

ASSET PURCHASE AGREEMENT

BY AND AMONG

NEW VISION GROUP, LLC, NVG-SANTA BARBARA, INC. AND NVG-SANTA  
BARBARA II, INC.,

AND

EVENING POST PUBLISHING COMPANY

Dated as of October 28, 2004

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## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement"), is made as of the 28th day of October, 2004, by and among New Vision Group, LLC, a Delaware limited liability company ("Parent"), NVG-Santa Barbara, Inc., a Delaware corporation ("NVG-Santa Barbara"), NVG-Santa Barbara II, Inc., a Delaware corporation ("NVG-Santa Barbara II" and together with NVG-Santa Barbara, "Sellers") and Evening Post Publishing Company, a South Carolina corporation ("Buyer").

### RECITALS:

WHEREAS, Parent, through its subsidiaries, is the licensee of and operates television broadcast station KSBY(TV), San Luis Obispo, California and television broadcast translator station K59CD, Santa Barbara, California (collectively, the "Station"), pursuant to licenses issued by the Federal Communications Commission (the "FCC");

WHEREAS, pursuant to the Option Agreements (as defined herein), Parent has the right to acquire each Seller's interest in New Vision Media, LLC, a Delaware limited liability company ("NVM");

WHEREAS, Parent desires to sell, and Buyer wishes to buy, Parent's rights under the Option Agreements on the terms and conditions hereinafter set forth (the "Option Sale");

WHEREAS, immediately after the consummation of the Option Sale, the NVG Entities (as defined herein) shall consummate the Restructuring (as defined herein) and in accordance with the Restructuring, Buyer pursuant to and upon the exercise of the Option Agreements shall have the right to acquire the assets used or useful in the business and operations of the Station and Buyer shall be required to exercise the rights granted under the Option Agreements to acquire such assets; and

WHEREAS, immediately upon exercise of the rights granted in the Option Agreements, Sellers will sell, and Buyer will buy, substantially all of the assets that are used or useful in the business and operations of the Station on the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the above and of the mutual premises and covenants contained herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be bound legally, agree as follows:

### SECTION 1 Definitions

Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

"Acceptable Year-End Adjustments" shall have the meaning set forth in Section 8.10.

"Accounts Receivable" shall have the meaning set forth in Section 6.1 hereof.

"Adjustment Time" shall mean (i) if Buyer initiates the Purchase Price Wire at or prior to 11:00 a.m. Eastern Standard time on the Closing Date, then 12:01 a.m. Pacific time on the Closing Date; and (ii) if Buyer initiates the Purchase Price Wire after 11:00 a.m. Eastern Standard time on the Closing Date, then 11:59 p.m. Pacific time on the Closing Date.

"Agreement" shall have the meaning set forth in the preamble.

"Alternative Lease Location" shall have the meaning set forth in Section 10.5(b).

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

"At Will Contracts" shall have the meaning set forth in Section 8.8.

"Balance Sheet Date" shall mean June 30, 2004.

"Buyer" shall have the meaning set forth in the preamble.

"Casualty Event" shall have the meaning set forth in Section 16.2 hereof.

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

"Closing Certificate" shall have the meaning set forth in Section 5 hereof.

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

"Closing Place" shall mean the offices of Dow, Lohnes & Albertson, PLLC, One Ravinia Drive, Suite 1600, Atlanta, GA 30346-2108, or such other place as the NVG Parties and Buyer may mutually agree upon in writing.

"Code" shall mean the Internal Revenue Code of 1986, as amended and the regulations thereunder.

"Collection Period" shall have the meaning set forth in Section 6.2 hereof.

"Compensation Arrangement" shall have the meaning set forth in Section 8.13(g) hereof.

"Communications Laws" shall mean the Communications Act of 1934, as amended, and the rules and published policies of the FCC promulgated pursuant thereto.

"Consents" shall mean all of the consents, permits or approvals of government authorities, including the FCC Consent, or other third parties necessary to transfer the Station Assets to Buyer or otherwise to consummate the transactions contemplated hereby, including, without limitation, the Option Sale and the Restructuring.

"Contaminated Leased Location" shall have the meaning set forth in Section 10.5(b).

"Contract(s)" shall mean all contracts, agreements, commitments, options, rights and interests, written or oral, of any NVG Entity relating to the conduct of the business and operations of the Station, but shall specifically exclude the Leases, as later defined herein.

"Deposit" shall have the meaning set forth in Section 2.6.

"Deposit Escrow Agent" shall have the meaning set forth in Section 2.6.

"Deposit Escrow Agreement" shall have the meaning set forth in Section 2.6.

"DOJ" shall have the meaning set forth in Section 10.8 hereof.

"Employee Benefit Plan" shall have the meaning set forth in Section 8.13(g) hereof.

"Engineer" shall have the meaning set forth in Section 10.5(a) hereof.

"Environmental Condition" shall mean any condition existing on any of the real property listed in Schedule 2.3(b) hereof that violates, fails to comply with, or requires remediation under, any Environmental Law.

"Environmental Law" shall mean any requirement of federal, state, district or local law, any applicable rule, policy statement or regulation promulgated thereunder or any applicable order, consent, decree, judgment, governmental demand or order promulgated or entered pursuant thereto, pertaining to pollution or protection of the environment (including, without limitation, cleanup, removal, remediation or damage thereof), health or safety or other environmental matters, or to emissions, discharges, or releases or threatened releases of any Hazardous Substance, including, without limitation, the following laws as the same may be amended from time to time: (i) Clean Air Act (42 U.S.C. § 7401, et seq.); (ii) Clean Water Act (33 U.S.C. § 1251 et seq.); (iii) Resource Conservation and Recovery Act (42 U.S.C. § 6901, et seq.); (iv) the Comprehensive Environmental Response Compensation Liability Act, as amended, 42 U.S.C. § 9601, et seq. ("CERCLA"); (v) Safe Drinking Water Act (42 U.S.C. § 300f et seq.); (vi) Toxic Substance Control Act (15 U.S.C. § 2601, et seq.); (vii) Occupational Safety and Health Act (29 U.S.C. § 651, et seq.) ("OSHA"); (viii) Hazardous Material Transportation Act (49 U.S.C. § 1801 et seq.); (ix) Oil Pollution Act of 1990 (33 U.S.C. § 2701 et seq.); and (x) Emergency Planning and the Community Right-to-Know Act of 1986 (42 U.S.C. § 11001 et seq.).

"ERISA" shall have the meaning set forth in Section 8.13(b) hereof.

"ERISA Affiliate" shall have the meaning set forth in Section 8.13(g) hereof.

"Excluded Assets" shall have the meaning set forth in Section 2.4 hereof.

"Existing CBA" shall have the meaning set forth in Section 8.14.

"FCC" shall have the meaning set forth in the recitals.

"FCC Consent" shall mean action by the FCC granting its consent to the assignment of the FCC Licenses to Buyer (or an affiliate of Buyer if assigned as permitted under Section 20.3) as contemplated by this Agreement.

"FCC Licenses" shall mean all licenses, permits and other authorizations issued by the FCC to any NVG Entity in connection with the conduct of the business and operations of the Station.

"Final Order" shall mean written action or order issued by the FCC, setting forth the FCC Consent, and (a) which has not been reversed, stayed, enjoined, set aside, annulled or suspended, and (b) with respect to which (i) no requests have been filed for administrative or judicial review, reconsideration, appeal or stay, and the periods provided by statute or FCC regulations for filing any such requests and for the FCC to set aside the action on its own motion have expired, or (ii) in the event of review, reconsideration or appeal, the period provided by statute or FCC regulations for further review, reconsideration or appeal has expired.

"Financial Statements" shall mean the unaudited balance sheets and statements of income and expense of the Station (a) as of, and for the years ended December 31, 2003 and December 31, 2002, (b) as of, and for the six months ended June 30, 2004, and (c) as of, and for the month ended August 31, 2004.

"First Distribution Date" shall have the meaning set forth in Section 2.9(a).

"Follow On Study" shall have the meaning set forth in Section 10.5(a) hereof.

"FTC" shall have the meaning set forth in Section 10.8 hereof.

"GAAP" shall mean generally accepted accounting principles set forth in opinions and pronouncements of the Accounting Principals Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, in each case as the same are applicable to the circumstances as of the date of determination and consistently applied.

"Hazardous Substance" means any substance or material (whether solids, liquids or gases) which is or may be hazardous or toxic or which is subject to regulation, control or remediation under Environmental Laws but excluding materials occurring naturally at or about any facility.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder, as in effect from time to time.

"Indemnitee" shall have the meaning set forth in Section 18.3(a) hereof.

"Indemnitor" shall have the meaning set forth in Section 18.3(a) hereof.

"Indemnity Deposit" shall have the meaning set forth in Section 2.8 hereof.

"Indemnity Escrow Agreement" shall mean the Indemnity Escrow Agreement among Buyer, the NVG Parties and Wachovia Bank, National Association, in Atlanta, Georgia (the "Indemnity Escrow Agent") substantially in the form attached hereto as Exhibit E, in accordance with which at Closing the Indemnity Deposit shall be deposited with the Indemnity Escrow Agent, in accordance with the terms hereof and therein in

order to provide a fund for the payment of any claims for which Buyer is entitled to indemnification in accordance with Section 18.1 hereof (the "Indemnity Escrow").

"Intercompany Amount" shall have the meaning set forth in Section 2.3.

"Leases" shall mean all those leases of real property to which any NVG Entity is a party and which relate to the ownership or business and operations of the Station as listed on Schedule 2.3(b).

"Leased Real Property" shall mean those certain parcels of real property used or useful in the business of the Station in which any NVG Entity has a leasehold interest, together with any rights, title and interest of such NVG Entity pursuant to the Leases.

"MCG Amount" shall have the meaning set forth in Section 2.3.

"Multiemployer Plan" shall have the meaning set forth in Section 8.13(g) hereof.

"Material Consents" shall have the meaning set forth in Section 8.19 hereof.

"NABET" shall have the meaning set forth in Section 8.14.

"NBC Affiliation Agreement" shall mean the Station's NBC Affiliation Agreement, dated January 1, 2002, by and between NBC Television Network and SJL of California, L.P., as assigned to Santa Barbara.

"NBC Consent" shall have the meaning set forth in Section 9.1(b)(15) hereof.

"Non-Competition Agreements" shall mean (1) the Non-Competition Agreement, dated as of the Closing Date, between Buyer and the NVG Parties, substantially in the form of Exhibit D-1; and (2) the Non-Competition Agreement, dated as of the Closing Date, between Buyer and Jason Elkin, substantially in the form of Exhibit D-2

"Non-Compete Payment" shall have the meaning set forth in Section 2.7.

"NVB" shall mean New Vision Broadcasting, LLC, a Delaware limited liability company.

"NVM" shall have the meaning set forth in the recitals.

"NVG Entities" shall mean Parent, Sellers, Santa Barbara, Santa Barbara II, NVB and NVM.

"NVG Parties" shall mean Parent and Sellers.

"NVG Plans" shall have the meaning set forth in Section 10.9(e).

"NVG-Santa Barbara" shall have the meaning set forth in the preamble.

"NVG-Santa Barbara II" shall have the meaning set forth in the preamble.

"Option Agreements" shall mean (i) the Amended and Restated Call Option Agreement, dated as of December 31, 2002, by and between NVG-Santa Barbara and Parent; and (ii) the Amended and Restated Call Option Agreement, dated as of December 31, 2002, by and between NVG-Santa Barbara II and Parent.

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

"Option Exercise Price" shall have the meaning set forth in Section 2.2.

"Option Purchase Price" shall have the meaning set forth in Section 2.2.

"Option Sale" shall have the meaning set forth in the recitals.

"Other Real Property Interests" shall have the meaning set forth in Section 2.3(b).

"Owned Real Property" shall mean those certain parcels of real property owned by any NVG Entity and used or useful in connection with the business and operations of the Station.

"Owned Tower(s)" shall have the meaning set forth in Section 8.5(c).

"Parent" shall have the meaning set forth in the preamble.

"Permitted Liens" shall mean (a) in the case of real property, any and all encumbrances, excluding monetary liens, which individually or in the aggregate do not materially and adversely affect or interfere with the marketability or current use of such real property in the business and operations of the Station, including, without limitation, (i) real estate Taxes not yet due and payable, (ii) those certain easements, rights of way, building and use restrictions, title exceptions set forth on a current title report for such real property, matters which would be revealed by an accurate survey of such real property, mineral rights or other reservations, covenants, restrictions and encumbrances which are of record, that individually or in the aggregate do not materially and adversely affect or interfere with the marketability or current use of such real property in the business and operations of the Station, (iii) inchoate mechanics', carriers', workers', repairmen's and other similar liens not more than ninety (90) days old arising or incurred in the ordinary course of business and which shall be paid by the NVG Parties at or prior to Closing, (iv) those items set forth on Schedule 1.A that individually or in the aggregate do not materially and adversely affect or interfere with the marketability or current use of such real property in the business and operations of the Station and (v) the Leases under which any NVG Entity is the landlord and which are set forth on Schedule 2.3(b), (b) in the case of tangible personal property, (i) statutory liens for current Taxes or assessments not yet due and payable or the validity of which is being contested in good faith, (ii) inchoate mechanics', carriers', workers', repairmen's and other similar liens not more than ninety (90) days old arising or incurred in the ordinary course of business and which shall be paid by the NVG Parties at or prior to Closing, (iii) the items set forth on Schedule 1.A that individually or in the aggregate do not materially and adversely affect or interfere with the current use of such tangible personal property in the business and operations of the Station and (c) in the case of intangible personal property, the items set forth on Schedule 1.A that individually or in the aggregate do not materially and adversely affect or interfere with the current use of such intangible personal property in the business and operations of the Station.

"Purchase Price" shall have the meaning set forth in Section 2.5.

"Purchase Price Wire" shall have the meaning set forth in Section 2.8.

"Real Property" shall have the meaning set forth in Section 2.3(b).

"Remediation" shall have the meaning set forth in Section 10.5(b) hereof.

"Repair Cap" shall have the meaning set forth in Section 16.2(a)

"Rescheduled Closing Date" shall have the meaning set forth in Section 16.2(a) hereof.

"Restructuring" shall mean the following actions taken in this order, with the result being that the assets of Santa Barbara and Santa Barbara II shall be held by NVG-Santa Barbara and NVG-Santa Barbara II: (i) the distribution by NVB of all of the issued and outstanding limited liability company interests in Santa Barbara to NVM; (ii) the liquidation of Santa Barbara in accordance with the terms of its limited liability company agreement and, pursuant to such liquidation, the distribution and transfer by Santa Barbara of all of its assets (including all of the membership interests in Santa Barbara II) to NVM; (iii) the liquidation of Santa Barbara II in accordance with the terms of its limited liability company agreement and, pursuant to such liquidation, the distribution and transfer by Santa Barbara II of all of its assets to NVM; (iv) the distribution by NVM of all of the assets formerly held by Santa Barbara and Santa Barbara II to the Sellers in accordance with the terms of NVM's limited liability company agreement (in proportion to each Seller's membership interest in NVM) and in complete redemption of each Seller's membership interest in NVM except that NVM shall distribute legal title to all of the assets formerly held by Santa Barbara II to NVG-Santa Barbara, with all parties agreeing that NVG-Santa Barbara II shall hold a beneficial interest (for tax and accounting purposes) in such assets formerly held by Santa Barbara II based on the percentage ownership of NVG-Santa Barbara II in NVM immediately prior to the redemption; and (v) the resignation of each Seller as a member of NVM in accordance with the terms of NVM's limited liability company agreement.

"Restructuring Documents" shall have the meaning set forth in Section 8.24(c).

"Retransmission Agreement" shall have the meaning set forth in Section 8.8(c).

"Santa Barbara" shall mean NVG-Santa Barbara, LLC, a Delaware limited liability company.

"Santa Barbara II" shall mean NVG-Santa Barbara II, LLC, a Delaware limited liability company.

"Schedules" shall mean those schedules referred to in this Agreement that have been delivered concurrently with the execution of this Agreement, which are hereby incorporated herein and made a part hereof.

"Second Distribution Date" shall have the meaning set forth in Section 2.9(b).

"Sellers" shall have the meaning set forth in the preamble.

"Station" shall have the meaning set forth in the recitals. For the purposes of clarification, it is understood that the Excluded Assets shall be excluded from the definition of Station.

"Station Assets" shall have the meaning set forth in Section 2.3.

"Station Licenses" shall mean the FCC Licenses and any other licenses, permits or authorizations issued to any NVG Entity by any governmental authority and used or useful in the conduct of the business and operations of the Station.

"Study" shall have the meaning set forth in Section 10.5(a) hereof.

"Surveys" shall have the meaning set forth in Section 10.7.

"Tax" shall mean any and all taxes, fees, levies, duties, tariffs, imposts and other charges of any kind imposed by any government or taxing authority, including without limitations: federal, state, local, or foreign net or gross income, gross receipts, windfall profits, severance, property, production, sales, use, ad valorem, value added, license, excise, stamp, franchise, capital, transfer, employment, withholding, payroll or other tax or governmental assessment, including any amount payable with respect to escheatable unclaimed property, together with any interest, additions, or penalties with respect thereto and any interest in respect of such additions or penalties.

"Termination Date" shall have the meaning set forth in Section 19.1(e) hereof.

"Third Distribution Date" shall have the meaning set forth in Section 2.9(c).

"Trade Agreements" shall mean any order or agreement for the sale of advertising time on the Station other than for cash.

"Transferred Employees" shall have the meaning set forth in Section 10.9(c).

## SECTION 2

### Purchase of Option and Assets

2.1 Closing. Except as set forth in Section 16.2 or as otherwise mutually agreed upon by the NVG Parties and Buyer, the (i) closing of the transactions contemplated by the Option Sale ("Option Closing") and (ii) closing of the transactions contemplated by the purchase of the Station Assets pursuant to the exercise of the Option Agreements and the closing of this Agreement (the "Asset Closing," and together with the Option Closing, the "Closing") shall take place at the Closing Place on a date (the "Closing Date") which shall be specified by written notice from Buyer to the NVG Parties, which date shall be not less than 5 days and not more than 10 days after the satisfaction of the conditions precedent set forth in Sections 11.2, 11.12, 12.2 and 12.7 hereof, or as shall otherwise be mutually agreed upon by the NVG Parties and Buyer, but in no event later than July 31, 2005; provided, however, that the consummation of the Option Closing shall take place immediately prior to the Asset Closing on the Closing Date.

2.2 Option Sale. On the Closing Date, Parent shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase from Parent, all of Parent's right, title and interest in and to the Option Agreements and all rights of Parent thereunder, free and clear of all debts, liens, security interests, mortgages, trusts, claims or other liabilities or encumbrances whatsoever. The purchase price for the assignment of the Option Agreements contemplated hereunder shall be equal to Sixty Seven Million Seven Hundred Fifty Thousand Dollars and 00/100 (\$67,750,000.00) less the sum of the (i) Option Exercise Price, (ii) MCG Amount and (iii) Intercompany Amount (such difference, the "Option Purchase Price"). At the Option Closing, Buyer shall pay to Parent by wire transfer of immediately available funds the Option Purchase Price to a bank account designated by Parent, and Parent shall deliver to Buyer an assignment of the Option Agreements in the form and substance of Exhibit G. Upon the Option Closing, the NVG Parties shall immediately consummate the Restructuring and immediately thereafter, Buyer, by entering into this Agreement, shall automatically be deemed to have immediately exercised the options granted therein. The purchase price for Buyer's exercise of the Option Agreements contemplated hereunder shall be as set forth in the Option Agreements, such amount to be determined by the parties one (1) business day prior to the Closing (the "Option Exercise Price"). At the Asset Closing, Buyer shall pay to Parent by wire transfer of immediately available funds the Option Exercise Price to a bank account designated by Parent.

2.3 Transfer of Assets. On the Closing Date and immediately after the consummation of the Option Closing, the Restructuring, Buyer's deemed and actual exercise of the options granted in the Option Agreements, the repayment of the aggregate principal sum (together with accrued interest and fees thereon) owing as of the Closing by NVM in favor of Parent ("Intercompany Amount") and the repayment of the aggregate principal sum (together with accrued interest and fees thereon) as set forth in the payoff letter to be delivered by MCG Capital Corporation at Closing ("MCG Amount"), Sellers shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase from Sellers, all of the Sellers' right, title and interest in and to properties and assets, real, personal and mixed, tangible and intangible (including the business of the Station as a going concern and the goodwill associated therewith), owned or held by any NVG Entity and used or useful in the conduct of the business and operations of the Station, together with any additions thereto as required or permitted under the terms hereof between the date hereof and the Closing Date, including, but not limited to all of Sellers' right, title and interest in and to the assets specified in (a)-(m) below (collectively, the "Station Assets"), but excluding the Excluded Assets:

(a) The Station Licenses listed in Schedule 2.3(a), together with any additions thereto and replacements thereof (including renewals or modifications of such licenses, permits and authorizations, and applications therefor) between the date hereof and the Closing Date and the right to use the Station's call letters and any new applications, permits or authorizations pending as of the Closing Date relating to the Station;

(b) The Owned Real Property, all of Sellers' right, title and interest under the Leases and in the Leased Real Property (including any rights of access, easements or other interests granted therein), and any other easements, real property licenses, rights to access, rights of way, or other interests in the real property of every kind and description as the same relate to the business and operations of the Station (such easements, real property licenses, rights to access, rights of way and other interests, collectively referred to herein as the "Other Real Property Interests"), and all buildings, structures and improvements located thereon, owned or held by any NVG Entity and used or useful in the conduct of the business and operations of the Station, together with any additions thereto and replacements thereof between the date hereof and the Closing Date, including, without limitation, the real property interests specifically described on Schedule 2.3(b) (collectively referred to herein as the "Real Property") (but excluding such real property interests defined as an Excluded Asset or described on Schedule 2.4(a) or Schedule 2.4(1));

(c) The equipment, antennas, furniture, materials, fixtures and leasehold improvements, stationery and office supplies, spare parts, tools, tubes, test equipment, motor vehicles, machinery, inventory (including all programs, records, tapes, recordings, compact discs, cassettes, spare parts and equipment), advertising and promotional materials, engineering plans, records, data and other tangible personal property of every kind and description, used or useful in the conduct of the business and operations of the Station, including, without limitation, the property listed in Schedule 2.3(c), together with any replacements thereof and additions thereto made between the date hereof and the Closing Date in accordance with the provisions of this Agreement, and less any retirements or dispositions thereof made between the date hereof and the Closing Date in the ordinary course of business that are permitted by this Agreement;

(d) (i) All Contracts listed in Schedule 2.3(d), including without limitation, the NBC Affiliation Agreement, together with all Contracts in effect on the date hereof and not required to be listed in Schedule 2.3(d) pursuant to the provisions of Section 8.8 hereof (other than the At Will Contracts that Buyer elects not to assume), and (ii) subject to the provisions of Section 3.1 hereof, all Contracts entered into or acquired by any NVG Entity with respect to the Station between the date hereof and the Closing Date in the ordinary course of business in accordance with the provisions of this Agreement;

(e) All programs and programming material of whatever form or nature (whether recorded on film, tape or any other substance or intended for live performance, whether intended for television broadcast or any other medium, and whether completed or in production) owned by any NVG Entity and used or intended for use on the Station;

(f) The use of the call letters KSBY and all other trademarks, trade names, service marks, service names, franchises, copyrights, jingles, patents, licenses, permits, privileges, proprietary information, technical information and data, and all other intangible property rights and interests (and all goodwill associated with any of the

foregoing or with the Station or with the Station Assets) applied for, issued to, or owned by any NVG Entity or under which any NVG Entity is licensed and franchised and which are used or useful in the conduct of the business and operations of the Station, including, without limitation, those listed in Schedule 2.3(f), together with any additions thereto between the date hereof and the Closing Date;

(g) All records, customer lists, lists of advertisers, vendors and suppliers, files, documents, correspondence, books of account and ledgers, engineering records, plans, diagrams, blueprints, schematics, computer software and logs relating to and necessary or appropriate to the conduct of the business and operations of the Station, including, without limitation, filings with the FCC and other federal, state or local authorities relating to the Station and executed copies of all written Contracts to be assigned hereunder;

(h) Choses in action of any NVG Entity for injury or damage to or diminution in value of any of the Station Assets if such damage or diminution has not been corrected or restored by any NVG Entity at or prior to the Adjustment Time;

(i) All rights, claims or causes of action of any NVG Entity against third parties relating to the Station Assets or the Station, to the extent they relate to the period after the Closing;

(j) All prepaid rentals and other prepaid expenses (except for prepaid insurance), including prepaid film and programming expenses, arising from payments made by any NVG Entity in connection with the Station or the Station Assets prior to the Adjustment Time for goods or services (but only to the extent an appropriate adjustment is made to the Purchase Price in favor of any NVG Entity pursuant to Section 5);

(k) All jingles, slogans, commercials and other promotional materials used in or relating to the Station or the Station Assets;

(l) All books and records (including all computer programs used primarily in connection with the Station Assets or the Station and copies of all records relating to Taxes that pertain to the Station or the Station Assets) of the Station relating to the assets, properties, business and operations of the Station Assets, or the Station including, without limitation, all files, logs, programming information and studies, information relating to each cable television system and direct broadcast satellite system that receives the Station's signal, technical information and engineering data, news and advertising studies or consulting reports, sales correspondence and personnel records of the Transferred Employees, including, without limitation, any records relating to withholding and payments of income and unemployment taxes (federal, state and local) and FICA taxes with respect to wages paid to employees of the Station (including Forms W-4, Employee Withholding Allowance Certificate) immediately prior to Closing who become Transferred Employees of Buyer as of the Closing Date, but excluding any books and records (including computer programs) relating to a business of any NVG Entity unrelated to the Station Assets or the Station; and

(m) Subject to the other provisions of this Agreement, all other assets or properties not referred to above that are reflected on the Financial Statements or acquired by the Station for use by the Station or in connection with the business and operations of the Station in the ordinary course of the business after the Balance Sheet Date but prior to Closing, except (i) any such assets or properties disposed of after the Balance Sheet Date in the ordinary course of the business consistent with the terms of this Agreement, and (ii) Excluded Assets.

After Buyer's payment of the amounts set forth in Section 2.5 hereof and subject to proration in accordance with Section 5 hereof, at Closing, Sellers shall deliver the Station Assets to Buyer free and clear of all debts, liens, security interests, mortgages, trusts, claims or other liabilities or encumbrances whatsoever, except for the Permitted Liens.

2.4 Excluded Assets. It is expressly understood and agreed that the Station Assets shall not include the following (the "Excluded Assets"):

(a) The NVG Entities' corporate records, and such other books and records pertaining to the organization or existence of the NVG Entities or the business and operations of the Station as the NVG Entities shall deem necessary, including without limitation, books and records necessary to enable the NVG Entities to file their Tax returns and reports;

(b) The NVG Entities' cash and cash equivalents, or similar type investments, such as certificates of deposit, Treasury bills and other marketable securities, mutual funds, municipal bonds and notes receivable;

(c) The NVG Entities' contracts of insurance and all insurance proceeds or claims made thereunder (provided that to the extent any NVG Entity shall have received insurance proceeds or made a claim under an insurance policy, in each case related to the Station, the NVG Entities shall be permitted to retain such proceeds or claim only to the extent that the NVG Entities have replaced the assets of the Station related to such proceeds and claims);

(d) Any Employee Benefit Plans (and the assets thereof) or Compensation Arrangements;

(e) Any Contracts not listed in Schedule 2.3(d), other than those Contracts not required to be listed in Schedule 2.3(d) pursuant to the provisions of Section 8.8 hereof, and not expressly assumed by Buyer in accordance with Section 2.3(d) hereof;

(f) Accounts Receivable;

(g) Any claims, rights and interest in and to any insurance premiums, workers' compensation rebates, refunds of Taxes or fees of any nature whatsoever for periods prior to the Adjustment Time;

(h) Any employment agreements not listed in Schedule 2.3(d), and any collective bargaining agreements (except to the extent required by applicable law) other than the Existing CBA;

(i) Any Contracts listed in Schedule 2.4(i);

(j) The name "New Vision" and any derivation thereof;

(k) Actions, claims, suits, proceedings, arbitral actions, causes of action, choses in action, rights of recovery, rights of set off and rights of recoupment of any kind or nature relating to the Excluded Assets;

(l) All assets not used exclusively in the business and operations of the Station listed on Schedule 2.4(l);

(m) The intercompany accounts which are listed on Schedule 2.4(m);

(n) Any right or benefit of any NVG Entity or their affiliates under that certain Purchase and Sale Agreement dated as of June 7, 2002, by and among New Vision Group, Inc., SJL of California, L.P., SJL of California, Inc. and SJL Communications, L.P. and the transactions contemplated thereby; and

(o) Those items listed on Schedule 2.4(o).

2.5 Purchase Price. The purchase price to be paid by Buyer for the transactions contemplated hereunder (the "Purchase Price") shall be equal to Sixty Seven Million Seven Hundred Fifty Thousand Dollars and 00/100 (\$67,750,000.00), as adjusted as provided in Section 5 below. In accordance with the terms of this Agreement, the Purchase Price shall be allocated among and be used for (i) Buyer's payment of the Option Purchase Price to Parent for Buyer's purchase of the Option Agreements, (ii) Buyer's payment of the Option Exercise Price to Sellers for Buyer's exercise of the Option Agreements, (iii) the repayment of the Intercompany Amount and (iv) the repayment of the MCG Amount. Sellers shall provide Buyer with the wire transfer instructions for all payments at least 3 days prior to Closing. The NVG Parties hereby acknowledge and agree that the sum of the Option Purchase Price, the Option Exercise Price, the Intercompany Amount and the MCG Amount to be paid in accordance with this Section 2 shall not exceed the Purchase Price, and that subject to the terms hereof, upon the payment of the Purchase Price, Buyer shall be entitled to receive the Option Agreements and the Station Assets. The parties agree that the Indemnity Deposit shall be taken from the amount allocated to the Option Purchase Price, and, if the Indemnity Deposit exceeds the Option Purchase Price, from the amount allocated to the Option Exercise Price.

2.6 Deposit. Concurrently with the execution and delivery of this Agreement, Buyer shall wire transfer to Wachovia Bank, National Association, in Atlanta, Georgia, (the "Deposit Escrow Agent"), the sum of Three Million Dollars (\$3,000,000.00) in cash (the "Deposit"), to be held by the Deposit Escrow Agent pursuant to the terms hereof and

a Deposit Escrow Agreement (the "Deposit Escrow Agreement") in the form of Exhibit F and subject to the following:

(a) At the Closing, the Deposit (and all interest and earnings thereon) shall be disbursed in accordance with Section 2.8.

(b) If the Option Sale or the purchase of the Station Assets under this Agreement is not consummated as a result of any material breach by Buyer of its representations and warranties under this Agreement or a breach by Buyer of any of its material obligations under this Agreement (and no NVG Party has breached any of its material obligations under this Agreement), the NVG Parties shall be entitled to the Deposit (and all interest and earnings thereon) as liquidated damages resulting to the NVG Parties from such breach.

(c) If the Option Sale or the purchase of the Station Assets or the Option Agreements is not consummated for any other reason other than as set forth in Section 2.6(b), no NVG Party shall be entitled to the Deposit and, promptly after the termination of this Agreement, the Deposit (and all interest and earnings thereon) shall be paid by the Deposit Escrow Agent to Buyer.

2.7 Non-Competition Agreements. In order to ensure to Buyer the full benefits of the business conducted by the NVG Entities with respect to the Station and of the Station Assets to be purchased by Buyer pursuant to this Agreement, each of the NVG Parties and Jason Elkin shall execute and deliver at Closing a Non-Competition Agreement. As consideration for the execution of the Non-Competition Agreements, Buyer shall pay each of the NVG Parties and Jason Elkin at Closing the sum of Ten Dollars (\$10.00) (the "Noncompete Payment").

2.8 Method of Payment. At the Closing, Buyer shall pay the Purchase Price by transfer of Three Million Dollars and 00/100 (\$3,000,000.00) ("Indemnity Deposit") from the Deposit Escrow Agent to the Indemnity Escrow Agent to be held in accordance with the terms hereof and the Indemnity Escrow Agreement, and by wire transfer of immediately available funds in the amount of the remainder of the Purchase Price ("Purchase Price Wire"), subject to adjustment as provided in Section 5 below, to the bank accounts designated by Sellers. Any interest and earnings on the Deposit at Closing shall be disbursed to Buyer at Closing. The Indemnity Deposit and all interest and earnings thereon from and after the Closing Date shall hereinafter be referred to collectively as the "Indemnification Fund."

2.9 Release of Indemnity Escrow. The parties hereby agree that the Indemnity Escrow Agent shall hold and disburse the Indemnification Fund, as follows:

- (a) On the date that is 183 days after the Closing Date (the "First Distribution Date"), the parties shall execute and deliver to the Indemnity Escrow Agent a Joint Written Direction (as defined in the Indemnity Escrow Agreement) directing the Indemnity Escrow Agent to release by wire

transfer to the NVG Parties a portion of the Indemnification Fund equal to the lesser of (i) \$1,000,000 or (ii) the Indemnification Fund less the sum of any claims made by Buyer pursuant to and in accordance with Section 18 hereof made prior to the First Distribution Date that are still pending on such date, free and clear of any interest of Buyer therein.

- (b) On the date that is the first anniversary of the Closing Date (the "Second Distribution Date"), the parties shall execute and deliver to the Indemnity Escrow Agent a Joint Written Direction (as defined in the Indemnity Escrow Agreement) directing the Indemnity Escrow Agent to release by wire transfer to the NVG Parties a portion of the Indemnification Fund equal to the lesser of (i) \$1,000,000 or (ii) the Indemnification Fund less the sum of any claims made by Buyer pursuant to and in accordance with Section 18 hereof made prior to the Second Distribution Date that are still pending on such date, free and clear of any interest of Buyer therein.
- (c) On the date that is 183 days after the first anniversary of the Closing Date (the "Third Distribution Date"), the parties shall execute and deliver to the Indemnity Escrow Agent a Joint Written Direction (as defined in the Indemnity Escrow Agreement) directing the Indemnity Escrow Agent to release by wire transfer to the NVG Parties the Indemnification Fund less the sum of any claims made by Buyer pursuant to and in accordance with Section 18 hereof that are still pending on such date, free and clear of any interest of Buyer therein.

### SECTION 3

#### Assumptions of Obligations.

3.1 Assumption of Obligations. Subject to the provisions of Section 3.2 hereof, Buyer shall assume and undertake to pay, satisfy or discharge the liabilities, obligations and commitments of the NVG Entities which, in accordance with GAAP, first accrue, or are to be performed or satisfied, after the Adjustment Time under the Contracts and the Leases included in the Station Assets assigned to Buyer hereunder, as set forth in an Assignment and Assumption Agreement in the form of Exhibit A hereto and an Assignment of Leases in the form of Exhibit K hereto, both of which shall be executed at the Closing. For the avoidance of doubt, in the event that programming is exhibited on the Station prior to the Adjustment Time, the license fee under the applicable Contract attributable to such exhibition shall not be assumed by Buyer hereunder and shall remain the liability, obligation and commitment of the NVG Entities.

3.2 Limitation. Except as set forth in Section 3.1 hereof and as otherwise expressly provided in this Agreement, Buyer does not assume hereby and shall not, unless it expressly consents thereto in writing, be deemed to have assumed, under this Agreement or otherwise by reason of the transactions contemplated hereby, any liabilities, obligations or commitments of any NVG Entity of any nature whatsoever, including

without limitation any liability or obligation of any NVG Entity arising out of or relating to (i) subject to Section 10.12, any collective bargaining agreement or union contract (except to the extent required by applicable law), (ii) subject to Section 10.9, any Employee Benefit Plan or Compensation Arrangement, (iii) any liability for sick or vacation leave incurred prior to the Adjustment Time, provided that Buyer shall assume the liability of paying vacation benefits that were accrued by employees of the Station during the year in which the Closing Date occurs, but that remain unused as of the Adjustment Time, with respect to the Transferred Employees, so long as Buyer receives an adjustment to the Purchase Price pursuant to Section 5 hereof, (iv) any litigation, proceeding or claim by any person or entity relating to the business and operations of the Station prior to the Adjustment Time whether or not such litigation, proceeding or claim is pending, threatened or asserted before the Adjustment Time, including without limitation, the matters listed on Schedule 8.15, (v) subject to proration in accordance with Section 5 hereof, any liabilities, obligations or commitments under the Contracts or Leases relating to the time period prior to the Adjustment Time or relating to a Contract or Lease not assigned to Buyer under the terms hereof, (vi) any liabilities, obligations or commitments arising under capital leases or agreements for borrowed money, (vii) any liabilities, obligations or commitments caused by, arising out of or resulting from any action or omission of any NVG Entity, all of which liabilities, obligations and commitments shall remain and be the liabilities, obligations and commitments solely of the NVG Entities or (viii) subject to proration in accordance with Section 5 hereof, any Taxes of any NVG Entity.

#### SECTION 4 FCC Consent

The assignment of the FCC Licenses as contemplated by this Agreement is subject to the prior consent and approval of the FCC.

(a) Within five (5) business days after the execution of this Agreement, Buyer and the NVG Parties shall (and, to the extent required, the NVG Parties shall cause any NVG Entity to) file with the FCC an application for the FCC Consent. Buyer and the NVG Parties shall prosecute said application with all reasonable diligence and otherwise use their reasonable best efforts to obtain the grant of such application as expeditiously as practicable (but no party shall have any obligation to take any unreasonable steps to satisfy complainants, if any). Neither Buyer nor any NVG Entity shall take any action that would delay FCC processing or approval of said application. If the FCC Consent imposes any condition on any party hereto, such party shall use its reasonable best efforts to comply with such condition; provided, however, that neither Buyer nor the NVG Entities shall be required hereunder to comply with any condition that would be unduly burdensome or that would have a material adverse effect upon it or any affiliated entity. If reconsideration or judicial review is sought with respect to any aspect of the FCC Consent, Buyer and the NVG Entities shall oppose such efforts for reconsideration or judicial review vigorously (but nothing herein shall be construed to limit any party's right to terminate this Agreement pursuant to Section 19 hereof).

(b) The transfer of the Station Assets hereunder is expressly conditioned upon (i) the grant of the FCC Consent without any condition that would be unduly burdensome or would have a material adverse effect on Buyer or its affiliates, (ii) compliance by the parties hereto with all conditions (if any) imposed in the FCC Consent other than those referenced in clause (i), and (iii) the FCC Consent having become a Final Order; provided, however, that Buyer and the NVG Parties, at their option, may waive the requirement of a Final Order.

(c) 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 the Station. Such operation, including complete control and supervision of all programs, employees and policies, shall be the sole responsibility of the applicable NVG Entity. Neither title nor right to possession shall pass to Buyer until the Closing, but Buyer shall, however, be entitled to inspection of the Station and the Station Assets (upon reasonable prior notice and approval of the NVG Parties which shall not be unreasonably withheld) during normal business hours with the purpose that an uninterrupted and efficient transfer of the assets and business of the Station may be accomplished. After the Closing, no NVG Entity shall have any right to control the Station, and no NVG Entity shall have any reversionary rights in the Station.

(d) Promptly following the execution of this Agreement, Buyer and the NVG Parties shall prepare and file with the appropriate governmental authorities any other requests for approval or waiver, if any, that are required from other governmental authorities in connection with the Closing, and shall diligently and expeditiously prosecute, and shall cooperate fully with each other in the prosecution of, such requests for approval or waiver and all proceedings necessary to secure such approvals and waivers.

## SECTION 5

### Adjustments and Prorations

Subject to the provisions of Section 3 hereof, all income and expenses arising from the conduct of the business and operations of the Station shall be prorated between Buyer and Sellers (other than income or expenses relating to Excluded Assets and expenses relating to liabilities not assumed by Buyer in accordance with this Agreement) in accordance with GAAP as of the Adjustment Time and shall, except as otherwise expressly provided in this Agreement, be for the account of Sellers through the Adjustment Time and after the Adjustment Time shall be for the account of Buyer. Such prorations shall include, without limitation, all ad valorem, real estate, tangible and intangible personal property and other property Taxes (but excluding Taxes arising by reason of the Restructuring or the transfer of the Station Assets as contemplated hereby, which shall be paid as set forth in Section 13 of this Agreement), business and license fees, program license and film rental payments, music and other license fees (including any retroactive adjustments thereof), FCC regulatory fees, wages and salaries of employees (including accruals for bonuses for employees, commissions, vacation pay and sick leave), utility expenses, time sales agreements, rents and similar prepaid and deferred

items, and all other income and expenses attributable to the ownership and the business and operations of the Station.

In the case of deposits or prepaid expenses of any NVG Entity held by third parties, Sellers shall be entitled to an adjustment equal to the sum of all such deposits or prepaid expenses the benefit of which shall accrue to Buyer following the Closing. Any adjustments or prorations will, insofar as feasible, be determined and paid on the Closing Date. Three (3) business days prior to the Closing Date, Sellers shall estimate all such proration and adjustments pursuant to this Section 5 (but which shall not include any items of the Accounts Receivable, which shall be collected, held, disbursed or paid in accordance with Section 6 hereof), and shall deliver a statement of their estimates to Buyer (which statement shall set forth in reasonable detail the basis for those estimates). At the Closing, the net amount due to Buyer or Sellers as a result of the estimated adjustments and prorations (excluding any item that is in good faith dispute) shall be applied as an adjustment to the Purchase Price as appropriate. Within sixty (60) days after the Closing Date, Buyer shall deliver to Sellers a certificate (the "Closing Certificate"), signed by a senior officer of Buyer after due inquiry by such officer but without any personal liability to such officer, providing a compilation of the adjustments and prorations to be made pursuant to this Section 5, including any adjustments and prorations made at Closing (but which shall not include any items of the Accounts Receivable, which shall be collected, held, disbursed or paid in accordance with Section 6 hereof), together with a copy of any working papers relating to such Closing Certificate and such other supporting evidence as Sellers may reasonably request. If Sellers conclude that the Closing Certificate does not accurately reflect the adjustments and prorations to be made pursuant to this Section, Sellers shall, within thirty (30) days after receipt thereof, provide to Buyer their written statement of any discrepancies believed to exist. Sellers and Buyer shall attempt jointly to resolve the discrepancies within fifteen (15) days after receipt of Sellers' discrepancy statement, which resolution, if achieved, shall be binding upon all parties to this Agreement and not subject to dispute or review. If Sellers and Buyer cannot resolve the discrepancies within such fifteen (15) day period, Buyer and Sellers shall jointly designate a nationally known independent public accounting firm to be retained to review the Closing Certificate together with Sellers' discrepancy statement and any other relevant documents. The cost of retaining such accounting firm shall be borne by the party found to be in error. Such accounting firm shall report to Buyer and the Sellers its conclusions as to adjustments pursuant to this Section, which shall be conclusive and not subject to dispute or review. Once the Closing Certificate has been approved by both parties and if Buyer shall have been determined to owe an amount to Sellers, Buyer shall within five (5) days of the date the Closing Certificate shall have been approved by both Buyer and Sellers pay by wire transfer such amount thereof to Sellers, and if Sellers shall have been determined to owe an amount to Buyer, Sellers shall within five (5) days of the date the Closing Certificate shall have been approved by both Buyer and Sellers pay by wire transfer such amount thereof to Buyer. Notwithstanding anything in this Section 5 to the contrary, Accounts Receivable (as defined in Section 6 hereof) shall be collected, held, disbursed or paid in accordance with Section 6 hereof.

SECTION 6  
Accounts Receivable

6.1 Collection of Accounts Receivable. For purposes of Buyer's obligation to collect the Accounts Receivable as set forth in this Section 6, at Closing, for all accounts receivable arising out of the conduct of the business and operations of the Station prior to the Adjustment Time (the "Accounts Receivable"), Sellers shall deliver to Buyer a complete and detailed statement of Accounts Receivable, showing the name, amount and age of each Account Receivable as of one (1) business day prior to the Adjustment Time. Effective upon the Closing Date, during the Collection Period Sellers hereby irrevocably constitute and appoint Buyer, its successors and assigns, the true and lawful attorney of Sellers with full power of substitution, in the name of Buyer, or the name of Sellers, on behalf of and for the benefit of Sellers, to collect the Accounts Receivable, to endorse, without recourse, checks, notes and other instruments in the name of Sellers and to do all such further acts and things in relation thereto as is contemplated by this Section 6. Sellers agree that the foregoing powers are coupled with an interest.

6.2 Collection Period. Buyer will collect the Accounts Receivable in the same manner and with the same diligence that Buyer uses to collect its own accounts receivable for a period of one hundred twenty (120) days after the Closing Date (the "Collection Period"). Within fifteen (15) days after the end of each full calendar month in the Collection Period, Buyer shall (i) furnish Sellers with a list of the amounts collected during such period with respect to the Accounts Receivable and an Accounts Receivable aging report and (ii) pay over to Sellers such collected amounts in full by wire transfer of immediately available funds to the bank account to be designated at Closing by Sellers.

6.3 Collection Process. Any payment received by Buyer during the Collection Period from any account debtor owing on any of the Accounts Receivable shall first be applied in reduction of the oldest outstanding balance due from such account debtor, unless the customer specifically identifies the invoice being paid, in which case, any payment by the account debtor shall be applied in accordance with the remittance advice or instructions from the account debtor. Although any account debtor may voluntarily pay more recent invoices prior to older invoices, Buyer agrees not to encourage or induce any account debtor to pay more recent invoices prior to older invoices, provided, however, that Buyer shall be entitled to respond to inquiries or disputes regarding all invoices of any account debtor and in response to an inquiry or a dispute relating to the Accounts Receivable to inform any such account debtor that it may designate the application of any payment to any invoice. If an account debtor disputes its obligations for an Account Receivable, Buyer shall promptly return all records relating to the disputed account to Sellers, and Buyer shall have no further obligation with respect to the collection thereof. So long as Buyer is in compliance with this Section 6, and except for disputed accounts returned to Sellers, neither Sellers nor their agents or successors or assigns shall make any direct solicitation of the account debtors for collection purposes or other direct attempts to collect from account debtors during such Collection Period except as may be agreed to by Buyer. Upon the expiration of the Collection Period, Buyer shall furnish Sellers with a (i) a statement of accounts for each Account Receivable which then

remains uncollected prepared substantially in the manner, in which the Station has heretofore prepared such report, (ii) copies of all open Accounts Receivable invoices, (iii) an Accounts Receivable aging report and (iv) all files concerning the collection or attempts to collect such accounts hereunder; thereafter Buyer shall have no further obligations hereunder with respect to such Accounts Receivable. Any amounts received by Buyer after the Collection Period expires which can be identified as a payment of the Accounts Receivable will be promptly paid over to Sellers. Buyer shall not be obligated to use any extraordinary efforts to collect any of the Accounts Receivable assigned to it for collection hereunder or to refer any of such Accounts Receivable to a collection agency or to an attorney for collection, and Buyer shall not make any such referral or compromise, settle or adjust the amount of any Account Receivable, except with the approval of Sellers. Buyer shall incur no liability to Sellers for any uncollected amount.

6.4 No Offset. All amounts due to Sellers under this Section 6 that are not paid in accordance with the provisions hereof shall bear interest until paid at a rate per annum equal to the lesser of (i) the generally prevailing prime interest rate (as reported by The Wall Street Journal), plus two percentage points (2%), or (ii) the maximum amount permitted by applicable law. The parties acknowledge and agree that Accounts Receivable collected by Buyer for Sellers pursuant to this Section 6 shall not be subject to a right of offset for any claim by Buyer against the NVG Entities.

## SECTION 7

### Representations and Warranties of Buyer

Buyer hereby represents and warrants to the NVG Parties as follows:

7.1 Organization and Standing. Buyer is a corporation duly organized, validly existing and in good standing under the laws of State of South Carolina, and is in good standing under the laws of any other jurisdiction in which the conduct of its business or its ownership or leasing of property would require such qualification. On the Closing Date, Buyer will be duly qualified to do business in California. Buyer has full corporate power and authority to own, lease and operate its assets and to carry on its businesses as now being conducted. Buyer is the ultimate parent of all affiliated entities owning media-related assets, including without limitation, television stations, radio stations, newspapers or any assets incident thereto.

7.2 Authorization and Binding Obligation. Buyer has full corporate power and authority to execute, deliver and perform this Agreement and to enter into and perform the transactions contemplated hereby. Buyer's execution, delivery and performance of this Agreement and all of the documents and instruments required hereby by Buyer have been duly and validly authorized by all necessary corporate action on its part. This Agreement and all of the documents and instruments required hereby by Buyer have been duly executed and delivered by Buyer and constitute the valid and binding agreements of Buyer enforceable in accordance with their terms except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other laws

relating to or affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

7.3 Absence of Conflicting Agreements or Required Consents. Subject to obtaining the Consents, including, without limitation, the FCC Consent, and the expiration of the waiting period under the HSR Act without action by the DOJ or the FTC to prevent the Closing, the execution, delivery and performance by Buyer of this Agreement and the documents contemplated hereby (a) do not require the consent of any third party; (b) will not violate any provisions of Buyer's corporate charter or bylaws; (c) will not violate any law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority, which is applicable to Buyer; and (d) 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 individually or in the aggregate material to the transactions contemplated hereby and to which Buyer is a party or by which Buyer may be bound.

7.4 Qualifications. Buyer is an entity legally qualified under the Communications Laws, to enter into this Agreement, and to hold the FCC Licenses and, as of the Closing Date, shall have sufficient funds available to consummate the transactions contemplated hereby. Buyer will certify on the FCC Form 314 that it is financially qualified if so required by such form. To the best of Buyer's knowledge, (i) there are no facts which, under the Communications Laws would disqualify Buyer as an assignee of the FCC Licenses or materially delay obtaining of the approvals required for the transactions contemplated herein, and (ii) no waiver of any of the Communications Laws is necessary for Buyer to obtain and hold the FCC Licenses.

7.5 No Other Assets in Santa Barbara, California Designated Market Area. Neither Buyer nor any of its affiliates owns any media-related assets, including without limitation, television stations, radio stations, newspapers or any of the assets incident thereto, in the Santa Barbara, California Designated Market Area (as defined by A.C. Neilsen & Co. or its successor).

7.6 Full Disclosure. No representation or warranty by Buyer in this Agreement, in the Schedules hereto or any other document referenced in the representations and warranties of Buyer hereunder as having been provided to any of the NVG Entities pursuant to such representations and warranties or delivered pursuant to the explicit terms of this Agreement, contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact necessary in light of the circumstances under which it was or will be made, in order to make the statements herein or therein not misleading.

## SECTION 8

### Representations and Warranties of the NVG Parties

The NVG Parties hereby represent and warrant to Buyer as follows:

8.1 Organization and Standing. Parent is a limited liability company duly organized, validly existing and in good standing under the laws of its state of formation. Each Seller is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation and is in good standing and qualified to do business in California. Each Seller has the full corporate power and authority to own, lease and operate the Station Assets and to carry on the business of the Station as now being conducted.

8.2 Authorization and Binding Obligation. Parent has full limited liability company power and authority to execute, deliver, and perform this Agreement and to enter into and perform the transactions contemplated hereby. Each Seller has full corporate power and authority to execute, deliver, and perform this Agreement and to enter into and perform the transactions contemplated hereby. Parent's execution, delivery and performance of this Agreement and all of the documents and instruments required hereby by Parent have been duly and validly authorized by all necessary limited liability company action on its part. Each Seller's execution, delivery and performance of this Agreement and all of the documents and instruments required hereby by such Seller have been duly and validly authorized by all necessary corporate action on its part. This Agreement and all of the documents and instruments required hereby by each NVG Party have been duly executed and delivered by such NVG Party and constitute the legal, valid and binding agreement of such NVG Party, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency or other laws relating to or affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

8.3 Absence of Conflicting Agreements or Required Consents. Subject to obtaining the FCC Consent and the other Consents described in Schedule 8.19 and the expiration of the waiting period under the HSR Act without action by DOJ or the FTC to prevent the Closing, the execution, delivery and performance of this Agreement by Parent and Sellers and the documents contemplated hereby, including, without limitation, the Option Sale and the Restructuring (a) except as set forth on Schedule 8.3, do not require the consent of any third party; (b) will not violate any provision of any NVG Entity's corporate charter, certificate of formation, bylaws or limited liability company agreement (as applicable); (c) will not violate any law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority, which is applicable to any NVG Entity or their assets or properties; (d) 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 individually or in the aggregate material to the transactions contemplated hereby or the full operation of the Station as currently conducted and to which any NVG Entity is a party or by which any NVG Entity may be bound relating to the Station Assets; and (e) will not result in the creation of any lien, charge or encumbrance on any of the Station Assets.

8.4 Absence of Undisclosed Liabilities. Except for (a) liabilities incurred in connection with actions specifically required or permitted under this Agreement, (b)

liabilities disclosed or provided for in the Financial Statements and notes thereto, (c) liabilities not yet due and payable after the date hereof in the ordinary course of business under contracts or agreements listed in the Schedules or under contracts or agreements not required to be listed in the Schedules or liabilities or obligations to be performed or satisfied after the date hereof in the ordinary course of business under contracts or agreements listed in the Schedules or under contracts or agreements not required to be listed in the Schedules, (d) liabilities incurred in the ordinary course of business after the Balance Sheet Date or (e) any other liabilities set forth on Schedule 8.4 hereof, as of the date hereof, no NVG Entity has any liabilities or obligations relating to the Station of any nature, whether accrued, absolute, contingent or otherwise exceeding Twenty-Five Thousand Dollars (\$25,000.00) per incident and One Hundred Thousand Dollars (\$100,000.00) in the aggregate.

#### 8.5 Governmental Authorizations.

(a) Schedule 2.3(a) is a true and complete list of the Station Licenses. The Station Licenses were validly issued with Santa Barbara or Santa Barbara II (as applicable) currently being the authorized legal holder thereof. The Station Licenses comprise all of the licenses, permits and other authorizations required from any governmental or regulatory authority for the lawful conduct of the business and operations of the Station in the manner and to the full extent it is currently conducted, and none of the Station Licenses is subject to any restriction or condition which would limit in any material respect the full operation of the Station as currently operated except as set forth on the face of such licenses. The NVG Parties have delivered to Buyer true and complete copies of the Station Licenses (including any and all amendments and other modifications thereto). Except as set forth in Schedule 2.3 (a), there are no applications, complaints or proceedings to the best of the NVG Parties' knowledge, pending or threatened as of the date hereof before the FCC relating to the business and operations of the Station other than applications, complaints or proceedings which generally affect the television broadcasting industry, and the NVG Parties have not received notice of any applications, complaints or proceedings pending or threatened as of the date hereof before the FCC relating to the business and operations of the Station other than applications, complaints or proceedings which generally affect the television broadcasting industry.

(b) The Station Licenses are in full force and effect. To the best of the NVG Parties' knowledge, the Station Licenses are unimpaired by any act or omission of any NVG Entity or its officers, directors or employees, and the business and operations of the Station are in accordance in all material respects therewith. No NVG Entity has any knowledge that the Station Licenses will not be renewed for the full license term, in the ordinary course and without any material adverse condition or that the Station Licenses will be revoked. All reports, forms and documents required to be filed by any NVG Entity with the FCC with respect to the Station have been filed and are substantially complete and accurate in all material respects. The Station is in compliance with the FCC's policy on human exposure to radio frequency radiation. To the best of the NVG Entities' knowledge, there are no facts pertaining to the Station, the NVG Entities, or any persons or entities affiliated therewith, which, under the Communications Laws, would (i)

disqualify the NVG Entities from assigning the FCC Licenses to Buyer or from consummating the transactions contemplated herein, or (ii) materially delay obtaining of the approvals required for the transactions contemplated herein.

(c) Schedule 8.5(c) specifies the antenna registration number(s) for the tower(s) owned by the NVG Entities as of the date of this Agreement (and which pursuant to the Restructuring, immediately prior to Closing, shall be owned by one of the Sellers) (such tower(s) the "Owned Tower(s)").

8.6 Title to and Condition of the Owned Real Property and the Leased Real Property. Schedule 2.3(b) contains a complete and accurate description of all Owned Real Property and Leased Real Property used or useful by any NVG Entity in the conduct of the business and operations of the Station (other than real property listed on Schedule 2.4(a) or Schedule 2.4(l)). Except as specifically referenced on Schedule 2.3(b), an NVG Entity has (and pursuant to the Restructuring, immediately prior to Closing, a Seller shall have) a valid and enforceable Lease for the Leased Real Property and has (and pursuant to the Restructuring, immediately prior to Closing, a Seller shall have) good, indefeasible and marketable fee simple title to all of the Owned Real Property free and clear of all liens, mortgages, pledges, covenants, easements, restrictions, leases, charges and other claims and encumbrances of any nature whatsoever except for the Permitted Liens and the liens of the Intercompany Amount and the MCG Amount, which shall be paid at Closing in accordance with Section 2 hereof. None of the Permitted Liens that will remain in effect at Closing will materially affect the marketability or Buyer's use and enjoyment of the Owned Real Property or Leased Real Property, and Buyer will be able to use the Owned Real Property and Leased Real Property in substantially the same manner in which any NVG Entity has used or currently uses such Owned Real Property or Leased Real Property in its business and operation of the Station. Except as specifically referenced on Schedule 2.3(b), the NVG Parties have delivered to Buyer true and complete copies of the Leases (including any and all amendments or other modifications thereto) or other instruments pertaining to the Leased Real Property described in Schedule 2.3(b). Except as otherwise listed on Schedule 2.3(b), all of the buildings used in the business and operations of the Station located on the Owned Real Property and to the knowledge of the NVG Parties, on the Leased Real Property are in good condition and repair (normal wear and tear excepted). Except as set forth in Schedule 2.3(b), the studio and transmitting facilities of the Station, including the towers, guy lines, anchors, and all other related buildings, structures and appurtenances are located entirely within the boundaries of the Owned Real Property and Leased Real Property. Subject to the Permitted Liens, the NVG Entities have full legal and practical access to all the Owned Real Property and to the knowledge of the NVG Parties to the Leased Real Property. The Owned Real Property included in the Station Assets, and, to the best of the NVG Parties' knowledge, the Leased Real Property, has access to public roads and there are no encroachments onto or from the Owned Real Property, and to the best of the NVG Parties' knowledge, the Leased Real Property, except Permitted Liens. All facilities on the Owned Real Property included in the Station Assets, and to the best of the NVG Parties' knowledge, all facilities on the Leased Real Property, are supplied with utilities and other services necessary for the business and operations of the Station.

8.7 Title to and Condition of Personal Property. Schedule 2.3(c) contains a complete and accurate list of all material tangible personal property and assets owned or held by any NVG Entity and used or useful in the conduct of the business and operations of the Station (other than the tangible personal property listed on Schedule 2.4(l) and Schedule 2.4(o)). Except as described in Schedule 2.3(c), an NVG Entity owns and has (and pursuant to the Restructuring immediately prior to Closing, a Seller shall own and have) good and marketable title to all such property, and none of such property is subject to any security interest, mortgage, pledge, conditional sales agreement or other lien or encumbrance, other than the Permitted Liens and the liens of the Intercompany Amount and the MCG Amount, which shall be paid at Closing in accordance with Section 2 hereof. Except as disclosed in Schedule 2.3(c), all of the items of tangible personal property and facilities included in the Station Assets are in good operating condition and repair (ordinary wear and tear excepted). All such tangible assets and the state of maintenance thereof are in compliance in all material respects with the Communications Laws and with all other applicable statutes, ordinances, rules and regulations, whether federal, state or local. The assets listed in Schedule 2.3(c) include all the tangible personal property necessary to conduct the business and operations of the Station as currently conducted.

8.8 Contracts and Leases.

(a) Except as set forth on Schedules 2.4(i) and 2.4(l), Schedule 2.3(d) lists all Contracts, except for (i) Contracts entered into in the ordinary course of business for the sale or sponsoring of broadcast time on the Station for cash and substantially at standard rates for the sale of advertising time as of the date of any such Contract, for which no prepayment has been received, and with not more than twelve (12) months remaining in their terms, and (ii) Contracts entered into in the ordinary course of business which are terminable at will and upon notice of not more than thirty (30) days; provided, however, if a Contract described in this Section 8.8(a)(ii) shall not be disclosed on Schedule 2.3(d) and the Buyer does not desire the assignment of such Contract to Buyer, then Buyer shall have no liability with respect to such Contract, such liability being the sole responsibility of the Sellers (such Contracts, "At Will Contracts"); provided further, however, notwithstanding anything herein to the contrary, the NVG Entities shall not be in breach of this Agreement for the non-disclosure of such Contract, and (iii) Contracts (other than Trade Agreements, all of which are listed in Schedule 2.3(d)) entered into in the ordinary course of business which impose monetary obligations not in excess of Fifteen Thousand Dollars (\$15,000.00) individually and Seventy-Five Thousand Dollars (\$75,000.00) in the aggregate, and which impose no material non monetary obligation. With respect to the Contracts listed in Schedule 2.3(d) under which any NVG Party is authorized to broadcast on the Station filmed or taped programming, the exhibit to Schedule 2.3(d) accurately sets forth as of the date set forth on the exhibit to Schedule 2.3(d): (i) the identity of the programming; (ii) the number of exhibitions thereof originally licensed; (iii) the number of exhibitions on the Station still available to the NVG Entities as of the date reflected in the exhibit to Schedule 2.3(d); (iv) the unpaid license fees as of the date reflected in the exhibit to Schedule 2.3(d); and (v) the expiration of the term of each such license. Except as specifically referenced on Schedule

2.3(d), the NVG Parties have delivered to Buyer true and complete copies of all written Contracts, and true and complete written summaries of all oral agreements and understandings listed in Schedule 2.3(d) (including any and all amendments and other modifications to the Contracts). Except as specifically referenced on Schedule 2.3(d), all Contracts (including all Contracts listed in Schedule 2.3(d) and all Contracts not required to be listed) are valid, binding and enforceable by an NVG Entity (and immediately prior to Closing pursuant to the Restructuring, by a Seller) in accordance with their respective terms except as their enforceability may be limited by any bankruptcy, insolvency, moratorium or other laws relating to or affecting creditors' rights generally, and the exercise of judicial discretion in accordance with general equitable principles. The NVG Entities have complied in all material respects with all Contracts and are not in material default under any of the Contracts, nor has any NVG Entity granted or been granted any material waiver or forbearance with respect to any of the Contracts. To the best of the NVG Parties' knowledge, no other contracting party is in material default under any of the Contracts. Except as set forth in Schedule 2.3(d), the NVG Entities have (and immediately prior to Closing pursuant to the Restructuring, a Seller shall have) full legal power and authority to assign their rights under the Contracts to Buyer in accordance with this Agreement on terms and conditions no less favorable than those in effect on the date hereof, and such assignment will not affect the validity, enforceability and continuity of any of the Contracts. The Contracts listed in Schedule 2.3(d), together with those not required to be listed, include all those necessary to conduct in all material respects the business and operations of the Station as currently conducted (other than Contracts listed Schedule 2.4(i) and on Schedule 2.4(l)).

(b) Included and identified as such in Schedule 2.3(d) is a listing of all of the Station's Trade Agreements other than Trade Agreements under which no further performance is owed or could be required by either party thereto. Such Trade Agreements have been used only to obtain services, merchandise and equipment used or useful in the conduct of the business and operations of the Station equivalent in value to the air time (valued according to the Station's standard rates for the sale of advertising time as of the date of such Trade Agreements) provided pursuant to such Trade Agreements.

(c) Schedule 8.8(c) includes a true and complete list of all agreements with operators of cable television systems and other multiple video programming distributors, if any, to which the Station has granted to such operators the right to retransmit the Station's signal (collectively, the "Retransmission Agreements") and a list of all must carry elections made by the Station. Except with respect to cable television systems that are parties to the Retransmission Agreements, the Station has made a valid and timely election of must carry with respect to each cable system located within the Station's DMA as such term is defined in Section 76.55(e)(2) of the Communications Laws, with respect to the period commencing January 1, 2003. Except as set forth on Schedule 8.8(c), the Station has not made any agreements for satellite carriage or for carriage of the Station's signal with any other multiple video programming distributor (either must carry or retransmission consent). No satellite carrier has denied the Station's request for satellite carriage. Except as set forth on Schedule 8.8(c), no cable system has

notified any NVG Entity or the Station of any signal quality deficiency or copyright indemnity or other prerequisite to cable carriage of the Station's signal, and no cable system has declined or threatened to decline such carriage or failed to respond to a request for carriage or sought any form of relief from carriage at the FCC.

(d) Schedule 8.8(d) sets forth a complete and correct list of all Leased Real Property. Except as set forth on Schedule 8.8(d), all of the Leases are in full force and effect, and neither any NVG Entity nor, to the best of the NVG Parties' knowledge, any other party thereto has violated any provision of, or committed or failed to perform any act which, with notice, lapse of time or both, would constitute a material default under the provisions of any Lease. Except as set forth on Schedule 8.8(d), the Leases constitute all of the agreements between the NVG Entities and third parties relating to the lease of real property in connection with the business and operations of the Station, the Owned Real Property and the Leased Real Property. Schedule 8.8(d) lists all of the Leases relating to the Leased Real Property and the Leases have not been cancelled, modified, assigned, extended or amended except as set forth on Schedule 8.8(d). Except as set forth on Schedule 8.8(d), there are no leasing commissions or similar payments due, arising out of, resulting from or with respect to any Lease which are owed by any NVG Entity; nor to the best of NVG Parties' knowledge does any other party thereto have a claim, lien, charge or credit against any NVG Entity or offsets against rent due under any Lease (other than as specifically referenced in any Lease listed on Schedule 8.8(d)). Except as set forth on Schedule 8.8(d), the NVG Parties' right, title and interest in and to each of the Leases is fully assignable to Buyer without the consent, approval or waiver of any other person or entity and the assignment of such Leases will not give any party thereto the right to terminate such Lease or accelerate payments under such Lease. Except as specifically referenced on Schedule 8.8(d), all of the Leases constitute legal, valid and binding obligations of the NVG Entities and to the best of the NVG Parties' knowledge, the other parties thereto.

8.9 Copyrights, Trademarks and Similar Rights. Schedule 2.3(f) is a true and complete list of all copyrights, trademarks, trade names, service marks, service names, call letters, licenses, patents, permits, jingles, logos, domain names, privileges and other similar intangible property rights and interests applied for, issued to or owned by any NVG Entity or under which any NVG Entity is licensed or franchised and which are used or useful in the conduct of the business and operations of the Station. To the knowledge of the NVG Entities, all of the foregoing are uncontested. As to those which are registered, the registrations thereof are valid and in good standing. The NVG Entities own or have the right to use (and immediately prior to Closing pursuant to the Restructuring, a Seller shall own or shall have the right to use) all right, title and interest in and to all of said intangible assets, in each case free and clear of any liens, claims, charges, options or other encumbrances of any nature whatsoever, except for Permitted Liens, and the liens of the Intercompany Amount and the MCG Amount which shall be paid at Closing in accordance with Section 2 hereof, and an NVG Entity has (and immediately prior to Closing pursuant to the Restructuring, a Seller shall have) the right to use said intangible assets in the manner in which they are currently being used in the conduct of the business and operations of the Station. The NVG Parties have delivered to

Buyer copies of all documents in their possession establishing such rights, licenses or other authority. No NVG Entity has received any notice or has any knowledge of any infringements or unlawful use of such intangible assets. The properties listed in Schedule 2.3(f) include all such properties necessary to conduct the business and operations of the Station as now conducted. No NVG Entity is aware that it is infringing upon or otherwise acting adversely to any copyrights, trademarks, trade names, service marks, service names, call letters, licenses, patents, permits, jingles, privileges or other similar intangible property rights and interests, and there is no claim or action pending, or to the best of the NVG Parties' knowledge, threatened, with respect thereto.

8.10 Financial Statements. Schedule 8.10 contains true and complete copies of the Financial Statements. Except as set forth on Schedule 8.10, the Financial Statements have been prepared in accordance with GAAP applied on a basis consistent with prior periods, except that the Financial Statements do not include footnotes or, with respect to the quarterly and monthly financial statements, customary year-end adjustments consisting of the (i) final calculations for depreciation and amortization, (ii) income and deferred tax calculations and (iii) final determination for various accrual and reserve accounts including allowance for doubtful accounts, accrued vacation and sick and other miscellaneous accrued expenses (collectively (i), (ii) and (iii), the "Acceptable Year-End Adjustments"). The Financial Statements accurately reflect in all material respects the general ledger and the supporting books, records and accounts of the Station and present fairly in all material respects the financial condition, assets, liabilities and results of the operations of the Station as of the dates and for the periods indicated. No event has occurred since the Balance Sheet Date that would make any of the Financial Statements as of the Balance Sheet Date misleading in any material respect for the respective periods covered thereby. The books and records of the NVG Entities from which the Financial Statements were prepared accurately and fairly reflect, in all material respects, in reasonable detail, the activities of the Station for the respective periods covered thereby and have been made available to Buyer for its inspection. Revenues generated by the Station are the result of bona fide, arm's length transactions in the ordinary course of business.

8.11 Insurance. Schedule 8.11 is a true and complete list of all policies of insurance which insure any part of the Station Assets or the Station's business, other than insurance policies connected with any Employee Benefit Plan or Compensation Arrangement. All policies of insurance listed in Schedule 8.11 are in full force and effect. No NVG Entity has received any notice of cancellation of any such policies. Except as set forth on Schedule 8.11, there are (i) no outstanding claims under any such policies, (ii) no defaults by any NVG Entity with respect to any provision in any such policy; and (iii) to the best of the NVG Parties' knowledge, no defaults by any third party with respect to any provision in any such policy.

8.12 Personnel Information. Schedule 8.12 contains as of the date thereof a true and complete list of all persons employed or engaged by any NVG Entity and providing services to the Station and their current annual salaries or hourly rates of pay (whichever is applicable), dates of hire, union status, full-time or part-time status, accrued

vacation and sick pay for the 2004 calendar year and leave status (if applicable); it being understood that Schedule 8.12 shall not contain and the NVG Entities shall not be required to provide Buyer employment information, including without limitation, the information set forth in this Section 8.12 regarding Jason Elkin, John Heinen or Eric Simontis.

### 8.13 Employee Benefit Plans.

(a) All of the Employee Benefit Plans and Compensation Arrangements are listed and described in Schedule 8.13(a), and true and complete copies of any such written Employee Benefit Plans and Compensation Arrangements have been furnished to Buyer along with copies of any employee handbooks or similar documents describing such plans and arrangements. Complete descriptions of any such unwritten Employee Benefit Plans and Compensation Arrangements also are provided in Schedule 8.13(a). Except as disclosed in Schedule 8.13(a), no NVG Entity is party to, or now has in effect or has to become effective after the date of this Agreement any Employee Benefit Plan or Compensation Arrangement that provides compensation or benefits to current or former employees or independent contractors of the Station. The NVG Parties have made available to Buyer the Forms 5500 filed for each of the Employee Benefit Plans (including all attachments and schedules), actuarial reports, summaries of material modifications, summary annual reports, and any other employer notices (including, governmental filings and descriptions of material changes to Employee Benefit Plans or Compensation Arrangements) relating to the Employee Benefit Plans since September 10, 2002, and the current summary plan descriptions.

(b) Each of the Employee Benefit Plans and Compensation Arrangements has been administered in compliance in all material respects with its own terms and with the Employee Retirement Income Security Act of 1974, as amended, ("ERISA") and the regulations thereunder, the Code, the Age Discrimination in Employment Act and any other applicable Federal or state laws.

(c) Except as set forth on Schedule 8.13(c), there is no governmental inspection, investigation, audit, or examination of any Employee Benefit Plan or Compensation Arrangement or, to the knowledge of the NVG Parties, any facts that would lead the NVG Parties to believe that any such governmental inspection, investigation, audit, or examination is pending or threatened. There are no actions, suits or claims (other than routine claims for benefits) with respect to any of the Employee Benefit Plans or Compensation Arrangements pending or, to the best of the NVG Parties' knowledge, threatened against any of such plans or arrangements, and the NVG Parties possess no knowledge of any facts which could reasonably give rise to any such action, suit or claim.

(d) Except as set forth on Schedule 8.13(d), no Employee Benefit Plan or Compensation Arrangement (i) is a Multiemployer Plan; (ii) is subject to Title IV of ERISA, (iii) is subject to the minimum funding requirements of Section 412 of the Code or Section 302 of ERISA, or (iv) provides health or death benefits to former employees of

any NVG Entity other than pursuant to an Employee Benefit Plan qualified under Section 401(a) of the Code or as required under Section 4980B of the Code.

(e) Except as set forth on Schedule 8.13(e), no NVG Entity is a party to any agreement, contract, arrangement or plan that has resulted or could result, separately or in the aggregate, in the payment of any "excess parachute payment" within the meaning of Section 280G of the Code.

(f) With respect to each Employee Benefit Plan and, to the extent applicable, each Compensation Arrangement: (i) each plan that is intended to be tax-qualified under Section 401(a) of the Code, is either a prototype or volume-submitter plan or is the subject of a favorable determination letter and no plan amendment has been made that would affect the validity of a plan's letter or its status as a prototype or volume-submitter plan, and (ii) no prohibited transaction, within the definition of Section 4975 of the Code or Title 1, Part 4 of ERISA, has occurred with respect to a plan which would subject any NVG Entity to any liability. Except as set forth on Schedule 8.13(f), neither the execution nor delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) result in any payment (including, without limitation, severance, unemployment compensation or parachute payment within the meaning of Section 280G of the Code) becoming due to any director or employee of the Station or any NVG Entity, (ii) increase any benefits otherwise payable under any Employee Benefit Plan or Compensation Agreement or (iii) result in the acceleration of the time of payment or vesting of any such benefits.

(g) For purposes of this Agreement: (i) the term "Employee Benefit Plan" shall mean any plan, program or arrangement, whether or not written, that is or was an "employee benefit plan" as such term is defined in Section 3(3) of ERISA and within the past six years (a) which was or is established or maintained by any NVG Entity or any ERISA affiliate to provide benefits to current or former employees or independent contractors of the Station; (b) to which either any NVG Entity or any ERISA affiliate contributed or was obligated to contribute or to fund or provide benefits on behalf of current or former employees or independent contractors of the Station; or (c) which provides or promises benefits to any person who performs or who has performed services for the Station and because of those services is or has been (A) a participant therein or (B) entitled to benefits thereunder; (ii) the term "Compensation Arrangement" shall mean any plan or compensation arrangement other than an Employee Benefit Plan, whether written or unwritten, which provides to employees, former employees, officers, directors or shareholders of the Station any compensation or other benefits, whether deferred or not, in excess of base salary or wages (excluding overtime pay), including, but not limited to, any bonus or incentive plan, stock rights plan, employee stock ownership plan, deferred compensation arrangement, life insurance, stock purchase plan, severance pay plan and any other perquisites and employee fringe benefit plan; and (iii) the term "ERISA affiliate" shall mean any corporation, partnership, sole proprietorship or other entity related to any NVG Entity within the meaning of Sections 414(b), (c), (m) or (o) of the Code; and (iv) the term "Multiemployer Plan" shall mean any Employee Benefit Plan which is a multiemployer plan within the meaning of Section 3(37) of ERISA.

8.14 Labor Relations. The NVG Parties have provided Buyer a copy of the collective bargaining agreement between Santa Barbara and the National Association of Broadcast Employees and Technicians, the Broadcasting and Cable Television Workers Sector of the Communications Workers of America, AFL-CIO ("NABET") for the term May 1, 2003 to April 30, 2006 (the "Existing CBA"). Except as described in Schedule 8.14, no NVG Entity has any written or oral contracts of employment with any employee of the Station or any other collective bargaining agreements with any of its employees at the Station. The NVG Parties have delivered to Buyer true and complete copies of all such written contracts of employment, and true and accurate written summaries of any such oral contracts; provided, however, the NVG Entities shall not be required to disclose to Buyer the employment agreements of Jason Elkin, John Heinen or Eric Simontis. The NVG Entities, in the operation of the Station, have complied in all material respects with all applicable legal requirements relating to the employment of labor with respect to the employment of labor or termination of labor, including those related to wages, hours, collective bargaining, occupational safety, discrimination and the payment of social security and other payroll-related taxes, and no NVG Entity has received any notice alleging that it has failed to comply in any respect with any of the foregoing. Except as set forth on Schedule 8.14, there is no strike, picketing, work slow down or other labor disputes or controversies or proceedings pending or, to the best of the NVG Parties' knowledge, threatened involving or relating to any of the Station's employees. Except as set forth on Schedule 8.14, there is no claim, legal action, arbitration, governmental investigation or other legal, administrative or tax proceeding, nor any order, decree or judgment, in progress or pending, or, to the best of the NVG Parties' knowledge, threatened, against or relating to any NVG Entity arising out of, concerning or related to the employment of the Station's employees, including without limitation any unfair labor practice charge, discrimination charge or claim, OSHA matter or allegation of misclassification of employees as independent contractors. To the best of the NVG Parties' knowledge, there is no union campaign threatened or being conducted to solicit cards from employees to authorize a union to request a National Labor Relations Board certification election with respect to any Station employees.

8.15 Litigation. Except as set forth in Schedule 8.15, no NVG Entity is subject to any judgment, award, order, writ, injunction, arbitration decision or decree affecting the conduct of the business of the Station or the Station Assets, and there is no claim, litigation, proceeding or investigation pending or, to the best of the NVG Parties' knowledge, threatened against any NVG Entity or the Station in any federal, state or local court, or before any administrative agency or arbitrator or before any other tribunal duly authorized to resolve disputes (including, without limitation, any proceeding which could reasonably be expected to result in the adverse modification, revocation or non-renewal of any of the Station Licenses).

8.16 Compliance With Laws.

(a) Except as set forth in Schedule 8.16, no NVG Entity has received any written notice asserting any noncompliance by it in connection with the business and operations of the Station with any applicable statute, rule or regulation, whether federal,

state or local. No NVG Entity is in default with respect to any judgment, order, injunction or decree of any court, administrative agency or other governmental authority or any other tribunal duly authorized to resolve disputes in any respect relevant to the transactions contemplated hereby. Each NVG Entity is in compliance in all material respects with all laws, regulations and governmental orders applicable to the conduct of the business and operations of the Station, and the present use of the Station Assets does not violate any of such laws, regulations or orders in any material respect.

(b) Except as described in Schedule 8.16, the Station's transmitting and studio equipment is operating in accordance with the terms and conditions of the FCC Licenses and all underlying construction permits, and the Communications Laws in all material respects. To the best of the NVG Parties' knowledge, the Station is not causing interference in violation of the Communications Laws to the transmission of any other broadcast station or communications facility. No NVG Entity has received any written complaints with respect thereto, and, to the best of the NVG Parties' knowledge, no other broadcast station or communications facility is causing interference in violation of the Communications Laws to the Station's transmissions.

(c) Except as set forth on Schedule 8.16, no NVG Entity has received any written notification from the FCC that its employment practices with respect to the Station fail to comply with the Communications Laws that remains pending and unresolved.

(d) Except as set forth on Schedule 8.16, all material ownership reports, employment reports and other material documents required to be filed by any NVG Entity with the FCC or other governmental entity with respect to the Station have been filed.

(e) All structures on the Owned Real Property and to the knowledge of the NVG Parties on the Leased Real Property and all Owned Tower(s) are painted and lighted in accordance in all material respects with the requirements of the FCC Licenses, the FCC, the Federal Aviation Administration and all applicable requirements of federal, state and local law. Except as set forth on Schedule 8.16, appropriate notification to the Federal Aviation Administration has been filed for such towers where required by the Communications Laws.

8.17 Public File; Reports. After September 10, 2002, all documents required by the FCC to be maintained in the Station's Public File (as defined by the Communications Laws) are contained therein. All other documents required by the FCC to be maintained in the Station's Public File (as defined by the Communications Law) to the best of the NVG Parties' knowledge, are contained therein. Except as disclosed in Schedule 8.17, all material returns, reports and documents currently required to be filed by any NVG Entity with the FCC or with any other governmental agency in connection with the business and operations of the Station have been filed, and all reporting requirements of the FCC and other governmental authorities having jurisdiction thereof have been complied with in all

material respects. All of such reports, returns and documents are substantially complete and correct as filed.

8.18 Absence of Certain Changes. Except as disclosed in the Financial Statements included in Schedule 8.10 or as set forth in Schedule 8.12 and Schedule 8.18, there has not been since the Balance Sheet Date:

(a) Any material adverse change, or any event which will likely cause any material adverse change, in the business, assets, properties or condition of the Station, including, without limitation, any damage, destruction or loss affecting the Station Assets.

(b) Any increase or decrease in compensation payable or to become payable to any of the employees of the Station, or any bonus payment made or promised to any employee of the Station, any change in the number of employees of the Station, or any change in personnel policies, insurance benefits or other compensation arrangements affecting the employees of the Station (other than increases in wages and salaries or bonus payments made or promised in accordance with past practice or pursuant to existing employment agreements on the date hereof or in accordance with the Existing CBA).

(c) Any sale, assignment, lease or other transfer of any NVG Entity's properties relating to the Station other than in the normal and usual course of business with suitable replacements being obtained therefor.

(d) Any reduction of the expenses of the Station through any means outside the ordinary course of business or in a manner inconsistent with any NVG Entity's past practices applicable to the Station.

(e) Any action that if it had occurred after the date hereof and prior to the Adjustment Time would have required Buyer's consent under Section 9.1(a).

8.19 Consents. Except for the FCC Consent and the other Consents described in Schedule 8.19 and the expiration of the waiting period under the HSR Act without action by DOJ or the FTC to prevent the Closing, no consent, approval, permit or authorization of, or declaration to or filing with any governmental or regulatory authority, or other third party is required (i) to permit the NVG Entities to consummate this Agreement and the transactions contemplated hereby, including, without limitation, the Option Sale and the Restructuring, (ii) to permit Sellers to assign or transfer the Station Assets to Buyer, or (iii) to enable Buyer to conduct the business and operations of the Station in essentially the same manner as such business and operations are currently conducted. The Consents listed in Schedule 8.19 that are identified therein as material consents shall constitute material consents (the "Material Consents").

8.20 Taxes. Each NVG Entity has filed or caused to be filed, in a timely manner (giving effect to permissible extensions), all income Tax returns and all other

federal, state, county, local, city, foreign and other Tax returns which were required to be filed with respect to the Station or the Station Assets, and all such Tax returns are true, correct and complete in every material respect. Each NVG Entity has paid or caused to be paid all Taxes owed with respect to the Station or the Station Assets (whether or not shown on said returns or on any Tax assessment received by such NVG Entity) to the extent that such Taxes have become due except to the extent such amounts have been contested in good faith. To the best of the NVG Parties' knowledge, no events have occurred which could impose upon Buyer any transferee liability for any Taxes due or to become due from any NVG Entity or otherwise relating to the Station or the Station Assets. Except as set forth on Schedule 8.20, to the best of the NVG Parties' knowledge, none of the Tax returns filed by any NVG Entity or otherwise relating to the Station or the Station Assets is currently being audited by any government or taxing authority, and there are no other examinations, requests for information or other administrative or judicial proceedings pending with respect to Taxes relating to the Station or the Station Assets which could affect Buyer after the Closing. The consummation of the transactions contemplated by this Agreement will not constitute a sale by a "foreign person" within the meaning of Section 1445(f)(3) of the Code. Neither Seller holds or is required to hold a seller's permit with respect to the sale of tangible personal property, and neither Seller would be required to hold a seller's permit with regard to out-of-state sales of tangible personal property had such sales occurred in California.

8.21 Environmental Matters. Except as disclosed in Schedule 8.21, no NVG Entity has, and to the best of the NVG Parties' knowledge, no predecessor or other third party has deposited, released or disposed of Hazardous Substances on the Owned Real Property or on the Leased Real Property, and to the best of the NVG Parties' knowledge, none of the Owned Real Property or Leased Real Property has previously been used for the storage, manufacture or disposal of Hazardous Substances in violation of any Environmental Law. Except as disclosed on Schedule 8.21, no NVG Entity has installed nor, to the best of the NVG Parties' knowledge, have any third parties installed any underground storage tanks on the Owned Real Property or the Leased Real Property. The NVG Entities' operation of and the condition of the Owned Real Property (and to the best of the NVG Parties' knowledge, the condition of the Leased Real Property) are currently in, and during the period of the NVG Entities' ownership have been in, material compliance with all Environmental Laws, and no actual or threatened complaint, order, citation or notice from any person, government or entity with regard to a violation of Environmental Laws, release of Hazardous Substances or any other environmental, health, or safety matters affecting the Owned Real Property or Leased Real Property used or held for use in connection with the Station, or any portion thereof, has been received by any NVG Entity. Except as disclosed on Schedule 8.21, to the best of the NVG Parties' knowledge, there are no Hazardous Substances at the Owned Real Property and the Leased Real Property.

8.22 NBC Affiliation Agreement. The NVG Parties have furnished Buyer a true and complete copy of the NBC Affiliation Agreement. The NBC Affiliation Agreement is valid, binding and enforceable by Santa Barbara in accordance with its terms except as its enforceability may be limited by any bankruptcy, insolvency,

moratorium or other laws relating to or affecting creditors' rights generally, and the exercise of judicial discretion in accordance with general equitable principles. The NVG Entities have complied in all material respects with the NBC Affiliation Agreement and neither any NVG Entity nor, to the best of the NVG Parties' knowledge, NBC is in default under the NBC Affiliation Agreement. Subject to NBC's prior unconditional consent, the NVG Entities have (and immediately prior to Closing pursuant to the Restructuring, a Seller shall have) full legal power and authority to assign their rights under the NBC Affiliation Agreement to Buyer in accordance with this Agreement on terms and conditions no less favorable than those in effect on the date hereof, and such assignment will not affect the validity, enforceability and continuity of the NBC Affiliation Agreement.

8.23 Transactions with Affiliates. Except as set forth on Schedule 8.23 and Schedule 2.4(l), no affiliate of any NVG Entity owns or leases property or is a party to any contract relating to the business and operations of the Station Assets or the Station. Except as set forth on Schedule 8.23 and Schedule 2.4(l), at Closing no affiliate of Sellers shall own or lease property or be a party to any contract relating to the business and operations of the Station Assets or the Station.

8.24 Option Agreements; Restructuring.

(a) The Option Agreements are valid, binding and enforceable by Parent against the Sellers in accordance with their respective terms except as their enforceability may be limited by any bankruptcy, insolvency, moratorium or other laws relating to or affecting creditors' rights generally, and the exercise of judicial discretion in accordance with general equitable principles. Parent and Sellers have complied in all respects with the Option Agreements and are not in material default under the Option Agreements. Neither Parent nor Sellers have granted or been granted any waiver or forbearance with respect to the Option Agreements. Parent has full legal power and authority to assign its rights under the Option Agreements to Buyer in accordance with this Agreement on terms and conditions set forth in the Option Agreements and herein, and such assignment will not affect the validity, enforceability and continuity of the Option Agreements.

(b) Pursuant to the Restructuring and immediately prior to Closing pursuant to the Restructuring, the Sellers shall have good and marketable title to all of the Station Assets, free and clear of any security interest, mortgage, pledge, conditional sales agreement or other lien or encumbrance, other than Permitted Liens and the liens of the Intercompany Amount and the MCG Amount, which shall be paid at Closing pursuant to Section 2 hereof.

(c) Each of Santa Barbara, Santa Barbara II, NVB and NVM is a limited liability company duly organized, validly existing and in good standing under the laws of its state of formation. Each of NVB and NVM has full limited liability company power and authority to own, lease and operate the Station Assets, provided, however, the parties hereby acknowledge that neither NVB or NVM are, or will be, qualified to do

business in the State of California. Each of Santa Barbara and Santa Barbara II has full limited liability company power and authority to own, lease and operate the Station Assets and to carry on the business of the Station as it is now being conducted. Each NVG Entity has full limited liability company or corporate power and authority to execute, deliver, and perform the Restructuring and any agreements or documents related thereto (the "Restructuring Documents") and to enter into and perform the Restructuring. Each NVG Entity's execution, delivery and performance of the Restructuring Documents and all of the documents and instruments required thereby have been duly and validly authorized by all necessary limited liability company or corporate action on its part. Once executed and delivered, the Restructuring Documents and all of the documents and instruments required thereby by each NVG Entity shall have been duly executed and delivered by such NVG Entity and shall constitute the legal, valid and binding agreement of such NVG Entity, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, moratorium, insolvency or other laws relating to or affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

8.25 Full Disclosure. No representation or warranty by the NVG Parties in this Agreement, in the Schedules hereto or any other document referenced in the representations and warranties of the NVG Parties hereunder as having been provided to Buyer pursuant to such representations and warranties or delivered pursuant to the explicit terms of this Agreement, contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact necessary in light of the circumstances under which it was or will be made, in order to make the statements herein or therein not misleading.

## SECTION 9

### Certain Covenants of the NVG Parties and Buyer

9.1 Pre-Closing Covenants of the NVG Parties. The NVG Parties covenant and agree with respect to the Station that between the date hereof and the Closing, except as expressly permitted by this Agreement or with the prior written consent of Buyer, the NVG Parties shall conduct (and shall cause each NVG Entity to conduct) the business and operations of the Station in accordance with the following:

(a) Negative Covenants.

(1) Contracts. No NVG Entity shall enter into any contract or commitment relating to the Station or the Station Assets, or amend or terminate the same (or waive any material right thereunder), except any contract or commitment that would not impose any obligation or liability on Buyer of more than \$10,000 individually and \$50,000 in the aggregate that such NVG Entity enters into in the ordinary course of business and consistent with past practices and the other provisions of this Agreement.

(2) Encumbrances. Except for Permitted Liens, no NVG Entity shall place, create, or assume any mortgage, pledge, lien or other charge or encumbrance of any nature whatsoever affecting any of the Station Assets.

(3) Disposition of Property. No NVG Entity shall sell, assign, lease or otherwise transfer or dispose of any of the Station Assets without the replacement thereof with a substantially equivalent asset of substantially equivalent kind, condition and value, except where such disposition is in the ordinary course of business or the asset is no longer used or useful. In the event of any such permitted sale, assignment, lease or other transfer or disposition of any material Station Assets, the NVG Parties shall give Buyer written notice thereof promptly after such event.

(4) Rights. No NVG Entity shall waive any material right relating to the Station or the Station Assets, except in the ordinary course of business consistent with past practices.

(5) Licenses. No NVG Entity shall cause or permit, by any act or failure to act, any of the material Station Licenses to expire or to be surrendered or modified (other than its STA for DTV, as requested by Buyer, and other than in connection with the completion of the Restructuring), or take any action which might result in, or would cause the FCC or any other governmental authority to institute proceedings for, the suspension, revocation or adverse modification of any of the Station Licenses, or fail to prosecute with due diligence any pending applications to any governmental authority, or take any other action within its control which would result in the Station being in noncompliance in any material respect with the requirements of the Communications Laws (or those of any other governmental authority having jurisdiction).

(6) No Inconsistent Action. No NVG Entity shall take any action which is inconsistent with its obligations hereunder or which could hinder or delay the consummation of the transactions contemplated by this Agreement.

(7) Employee Matters. From and after the date hereof, unless Buyer shall agree in writing, no NVG Entity shall: (a) increase or otherwise change the rate or nature of the compensation (including wages, salaries and bonuses) which is paid or payable to any employee or independent contractor of the Station except pursuant to existing Employee Benefit Plans, the Existing CBA, Compensation Arrangements, and practices which have been disclosed to Buyer or raises in the ordinary course of business which shall not exceed 5% of such employee's compensation as of the date hereof; (b) adopt, or commit to adopt any Employee Benefit Plan or Compensation Arrangement; (c) make amendments to any such Employee Benefit Plan or Compensation Arrangement except to the extent required by law or necessary to preserve the nature of the benefits provided under such plan or arrangement; (d) enter into, renew or allow the renewal of, any employment or consulting agreement or other contract or arrangement with respect to the performance of personal services for a term of more than one year or requiring the payment of more than \$40,000.00 in annual compensation; (e) voluntarily agree to enter into any collective bargaining agreement applicable to any employees of the Station or

otherwise recognize any union as the bargaining representative of any such employees, and will promptly notify Buyer of any attempt or actual collective bargaining organizing activity with respect to any such employees.

(8) Intellectual Property. No NVG Entity shall acquiesce in any infringement, unauthorized use or impairment of any of the Station's trademarks, copyrights or similar rights or change the Station's call sign.

(9) Tax Election. No NVG Entity shall make a Tax election, settle any material controversy with any taxing authority or change accounting methods or procedures (except as required by applicable laws or GAAP) if the election, settlement or change relates solely to the Station Assets and has an adverse effect on Buyer or the Station Assets.

(b) Affirmative Covenants.

(1) Preservation of Business. The NVG Entities shall conduct the business and operations of the Station diligently and in the ordinary course in substantially the same manner as consistent with their past practices, including, without limitation, with respect to the collection of accounts receivable and making expenditures for marketing and promotion of the Station. The NVG Entities shall use reasonable efforts (which efforts shall not require the payment of retention bonuses) consistent with their past practices to preserve the business, organization and prospects of the Station intact, to maintain all existing individual employment agreements and arrangements, to keep available to the Station its present employees (and all employees hereafter hired), and to preserve for the Station its present relationships with advertisers, suppliers, customers and others having business relations with it. Subject to Section 4(c), the NVG Entities shall maintain the present character and entertainment format and quality of the Station.

(2) Access to Information. From the date of this Agreement to the Closing Date, the NVG Entities shall give to Buyer and its counsel, accountants, engineers and other authorized representatives reasonable access and the right of inspection during normal business hours as to the Station Assets upon at least two (2) business days prior notice, and the books and records relating thereto, and shall furnish or cause to be furnished to Buyer and its authorized representatives all information relating to the Station Assets as they may reasonably request, and shall permit Buyer and its authorized representatives to conduct a complete audit or a review of the books and records relating to the Station Assets; provided, however, that (i) the rights of Buyer under this Section shall not be exercised in any manner that interferes unreasonably with the business and operations of the Station and (ii) the rights of access and inspection granted hereunder shall not prejudice or otherwise affect Buyer's rights under any provision of this Agreement.

(3) Financial Information. Within thirty (30) days after the close of each month ending between September 1, 2004 and the Closing Date, the NVG

Entities shall furnish to Buyer an unaudited statement of income and expense for the Station for the month just ended, and within thirty (30) days after the close of each fiscal quarter ending between June 30, 2004 and the Closing Date, the NVG Entities shall furnish to Buyer an unaudited quarterly statement of income and expense for the Station for such quarter and an unaudited balance sheet as of the end of such quarter. Within forty (40) days after the close of the fiscal year, the NVG Entities shall furnish to Buyer an unaudited quarterly statement of income and expense for the Station for such quarter, an unaudited annual statement of income and expense for the Station for such year and an unaudited balance sheet for the Station as of the end of such year. The financial statements to be delivered hereunder shall be prepared on an accrual basis in accordance with GAAP applied on a basis consistent with prior periods, and such financial statements shall present fairly in all material respects the financial condition, assets, liabilities and results of the operations of the Station as of the dates and for the periods indicated. Delivery of the financial statements to be delivered hereunder shall constitute a representation that such financial statements have been prepared in accordance with GAAP consistently applied, except that the unaudited financial statements do not include footnotes or, with respect to the quarterly and monthly financial statements, Acceptable Year-End Adjustments, and that such financial statements comply with the other requirements of this paragraph 3.

(4) Maintenance of Station Assets. The NVG Entities shall maintain all of the Station's property and assets or replacements thereof substantially in their present condition, ordinary wear and tear excepted. The NVG Entities shall maintain in effect at the Station music, motion picture, syndicated and other broadcast film and program contracts and rights, advertising and promotion activities at levels consistent with past practices. The NVG Entities shall maintain supplies of inventory and spare parts consistent with past practices at the Station. The NVG Entities shall make such capital expenditures at the Station as set forth in Schedule 9.1.

(5) Books and Records. The NVG Entities shall maintain the Station's books and records in accordance with past practices.

(6) Authorizations; Compliance with Laws. The NVG Entities shall conduct the business and operations of the Station in all material respects in accordance with the Communications Laws and in material compliance with the terms of the Station Licenses. The NVG Entities shall comply in all material respects with all other applicable laws, rules and regulations to which the Station is subject. Upon receipt of a notice regarding the violation of any such laws, rules and regulations, the NVG Parties will notify Buyer of such notice and shall use reasonable efforts to contest in good faith or to cure such violation prior to the Closing Date. On or about September 23, 2004, the NVG Entities filed with the FCC a letter requesting correction of the FCC License for the Station to reflect the correct geographic coordinates of the Station's transmission system and as of the date hereof such geographic coordinates have been corrected on the FCC's databases. Notwithstanding anything to the contrary herein, the NVG Entities shall provide to Buyer with at least five (5) business days' prior written notice completed drafts of all materials that the NVG Entities intend to submit to the FCC to satisfy the

requirements adopted by the FCC in the Second DTV Periodic Review (MB Docket No. 03-15), including without limitation maximization certifications and permanent channel elections, and, prior to submission to the FCC, the NVG Entities shall revise such materials as Buyer may request in writing in its sole discretion; provided that Buyer's request complies with the Communications Laws.

(7) Insurance. The NVG Entities shall maintain in force the existing insurance policies, or comparable coverage, for the Station and the Station Assets as set forth in Schedule 8.11.

(8) Notification. Immediately after any of the NVG Entities shall become aware thereof, the NVG Parties shall give Buyer written notice of (i) any developments with respect to the business and operations of the Station which causes or would reasonably cause any representation or warranty of the NVG Parties hereunder to be inaccurate in any material respect, (ii) any material change in any of the information contained in any NVG Party's representations and warranties contained in Section 8 hereof or the Schedules hereto other than pursuant to Section 9.1(b)(10) or Section 9.1(b)(17), or (iii) the failure of any NVG Party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it pursuant to this Agreement which would be likely to result in any condition to the obligations of any party to effect the transactions contemplated by this Agreement or the documents and instruments in connection therewith not to be satisfied; provided, however, that the delivery of any notice pursuant to this Section 9.1(b)(8) shall not be deemed to cure any breach of any representation, warranty or covenant hereunder.

(9) Consents. The NVG Entities shall use reasonable efforts to obtain or cause to be obtained on or prior to the Closing Date, from each person, firm, association, corporation and governmental authority, all consents and approvals to the Option Sale, the Restructuring and the transfer, conveyance or assignment of the Station Assets to Buyer as herein provided which are required by the terms of any agreements, permits, approvals, conditions and authorizations to which any NVG Entity is a party or otherwise and on terms and conditions which impose no obligations or liabilities on Buyer greater than those on such NVG Entity, and on terms no less favorable to Buyer than to such NVG Party, in each case prior to the request for such consent or approval. Each party shall cooperate with the other to the extent reasonably necessary to obtain any such consents or approvals. No party shall be obligated to make any payment (other than filing fees or other immaterial charges) to any third party to obtain any such consent or approval. The NVG Parties shall advise Buyer of any difficulties experienced in obtaining such consents and of any conditions requested for any of such consents. To the extent that any Contract or Lease may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant hereto shall not constitute an assignment thereof, but to the extent permitted by law shall constitute an equitable assignment and assumption of rights and obligations under the applicable Contract or Lease, with Sellers making available to Buyer the benefits thereof and Buyer performing the obligations thereunder on Sellers' behalf. Buyer and Sellers shall cooperate to use commercially reasonable efforts after

Closing to obtain consents to assign such Contracts or Leases, and each such Contract and Lease shall be assigned to Buyer after such consent has been obtained.

(10) Contracts and Leases; Updating of Information. The NVG Entities shall perform all Contracts and Leases without default and pay all of their trade accounts payable in a timely manner. At least five (5) business days prior to the Closing Date, the NVG Parties shall deliver to Buyer a list of all Contracts and Leases entered into between the date hereof and the Closing Date in accordance with the provisions of this Agreement together with complete copies of all such written Contracts and Leases and complete written summaries of the terms of any such oral Contracts and Leases. The NVG Parties shall exercise reasonable efforts to ensure that each Contract or Lease entered into by any NVG Entity between the date hereof and the Closing Date allows the assignment of the Contract or Lease to Buyer upon consummation of the transactions contemplated hereby without change in the terms or conditions of such Contract or Lease.

(11) Trade Agreements. The NVG Entities shall use all Trade Agreements only to obtain services, merchandise and equipment used or useful in the conduct of the business and operations of the Station, and the NVG Entities shall include in the Station Assets all of such property not consumed by the Station in the ordinary course of business. The NVG Entities shall use reasonable efforts to provide prior to the Adjustment Time the advertising time due under any Trade Agreements listed in Schedule 2.3(d) or entered into between the date hereof and the Closing Date in accordance with the provisions of this Agreement.

(12) Interference. The NVG Entities shall take all reasonable and proper steps to protect the service areas of the Station from electrical interference from other stations or services, existing or proposed.

(13) FCC Reports. The NVG Parties shall mail or deliver to Buyer within five (5) business days after filing with the FCC copies of any applications, reports or other filings relating to the Station which are filed by any NVG Entity with the FCC or required by the Communications Laws to be placed in the Station's public inspection file between the date hereof and the Closing Date.

(14) Must-Carry - Retransmission Consent. The NVG Entities shall reasonably consult with Buyer with respect to carriage of the Station on applicable cable television systems and direct-to-home satellite systems pursuant to must-carry regulations or retransmission consent negotiations, and the NVG Entities shall promptly inform Buyer of the status of such efforts, including any denials of carriage requests.

(15) NBC Affiliation Agreement. The NVG Entities shall use their commercially reasonable best efforts to obtain the consent of NBC (the "NBC Consent") to assign the NBC Affiliation Agreement to Buyer without any adverse change in the terms or conditions of the NBC Affiliation Agreement as in effect on the date of this Agreement. The NVG Parties shall advise Buyer of any material communications

(oral and written) any NVG Entity receives concerning the NBC Affiliation Agreement and of any conditions proposed, considered, or requested for the NBC Consent.

(16) Restructuring. Immediately prior to Asset Closing, the NVG Entities shall consummate the Restructuring. The NVG Entities shall provide Buyer with a reasonable opportunity to review the Restructuring Documents prior to Closing. Buyer shall have the right to comment on the Restructuring Documents to the extent to be reasonably satisfied that the Restructuring Documents do not adversely affect Buyer's rights under this Agreement and do not increase the likelihood that Buyer will be held liable for the obligations of the NVG Parties, provided, however, Buyer shall not have the right to comment on or obtain reasonable satisfaction for matters previously disclosed in this Agreement or specifically referenced in the Schedules to the extent so disclosed or referenced.

(17) Updating of Personnel Information. Between the date of this Agreement and the Closing Date, the NVG Parties will deliver to Buyer a written summary setting forth any changes to Schedule 8.12 between the date set forth on such employee schedule and the Closing.

#### 9.2 Pre-Closing Covenants of Buyer.

(a) Immediately after Buyer shall become aware thereof, Buyer shall give the NVG Parties written notice of any developments which causes or would reasonably cause any representation or warranty of Buyer hereunder to be inaccurate in any material respect, of any material change in any of the information contained in Buyer's representations and warranties contained in Section 7 hereof or the Schedules hereto, or the failure of Buyer to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it pursuant to this Agreement which would be likely to result in any condition to the obligations of any parties to effect the transactions contemplated by this Agreement or the documents and instruments in connection therewith not to be satisfied; provided, however, that the delivery of any notice pursuant to this Section 9.2 shall not be deemed to cure any breach of any representation, warranty or covenant hereunder.

(b) Buyer covenants and agrees that between the date hereof and the Closing, except as expressly permitted by this Agreement or with the prior written consent of the NVG Parties, Buyer shall not take any action that is inconsistent with its obligations hereunder or that could hinder or delay the consummation of the transactions contemplated by this Agreement.

(c) Buyer shall cooperate with the NVG Parties and use its commercially reasonable best efforts to assist the NVG Entities to obtain on or prior to the Closing Date, from each person, firm, association, corporation and governmental authority, all consents and approvals to the transfer, conveyance or assignment of the Station Assets to Buyer as herein provided which are required by the terms of any

agreements, permits, approvals, conditions and authorizations to which any NVG Entity is a party or otherwise.

### 9.3 Post-Closing Covenants.

(a) Buyer shall, at any time, and from time to time, after the Closing Date, but at no cost to Buyer (other than the salaries or wages of its employees) use its reasonable best efforts to: (i) take, or cause to be taken, all appropriate action, and to do, all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement, including, without limitation, executing and delivering any additional instruments, certificates or other documents and (ii) have the present and future officers, directors, members, managers, employees and agents of Buyer, including the Transferred Employees, cooperate with the NVG Entities in furnishing information, evidence, testimony and other assistance in connection with any Tax return filing obligations, actions, proceedings, arrangements or disputes of any nature with respect to matters relating to the Station for all periods prior to the Closing Date.

(b) The NVG Parties shall (and shall cause the NVG Entities to), at any time, and from time to time, after the Closing Date, but at no cost to the NVG Parties (other than the salaries or wages of its employees) use their reasonable best efforts to: (i) take, or cause to be taken, all appropriate action, and to do, all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement, including, without limitation, executing and delivering any additional instruments, certificates or other documents and (ii) have the present and future officers, directors, members, managers, employees and agents of the NVG Entities cooperate with Buyer in furnishing information, evidence, testimony and other assistance in connection with any Tax return filing obligations, actions, proceedings, arrangements or disputes of any nature with respect to matters relating to the Station for all periods prior to the Closing Date.

9.4 Non-Competition Agreements. At Closing, Jason Elkin shall execute and deliver to Buyer the Non-Competition Agreement, between Jason Elkin and Buyer and the NVG Parties shall execute and deliver to Buyer the Non-Competition Agreement between the NVG Parties and Buyer.

## SECTION 10 Joint Covenants

The parties hereto covenant and agree they shall act in accordance with the following:

10.1 Confidentiality. Each party shall keep confidential all information it obtains with respect to the other party in connection with this Agreement, and if the transactions contemplated hereby are not consummated for any reason, each shall return to the other, without retaining a copy thereof, any schedules, documents or other written information obtained from the other in connection with this Agreement and the transactions contemplated hereby, except where such information is known or available through other lawful sources or where its disclosure is required in connection with

governmental filings, provided, however, that any party may make any disclosure required to be made by it under applicable law (including the federal securities laws) if it determines in good faith that it is appropriate to do so and gives prior notice to the other party hereto.

10.2 Press Releases. Buyer and the NVG Parties shall jointly prepare, and determine the timing of, any press release or other announcement to the public relating to the execution of this Agreement. No party hereto shall issue any press release or make any other public announcement relating to the transactions contemplated by this Agreement without the prior consent of the other party hereto, provided, however, the NVG Parties may publish and broadcast a public notice concerning the filing of the application for assignment of the FCC Licenses in accordance with the requirements of Section 73.3580 of the Communications Laws.

10.3 Cooperation. The parties hereto shall cooperate fully with each other and their respective counsel and accountants with respect to any actions required to be taken to accomplish the transactions contemplated by this Agreement, including any actions necessary to secure the Consents and the NBC Consent; provided, however, that neither, Buyer nor any NVG Party shall be required to take any action which would be unduly burdensome or which would have a material adverse effect upon it or any affiliated entity.

10.4 Notification. Each of Buyer and the NVG Parties shall give prompt written notice to the other of any litigation, arbitration or administrative proceeding pending or, to its knowledge, threatened, which challenges the transactions contemplated hereby.

10.5 Environmental Survey.

(a) Following the execution of this Agreement, Buyer, at its option, may order a Phase I environmental assessment ("Study") of the Owned Real Property from Earth Systems Pacific (the "Engineer"), to be completed not later than 45 days after the date hereof. Buyer, at its option, may order Study(ies) from the Engineer on the Leased Real Property. Notwithstanding the foregoing, Buyer shall only be permitted to order Study(ies) on the Leased Real Property to the extent permitted by the Lease or with the prior consent of the owner of the Leased Real Property or such other party whose consent is required. Sellers will reasonably cooperate with Buyer in obtaining such required consents for the Study(ies), but shall not be obligated to make any payments, incur any fees or costs (other than its own attorneys' fees) or satisfy any pre-condition in order to obtain such consents. Buyer's failure to obtain consent to conduct Study(ies) on the Leased Real Property shall not be a condition to Buyer's obligation to close hereunder. The Study will be addressed to Buyer, and will be conducted at the expense of Buyer. A copy of the Study shall be delivered to the NVG Parties within two (2) business days of Buyer's receipt of the same. If the Study recommends a further investigation of the Owned Real Property or, in the event that Buyer was permitted to obtain a Study for the Leased Real Property, of the Leased Real Property (a "Follow on Study"), Buyer shall have the right to order a Follow on Study for the Owned Real Property and, to the extent

permitted by the Lease or with the prior consent of the owner of the Leased Real Property or such other party whose consent is required, the Leased Real Property, to be completed not later than 90 days after the date hereof, as to such aspects of the Owned Real Property and the Leased Real Property and/or the estimated cost of such remediation, the cost of which Follow on Study shall be borne by Buyer. A copy of the Follow on Study shall be delivered to the NVG Parties within two (2) business days of Buyer's receipt of the same. The Study and the Follow on Study for the Owned Real Property shall be conducted during regular business hours, upon reasonable advance notice to the NVG Parties, in a manner that does not interfere with the signal of the Station, does not substantially interfere with or disrupt the business of the NVG Entities, its tenants, if any, or the Station or cause substantial damage to any assets or property of the NVG Entities. The Study and the Follow on Study for the Leased Real Property shall be conducted in accordance with the terms of the Lease or in the manner prescribed by the owner of the Leased Real Property or such other party whose consent is required, but in any event, upon reasonable advance notice to the NVG Parties, in a manner that does not interfere with the signal of the Station, does not substantially interfere with or disrupt the business of the NVG Entities, its tenants, if any, or the Station or cause substantial damage to any assets or property of the NVG Entities. Buyer agrees to repair and restore any damage to any assets or property of the NVG Entities or their tenants caused by the performance of the Study(ies) to a condition substantially similar to the condition that existed prior to the Study(ies).

(b) Except as otherwise provided in this subsection, if the Study and/or the Follow on Study of the Owned Real Property or the Leased Real Property reveals a remediable Environmental Condition, then the NVG Parties shall be obligated to pay the cost of remediation of the Environmental Condition to the levels and extent then applicable to the current type and use of the Owned Real Property or the Leased Real Property requiring remediation as required by the appropriate regulatory authorities under any Environmental Law ("Remediation"), and Buyer shall have no right to terminate this Agreement by reason of the existence of such Environmental Condition. Notwithstanding the foregoing, however, if in the judgment of the Engineer, the Remediation of the Environmental Condition on the Owned Real Property and the Leased Real Property, including subsequent oversight and management, cannot be accomplished at a cost of less than Four Hundred Thousand Dollars (\$400,000.00) in the aggregate, either the NVG Parties or Buyer shall be entitled to terminate this Agreement upon written notice to the other within thirty (30) days following the receipt by such party of (i) the Study, or if a Follow on Study is obtained, within thirty (30) days of receipt of the Follow On Study, and (ii) the Engineer's estimated cost of Remediation, provided, however, Buyer shall not have the right to terminate this Agreement, if within fifteen (15) days after the receipt by both parties of the Study or Follow on Study and the Engineer's estimate which projects Remediation costs in excess of Four Hundred Thousand Dollars (\$400,000.00) in the aggregate, the NVG Parties shall have notified Buyer in writing of the NVG Parties' commitment to pay for all such Remediation costs. If the NVG Parties elect to terminate this Agreement as provided above, Buyer shall be entitled to nullify the NVG Parties' election to terminate this Agreement by giving written notice to the NVG

Parties, within ten (10) business days after receipt of the NVG Parties' notice to Buyer terminating this Agreement, that it elects to proceed to Closing hereunder. If Buyer shall make such election, the NVG Parties shall be obligated to pay up to Four Hundred Thousand Dollars (\$400,000.00) in the aggregate, of the cost of the Remediation of the Environmental Condition, but shall have no further responsibility or liability with respect to such Environmental Condition whatsoever, whether under Section 18 of this Agreement or otherwise. In any event, subject to the preceding sentence, to the extent that the NVG Parties are obligated to bear the cost of the Remediation of any Environmental Condition, the NVG Parties may elect either to remediate such condition and pay such costs directly or to let Buyer handle such Remediation and indemnify Buyer against such costs as and when such costs are incurred or required to be paid. Additionally, with regard to the Leased Real Property, Sellers hereby reserve any and all rights they may have against the owners' and the other tenants' of the Leased Real Property with respect thereto, including but not limited to any claim or right of contribution, indemnity or cost recovery under Comprehensive Environmental Response Compensation and Liabilities Act of 1980, as amended, and under any other federal or state environmental law, rule, regulation or statute. Notwithstanding anything contained herein to the contrary, in the event the owner of a Leased Real Property or such other party whose consent is required, will not permit Remediation of said Leased Real Property (herein referred to as the "Contaminated Leased Location"), Sellers, at Sellers' expense, shall relocate all of the property used or useful in the conduct of the business and operations of the Station located on said Contaminated Leased Location and secure for Buyer an alternative lease location on rental terms reasonably approved by Buyer, which shall permit the Buyer to conduct the business and operations of the Station in substantially the same manner in which any NVG Entity currently uses the Contaminated Leased Location (the "Alternative Lease Location"). In such a case, the Lease for the Contaminated Leased Location will not be assigned to Buyer and the lease entered into for the Alternative Lease Location will be added to Schedules 2.3(b) and 8.8(d) and shall be assigned to Buyer pursuant to the terms of this Agreement. Sellers' relocation of the aforementioned property to the Alternative Lease Location shall not interfere with or diminish the signal of the Station. If Sellers are unable to secure an Alternative Lease Location, Buyer shall have the right to terminate this Agreement.

10.6 Title Commitments. Within seventy-five (75) days after the date of this Agreement, Buyer shall have obtained, at Buyer's election and expense, commitments by one or more title insurance companies acceptable to Buyer to issue an owner's title insurance policy or policies in such form and in such amounts reasonably acceptable to Sellers and Buyer, insuring Buyer's good and marketable fee simple absolute interest or leasehold interest of Buyer with respect to all of the Owned Real Property and Leased Real Property listed on Schedule 2.3(b), subject only to the Permitted Liens and the liens of the Intercompany Amount and the MCG Amount which shall be paid at Closing pursuant to Section 2 hereof. Notwithstanding the foregoing, to the extent that the title insurance companies selected by Buyer require delivery of certain title clearance documents, including without limitation, consents, approvals, estoppels and/or memorandums of leases in order to insure Buyer's leasehold interest with respect to the

Leased Real Property, the NVG Parties shall use reasonable efforts to obtain such items; however, the NVG Entities shall not be obligated to make any payments, incur any fees or costs (other than its own attorneys' fees) or satisfy any pre-condition to obtain such items. Provided that Sellers have reasonably cooperated as required above, Buyer's failure to obtain such title clearance documents or to cause its title insurance companies to insure its leasehold interest in the Leased Real Property shall not be a condition to Buyer's obligation to close hereunder.

10.7 Surveys. Within 75 days after the date of this Agreement, Buyer shall have obtained, at Buyer's election and expense, ALTA surveys of the Owned Real Property and to the extent the Buyer has obtained the prior consent of the Owner of the Leased Real Property (or such other party whose consent is required) or otherwise permitted by the Leases, the Leased Real Property (the "Surveys") showing no state of facts that affect the marketability of title to such property (with respect to the Owned Real Property only) or that would materially and adversely affect or interfere with the current use of the Owned Real Property or Leased Real Property in the business and operations of the Station. Buyer's failure to obtain the consent of the owner to obtain a Survey or to the extent it is not otherwise permitted by the Lease(s) shall not be a condition to Buyer's obligation to close hereunder.

10.8 HSR Act Filing. The NVG Entities and Buyer agree to: (a) file, or cause to be filed, with the U.S. Department of Justice ("DOJ") and the Federal Trade Commission ("FTC") all filings, if any, that are required in connection with the transactions contemplated hereby under the HSR Act within twenty (20) business days of the date of this Agreement; (b) submit to the other party, prior to filing, their respective HSR Act filings to be made hereunder, and to discuss with the other any comments the reviewing party may have; (c) cooperate with each other in connection with such HSR Act filings, which cooperation shall include furnishing the other with any information or documents that may be reasonably required in connection with such filings; (d) promptly file, after any request by the FTC or DOJ and after appropriate negotiation with the FTC or DOJ of the scope of such request, any information or documents requested by the FTC or DOJ; and (e) furnish each other with any correspondence from or to, and notify each other of any other communications with, the FTC or DOJ that relates to the transactions contemplated hereunder, and to the extent practicable, to permit each other to participate in any conferences with the FTC or DOJ.

10.9 Employees.

(a) Buyer shall offer employment as of the Closing Date to each employee of the NVG Entities who performs services for the Station and is listed in Schedule 8.12 (as such schedule may be updated pursuant to the terms of this Agreement), provided that (i) the offer to any employee actively employed on the Closing Date shall be effective as of the Closing Date, and (ii) the offer to any employee not actively employed on the Closing Date but who offers to, and is fit to, return to active service within sixteen weeks after the date he or she commenced his or her leave from the NVG Entities shall be effective as of such date. Each such Station employee who accepts

Buyer's offer of employment as of the Closing Date is considered a "Transferred Employee." With respect to each Transferred Employee who is covered by a written employment agreement listed in Schedule 2.3(d) (as such schedule may be updated pursuant to the terms of this Agreement), Buyer shall assume the written employment agreement and shall offer employment in accordance with the terms of the written employment agreement. With respect to each Transferred Employee who does not have a written employment agreement listed in Schedule 2.3(d), whose employment is not covered by the Existing CBA and who is not one of the two employees listed on Schedule 10.9, Buyer shall offer employment at a salary and on other terms and conditions that are at least as favorable in the aggregate to such employee as those provided by the NVG Entities immediately before the Closing. With respect to each Transferred Employee whose employment is covered by the Existing CBA, Buyer shall offer employment at a salary and on terms and conditions that are in accordance with the terms of the Existing CBA and on such other terms and conditions that are at least as favorable in the aggregate to such employee as those provided by the NVG Entities immediately before the Closing. With respect to each employee listed on Schedule 10.9, Buyer shall offer employment on terms determined by the Buyer in its discretion.

(b) Buyer shall provide each Transferred Employee credit for years of service prior to the Closing with the NVG Entities or any prior owner of the Station (to the same extent that the NVG Entities provided such credit for similar purposes): (i) for group health plan coverage, including for purposes of applying any eligibility waiting periods and, to the extent the Transferred Employee was covered under the group health plan of the NVG Entities, for purposes of applying any pre-existing condition limitations, and Buyer shall cause to be credited to any deductible or out-of-pocket expense limitation under any health plans of Buyer any deductibles or out-of-pocket expenses incurred by Transferred Employees and their beneficiaries and dependents under the health plan of the NVG Entities during the portion of the calendar year prior to their participation in the health plans of Buyer, provided that Transferred Employees provide a certificate of creditable coverage verifying such years of service and appropriate documentation from the insurer of the NVG Entities' group health plan to confirm the amount of such deductibles and out-of-pocket expenses paid since the beginning of the current calendar year; (ii) for purposes of accruing vacation and sick leave, severance pay and other employee welfare benefit plans; and (iii) for purposes of eligibility to participate in and, if applicable, vest in benefits under, a tax-qualified 401(k) plan. In no event is Buyer obligated to provide to any Transferred Employee, or offer past service credit for purposes of, any retiree medical benefits or defined benefit pension plan. This Section 10.9 shall operate exclusively for the benefit of the parties to this Agreement and not for the benefit of any other Person or entity, including, without limitation, any current, former or retired employee of Sellers or Buyer.

(c) Except as set forth herein with respect to obligations under the written employment agreements listed in Schedule 2.3(d) (as such schedule may be updated pursuant to the terms of this Agreement), the Existing CBA, vacation pay liabilities, the obligation to provide credit for years of service under this Section 10.9(b) and matters subject to proration, all of which are to be assumed or undertaken by Buyer,

the NVG Entities will retain and Buyer will not assume any liability or obligation of any NVG Entity to or in connection with any employee or former employee of any NVG Entity. Without limiting the generality of the foregoing, except for vacation pay liabilities assumed by Buyer, the NVG Entities will remain solely responsible for any obligations and liabilities, including those pursuant to the Code, ERISA, and any and all federal, state, and local discrimination laws, in respect of all employees and former employees of any NVG Entity, and their respective beneficiaries and dependants, relating to or arising in connection with, during the course of, or as a result of (i) the employment or the actual or constructive termination of employment of any such employee by any NVG Entity (including in connection with the consummation of the transactions contemplated by this Agreement); or (ii) the participation in or accrual of benefits or compensation under, or the failure to participate in or to accrue compensation or benefits under, any Employee Benefit Plan or Compensation Arrangement of any NVG Entity. Notwithstanding anything to the contrary contained herein, no NVG Entity shall be liable for any decisions of Buyer with respect to hiring (or not hiring) any employee of any NVG Entity.

(d) Buyer shall be solely responsible for providing continuation of health care coverage in accordance with the provisions of Section 4980B of the Code and Sections 601 through 608 of ERISA with respect to any Transferred Employee who qualifies for such coverage after the Closing Date, and any qualified beneficiary of such Transferred Employee (as defined in Section 4980B(g)(1) of the Code). As of the Closing Date, the NVG Entities shall cause to be discharged and satisfied in full all amounts owed to any of the Transferred Employees for any periods prior to and including the Closing Date and all amounts owed to any of the Transferred Employees arising out of the transactions contemplated by this Agreement, including any such wages, commissions, salaries, bonuses, and other compensation, sick pay, accrued unused vacation pay and any payments due on account of termination of employment with any NVG Entity (if any), provided that Buyer shall assume the liability of paying vacation benefits which were accrued by any of the Transferred Employees during the year in which the Closing Date occurs, but which remain unused as of the Closing Date, with respect to the Transferred Employees, so long as Buyer receives a downward adjustment to the Purchase Price pursuant to Section 5 hereof.

(e) The NVG Entities shall retain, pay, perform and indemnify and hold Buyer harmless from and against all liabilities under any Employee Benefit Plans which are employee welfare benefit plans (within the meaning of ERISA) for all claims thereunder, whether or not such claims are submitted for payment or reimbursement on or before the Closing Date.

(f) On or prior to the Closing Date, the NVG Entities shall amend any tax-qualified retirement plan that provides benefits to Transferred Employees ("NVG Plans"), if necessary, so that each Transferred Employee shall be fully vested in his or her account balance under such plans and shall be eligible to receive distributions of his or her account balance on account of his or her termination of employment with an NVG Entity. The NVG Entities shall furnish to the Buyer, as soon as practicable after the Closing Date, but not later than ten (10) days after the Closing Date, a list, calculated as

of the Closing Date, estimating the amounts of compensation deferred by each Transferred Employee under the NVG Plans during the calendar year in which the Closing occurs. Following the Closing Date, Buyer agrees to cause its tax-qualified plan to accept rollovers, in the form of cash only, from the account balances of Transferred Employees under any NVG Plan.

(g) At Buyer's request, the NVG Entities will use commercially reasonable efforts (at no cost to the NVG Entities other than the time of its employees and some reasonable time of its benefits or insurance consultants) to assist Buyer in obtaining from the NVG Entities' current insurance carriers and/or its third party administrators insurance and other arrangements appropriate to providing medical and other health and welfare benefits immediately following the Closing that are comparable to the benefits such carriers and administrators currently provide to the employees at the Station.

(h) The NVG Entities shall provide notice of the "Continuation coverage" available under its "group health plan" to any "covered employee" or "qualified beneficiary" who experiences a "qualified event" as a result of the transaction contemplated by this Agreement. Buyer shall not assume any responsibility or liability to provide "continuation coverage" under COBRA to any "covered employee" or "qualified beneficiary" who is covered by a "group health plan" sponsored, maintained or contributed to by any NVG Entity and who has experienced a "qualified event," or is receiving such "continuation coverage," on or prior to the Adjustment Time. The terms "group health plan," "continuation coverage," "qualified beneficiary," "covered employee" and "qualified event" shall have the meanings set forth in Section 4980B of the Code and Section 601 et. seq. of ERISA. The NVG Entities shall hold Buyer and any entity required to be combined with the Buyer under Section 414 of the Code ("Affected Parties") harmless from and fully indemnify such Affected Parties against any costs, expenses, losses, damages and liabilities incurred or suffered by such Affected Parties directly or indirectly, including, but not limited to, reasonable attorneys fees and expenses, which arise under a "group health plan" sponsored, maintained or contributed to by any NVG Entity as a result of any action or omission of any NVG Entity prior to the Adjustment Time or because Buyer is deemed to be a successor employer to any NVG Entity.

(i) On or prior to the Closing Date, the NVG Entities shall satisfy liabilities of the NVG Entities to the Transferred Employees and independent contractors of the Station under any severance pay or retention bonus arrangement (if any).

10.10 Employee Notification. During the period thirty (30) days prior to the Closing Date, Buyer may communicate with the employees of the Station, information and its planned benefits, employment practices and procedures, and other related transition matters. Such communication may involve an on-site meeting. Buyer shall consult and coordinate with the NVG Parties in advance regarding any such planned communications with the objective of achieving an orderly transition. The parties agree that the NVG Parties may designate a representative to be present in any such on-site

meeting of Buyer or any other face-to-face communication between Buyer and one or more of the Station's employees.

10.11 Allocation of the Purchase Price. The NVG Parties and Buyer shall negotiate in good faith to reach agreement within 90 days after the Closing Date regarding the allocation of the Purchase Price, as adjusted, and any liabilities assumed hereunder among the Station Assets in accordance with the requirements of Section 1060 of the Code and the Treasury Regulations promulgated thereunder. If the NVG Parties and Buyer reach agreement with respect to such allocation, then each party agrees to complete and timely file IRS Form 8594 (or any successor form) and to file all income Tax returns in accordance with such allocation. If the NVG Parties and Buyer are unable to reach agreement with respect to such allocation within such 90-day period, then each party shall make its own determination of such allocation for financial and Tax reporting purposes. In addition, Buyer and the NVG Parties agree to work together following the Closing to prepare a schedule to be attached to each party's IRS Form 8594 that will reconcile the "total sales price" reported by each party on such form in connection with the transactions consummated pursuant to this Agreement.

10.12 Collective Bargaining Agreement. Notwithstanding anything to the contrary contained in this Agreement, Buyer shall assume the Existing CBA.

## SECTION 11

### Conditions To Obligations of Buyer

All obligations of Buyer at the Closing hereunder are subject to satisfaction, at or prior to the Closing Date, of each of the following conditions, any of which may be waived by Buyer (except for the conditions set forth in Sections 11.2 and 11.12):

#### 11.1 Representations, Warranties, Covenants.

(a) All representations and warranties of the NVG Parties contained in this Agreement shall be true and correct in all material respects (without regard to any materiality limitation contained in any representation and warranty) on and as of the Closing Date with the same force and effect as if made on and as of the date hereof, except for changes expressly contemplated by this Agreement and other than any such representations and warranties made as of a specified date, which shall be true and correct as of such date.

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

(c) Buyer shall have received certificates, dated as of the Closing Date, executed by the Chief Executive Officer or President of each NVG Party (but without any

personal liability to such Chief Executive Officer or President in his capacity as officer of such NVG Party) to the effect (i) that the representations and warranties of the NVG Parties contained in this Agreement are true and correct in all material respects (without regard to any materiality limitation contained in any representation and warranty) on and as of the Closing Date as though made on and as of the date hereof except for changes contemplated by this Agreement and other than any such representations and warranties made as of a specified date, which shall be true and correct as of such date, (ii) that the NVG Parties have complied with or performed in all material respects, all terms, covenants and conditions hereunder to be complied with or performed by them on or prior to the Closing Date, (iii) that the condition to Buyer's obligations to consummate the transactions contemplated by this Agreement set forth in Section 11.7 has been satisfied, and (iv) the Restructuring has been consummated.

11.2 FCC Consent. The conditions specified in Section 4(b) of this Agreement shall have been satisfied.

11.3 Governmental Authorizations for the Station. A Seller shall be the holder of the Station Licenses, and there shall not have been from the date hereof until Closing any modification of any of such licenses, permits and other authorizations which has a material adverse effect on the Station or the conduct of its business and operations. No proceeding shall be pending which seeks, or the effect of which could be, to revoke, cancel, fail to renew, suspend or modify materially and adversely any of the Station Licenses.

11.4 Material Consents Obtained by the NVG Parties. The NVG Parties shall have obtained and delivered to Buyer all the Material Consents on terms and conditions which impose no obligations or liabilities on Buyer greater than those currently on any NVG Entity, and on terms no less favorable to Buyer than to any NVG Entity, in each case prior to the request for such consent or approval, in recordable form if requested by Buyer.

11.5 Corporate Authorization of the NVG Entities. The NVG Parties shall have delivered to Buyer certified copies of resolutions authorizing the execution, delivery and performance of this Agreement and all other actions taken or to be taken by each NVG Entity in connection with this Agreement.

11.6 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 the parties or any party hereto which would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

11.7 No Material Adverse Change in the Station. Between the date of this Agreement and the Closing Date, other than any change, effect, event or occurrence resulting from (a) changes in the United States economy in general, (b) changes in United States stock market conditions in general, (c) changes in the United States broadcasting

industry in general and (d) changes resulting from the announcement or the existence of this Agreement or the transactions contemplated hereby, there shall have been no material adverse change in the business, financial condition, liabilities, assets or results of operation of the Station.

11.8 Title Policy and Survey for the Owned Real Property of the Station.

(a) Buyer shall have obtained, at Buyer's expense, a policy of title insurance on all the Owned Real Property listed in Schedule 2.3(b) in the form provided for by Section 10.6; provided, however, Buyer shall have acted with diligence and used commercially reasonable efforts to obtain such policy of title insurance.

(b) Buyer shall have obtained, at Buyer's expense, a Survey on the Owned Real Property listed in Schedule 2.3(b) in the form provided for by Section 10.7; provided, however, Buyer shall have acted with diligence and used commercially reasonable efforts to obtain such Survey.

11.9 Instruments of Conveyance and Transfer.

(a) Parent shall have delivered to Buyer an executed assignment and assumption of the Option Agreements, in the form and substance of Exhibit G.

(b) The NVG Parties shall have delivered or caused to be delivered to Buyer all deeds, bills of sale, endorsements, assignments and other instruments of conveyance and transfer effecting the sale, transfer, assignment and conveyance of the Station Assets in the forms attached hereto as Exhibit A and Exhibits H through M (free and clear of all debts, liens, security interests, mortgages, charges, easements, collateral assignments of leases, pledges, restrictions, Leases (except as listed on the Schedules attached hereto), trusts, claims or other liabilities or encumbrances whatsoever, except for Permitted Liens) including, without limitation, the following:

(1) A deed to the Owned Real Property in the form and substance of Exhibit H, together with owner's affidavits executed by appropriate officers of the NVG Parties in accordance with local custom;

(2) Bill of Sale for all tangible personal property in the form and substance of Exhibit I;

(3) Except to the extent provided in Section 9.1(b)(9) hereof, assignments of all contracts, including the NBC Affiliation Agreement (in accordance with Section 11.15 below), and all leases and leasehold interests in personal property;

(4) Assignment and transfer of all books, records, logs and similar assets included in the Station Assets;

(5) Assignment and transfer of all intangible assets, including without limitation all Station Licenses and applications and any domain names, to be conveyed, including, without limitation, those identified in Schedule 2.3(f);

(6) The Assignment and Assumption Agreement;

(7) An assignment of all of Seller's leasehold interest in the Real Property in a form and substance of Exhibit K; and

(8) Such other instruments or documents as Buyer may reasonably request, or as may reasonably be requested by title insurers, in connection with the transfer of any of the Station Assets to be transferred to Buyer hereunder.

11.10 Opinions of Counsel. Buyer shall have received an opinion of Lord Bissell & Brook LLP, counsel to the NVG Parties, dated the Closing Date, in the form and substance of Exhibit B-1, and an opinion of Drinker Biddle & Reath LLP, FCC counsel to the NVG Parties, dated the Closing Date, in the form and substance of Exhibit B-2.

11.11 Covenants Not To Compete. The Non-Competition Agreements shall have been executed and delivered by each of the NVG Parties and Jason Elkin.

11.12 HSR Act Approval for the Sale of the Station. The waiting period under the HSR Act shall have expired without action by DOJ or the FTC to prevent the Closing.

11.13 Estoppel Certificates. The NVG Parties shall have exercised commercially reasonable efforts to deliver to Buyer estoppel certificates, in form and substance reasonably satisfactory to Buyer, executed by the lessors and/or lessees of all Leases listed in Schedule 2.3(b) hereto. Notwithstanding the foregoing, in the event a lessor and/or lessee of a Leases require that the form estoppel it executes be in the form and substance required by its respective Lease, Buyer acknowledges and agrees that said form shall be satisfactory to Buyer. Each party shall cooperate with the other to the extent reasonably necessary to obtain such estoppel certificates. No party shall be obligated to make any payment to any third party to obtain any such estoppel certificates. The NVG Parties shall advise Buyer of any difficulties experienced in obtaining such estoppel certificates.

11.14 Indemnity Escrow Agreement. The Indemnity Escrow Agreement shall have been executed by the NVG Parties and delivered to Buyer.

11.15 NBC Consent. The NBC Consent shall have been obtained and delivered to Buyer without any adverse change in the terms or conditions of the NBC Affiliation Agreement.

11.16 Option Closing. Immediately prior to the Closing, the Option Closing shall have been consummated.

11.17 Restructuring. After the Option Closing, the Restructuring shall have been consummated and the NVG Parties shall have delivered or caused to be delivered to Buyer copies of all Restructuring Documents. Buyer shall have the right to be reasonably satisfied that the Restructuring Documents do not adversely affect Buyer's rights under this Agreement and do not increase the likelihood that Buyer will be held liable for the obligations of the NVG Parties, provided, however, Buyer shall not have the right to obtain reasonable satisfaction for matters previously disclosed in this Agreement or specifically referenced in the Schedules to the extent so disclosed or referenced.

11.18 Payoff Letters. The NVG Parties shall have delivered to Buyer copies of payoff letters with respect to the Intercompany Amount and the MCG Amount.

11.19 Waiver and Cure. Buyer may waive the performance of any of the foregoing conditions of the Closing (other than the conditions set forth in Sections 11.2 and 11.12), in which case all other rights and obligations of both the NVG Parties and Buyer hereunder shall remain in effect. If a condition of Buyer to either the Closing shall not have been met by the Closing Date and shall not have been waived by Buyer, the Closing shall be postponed for a period of not longer than fifteen (15) days, at the NVG Parties' election, so that the NVG Parties may seek to meet all necessary conditions, provided that such extension may not be for a period which extends beyond July 31, 2005. Immediately upon such election, the NVG Parties and Buyer shall request any and all necessary extensions of the consent referred to in Section 4 hereof. If such 15 day period shall pass without waiver or satisfaction of all of Buyer's conditions of the Closing, Buyer may terminate this Agreement without any further obligation hereunder by written notice to the NVG Parties.

## SECTION 12

### Conditions to Obligation of the NVG Parties

All obligations of the NVG Parties at the Closing hereunder are subject to satisfaction, at or prior to the Closing Date, of each of the following conditions, any of which may be waived by the NVG Parties (except for the obligations set forth in Sections 12.2 and 12.7):

#### 12.1 Representations, Warranties and Covenants.

(a) All representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects (without regard to any materiality limitation contained in any representation and warranty) on and as of the Closing Date with the same force and effect as if made on and as of the date hereof, except for changes expressly contemplated by this Agreement.

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

(c) Sellers shall have received a certificate, dated as of the Closing Date, executed by the President or a Vice President of Buyer (but without any personal liability to such President or Vice President in their capacity as an officer of Buyer), to the effect that (i) the representations and warranties of Buyer contained in this Agreement are true and correct in all material respects (without regard to any materiality limitation contained in any representation and warranty) on and as of the Closing Date as though made on and as of the date hereof except for changes contemplated by this Agreement, and (ii) Buyer has, in all material respects, complied with or performed all terms, covenants and conditions to be complied with or performed by it on or prior to the Closing Date.

(d) Buyer shall have paid the Purchase Price in accordance with Section 2 hereof, which shall include payment of the Option Purchase Price, the Option Exercise Price and the satisfaction of the Intercompany Amount and MCG Amount.

12.2 FCC Consent. The conditions specified in Section 4(b) of this Agreement shall have been satisfied.

12.3 Corporate Authorization. Buyer shall have delivered to Sellers certified copies of corporate resolutions authorizing the execution, delivery and performance of this Agreement and all other actions taken or to be taken by Buyer in connection with this Agreement.

12.4 Execution of Certain Documents.

(a) Buyer shall have executed and delivered to the Parent the assignment and assumption of the Option Agreements.

(b) Buyer shall have executed and delivered to Sellers the Assignment and Assumption Agreement and the Non-Competition Agreements.

(c) Buyer shall have executed and delivered to Sellers the Indemnity Escrow Agreement.

(d) Buyer shall have executed and delivered to Seller the Assignment of Leases in a form and substance of Exhibit K.

(e) Buyer shall have executed and delivered to Seller the Trademark Assignment in a form and substance of Exhibit L.

(f) Buyer shall have delivered to Sellers such other instruments or documents as Sellers may reasonably request in connection with the transfer of any of the Station Assets to be transferred to Buyer hereunder.

12.5 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 the parties or any party hereto

which would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms.

12.6 Opinion of Counsel. Sellers shall have received an opinion of Dow, Lohnes & Albertson, PLLC, counsel to Buyer, dated the Closing Date, in the form and substance of Exhibit C.

12.7 HSR Act for Approval for the Sale of the Station. The waiting period under the HSR Act shall have expired without action by DOJ or the FTC to prevent the Closing.

12.8 Waiver and Cure. The NVG Parties may waive any of the foregoing conditions of the Closing (other than the conditions set forth in Sections 12.2 and 12.7), in which case all other rights and obligations of both the NVG Parties and Buyer hereunder shall remain in effect. If a condition of the Closing by the NVG Parties is not met by the Closing Date and is not waived by the NVG Parties, the Closing Date shall be postponed for a period no longer than fifteen (15) days, at Buyer's election, so that Buyer may seek to meet all necessary conditions, provided that such extension may not be for a period which extends beyond July 31, 2005. Immediately upon such election, the NVG Parties and Buyer shall request any and all necessary extensions of the consent referred to in Section 4 hereof. If such 15 day period shall pass without waiver or satisfaction of all of the NVG Parties' conditions of the Closing, the NVG Parties may terminate this Agreement without any further obligation hereunder by written notice to Buyer.

### SECTION 13

#### Transfer Taxes, Fees and Expenses

13.1 Transfer Taxes and Similar Charges. Except as otherwise set forth in this Agreement including as set forth in Sections 13.2 and 13.3 hereof, all costs of transferring the Station Assets in accordance with this Agreement, including recordation, transfer and documentary Taxes and fees, and any excise, sales or use Taxes, shall be paid by the NVG Parties. Notwithstanding the foregoing, in no event shall Sellers be responsible for any federal, state, local or other sales or use taxes applicable to, imposed upon, or arising out of any financing or any mortgage of the real property obtained by Buyer in connection with the acquisition of the Station Assets, all such sums being the sole responsibility of the Buyer. Notwithstanding the foregoing, in no event shall Buyer be responsible for any federal, state, local or other sales or use taxes applicable to, imposed upon, or arising out of the Restructuring, all such sums being the sole responsibility of the NVG Parties.

13.2 Governmental Filing or Grant Fees. Any filing or grant fees imposed by any governmental authority the consent of which is required to consummate the transactions contemplated hereby, including, without limitation, all FCC filing or transfer fees and all HSR Act filing fees, shall be paid one-half by Buyer and one-half by the NVG Parties.

13.3 Fees of Deposit and Indemnity Escrow Agreements. Any acceptance fees, escrow fees or other fees imposed by the Deposit Escrow Agent or the Indemnity Escrow Agent in connection with the Deposit Escrow Agreement or the Indemnity Escrow Agreement, respectively, shall be paid one-half by Buyer and one-half by the NVG Parties.

13.4 Expenses. Except as specified in this Section 13, each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation, execution and performance of, and compliance with the terms of this Agreement.

#### SECTION 14 Commission or Finder's Fee

14.1 Buyer's Representation and Agreement to Indemnify. Buyer represents and warrants to the NVG 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. Buyer further agrees to indemnify and hold the NVG Parties harmless from and against any and all claims, losses, liabilities and expenses (including reasonable attorney's fees) arising out of a claim by any person or entity based on any such arrangement or agreement made or alleged to have been made by Buyer.

14.2 NVG Parties' Representation and Agreement to Indemnify. The NVG Parties represent and warrant to Buyer that, with the exception of a fee payable to Kalil & Co., Inc. to be paid by the NVG Parties, neither they nor any person or entity acting on their behalf have 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. The NVG Parties further agree to indemnify and hold Buyer harmless from and against any and all claims, losses, liabilities and expenses (including reasonable attorney's fees) arising out of a claim by Kalil & Co., Inc. or any other person or entity based on any such arrangement or agreement made or alleged to have been made by the NVG Parties.

#### SECTION 15 Access to Books and Records

After Closing, the NVG Parties and Buyer, for a period of six (6) years, shall make available to each other for inspection by their representatives for any reasonable purpose all records, files, documents, correspondence, books of account, computer software and logs relating to the business and operations of the Station prior to the Adjustment Time. Neither the NVG Parties nor Buyer shall dispose of or destroy any such material without giving thirty (30) days' prior notice to the other party to permit them, at their expense, to examine or duplicate such material.

SECTION 16  
Risk of Loss

16.1 Risk of Loss. Subject to the provisions of Section 16.2 hereof, the risk of any loss, damage, impairment, confiscation or condemnation of any of the Station Assets from any cause whatsoever shall be borne by the NVG Parties at all times prior to the Closing, and by Buyer at all times thereafter.

16.2 Postponement of the Closing Date. The provisions of this Section 16.2 shall apply in the event ("Casualty Event") of (i) any damage or destruction to the Station Assets or any other event which prevents transmission by the Station of its normal and usual signal or (ii) any other damage or destruction to the Station Assets which would result in the non occurrence of a condition precedent to Buyer's obligation to consummate this Agreement, including the condition that the warranties set forth in Sections 8.6 and 8.7 hereof shall be true and correct in all material respects on and as of the Closing Date.

(a) If the NVG Parties have not remedied the Casualty Event as of the Closing Date so as to repair any damage or destruction to the Station Assets, to restore normal and usual signal transmission or fulfill such condition precedent to Buyer's obligation to consummate this Agreement, the Closing Date, upon notice by either Buyer or the NVG Parties to the other party, shall be rescheduled to the date provided in subparagraph 16.2(c) hereof, provided that such rescheduled closing date may not occur after July 31, 2005 (the "Rescheduled Closing Date"). Immediately upon such notice by either party, Buyer and the NVG Parties shall request any and all necessary extensions of the consent referred to in Section 4 hereof to continue such consent in effect for thirty (30) days beyond the Closing Date as originally scheduled. The provisions of this Section notwithstanding, in no case shall the NVG Parties be obligated to expend in the aggregate in excess of Five Hundred Thousand Dollars (\$500,000) in addition to any insurance proceeds (net of deductibles) received by, or to be received by, any NVG Entity in respect of the Casualty Event (such amounts, the "Repair Cap"), to effect such repair or replacement.

(b) In the event that such remedial action(s) does cost in the aggregate in excess of the Repair Cap, the NVG Parties may elect not to take such remedial action. In such event, Buyer may require the NVG Parties to proceed to Closing, and Buyer shall receive a reduction in the Purchase Price at Closing equal to the Repair Cap; provided that, in the event that NVG Entities have not received the insurance proceeds related to the Casualty Event prior to the Closing, the amount of the reduction in the Purchase Price at Closing shall be equal to Five Hundred Thousand Dollars (\$500,000) and the NVG Parties shall thereafter faithfully pursue the related insurance claim and shall pay to the Buyer the amount of any insurance proceeds received in respect of the Casualty Event after the Closing within five (5) days of the receipt thereof; provided further that following the Closing no NVG Entity shall enter into any settlement of any insurance claim related to a Casualty Event without the written consent of the Buyer which shall not be unreasonably withheld. In the event that the Closing takes place, the Purchase Price is

reduced as described herein, the NVG Parties thereafter shall be relieved of any further obligations in respect of the Casualty Event in question (whether pursuant to this Agreement or otherwise) except the obligation to pursue the insurance claim and pay over the proceeds to Buyer as described above. Alternatively, Buyer may terminate this Agreement by notice to the NVG Parties given within ten (10) days after notification by the NVG Parties that no repair or replacement shall be undertaken, and in the event of such termination, the NVG Parties shall not have any liability to Buyer under this Agreement (other than the return of the Deposit) as a result of such termination.

(c) The Rescheduled Closing Date shall be the first day of the next month after the Closing Date as originally scheduled, unless such date shall be outside the effective period of the consent referred to in Section 4 (including any extension granted at the request of Buyer and the NVG Parties pursuant to subparagraph 16.2(a)), in which event the Rescheduled Closing Date shall be the last business day prior to the last date upon which such consent, as extended, shall be in effect.

16.3 Option to Terminate. Anything contained in this Agreement to the contrary notwithstanding, should a Casualty Event occur that either (a) prevents the Station from providing cable and over the air transmission for a period of at least seventy-two (72) consecutive hours or (b) prevents the Station from providing cable or over the air transmission for a period of at least one hundred twenty (120) consecutive hours, Buyer may terminate this Agreement without any further obligation hereunder by written notice to the NVG Parties.

## SECTION 17

### Bulk Sales Law

Buyer and Seller hereby waive compliance with the bulk transfer provisions of the Uniform Commercial Code and all similar laws. Any loss, liability, obligation or cost suffered by Buyer or Sellers as the result of any noncompliance with the provision of any bulk sales law or business successor notification statute applicable to the transfer of the Station Assets shall be borne by Sellers.

## SECTION 18

### Indemnification

18.1 NVG Parties' Indemnities. From and after the Closing Date, the NVG Parties shall indemnify, defend and hold harmless Buyer from and against any and all losses, costs, liabilities, damages and expenses (including reasonable legal fees and other expenses incident thereto) of every kind, nature or description, arising out of (a) the breach of any representation or warranty of any NVG Party set forth in this Agreement or in any Schedule or document delivered by the NVG Parties pursuant hereto; (b) the breach of any covenants or other agreements of any NVG Party contained in or arising out of this Agreement or the transactions contemplated hereby; (c) the conduct of the business and operations of the Station and the Station Assets prior to the Adjustment Time; (d) the assertion of any claim or legal action against Buyer or its affiliates,

shareholders, directors, officers, employees, agents, successors and assigns by any person, entity or governmental authority based upon, arising out of or relating to the ownership or operation of the Station or the Station Assets on or prior to the Adjustment Time; (e) any NVG Entity's failure to perform any liability not assumed by Buyer pursuant hereto; (f) debts, liens, security interests, mortgages, trusts, claims or other liabilities or encumbrances whatsoever on the Station Assets, except for the Permitted Liens; and (g) the Restructuring.

18.2 Buyer's Indemnities. From and after the Closing Date, Buyer shall indemnify, defend and hold harmless the NVG Parties from and against any and all losses, costs, liabilities, damages and expenses (including reasonable legal fees and other expenses incident thereto) of every kind, nature or description, arising out of (a) the breach of any representation or warranty of Buyer set forth in this Agreement or in any Schedule or document delivered by Buyer pursuant hereto; (b) the breach of any of Buyer's covenants or other agreements contained in or arising out of this Agreement or the transactions contemplated hereby; (c) the assertion of any claim or legal action against the NVG Parties or their affiliates, members, shareholders, directors, officers, employees, agents, successors and assigns by any person, entity or governmental authority based upon, arising out of or relating to the ownership or operation of the Station or the Station Assets after the Adjustment Time; (d) the conduct of the business and operations of the Station and the Station Assets after the Adjustment Time; and (e) any liabilities, obligations or commitments of Sellers assumed by Buyer in accordance with the terms of this Agreement.

18.3 Claims.

(a) Notice of Claims. The party seeking indemnification (the "Indemnitee") will provide written notice to the other party or parties (the "Indemnitor") of any claim which it discovers or of which it receives notice after the Closing and which might give rise to a claim by it against Indemnitor under Section 18 hereof, stating the nature, basis and (to the extent known) amount thereof or the Indemnitee's good faith estimate of such amount; provided that failure to give prompt notice shall not jeopardize the right of any Indemnitee to indemnification except to the extent such failure shall have materially prejudiced the ability of the Indemnitor to defend such claim. Subject to the Indemnitor's right to defend in good faith third party claims as hereinafter provided, the Indemnitor shall satisfy its obligations and this Section within thirty (30) days after receipt of written notice thereof from the Indemnitee.

(b) Extension of Claims. The indemnification rights provided in Section 18.1 and 18.2 shall extend to the affiliates, shareholders, directors, officers, employees and representatives of any Indemnitee and their respective successors and assigns although for the purpose of the procedures set forth in this Section 18, any indemnification claims by such parties shall be made by and through the Indemnitee.

(c) Assumption and Defense of Governmental Actions. In case of any claim or suit by a third party or by any governmental body, or any legal, administrative or

arbitration proceeding with respect to which Indemnitor may have liability under the indemnity agreement contained in this Section 18, Indemnitor shall be entitled to participate therein, and, if desired by it, to assume the defense thereof, and after notice from Indemnitor to Indemnitee of the election so to assume the defense thereof, Indemnitor will not be liable to Indemnitee for any legal or other expenses subsequently incurred by Indemnitee in connection with the defense thereof, other than reasonable costs of investigation, unless Indemnitor does not actually assume the defense thereof following notice of such election. Indemnitee and Indemnitor will render to each other such assistance as may reasonably be required of each other in order to insure proper and adequate defense of any such suit, claim or proceeding. If the Indemnitor actually assumes the defense of the Indemnitee, the Indemnitee will not make any settlement of any claim which might give rise to liability of Indemnitor under the indemnity agreements contained in this Section without the written consent of Indemnitor, which consent shall not be unreasonably withheld, and the Indemnitor shall not agree to make any settlement of any claim which would not include the unconditional release of the Indemnitee without the written consent of Indemnitee, which consent shall not be unreasonably withheld.

(d) Assumption of Defense of Third-Party Actions. If the Indemnitee shall notify the Indemnitor of any claim or demand pursuant to Section 18.3(a), and if such claim or demand relates to a claim or demand asserted by a third party against the Indemnitee which the Indemnitor acknowledges is a claim or demand for which it must indemnify or hold harmless the Indemnitee under Sections 18.1 or 18.2, the Indemnitor shall have the right to employ counsel reasonably acceptable to the Indemnitee to defend any such claim or demand asserted against the Indemnitee. The Indemnitee shall have the right to participate in the defense of any such claim or demand at its expense. The Indemnitor shall notify the Indemnitee in writing, as promptly as possible (but in any case before the due date for the answer or response to a claim) after the date of the notice of claim given by the Indemnitee to the Indemnitor under Section 18.3(a) of its election to defend in good faith any such third party claim or demand. Neither Indemnitor nor Indemnitee will settle or compromise any claim or demand without the other party's written consent except that Indemnitor can settle any claim or demand if such claim or demand is only for monetary damages to be paid by the Indemnitor. The Indemnitee shall make available to the Indemnitor or its agents all records and other materials in the Indemnitee's possession reasonably required by it for its use in contesting any third party claim or demand. Whether or not the Indemnitor elects to defend any such claim or demand, the Indemnitee shall have no obligation to do so.

(e) Subrogation. Upon making any indemnification payment, the Indemnitor shall, to the extent of such payment, be subrogated to all rights of the Indemnitee against any third party in respect of the indemnifiable losses to which such payment relates; provided, however, that until the Indemnitee recovers full payment of its indemnifiable losses, any and all claims of the Indemnitor against any such third party on account of such payment are hereby made expressly subordinated in right of payment to the Indemnitee's rights against such third party. Without limiting the generality of any other provision hereof, each such Indemnitee and Indemnitor shall duly execute upon

request all instruments reasonably necessary to evidence and perfect the above-described subrogation and subordination rights.

#### 18.4 Limitations.

(a) Except as specified in the following sentence, no party shall be entitled to indemnification hereunder with respect to the breach of any representation or warranty contained herein unless such claim for indemnification is asserted in writing to the party from whom indemnification is sought within eighteen (18) months after the Closing Date, except to the extent that any claim for indemnification in respect of a breach of any such representation or warranty is made on or before such date, in which case such representation or warranty as to such claim only (but not any others) shall survive until the resolution of such claim. Notwithstanding the preceding sentence, (i) with respect to any claims for payment under Section 2.4, claims brought by any taxing or environmental authority, claims relating to the period prior to the Adjustment Time arising under overtime, wage, hour and other employment laws or because Buyer is deemed to be a successor employer to any NVG Entity, the Indemnitee may claim indemnification therefor from an Indemnitor any time prior to thirty (30) days after the running of the statute of limitations applicable to such claim; and (ii) with respect to claims related to Sellers' title to the Station Assets prior to Closing, the Indemnitee may claim indemnification therefore from an Indemnitor at any time.

(b) Other than with respect to the representations and warranties in the last sentence of Section 8.13(f), Section 8.20 and Section 14.2, which are dealt with in the last sentence of this Section 18.4(b), no monetary amount shall be payable by the NVG Parties, as the Indemnitor, to Buyer, as the Indemnitee, with respect to the indemnification of any claims pursuant to Section 18.1(a) until the aggregate amount of the Indemnitee's losses, costs, liabilities, damages and expenses exceeds Seventy-Five Thousand Dollars (\$75,000.00), after which the Indemnitee shall be entitled to recover, and the Indemnitor shall be obligated for, all losses, costs, liabilities, damages and expenses of the Indemnitee, except the first Seventy-Five Thousand Dollars (\$75,000.00) of such losses or the applicable portion thereof. For the avoidance of doubt, with respect to indemnification of any claims pursuant to Section 18.1(a) related to the last sentence of Section 8.13(f), Section 8.20 and Section 14.2, Indemnitee shall be entitled to recover, and the Indemnitor shall be obligated for, all losses, costs, liabilities, damages and expenses of Indemnitee without regard to whether any threshold has been met.

(c) Other than with respect to the representation and warranty in Section 14.1, which are dealt with in the last sentence of this Section 18.4(c), no monetary amount shall be payable by Buyer, as the Indemnitor, to the NVG Parties, as the Indemnitee, with respect to the indemnification of any claims pursuant to Section 18.2(a) until the aggregate amount of the Indemnitee's losses, costs, liabilities, damages and expenses exceeds Seventy-Five Thousand Dollars (\$75,000.00), after which the Indemnitee shall be entitled to recover, and the Indemnitor shall be obligated for, all losses, costs, liabilities, damages and expenses of the Indemnitee, except the first Seventy-Five Thousand Dollars (\$75,000.00) of such losses or the applicable portion

thereof. For the avoidance of doubt, with respect to indemnification of any claims pursuant to Section 18.2(a) related to Section 14.1, Indemnitee shall be entitled to recover, and the Indemnitor shall be obligated for, all losses, costs, liabilities, damages and expenses of Indemnitee without regard to whether any threshold has been met.

(d) Notwithstanding anything to the contrary in this Agreement, from and after the Closing Date, except for claims involving fraud, the liability of the NVG Entities pursuant to Section 18.1(a) and Section 18.1(b) hereunder shall not exceed Five Million Dollars (\$5,000,000.00). Notwithstanding anything to the contrary in this Agreement, from and after the Closing Date, except for claims involving fraud, the liability of Buyer pursuant to Section 18.2(a) and Section 18.2(b) hereunder shall not exceed Five Million Dollars (\$5,000,000.00).

(e) No officer, director, employee, agent or partner of any NVG Entity or any affiliates thereof (other than the NVG Parties) shall have any personal liability to Buyer, its assigns or any of its affiliates under this Agreement or any document delivered in connection herewith arising from or in connection with its execution of any agreement, certificate or other instrument executed by such officer, director, employee, agent or partner in connection with the transaction contemplated by this Agreement.

(f) No officer, director, employee, agent or partner of Buyer or any affiliates thereof (other than Buyer) shall have any personal liability to any NVG Party, its respective assigns or any of its respective affiliates under this Agreement or any document delivered in connection herewith arising from or in connection with its execution of any agreement, certificate or other instrument executed by such officer, director, employee, agent or partner in connection with the transaction contemplated by this Agreement.

(g) After the Closing, the sole and exclusive remedies of the parties hereto with respect to this Agreement and the transactions contemplated hereby shall be as provided for in this Section 18, except with respect to a claim brought on the basis of fraudulent misconduct and except with respect to covenants that are to be performed after the Closing.

18.5 Offset. Buyer's claims for indemnification pursuant to this Section 18 shall first be paid out of the Indemnity Escrow.

## SECTION 19

### Termination Rights

19.1 Termination. Except with respect to provisions that expressly survive termination, this Agreement may be terminated only as follows:

(a) by either Buyer or the NVG Parties, if not then in material default of any term or provision of this Agreement, upon written notice to the other if, prior to the Closing Date, the other party (i) has made a materially inaccurate representation or

warranty or (ii) defaults in any material respect in the observance or in the due and timely performance of any of their covenants or agreements herein contained and such default shall not be cured within twenty (20) days of the date of notice of default served by the party claiming such material default;

(b) by either Buyer or the NVG Parties, if the FCC has issued an order denying the FCC Consent and such order has become a Final Order;

(c) by either Buyer or the NVG Parties, if not then in material default of any term or provision of this Agreement, subject to the provisions of Sections 11.19, 12.8 and 16 hereof, if on the Closing Date any of the conditions precedent to the obligations of the party electing to terminate shall not have been satisfied in any respect or waived by such party;

(d) by either Buyer or the NVG Parties, if there shall be in effect on the Closing Date any judgment, decree or order that would prevent or make unlawful the Closing of this Agreement; or

(e) by either Buyer or the NVG Parties if the Closing contemplated by this Agreement shall not have been fully completed by July 31, 2005 (the "Termination Date") and the party electing to terminate is not in material default of any term or provision of this Agreement.

## SECTION 20 Other Provisions

20.1 Survival of Representations, Warranties and Covenants. The representations, warranties, covenants, indemnities and agreements contained herein will survive the Closing for the time period set forth in Section 18.4(a) hereof. No investigation by or on behalf of any party hereto shall constitute a waiver as to enforcement of any representation, warranty, covenant or agreement contained herein.

20.2 Remedies. Buyer and the NVG Parties recognize that, in the event Parent and/or Sellers refuse to perform the provisions of this Agreement even though all conditions to its obligation to close have been satisfied or waived, monetary damages alone will not be adequate. Buyer shall therefore be entitled in such event, in addition to any other remedy available to Buyer hereunder, to obtain specific performance of the terms of this Agreement. In any action to enforce the provisions of this Agreement, the NVG Parties waive the defense that there is an adequate remedy at law 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 or post bond or furnish other security. In the event Buyer refuses to perform the provisions of this Agreement even though all conditions to its obligations to close have been satisfied or waived, Buyer and the NVG Parties agree that any recovery by the NVG Parties for such breach shall be limited solely to liquidated damages in the amount of the Deposit (together with interest thereon) paid

to the NVG Parties. The NVG Parties waive the right to any different or further recovery in the event of such a breach by Buyer.

20.3 Benefit and Assignment. This Agreement shall be binding upon and inure to the benefit of and shall be enforceable by Buyer, the NVG Parties and their respective proper successors and assigns. This Agreement may not be assigned by Buyer to another party without the consent of the NVG Parties, which consent will not be unreasonably withheld; provided, however, Buyer may, without the NVG Parties' consent assign this Agreement (in whole or in part) to any entity or entities affiliated with Buyer, that in no event shall any such assignment delay the Closing beyond the date on which it otherwise would have occurred but for such assignment and the representations and warranties of Buyer set forth in Section 7.4 hereof shall be true as to any such assignee. No assignment shall relieve Buyer or the NVG Parties of any of their respective obligations hereunder. With respect to any permitted assignment hereunder, the parties shall reasonably cooperate to take actions necessary to effectuate such assignment, including but not limited to cooperating in any appropriate filings with the FCC or other governmental authorities.

20.4 Entire Agreement. This Agreement and the Exhibits and Schedules, together with any other agreements dated the date of this Agreement, hereto embody the entire agreement and understanding of the parties and supersede any and all prior agreements, arrangements and understandings relating to 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 parties.

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

20.6 Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Georgia (without regard to the choice of law provisions thereof).

20.7 Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed sufficiently given, if mailed, three (3) days after mailing by certified or registered mail, postage prepaid, or when delivered, if given by personal delivery, by telecopier or by reputable overnight courier service, addressed to the following addresses:

To the NVG Parties:

Mr. Jason Elkin  
New Vision Television  
3500 Lenox Road, Suite 640  
Atlanta, GA 30326  
Telecopier: (404) 995-4712

Copy to:

Neil H. Dickson, Esq.  
Lord, Bissell & Brook LLP  
The Proscenium, Suite 1900  
1170 Peachtree Street, NE  
Atlanta, GA 30309  
Telecopier: (404) 872-5547

Perry W. Steiner  
Arlington Capital Partners  
600 New Hampshire Ave, NW  
Suite 660  
Washington, DC 20037  
Telecopier: (202) 337-7525

To Buyer:

Mr. Ivan V. Anderson, Jr.  
Evening Post Publishing Company  
134 Columbus Street  
Charleston, South Carolina 29403-4800  
Telecopier: (843) 937-5786

Copy to:

Stuart A. Sheldon, Esq.  
Dow, Lohnes & Albertson, PLLC  
1200 New Hampshire Ave., N.W.  
Suite 800  
Washington, D.C. 20036-6802  
Telecopier: (202) 776-2222

or such other address as shall be furnished in writing by either party to the other party.

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

**[REST OF PAGE LEFT INTENTIONALLY BLANK. SIGNATURE PAGE  
FOLLOWS.]**

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

PARENT:

NEW VISION GROUP, LLC

By: 

Name: Jason Elkin

Title: Chairman and Chief Executive Officer

SELLERS:

NVG-SANTA BARBARA, INC.

By: 

Name: Jason Elkin

Title: Chairman and Chief Executive Officer

NVG SANTA BARBARA II, INC.

By: 

Name: Jason Elkin

Title: Chairman and Chief Executive Officer

BUYER:

EVENING POST PUBLISHING  
COMPANY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

PARENT:

NEW VISION GROUP, LLC

By: \_\_\_\_\_

Name: Jason Elkin

Title: Chairman and Chief Executive  
Officer

SELLERS:

NVG-SANTA BARBARA, INC.

By: \_\_\_\_\_

Name: Jason Elkin

Title: Chairman and Chief Executive  
Officer

NVG SANTA BARBARA II, INC.

By: \_\_\_\_\_

Name: Jason Elkin

Title: Chairman and Chief Executive  
Officer

BUYER:

EVENING POST PUBLISHING  
COMPANY

By:  \_\_\_\_\_

Name: Ivan V. Anderson, Jr.

Title: President