

EXECUTION COPY

ASSET PURCHASE AGREEMENT

DATED AS OF OCTOBER 29, 2003

BY AND BETWEEN

COLUMBUS TELEVISION, INC.

AND

WCBI-TV, LLC

TABLE OF CONTENTS

	Page
ARTICLE I. DEFINITIONS	1
1.1 Certain Definitions.....	1
1.2 Certain Additional Definitions.	6
ARTICLE II. PURCHASE AND SALE OF ASSETS	8
2.1 Purchase and Sale of Purchased Assets.	8
2.2 Assumption of Liabilities.	11
2.3 Purchase Price.	11
2.4 Working Capital Adjustment.....	11
2.5 Allocation of Purchase Price.	13
2.6 Further Assurances.	13
2.7 Nontransferable Business Contracts and Business Licenses.....	14
ARTICLE III. THE CLOSING	14
3.1 The Closing.	14
3.2 Closing Deliveries of the Seller.....	14
3.3 Closing Deliveries of the Purchaser.....	16
ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF THE SELLER.....	17
4.1 Organization.	17
4.2 Authority.	17
4.3 No Violation; Third Party Consents.	18
4.4 Government Consents.	19
4.5 Tangible Property.	19
4.6 Intellectual Property and Proprietary Rights.	20
4.7 Business Contracts.....	21
4.8 Business Licenses.	22
4.9 Business Employees.	22
4.10 Employee Benefit Plans.	22
4.11 Sufficiency of Purchased Assets.....	23
4.12 Financial Statements.	23
4.13 No Undisclosed Liabilities.	24
4.14 Subsidiaries and Investments; Affiliate Transactions.....	24
4.15 Litigation; Governmental Orders.....	25
4.16 Compliance with Laws.....	25
4.17 Insurance.	25
4.18 Brokers.....	26
4.19 FCC Matters.	26
4.20 Taxes.	27
4.21 Environmental Matters.....	27
4.22 Disclosure.....	28

4.23	Limitations on Representations and Warranties.	28
ARTICLE V. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER		28
5.1	Organization.	28
5.2	Authority.	29
5.3	No Violation.	29
5.4	Governmental Consents.	30
5.5	Brokers.	30
5.6	FCC Matters.	30
5.7	Financial Ability.	30
ARTICLE VI. COVENANTS AND AGREEMENTS.....		31
6.1	Conduct of Business.	31
6.2	Access and Information.	33
6.3	Confidentiality.	34
6.4	Further Actions.	34
6.5	Fulfillment of Conditions by the Seller.	35
6.6	Fulfillment of Conditions by the Purchaser.	36
6.7	Publicity.	36
6.8	Transaction Costs.....	36
6.9	Employees and Employee Benefit Matters.	37
6.10	Interdivisional Agreements.	38
6.11	Retention and Delivery of Seller Records.....	39
6.12	Application for FCC Consent.....	39
6.13	Environmental Work.....	39
6.14	Cash Advance.	42
6.15	Control of Operations Prior to Closing Date.....	43
6.16	Evidence of Financial Ability. Upon Seller's request from time to time prior to the Closing,	44
6.17	Inconsistent Actions.....	44
6.18	Exclusivity.....	44
6.19	Real Estate Matters.	44
ARTICLE VII. CLOSING CONDITIONS.....		45
7.1	Conditions to Obligations of the Purchaser.....	45
7.2	Conditions to Obligations of the Seller.....	47
ARTICLE VIII. TERMINATION.....		47
8.1	Termination.	47
8.2	Effect of Termination.....	49
8.3	Remedies for Termination due to Breach.	49
ARTICLE IX. INDEMNIFICATION		49
9.1	Indemnification by Seller.....	49
9.2	Indemnification by Purchaser.....	50

9.3	Conduct of Proceedings.	50
9.4	Limitations on Indemnification.	51
9.5	Mitigation.	51
9.6	Survival.	51
9.7	Sole Remedy; Time Limitation.	52
ARTICLE X. MISCELLANEOUS		52
10.1	Notices.	52
10.2	Attorneys' Fees and Costs.....	53
10.3	Assignment.....	53
10.4	Amendments and Waiver.	53
10.5	Entire Agreement.....	53
10.6	Representations and Warranties Complete.	54
10.7	Actions Pursuant to the TBA.....	54
10.8	Third Party Beneficiaries.	54
10.9	Governing Law.	55
10.10	Neutral Construction.....	55
10.11	Severability.....	55
10.12	Bulk Sales Laws.	55
10.13	Headings; Interpretation; Schedules and Exhibits.....	55
10.14	WAIVER OF JURY TRIAL.	56
10.15	Counterparts.	56

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of October 29, 2003, by and between Columbus Television, Inc., a Mississippi corporation (the "Seller"), and WCBI-TV, LLC, a Georgia limited liability company (the "Purchaser").

WITNESSETH:

WHEREAS, the Seller is engaged in the business of owning and operating television broadcast station WCBI-TV, licensed to Columbus, Mississippi, which originates a CBS-affiliated analog broadcast (WCBI), a CBS-affiliated digital broadcast (WCBI-DT), a UPN-affiliated digital broadcast (UPN MS), and a "Weather Check" digital broadcast (WCBI-DT3) (the "Station").

WHEREAS, the Purchaser desires to purchase from the Seller, and the Seller desires to sell to the Purchaser, substantially all of the assets of the Seller owned, used or held for use by the Seller primarily to conduct the operations of the Station (the "Business"), and in connection therewith, the Purchaser has agreed to assume certain enumerated liabilities of the Seller relating to the Business, all upon the terms and subject to the conditions set forth herein (such transaction sometimes being referred to herein as the "Asset Purchase").

WHEREAS, the Seller and the Purchaser have entered into that certain Time Brokerage Agreement (sometimes referred to herein as the "TBA") contemporaneously with the execution and delivery of this Agreement.

WHEREAS, the prior consent of the United States Federal Communications Commission (the "FCC") is required to permit the consummation of the Asset Purchase.

WHEREAS, the Seller and the Purchaser desire to make certain representations, warranties, covenants and agreements in connection with the Asset Purchase, all as more fully set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants, promises and agreements hereinafter set forth, the mutual benefits to be gained by the performance of such covenants, promises and agreements, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and accepted, the parties hereto hereby agree as follows:

ARTICLE I. DEFINITIONS

1.1 Certain Definitions. For all purposes of and under this Agreement, the following terms shall have the respective meanings set forth below:

(a) "Action" means any claim, action, suit or proceeding, arbitral action, governmental inquiry, criminal prosecution or other investigation.

(b) “Affiliate” means, with respect to any Person, any other Person which directly or indirectly controls, is controlled by or is under common control with such Person.

(c) “Business Day” means any weekday (Monday through Friday) on which commercial banks in New York, New York are open for business.

(d) “Communications Act” means the Communications Act of 1934, as amended, any successor statute thereto, and all rules, regulations and written policies of the FCC promulgated thereunder.

(e) “Confidentiality Agreement” means the letter agreement between the Seller and the Purchaser, dated as of June 27, 2003.

(f) “Contract” means any legally binding contract, agreement, indenture, note, bond, instrument, lease, conditional sales contract, mortgage, license, franchise agreement, concession agreement, insurance policy, security interest, guaranty, binding commitment or other agreement or arrangement, whether written or oral.

(g) “Encumbrance” means any security interest, pledge, mortgage, lien, charge which may give rise to a lien, adverse claim of ownership or use, restriction on transfer, defect of title, or other encumbrance of any kind or character affecting or relating to title.

(h) “Environmental Law” means collectively, all applicable U.S. federal, state or local laws, statutes, ordinances, rules, regulations, codes or common law relating to or concerning public health and safety, worker health and safety, and pollution or protection of the environment, including all those relating to the presence, use, production, generation, handling, transport, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, or cleanup of any hazardous or otherwise regulated materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise or electromagnetic radiation, as in effect as of the date hereof.

(i) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended, any successor statute thereto, and the rules and regulations promulgated thereunder.

(j) “Final Order” means a written action or order issued by the FCC, which has not been reversed, stayed, enjoined, set aside, annulled or suspended, and with respect to which 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 of any such requests for administrative or judicial review, reconsideration, appeal or stay or for the FCC to set aside or reconsider the action on its own motion have expired.

(k) “GAAP” means generally accepted accounting principles in the United States.

(l) “Governmental Authority” means any government, any governmental entity, department, commission, board, agency or instrumentality, and any court, tribunal, or judicial body, in each case whether federal, state, county, provincial, local or foreign.

(m) “Governmental Order” means any statute, rule, regulation, order, judgment, injunction, decree, stipulation or determination issued, promulgated or entered by or with any Governmental Authority of competent jurisdiction.

(n) “Income Tax” means any federal, state, county, provincial, local or foreign income, franchise tax imposed in lieu of net income taxes, business profits or other similar tax, any withholding or estimated tax measured by, or determined with reference to, net income, and any interest and penalties (civil or criminal) thereon or additions thereto.

(o) “Income Tax Return” means a report, return or other information required to be delivered to a Governmental Authority with respect to any Income Tax.

(p) “Intellectual Property” means any (i) United States and foreign patents, patent applications, patent disclosures and improvements thereto, (ii) United States and foreign trademarks, service marks, trade dress, logos, trade names and corporate names, the goodwill associated therewith, and the registrations and applications for registration thereof, and (iii) United States and foreign copyrights, and the registrations and applications for registration thereof.

(q) “Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, any successor statute thereto, and the rules and regulations promulgated thereunder.

(r) “IRS” means the United States Internal Revenue Service, and any successor agency thereto.

(s) “Knowledge of the Seller,” “Known to the Seller” and phrases of similar import mean, with respect to any matter in question relating to the Business or the Seller, if Frank Imes, Doris Bruington (the Station’s accounting officer or manager), James Savage (the Station’s chief engineer), or Jerry Jones (the General Manager of the Station) has actual knowledge of such matter without obligation of inquiry beyond such inquiry as was undertaken by such individuals in connection with the their review of this Agreement and preparation of the Schedules hereto.

(t) “Law” means any federal, state, county, provincial, local or foreign statute, law, ordinance, regulation, rule, code or rule of common law.

(u) “Liability” means any direct or indirect debt, obligation or liability of any kind or nature, whether accrued or fixed, absolute or contingent,

determined or determinable, matured or unmatured, and whether due or to become due, asserted or unasserted, or known or unknown.

(v) “License” means any franchise, approval, permit, order, authorization, consent, license, registration or filing, certificate, variance and any other similar right obtained from or filed with any Governmental Authority.

(w) “Material Adverse Effect” means any change or effect that is materially adverse to the assets, properties, operations, business, financial condition and/or results of operations of the Business, taken as a whole, except for any such changes or effects resulting directly or indirectly from (i) the transactions contemplated by this Agreement, (ii) the announcement or other disclosure of the transactions contemplated by this Agreement, (iii) regulatory changes, or (iv) changes in conditions generally applicable to the television broadcasting industry, or in general economic conditions in the geographic region in which the Business is conducted.

(x) “Permitted Encumbrances” means (i) Encumbrances for inchoate mechanics’ and materialmen’s liens for construction in progress and inchoate workmen’s, repairmen’s, warehousemen’s and carriers’ liens arising in the ordinary course of the business, none of which have been perfected of record, (ii) Encumbrances for Taxes and other Liabilities not yet due and payable, and for Taxes and other Liabilities being contested in good faith for which there is, to the extent appropriate under the generally accepted accounting principles, a reserve established on the Interim Balance Sheet, (iii) Encumbrances arising out of, under or in connection with this Agreement, (iv) Encumbrances reflected on the Interim Balance Sheet, (v) solely with respect to Owned Real Property, provided that the following are not violated by existing improvements in any material respect and do not prohibit or materially restrict the continued use and operation of such Owned Real Property by Purchaser for the same uses and operations as currently conducted, or grant any third party any option or right to acquire or lease a material portion thereof, (A) easements, rights of way and other similar restrictions existing of record on the date hereof, (B) conditions that may be shown by a current survey, title report or physical inspection, and (C) zoning, building and other similar restrictions imposed by applicable Law.

(y) “Person” means any individual, general or limited partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity.

(z) “Program License Agreements” means any Business Contract granting rights to broadcast film or other products, programs or programming on the Station.

(aa) “Proprietary Rights” means any Intellectual Property and all of the following items owned by, issued to or licensed to, the Seller, along with all income, royalties, damages and payments due or payable at the TBA Commencement Date or thereafter, including damages and payments for past, present or future infringements or misappropriations thereof, the right to sue and recover for past infringements or

misappropriations thereof and any and all corresponding rights that, now or hereafter, may be secured throughout the world: patents, patent applications, patent disclosures and inventions (whether or not patentable and whether or not reduced to practice) and any reissue, continuation, continuation-in-part, division, revision, extension or reexamination thereof; trademarks, service marks, trade dress, logos, trade names and corporate names (including but not limited to the names or marks “WCBI”, “UPN MS” and “WeatherCheck”) together with all goodwill associated therewith, copyrights registered or unregistered and copyrightable works; mask works; and all registrations, applications and renewals for any of the foregoing; trade secrets and confidential information (including ideas, formulae, compositions, know-how, manufacturing and production processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, technical data, financial, business and marketing plans, and customer and supplier lists and related information); computer software and software systems (including data, databases and related documentation); other proprietary rights; licenses or other agreements to or from third parties regarding the foregoing; and all copies and tangible embodiments of the foregoing (in whatever form or medium); provided, however, that Purchaser acknowledges that Seller’s rights in the names “WCBI,” “UPN MS” and “WeatherCheck” are limited to and any common law trade name, trademark and service mark rights with respect to such names that may have arisen in Seller’s favor as the result of Seller’s use of such names in commerce, and in the case of “WCBI” the right to such call letters as currently authorized by the FCC.

(bb) “Purchaser Documents” means, collectively, the (i) Bill of Sale, (ii) Assignment and Assumption, (iii) Assignment of Proprietary Rights, and (iv) Assignment of Station Licenses.

(cc) “Seller Documents” means, collectively, the (i) Warranty Deeds, (ii) Bill of Sale, (iii) the Assignment and Assumption, (iv) Assignment of Proprietary Rights, and (v) Assignment of Station Licenses.

(dd) “Station” means television station WCBI-TV, Columbus, Mississippi.

(ee) “Subsidiary” means (unless otherwise indicated), with respect to a Person, any other Person in which such Person has a direct or indirect equity or other ownership interest in excess of fifty percent (50%).

(ff) “Tax” means any federal, state, county, provincial, local or foreign income, gross receipts, sales, use, ad valorem, employment, severance, transfer, gains, profits, excise, franchise, property, capital stock, premium, minimum and alternative minimum or other taxes, fees, levies, duties, assessments or charges of any kind or nature whatsoever imposed by any Governmental Authority (whether payable directly or by withholding), together with any interest, penalties (civil or criminal), additions to, or additional amounts imposed by, any Governmental Authority with respect thereto; provided, however, that Income Taxes, estate, inheritance and/or gift taxes and related penalties, fines, interest, additions to, or additional amounts imposed by, any Governmental Authority are excluded from this definition.

(gg) “Tax Return” means a report, return or other information required to be delivered to a Governmental Authority with respect to any Tax.

(hh) “TBA Commencement Date” means the TBA Commencement Date of the TBA as defined in Section 1.4 of the TBA.

(ii) “Trade Agreements” means any Business Contract for the sale of advertising time on the Station in exchange for goods or services (i.e., not cash) other than Program License Agreements.

1.2 Certain Additional Definitions. For all purposes of and under this Agreement, the following terms shall have the respective meanings ascribed thereto in the respective Sections of this Agreement set forth opposite each such term below:

<u>Term</u>	<u>Section</u>
Agreement	Preamble
Asset Purchase	Recitals
Assignment and Assumption	3.2(a)
Assignment Applications	6.12
Assignment of Proprietary Rights	3.2(a)
Assignment Opposition	7.1(f)
Assumed Liabilities	2.2(a)
Assumed Plans	6.9(f)
Barter Program Contract	6.1(b)(xi)
Benefit Plan(s)	4.10(a)
Bill of Sale	3.2(a)
Business	Recitals
Business Contract(s)	2.1(b)
Business Employee(s)	4.9
Business Insurance Policies	4.17(a)
Business License(s)	2.1(b)
Cash Advance	6.14
Cash Payment	2.3
CBS Assumption Agreement	3.3(e)
Closing	3.1
Closing Date	3.1
Closing Representations and Warranties	Article IV
Consultant	6.13(a)
Current Assets	2.4
Current Liabilities	2.4
Environmental Auditor	6.13(e)
Environmental Work	6.13(c)
Escrow Agent	6.14
Escrow Agreement	6.14
Estimated Statement of Working Capital	2.4(b)

<u>Term</u>	<u>Section</u>
Excludable Contract	6.1(b)(xiv)
Excluded Assets	2.1(c)
Excluded Liabilities	2.2(b)
FCC	Recitals
Final Statement of Working Capital	2.4(c)
Financial Statements	4.12(a)
Indemnitor	9.3
Indemnification Threshold Amount	9.4
Independent Accountant	2.4(d)
Insider	4.14
Interim Balance Sheet	4.12
Latest Balance Sheet	4.12(a)
Latest Balance Sheet Date	4.12(a)
Latest Interim Balance Sheet	4.12
Leased Assets	4.5(a)
Leased Real Property	4.5(a)
Leased Tangible Property	4.5
Loss	9.1
Material Business Contract(s)	4.7(a)
Material Business License(s)	4.8
Notice of Disagreement	2.4(d)
Operating Expenses	TBA
Owned Real Property	4.5(a)
Owned Tangible Property	4.5
Phase II Inspection	6.13(b)
Proceeding	9.3
Purchase Price	2.3(a)
Purchased Assets	2.1(b)
Purchaser	Preamble
Purchaser 125 Plan	6.9(e)
Purchaser Indemnified Party	9.1
Seller	Preamble
Seller Formation Document	4.1
Seller Governing Document	4.1
Seller Indemnified Party	9.2
Short Term Agreement	4.7(a)
Station	Recitals
Station Licenses	2.1(b)
TBA	Recitals
TBA Working Capital	2.4(b)
Title Insurer	6.19
Transactions	6.3
Transferred Employees	6.9(a)

<u>Term</u>	<u>Section</u>
Warranty Deeds	3.2(a)
Working Capital	2.4(a)

ARTICLE II. PURCHASE AND SALE OF ASSETS

2.1 Purchase and Sale of Purchased Assets.

(a) Purchase and Sale. Upon the terms and subject to the conditions set forth herein, at the Closing, the Purchaser shall purchase from the Seller, and the Seller shall irrevocably sell, convey, transfer, assign and deliver to the Purchaser, free and clear of all Encumbrances other than Permitted Encumbrances and those Encumbrances set forth in Schedule 4.5(b) hereto, all right, title and interest in and to the Purchased Assets (as defined below).

(b) Definition of Purchased Assets. For all purposes of and under this Agreement, the term “Purchased Assets” shall mean, refer to and include all tangible and intangible assets, properties and rights which are owned, leased, used or held for use by the Seller primarily to conduct the operations of the Business, including, without limitation, all real property (including, without limitation, the Owned Real Property set forth in Schedule 4.5(a) hereto), and any leaseholds and sub-leaseholds therein (including, without limitation, leases for the Leased Real Property set forth in Schedule 4.5(a) hereto), buildings, towers, antennae, structures, improvements, fixtures, furnishings and other fittings thereon and additions, replacements and alterations thereto, and easements, rights-of-way, and other appurtenances thereto, all tangible personal property (whether or not located on the Seller’s premises and including, without limitation, the tangible personal property set forth in Schedule 4.5(a) hereto) including all machinery, equipment and tools, furniture and furnishings, computers and computer supplies, office materials and supplies, automobiles, trucks and other vehicles, cameras, transmitters, antennas, spare parts, inventories of any kind or nature, office materials and supplies, manufactured and purchased goods, all accounts, notes and other receivables, all prepaid assets and expenses, and all books, records, employment records (except to the extent prohibited by law or regulation), production records, filings with the FCC, ledgers, files, documents, correspondence, customer, supplier, advertiser, circulation and other lists, invoices and sales data, creative, advertising and other promotional materials, studies, reports, and other printed or written materials or data, and specifically including, without limitation, the following:

(i) Proprietary Rights (including, without limitation, the Intellectual Property set forth in Schedule 4.6(a) hereto), goodwill associated therewith, licenses and sublicenses granted and obtained with respect thereto, rights thereunder, remedies against infringements thereof, and rights to protection of interests therein under the applicable Laws of all jurisdictions;

(ii) Subject to any limitations on Purchaser's obligation to assume Liabilities of the Seller as set forth below in Item 2.2, Contracts to which the Seller is a party or by which its assets or properties are bound (each, a "Business Contract" and, collectively, "Business Contracts") (including, without limitation, the Material Business Contracts set forth in Schedule 4.7(a) hereto), to the extent transferable by the Seller to the Purchaser, and all rights thereunder;

(iii) Licenses owned or possessed by the Seller used or necessary for the lawful conduct of the Business other than the Station Licenses (each, a "Business License" and, collectively, "Business Licenses") (including, without limitation, the Material Business Licenses), to the extent transferable by the Seller to the Purchaser, and all rights thereunder;

(iv) any and all assets associated with or allocated to Business Employees other than as set forth in Section 2.1(c);

(v) any and all refunds of Taxes relating primarily to the Business;

(vi) Actions, deposits, prepayments, refunds, causes of action, choses in action, rights of recovery, rights of set off, and rights of recoupment of any kind or nature (including, without limitation, any such item relating to Taxes) relating to the Purchased Assets or the Assumed Liabilities;

(vii) all licenses, permits, permissions and other authorizations issued by the FCC and other governmental agencies for the operation of the Station, including, but not limited to those listed on Schedule 4.19 hereto, and Seller's rights in and to the call letters WCBI-TV (the "Station Licenses");

(viii) all rights of Seller relating to or arising out of or under express or implied warranties from suppliers with respect to the assets and properties being transferred to Purchaser;

(ix) all prepaid expenses, accounts receivable, advances and deposits which relate to the business and operation of the Station, including prepaid film and programming expenses (it being understood that the Purchase Price, as adjusted pursuant to Section 2.4, includes payment for the contracts and commitments of Seller relating to film and programming and that no further payment to Seller or proration shall be due in respect thereof) and all barter receivables arising in connection with Trade Agreements now existing or hereafter entered into in the ordinary course of business to the extent permitted by Section 6.1 hereof; and

(x) those other assets, properties and rights described on Schedule 4.5(a) annexed hereto and made a part hereof.

(c) Definition of Excluded Assets. The parties expressly acknowledge and agree that only the following assets (the "Excluded Assets") shall be excluded from the Purchased Assets:

(i) the Seller Formation Document, the Seller Governing Document, qualifications to transact business as a foreign corporation, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, minute books, stock transfer books, blank stock certificates, and other documents relating to the organization, maintenance, and existence of the Seller as a corporation;

(ii) all assets, whether real or personal, tangible or intangible, which are owned, used or held for use by the Seller primarily to conduct any business operation or activity other than the Business;

(iii) Business Contracts that by their terms are nontransferable;

(iv) Business Licenses that by their terms are nontransferable;

(v) except as set forth in Section 6.9, rights in or to all Benefit Plans, and all assets associated with or allocated to employees of the Seller other than Business Employees thereunder;

(vi) all cash and cash equivalents of Seller;

(vii) any and all refunds of Income Taxes of the Seller;

(viii) Actions, deposits, prepayments, refunds, causes of action, choses in action, rights of recovery, rights of set off, and rights of recoupment of any kind or nature (including any refunds of Income Taxes that relate to the sale of the Purchased Assets) relating to the Excluded Assets or the Excluded Liabilities;

(ix) refunds paid or payable in connection with the cancellation or discontinuance of any insurance policies applicable to the Business (including, without limitation, the Business Insurance Policies set forth in Schedule 4.17 hereto) following the Closing;

(x) all rights of the Seller under this Agreement, the TBA or any agreement, certificate, instrument or other document executed and delivered by the Seller in connection with the transactions contemplated hereby, or any side agreement between the Seller and the Purchaser entered into on or after the date of this Agreement;

(xi) the limited partnership interest held by Seller in KDBC-TV Limited Partnership, a Washington DC limited partnership;

(xii) those assets identified on Schedule 2.1(c) hereto; and

(xiii) any property that would otherwise meet the definition of "Purchased Assets," but that was disposed of by the Seller or the Purchaser between the date hereof and the Closing Date in accordance with the terms of this Agreement and the TBA.

2.2 Assumption of Liabilities.

(a) Assumption of Liabilities. Upon the terms and subject to the conditions set forth herein, at the Closing the Purchaser shall assume from the Seller (and therefore pay, perform and discharge), and the Seller shall irrevocably convey, transfer and assign to the Purchaser, all of the Liabilities and obligations of Seller relating to the Business, whether known or unknown, fixed or contingent, other than the Excluded Liabilities (the “Assumed Liabilities”).

(b) Excluded Liabilities. The parties expressly acknowledge and agree that the following Liabilities and obligations (the “Excluded Liabilities”) shall be excluded from the Assumed Liabilities (unless, in each case, such liability arises as the result of Purchaser’s action or failure to perform as required by the TBA):

- (i) obligations of the Seller and its Affiliates for borrowed money;
- (ii) Liabilities of the Seller under any Benefit Plan;
- (iii) Liabilities relating to the Excluded Assets;
- (iv) Liabilities for Income Taxes of the Seller;
- (v) Liabilities of the Seller in respect of transaction costs payable by the Seller pursuant to Section 6.8 hereof;
- (vi) With respect to Liabilities arising from events occurring before the Interim Balance Sheet Date, those Liabilities which are Known to Seller as of the date of this Agreement but are not shown or reserved for on the Interim Balance Sheet or shown on Schedule 4.13 hereto;
- (vii) With respect to Liabilities arising from events occurring after the Interim Balance Sheet Date, except to the extent that they arise as a result of the acts or omissions of Purchaser, Liabilities that either (a) do not arise in the ordinary course of business or as expressly permitted or contemplated in this Agreement or the TBA or (b) result or arise as a result of the breach by Seller of its covenants, representations or warranties in this Agreement or of its agreements set forth in the Time Brokerage Agreement.

2.3 Purchase Price. Upon the terms and subject to the conditions contained herein, as consideration for the Purchased Assets, Purchaser will pay to Seller at the Closing, by intra-bank transfer or wire transfer of immediately available funds to an account designated by Seller in writing, Twenty Million Dollars (\$20,000,000) subject to the adjustments described in Section 2.4 and less the credit described in Section 6.14(a) (as so adjusted, the “Cash Payment”).

2.4 Working Capital Adjustment.

(a) For all purposes of and under this Agreement, the term “Working Capital” shall mean (i) the value of the Seller’s “Current Assets” (defined below) included within the Purchased Assets, minus (ii) the value of the Seller’s “Current Liabilities” (defined below) included within the Assumed Liabilities (liabilities owed to Seller’s affiliates, officers or shareholders are excluded), each calculated as of the TBA Commencement Date in accordance with GAAP applied in a manner consistent with the preparation of the Financial Statements. “Current Assets” shall mean and include accounts receivable, other receivables (but excluding related party receivables), broadcast rights – current, and prepaid expenses. “Current Liabilities” shall mean and include accounts payable, broadcast rights payable – current, accrued liabilities, and deferred revenue, but shall not include amounts due with respect to borrowed money. An example calculation of Working Capital as of September 30, 2003 is attached hereto as Schedule 2.4(a), and the calculations of Working Capital to be made under this Agreement shall be made on the same basis.

(b) At least five (5) Business Days prior to the TBA Commencement Date, the Seller shall cause to be prepared and delivered to the Purchaser a statement (the “Estimated Statement of Working Capital”) setting forth the Working Capital as of the TBA Commencement Date (“TBA Working Capital”), as estimated by the Seller in good faith, based upon the books and records of the Seller in accordance with past practice and consistent with the preparation of the financial statements listed in Section 4.12 below, and without giving effect to the assignments made on the TBA Commencement Date pursuant to the TBA. In the event that the Estimated Statement of Working Capital reflects positive TBA Working Capital, the Cash Payment to be paid by the Purchaser to the Seller at the Closing pursuant to Section 2.3 and Section 3.3(a) hereof shall be increased, on a dollar for dollar basis, in an amount equal to any positive TBA Working Capital reflected in the Estimated Statement of Working Capital. In the event that the Estimated Statement of Working Capital reflects negative TBA Working Capital, the Cash Payment to be paid by the Purchaser to the Seller at the Closing pursuant to Section 2.3 and Section 3.3(a) hereof shall be decreased, on a dollar for dollar basis, in an amount equal to any negative TBA Working Capital reflected in the Estimated Statement of Working Capital.

(c) As promptly as practicable, but in any event within sixty (60) calendar days following the Closing, the Seller shall cause to be prepared and delivered to the Purchaser a statement (the “Final Statement of Working Capital”) setting forth the TBA Working Capital. The Final Statement of Working Capital shall be prepared using the same methodology as used to prepare the Estimated Statement of Working Capital. Subject to Section 2.4(d), within thirty (30) calendar days following delivery of the Final Statement of Working Capital pursuant to this Section 2.4(c), (i) the Seller shall pay to the Purchaser the amount by which the TBA Working Capital reflected in the Estimated Statement of Working Capital exceeds the TBA Working Capital reflected in the Final Statement of Working Capital, if any, or (ii) the Purchaser shall pay to the Seller the amount by which the TBA Working Capital reflected in the Final Statement of Working Capital exceeds the TBA Working Capital reflected in the Estimated Statement of Working Capital, if any. Any and all payments made pursuant to this Section 2.4(c) shall be made by wire transfer of immediately available funds to an account designated

in writing by the party to receive such payment. Any payment made pursuant to this Section 2.3(c) shall be deemed to be an adjustment to the Purchase Price.

(d) If the Purchaser disagrees in good faith with the Final Statement of Working Capital, then the Purchaser shall notify the Seller in writing (the “Notice of Disagreement”) of such disagreement within thirty (30) calendar days following delivery of the Final Statement of Working Capital. The Notice of Disagreement shall set forth in reasonable detail the basis for the disagreement described therein. Thereafter, the Seller and the Purchaser shall attempt in good faith to resolve and finally determine the amount of the TBA Working Capital. If the Seller and the Purchaser are unable to resolve the disagreement within thirty (30) calendar days following delivery of the Notice of Disagreement, then the Seller and the Purchaser shall select a mutually acceptable, nationally recognized independent accounting firm that does not then have a relationship with the Seller or the Purchaser, or either of their respective Affiliates (the “Independent Accountant”), to resolve the disagreement and make a determination with respect thereto. Such determination will be made, and written notice thereof given to the Seller and the Purchaser, within thirty (30) calendar days after such selection. The determination by the Independent Accountant shall be final, binding and conclusive upon the Seller and the Purchaser. The scope of the Independent Accountant’s engagement (which will not be an audit) shall be limited to the resolution of the disputed items described in the Notice of Disagreement, and the recalculation, if any, of the Final Statement of Working Capital in light of such resolution. If an Independent Accountant is engaged pursuant to this Section 2.4(d), the fees and expenses of the Independent Accountant shall be borne equally by the Seller and the Purchaser. Within ten (10) calendar days after delivery of a notice of determination by the Independent Accountant as described above, any payment required by Section 2.4(c) shall be made, based on such determination.

2.5 Allocation of Purchase Price. The Purchase Price and the amount of the Assumed Liabilities that are deemed assumed for United States federal income tax purposes shall be allocated among the Purchased Assets for Tax purposes in the manner set forth in Schedule 2.5 hereto, which allocation will be consistent with Section 1060 of the Internal Revenue Code. The Purchaser and the Seller (i) shall execute and file all Tax Returns and Income Tax Returns and prepare all returns and other instruments in a manner consistent with the allocation determined pursuant to this Section 2.5, and (ii) shall cooperate with each other in a timely filing, consistent with such allocation, of Form 8594 with the IRS; provided, however, that nothing contained herein shall prevent Purchaser or Seller from settling any proposed deficiency or adjustment by any taxing authority based upon or arising out of the allocation that is made pursuant to this Section 2.5, and neither Purchaser nor Seller shall be required to litigate before any court, any proposed deficiency or adjustment by any taxing authority challenging such allocation.

2.6 Further Assurances. At and after the Closing, and without further consideration therefor, (i) the Seller shall execute and deliver to the Purchaser such further instruments and certificates of conveyance and transfer as the Purchaser may reasonably request in order to more effectively convey and transfer the Purchased Assets to the Purchaser and to put the Purchaser in operational control of the Business, or for

aiding, assisting, collecting and reducing to possession any of the Purchased Assets and exercising rights with respect thereto, and (ii) the Purchaser shall execute and deliver to the Seller such further instruments and certificates of assumption, novation and release as the Seller may reasonably request in order to effectively make the Purchaser responsible for all Assumed Liabilities and release the Seller therefrom to the fullest extent permitted under applicable Law.

2.7 Nontransferable Business Contracts and Business Licenses. To the extent that transfer or assignment hereunder by the Seller to the Purchaser of any Business Contract or Business License is not permitted or is not permitted without the consent of another Person, this Agreement shall not be deemed to constitute an undertaking to assign the same if such consent is not given or if such an undertaking otherwise would constitute a breach thereof or cause a loss of benefits thereunder. The Seller shall use all commercially reasonable efforts to obtain any and all such third party consents under all Material Business Contracts and Material Business Licenses; provided, however, that the Seller shall not be required to pay or incur any cost or expense to obtain any third party consent that the Seller is not otherwise required to pay or incur in accordance with the terms of the applicable Material Business Contract or Material Business License. If any such third party consent is not obtained before the Closing, the Seller shall cooperate with the Purchaser in any reasonable arrangement designed to provide to the Purchaser after the Closing the benefits under the applicable Business Contract or Business License; provided, however, that this Section 2.7 shall not supersede or obviate Section 7.1 below.

ARTICLE III. THE CLOSING

3.1 The Closing. The consummation of the Asset Purchase shall take place at a closing (the “Closing”) to be held at 10:00 a.m., Columbus, Mississippi time, on a date to be designated by the Seller and the Purchaser, which date shall be no later than the fifth (5th) Business Day after satisfaction and fulfillment or, if permissible pursuant to the terms hereof, waiver of the conditions set forth in Article VII hereof (the “Closing Date”), at the Station in Columbus, Mississippi, unless another time, date or place is mutually agreed upon in writing by the Seller and the Purchaser; provided, however, that the parties agree to exercise commercially reasonable efforts to close remotely through the parties’ respective counsel.

3.2 Closing Deliveries of the Seller. At the Closing, the Seller shall deliver, or cause to be delivered, to the Purchaser the following instruments, certificates and other documents, dated as of the Closing Date and executed on behalf of the Seller by a duly authorized officer thereof, in order to effect the transfer of the Purchased Assets to the Purchaser pursuant to Section 2.1 hereof:

(a) Instruments of Transfer and Assignment.

(i) A special warranty deed or deeds, as the case may be, in substantially the form attached hereto as Exhibit A1 (the “Warranty Deeds”), conveying

fee simple title to all of the Owned Real Property, and a leasehold warranty deed or deeds, as the case may be, in substantially the form attached hereto as Exhibit A2 (the “Leasehold Deeds”), conveying the leasehold interest to the Leased Real Property described in item 2(a) of Schedule 4.5(a).

(ii) a Bill of Sale substantially in the form attached hereto as Exhibit B (the “Bill of Sale”);

(iii) an Instrument of Assignment and Assumption substantially in the form attached hereto as Exhibit C (the “Assignment and Assumption”);

(iv) an Assignment of Proprietary Rights substantially in the form attached hereto as Exhibit D (the “Assignment of Proprietary Rights”);

(v) an Assignment of Station Licenses substantially in the form attached hereto as Exhibit E (the “Assignment of Station Licenses”);

(vi) copies of all instruments, certificates, documents and other filings (if applicable) necessary to release the Purchased Assets from all Encumbrances other than Permitted Encumbrances and those Encumbrances set forth in Schedule 4.5(b) hereto, all in a form reasonably satisfactory to counsel for the Purchaser;

(vii) legal opinions of Seller’s FCC and transaction counsel in forms reasonably agreed to by Seller and Purchaser within thirty (30) days of the date hereof;

(viii) copies of all requisite Licenses, waivers, consents, approvals, authorizations, qualifications and other orders of any Governmental Authorities with competent jurisdiction over the transactions contemplated hereby, and all requisite consents, approvals or waivers from third parties, which are necessary to effect the valid transfer and assignment of the Purchased Assets to the Purchaser pursuant to this Agreement and to otherwise consummate the transactions contemplated hereby; and

(ix) all other instruments and certificates of conveyance and transfer as the Purchaser may reasonably request in order to more effectively convey and transfer the Purchased Assets to the Purchaser and to put the Purchaser in operational control of the Business, or for aiding, assisting, collecting and reducing to possession any of the Purchased Assets and exercising rights with respect thereto, as well as such customary instruments and affidavits as Purchaser’s title insurance agent may reasonably request in order to issue title insurance policies described in Section 6.19.

(b) Closing Certificates.

(i) An officer’s certificate substantially in the form attached hereto as Exhibit G;

(ii) a secretary's certificate substantially in the form attached hereto as Exhibit H; and

(iii) a certificate of the Seller certifying as to its non-foreign status which complies with the requirements of Section 1445 of the Internal Revenue Code in the form attached hereto as Exhibit I.

(c) Non-competition Agreement. At the Closing, Seller and certain related individuals shall execute and deliver a non-competition agreement in the form attached hereto as Exhibit J.

3.3 Closing Deliveries of the Purchaser. At the Closing, the Purchaser shall deliver, or cause to be delivered, to the Seller the following instruments, certificates and other documents, dated as of the Closing Date and executed or acknowledged (as applicable) on behalf of the Purchaser by a duly authorized officer thereof, in order to pay for the Purchased Assets and effect the assumption of all Assumed Liabilities from the Seller pursuant to Section 2.2 hereof:

(a) Cash Payment. An amount in cash equal to the Cash Payment, payable by wire transfer of immediately available funds to an account designated in writing by the Seller at least two (2) Business Days prior to the Closing Date.

(b) Instruments of Assumption.

(i) The Bill of Sale;

(ii) the Assignment and Assumption;

(iii) the Assignment of Proprietary Rights;

(iv) the Assignment of Station Licenses; and

(v) all other instruments and certificates of assumption, novation and release as the Seller may reasonably request in order to effectively make the Purchaser responsible for all Assumed Liabilities and release the Seller therefrom to the fullest extent permitted under applicable Law .

(c) The legal opinion of Purchaser's counsel in a form reasonably agreed to by Seller and Purchaser within thirty (30) days of the date hereof.

(d) Closing Certificates.

(i) An officer's certificate substantially in the form attached hereto as Exhibit L; and

(ii) a secretary's certificate substantially in the form attached hereto as Exhibit M.

(e) CBS Assumption Agreement. A written agreement and undertaking of Purchaser, in a form contemplated by the CBS affiliation agreement, as amended, as the same currently exists, reasonably acceptable to CBS, the Purchaser, and the Seller and in favor of CBS, that on and after the Closing Date, the Purchaser will unconditionally assume and perform all obligations of Seller under and on the same terms and conditions as now contained in the CBS affiliation agreement, as amended, as the same currently exists (such agreement and undertaking, the "CBS Assumption Agreement").

ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF THE SELLER

As a material inducement to the Purchaser to enter into this Agreement and the TBA, and subject to Sections 9.4 and 10.7, the Seller hereby makes the representations and warranties set forth in this Article IV as of the date of this Agreement and as of the TBA Commencement Date, and Seller further agrees that, if the Closing occurs, then at the time of the Closing the representations and warranties set forth in Sections 4.1, 4.2, 4.3, 4.4, 4.5(b), 4.5(c), 4.6(d), 4.15, 4.16, 4.19, and 4.20(a) (hereinafter, the "Closing Representations and Warranties") will be deemed to be remade by the Seller as of the time of the Closing.

4.1 Organization. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Mississippi, and has all requisite corporate power and authority to own, operate or lease the assets and properties now owned, operated or leased by it, and to conduct the Business as presently conducted by the Seller. The Seller is duly authorized, qualified or licensed to do business as a foreign corporation, and is in good standing, under the Laws of each state or other jurisdiction in which the character of its properties owned, operated or leased, or the nature of its activities, makes such qualification necessary, except in those states and jurisdictions where the failure to be so qualified or in good standing would not reasonably be expected, as of the date hereof, to have a Material Adverse Effect. True and complete copies of the Articles of Incorporation (the "Seller Formation Document") and the ByLaws (the "Seller Governing Document") of the Seller, each as amended and in effect as of the date of this Agreement, have been made available to the Purchaser and its agents and representatives.

4.2 Authority. The Seller has all requisite corporate power and authority to enter into this Agreement and the Seller Documents, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution and delivery by the Seller of this Agreement and the Seller Documents, the performance by the Seller of its obligations hereunder and thereunder, and the consummation by the Seller of the transactions contemplated hereby and thereby, have been duly authorized by all necessary corporate action on the part of the Seller. This Agreement has been duly executed and delivered by the Seller and, assuming the due authorization, execution and delivery of this Agreement by the Purchaser, this Agreement constitutes a legally valid and binding obligation of the Seller, enforceable against the Seller in accordance with its terms, except as such

enforceability may be limited by principles of public policy, and subject to (i) the effect of any applicable Laws of general application relating to bankruptcy, reorganization, insolvency, moratorium or similar Laws affecting creditors' rights and relief of debtors generally, and (ii) the effect of rules of law and general principles of equity, including, without limitation, rules of law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law). Upon the execution and delivery of the Seller Documents by the Seller at the Closing and, assuming the due authorization, execution and delivery of the Assignment and Assumption by the Purchaser, each of the Seller Documents will constitute a legally valid and binding obligation of the Seller, enforceable against the Seller in accordance with its respective terms, except as such enforceability may be limited by principles of public policy, and subject to (i) the effect of any applicable Laws of general application relating to bankruptcy, reorganization, insolvency, moratorium or similar Laws affecting creditors' rights and relief of debtors generally, and (ii) the effect of rules of law and general principles of equity, including, without limitation, rules of law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.3 No Violation; Third Party Consents. Assuming that all consents, waivers, approvals, orders and authorizations set forth in Schedule 4.4 hereto have been obtained and all registrations, qualifications, designations, declarations or filings with any Governmental Authorities set forth in Schedule 4.4 hereto have been made, and except as set forth in Schedule 4.3 hereto, the execution and delivery by the Seller of this Agreement and the Seller Documents, the performance by the Seller of its obligations hereunder and thereunder, and the consummation by the Seller of the transactions contemplated hereby and thereby, will not conflict with or violate in any material respect, constitute a material default (or event which with the giving of notice or lapse of time, or both, would become a material default) under, give rise to any right of termination, amendment, modification, acceleration or cancellation of any material obligation or loss of any material benefit under, result in the creation of any Encumbrance other than a Permitted Encumbrance on any of the Purchased Assets pursuant to, or require the Seller to obtain any consent, waiver, approval or action of, make any filing with, or give any notice to any Person as a result or under, the terms and provisions of (i) the Seller Formation Document or the Seller Governing Document, (ii) any Material Business Contract to which the Seller is a party or by which any of the Purchased Assets is bound, or (iii) any Law applicable to the Seller or any of the Purchased Assets, or any Governmental Order issued by a Governmental Authority by which the Seller or any of the Purchased Assets is in any way bound or obligated, except, in the case of clauses (ii) and (iii) of this Section 4.3, as would not, in any individual case or in the aggregate, have a Material Adverse Effect. For purposes of Section 9.4(b), the language “, except, in the case of clauses (ii) and (iii) of this Section 4.3, as would not, in any individual case or in the aggregate, have a Material Adverse Effect” at the end of the immediately preceding sentence shall be ignored.

4.4 Government Consents. No consent, waiver, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority is required on the part of the Seller in connection with the execution and delivery by the Seller of this Agreement and the Seller Documents, the performance by the Seller of its obligations hereunder and thereunder, and the consummation by the Seller of the transactions contemplated hereby and thereby, including, without limitation, the sale and transfer of the Purchased Assets and transferable Business Licenses to the Purchaser, except (i) as set forth in Schedule 4.4 hereto, and (ii) where the failure to obtain such consent, waiver, approval, order or authorization, or to make such registration, qualification, designation, declaration or filing, would not, in any individual case or in the aggregate, have a Material Adverse Effect.

4.5 Tangible Property.

(a) Schedule 4.5(a) hereto contains a true, correct and complete list of the following Purchased Assets: (i) each parcel of real property owned, as of the date hereof, by the Seller (“Owned Real Property”), (ii) each parcel of real property leased by Seller from or to a third party, as of the date hereof (“Leased Real Property”), the name of the third party lessor(s) or lessee(s) thereof, as the case may be, the date of the lease contract relating thereto and all amendments thereof, (iii) all tangible personal property owned by the Seller, as reflected in the Seller’s Schedule of assets prepared in the ordinary course of business as of the date set forth therein and attached to Schedule 4.5(a) (“Owned Tangible Property”), and (iv) except to the extent that the contract pursuant to which such property is leased appears on Schedule 4.7(a), all tangible personal property leased from or to a third party, as of the date hereof, by the Seller (“Leased Tangible Property”), the name of the third party lessor(s) or lessee(s) thereof, as the case may be, and the date of the lease contract related thereto. Except as set forth in Schedule 4.5(a) hereto, the Seller does not own, or have a contractual obligation to purchase, sell, or otherwise acquire or sell any material interest in, any parcel of real property or any tangible or intangible property that is or would be used or held for use primarily in the conduct of the Business. All of the tangible assets and properties used by the Seller pursuant to a lease or license included among the Purchased Assets are comprised of the Leased Real Property, the Leased Tangible Property, and property leased under a lease shown on Schedule 4.7(a) and, collectively, shall be referred to herein, collectively, as “Leased Assets.”

(b) The Seller has, and at the Closing the Seller will convey to the Purchaser and the Purchaser will acquire, (i) legal and valid title to all of the Purchased Assets (other than the Leased Assets), and (ii) valid and subsisting licenses or leasehold interests in and to all of the Leased Assets, including but not limited to the leasehold interest in the real property upon which the Station’s studio is located, in each case free and clear of any Encumbrances other than Permitted Encumbrances and those Encumbrances set forth in Schedule 4.5(b) hereto. The Seller has fee simple title to all of the Owned Real Property and good and marketable title to all of the other Purchased Assets owned by the Seller, in each case free and clear of any Encumbrances other than Permitted Encumbrances and those Encumbrances set forth in Schedule 4.5(b) hereto.

(c) Except for Permitted Encumbrances, Seller has good and marketable title to the Owned Real Property and other owned Purchased Assets, free and clear of all liens, claims and Encumbrances.

(d) No improvement, fixture or equipment in or on any such premises and properties to the extent owned or occupied by Seller, or the occupation or leasehold with respect thereto, is in violation of any zoning, building, safety, or health law, except as would not, in any individual case or in the aggregate, reasonably be expected, as of the date hereof, to have a Material Adverse Effect, and each of such premises and properties is zoned for the purposes for which each of such premises or properties is now used by Seller except as would not reasonably be expected, as of the date hereof, to result in the prohibition of, or the placement of any material restriction on, the continued use and operation of such premises and properties. Except as set forth the on Schedule 4.5(d) hereto, no Owned Real Property or, to the Knowledge of the Seller, Leased Real Property, has been condemned or otherwise taken by any public authority and no condemnation or taking is, to the Knowledge of Seller, threatened or contemplated, and none of such properties is, to the Knowledge of Seller, subject to any claim, contract or law which might affect its use or value for the purposes now made of it, and each thereof is in good condition and repair (ordinary wear and tear excepted).

4.6 Intellectual Property and Proprietary Rights.

(a) Schedule 4.6(a) hereto contains a true, correct and complete list of all material Intellectual Property owned or used by the Seller as of the date hereof and related primarily to the Business. A true and complete copy of all material documentation relating to each item of Intellectual Property set forth in Schedule 4.6(a) hereto has been made available to the Purchaser and its agents and representatives.

(b) To the Seller's Knowledge, (i) no claim by any third party contesting the validity, enforceability, use or ownership of any Proprietary Rights is currently pending, outstanding or threatened, and (ii) no loss or expiration of any material Proprietary Right is pending or threatened. Seller has not received any written notice of, nor does the Seller have Knowledge of, any infringement or misappropriation by any third party with respect to any such Proprietary Right, including any written, or to Seller's Knowledge, oral, demand or request that Seller license rights from a third party. To the Seller's Knowledge, Seller has not infringed, misappropriated or otherwise conflicted with any rights of any third party, and, no infringement, misappropriation or conflict will occur as a result of the continued operation of the Seller or the Station, in each case except as would not, in any individual case or in the aggregate, have a Material Adverse Effect. To Seller's Knowledge, neither the call letters "WCBI" (as call letters) nor any of the other Proprietary Rights used by Seller in the conduct of the Business as currently conducted by the Seller have been infringed upon or misappropriated by any third party except as would not, in any individual case or in the aggregate, have a Material Adverse Effect.

(c) The attached Schedule 4.6(a) sets forth a complete and correct list of: all registered Proprietary Rights and all pending applications for registration of

Proprietary Rights owned, filed or used by the Seller; all call letters, if any, used by the Seller with respect to the Station; and all other licenses or similar agreements or arrangements to which Seller is a party either as licensee or licensor for the Proprietary Rights.

(d) The Seller possesses, and will convey at Closing to Purchaser, a valid and enforceable right to use, the call letters “WCBI” and each of the other Proprietary Rights used by Seller in the conduct of the Business, in each case, as currently conducted by the Seller, free and clear of all Encumbrances (other than Permitted Encumbrances) except as would not, in any individual case or in the aggregate, have a Material Adverse Effect.

4.7 Business Contracts. Schedule 4.7(a) hereto contains a list of each Business Contract (whether written or oral and including all amendments thereto) to which the Seller is a party or by which the Seller or any of the Purchased Assets is bound as of the date hereof (each, a “Material Business Contract” and, collectively, the “Material Business Contracts”), including, without limitation, the following: (i) leases relating to all Leased Real Property; (ii) capital or operating leases or conditional sales agreements relating to any Purchased Assets or other assets used in the Business (other than Short Term Agreements), in each case involving monthly payments in excess of Two Hundred Fifty Dollars (\$250.00); (iii) noncompetition or other agreements restricting the ability of the Seller to engage in the Business in any location; (iv) employment, consulting, separation, collective bargaining or other labor agreements; and (v) agreements under which the Seller is obligated to indemnify, or entitled to indemnification from, any other Person, other than any agreement that requires indemnification solely in connection with or as a result of a breach of such agreement; provided, however, that the term “Material Business Contract” shall not mean, and Schedule 4.7(a) shall not include, any Business Contract (i) for the sale of time on the Station, (ii) that relates solely to the Excluded Assets, or (iii) that would reasonably be expected to involve the payment or receipt by Seller of less than Five Thousand Dollars (\$5,000) individually or Fifty Thousand Dollars (\$50,000) in the aggregate

(b) Except as set forth in Schedule 4.7(b) the Seller has made available to the Purchaser and its agents and representatives a true, complete, and correct copy of each written Material Business Contract and a true, complete, and correct written summary of each oral Material Business Contract. Except as set forth in Schedule 4.7(b) hereto, (i) each Material Business Contract is in full force and effect and represents a valid, binding and enforceable obligation of the Seller in accordance with the respective terms thereof and, to the Knowledge of the Seller, represents a valid, binding and enforceable obligation of each of the other parties thereto; and (ii) there exists no material breach or material default (or event that with notice or the lapse of time, or both, would constitute a material breach or material default) on the part of the Seller or, to the Knowledge of the Seller, on the part of any other party under any Material Business Contract, in any case or in the aggregate, which has had or could reasonably be expected, as of the date hereof, to have a Material Adverse Effect. For purposes of this subparagraph 4.7(b), a material breach or material default of an agreement is one which, if not cured within any time period permitted for cure in the

agreement, could result in a party having the right to terminate the agreement, accelerate or call due any payment of more than Five Thousand Dollars (\$5,000.00), or assess or demand any fine, penalty or liquidated damages which reasonably could be expected to exceed Five Thousand Dollars (\$5,000.00).

4.8 Business Licenses. Schedule 4.8 hereto contains a list of each Business License. The Seller owns or possesses all right, title and interest in and to all Business Licenses which are necessary to conduct the Business as conducted by the Seller as of the date hereof, except for such Business Licenses which either are not required by law or regulation for the conduct of the Business as currently conducted or the failure to obtain or possess would not have a Material Adverse Effect (each, a “Material Business License” and, collectively, the “Material Business Licenses”). No loss or expiration of any Material Business License is pending or, to the Knowledge of the Seller, threatened, other than the expiration of any Material Business Licenses in accordance with the terms thereof that may be renewed in the ordinary course of business.

4.9 Business Employees. Schedule 4.9 hereto contains an accurate list of all employees of the Seller who, as of the date of this Agreement, have employment duties principally related to the Business, including (and designating as such) any such employee who is an inactive employee on paid or unpaid leave of absence, and indicating the current title or position and the rate of compensation of each employee. Each employee set forth in Schedule 4.9 hereto who remains employed by the Seller immediately prior to the Closing (whether actively or inactively), and each additional employee who is hired to work in the Business following the date hereof and prior to the Closing with Purchaser’s prior written consent who remains employed by the Seller immediately prior to the Closing (whether actively or inactively), shall be referred to herein individually as a “Business Employee” and, collectively, as “Business Employees.” Except as set forth on Schedule 4.9, during the last two (2) years and to the Knowledge of Seller, (i) no employee has made a claim with Seller alleging the violation of laws relating to the employment of personnel and labor including, but not limited to, provisions thereof relating to wages, sexual harassment, discrimination, hostile work environment, hours, equal opportunity, collective bargaining, and the payment of social security and other taxes, and (ii) the Seller has not experienced any strike, material grievance, unfair labor practice claim or other material employee or labor dispute. To the Knowledge of Seller, there is no organizational effort presently being made or threatened by or on behalf of any labor union with respect to employees of the Seller.

4.10 Employee Benefit Plans.

(a) Schedule 4.10(a) hereto contains a list of each material employment, bonus, incentive compensation, deferred compensation, pension, profit sharing, retirement, stock purchase, stock option, stock ownership, stock appreciation rights, phantom stock, equity (or equity-based), leave of absence, layoff, vacation, day or dependent care, legal services, cafeteria, life, health, medical, accident, disability,

workmen's compensation or other insurance, severance, separation, termination, change of control or other benefit plan, agreement (including any collective bargaining agreement), practice, policy or arrangement, whether written or oral, and whether or not subject to ERISA (including, without limitation, any "employee benefit plan" within the meaning of Section 3(3) of ERISA), that the Seller sponsors, maintains, has any obligation to contribute to, or to which Seller is otherwise a party, as of the date hereof, and which covers or otherwise provides benefits to any Business Employees or former Business Employees (or their dependents and beneficiaries) (with respect to their relationship with the Business) (each, a "Benefit Plan" and, collectively, the "Benefit Plans").

(b) Except as set forth in Schedule 4.10(b) hereto:

(i) each of the Benefit Plans has in all material respects been maintained in compliance with the terms and all material provisions of ERISA and the Internal Revenue Code.

(ii) each of the Benefit Plans which is intended to be tax-qualified under Section 401(a) of the Internal Revenue Code has been determined by the IRS to be so qualified and, to the Knowledge of Seller, no circumstances have occurred or exist that would adversely affect the tax-qualified status of any such Benefit Plan;

(iii) with respect to each of the Benefit Plans, complete copies of the following documents, as applicable, have been made available to the Purchaser and its agents and representatives: (A) the current plan document and related trust document, and any amendments thereto; (B) Forms 5500, financial statements, and actuarial reports for the most recent plan year; (C) the most recently issued IRS determination letter; and (D) the current summary plan description; and

(c) No Benefit Plan is subject to Title IV of ERISA. The Seller has no obligation, nor in the past six years has had any obligation, to contribute to any Multiemployer Plans as defined in Section 4001(a)(3) of ERISA.

4.11 Sufficiency of Purchased Assets.

(a) The Purchased Assets (including the licenses or leasehold interests in or relating to the Leased Assets) constitute all of the assets, properties and rights necessary for the conduct of the Business by the Seller as of the date hereof.

(b) The Station's tower and each item of the tangible personal property included in the Purchased Assets or the Leased Assets, including but not limited to the Station's broadcast transmission equipment and components, is in good condition, working order and repair (ordinary wear and tear excepted), except for tangible personal property that is obsolete and no longer used in the Business.

4.12 Financial Statements.

(a) Attached to Schedule 4.12(a) hereto is a true, correct and complete copy of the following financial statements (collectively, the “Financial Statements”): (i) the audited statement of assets and liabilities of the Business (the “Latest Balance Sheet”) as of December 29, 2002 (the “Latest Balance Sheet Date”), and the related audited statements of revenues and expenses for the year; and (ii) the unaudited statement of assets and liabilities of the Business (the “Interim Balance Sheet”) as of September 30, 2003 (the “Latest Interim Balance Sheet Date”), and the related unaudited statements of revenues and expenses for the 9-month period then ended year. Each of the Financial Statements is true, correct and complete in all material respects, is consistent with the books and records of Seller which have been maintained by Seller in the ordinary course of business in accordance with Seller's customary business practice, present fairly the financial condition and operations of Seller as of the dates and for the periods represented thereby and have been prepared on an accrual basis in accordance with generally accepted accounting principles, consistently applied, except that the unaudited statements described above may not include any or all footnotes required by generally accepted accounting principles, and as noted therein. Since the Latest Balance Sheet Date, Seller has conducted the Business and the Station only in the ordinary course and in accordance with past practices, and there has not been any event which has had a Material Adverse Effect.

(b) The accounts receivable shown on the Financial Statements (net of reserves taken for uncollectible accounts) represent valid, bona fide receivables generated in the ordinary course of business from actual, valid, bona fide transactions payable on ordinary trade terms and, to Seller's knowledge, are not subject to any contest, claim, defense or right of setoff not accounted for on the Financial Statements. The accounts receivable included in the calculation of Working Capital as of the TBA Commencement Date under Section 2.4 will represent valid, bona fide receivables generated in the ordinary course of business from actual, valid, bona fide transactions payable on ordinary trade terms.

4.13 No Undisclosed Liabilities. The Seller has no Liabilities that are attributable to the Business other than (i) the Liabilities reflected on the Interim Balance Sheet, (ii) Liabilities incurred in the ordinary course of business after the Interim Balance Sheet Date, none of which is material to the Purchased Assets or the results of operations or condition (financial or otherwise) of the Business, (iii) Liabilities set forth in Schedule 4.13 hereto.

4.14 Subsidiaries and Investments; Affiliate Transactions. Except as set forth in Schedule 4.14, the Seller does not have any Subsidiaries, and does not own any direct or indirect equity or debt interest in any other Person, including, without limitation, any interest in a corporation, partnership or joint venture, and is not obligated or committed to acquire any such interest, in any case which Subsidiary, interest or other Person relates primarily to the Business. Other than as described on Schedule 4.14, no “Insider” (i) is a party to any contract with Seller which pertains to the Business or operation of the Station (other than in such Insider's capacity as an employee of Seller, the compensation for which is reflected on attached Schedule 4.9), or (ii) has any interest in Seller's property or assets relating to the Business or the Station. “Insider” means any

present or former stockholder, officer or director (or similar official) of the Seller or any present or former affiliate of the Seller, any present or former affiliate or natural or adoptive member of the immediate family of any of the foregoing persons or entities, or any person or entity in which any of the foregoing persons or entities directly or indirectly owns any material beneficial interest. The “immediate family” of any individual means such individual's (and such individual's present or former spouse's) grandparents, parents, spouse, siblings, children and grandchildren.

4.15 Litigation; Governmental Orders.

(a) Except as set forth in Schedule 4.15 hereto, as of the date hereof, there are no pending or, to the Knowledge of the Seller, threatened Actions (in each case for which written notice thereof has been received by the Seller) by any Person or Governmental Authority against or relating to the Seller with respect to the Business or any Assumed Plan or, to the Knowledge of the Seller, any current or former employees (in their capacity as such) of the Seller, or to which any of the Purchased Assets are subject, other than those which would not, in any individual case or in the aggregate, reasonably be expected to have a Material Adverse Effect or in which an unfavorable judgment, decree or order would restrain, prohibit, invalidate, set aside, rescind, prevent or make unlawful this Agreement or the carrying out of this Agreement or the transactions contemplated hereby.

(b) Except as set forth in Schedule 4.15 hereto, the Seller is not subject to or bound by any Governmental Order other than those that would not, in any individual case or in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.16 Compliance with Laws. Except as set forth in Schedule 4.16 hereto and except with respect to Environmental Laws, the Seller is, to the Knowledge of Seller, in compliance with, and the Seller has never received any written claim or notice, or to the Knowledge of Seller oral, claim or notice, that it is or was not in compliance with, each Law or Governmental Order applicable to the Business, except as would not, in any individual case or in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.17 Insurance.

(a) Schedule 4.17 hereto contains a true, correct and complete list (specifying the insurer, the type of coverage, expiration date, the policy number or covering note number with respect to binders and the limits, and the aggregate limit, if any, of the insurer's liability thereunder) of all policies or binders of fire, liability, errors and omissions, workers' compensation, vehicular, and other insurance held by or on behalf of the Seller with respect to the Business as of the date hereof (“Business Insurance Policies”).

(b) All of the Business Insurance Policies are in full force and effect. The Seller is not in default with respect to any material provision contained in any such

Business Insurance Policy, nor has the Seller failed to give any notice or present any claim under any such Business Insurance Policy in due and timely fashion. The Seller has not received any notice of cancellation or non-renewal of any such Business Insurance Policy. The Seller has not received any notice from any of its insurance carriers that any premiums will be materially increased in the future or that any insurance coverage under the Business Insurance Policies will not be available in the future on substantially the same terms as now in effect.

(c) All of the Business Insurance Policies in the name of the Seller with respect to libel shall be in full force and effect and enforceable by the Purchaser following the consummation of the transactions contemplated by this Agreement in respect of all reported or unreported libel claims arising out of occurrences prior to the consummation of this Agreement.

4.18 Brokers. All negotiations relative to this Agreement and the transactions contemplated hereby have been carried out by the Seller directly with the Purchaser without the intervention of any Person on behalf of the Seller in such manner as to give rise to any valid claim by any Person against the Purchaser for a finder's fee, brokerage commission or similar payment, other than UBS Securities LLC whose fees and expenses shall be borne by the Seller.

4.19 FCC Matters.

(a) **Generally.** The attached Schedule 4.19(a) contains a complete list of all licenses and authorizations issued by the FCC with respect to the Station, including all applications therefor and all renewals, extensions or modifications thereof and additions thereto (the "FCC Authorizations"), as well as the dates on which such authorizations are subject to or scheduled for renewal (in each case, a "Renewal Date"). Taken together, the FCC Authorizations constitute all of the licenses and authorizations required under the Communications Act for the operation of the Station and the conduct of the Business as currently conducted, and no further license, authorization or consent of the FCC is necessary for the continuation of the operation of the Station as currently conducted. Seller is the holder of each FCC Authorization and, subject to the FCC's prior written consent of the transfer of the FCC Authorizations, will assign and transfer the FCC Authorizations to Purchaser at Closing free and clear of any Encumbrances other than Permitted Encumbrances; provided, however, that Purchaser acknowledges that each FCC Authorization is subject to Encumbrances arising pursuant to the terms and conditions placed on such FCC Authorization by the FCC and the provisions of the Communications Act. Each FCC Authorization is in full force and effect and is not subject to or scheduled for renewal prior to the expiration date specified for such FCC Authorization on the attached Schedule 4.19. Each FCC Authorization is valid for the full term thereof, and to the Knowledge of Seller, there is no reason to believe that any FCC Authorization will not be renewed for a full and customary term in the ordinary course with no materially adverse conditions (except with respect to general rule-making and similar matters relating generally to television broadcast stations). There is not pending (or, to the Seller's Knowledge, threatened) any action by or before the FCC to revoke, cancel, rescind, or modify any FCC Authorization, and there is not now pending,

issued or outstanding (or, to the Seller's Knowledge, threatened) by or before the FCC, any investigation, order to show cause, cease and desist order, notice of violation, notice of apparent liability, or notice of forfeiture, petition or complaint with respect to the Seller, the Station or any FCC Authorization except as would not, in any individual case or in the aggregate, have a Material Adverse Effect. The Station is operating in compliance in all material respects with the FCC Authorizations, the Communications Act. The Seller has not received any written notice to the effect that the Seller or the Station is causing objectionable interference to the transmissions of any other television station or communications facility or received any written complaints with respect thereto. To the Seller's Knowledge, no other television station or communications facility is causing unlawful interference with the Station's transmissions or the public's reception of the Station's transmissions except as would not, in any individual case or in the aggregate, have a Material Adverse Effect.

(b) Cable Matters. The attached Schedule 4.7(a) includes a list of all retransmission consent and/or copyright indemnification agreements, if any, entered into by the Seller with respect to the Station.

4.20 Taxes.

(a) All Taxes pertaining to the Business, the Station, or the Purchased Assets required to be paid have been timely paid, and all Tax Returns required to be filed by Seller have been timely filed. There are no determined Tax deficiencies, proposed Tax assessments or Tax liens against Seller, the Business, the Station, or the Purchased Assets other than Tax liens for Taxes that are not yet due and payable.

(b) To the Knowledge of Seller, there are no audits or investigations pending or any outstanding agreements or waivers extending the statutory period of limitations applicable to any Tax or Tax Return pertaining to the Business, the Station or the Purchased Assets for any period.

4.21 Environmental Matters.

(a) Compliance Generally. To the Knowledge of Seller, Seller and the Purchased Assets have complied in all material respects with Environmental Laws. To the Knowledge of the Seller, no act or omission of a third party has resulted in a violation of Environmental Laws applicable to the Purchased Assets, the Business, the Owned Real Property, or the Leased Real Property

(b) Claims. Seller has not received any written, or to the Knowledge of Seller any oral, claim, complaint, citation, report or other notice regarding any material liabilities or potential material liabilities (whether accrued, absolute, contingent, unliquidated or otherwise), including any investigatory, remedial or corrective obligations, arising under Environmental Laws.

(c) Facilities. To the Knowledge of Seller, none of the following exists at any of the Owned Real Property or the Leased Real Property: underground storage

tanks, asbestos containing materials in any form or condition, materials or equipment containing polychlorinated biphenyls, or landfills, surface impoundments or other disposal areas.

(d) Reports. The Seller has provided to the Purchaser all environmental audits, reports and other material environmental documents in the Seller's possession or control relating to the Owned Real Property or the Leased Real Property.

(e) Environmental Liens. To the Knowledge of the Seller, no lien under any Environmental Laws has attached to any of the Owned Real Property or the Leased Real Property.

4.22 Disclosure. With respect to the Seller, the Business, the Station and the Purchased Assets, neither this Agreement, nor any of the schedules or exhibits hereto, to Seller's Knowledge, contains any untrue statement of a material fact or, when considered as a whole with respect to the business, operations, financial condition, and results of operations of the Seller and Station taken as a whole, omits a material fact necessary to make the statements contained herein or therein, in light of the circumstances in which they were made, not materially misleading. Frank Imes, and Jerry Jones shall be deemed to have reviewed this Agreement and the Schedules hereto, and Doris Bruington and James Savage shall be deemed to have reviewed those portions of this Agreement and the Schedules hereto that are directly related to their areas of responsibility in connection with their employment with the Station; provided, however, that the failure of any of such persons to have actually reviewed any part of this Agreement or the Schedules hereto shall not serve to limit in any way the Seller's duty to disclose or state matters actually known by such person which are addressed in any part of this Agreement or the Schedules hereto which were not actually reviewed by that person.

4.23 Limitations on Representations and Warranties. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE SELLER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE FUTURE FINANCIAL PERFORMANCE OR RESULTS OF THE OPERATIONS OF THE BUSINESS.

ARTICLE V. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

As a material inducement to the Seller to enter into this Agreement and the TBA, the Purchaser hereby makes the representations and warranties set forth in this Article V as of the date of this Agreement. The Purchaser agrees that, if the Closing occurs, then as of the time of the Closing each representation and warranty set forth in this Article V will be deemed to be remade by the Purchaser:

5.1 Organization. The Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation.

5.2 Authority. The Purchaser has all requisite corporate power and authority to enter into this Agreement and the Purchaser Documents, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution and delivery by the Purchaser of this Agreement and the Purchaser Documents, the performance by the Purchaser of its obligations hereunder and thereunder, and the consummation by the Purchaser of the transactions contemplated hereby and thereby, have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement has been duly executed and delivered by the Purchaser and, assuming the due authorization, execution and delivery of this Agreement by the Seller, this Agreement constitutes a legally valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as such enforceability may be limited by principles of public policy, and subject to (i) the effect of any applicable Laws of general application relating to bankruptcy, reorganization, insolvency, moratorium or similar Laws affecting creditors' rights and relief of debtors generally, and (ii) the effect of rules of law and general principles of equity, including, without limitation, rules of law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law). Upon the execution and delivery of the Purchaser Documents by the Purchaser at the Closing and, assuming the due authorization, execution and delivery thereof by the Seller, each of the Purchaser Documents will constitute a legally valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as such enforceability may be limited by principles of public policy, and subject to (i) the effect of any applicable Laws of general application relating to bankruptcy, reorganization, insolvency, moratorium or similar Laws affecting creditors' rights and relief of debtors generally, and (ii) the effect of rules of law and general principles of equity, including, without limitation, rules of law and general principles of equity governing specific performance, injunctive relief and other equitable remedies (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3 No Violation. Assuming that all consents, waivers, approvals, orders and authorizations set forth in Schedule 5.4 hereto have been obtained and all registrations, qualifications, designations, declarations or filings with any Governmental Authorities set forth in Schedule 5.4 hereto have been made, and except as set forth in Schedule 5.3 hereto, the execution and delivery by the Purchaser of this Agreement and the Purchaser Documents, the performance by the Purchaser of its obligations hereunder and thereunder, and the consummation by the Purchaser of the transactions contemplated hereby and thereby, will not conflict with or violate in any material respect, constitute a material default (or event which with the giving of notice or lapse of time, or both, would become a material default) under, give rise to any right of termination, amendment, modification, acceleration or cancellation of any material obligation or loss of any material benefit under, result in the creation of any Encumbrance other than a Permitted Encumbrance on any of the assets or properties of the Purchaser pursuant to, or require the Purchaser to obtain any consent, waiver, approval or action of, make any filing with, or give any notice to any Person as a result or under, the terms or provisions of (i) the organizational documents of the Purchaser, (ii) any Contract to which the

Purchaser is a party or is bound, or (iii) any Law applicable to the Purchaser, or any Governmental Order issued by a Governmental Authority by which the Purchaser is in any way bound or obligated, except, in the case of clauses (ii) and (iii) of this Section 5.3, as would not, in any individual case, have a material adverse effect on the ability of the Purchaser to perform its obligations under this Agreement and the Purchaser Documents or to consummate the transactions contemplated hereby or thereby.

5.4 Governmental Consents. No consent, waiver, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority is required on the part of the Purchaser in connection with the execution and delivery by the Purchaser of this Agreement and the Purchaser Documents, the performance by the Purchaser of its obligations hereunder and thereunder, and the consummation by the Purchaser of the transactions contemplated hereby and thereby, including, without limitation, the assumption of the Assumed Liabilities from the Seller, except (i) as set forth in Schedule 5.4 hereto, and (ii) where the failure to obtain such consent, waiver, approval, order or authorization, or to make such registration, qualification, designation, declaration or filing, would not have a material adverse effect on the ability of the Purchaser to perform its obligations under this Agreement and the Purchaser Documents or to consummate the transactions contemplated hereby or thereby.

5.5 Brokers. All negotiations relative to this Agreement and the transactions contemplated hereby have been carried out by the Purchaser directly with the Seller without the intervention of any Person on behalf of the Purchaser in such manner as to give rise to any valid claim by any Person against the Seller for a finder's fee, brokerage commission or similar payment.

5.6 FCC Matters. The Purchaser is legally and financially qualified under the Communications Act to enter into this Agreement and the Purchaser Documents, and to consummate the transactions contemplated hereby and thereby. It is not necessary for the Purchaser or any Affiliate of the Purchaser (or any person in which the Purchaser or any Affiliate of the Purchaser has an attributable interest under the Communications Act) to seek or obtain any waiver from the FCC, dispose of any interest in any media or communications property or interest, terminate any venture or arrangement, or effectuate any changes or restructuring of its ownership, including, without limitation, the withdrawal or removal of officers or directors or the conversion or repurchase of equity securities of the Purchaser or any Affiliate of the Purchaser or owned by the Purchaser or any Affiliate of the Purchaser (or any person in which Purchaser or any Affiliate of the Purchaser has any attributable interest under the Communications Act). The Purchaser is able to certify on an FCC Form 314 that it is financially qualified.

5.7 Financial Ability. Purchaser has the financial resources necessary to consummate the transactions contemplated by this Agreement, including, without limitation, the ability to pay the Purchase Price at Closing.

ARTICLE VI. COVENANTS AND AGREEMENTS

6.1 Conduct of Business.

(a) At all times during the period commencing upon the execution and delivery hereof by each of the parties hereto and terminating upon the earlier to occur of the Closing or the termination of this Agreement pursuant to and in accordance with the terms of Section 8.1 hereof, and subject to, and except as modified by, compliance with the other covenants contained in this Agreement and subject to the TBA, unless the Purchaser shall otherwise consent in writing (which consent shall not be unreasonably withheld or delayed), and except as otherwise set forth in Schedule 6.1 hereto, the Seller shall (i) conduct the operations of the Business in the ordinary course of business and consistent with past practice and in accordance with applicable law, (ii) use commercially reasonable efforts to preserve intact the goodwill of the Business and the current relationships of the Seller with its officers, employees, customers, suppliers and others with significant and recurring business dealings with the Business, (iii) use commercially reasonable efforts to maintain all Business Insurance Policies and all Business Licenses that are necessary for the Seller to carry on the Business in the manner conducted by the Seller as of the date hereof, including the insurance to be maintained by Seller pursuant to Section 7.3 of the TBA, (iv) maintain the books of account and records of the Business in the usual, regular and ordinary manner and consistent with past practice, and (v) not take any action that would result in a breach of or inaccuracy in any of the representations and warranties of Seller contained in Article IV as of the date of this Agreement, as of the TBA Commencement Date or, in the case of the Closing Representations and Warranties, as of the Closing.

(b) At all times during the period commencing upon the execution and delivery hereof by each of the parties hereto and terminating upon the earlier to occur of the Closing or the termination of this Agreement pursuant to and in accordance with the terms of Section 8.1 hereof, and subject to, and except as modified by, compliance with the other covenants contained in this Agreement and subject to the TBA, unless the Purchaser shall otherwise consent in writing (which consent shall not be unreasonably withheld or delayed, and which consent shall be deemed to have been given if the Seller shall not have received the Purchaser's written objection to any such action within five (5) Business Days of the date on which the Seller's written request for consent shall have been received by the Purchaser), and except as otherwise set forth in Schedule 6.1 hereto, the Seller shall not take, or caused to be taken, any of the following actions to the extent such actions relate primarily to the Business:

- (i) merge with or into, or consolidate with, any other Person;
- (ii) change or agree to change in any material respect the character of the Business;
- (iii) except as required in the ordinary course of business, or with the consent of the Purchaser, which consent shall not be unreasonably withheld, or

as set forth on Schedule 6.9 hereto, adopt, enter into or amend any arrangement which is, or would be, a Benefit Plan unless otherwise required by applicable Law or this Agreement;

(iv) make any material change in the accounting methods or practices of the Business, or make any material changes in depreciation or amortization policies or rates adopted by the Seller in respect of the Business;

(v) make any material write down of inventory or material write off as uncollectible of accounts receivable;

(vi) increase any wage, salary, bonus or other direct or indirect compensation payable or to become payable to any of the Business Employees, or make any accrual for or commitment or agreement to make or pay the same, other than increases in wages, salary, bonuses or other direct or indirect compensation made in the ordinary course of business consistent with past practice, and those required by any existing Contract or Law;

(vii) except as set forth on Schedule 6.9 hereto, make any payment or commitment to pay any severance or termination pay to any Business Employee or any independent contractor, consultant, agent or other representative of the Business, other than payments or commitments to pay such Business Employees in the ordinary course of business consistent with past practice;

(viii) (A) other than office leases entered into in the ordinary course of business, enter into any real property lease (as lessor or lessee); (B) sell, abandon or make any other disposition of any of the material Purchased Assets other than in the ordinary course of business consistent with past practice; or (C) grant or incur any Encumbrance on any of the assets or properties of the Seller other than Permitted Encumbrances;

(ix) except in the ordinary course of business and except for Excluded Liabilities, incur or assume any debt, obligation or Liability;

(x) make any acquisition of all or any part of the capital stock or all or substantially all of the assets, properties or business of any other Person;

(xi) not enter into any Program License Agreements for which payment is to be made in whole or in part by the provision of advertising time or otherwise not in cash (a "Barter Program Contract");

(xii) not enter into any Program License Agreements under which any payment could be required to be made after the TBA Commencement Date unless both (A) the aggregate amount which will become payable under such Program License Agreements does not exceed Fifteen Thousand Dollars (\$15,000), and (B) the aggregate amount which will become payable under such Program License Agreements and all other Program License Agreements entered into after the date of this Agreement

and in reliance on clause (A) above and this clause (B) does not exceed Fifty Thousand Dollars (\$50,000);

(xiii) not enter into any Trade Agreements, or increase the amount of any liability or obligation under any existing Trade Agreement; or

(xiv) not enter into any material contract or transaction, except for any Excludable Contract. An “Excludable Contract” means any contract, (a) that is not a Program Licensing Agreement, (b) that is entered into in the ordinary course with a person who is not an Insider, (c) either (1) pursuant to which the Seller has only monetary obligations which in the aggregate do not exceed Fifteen Thousand Dollars (\$15,000) or obligations to provide goods or services in exchange for payments which in the aggregate do not exceed Fifteen Thousand Dollars (\$15,000), or (2) that provides solely for the sale of advertising time on a Station for cash; (d) that is entered into with the Purchaser’s written consent.

(c) Notwithstanding anything to the contrary set forth in this Section 6.1 or elsewhere in this Agreement, the Seller shall be permitted, without obtaining the consent or other approval of the Purchaser and so long as the terms of this Agreement and the above-referenced TBA would not be violated, to enter into, perform its obligations under, and consummate the transactions contemplated by, any existing or new agreements or other arrangements pursuant to which the Seller shall sell, transfer or otherwise dispose of any of its assets other than the Purchased Assets or the Cash Deposit, it being expressly acknowledged and agreed by each of the parties hereto that the foregoing shall include the right to distribute the proceeds from any such sale, transfer or other disposition to the shareholders of the Seller without obtaining the consent or other approval of the Purchaser.

6.2 Access and Information. Subject to the terms of the Confidentiality Agreement, at all times during the period commencing upon the execution and delivery hereof by each of the parties hereto and terminating upon the earlier to occur of the Closing or the termination of this Agreement pursuant to and in accordance with the terms of Section 8.1 hereof, the Seller shall permit the Purchaser and its authorized agents and representatives to have reasonable access, upon reasonable notice and during normal business hours, to all Business Employees, assets and properties and all relevant books, records and documents of or relating to the Business, the Purchased Assets and the Assumed Liabilities, and shall furnish to the Purchaser such information and data, financial records and other documents relating to the Business and the Purchased Assets as the Purchaser may reasonably request. The Seller shall permit the Purchaser and its agents and representatives reasonable access to the Seller’s accountants, auditors and suppliers for reasonable consultation or verification of any information obtained by the Purchaser during the course of any investigation conducted pursuant to this Section 6.2, and shall use all commercially reasonable efforts to cause such Persons to cooperate with the Purchaser and its agents and representatives in such consultations and in verifying such information.

6.3 Confidentiality. The terms of the Confidentiality Agreement are hereby incorporated herein by reference and shall continue in full force and effect from and after the Closing in accordance with the terms thereof, such that the information obtained by any party hereto, or its officers, employees, agents or representatives, during any investigation conducted pursuant to Section 6.2 hereof, in connection with the negotiation, execution and performance of this Agreement or the TBA, the consummation of the transactions contemplated hereby, or otherwise, shall be governed by the terms set forth in the Confidentiality Agreement. Notwithstanding anything to the contrary set forth herein, in the Confidentiality Agreement, or in any other written or oral understanding or agreement to which the parties hereto are parties or by which they are bound, the parties acknowledge and agree that (i) any obligations of confidentiality contained herein and therein do not apply and have not applied from the commencement of discussions between the parties to the tax treatment and tax structure of the transactions contemplated hereby (and any related transactions or arrangements) (the “Transactions”), and (ii) each party (and each of its employees, representatives, or other agents) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transactions and all materials of any kind (including opinions or other tax analyses) that are provided to such party relating to such tax treatment and tax structure, all within the meaning of Treasury Regulations Section 1.6011-4; provided, however, that each party recognizes that the privilege each has to maintain, in its sole discretion, the confidentiality of a communication relating to the Transactions, including a confidential communication with its attorney or a confidential communication with a federally authorized tax practitioner under Section 7525 of the Internal Revenue Code, is not intended to be affected by the foregoing.

6.4 Further Actions.

(a) Upon the terms and subject to the conditions set forth in this Agreement (including, without limitation, the terms of Section 6.4(b) hereof), the Seller and the Purchaser shall each use their respective commercially reasonable efforts to take, or cause to be taken, all appropriate action, and to do, or cause to be done, and to assist and cooperate with the other party hereto in doing, all things necessary, proper or advisable under applicable Laws to consummate the transactions contemplated hereby, including, without limitation: (i) obtaining all necessary Licenses, actions or nonactions, waivers, consents, approvals, authorizations, qualifications and other orders of any Governmental Authorities with competent jurisdiction over the transactions contemplated hereby, (ii) obtaining all necessary consents, approvals or waivers from third parties, (iii) defending any lawsuits or other legal proceedings, whether judicial or administrative, challenging this Agreement or the consummation of the transactions contemplated hereby, including, without limitation, seeking to have vacated or reversed any stay or temporary restraining order entered by any Governmental Authority prohibiting or otherwise restraining the consummation of the transactions contemplated hereby, and (iv) executing and delivering any additional instruments, certificates and other documents necessary or advisable to consummate the transactions contemplated hereby and to fully carry out the purposes of this Agreement.

(b) Without limiting the generality of the foregoing the Purchaser and the Seller hereby further agree to use their respective commercially reasonable efforts to (i) obtain any governmental clearances required for consummation of the transactions contemplated hereby, (ii) respond to any government request for information, (iii) contest and resist any action, including any legislative, administrative or judicial action, and have vacated, lifted, reversed or overturned, any Governmental Order (whether temporary, preliminary or permanent) that restricts, prevents or prohibits the consummation of the transactions contemplated hereby, including, without limitation, by using all legal efforts to vigorously pursue all available avenues of administrative and judicial appeal and all available legislative action, and (iv) in the event that any permanent or preliminary injunction or other order is entered or becomes reasonably foreseeable to be entered in any proceeding that would make consummation of the transactions contemplated hereby in accordance with the terms of this Agreement unlawful or that would prohibit, prevent, delay or otherwise restrain the consummation of the transactions contemplated hereby, to cause the relevant Governmental Authorities to vacate, modify or suspend such injunction or order so as to permit the consummation of the transactions contemplated hereby prior to the Termination Date.

6.5 Fulfillment of Conditions by the Seller. The Seller shall not knowingly take or cause to be taken, or fail to take or cause to be taken, any action that would cause the conditions to the obligations of the Seller or the Purchaser to consummate the transactions contemplated hereby to fail to be satisfied or fulfilled at or prior to the Closing, including, without limitation, by taking or causing to be taken, or failing to take or cause to be taken, any action that would cause any of the representations and warranties of Seller contained in Article IV hereof to fail to be true and correct as of the date of this Agreement, as of the TBA Commencement Date or, in the case of the Closing Representations and Warranties, as of the Closing. The Seller shall take, or cause to be taken, all commercially reasonable actions within its power to cause to be

satisfied or fulfilled, at or prior to the Closing, the conditions precedent to the Purchaser's obligations to consummate the transactions contemplated hereby as set forth in Section 7.1 hereof.

6.6 Fulfillment of Conditions by the Purchaser. The Purchaser shall not knowingly take or cause to be taken, or fail to take or cause to be taken, any action that would cause the conditions to the obligations of the Seller or the Purchaser to consummate the transactions contemplated hereby to fail to be satisfied or fulfilled, including, without limitation, by taking or causing to be taken, or failing to take or cause to be taken, any action that would cause the representations and warranties made by the Purchaser in Article V hereof to fail to be true and correct as of the Closing. The Purchaser shall take, or cause to be taken, all commercially reasonable actions within its power to cause to be satisfied or fulfilled, at or prior to the Closing, the conditions precedent to the obligations of the Seller to consummate the transactions contemplated hereby as set forth in Section 7.2 hereof.

6.7 Publicity. The Seller and the Purchaser shall cooperate with each other in the development and distribution of all news releases and other public disclosures relating to the transactions contemplated by this Agreement. Neither the Seller nor the Purchaser shall issue or make, or allow to have issued or made, any press release or public announcement concerning the transactions contemplated by this Agreement without the consent of the other party hereto, except as otherwise required by applicable Law, but in any event only after giving the other party hereto a reasonable opportunity to comment on such release or announcement in advance, consistent with such applicable legal requirements.

6.8 Transaction Costs. The Purchaser shall pay all transaction costs and expenses (including legal, accounting and other professional fees and expenses) that it incurs in connection with the negotiation, execution and performance of this Agreement and the TBA and the consummation of the transactions contemplated hereby. The Purchaser shall also pay all filing fees incurred in connection with the filing of the Assignment Applications as provided in Section 6.12 hereof, and all costs associated with environmental assessments ordered by Purchaser and undertaken pursuant to Section 6.13; provided, however, that Seller and Purchaser shall split equally all filing fees in excess of One Thousand Dollars (\$1,000.00). The Seller shall pay all transaction costs and expenses (including legal, accounting and other professional fees and expenses and other fees described in Section 4.18 hereof) that it incurs in connection with the negotiation, execution and performance of this Agreement and the TBA and the consummation of the transactions contemplated hereby. Notwithstanding the foregoing and anything to the contrary contained in this Agreement, the Purchaser shall pay any transfer Taxes (including stock transfer, sales, use and deed Taxes) and the fees and costs of recording or filing all applicable conveyancing instruments associated with the transfer of the Purchased Assets from the Seller to the Purchaser pursuant to this Agreement. The Seller and the Purchaser shall cooperate in the preparation, execution and filing of all Tax Returns regarding any transfer Taxes which become payable as a result of the transfer of the Purchased Assets from the Seller to the Purchaser pursuant to this Agreement.

6.9 Employees and Employee Benefit Matters.

(a) Subject to Section 3.1 of the TBA, Purchaser shall offer employment as of the Closing Date to all Business Employees except Frank Imes and Doris Bruington, and Seller shall provide reasonable cooperation in facilitating the same. Purchaser shall hire all said Business Employees who accept Purchaser's offer of employment ("Transferred Employees") with (i) the same level of salary or rate of pay, as provided by Seller on the TBA Commencement Date, and (ii) subject to Purchaser's customary employment terms and conditions applicable to all its employees generally and, subject to paragraphs (b), (c), (d) and (e) of this Section 6.9, those benefits as are provided to all of Purchaser's employees generally. Notwithstanding anything to the contrary, Purchaser shall not be responsible for or assume any severance obligations of Seller that may now exist or arise hereafter, provided that it is acknowledged and agreed that Seller shall not be responsible for any severance obligations that arise in connection with any employee hired by Purchaser pursuant to this Agreement or the TBA due to events or circumstances arising after the date of such employee's hire by Purchaser. Following the Closing Date, Purchaser shall not involuntarily terminate or involuntarily sever the employment of any of the Transferred Employees until ninety (90) days after the Closing; provided, however, that Purchaser may terminate such employment "For Cause." Termination "For Cause" shall be permissible upon any of the following: (i) employee dies, (ii) employee abandons his or her position, which shall mean an unauthorized absence for 3 or more consecutive business days, (iii) employee commits a significant act of fraud, theft, or embezzlement from Purchaser or Seller or has been convicted of, has been indicted for, or has plead guilty or nolo contendere to, a felony or a crime of moral turpitude, (iv) employee is unable to perform his or her duties because of intoxicants or narcotics (except in the case that such intoxicants or narcotics are being taken in compliance with the reasonable orders of a medical doctor), (v) employee engages in conduct which is of such a serious and substantial nature that it would be reasonably deemed to materially injure the reputation of Purchaser if employee were to continue to be employed and has failed to remedy such conduct within three (3) days following written notice by Purchaser to Seller and employee; or (vi) employee has committed a material breach of his employment not otherwise described in clauses (i) through (v) above, and has failed to cure such breach within five (5) days following written notice by Purchaser to Seller and employee.

(b) Each Transferred Employee shall be credited with all years of employment service accrued with the Seller prior to the Closing Date for the purposes of providing benefits under any plans of the Purchaser.

(c) For each Transferred Employee, Purchaser will give credit to such employee for his or her tenure with Seller for purposes of computing vacation leave in the calendar year of the Closing and will assume any liability for unused vacation accrued with respect to the calendar year of Closing for such employees; provided, however, that accrued vacation rolled over from or accrued with respect to years prior to the calendar year of Closing will not be assumed, allowed or permitted by Purchaser. Subject to the provisions of the TBA with respect to Purchaser's reimbursement of certain "Operating Expenses" of Seller (as such term is defined in the TBA), Seller will

be liable for, and will pay, all wages, severance payments, accrued vacation (other than accrued vacation assumed by Purchaser as provided above) and sick pay, and similar benefits, and other amounts, if any, due to, or with respect to, each of Seller's employees with respect to such employee's employment prior to the date such employee is hired by Purchaser. Following the Closing, Seller shall no longer sponsor a group health plan and Purchaser shall comply, or shall cause Purchaser's insurer to comply, with all requirements of Purchaser under the Consolidated Omnibus Budget Reconciliation Act of 1984, as amended ("COBRA") (including but not limited to requirements in connection with notices of options for continuation of health care coverage under COBRA) with respect to any "M&A Qualified Beneficiary" as defined by COBRA,

(d) As soon as practicable following the Closing Date, Purchaser shall cause Purchaser's 401(k) plan to accept rollover contributions of any Transferred Employee's account balance in Seller's 401(k) plan (including a rollover of any outstanding loans) in accordance with the applicable sections of the Code.

(e) Seller shall spin-off and transfer all of the assets, obligations and liabilities of any Benefit Plan that is a Section 125 flexible spending plan attributable to the Business Employees and their dependents and beneficiaries to a Section 125 flexible spending plan maintained by Purchaser (the "Purchaser 125 Plan") and the Purchaser 125 Plan shall credit each such Transferred Employee's flexible spending account with the balance so transferred from Seller. Each Transferred Employee eligible to participate in the Purchaser 125 Plan shall be permitted to continue under the Purchaser 125 Plan his or her election made under the Seller's Plan for the remainder of the calendar year in which the Closing shall occur, subject to the limitation on contributions contained in Seller's 125 Plan, and Purchaser and the Purchaser 125 Plan shall honor any such election, and the Purchaser 125 Plan shall honor any claims incurred by a Transferred Employee during the calendar year, which would otherwise be an eligible expense under Purchaser's 125 Plan, whether or not such expense was incurred before or after the Closing Date. Seller shall provide Purchaser with all information reasonably requested in order for the Purchaser and the Purchaser 125 Plan to satisfy the obligations set forth in this Section 6.9(e).

(f) No provision of this Section 6.9 shall create any third party beneficiary or other rights in any employee or former employee (including any beneficiary or dependent thereof) of the Seller or of any of its subsidiaries in respect of continued employment (or resumed employment) with the Purchaser any of its Affiliates and no provision of this Section 6.9 shall create any such rights in any such Persons in respect of any benefits that may be provided, directly or indirectly, under any of the Assumed Plans. No provision of this Agreement shall constitute a limitation on rights to amend, modify or terminate after the Closing Date any such plans or arrangements of the Purchaser or any of its Affiliates.

6.10 Interdivisional Agreements. Except as set forth in Schedule 6.10 hereto, prior to Closing, the Seller shall terminate, without any continuing Liability to the Business resulting therefrom, all agreements between any division of the Seller not

related to the Business, on the one hand, and the division of the Seller responsible for the conduct of the Business, on the other hand.

6.11 Retention and Delivery of Seller Records. From and after the TBA Commencement Date, the Purchaser shall preserve, in accordance with the normal document retention policy of the Business, all books and records transferred by the Seller to the Purchaser pursuant to this Agreement or the TBA, or produced by the Purchaser during the period commencing on the TBA Commencement Date and ending on the Closing Date (the “Books and Records”). As soon as practicable following the Closing, the Purchaser shall deliver a copy of the Books and Records to the Seller at Seller’s reasonable cost in sufficient detail to enable the Seller to prepare the Seller’s financial statements and all Tax Returns of the Seller relating to periods ending on or prior to the Closing Date. In addition to the foregoing, from and after the Closing, the Purchaser shall afford to the Seller, and its counsel, accountants and other authorized agents and representatives, and to any shareholders of the Seller and their respective counsel, accountants and other authorized agents and representatives, during normal business hours and upon the execution and delivery of a confidentiality and non-disclosure agreement in customary form and substance (which shall include appropriate exceptions for disclosure relating to Tax Returns and other Tax matters), reasonable access to the employees, books, records and other data relating to the Purchased Assets, the Excluded Assets, the Assumed Liabilities and the Excluded Liabilities in its possession with respect to periods prior to the Closing, and the right to make copies and extracts therefrom, to the extent that such access may be reasonably required by the requesting party (a) to facilitate the investigation, litigation and final disposition of any claims which may have been or may be made against any such party or Person, or its Affiliates, (b) for the preparation of Tax Returns and audits, and (c) for any other reasonable business purpose.

6.12 Application for FCC Consent. Within five (5) Business Days after the date of this Agreement, the Seller and the Purchaser shall join in an application or applications to be filed with the FCC requesting its written consent to the assignment of the Station Licenses from the Seller to the Purchaser (the “Assignment Applications”), and they will diligently take all steps necessary or desirable and proper to expeditiously prosecute the Assignment Applications and to obtain the FCC’s determination that grant of the Assignment Applications will serve the public interest, convenience and necessity, including, without limitation, compliance with the public notice requirements of the Communications Act. The failure by either party to timely file or diligently prosecute its portion of the Assignment Applications as required by this Section 6.12 shall be deemed a material breach of this Agreement.

6.13 Environmental Work.

(a) Within thirty (30) calendar days from the date hereof, the Purchaser shall have the right, at its sole cost and expense, to conduct a Phase I Environmental Assessment, as such term is commonly understood, with respect to the Owned Real Property and the Leased Real Property; provided, however, that such Phase

I Environmental Assessment shall be conducted by an environmental consultant selected by Purchaser and reasonably acceptable to Seller (the “Consultant”); provided further that the rights granted to the Purchaser in this Section 6.13(a) with respect to the Leased Real Property shall be subject to any required consent of the landlord of such Leased Real Property and provided, in each case, such inspections and interviews shall be conducted only (i) during regular business hours upon reasonable notice to the Seller, (ii) in a manner which will not unduly interfere with the conduct of the Business and/or the use of, access to or egress from the Owned Real Property and the Leased Real Property, and (iii) without damage to any property of the Seller or any property of any lessor of Leased Real Property.

(b) If the assessment conducted in connection with Section 6.13(a) above details a violation under applicable Environmental Law in connection with the Owned Real Property or the Leased Real Property, or the reasonable likelihood that such a violation exists, the Consultant reasonably recommends in its independent professional judgment that further investigatory action with respect to such violation under applicable Environmental Law, and the Purchaser delivers such assessment and recommendation to the Seller within thirty (30) calendar days from the date hereof, the Purchaser shall have the right, for forty-five (45) calendar days from the date such assessment and recommendations are delivered to the Seller, to conduct the investigation so recommended (the “Phase II Inspection”); provided, however, the rights granted to the Purchaser in this Section 6.13(b) with respect to the Leased Real Property shall be subject to any required consent of the landlord of such Leased Real Property; provided further, the Seller shall have the right to review and approve the work plan for any Phase II Inspection so proposed, and provided further, such Phase II Inspection shall be conducted only (i) at the sole cost and expense of the Purchaser, (ii) during regular business hours upon reasonable notice to the Seller, (iii) in a manner which will not unduly interfere with the conduct of the Business and/or the use of, access to or egress from the Owned Real Property and the Leased Real Property, and (iv) without material damage to any property of the Seller or any property of any lessor of Leased Real Property; provided, however, that any such damage shall be promptly repaired by the Purchaser. If Purchaser is not permitted to have the work outlined in any such work plan timely conducted, then Purchaser may either (i) terminate this Agreement and the TBA with no penalty to any party, in which case Purchaser shall receive back the all cash payments or advances, escrows and deposits and no party shall any further obligation or liability to any party, or (ii) waive the same and proceed under this Agreement with no liability to Seller for such waived matter.

(c) If, as a result of the Phase II Inspection, the Purchaser identifies a violation under applicable Environmental Law that is required to be remediated under applicable Environmental Law, the Purchase Price shall be reduced by the estimated amount of all costs and expenses of cleanup, removal, remedial, corrective or responsive action necessary to address such violation under applicable Environmental Law (“Environmental Work”) as reasonably determined by the Consultant (which estimate shall set forth reasonable detail on the basis for those estimates); provided, however, the Environmental Work shall be designed to meet the standards or requirements that the Seller is required to meet so as not to be a violation under applicable Environmental

Law (taking into account the zoning of the applicable Owned Real Property or Leased Real Property and the current uses of resources thereon), provided further, any reduction of the Purchase Price pursuant to this Section 6.13(c) shall be limited to the amount by which the costs and expenses of the Environmental Work exceed Thirty-seven Thousand Five Hundred Dollars (\$37,500); provided further, if parties other than the Seller are required under applicable Environmental Law to participate in any Environmental Work, any reduction of the Purchase Price pursuant to this Section 6.13(c) shall be made only with respect to the amount of the costs and expenses of Environmental Work reasonably allocable to the Seller.

(d) If the Seller and the Purchaser disagree as to the estimated costs, expenses or required extent of the Environmental Work as provided by the Consultant, the Seller shall notify the Purchaser of such disagreement in writing specifying in detail the particulars of such disagreement within twenty (20) Business Days after the Seller's receipt of the results of the Phase II Inspection pursuant to Section 6.13(c) above. The Purchaser shall provide the Seller full access to the assessment and/or inspection results (and all related records) that are the causes of such disagreement.

(e) The Seller and the Purchaser shall use their commercially reasonable efforts for a period of thirty (30) calendar days after the Seller's delivery of the notice referred to in Section 6.13(d) above to resolve any disagreements raised by the Seller with respect to the extent of the Environmental Work. If, at the end of such period, the Seller and the Purchaser are unable to resolve all such disagreements, a mutually agreeable environmental auditor (or if no such auditor can be agreed upon, then an environmental auditor selected by Purchaser's environmental auditor and Seller's environmental auditor (Dames & Moore) (the "Environmental Auditor") shall determine the costs, expenses and extent of the Environmental Work that it deems to be required. The determination of the Environmental Auditor shall be final, binding and conclusive on the parties. The Seller and the Purchaser shall use their commercially reasonable efforts to cause the Environmental Auditor to make its determination within thirty (30) calendar days of receipt of the parties' request for a determination. The fees and expenses of the Environmental Auditor shall be shared equally between the Seller and the Purchaser.

(f) Notwithstanding anything to the contrary contained herein, if the estimated costs and expenses of the Environmental Work as determined by the Consultant or the Environmental Auditor, as applicable, exceed Two Hundred and Fifty Thousand Dollars (\$250,000), the Seller shall have the right, in its sole and absolute discretion, to terminate this Agreement, subject to Section 6.13(g) below. If the Seller makes this election, then, subject to Purchaser's rights under Section 6.13(g) below, Purchaser shall receive back the all cash advances, escrows and deposits, and neither Seller nor Purchaser shall have any Liability or further obligation to the other under this Agreement .

(g) If the Seller elects to terminate this Agreement under Section 6.13(f) above, the Purchaser shall have the right, in its sole and absolute discretion, to accept a reduction of the Purchase Price of Two Hundred Twelve Thousand Five

Hundred Dollars (\$212,500), proceed with the Closing, and assume the Seller's responsibility to perform and pay for the required Environmental Work.

(h) The parties understand and agree that the procedures outlined in this Section 6.13 shall in no event delay the Closing beyond the date on which the Closing would occur but for such procedures.

6.14 Cash Advance. Upon the execution and delivery of this Agreement, the Purchaser shall deliver to M&T Bank (the "Escrow Agent") by wire transfer of immediately available funds in an amount equal to Eight Million Eight Hundred Thousand Dollars (\$8,800,000) (the "Cash Advance"). The Cash Advance will be held in accordance with an escrow agreement to be executed contemporaneously with this Agreement, by Seller, Purchaser and the Escrow Agent in a form attached hereto as Exhibit N (the "Escrow Agreement"). Unless otherwise previously disbursed by the Escrow Agent pursuant to the Escrow Agreement and the provisions of this Section, on the TBA Commencement Date, the Cash Advance will be disbursed by the Escrow Agent to an investment account designated in the Escrow Agreement. Seller shall maintain the Cash Advance and all interest thereon or proceeds thereof in the above-referenced designated investment account owned by and in the name of Seller pending the disbursement of all of such funds at Closing or at upon Termination as described in this Section. Seller shall invest all such funds, interest and proceeds in cash or cash equivalents.

(a) At the Closing, the Cash Advance shall be applied in Purchaser's favor as a credit to the Purchase Price.

(b) If this Agreement is terminated by either party pursuant to Sections 8.1(a) (with the consent of the other), 8.1(d), 8.1(e), 8.1(f), or 8.1(g), by the Purchaser pursuant to Section 8.1(c) or 8.1(i) or by the Seller pursuant to Section 8.1(h), then the Seller or the Escrow Agent, as the case may be, shall return or disburse, as the case may be, the Cash Advance and one half of the interest accrued thereon or proceeds thereof to Purchaser (with the remaining one half of the interest accrued thereon or proceeds thereof to be retained by, or disbursed to, the Seller).

(c) If this Agreement is terminated by the Seller pursuant to Section 8.1(b) or 8.1(i) then the Seller shall, if such termination occurs prior to the TBA Commencement Date, be entitled to disbursement by the Escrow Agent of, or if such termination occurs after the TBA Commencement Date, be entitled to retain, the Cash Advance including any interest or other proceeds from the investment accrued thereon as liquidated damages and not as a penalty. The parties recognize that the retention or disbursement, as the case may be, of the Cash Advance as liquidated damages shall be Seller's sole remedy at law or in equity in respect of Seller's termination pursuant to Section 8.1(b); provided, however, that in the event that the Seller is not entitled to collect the Cash Advance as liquidated damages for any reason whatsoever, whether due to a voluntary or involuntary bankruptcy petition filed by or against Purchaser or any of Purchaser's Affiliates, due to a court determining that the collection of the Cash Advance as liquidated damages is a penalty rather than liquidated damages, or due to

any other reason whatsoever, then, notwithstanding anything to the contrary in this agreement, Seller may pursue any other remedies which Seller may otherwise have at law or in equity, including but not limited to recovery of the Seller's damages pursuant to Section 8.3(b) or specific performance of this Agreement in which case Seller may retain the Cash Advance to apply towards the Purchase Price at Closing. Purchaser, for itself and its Affiliates, respective successors, assigns, and legal representatives (including but not limited to any trustees in bankruptcy or receivers), hereby irrevocably acknowledges and agrees that the Seller's retention of the Cash Advance as liquidated damages is not an unenforceable or unlawful penalty and is reasonable in light of the anticipated harm which would be caused by the Purchaser's breach of this Agreement, the difficulty of proof of loss, the inconvenience and nonfeasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder, and further hereby irrevocably waive, give up and release any right to assert that the Cash Advance cannot be collected by Seller as liquidated damages and agree that any such claim or defense shall not be asserted at any time on any basis. It is further agreed that if the Agreement is validly terminated pursuant to Section 8.1(b) and Seller is not entitled to be paid the entire Cash Advance as liquidated damages because it is determined that, for any reason, such amount is too high, then, notwithstanding anything to the contrary in this Agreement, Seller, at its election (but not at the election of Purchaser), may request a court of competent jurisdiction to judicially modify downward the amount to be paid as liquidated damages to the highest amount which may be paid under applicable law, and, upon learning such modified amount, Seller, at its election, may elect to be paid such amount as liquidated damages by Purchaser, or may elect not to be paid such amount as liquidated damages and pursue any other remedies which Seller may have at law or in equity, including but not limited to recovery of the Seller's damages pursuant to Section 8.3(b) or specific performance of this Agreement in which case Seller may retain the Cash Advance to apply towards the Purchase Price at Closing. In such an event, Purchaser for itself and its Affiliates, successors, assigns, and legal representatives (including but not limited to any trustees in bankruptcy or receivers), hereby irrevocably agrees and consents to such judicial modification at Seller's election and further hereby irrevocably waives, gives up and releases any right to assert that such judicial may not be made.

(d) All payments made pursuant to this Section shall be made by wire transfer of immediately available funds within five (5) Business days of termination.

6.15 Control of Operations Prior to Closing Date. Notwithstanding anything contained herein or in the TBA to the contrary, the Closing shall not be consummated prior to the grant by the FCC of the FCC Consent. The Seller and the Purchaser acknowledge and agree that at all times commencing on the date hereof and ending on the Closing Date, except as set forth in and pursuant to the terms of the TBA, neither Purchaser nor any of its employees, agents or representatives, directly or indirectly, shall, or have any right to, control, direct or otherwise supervise, or attempt to control, direct or otherwise supervise any of the management or operations of the Station, it being understood that the operation, management, control and supervision of all programs, equipment, operations and other activities of the Station shall be the sole

responsibility, and at all times prior to the Closing Date remain within the complete control and discretion, of the Seller.

6.16 Evidence of Financial Ability. Upon Seller's request from time to time prior to the Closing, Purchaser shall promptly provide to Seller evidence (in the form of committed financing or liquid balance sheet assets) of the Purchaser's financial resources necessary to consummate the transactions contemplated by this Agreement, including the ability to pay the Purchase Price at Closing.

6.17 Inconsistent Actions. Prior to the Closing, neither Purchaser nor Seller shall take any action which is materially inconsistent with its obligations under this Agreement, or that could hinder or delay the consummation of the transactions contemplated by this Agreement.

6.18 Exclusivity. Until this Agreement is terminated in accordance with its terms, the Seller will not (and will not cause or permit any affiliate, director, officer, employee, stockholder or agent of the Seller), directly or indirectly: (i) solicit, initiate or encourage the submission of any proposal or offer from any person or entity relating to any (a) liquidation, dissolution or recapitalization of Seller, (b) merger or consolidation of Seller, (c) acquisition or purchase of any material asset (or any material portion of the assets) of, or any equity security of, Seller, or (d) similar transaction or business combination involving Seller or any material assets or any equity security of Seller; or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any other person or entity to do or seek any of the foregoing. The Seller further agrees to promptly notify the Purchaser in the event that any of the persons or entities described in the preceding sentence receives any such inquiries of the type mentioned above from any other person or entity indicating or suggesting an interest in acquiring all or any part of the Seller's or the Station's business or assets. Until this Agreement is terminated in accordance with its terms, the Seller will notify the Purchaser if any person or entity makes any bona fide proposal or offer with respect to any of the foregoing.

6.19 Real Estate Matters.

(a) **Title Matters; Title Insurance.** Seller has provided Purchaser with copies of all title insurance commitments or title insurance policies relating to the Owned Real Property or the Leased Real Property previously issued to, and currently possessed by, Seller. Prior to the Closing, Purchaser may review the title to each parcel of Owned Real Property and Leased Real Property and obtain at its cost a commitment for an ALTA Owners Policy of Title Insurance, as the case may be, Form B-1970, for each parcel of the Owned Real Property and the Leased Real Property, issued by a title insurer designated by the Purchaser (the "Title Insurer"), in such amount as the Purchaser reasonably determines to be the fair market value thereof (including all improvements thereon), insuring the Purchaser's interest in such parcel, subject only to the Permitted Encumbrances. If the Title Insurer reasonably determines that there is a defect in title other than a Permitted Encumbrance, Purchaser shall provide written

notice of the same to Seller within thirty days of the Commencement Date. Seller shall use its commercially reasonable efforts to correct such defect prior to the Closing. Purchaser shall not be entitled to terminate this Agreement because of the existence of a title defect, unless otherwise permitted to do so pursuant to Section 8.1(c), but by proceeding to the Closing Purchaser shall not be deemed to have waived such defect and shall retain its permitted remedies therefore after Closing. The Purchaser shall bear the cost of any title searches, title commitment fees and title insurance premiums.

(b) Surveys. Seller has provided copies of all surveys with respect to the Owned Real Property or the Leased Real Property which Seller or its attorneys has. Purchaser may obtain at its cost a survey of each parcel of Real Property, prepared by a licensed surveyor and conforming to 1992 ALTA/ACSM Minimum Detail Requirements for Urban Land Title Surveys, and such standards as the Title Insurer may reasonably require as a condition to the removal of any survey exceptions from the commitment for the title insurance policy described in Section 6.19(a), and certified to the Purchaser and the Title Insurer, in a form sufficient to permit the issuance of the title policies described above in Section 6.19(a). If such a survey reasonably shows that there is a defect in title other than a Permitted Encumbrance, Purchaser shall provide written notice of the same to Seller within thirty days of the Commencement Date. Seller shall use its commercially reasonable efforts to correct such defect prior to the Closing. Purchaser shall not be entitled to terminate this Agreement because of the existence of a title defect, unless otherwise permitted to do so pursuant to Section 8.1(c), but by proceeding to the Closing Purchaser shall not be deemed to have waived such defect and shall retain its permitted remedies therefore after Closing. The Purchaser shall bear the cost of any title searches, title commitment fees and title insurance premiums. The Purchaser shall bear the cost of any surveys.

ARTICLE VII. CLOSING CONDITIONS

7.1 Conditions to Obligations of the Purchaser. The obligations of the Purchaser to consummate the transactions contemplated by this Agreement are subject to the satisfaction or fulfillment at or prior to the Closing of the following conditions, any of which may be waived in whole or in part by the Purchaser in writing:

(a) The representations and warranties of the Seller contained in Article IV shall have been true and correct both (i) at and as of the date hereof and (ii) at and as of the TBA Commencement Date with the same effect as though such representations and warranties were made at and as of the TBA Commencement Date (except to the extent that such representations or warranties expressly speak as of a specific date or time other than the TBA Commencement Date, in which case they need only have been true and correct as of such specified date or time), except as would not, in any individual case or in the aggregate, have a Material Adverse Effect.

(b) The Closing Representations and Warranties of the Seller contained in Article IV shall have been true and correct at and as of the Closing Date with the same effect as though such representations and warranties were made at and as of the Closing (except to the extent that such representations or warranties expressly speak as of a specific date or time other than the TBA Commencement Date, in which case they need only have been true and correct as of such specified date or time), except as would not, in any individual case or in the aggregate, have a Material Adverse Effect.

(c) The Seller shall have performed and complied with all the covenants and agreements required by this Agreement to be performed or complied with by it at or prior to the Closing, except as would not, in any individual case or in the aggregate, have a Material Adverse Effect.

(d) Except as set forth on Schedule 4.5(d), there will be no action or proceeding before any Governmental Authority pending or threatened in writing wherein an unfavorable judgment, decree, injunction or order is reasonably likely to have a Material Adverse Effect, or to result in any of the Closing or the transactions contemplated thereby being declared unlawful or rescinded, and no such judgment, decree, injunction or order will be in effect.

(e) The Seller shall have delivered to the Purchaser all of the certificates, instruments, opinions and other documents required to be delivered by the Seller at or prior to the Closing pursuant to Section 3.2 hereof, except, in the case of (i) Section 3.2(a)(vi), such certificates, instruments and other documents that relate to any Encumbrance that does not materially impair the value or use of the affected Purchased Assets, and (ii) Section 3.2(a)(viii), such Licenses, waivers, consents, approvals or authorizations other than those that relate to the consent of the FCC to the Assignment Applications or the consent of UPN with respect to the assignment of their respective network affiliation agreements to Purchaser.

(f) The FCC shall have granted its consent to the Assignment Applications and prior to such consent being granted there shall have been filed no objection, opposition or other filing raising issues concerning the Assignment Application that would be reasonably likely be expected to lead to denial or designation for hearing of the Assignment Application (an “Assignment Opposition”). In the event an Assignment Opposition has been filed prior to the FCC consent, then the FCC consent shall have become a Final Order.

(g) Seller shall have provided to Purchaser reasonably acceptable evidence of CBS’s approval of the form of the CBS Assumption Agreement, UPN shall have consented to the assignment of its respective network affiliation agreement to Purchaser, and, if required pursuant to the relevant lease, the landlord of each of the parcels of Leased Real Property relating to the Station’s studio and tower site shall have consented to the assignment of said lease.

Nothing in this Section 7.1 or Purchaser’s waiver of any condition precedent specified in this Section 7.1 and/or proceeding with the Closing, is intended

to, nor shall it, limit, or operate as a waiver of, Purchaser's right to indemnification after the Closing for breaches of Seller's representations, warranties and covenants pursuant to Article IX.

7.2 Conditions to Obligations of the Seller. The obligations of the Seller to consummate the transactions contemplated by this Agreement are subject to the satisfaction or fulfillment at or prior to the Closing of the following conditions, any of which may be waived in whole or in part by the Seller in writing:

(a) All representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects at and as of the Closing with the same effect as though such representations and warranties were made at and as of the Closing (other than any representation or warranty that is expressly made as of a specified date, which shall be true and correct in all material respects as of such specified date only).

(b) The Purchaser shall have performed and complied in all material respects with the covenants and agreements required by this Agreement to be performed or complied with by it at or prior to the Closing.

(c) There will be no action or proceeding before any Governmental Authority pending or threatened in writing wherein an unfavorable judgment, decree, injunction or order that is reasonably likely to have a Material Adverse Effect, or to result in any of the Closing or the transactions contemplated hereby being declared unlawful or rescinded, and no such judgment, decree, injunction or order will be in effect.

(d) The Purchaser shall have delivered to the Seller the Cash Payment and all of the certificates, instruments and other documents required to be delivered by the Purchaser at or prior to the Closing pursuant to Section 3.3 hereof.

(e) The FCC shall have granted its consent to the Assignment Applications.

ARTICLE VIII. TERMINATION

8.1 Termination. This Agreement and the transactions contemplated hereby may be terminated and abandoned:

(a) by either the Seller or the Purchaser at any time prior to the Closing with the mutual written consent of the other party hereto;

(b) provided that the Seller is not then in material breach of this Agreement, by written notice from the Seller in the event of a material breach by Purchaser of any of its covenants, agreements, representations or warranties contained in

this Agreement or if any of the representations or warranties of Purchaser contained in this Agreement shall have been inaccurate in any material respect when made, and the failure of Purchaser to cure such breach within thirty (30) days after receipt of written notice from the Seller requesting such breach to be cured, and provided that the failure to cure such breach would result in the conditions contained in Section 7.2 not being satisfied;

(c) provided that Purchaser is not then in material breach of this Agreement, by written notice from Purchaser either (i) in the event of a material breach by the Seller of any of its covenants, agreements, representations or warranties contained in this Agreement or if any of the representations or warranties of the Seller contained in this Agreement shall have been inaccurate in any material respect when made, and the failure of the Seller to cure any such breach of a covenant or agreement within thirty (30) days after receipt of written notice from Purchaser requesting such breach to be cured, and provided that the failure to cure such breach would result in the conditions contained in Section 7.1 not being satisfied, or (ii) the Station is off the air for greater than ninety-six (96) consecutive hours through no fault of Purchaser or its employees, agents or contractors;

(d) unless the Closing has not occurred as a result of a breach of this Agreement by the party seeking such termination, by either the Seller or the Purchaser if the Closing has not occurred on or prior to 5:00 p.m. (Columbus, MS time) on the date which is one (1) year following the date of this Agreement (the "Termination Date");

(e) by either the Seller or the Purchaser if any Governmental Authority with jurisdiction over such matters shall have issued a final and nonappealable Governmental Order permanently restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement; provided, however, that neither the Seller nor the Purchaser may terminate this Agreement pursuant to this Section 8.1(e) unless the party seeking to so terminate this Agreement has used all commercially reasonable efforts to oppose any such Governmental Order or to have such Governmental Order vacated or made inapplicable to the transactions contemplated by this Agreement;

(f) by either the Seller or the Purchaser if an order granting the Assignment Applications is not secured before the Termination Date; provided, however, that neither party hereto may terminate this Agreement if such party is in default hereunder, or if a delay in any decision or determinations by the FCC respecting the Assignment Applications has been caused or materially contributed to by any failure on the part of such party to furnish, file or make available information within its control or caused by the willful furnishing by such party of incorrect, inaccurate or incomplete information to the FCC, or caused by any action taken by such party for the purposes of delaying any decision or determination respecting the Assignment Applications;

(g) by either the Seller or the Purchaser if, for any reason, any of the Assignment Applications is designated for hearing by the FCC; provided, however, that neither party hereto may terminate this Agreement if such party is in default hereunder

or has caused such designation for hearing by virtue of its misrepresentations in this Agreement or in any Assignment Application or its willful and knowing violation of the FCC's rules or policies;

(h) by the Seller pursuant to Section 6.13(f); or

(i) by either the Seller or the Purchaser upon the occurrence of any of the following: (A) a petition commencing any voluntary or involuntary case under any chapter of the federal Bankruptcy Code is filed with respect to the other party or any of its Subsidiaries; (B) the other party or any of its Subsidiaries is adjudicated insolvent or bankrupt; (C) any other case or proceeding, voluntary or involuntary, is commenced with respect to the other party or any of its Subsidiaries (as debtor) under any bankruptcy, insolvency reorganization, liquidation, composition, arrangement or similar statute; (D) any assignment for the benefit of creditors is commenced with respect to the other party or any of its Subsidiaries; or (E) any receiver, custodian, trustee or the like is appointed with respect to all or a substantial part of the properties of the other party or any of its Subsidiaries.

8.2 Effect of Termination. If this Agreement is terminated pursuant to Section 8.1 hereof, this Agreement shall become null and void and neither party hereto shall have any further Liability hereunder except that (i) the provisions of Section 6.3, Section 6.7, Section 6.8 and Article IX generally shall remain in full force and effect, and (ii) each party hereto shall remain liable to each other party hereto for any breach of its obligations under this Agreement prior to such termination.

8.3 Remedies for Termination due to Breach.

(a) Breach by the Seller. If the Purchaser terminates this Agreement pursuant to Section 8.1(c), the Purchaser shall be entitled to exercise all rights and remedies which Purchaser may be afforded at law or in equity, including but not limited to the right to seek specific performance of its rights and obligations under this Agreement from a court of competent jurisdiction. The Seller hereby agrees to waive any objections it may have to the specific performance of this Agreement under this Section 8.3(a).

(b) Breach by the Purchaser. If Seller terminates this Agreement pursuant to Section 8.1(b), the Seller shall be entitled to such rights as are set forth in Section 6.14(c).

**ARTICLE IX.
INDEMNIFICATION**

9.1 Indemnification by Seller. Subject to the limitations contained in this Article IX, the Seller agrees to indemnify, defend and hold harmless the Purchaser and its Affiliates (each, a "Purchaser Indemnified Party") from and against any and all losses, Liabilities, and damages, costs and expenses (including reasonable fees and disbursements of counsel) (hereinafter individually, a "Loss" and collectively, "Losses")

which arise out of, or result from, (A) any inaccuracy in or any breach of any representation or warranty of the Seller contained in this Agreement or in the officer's certificate delivered by the Seller pursuant to Section 3.2(b)(i) or the failure of each of the representations and warranties of the Seller contained in this Agreement to be true and correct as of the date hereof and the TBA Commencement Date or in the case of the Closing Representations and Warranties, as of the Closing (except to the extent that such representations or warranties expressly speak as of another specific date or time, in which case they need only have been true and correct as of such specified date or time), (B) any breach of any covenant or agreement of the Seller contained in this Agreement, and (C) any Excluded Liability.

9.2 Indemnification by Purchaser. Subject to the limitations contained in this Article IX, the Purchaser agrees to indemnify, defend and hold harmless the Seller and its Affiliates, (each, a "Seller Indemnified Party") from and against any and all Losses which arise out of, or result from, (A) any inaccuracy in or any breach of any representation or warranty of the Purchaser contained in this Agreement or in the officer's certificate delivered by the Purchaser pursuant to Section 3.3(c)(i) or the failure of each of the representations and warranties of the Purchaser contained in this Agreement to be true and correct as of the date hereof and as of the Closing (except to the extent that such representations or warranties expressly speak as of another specific date or time, in which case they need only have been true and correct as of such specified date or time), (B) any breach of any covenant or agreement of the Purchaser contained in this Agreement, and (C) any Assumed Liability.

9.3 Conduct of Proceedings. If any claim, action, suit or proceeding covered by the foregoing agreements to indemnify and hold harmless (a "Proceeding") shall arise, the party seeking indemnification pursuant to this Article IX (the "Indemnified Party") shall give written notice thereof to the other party (the "Indemnitor") promptly after the Indemnified Party learns of the existence of such Proceeding; provided, however, that the Indemnified Party's failure to give the Indemnitor prompt notice shall not bar the Indemnified Party's right to indemnification unless such failure has materially prejudiced the Indemnitor's ability to defend the Proceeding. The Indemnitor shall have the right to employ counsel reasonably acceptable to the Indemnified Party to defend against any such Proceeding, or to compromise, settle or otherwise dispose of the same, if the Indemnitor deems it advisable to do so, all at the expense of the Indemnitor; provided, however, that, Indemnitor shall not settle, or consent to entry of any judgment in any Proceeding, without obtaining a release of the Indemnified Party from, or acknowledging its obligation to indemnify the Indemnified Party for, all Losses in respect of the claims underlying such Proceeding. The parties will fully cooperate in any such action, and shall make available to each other any books or records useful for the defense of any such Proceeding. If the Indemnitor fails to acknowledge in writing its obligation to defend against or settle such Proceeding within thirty (30) days after receiving notice thereof from the Indemnified Party (or such shorter time specified in the notice as the circumstances of the matter may dictate), the Indemnified Party shall have the right to undertake the defense and settlement of any such Proceeding, at the Indemnitor's expense; provided, however, that, if the Indemnified Party assumes the defense of any such Proceeding, the Indemnified Party shall not settle such Proceeding

prior to final judgment thereon or forego any appeal with respect thereto without the prior written consent of the Indemnitor (which consent may not be unreasonably withheld).

9.4 Limitations on Indemnification. (a) Notwithstanding the foregoing, (i) no claim may be made for indemnification pursuant to the Article IX with respect to any Loss, unless and until the aggregate of all Losses of the Purchaser Indemnified Parties on the one hand, or the Seller Indemnified Parties, on the other hand, as the case may be, exceed Two Hundred and Fifty Thousand Dollars (\$250,000) (the “Indemnification Threshold Amount”), in which event the Purchaser Indemnified Parties or the Seller Indemnified Parties, as the case may be, shall be entitled to seek indemnity for the amount by which such Losses for which indemnification is provided hereunder exceed the Indemnification Threshold Amount, (ii) in no event shall the aggregate amount of Losses for which the Seller or the Purchaser shall be entitled to indemnification pursuant to this Article IX exceed Two Million Dollars (\$2,000,000), (iii) the amount of Losses for which an Indemnified Party is entitled to indemnification shall be reduced by (A) any tax benefit or deduction allowable as a result of the incurrence of such Losses or the facts or circumstances giving rise thereto, and (B) any insurance recoveries or other indemnitees, contributions or similar payments recoverable from any third party as a result of the incurrence of such Losses or the facts or circumstances giving rise thereto, and (iv) no Indemnitor shall have any liability for, and calculations made with respect to the Indemnification Threshold Amount applicable to an Indemnified Party shall be determined without regard to, Losses incurred by an Indemnified Party resulting from actions taken by such Indemnified Party or its Affiliates following the Closing or Losses arising out of the breach of any representation, warranty, covenant or agreement of which such Indemnified Party had knowledge at or prior to the Closing.

(b) In determining whether a party shall be obligated to indemnify the other party under this Article IX for a breach of a representation, warranty or covenant, each representation and warranty contained in this Agreement and each covenant contained in this Agreement with respect to which indemnity may be sought hereunder shall be read solely for purposes of determining whether a breach of such representation, warranty or covenant has occurred without regard to materiality qualifications (including Material Adverse Effect) that may be contained therein. By way of example, the effect of this paragraph has been shown at the end of Section 4.3.

9.5 Mitigation. Each party hereto agrees to take, and to cause its Affiliates to take, all reasonable steps to mitigate any Losses incurred or to be incurred by such party or its Affiliates upon and after becoming aware of any event which could reasonably be expected to give rise to any Losses.

9.6 Survival. The representations and warranties of the Seller and the Purchaser contained in this Agreement or in any certificate, instrument or other document delivered by the Seller or the Purchaser pursuant to this Agreement, or in connection with the transactions contemplated hereby, shall survive the execution and delivery of this Agreement for a period of twelve (12) months after the Closing Date; except with respect to claims for common law fraud, in which case the 12-month time

period shall be extended for the full period of the applicable statute of limitations. None of the covenants and agreements of the Seller and the Purchaser contained in this Agreement, or in any certificate, instrument or other document delivered by the Seller or the Purchaser pursuant to this Agreement or in connection with the transactions contemplated hereby, shall survive the Closing, except to the extent such covenants and agreements by their terms contemplate performance after the Closing.

9.7 Sole Remedy; Time Limitation. After the Closing has occurred, except with respect to claims for common law fraud, the right to indemnification under this Article IX shall be the exclusive remedy of each party hereto in connection with any breach by the other party of its representations, warranties, covenants or agreements contained herein or in any certificate, instrument or other document delivered by the Seller or the Purchaser pursuant to this Agreement or, in the case of the Seller, in respect of any Losses which arise out of any Assumed Liability and, in the case of the Purchaser, any Losses which arise out of any Excluded Liability. Notwithstanding the foregoing provisions of this Article IX, an Indemnitor shall have no responsibility or obligation with respect to any claim for indemnification asserted pursuant to this Article IX unless such claim is asserted in writing by the Indemnified Party to the Indemnitor within twelve (12) months following the Closing Date; except with respect to a claim for common law fraud, in which case (i) the 12-month time period shall be extended to the full period of the applicable statute of limitations, (ii) the Two Hundred Thousand Dollar (\$250,000.00) “basket” limitation set forth in Section 9.4 above shall not apply and Seller shall be liable from the first dollar, and (iii) the Two Million Dollar (\$2,000,000.00) “cap” limitation set forth in Section 9.4 above shall not apply.

ARTICLE X. MISCELLANEOUS

10.1 Notices. All notices that are required or may be given pursuant to this Agreement must be in writing and delivered personally, by a recognized courier service, by a recognized overnight delivery service, by telecopy or by registered or certified mail, postage prepaid, to the parties at the following addresses (or to the attention of such other person or such other address as any party may provide to the other parties by notice in accordance with this Section 10.1):

if to the Purchaser, to:

Morris Network, Inc.
27 Abercorn Street
Savannah, GA 31401
Attention: Charles H. Morris

with copies to:

Ellis, Painter, Ratterree & Bart LLP
First Union Building, 10th Floor
2 East Bryan Street
Savannah, Georgia 31401
Attention: J. Wiley Ellis/James K. Austin

if to the Seller, to:

Imes Communications
P.O. Box 511
201 5th Street South
Columbus, MS 39703
Attention: Frank B. Imes

with copies to:

Latham & Watkins LLP
Suite 1000
555 Eleventh Street, N.W.
Washington, D.C. 20004
Attention: Eric L. Bernthal

Any such notice or other communication will be deemed to have been given and received (whether actually received or not) on the day it is personally delivered or delivered by courier or overnight delivery service or sent by telecopy (receipt confirmed) or, if mailed, when actually received.

10.2 Attorneys' Fees and Costs. If attorneys' fees or other costs are incurred to secure performance of any obligations hereunder, or to establish damages for the breach thereof or to obtain any other appropriate relief, whether by way of prosecution or defense, the prevailing party will be entitled to recover reasonable attorneys' fees and costs incurred in connection therewith.

10.3 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated by the Seller or the Purchaser without the prior written consent of the other party and any purported assignment or delegation in violation hereof shall be null and void.

10.4 Amendments and Waiver. This Agreement may not be modified or amended except in writing signed by the party against whom enforcement is sought. The terms of this Agreement may be waived only by a written instrument signed by the party waiving compliance. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise provided. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. Unless otherwise provided, the rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies that the parties hereto may otherwise have at law or in equity. Whenever this Agreement requires or permits consent by or on behalf of a party, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 9.7.

10.5 Entire Agreement. This Agreement, the Confidentiality Agreement and the related documents contained as Exhibits and Schedules hereto or expressly contemplated hereby (including the Seller Documents) contain the entire understanding of the parties relating to the subject matter hereof and supersede all prior written or oral and all contemporaneous oral agreements and understandings relating to the subject matter hereof. The Exhibits and Schedules to this Agreement are hereby incorporated by reference into and made a part of this Agreement for all purposes.

10.6 Representations and Warranties Complete. The representations, warranties, covenants and agreements set forth in this Agreement and the Confidentiality Agreement constitute all the representations, warranties, covenants and agreements of the parties hereto and their respective shareholders, directors, officers, employees, affiliates, advisors (including financial, legal and accounting), agents and representatives and upon which the parties have relied.

10.7 Actions Pursuant to the TBA. Notwithstanding anything contained herein to the contrary, the Seller shall not be deemed to have breached or otherwise failed to fulfill any of its representations, warranties, covenants or agreements contained herein or to have failed to satisfy any condition precedent to Purchaser's obligation to perform under this Agreement (nor shall the Seller have any liability or responsibility to Purchaser in respect of any such representations, warranties, covenants, agreements or conditions precedent), in each case only to the extent that the breach or failure to fulfill of any such representation, warranty, covenant or agreement or the inability to satisfy any such condition precedent is due, directly or indirectly, to (i) any actions taken by or at the direction of Purchaser or its Affiliates (or any of their respective officers, directors, employees, agents or representatives) in connection with Purchaser's performance of its obligations under the TBA, or (ii) the failure of Purchaser to perform any of its obligations under the TBA. Purchaser acknowledges and agrees that Seller shall not be deemed responsible for or have authorized or consented to any action or failure to act on the part of Purchaser or its Affiliates (or any of their respective officers, directors, employees, agents or representatives) in connection with the TBA solely by reason of the fact that prior to Closing, Seller shall have the legal right to control, manage and supervise the operation of the Stations and the conduct of the Business, except to the extent Seller actually exercises any control, management or supervision of the operation of the Stations or the conduct of the Business. Notwithstanding anything contained herein to the contrary, the Purchaser shall not be deemed to have breached or otherwise failed to fulfill any of its representations, warranties, covenants or agreements contained herein or to have failed to satisfy any condition precedent to Seller's obligation to perform under this Agreement (nor shall the Purchaser have any liability or responsibility to Seller in respect of any such representations, warranties, covenants, agreements or conditions precedent), in each case only to the extent that the breach or failure to fulfill of any such representation, warranty, covenant or agreement or the inability to satisfy any such condition precedent is due, directly or indirectly, to (i) any actions taken by or at the direction of Seller or its Affiliates (or any of their respective officers, directors, employees, agents or representatives) in connection with Seller's performance of its obligations under the TBA, or (ii) the failure of Seller to perform any of its obligations under the TBA or this Agreement.

10.8 Third Party Beneficiaries. Except for the Purchaser Indemnified Parties and the Seller Indemnified Parties, this Agreement is made for sole for the benefit of the parties hereto and nothing contained herein, express or implied, is intended to or shall confer upon any other Person any third party beneficiary right or any other legal or equitable rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement. Notwithstanding the foregoing or anything to the contrary contained in this Agreement.

10.9 Governing Law. This Agreement will be governed by and construed and interpreted in accordance with the substantive laws of the State of New York, without giving effect to any conflicts of law, rule or principle that might require the application of the laws of another jurisdiction.

10.10 Neutral Construction. The parties to this Agreement agree that this Agreement was negotiated fairly between them at arms' length and that the final terms of this Agreement are the product of the parties' negotiations. Each party represents and warrants that it has sought and received legal counsel of its own choosing with regard to the contents of this Agreement and the rights and obligations affected hereby. The parties agree that this Agreement shall be deemed to have been jointly and equally drafted by them, and that the provisions of this Agreement therefore should not be construed against a party or parties on the grounds that the party or parties drafted or was more responsible for drafting the provision(s).

10.11 Severability. In the event that any one or more of the provisions or parts of a provision contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or part of a provision of this Agreement or any other jurisdiction, but this Agreement shall be reformed and construed in any such jurisdiction as if such invalid or illegal or unenforceable provision or part of a provision had never been contained herein and such provision or part shall be reformed so that it would be valid, legal and enforceable to the maximum extent permitted in such jurisdiction.

10.12 Bulk Sales Laws. Purchaser waives compliance with the provisions of any applicable bulk transfer laws. Accordingly, Seller covenants that all debts, obligations, and liabilities relating to Seller and its business that are not expressly assumed by Purchaser in writing will be promptly paid and discharged by Seller as and when they become due and payable, and, notwithstanding anything in this Agreement to the contrary, Seller will defend, indemnify and hold Purchaser harmless from and against all suits, claims, costs, expenses and liabilities with respect to any Seller's non-compliance prior to the Closing with any bulk transfer law, including but not limited to claims made by creditors.

10.13 Headings; Interpretation; Schedules and Exhibits. The descriptive headings of the several Articles and Sections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. References to Sections or Articles, unless otherwise indicated, are references to Sections and Articles of this Agreement. The word "including" means including without limitation. Words (including defined terms) in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires. The terms "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Schedules and Exhibits hereto) and not to any particular provision of this Agreement unless otherwise specified. It is understood and agreed that neither the specifications of any dollar amount in this Agreement nor the inclusion of any

specific item in the Schedules or Exhibits is intended to imply that such amounts or higher or lower amounts, or the items so included or other items, are or are not material, and neither party shall use the fact of setting of such amounts or the fact of the inclusion of such item in the Schedules or Exhibits in any dispute or controversy between the parties as to whether any obligation, item or matter is or is not material for purposes hereof.

10.14 WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE SUCH WAIVER, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (III) IT MAKES SUCH WAIVER VOLUNTARILY, AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.16.

10.15 Counterparts. This Agreement may be executed in one or more counterparts for the convenience of the parties hereto, each of which shall be deemed an original and all of which together will constitute one and the same instrument. Any such counterpart may be delivered by fax.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Asset Purchase Agreement to be executed by a duly authorized officer as of the date first above written.

COLUMBUS TELEVISION, INC.

By: /s/ FRANK IMES

Name: Frank Imes

Title: President

**WCBI-TV, LLC, by Morris Network,
Inc., as sole manager**

By: /s/ CHARLES H. MORRIS

Name: Charles H. Morris

Title: Chairman of Morris Network, Inc.