

EXECUTION COPY

MEMBERSHIP INTEREST PURCHASE AGREEMENT

This Membership Interest Purchase Agreement (this "*Agreement*") is made as of October 11, 2002, by and among Surtsey Productions, Inc., a Michigan corporation ("*Buyer*"), Davis Television, LLC, a Delaware limited liability company ("*DTLLC*"), and DTV, Inc., a Delaware corporation ("*DTV*") (DTLLC and DTV shall be collectively referred to herein as "*Sellers*").

WHEREAS, Davis Television Pittsburg, LLC, a Delaware limited liability company (the "*Company*"), holds a construction permit for a new television station (the "*Station*") on Channel 14 at Pittsburg, Kansas, Facility ID No. 83992 (FCC File No. BPCT-19960920YM) (the "*Construction Permit*"), and has entered into a Settlement Agreement dated January 27, 1998, as amended, with Anthony J. Fant, a mutually exclusive applicant (FCC File No. BPCT-19960920WW) for the same construction permit (the "*Fant Settlement Agreement*"), whereby the Company has become the owner of the Construction Permit. A copy of the Fant Settlement Agreement is attached hereto as Exhibit A.

WHEREAS, Sellers are the beneficial owners and owners of record of 100% of the issued and outstanding membership interests in the Company (the "*Interests*").

WHEREAS, Sellers desire to sell to Buyer, and Buyer desires to purchase from Sellers, the Interests, for the consideration and on the terms set forth in this Agreement.

Accordingly, the parties, intending to be legally bound, agree as follows:

ARTICLE 1 - DEFINITIONS

Unless otherwise stated in this Agreement, the following terms, when used herein, shall have the meanings assigned to them below (such meanings to be equally applicable to both the singular and plural forms of the terms defined).

"*Agreement*" shall mean this Membership Interest Purchase Agreement.

"*Buyer*" shall mean Surtsey Productions, Inc.

"*Closing*" shall have the meaning set forth in Section 2.1.

"*Closing Date*" shall mean the date on which the Closing is completed.

"*Company*" shall mean Davis Television Pittsburg, LLC.

"*Construction Permit*" shall have the meaning set forth in the recitals.

“*DTLLC*” shall mean Davis Television, LLC.

“*DTV*” shall mean DTV, Inc.

“*Escrow Agent*” shall mean Leventhal, Senter & Lerman PLLC.

“*Escrow Agreement*” shall mean the agreement dated October ___, 2002 by and among Sellers, Buyer and Escrow Agent, substantially in the form of Exhibit B hereto.

“*Escrow Deposit*” shall have the meaning set forth in Section 2.3(a).

“*Fant Settlement Agreement*” shall have the meaning set forth in the recitals, and is attached as Exhibit A hereto.

“*FCC*” shall mean the Federal Communications Commission.

“*FCC Application*” shall mean the application that the Company, Sellers and Buyer file with the FCC requesting its consent to the transfer of control of the Company to Buyer.

“*FCC Consent*” shall mean the action by the FCC granting the FCC Application.

“*Final Order*” shall mean action by the FCC (i) which has not been vacated, reversed, stayed, set aside, annulled or suspended, (ii) with respect to which no timely appeal, request for stay or petition for rehearing, reconsideration or review by any party or by the FCC on its own motion, is pending, and (iii) as to which the time for filing any such appeal, request, petition, or similar document or for the reconsideration or review by the FCC on its own motion under the Communications Act of 1934, as amended, and the rules and regulations of the Commission, has expired.

“*First Payment*” shall have the meaning set forth in Section 2.3(b).

“*Interests*” shall mean the membership interests of the Company held by Sellers, representing 100% of the issued and outstanding membership interests of the Company.

“*Liens*” shall mean mortgages, deeds of trust, liens, charges, security interests, pledges, collateral assignments, conditional sales agreements, leases, easements, encumbrances, charges, claims of third parties or other defects of title of any nature whatsoever.

“*Permitted Liens*” shall mean (i) the Fant Settlement Agreement; (ii) Liens for taxes not yet due and payable, and (iii) with the exception of the Fant Settlement Agreement, liens securing indebtedness that will be removed prior to or at the Closing.

“*PTA Date*” shall have the meaning set forth in Section 2.3(d).

“*Purchase Price*” shall have the meaning set forth in Section 2.2.

“*Sellers*” shall have the meaning set forth in the preamble to this Agreement.

“*Station*” shall mean the television broadcast station authorized to operate on Channel 14 at Pittsburg, Kansas, Facility ID No. 83992.

“*Station Licenses*” shall mean the licenses, permits and other authorizations issued by the FCC in connection with the conduct of the business and operations of the Station.

ARTICLE 2 - SALE AND PURCHASE OF INTERESTS

2.1. Closing. Subject to the terms and conditions of this Agreement and in reliance upon the representations, warranties, covenants and agreements contained herein:

(a) at the closing of this transaction (the “*Closing*”), Sellers agree to sell, transfer, convey, assign and deliver to Buyer, and Buyer agrees to purchase, acquire and accept from Sellers, the Interests, free and clear of all Liens, except Permitted Liens; and

(b) the Closing shall take place on a mutually acceptable date after the date FCC Consent has been granted, but in no event later than ten (10) days after such consent shall have become a Final Order. The parties intend that the Closing shall take place by an exchange of documents by facsimile transmission or by overnight courier.

2.2. Sale and Purchase. On the Closing Date, Sellers shall sell to Buyer, and Buyer shall purchase from Sellers, all and not less than all of the Interests for a purchase price in the amount of One Million Dollars (\$1,000,000.00) (the “*Purchase Price*”).

2.3. Payment of Purchase Price. The Purchase Price shall be payable by Buyer as follows:

(a) Upon execution of this Agreement, Buyer shall deposit in escrow with Escrow Agent the amount of Fifty Thousand and 00/100 Dollars (\$50,000.00) (the “*Escrow Deposit*”). The Escrow Deposit (and all earnings thereon) shall be refundable to Buyer upon termination of this Agreement under Section 15.1, except in the case of termination of this Agreement by Sellers pursuant to Section 15.1(a) hereof due to uncured default by Buyer, in which case, the Escrow Deposit (and all earnings thereon) shall be delivered to Sellers in accordance with the terms of the Escrow Agreement.

(b) Upon release of an FCC public notice of the acceptance for filing of the FCC Application, Twenty-Five Thousand and 00/100 Dollars

(\$25,000.00) of the Escrow Deposit shall be released to Sellers (the “*First Payment*”). Notwithstanding Section 2.3(a) hereof, the First Payment shall be non-refundable, except in the case of termination of this Agreement by Buyer pursuant to Section 15.1(a) hereof due to an uncured default by Sellers;

(c) At Closing, Escrow Agent shall pay Sellers Twenty-Five Thousand and 00/100 Dollars (\$25,000.00), and Buyer shall pay Sellers Four Hundred Ninety-Three Thousand, Five Hundred Twelve and 50/100 Dollars (\$493,512.50):

(d) At Closing, Buyer shall expressly acknowledge that the Company of which it is acquiring ownership has obligations under the Fant Settlement Agreement, including but not limited to the obligation to pay Anthony J. Fant Four Hundred Fifty-Six Thousand, Four Hundred Eighty-Seven and 50/100 Dollars (\$456,487.50) within five business days of commencement of operation of the Station pursuant to program test authority (“*PTA Date*”) under the FCC’s rules, and Buyer shall expressly agree to cause the Company after Closing to fulfill its obligations under the Fant Agreement.

(e) All payments to be made at Closing shall be made by wire transfer of immediately available federal funds to an account at a bank or financial institution, pursuant to wire instructions that Sellers provide to Buyer at least two (2) business days prior to the Closing.

ARTICLE 3 - FCC CONSENT

3.1. The transfer of control of the Station Licenses as contemplated by this Agreement is subject to the prior consent and approval of the FCC. No later than five (5) days after the date of this Agreement, Buyer and Sellers shall file the FCC Application.

3.2 Sellers and Buyer shall thereafter prosecute the FCC Application with all reasonable diligence and otherwise use their best efforts to obtain the grant of the FCC Application as expeditiously as practicable; *provided, however*, that none of the parties shall have any obligation to satisfy any complainant or the FCC by taking any steps which would have a material adverse effect upon such party or upon any affiliated entity, but neither the expense nor inconvenience to a party of defending against a complainant or an inquiry by the FCC shall be considered a material adverse effect on such party. If the FCC Consent imposes any condition on any party hereto, such party shall use its best efforts to comply with such condition; *provided, however*, that neither party shall be required to comply with any condition that would have a material adverse effect upon it or any affiliated entity. If reconsideration or judicial review is sought with respect to the FCC Consent, the party affected shall vigorously oppose such efforts for

reconsideration or judicial review; provided, however, that nothing herein shall be construed to limit any party's right to terminate this Agreement pursuant to Article 15 hereof.

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers as follows:

4.1. Authorization and Binding Obligation. Buyer is a corporation duly organized under the laws of the State of Michigan. Buyer possesses all necessary power and authority to enter into and perform under this Agreement and the transactions contemplated hereby, and Buyer's execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action on its part. This Agreement has been duly executed and delivered by Buyer and constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as limited by laws affecting creditors' rights or equitable principles generally.

4.2. FCC Qualifications. Buyer is legally, financially and otherwise qualified to purchase the Interests in accordance with the provisions of the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC.

4.3. Absence of Conflicting Agreements or Required Consents. Except as set forth in Article 3 with respect to FCC Consent, the execution, delivery and performance of this Agreement by Buyer: (a) do not require the consent of any third party; (b) will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority to which Buyer is subject; and (c) will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination of or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, instrument, license or permit to which Buyer is now subject or violate any provision of Buyer's organizational documents.

ARTICLE 5 - REPRESENTATIONS AND WARRANTIES OF SELLERS

Sellers represent and warrant to Buyer as follows:

5.1. Authorization and Binding Obligation. DTLLC is a limited liability company duly organized under the laws of the State of Delaware. DTVI is a corporation duly organized under the laws of the State of Delaware. Sellers possess all necessary power and authority to enter into and perform under this Agreement and the transactions contemplated hereby, and each Seller's execution, delivery and performance of this Agreement has been duly and validly authorized by all necessary action on its part. This Agreement has been duly executed and delivered by each Seller and constitutes the legal, valid and binding obligation of each Seller, enforceable against

it in accordance with its terms, except as limited by laws affecting creditors' rights or equitable principles generally.

5.2. Absence of Conflicting Agreements or Required Consents. Except as set forth in Article 3 with respect to FCC Consent or on Schedule 5.2 hereof, the execution, delivery and performance of this Agreement by Sellers: (a) do not require the material consent, approval or authorization from any governmental instrumentality, other agency or third party; (b) will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority to which Sellers are subject; (c) will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination of or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, instrument, license or permit to which Sellers are now subject; (d) except for Permitted Liens, will not result in the creation of any Lien, of any nature whatsoever, on the Interests or any of the assets of the Company; and (e) do not require the filing of any declaration or statement with any governmental instrumentality, other agency or third party.

5.3. Membership Interests; Outstanding Options. All of the issued membership interests of the Company were validly issued, are fully paid, and non-assessable. There are no outstanding options, warrants or rights of any kind to acquire any membership interests, and there are no outstanding securities convertible into any membership interests of the Company. The Company has no obligations to issue any such options, warrants, rights or securities.

5.4. Ownership of the Interests. Sellers have valid legal and marketable title to the Interests. The Interests represent 100% of the total issued and outstanding interests of the Company, and all of the membership interests of the Company are held by Sellers. All Liens or other encumbrances of any nature applicable to the Interests are listed on Schedule 5.4. There are no existing arrangements that require or permit the Interests to be voted by or at the discretion of anyone other than Sellers. At the Closing, Buyer will receive valid title to all of the Interests, free and clear of any Lien, voting trust or restriction on transfer whatsoever, except for the obligations under the Fant Settlement Agreement, which will be assumed by Buyer at the Closing.

5.5. Construction Permit. The Company legally and validly holds the Construction Permit which is in full force and effect. As of the date hereof, Sellers and Company are in compliance in all material respects with the Construction Permit.

5.6. Proceedings; Legal Compliance. As of the date hereof, no proceeding (judicial, administrative or otherwise) has been commenced, or to Sellers' knowledge, threatened, against Sellers, Company or any of their respective affiliates in respect of the Construction Permit or the Company. As of the date hereof, to Sellers' knowledge, Company is in material compliance with applicable federal, state and local rules, regulations, requirements and policies, including all applicable FCC rules and regulations.

5.7. Contracts and Agreements. Other than the Fant Settlement Agreement, and except

for any agreement with Fox with respect to network affiliation matters, the Company is not a party to any material contract, agreement or arrangement, written or oral.

5.8 Indebtedness. The Company has not incurred any indebtedness or guaranteed the indebtedness of any person.

ARTICLE 6 - COVENANTS OF BUYER

6.1. Notification. Between the date of this Agreement and the Closing Date, Buyer shall promptly notify Sellers of any material litigation, arbitration or administrative proceeding pending or, to its knowledge, threatened against Buyer which challenges the transactions contemplated hereby, or of any event or occurrence which changes or renders untrue or incomplete any of Buyer's representations or warranties, or that impedes the performance of any of Buyer's covenants hereunder.

6.2. No Inconsistent Action. Buyer shall not take any action that is materially inconsistent with its obligations under this Agreement or the obligations under the Fant Settlement Agreement. After the Closing Date, Buyer shall perform all obligations of the Company under the Fant Settlement Agreement.

ARTICLE 7 - COVENANTS OF SELLERS

7.1. Maintenance of Capitalization. Between the date of this Agreement and the Closing Date, Sellers shall not permit the Company to, and the Company shall not: (a) issue any additional membership interests or interests convertible into membership interests or options or other commitments for the issuance of membership interests or such securities; (b) declare any membership interest split; (c) amend its organizational documents; (d) make any distributions or payments to any members of cash, securities or property of any kind whether with respect to membership interest ownership or otherwise; (e) without Buyer's express consent, incur any obligation or liability, direct or indirect, absolute or contingent, including any contract, agreement or arrangement; (f) incur any indebtedness for borrowed money; (g) assume, guarantee, endorse or otherwise as accommodation become responsible for the obligations of any individual, firm or corporation, or make any loans or advances to any individual, firm or corporation; (h) mortgage or pledge any of the Company's assets or permit them to be subjected to any lien, security interest, encumbrance, restriction or charge of any kind; (i) sell, assign, lease or otherwise transfer or dispose of any material asset; (j) make any investment of a capital nature either by purchase of stock or securities, contributions to capital, property transfers or otherwise, or by the purchase of any property or assets of any individual, firm or corporation; or (k) make any capital expenditure or commitment without the express prior written consent of Buyer.

7.2. FCC Filings; Call Sign Selection. Between the date hereof and the Closing Date, Sellers shall make all required FCC filings and shall not cause or permit by any act, or failure to act, any of the Station Licenses to expire, be surrendered, adversely modified, or otherwise terminated, or the FCC to institute any proceeding for the suspension, revocation or adverse modification of any of the Station Licenses, or fail to prosecute with due diligence any pending

application to the FCC. Sellers shall cooperate with Buyer with respect to selection and application for a call sign for the Station.

7.3. Notification. Between the date of this Agreement and the Closing Date, Sellers shall notify Buyer of any litigation, arbitration or administrative proceeding pending or, to Sellers' knowledge, threatened against the Company or Sellers which challenges the transactions contemplated hereby, or of any event or occurrence which changes or renders untrue or incomplete any of Sellers' representations or warranties, or that impedes the performance of any of Sellers' covenants hereunder.

7.4. No Inconsistent Action. Sellers shall not take any action that is materially inconsistent with their obligations under this Agreement.

7.5. No Solicitation. Between the date of this Agreement and the Closing, neither Sellers nor any agent or affiliate of Sellers shall directly or indirectly (a) solicit, initiate or encourage submission of any proposal or offer from any person relating to any acquisition or purchase of any interest in the Company or of any material asset of the Company, or any merger, consolidation or business combination with the Company, or (b) participate in any discussions or negotiations regarding, or furnish to any person any information with respect to, or otherwise cooperate in any way, or assist or participate in, facilitate or encourage, any effort or attempt by any person to do or seek any of the foregoing. Sellers shall promptly notify Buyer in writing if any such offer or proposal is made after the date of this Agreement.

7.6. Closing Covenant. On the Closing Date, Sellers shall transfer, convey, and deliver to Buyer the Interests as provided in Article 2 of this Agreement, and take all steps necessary to transfer the control of the Company's assets to Buyer.

ARTICLE 8 - JOINT COVENANTS

Sellers and Buyer covenant and agree that between the date hereof and the Closing Date, they shall act in accordance with the following:

8.1. Conditions. If any event should occur, either within or without the control of any party hereto, which would prevent fulfillment of the conditions upon the obligations of any party to consummate the transactions contemplated by this Agreement, the parties shall use their reasonable efforts to cure the event as expeditiously as possible.

8.2. Best Efforts. Each party shall use its reasonable best efforts to cause the fulfillment at the earliest practicable date of all of the conditions to the obligations of the other party to consummate the sale and purchase under this Agreement.

8.3. Control of the Company and the Station. In accordance with the rules and policies of the FCC, Buyer shall not, directly or indirectly, control, supervise or direct the operations of the Company or the Station prior to Closing.

ARTICLE 9 - CONDITIONS OF CLOSING BY BUYER

The obligations of Buyer hereunder are, at Buyer's option, subject to satisfaction, prior to or at the Closing, of each of the following conditions; *provided, however*, that Buyer may not waive Section 9.2:

9.1. Representations, Warranties and Covenants.

(a) All representations and warranties of Sellers made in this Agreement shall be true and complete in all material respects on and as of the Closing Date as if made on and as of that date.

(b) All of the terms, covenants and conditions to be complied with and performed by Sellers on or prior to the Closing Date shall have been complied with or performed.

9.2. Governmental Consents. The conditions specified in Article 3 of this Agreement shall have been satisfied, and the FCC Consent shall have been granted.

9.3. Governmental Authorizations. The Company shall be the lawful holder of the Station Licenses, and there shall not have been any modification of any of such licenses, permits and other authorizations which might have an adverse effect on the Company, the Station or the conduct of the Company's business and operations. No proceeding shall be pending which seeks or the effect of which reasonably could be to revoke, cancel, fail to renew, suspend or modify adversely any of the Station Licenses or any other licenses, permits or other authorizations.

9.4. Adverse Proceedings. No suit, action, claim or governmental proceeding shall be pending against, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against, any party hereto that the Buyer in good faith believes would render it unlawful to effect the transactions contemplated by this Agreement in accordance with its terms.

9.5. Deliveries. The deliveries required by Section 11.1 shall have been made.

ARTICLE 10 - CONDITIONS OF CLOSING BY SELLERS

The obligations of Sellers hereunder are, at their option, subject to satisfaction, prior to or at the Closing, of each of the following conditions; *provided, however*, that Sellers may not waive Section 10.2:

10.1. Representations, Warranties and Covenants.

(a) All representations and warranties of Buyer shall be true and complete in all material respects on and as of the Closing Date as if made on and as of that date.

(b) All the terms, covenants and conditions to be complied with and performed by Buyer on or prior to the Closing Date shall have been complied with or performed in all material respects.

10.2. Governmental Consents. The conditions specified in Article 3 of this Agreement shall have been satisfied, and the FCC Consent shall have been granted.

10.3. Adverse Proceedings. No suit, action, claim or governmental proceeding shall be pending against, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against any party hereto that Sellers in good faith believe would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

10.4. Deliveries. The deliveries required by Section 11.2 shall have been made.

ARTICLE 11 - DOCUMENTS TO BE DELIVERED AT THE CLOSING

11.1. Documents to be Delivered by Sellers. At the Closing, Sellers shall deliver to Buyer the following:

(a) a certificate of Sellers, dated the Closing Date, in form and substance reasonably satisfactory to Buyer, certifying to the fulfillment of the conditions set forth in Sections 9.1 through 9.5;

(b) a membership interest certificate or certificates for the Interests, free and clear of any claim, Lien, or encumbrance of any nature whatsoever, except for the Fant Settlement Agreement, duly endorsed in blank or accompanied by membership interest transfer powers and with any requisite transfer tax stamps attached;

(c) written resignation of the officers and/or directors of the Company, which shall be effective on the Closing Date;

(d) executed certificates by Sellers terminating Sellers' access and signatory rights for all of the Company's bank accounts;

(e) joint instructions to Escrow Agent instructing Escrow Agent to release the Escrow Deposit to Sellers; and

(f) such other documents as may be reasonably requested by Buyer or Buyer's counsel.

11.2. Documents to be Delivered by Buyer. At the Closing, Buyer shall deliver to

Sellers the following:

(a) a certificate, dated as of the Closing Date, in form and substance reasonably satisfactory to Sellers, certifying to the fulfillment of the conditions specified in Sections 10.1 through 10.4;

(b) immediately available wire-transferred federal funds as provided in Section 2.2;

(c) an acknowledgement of and agreement to fulfill the Fant Settlement Agreement;

(d) joint instructions to Escrow Agent instructing Escrow Agent to release the Escrow Deposit to Sellers; and

(e) such other documents as may be reasonably requested by counsel to the Company and Sellers.

ARTICLE 12 - TRANSFER TAXES, FEES AND EXPENSES

12.1. Transfer Taxes and Similar Charges. Except as provided in Section 12.2, fifty percent (50%) of the costs of selling the Interests in accordance with this Agreement, including but not limited to any excise, sales or use taxes, FCC filing fees, or other fees imposed by any governmental authority, shall be paid by Buyer and fifty percent (50%) of such costs shall be paid by Sellers.

12.2. Expenses. Each party hereto shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement, including legal fees.

ARTICLE 13 – NO BROKER'S COMMISSION OR FINDER'S FEE

Each party to this Agreement represents and warrants to the other parties that neither it nor any person or entity acting on its behalf has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter related hereto to any person or entity, nor has it or any person or entity acting on its behalf taken any action on which a claim for any such payment could be based, except for Sellers' arrangement with Media Venture Partners, Inc. Sellers shall indemnify Buyer from any claims from Media Venture Partners, Inc. with respect to commission, finder's fee or similar payments.

ARTICLE 14 - INDEMNIFICATION

14.1. Sellers' Indemnities. Sellers shall indemnify, defend and hold harmless Buyer,

Buyer's affiliates, their employees, shareholders, officers, directors, successors and assigns from and against, and shall reimburse them for, all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, including, without limitation, interest, penalties, court costs and attorneys' fees and expenses, asserted against, resulting to, imposed upon or incurred by any of them, directly or indirectly, with respect to any misrepresentation, breach of warranty or covenant by Sellers, or failure by Sellers to perform any of their obligations under this Agreement or any liabilities of the Company of any type or claims by third parties arising from the Construction Permit prior to the Closing irrespective of whether such liabilities or claims constitute a misrepresentation or breach of warranty or covenant by Sellers under this Agreement.

14.2. Buyer's Indemnities. Buyer agrees to indemnify, defend and hold harmless Sellers, Sellers' affiliates, their employees, members, shareholders, officers, directors, successors and assigns from and against, and shall reimburse them for, all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, including, without limitation, interest, penalties, court costs and reasonable attorneys' fees and expenses asserted against, resulting to, imposed upon or incurred by any of them directly or indirectly, with respect to any misrepresentation, breach of warranty or covenant by Buyer, or failure by Buyer to perform any of its obligations under this Agreement.

14.3. Procedures.

(a) Any party seeking indemnification under this Agreement ("*Indemnified Party*") shall give the party from whom indemnification is sought ("*Indemnifying Party*") written notice of any claim or the commencement of any action or proceeding for which the Indemnified Party seeks indemnification, and the Indemnified Party shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting from such claim, unless injunctive relief is sought against the Indemnified Party in which case the Indemnified Party shall have the right to join in any defense. The Indemnified Party's failure to give the Indemnifying Party notice under this clause shall not preclude the Indemnified Party from seeking indemnification from the Indemnifying Party except to the extent that the Indemnified Party's failure has materially prejudiced the Indemnifying Party's ability to defend the claim or litigation.

(b) The Indemnifying Party shall not settle any claim for which the Indemnified Party seeks indemnification or consent to entry of any judgment in litigation arising from such a claim without obtaining a release of the Indemnified Party from all liability in respect of such claim or litigation. If the Indemnifying Party shall not assume the defense of any such claim or litigation resulting therefrom, or if injunctive relief is sought against the Indemnified Party, the Indemnified Party may defend against or settle such claim or litigation in such manner as it may deem appropriate. The Indemnifying Party shall promptly reimburse the Indemnified Party for the amount of all expenses, legal or otherwise, incurred by the Indemnified Party in connection with the defense against or settlement of such claim or litigation. If no settlement of the claim or litigation is made, the Indemnifying Party shall promptly reimburse the Indemnified Party for the amount of any judgment rendered with respect to such claim or in such litigation and for all

expenses, legal or otherwise, incurred by the Indemnified Party in the defense against such claim or litigation.

ARTICLE 15- TERMINATION RIGHTS

15.1. Termination. This Agreement may be terminated by either Buyer or Sellers, if the party seeking to terminate is not in material default or breach of this Agreement, upon written notice to the other upon the occurrence of any of the following:

(a) if, on or prior to the Closing Date, the other party defaults in any material respect in the observance or in the due and timely performance of any of its covenants or agreements contained herein and such default has not been cured within ten (10) days from receipt of written notice of default from the non-defaulting party;

(b) if the FCC denies the FCC Application or designates it for a trial-type hearing;

(c) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing; or

(d) if the FCC Consent has not become a Final Order within one (1) year of the date the FCC Application is accepted for filing.

15.2. Liability. The termination of this Agreement under Section 15.1 hereof shall not relieve any party of any liability for breach of this Agreement prior to the date of termination.

ARTICLE 16 - SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

The representations, warranties, covenants, indemnities and agreements contained herein are and will be deemed and construed to be continuing representations, warranties, covenants, indemnities and agreements and shall survive the Closing for a period of six (6) months; *provided, however,* that the obligations that Buyer assumes under the Fant Settlement Agreement shall survive the Closing until fully performed. Any investigation by or on behalf of any party hereto shall not constitute a waiver as to enforcement of any representation, warranty, covenant or agreement contained herein.

ARTICLE 17 - REMEDIES UPON DEFAULT

17.1. Default by Sellers. Sellers recognize that, in the event Sellers default in the performance of their obligations under this Agreement, monetary damages alone will not be adequate. Buyer shall therefore be entitled in such event, in addition to bringing suit at law or equity for money or other damages (including costs and expenses incurred by Buyer in the preparation and negotiation of this Agreement and in contemplation of the Closing hereunder) or

for indemnification under Article 14 hereof, to obtain specific performance of the terms of this Agreement; *provided however*, that in no event shall Sellers be required to pay damages and indemnification claims in excess of Fifty Thousand and 00/100 Dollars (\$50,000.00) regardless of the actual amount of damages sustained. In any action to enforce the provisions of this Agreement, Sellers shall waive the defense that there is an adequate remedy at law or equity and agree that Buyer shall have the right to obtain specific performance of the terms of this Agreement without being required to prove actual damages, post bond or furnish other security. In addition, Buyer shall be entitled to obtain from Sellers court costs and reasonable attorneys' fees incurred by it in enforcing its rights hereunder, plus interest at the Prime Rate on the amount of any judgment obtained against Sellers from the date of default until the date of payment of the judgment. As a condition to seeking specific performance, Buyer shall not be required to have tendered the Purchase Price specified in Section 2.2 of this Agreement, but shall be required to demonstrate that it is willing and able to do so and to perform its other closing obligations in all respects.

17.2. Default by Buyer. If the transactions contemplated by this Agreement are not consummated as a result of Buyer's material breach of this Agreement or wrongful failure to close hereunder, and Sellers are not also in material breach hereunder, Sellers shall be entitled to payment of the Escrow Deposit and all earnings thereon as liquidated damages in full settlement of any damages of any nature or kind that Sellers may suffer or allege to suffer as the result thereof. It is understood and agreed that the amount of liquidated damages represents Buyer's and Sellers' reasonable estimate of actual damages and does not constitute a penalty. Recovery of liquidated damages under this Section 17.2 shall be the sole and exclusive remedy of Sellers against Buyer for breach of or failure to consummate this Agreement and shall be applicable regardless of the actual amount of damages sustained. In addition, Sellers shall be entitled to obtain from Buyer court costs and reasonable attorneys' fees incurred by it in enforcing its rights hereunder, plus interest at the Prime Rate on the amount of any judgment obtained against Buyer from the date of default until the date of payment of the judgment. As a condition to obtaining liquidated damages, Sellers shall not be required to have tendered the Membership Interests but shall be required to demonstrate that it is willing and able to do so and to perform its other closing obligations in all material respects.

ARTICLE 18 - OTHER PROVISIONS

18.1. Publicity. Except as required by applicable law or with the express written consent of the other parties, no party to this Agreement nor any affiliate of any party shall issue any press release or make any public statement (oral or written) regarding the transactions contemplated by this Agreement.

18.2. Benefit and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Sellers may not assign their rights or obligations hereunder without the prior consent of Buyer.

18.3. Entire Agreement. This Agreement and the exhibits and schedules hereto embody the entire agreement and understanding of the parties hereto and supersede any and all

prior agreements, arrangements and understandings relating to the matters provided for herein. No amendment, waiver of compliance with any provision or condition hereof, or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of any waiver, amendment, change, extension or discharge is sought.

18.4. Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

18.5. Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, addressed to the following addresses, or to such other address as any party may request:

To Sellers:

Davis Television, LLC
DTV, Inc.
2121 Avenue of the Stars
Los Angeles, CA 90067
Attn.: Mr. Michael Seibert
Telephone: (310) 551-2213
Facsimile: (310) 551-0591

With a copy (which shall not constitute notice) to:

Leventhal, Senter & Lerman PLLC
2000 K Street, Suite 600
Washington, DC 20006-1809
Attn.: Dennis P. Corbett, Esq.
Telephone: (202) 429-8970
Facsimile: (202) 293-7783

To Buyer:

Surtsey Productions, Inc.
73 Kercheval Avenue, Suite 100
Grosse Pointe Farms, MI 48236
Attn.: Ms. Dana C. Raymant
Telephone: (313) 884-7878
Facsimile: (313) 884-7973

With a copy (which shall not constitute notice) to:

Fletcher Heald & Hildreth, PLC
1300 North 17th Street, 11th Floor
Arlington, VA 22209-3801
Attn.: Harry F. Cole, Esq.

Telephone: (703) 812-0483
Facsimile: (703) 812-0486

and shall be deemed to have been duly delivered and received (i) on the date of personal delivery, or (ii) on the date of receipt, if mailed by registered or certified mail, postage prepaid and return receipt requested, or (iii) on the date of a signed receipt, if sent by an overnight delivery service, but only if sent in the same manner to all persons entitled to receive notice or a copy.

18.6. Computation of Time. If after making computations of time provided for in this Agreement, a time for action or notice falls on Saturday, Sunday or a Federal holiday, then such time shall be extended to the next business day.

18.7. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of California without regard to its principles of conflict of law.

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

18.9. Further Assurances. Sellers shall at any time and from time to time after the Closing execute and deliver to Buyer other such further conveyances, assignments and other written assurances as might be reasonably requested in order to vest and confirm in Buyer (or its nominee(s) or assign(s)) the title and rights to and in the Interests.

[Signatures follow immediately]

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

SELLERS:

DAVIS TELEVISION, LLC

By: _____
Michael J. Seibert

DTV, INC.

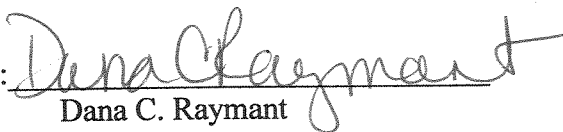
By: _____

Name: _____

Title: _____

BUYER:

SURTSEY PRODUCTIONS, INC.

By:  _____
Dana C. Raymant
President

ESCROW AGENT:

LEVENTHAL, SENTER & LERMAN,
P.L.L.C.

By: _____
Member

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

SELLERS:

DAVIS TELEVISION, LLC

By: _____
Michael J. Seibert

DTV, INC.

By: _____

Name: _____

Title: _____

BUYER:

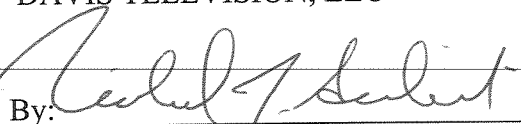
SURTSEY PRODUCTIONS, INC.

By: Dana Claymant
Dana C. Raymant
President

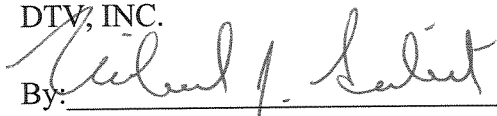
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

SELLERS:

DAVIS TELEVISION, LLC

By: 
Michael J. Seibert

DTV, INC.

By: 
Name: Michael J. Seibert
Title: Vice President

BUYER:

SURTSEY PRODUCTIONS, INC.

By: _____
Dana C. Raymant
President

EXHIBIT A- SETTLEMENT AGREEMENT

See Attachment

EXHIBIT B – FORM OF ESCROW AGREEMENT

THIS ESCROW AGREEMENT (“*Agreement*”) made and entered into this ____ day of October, 2002, is by and among Davis Television, LLC, a Delaware limited liability company (“*DTLLC*”), DTV, Inc., a Delaware corporation (“*DTVI*”) (DTLLC and DTVI shall be collectively referred to herein as (“*Sellers*”), Surtsey Productions, Inc., a Michigan corporation (“*Buyer*”) and Leventhal, Senter & Lerman P.L.L.C., a District of Columbia professional limited liability company (“*Escrow Agent*”).

Recitals

A. Buyer and Sellers are parties to that certain Membership Interest Purchase Agreement for the sale and purchase of 100% of the issued and outstanding membership interests of Davis Television Pittsburg, LLC (the “*Company*”), of even date herewith (the “*Purchase Agreement*”).

B. The Purchase Agreement provides that the Buyer shall deposit with the Escrow Agent the principal amount of Fifty Thousand and 00/100 Dollars (\$50,000.00) (“*Escrow Deposit*”), to be held by the Escrow Agent pending the consummation of the transactions contemplated by, or termination of, the Purchase Agreement.

C. Escrow Agent has agreed to accept, hold and disburse the Escrow Deposit in accordance with this Agreement.

NOW THEREFORE, in consideration of the above and of the promises contained herein, the parties, intending to be bound legally, agree as follows:

1. **Duty to Hold Escrow Deposit.** Escrow Agent shall hold the Escrow Deposit until receipt of either (a) a joint notice or joint notices from Sellers and Buyer in accordance with Paragraph 3(a) hereof, (b) a notice and demand from Sellers as provided in Paragraph 3(b) hereof that is not protested, (c) a notice and demand from Buyer as provided in Paragraph 3(c) hereof that is not protested, or (d) joint instructions from Buyer and Sellers otherwise directing Escrow Agent of the manner in which to dispose of the Escrow Deposit and any interest earned thereon.

2. **Investment of Escrow Deposit.** Escrow Agent shall invest and reinvest the Escrow Deposit and any interest earned thereon in an interest bearing federally insured money market account or in short-term U.S. Treasury obligations or the equivalent thereof.

3. **Disposition of Escrow Deposit.** The Escrow Deposit shall be paid to Buyer or Sellers or distributed as follows:

(a) Upon receipt by Escrow Agent of a joint notice from Buyer and Sellers

stating that the FCC has released a public notice of the acceptance for filing of the FCC Application, Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) of the Escrow Deposit shall be released to Sellers (the "*First Payment*"). Upon receipt by Escrow Agent of a joint notice from Buyer and Sellers stating that the Closing under the Purchase Agreement has occurred, Escrow Agent shall immediately pay the Escrow Deposit (less the First Payment) in immediately available funds without deduction, set-off, or counterclaim, plus all interest earned thereon in immediately available funds without deduction, set-off, or counterclaim, to Sellers.

(b) Upon receipt by Escrow Agent of a notice from Sellers stating that Sellers are entitled to the Escrow Deposit (less the First Payment if disbursement has occurred at the time of notice) and following the failure of Buyer to make a timely protest (in accordance with Paragraph 4 hereof) after receipt of notice from Escrow Agent pursuant to Paragraph 4 hereof, Escrow Agent shall pay the Escrow Deposit (less the First Payment if disbursement has occurred at the time of notice) in immediately available funds without deduction, set-off or counterclaim to Sellers, free and clear of any and all claims thereto by Buyer, and shall pay and all interest earned thereon in immediately available funds without deduction, set-off, or counterclaim to Buyer. If Sellers provides any notice hereunder, Sellers shall concurrently provide a copy of such notice to Buyer.

(c) Upon receipt by Escrow Agent of a notice from Buyer stating that Buyer is entitled to the Escrow Deposit (less the First Payment if disbursement has occurred at the time of notice) and following the failure of Sellers to make a timely protest (in accordance with Paragraph 4 hereto) after receipt of notice from Escrow Agent pursuant to Paragraph 4 hereof, Escrow Agent shall pay the Escrow Deposit (less the First Payment if disbursement has occurred at the time of notice) and all interest earned thereon in immediately available funds without deduction, set-off or counterclaim to Buyer, free and clear of any claim thereto by Sellers. If Buyer provides any notice hereunder, Buyer shall concurrently provide a copy of such notice to Sellers.

4. Disagreement Between Buyer and Sellers. If either Buyer or Sellers (for purposes of this paragraph referred to as the "*Demanding Party*") gives notice to Escrow Agent as provided in Paragraph 3(b) or 3(c) hereof and makes demand upon Escrow Agent for payment of the Escrow Deposit, Escrow Agent shall, within seven (7) business days of receipt of such demand, serve upon Buyer or Sellers, as the case may be (the "*Notified Party*"), a copy of the Demanding Party's notice. Unless the Notified Party protests the payment of the Escrow Deposit in writing delivered to Escrow Agent within seven (7) business days after the receipt by the Notified Party of the Demanding Party's notice from the Escrow Agent, Escrow Agent shall thereupon make payment to the Demanding Party as required by such demand in accordance with Paragraph 3(b) or 3(c) hereof. If the Notified Party timely and duly protests, the Escrow Agent shall hold the Escrow Deposit until the disagreement is resolved as provided in Paragraph 5(f) below.

5. Limitations on Liability of Escrow Agent.

(a) The duties and obligations of Escrow Agent shall be determined solely by the express provisions of this Escrow Agreement and no implied duties or obligations shall be read into this Escrow Agreement against Escrow Agent. Escrow Agent shall be under no obligation to refer to the Purchase Agreement or any other documents between or among the parties related in any way to this Escrow Agreement, except as specifically provided herein.

(b) Escrow Agent shall not be liable to anyone for any damages, losses or expenses for any act done or step taken or omitted by Escrow Agent in good faith, provided, however, that Escrow Agent shall be liable for damages, losses and expenses arising out of its willful default, gross negligence or bad faith under this Escrow Agreement.

(c) Escrow Agent shall be entitled to rely upon, and shall be protected in acting in reasonable reliance upon, any writing furnished to Escrow Agent by any party in accordance with the terms hereof, which Escrow Agent believes in good faith to be genuine and valid and to have been signed by the proper party.

(d) Escrow Agent may obtain advice of its counsel with respect to any questions relating to its duties or responsibilities hereunder and shall not be liable for any action taken or omitted in good faith on such advice of such counsel.

(e) Without limiting the foregoing, Escrow Agent shall not in any event be liable, and Sellers and Buyer shall jointly and severally indemnify and hold harmless Escrow Agent, in connection with Escrow Agent's investment or reinvestment of the Escrow Deposit in good faith, including without limitation any delays (not resulting from its gross negligence or willful default) in the investment or reinvestment of the Escrow Deposit, or any loss of income incident to any such delays.

(f) If any disagreement between the parties to this Escrow Agreement occurs which results in adverse claims and demands being made in connection with or against the Escrow Deposit, or any interest earned thereon, Escrow Agent shall refuse to comply with the claims or demands of any party until such disagreement is finally resolved by mutual agreement of the parties or by a court of competent jurisdiction (including expiration of all available appeal remedies), and, in so doing, Escrow Agent shall not be or become liable to any party. Alternatively, in the event of any dispute or disagreement between Buyer and Sellers sufficient in the sole discretion of Escrow Agent to justify its doing so, Escrow Agent shall be entitled to tender into the registry or custody of any court of competent jurisdiction the Escrow Deposit and to initiate such legal proceedings as it deems appropriate, including without limitation, an interpleader action, for determination of the respective rights, titles and interests of Sellers and Buyer therein. Upon such tender, Escrow Agent shall be entitled to receive from Sellers and Buyer its reasonable attorney fees and expenses and shall be forthwith released and discharged from all further duties, liabilities and obligations under this Escrow Agreement.

(g) Buyer and Sellers jointly and severally agree to indemnify Escrow Agent

against all legal fees, costs and other expenses reasonably incurred by Escrow Agent in connection with or as a result of any disagreement among or between the parties hereto or the performance by Escrow Agent of its duties hereunder, including, without limitation, any litigation arising from this Escrow Agreement or involving the subject matter hereof; except as provided in Paragraph 5(b) hereof. Except as otherwise provided in this Escrow Agreement, Buyer and Sellers shall each pay one-half of the reasonable expenses incurred by Escrow Agent under this Escrow Agreement. Escrow Agent shall charge no fees for rendering services hereunder.

(h) Any action claimed to be required to be taken by Escrow Agent hereunder and not otherwise specifically set forth herein shall require the agreement of Buyer, Sellers, and Escrow Agent.

(i) Except as stated herein, Escrow Agent does not have any interest in the Escrow Deposit held hereunder, but is serving as escrow holder only.

6. **Resignation of Escrow Agent.** If Escrow Agent desires to resign as Escrow Agent, it shall provide thirty (30) days notice (a "*Resignation Notice*") of its intention to so resign to Buyer and to Sellers. Notwithstanding the foregoing, if following the resignation of Escrow Agent there would be no replacement escrow agent hereunder, Escrow Agent's resignation shall not be effective until Buyer and Sellers shall have mutually agreed to the appointment of a replacement escrow agent and such appointment shall have been accepted in writing. In the event that no replacement escrow agent has been appointed by Buyer and Sellers within sixty (60) days of the Resignation Notice, Escrow Agent shall be permitted to select a reputable replacement escrow agent.

7. **Amendments.** No modification or amendment to this Escrow Agreement, or waiver of compliance with any provision or condition hereof, shall be valid unless reduced to writing and signed by all of the parties hereto.

8. **Effect of this Escrow Agreement.** This Escrow Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof and supersedes any and all prior or contemporaneous agreements, arrangements and understandings relating to the subject matter hereof. This Escrow Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns and legal representatives. The paragraph headings of this Escrow Agreement are for convenience of reference only and do not form a part hereof and do not in any way modify, interpret or construe the intentions of the parties. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to its principles of conflicts of laws, and the state and federal courts of California shall have exclusive jurisdiction over any controversy or claim arising out of or relating to this Agreement.

9. **Notices.** Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, addressed to the following

addresses, or to such other address as any party may request in writing.

To Sellers:

Davis Television, LLC
DTV, Inc.
2121 Avenue of the Stars
Los Angeles, CA 90067
Attn.: Mr. Michael Seibert
Telephone: (310) 551-2213
Facsimile: (310) 551-0591

With a copy (which shall not constitute notice) to:

Leventhal, Senter & Lerman PLLC
2000 K Street, Suite 600
Washington, DC 20006-1809
Attn.: Dennis P. Corbett, Esq.
Telephone: (202) 429-8970
Facsimile: (202) 293-7783

To Buyer:

Surtsey Productions, Inc.
73 Kercheval Avenue, Suite 100
Grosse Pointe Farms, MI 48236
Attn.: Ms. Dana C. Raymant
Telephone: (313) 884-7878
Facsimile: (313) 884-7973

With a copy (which shall not constitute notice) to:

Fletcher Heald & Hildreth, PLC
1300 North 17th Street, 11th Floor
Arlington, VA 22209-3801
Attn.: Harry F. Cole, Esq.
Telephone: (703) 812-0483
Facsimile: (703) 812-0486

If to Escrow Agent:

Leventhal, Senter & Lerman, P.L.L.C.
2000 K Street, N.W.
Suite 600
Washington, D.C. 20006-1809
Attention: Dennis P. Corbett, Esq.
Telephone: 202/429-8970
Facsimile: 202/293-7783

Any such notice, demand or request shall be deemed to have been duly delivered and received (i) on the date of personal delivery, or (ii) on the date of transmission, if sent by facsimile (but only if a hard copy is also sent by overnight courier), or (iii) on the date of receipt, if mailed by registered or certified mail, postage prepaid and return receipt requested, or (iv) on the date of a signed receipt, if sent by an overnight delivery service, but only if sent in the same manner to all persons entitled to receive notice or a copy.

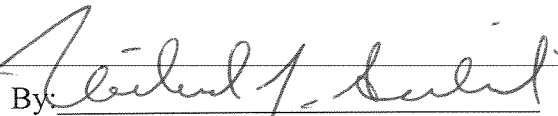
10. **Counterparts.** This Escrow Agreement may be executed in one or more counterparts, and by the different parties hereto on separate counterparts, each of which shall be deemed an original but all of which shall constitute one and the same Agreement.

[signatures on following page]


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

SELLERS:

DAVIS TELEVISION, LLC

By: 
Michael J. Seibert

DTV, INC.

By: 
Name: Michael J. Seibert
Title: Vice President

BUYER:

SURTSEY PRODUCTIONS, INC.

By: _____
Dana C. Raymant
President

ESCROW AGENT:

LEVENTHAL, SENTER & LERMAN,
P.L.L.C.

By: _____
Member

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

SELLERS:

DAVIS TELEVISION, LLC

By: _____
Michael J. Seibert

DTV, INC.

By: _____

Name: _____

Title: _____

BUYER:

SURTSEY PRODUCTIONS, INC.

By: Dana Clayman
Dana C. Raymant
President

ESCROW AGENT:

LEVENTHAL, SENTER & LERMAN,
P.L.L.C.

By: _____
Member

Schedule 5.2 – Consents

[disclosure regarding any required consent from Fox, if necessary]

Schedule 5.4 – Liens

Settlement Agreement dated as of January 27, 1998, by and among Anthony J. Fant, Davis Television Pittsburg, L.L.C. and the Law Firm of Crispin & Brenner, P.L.L.C., as amended by First Amendment to Settlement Agreement (undated), by Second Amendment to Settlement Agreement dated as of July 12, 2000, and by Third Amendment to Settlement Agreement dated as of July 27, 2001.
