactions contemplated by this Agreement (the "Closing") shall occur in the offices of McAfee & Taft A Professional Corporation, Tenth Floor, Two Leadership Square, 211 N. Robinson, Oklahoma City, Oklahoma, at 9:00 a.m. not more than ten (10) days after the FCC Consents have become a "Final Order", or on such other date and at such other place as the parties subsequently agree. (the "Closing Date"). At the Closing, Seller and Buyer shall each take such actions and deliver to the other such instruments, items, and documents as are reasonably necessary to carry out the purpose of this Agreement. The actions to be performed and the instruments, items, and documents to be delivered at the Closing shall include, without limitation, those described in this Agreement, and as otherwise approved by both parties.

6. Representations and Warranties of Seller. Seller represents and warrants to Buyer as follows:

(a) Existence and Powers. Seller is, and on the Closing Date will be, duly existing as a corporation with the powers and authority necessary to lawfully consummate this Agreement.

(b) Specific Powers. Seller has, and on the Closing Date will have, subject only to the Time Brokerage Agreement between the parties, full right, power and authority to own and operate Channel 52; and has full right, power and authority to enter into this Agreement, to sell, convey, transfer, assign and deliver the Purchased Assets and to perform its undertakings and obligations hereunder.

(c) Authorization, Execution and Delivery. All corporate acts and other proceedings required to be taken by or on the part of Seller to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby have been duly taken in accordance with all applicable provisions of law. The president of Seller has been duly authorized to execute and deliver this Agreement and to act for and on behalf of the Seller in all respects in connection with the transactions contemplated hereby. True and complete copies of the aforesaid acts and proceedings have been furnished to Buyer. This Agreement has been duly executed and delivered by Seller and constitutes a legal, valid and binding obligation of Seller in accordance with its terms. On the Closing Date, all corporate acts and other proceedings required to be taken by or on the part of Seller to authorize Seller to sell, convey, transfer, assign and deliver to Buyer all right, title and interest of Seller in and to the Purchased Assets as provided herein, and to consummate the transactions contemplated hereby, will have been duly taken, and true and complete copies of all such acts and proceedings shall have been furnished to Buyer prior to the Closing Date.

(d) Consents. Subject to obtaining the Material Consents, the execution, delivery, and performance of this Agreement and the documents contemplated hereby by Seller (i) do not require any consent, approval, or authorization of, or any filing with, any governmental regulatory authority or any person; (ii) will not conflict with any provision of the certificate of incorporation or bylaws of Seller; (iii) will not violate or conflict with, result in a breach of, or constitute a default under, any law, judgment, order, ordinance, decree, rule, regulation, or ruling of any court or governmental instrumentality that is applicable to Seller or the Purchased Assets, except for such violations, conflicts, breaches, or defaults that, individually or in the aggregate, would not be reasonably likely to have a Material Adverse Effect; (iv) will not violate or conflict with, result in a breach of, or constitute a default under, any agreement, instrument, FCC License, or permit to which Seller or the Purchased Assets may be bound, except for such violations, conflicts, breaches, or defaults that, individually or in the aggregate would not have a Material Adverse Effect; or (v) will not create any lien or encumbrance upon the Purchased Assets. "Material Consents" means all of the consents, permits, or approvals of government authorities and other third parties necessary to transfer the Purchased Assets to Buyer or otherwise to consummate the transaction contemplated hereby, including those listed on Exhibit B.

(e) Tangible Personal Property. Seller owns outright, and has good and marketable title to all tangible personal property included in the Purchased Assets, free and clear of all liens, mortgages, charges, pledges, claims or encumbrances of any nature whatsoever, except those disclosed on Exhibit A. All tangible personal property included in the Purchased

Assets is in good and usable condition, fit for its intended purposes in connection with the operation of Channel 52 in keeping with generally accepted industry standards, and is in conformity with all applicable laws, ordinances, rules, regulations or orders, and will be as of the Closing Date, except as noted on Exhibit A. No representation or warranty, either oral or written, expressed or implied, is intended by this Agreement, as to the continuing suitability or fitness of the Purchased Assets from and after the Closing Date.

(f) Contracts, Leases, etc. Attached hereto as Exhibit B is a list of all contracts, leases and agreements that create rights or obligations relating to the ownership or operation of Channel 52, true and complete copies of which have been delivered to Buyer. All the rights of Seller under any such contracts, leases and agreements are freely assignable and are not subject to termination as a result of any transaction contemplated herein, except as set forth in Exhibit B attached hereto. Between the date hereof and the Closing Date, Seller shall have obtained renewals or extensions, in accordance with their terms, of all such contracts, leases and agreements other than any contracts, leases or agreements already terminated by Seller or fully performed by Seller prior to Closing Date which may be renewed or extended at the option of Seller and which would otherwise terminate or expire between the date hereof and the Closing Date or would terminate or expire following the Closing Date if no action is taken or commenced prior to the Closing Date.

(g) Other Property Rights. Attached hereto as Exhibit C is a list of all easements and similar rights relating to the ownership or operation of Channel 52 (including, without limitation, all such rights relating to broadcast antennas, transmitters and other facilities and equipment located in, on or appurtenant to any communications towers utilized in connection with Channel 52 (the "Tower Facilities"), and either held by Seller or to which Seller has any rights.

(h) Licenses. Attached hereto as Exhibit D is a complete list of all of the FCC Licenses. The FCC Licenses are in full force and effect and will be in full force and effect on the Closing Date. No event has occurred that permits, or after notice or lapse of time would permit, the revocation or termination of any of the FCC Licenses or the imposition of any restriction of such a nature as may materially affect the ownership or operation of Channel 52. Seller has no knowledge of any FCC investigation relating to the ownership or operation of Channel 52. To Seller's knowledge, it is not the subject of or a party to any notice of violation or order, or any complaint, objection, petition to deny or opposition, issued by or filed with the FCC or any other governmental authority in connection with the ownership or operation of or authorizations for Channel 52. There are no other proceedings known to Seller (other than rulemaking proceedings of general applicability) before the FCC that could in any manner threaten or adversely affect the FCC Licenses, the assignability of the FCC Licenses or the ownership or operation of Channel 52. Seller has no knowledge of any such investigation, notice of violation, order, complaint, objection, petition to deny, opposition or proceeding pending or threatened before the FCC or any other governmental authority.

(i) Permits, Licenses and Other Authorizations. Seller represents that no other permits, licenses, consents, franchises or other authorizations from any person or governmental authority are currently held by, or required of, Seller in connection with the ownership and operation of Channel 52

(j) Compliance With Laws. On the date hereof, Seller is operating Channel 52 in accordance with generally accepted industry practices and in material compliance with the Communications Act of 1934, as amended (the "Communications Act"), and all other applicable federal, state and local laws, rules and regulations, except where the failure to so operate or be in such compliance would not, individually or in the aggregate, reasonably be likely to have a Material Adverse Effect on Channel 52 or materially and adversely affect Seller's ability to consummate the transactions contemplated by this Agreement, or Buyer's ability on the Closing Date to meet the requirements of industry standards or FCC regulations for the operation of the television stations. "Material Adverse Effect" for the purposes of this Agreement shall be defined as any event, occurrence or development which has had or reasonably could be expected to have a substantial consequence to the Buyer on the financial, business, assets, liabilities or operations conditions of Channel 52, taken as a whole, and measured over a period of years.

(k) Litigation. To Seller's knowledge, there is no litigation, action or suit proceeding or investigation pending or threatened with respect to the ownership or operation of Channel 52, any of the Purchased Assets or any of the transactions contemplated hereby before or by any Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that may result in any material adverse effect upon the Purchased Assets taken as a whole, the assignability of the FCC Licenses, or the ownership or operation of Channel 52, or that seeks to enjoin or prohibit or otherwise challenge any of the transactions contemplated hereby. Seller is not in default with respect to any order, writ, injunction or decree of any court or Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign relating to the ownership or operation of Channel 52 or any of the Purchased Assets.

(l) Intellectual Property. Exhibit F is a complete list of all trademarks, trade names, call letters, service marks, copyrights, and slogans owned by Seller and used in the conduct of Channel 52. The Intellectual Property Rights are valid and in good standing, and the Intellectual Property Rights and their uses by Seller are uncontested except as set forth on Exhibit F. Seller possesses all necessary rights, licenses and authority to use the Intellectual Property Rights material to the operation of Channel 52, and Seller has received no written notice that the Intellectual Property Rights infringe on the legally protectable right of another, or that the Intellectual Property Rights or their uses may be contested, except as set forth on Exhibit F.

(m) Insurance. The Purchased Assets are insured against loss or damage in amounts generally consistent with customary practice in the television broadcast industry, taking into consideration the location of the Purchased Assets, and Seller will maintain such policy or policies containing substantially equivalent coverage until Closing Date

(n) Absence of Certain Changes or Events. Except as stated in Exhibit I attached hereto or any other exhibit attached hereto, since February 26, 2003, Seller has not, and on the Closing Date will not have:

(i) mortgaged, pledged or subjected to lien, charge or any other encumbrance, any of the Purchased Assets;

(ii) sold, assigned or transferred, or agreed to sell, assign or transfer, any of the Purchased Assets other than in the normal and usual course of business with any necessary and suitable replacements being obtained therefore;

(iii) suffered any loss or waived any rights of substantial value relating to the ownership and operation of Channel 52 or to the Purchased Assets;

(iv) ceased to operate Channel 52 in material compliance with the Communications Act and all other applicable federal, state and local laws, rules and regulations and in keeping with generally accepted industry standards;

(v) entered into any transaction relating to Channel 52 other than in the ordinary course of business.

(o) Payment of Regulatory Fees. Seller has paid all requisite annual FCC regulatory fees for the past three (3) years for each station subject to this Agreement, including all auxiliary facilities associated with the KSBI-TV network, including but not limited to studio transmitter links, translator locations, remote pickups, etc.

7. Representations and Warranties of Buyer. Buyer represents and warrants to Seller as follows:

(a) Organization and Good Standing. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Oklahoma.

(b) Authorization, Execution and Delivery. The Board of Directors of Buyer has duly authorized the execution and delivery of this Agreement and the performance by Buyer of the acts and transactions contemplated hereby. This Agreement has been duly executed and delivered by Buyer and constitutes a valid and binding obligation of Buyer in accordance with its terms.

(c) No Conflict. The execution and delivery by Buyer of this Agreement and the consummation of the transactions contemplated hereby will not (i) violate any law or conflict with or result in any breach of, or constitute a default under Buyer's certificate of incorporation or bylaws or any law, judgment, order, injunction, decree, rule, regulation or ruling of any court or governmental instrumentality, that is applicable to Buyer; or (ii) conflict with, constitute grounds for termination of, result in a breach of, constitute a material default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, licenses, or permit to which Buyer is a party or by which Buyer may be bound, such that Buyer could not acquire or operate the Purchased Assets.

(d) Consents. Except as herein provided, no consent, approval, authorization, or order of any court, agency, or any other person is required in order to permit Buyer to consummate the transactions contemplated by this Agreement.

(e) Litigation. To the knowledge of Buyer, there is no pending or threatened litigation in any court or any proceeding before any agency in which it is sought to restrain, prohibit, invalidate, or obtain damages in respect of the consummation of the transaction

contemplated hereby or that would reasonably be likely to materially adversely affect Buyer's ability to be the assignee of the FCC Licenses or the timely consummation of the transaction contemplated by this Agreement.

(f) Qualifications. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate Channel 52 under the Communications Act and the rules, regulations and policies of the FCC and to acquire the Purchased Assets. Buyer has the necessary financial resources available to consummate the transactions contemplated by this Agreement. Buyer knows of no fact that would, under existing law and the rules, regulations, policies, and procedures of the FCC, and Buyer shall intentionally take no action prior to Closing that shall (i) disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of Channel 52, (ii) cause the FCC to fail to approve in a timely fashion the application for the FCC Consent, or (iii) otherwise delay receipt of the FCC Consent, or (iii) adversely affect the timely consummation of the transaction contemplated by this Agreement.

8. Conditions to Obligations of Buyer. The obligations of Buyer under this Agreement are, at the option of Buyer, subject to the conditions that, at the Closing Date:

(a) Compliance with Covenants; Representations, Warranties True; Exhibits Accurate. All the terms, covenants, agreements and conditions of this Agreement to be complied with and performed by Seller on or prior to the Closing Date shall have been duly complied with and performed in all material respects; the representations and warranties made by Seller herein shall be true and correct on and as of the Closing Date in all material respects with the same force and effect as though such representations and warranties had been made on and as of the Closing Date; and Buyer shall have received from Seller a certificate dated the Closing Date and signed by the president of Seller to such effect.

Notwithstanding the foregoing, if a material portion of the Purchased Assets shall be damaged or destroyed prior to the Closing Date, the purchase and sale contemplated hereby may, at the option of Buyer, be consummated on the Closing Date and, in such event, Buyer and Seller agree that adjustments to the purchase price shall be made to reflect the impact of such damage or destruction to the total purchase price, such as actual replacement costs of lost or damaged equipment, loss of revenue related to the damage or destruction, loss of goodwill or intangible values. Buyer and Seller agree to employ the services of a qualified third party expert in broadcast properties evaluations, at their equally shared expense, to arrive at adjustments to be made to the total purchase price based on the effect of such losses to the total purchase price.

(b) FCC Consent. The FCC shall have issued its written consent or consents in accordance with the Communications Act and the rules and regulations of the FCC to the assignment of the FCC Licenses from Seller to Buyer and without conditions materially adverse to Buyer, as reasonably determined by Buyer in good faith, and without conditions materially adverse to Seller, as reasonably determined by Seller in good faith (the "FCC Consents"), and such consent or consents shall have become a "Final Order" or orders of the FCC not subject to either administrative or judicial review.

For purposes of this Agreement, a "Final Order" shall mean action by the FCC, or any court to which appeal is taken, which counsel for Seller and Buyer agree is no longer subject to

change or challenge by administration or judicial review, and which has not been reversed, stayed, enjoined, set aside, annulled or suspended, with respect to which no timely request for stay, petition for rehearing or reconsideration or appeal is pending and as to which, in the opinion of counsel for Seller and Buyer, the time for filing any such request, petition or appeal has expired; provided, that the Seller and Buyer jointly may waive the provisions by written waiver where permitted by applicable law or regulation.

(c) Consents to Assignments. Seller shall have received all Material Consents.

(d) Legal Proceedings. There shall not be any inquiry or any actual or threatened action or proceeding by or before any court, administrative agency or other governmental body: (i) that seeks to restrain, prohibit or invalidate any of the transactions contemplated by this Agreement or that might materially and adversely affect the right of Buyer to own, operate in its entirety or control Channel 52, or (ii) that might materially and adversely affect the right of Buyer to conduct the operations of Channel 52 as a commercial television network. In the event of the receipt of any communication from any person or department or agency or government, prior to the Closing Date, with regard to the transactions contemplated hereby, Buyer shall use reasonable judgment to determine whether such communication shall be interpreted as an inquiry or threat of such action or proceeding.

(e) FCC Licenses. On the Closing Date, Seller shall hold regular licenses and authorizations from the FCC authorizing it to operate Channel 52 upon no less advantageous terms than those provided in the FCC Licenses and there shall not have been any adverse modification of such licenses and no proceedings shall be pending or threatened that may result in any material adverse modification of any such licenses.

(f) Lease of Broadcast Facilities. Seller and Buyer shall have entered into the Lease Agreement in the form of Exhibit J.

(g) Consents, Approvals, Variances, etc. Buyer shall have received the FCC Consent without any materially adverse conditions on Buyer or Seller, and any other consents or approvals necessary to enable the Buyer to fully operate Channel 52 as a commercial television network on and after Closing Date in the facilities where the operation of Channel 52 has heretofore been conducted by the Seller.

9. Conditions to Obligations of Seller. The obligations of Seller under this Agreement are, at the option of Seller, subject to the conditions that, at the Closing Date:

(a) Compliance with Covenants. All the terms, covenants, agreements and conditions of this Agreement to be complied with and performed by Buyer on or prior to the Closing Date shall have been complied with and performed in all material respects.

(b) Representations and Warranties True. The representations and warranties made by Buyer herein shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date; and Seller shall have received from Buyer a certificate dated the Closing Date and signed by the President or a Vice President of Buyer to such effect.

(c) Opinion of Communications Counsel for Buyer. Seller shall have received an opinion of Messrs. Booth, Freret, Imlay, and Tepper, by Cary S. Tepper, of Washington, D.C., communications counsel for Buyer, dated the Closing Date and addressed to Seller, to the effect that the FCC has granted the FCC Consent, and such consent has become a final order of the FCC not subject to either administrative or judicial review, which opinion Buyer shall use commercially reasonable efforts to obtain.

(d) Intercreditor Agreement. Seller shall have received the Intercreditor Agreement in the form of Exhibit K to this Agreement duly executed and delivered by _____ Bank.

10. Application for FCC Consent. As promptly as practicable after the date hereof, Seller and Buyer will join in an application to be filed with the FCC requesting its written consent to the assignment of the FCC Licenses to Buyer. Seller and Buyer will cooperate in providing all information and taking all Commercially Reasonable steps that are necessary or desirable and proper to expedite the preparation and filing of such application and its prosecution to a favorable conclusion. Upon filing, Seller shall be responsible for, and shall take the necessary steps, to provide such legal notice concerning the filing as is required by the FCC rules. If requested by Buyer, Seller shall provide Buyer with evidence of Seller's compliance with the legal notice requirements. In the event any person petitions the FCC to deny the application or otherwise challenges the grant of the application before the FCC, or in the event the FCC enters an order consenting to and approving the assignment of the FCC Licenses and any person appeals or otherwise attacks such order and assignment before the FCC, or in any judicial proceeding, then Seller and Buyer agree to oppose such petition or challenge before the FCC or defend such action and the order of the FCC diligently and in good faith, each at its own cost and expense, to the end that the transactions contemplated by this Agreement may be finally consummated.

11. Seller's Employees. Prior to the Closing, Buyer shall offer employment to _____ of Seller's employees whose regular and primary job responsibilities are the operation of Channel 52. Such employment shall be at salaries and with benefits that are _____. Buyer shall recognize length of service of employees with Locke for purposes of vesting and eligibility for benefits.

12. Documents To Be Delivered by Seller on Closing Date. On the Closing Date, Seller shall execute and deliver to Buyer:

(a) Seller's Certificate. A certificate signed by the president of Seller to the effect set forth in Section 8(a) hereof.

(b) Bills of Sale. Bills of sale and assignment and assumption agreements covering all the Purchased Assets and duly executed by Seller.

(c) Assignment of FCC Licenses and Call Signs. An assignment or assignments, in form and substance reasonably satisfactory to counsel for Buyer, covering all interests of the Seller in the FCC Licenses and associated call signs.

(d) Lease of Broadcast Facilities. The Lease Agreement as set forth in Exhibit J.

(e) Further Instruments. Such further instruments of assignment, conveyance or transfer or other documents of further assurance covering the Purchased Assets or any part thereof as Buyer may reasonably require to assure the full and effective assignment and transfer to Buyer of the Purchased Assets and all right, title and interest therein of Seller.

13. Documents To Be Delivered by Buyer on Closing Date. On the Closing Date, Buyer shall deliver to Seller:

(a) Closing Date Payment. The wire transfer, promissory note, and security agreement set forth in Section 3 hereof.

(b) Buyer's Certificate. A certificate signed by the president or a vice president of Buyer to the effect set forth in Section 9(b) hereof.

(c) Opinion of Communications Counsel. An opinion of Messrs. Booth, Freret, Imlay and Tepper, by Cary S. Tepper, of Washington, D.C., to the effect set forth in Section 9(c) hereof.

(d) Assumption Agreements. Assignment and Assumption Agreements covering the Assumed Contracts and Intellectual Property Rights duly executed by Buyer.

(e) Further Instruments. Such further instruments with respect to the transactions contemplated hereby as Seller may reasonably request.

14. Further Covenants and Agreements. Seller and Buyer agree and covenant as follows:

(a) Control of Channel 52. Between the date hereof and the Closing Date, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct, the operation of Channel 52, and such operation, including complete control and supervision of all programs, equipment and employees, shall be the sole responsibility of Seller. Effective on the Closing Date and thereafter, Seller shall have no control over or right to supervise, direct, intervene or participate in the operation of Channel 52. Notwithstanding the foregoing, Seller and Buyer hereby acknowledge that contemporaneously with the execution and delivery of this Agreement they have entered into a Time Brokerage Agreement whereby Buyer shall present programming on Channel 52 until the Closing Date. Both parties further acknowledge that, pursuant to the terms of the Time Brokerage Agreement, Seller remains in control of the overall operations of Channel 52.

(b) Listed Documents. Between the date hereof and the Closing Date, upon request Seller shall provide Buyer with a true and complete copy of each document listed or referred to in this Agreement or in any exhibit hereto, except for any document as to which a true and complete copy has previously been provided.

(c) Exhibits. Seller shall give prompt notice to Buyer of (i) the occurrence, or failure to occur, of any event that would be likely to cause any representation or warranty of Seller in this Agreement to be untrue or inaccurate in any material respect and (ii) any material failure to comply with or satisfy any covenant, condition or agreement of Seller in this Agreement. Seller shall have the continuing right and obligation to supplement or amend any information set forth in any exhibit with respect to any matter hereafter arising or discovered that, if existing at the date of this Agreement, would have been required to be set forth or described in the exhibit. If Seller supplements or amends any exhibit with information that constitutes a material adverse change in the disclosures in the exhibit, Buyer may terminate this Agreement without further liability or obligation. If Buyer does not deliver to Seller written notice of Buyer's election to so terminate this Agreement within five days after receipt of the supplement or amendment to an exhibit, Buyer will be deemed to have accepted the supplement or amendment and will therefore not have the right to terminate this Agreement pursuant to this section. In the alternative, and in the sole discretion of the Buyer, the Seller and Buyer may agree on a value associated with the material adverse change, deduct such value from the purchase price and proceed with the consummation of this transaction.

(d) Access to Properties and Records. From and after the date hereof, Seller shall permit authorized representatives of Buyer free and full access to the premises, facilities, properties, books and records of Seller which relate or pertain to the ownership and operation of Channel 52, including, but not limited to, the books and records relating to such ownership and operation listed in Exhibit E attached hereto in order that Buyer may have full opportunity to make such investigation as it shall desire to make of the affairs of Seller which relate or pertain to the ownership or operation of Channel 52, and Buyer shall be permitted to make extracts from, or copies of, such books and records; and Seller shall furnish to Buyer such financial and operating data, documents and other information as to the Purchased Assets or the ownership, business or the operation of Channel 52 as Buyer shall reasonably request. Buyer agrees that it will use its best efforts to keep such information confidential until the Closing Date; provided that Buyer may disclose any such information reasonably required to be disclosed in any reports or financial statements to comply with any state or federal regulatory agency pursuant to any law or rule or regulation. If the transactions contemplated by this Agreement shall not be consummated for any reason, Buyer will promptly return any such data, documents, books and records held by it to Seller.

(e) Maintenance of Purchased Assets. Through the Closing Date Seller will:

(i) maintain in full force and effect, and renew when required, the FCC Licenses and all contracts, leases, agreements, licenses, permits, consents, and authorizations included in the Purchased Assets, except that the addition, alteration, or extension of any contract, lease or agreement which shall extend beyond the Closing Date and become an obligation of the Buyer shall require that the Seller inform the Buyer of the terms and condition prior to its execution and shall not be unreasonable;

(ii) perform in all material respects all obligations imposed upon it by law, including, without limitation, policies and regulations of the FCC; and

(iii) retain and maintain in accordance with generally accepted industry practices and FCC rules and regulations the condition of the Tower Facilities, the Leased Premises and all facilities, property and equipment included in the Purchased Assets or used in connection with the operation of Channel 52.

(f) Cooperation. Buyer and Seller shall cooperate fully with each other and their respective counsel, accountants and agents in connection with any actions required to be taken as part of their respective obligations under this Agreement, and Buyer and Seller shall execute such other documents as may be necessary and desirable to the implementation and consummation of this Agreement, and otherwise use their commercially reasonable efforts to consummate the transaction contemplated hereby and to fulfill their obligations hereunder.

(g) Broadcast Facilities. At the Closing Seller and Buyer shall enter into an agreement substantially in the form of Exhibit J hereto (the "Lease Agreement") to lease to Buyer the premises described therein that are used in connection with the operation of Channel 52 as heretofore conducted by Seller (the "Leased Premises").

(h) Tower Removal. Within _____ after the Closing Date, Buyer, at its own expense, shall remove the communications tower and all Tower Facilities from Seller's real property located at 1300 S.E. 82nd Street, Oklahoma City, Oklahoma. Buyer shall remove the tower, tower building, guy wires and the metal anchors. Buyer shall exercise reasonable care and employ an experienced tower erection contractor who shall complete the removal according to industry standards and indemnify Buyer and Seller from any damage caused by the contractor's negligence or willful misconduct.

(i) FCC Communications. Seller shall fully advise Buyer of all communications it receives or has received from the FCC subsequent to February 26, 2003, and shall promptly furnish to Buyer copies of all written communications and documents received by Seller from the FCC subsequent to such date.

(j) Coop Advertising.

15. Risk of Loss. The risk of any loss, damage, impairment, or condemnation of the Purchased Assets, or any part thereof, from fire or any other casualty or cause shall be upon the Seller at all times prior to or on the Closing Date. In any such event, the proceeds from any insurance policy or judgment or award with respect thereto shall go to Seller. Upon its receipt of such proceeds Seller shall repair, replace or restore any such property as soon as practicable after the loss, damage, impairment, or condemnation, or, at the sole election of the Buyer, the purchase price set forth in Section 3 hereof shall be reduced by an amount equal to the amount of any applicable insurance proceeds received by the Seller, and Seller shall transfer the affected Purchased Assets without repair, replacement, or restoration.

16. Termination; FCC Consent; Liquidated Damages.

(a) Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned:

- (i) at any time, by mutual written consent of the parties hereto;
- (ii) by either Seller or Buyer if the FCC shall not have issued its Final Order within _____ days from the date of FCC public notice of the acceptance of the transfer application;
- (iii) by either Seller or Buyer, if consummation of the transactions contemplated hereby would violate any nonappealable final order, decree, or judgment of any court or governmental body having competent jurisdiction; or
- (iv) by Buyer pursuant to Section 14(c).

(b) Restriction on Termination. A party may not terminate this Agreement pursuant to paragraphs 16(a)(ii) or (iii) above if the party is at the time of any such attempted termination in breach of any term hereof.

(c) Extension by Agreement. By a subsequent written agreement executed by both parties, the parties may, but shall not be obligated to, extend the date provided in Section 16(a)(ii).

(d) Procedure and Effect of Termination. In the event of the termination of this Agreement and the abandonment of the transactions contemplated hereby, written notice thereof shall forthwith be given by the party so terminating to the other party and this Agreement shall terminate and the transactions contemplated hereby shall be abandoned, without further action.

(i) If this Agreement is terminated pursuant to Section 16(a), there shall be no liability or obligation hereunder on the part of Buyer or Seller, unless Buyer or Seller, as the case may be, has willfully failed to have performed its obligations hereunder, knowingly made a misrepresentation of any matter set forth herein or committed fraud with respect to the subject matter hereof, or breached any covenant of such party in this Agreement.

(ii) If due to the failure or refusal of the FCC to grant the consent or consents referred to in this Agreement or failure of such consent or consents to become a Final Order or orders, in either case for reasons beyond the control of the parties hereto, neither party shall have any liability to the other under this Agreement;

(iii) If the termination is due to the failure or refusal of Buyer to make the payment set forth in Section 3 hereof or perform any of its other obligations under this Agreement, Seller shall be entitled to recover from Buyer all of Seller's out of pocket expenses related to this Agreement, such as attorney's fees, engineering fees and filing fees, to be recovered from the escrow funds held pursuant to the Escrow Agreement as liquidated damages and not as a penalty and in full payment and total discharge of all of Buyer's obligations under this Agreement, and neither party hereto shall have any further liability to the other under this Agreement;

(iv) If Seller wrongfully fails or refuses to consummate the sale of the Purchased Assets as contemplated by this Agreement, in recognition of the unique character of the Purchased Assets to be sold, transferred, and assigned pursuant to this Agreement, Buyer shall be entitled to specific performance of this Agreement.

17. Indemnification.

(a) Seller's Indemnity. Except as otherwise limited in this Agreement, Seller shall indemnify and hold Buyer and its officers and directors and their respective successors and assigns harmless from and with respect to any and all Losses related to or arising directly or indirectly out of any breach by Seller of any of its covenants, warranties, or representations in this Agreement, and any and all Losses related to or arising out of the operation of the Purchased Assets prior to the Closing Date.

(b) Buyer's Indemnity. Except as otherwise limited in this Agreement, Buyer shall indemnify and hold Seller and its officers and directors and their respective successors and assigns harmless from and with respect to any and all Losses related to or arising directly or indirectly from and with respect to any breach by Buyer of any of its covenants, warranties, or representations in this Agreement, and any and all Losses related to or arising out of events occurring, existing, or related to a time after the Closing Date and related to the operation by Buyer of the Purchased Assets.

(c) Limitations on Indemnification. The indemnification obligations of Seller and Buyer under this Section are subject to the following limitations:

(i) Any obligation for which either party seeks indemnification must rise to the stature of a material loss effecting the other party's ability to derive the benefits contemplated for that party by this Agreement

(ii) Seller and Buyer shall have no indemnification obligation with respect to any matters that are not brought to the other party's attention in writing within _____ years after the Closing Date.

(iii) "Losses" shall mean all liability, demands, claims, actions or causes of actions, assessments, losses, damages, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) asserted against or incurred by any aggrieved party. "Losses" shall not include consequential, exemplary, or punitive damages, for which the parties shall have no liability to each other.

18. Survival of Representations, Warranties and Covenants:

(a) Except for longer periods specifically provided for in this Agreement, the provisions of this Agreement which by their terms are to be performed or observed on or after the Closing Date and the several representations warranties and covenants of the parties contained herein shall survive for a period of two years following the Closing Date and shall be effective with respect to any breach thereof or claim hereunder, notice of which shall have been given to the other party in writing within such period of time.

19. Expenses; Brokerage Fees.

(a) Expenses. Except as otherwise provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each of the parties hereto shall bear the fees and expenses relating to its compliance with the various provisions of this Agreement and its covenants to be performed hereunder, and each of the parties hereto shall pay all expenses including, without limitation, legal fees and expenses incurred by it in connection with this Agreement, the transactions contemplated hereby, the negotiations leading to the same and the preparations made for carrying the same into effect.

(b) FCC Fees. Seller and Buyer shall equally share all filing and grant fees imposed by the FCC in connection with the FCC Consent and the application therefor.

(c) Brokerage. Seller and Buyer affirm that neither party has retained the services of a broker regarding the transaction contemplated by this Agreement.

20. Disputes; Arbitration. All disputes between Seller and Buyer, including any matter relating to this Agreement, shall be resolved by final binding arbitration in Oklahoma City, Oklahoma, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The Federal Arbitration Act shall govern all proceedings. Each party shall bear the expense of its own attorneys, experts and out of pocket costs as well as fifty percent (50%) of the expense of administration and arbitrator fees. The parties agree (i) TO WAIVE THE RIGHT TO RECEIVE CONSEQUENTIAL OR PUNITIVE DAMAGES, and (ii) that the arbitrators SHALL NOT HAVE THE POWER TO AWARD CONSEQUENTIAL OR PUNITIVE DAMAGES. Either party may pursue remedies for emergency judicial relief in any court of competent jurisdiction, but immediately following the preliminary adjudication of a request for emergency relief, the judicial proceedings shall be stayed pending a determination of the dispute on the merits by arbitration. Either party may pursue remedies for emergency judicial relief in any court of competent jurisdiction, but immediately following the preliminary adjudication of a request for emergency relief, the judicial proceedings shall be stayed pending a determination of the dispute on the merits by arbitration.

21. Benefit; Assignment. Neither party may assign any rights under this Agreement without the prior written consent of the other party. This Agreement shall be binding upon and inure to the benefit of the parties hereto their successors and permitted assigns. There are no intended third party beneficiaries of this Agreement.

22. Representation Regarding Confidences. Until after the Closing, each party agrees to keep confidential all information regarding the non-public business affairs it receives or has received during the course of the negotiations in connection with the transaction contemplated herein, provided that either party may disclose such information to its professional advisors, agents and any financial institution that it may be dealing in connection with the transaction contemplated herein or as required by law. In the event that the transaction contemplated hereby is not consummated for any reason, each party shall promptly return to the other all materials acquired by it from the other with respect to this transaction, and provide to the other, upon request, the names and addresses of any and all persons, firms or other entities

who have viewed or received information with respect to the proposed transaction, together with a meaningful description of the materials viewed or received by each of them.

23. Construction. This Agreement shall be construed and enforced in accordance with the laws of the State of Oklahoma, excluding its conflict of laws rules.

24. Notices. Any notice required or contemplated by this Agreement shall be written and delivered in person in exchange for a receipt, sent by certified U.S. mail, return receipt requested, or by FedEx, Express Mail, or other national overnight courier. Notices shall be effective upon receipt. Notices shall be addressed to the recipient at the address shown below. A party may change its address for notices by giving notice as provided in this section to the other party.

(a) If to Buyer:

Family Broadcasting Group, Inc.
C/O Mr. Brady Brus, President
14701 Spruce
Piedmont, OK 73078

with copies to:

and

Robert M. Jernigan, Esq.
4301 N.W. 63rd Street
Suite 103
Oklahoma City, OK 73116

(b) If to Seller:

Locke Supply Co.
P. O. Box 26128
Oklahoma City, OK 73126
Attention: Jack H. Anderson

with copies to:

J. Michael Nordin, Esq.
Jennifer Wheeler, Esq.
McAfee & Taft
A Professional Corporation
10th Floor, Two Leadership Square
211 North Robinson
Oklahoma City, OK 73102-7103

25. Headings. The headings of the Sections and paragraphs contained in this Agreement are for convenience of reference only and do not form a part hereof and in no way modify, interpret or construe the meaning of the parties hereto.

26. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

27. Entire Agreement. This Agreement contains all the terms agreed upon by the parties hereto with respect to the subject matter hereof and supersedes all prior agreements arrangements or understandings between such parties as to the subject matter hereof.

28. Amendment. Any amendment, modification or change of this Agreement or waiver with respect to this Agreement shall be effective as to Seller and Buyer only if made in writing and signed by Seller and by Buyer.

29. Continuing Access to Records. For not less than three years from the Closing Date (plus any additional time during which a party has been advised that there is an ongoing tax audit with respect to periods prior to the Closing Date, or such period is otherwise open to assessment), Buyer shall give Seller reasonable cooperation, access and staff assistance, as needed, during normal business hours with respect to books and records and other financial data delivered to Buyer hereunder, and Seller shall give Buyer reasonable cooperation, access and staff assistance, as needed, during normal business hours with respect to books and records and other financial data retained by Seller, as may be necessary for general business purposes, including, without limitation for the preparation of tax return and financial statements and the management and handling of tax audits, to an extent as will not unreasonably interfere with a party's conduct of its business.

30. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provisions will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, all as of the day and year first above written.

“SELLER”

LOCKE SUPPLY CO.

By _____
Carter Marsh, President

“BUYER”

FAMILY BROADCASTING GROUP, INC.

By _____
Brady Brus, President

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on _____ by Carter Marsh, as President of Locke Supply Co., an Oklahoma corporation.

(Seal)

Notary Public
My Commission Expires: _____
Commission No.: _____

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on _____ by Brady Brus, as President of Family Broadcasting Group, Inc., an Oklahoma corporation.

(Seal)

Notary Public
My Commission Expires: _____
Commission No.: _____