

AMENDED AND RESTATED OPTION AGREEMENT

THIS AMENDED AND RESTATED OPTION AGREEMENT (this "**Agreement**") is made and entered into as of March 20, 2009, by and among LIN Television of Texas, L.P., a Delaware limited partnership ("**LIN**"), Vaughan Media LLC, an Illinois limited liability company ("**Vaughan**"), 54 Broadcasting, Inc., a Texas corporation (the "**Company**"), Ronnel Oliveira, an individual residing in the State of Texas, Goldberg-Hirsch Ventures, L.P., a Texas limited partnership, and LS Communications, Ltd. a Texas limited partnership (Ronnel Oliveira, Goldberg-Hirsch Ventures, L.P. and LS Communications, Ltd., collectively, the "**Shareholders**" and each, individually, a "**Shareholder**"). Capitalized terms used and not otherwise defined herein shall have the meaning set forth on *Schedule 1* attached hereto.

WITNESSETH

WHEREAS, LIN, the Company and the Shareholders are parties to that certain Option and Put Agreement, dated as of June 24, 1994, and amended as of December 2, 1994, July 25, 1997 and March 21, 2002 (as so amended, the "**Original Option Agreement**");

WHEREAS, the parties hereto, which includes each party to the Original Option Agreement, desire to hereby amend and restate the Original Option Agreement in its entirety;

WHEREAS, the Shareholders collectively own 68,000 voting shares of Common Stock, representing 95.51% of the issued and outstanding shares of Common Stock, and each Shareholder owns the number of voting shares of Common Stock set forth opposite such Shareholder's name on Exhibit A attached hereto;

WHEREAS, LIN is currently the owner of 3,197 voting shares of Common Stock of the Company (the "**LIN Shares**"), representing 4.49% of the issued and outstanding shares of Common Stock;

WHEREAS, each Shareholder desires to grant to LIN (and its successors and assigns) an option to purchase all of the shares of Common Stock, owned or held by such Shareholder as of the date hereof, together with any and all other equity interests, or securities convertible into or exchangeable for equity interests in the Company, if any, now held or hereinafter acquired by such Shareholder, on the terms and subject to the conditions set forth herein;

WHEREAS, LIN desires to acquire from each Shareholder an option to purchase all of such shares of Common Stock and other interests in the Company;

WHEREAS, the Company is the holder of the FCC licenses (the "**FCC Licenses**") with respect to television station KNVA (TV), Analog UHF Channel 54 and DTV Channel 49, Austin, Texas (the "**Station**"); and

WHEREAS, LIN and the Company are parties to that certain Local Marketing Agreement, dated as of June 24, 1994 and amended as of July 25, 1997, March 21, 2002, and as of the date hereof (as so amended, the "**LMA**").

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties, intending to be legally bound, agree as follows:

1. *Amendment and Restatement.*

(a) *Amendment and Restatement of the Original Option Agreement.* The parties hereto, including all of the parties to the Original Option Agreement, hereby agree that the terms and conditions of the Original Option Agreement shall be and hereby are amended and restated by the terms and conditions of this Agreement, and the Original Option Agreement shall be superseded by this Agreement.

(b) *Termination of Assignment.* Each of LIN and Vaughan hereby acknowledge and agree that the Assignment and Assumption Agreement, dated as of November 20, 2007, by and between LIN and Vaughan, with respect to the rights and obligations of LIN under the Original Option Agreement, be and it is hereby terminated.

(c) *Withdrawal of Exercise Notice.* Vaughan hereby withdraws that certain letter to the Shareholders, dated November 20, 2007, which sets forth an exercise of the option under the Original Option Agreement, and the parties hereto acknowledge and agree that the exercise set forth in such letter shall be of no further force and effect.

2. *Option Grant.* Each Shareholder hereby gives, grants, transfers and conveys to LIN and its successors and assigns the exclusive right, privilege and option to purchase (the "*Option*") all of the shares of Common Stock owned or held (beneficially or of record) by such Shareholder as of the date hereof and any and all other shares of Common Stock, equity interests, or securities convertible into or exchangeable for equity interests, in the Company now held or hereinafter acquired by such Shareholder (if any) between the date hereof and the Option Closing (all such Common Stock, other equity interests in the Company and securities convertible into or exchangeable for equity interests in the Company owned or held by all of the Shareholders, collectively, the "*Optioned Shares*").

3. *Consideration for Option.*

(a) *Option Consideration.* As consideration for the grant of the Option, the execution, delivery, and acceptance of the terms and conditions of this Agreement, including, the amendment and restatement of the Original Option Agreement, and the execution and delivery of the amendment to the LMA dated as of the date hereof, LIN shall pay to the Shareholder Representative (as defined below), on behalf of the Shareholders, an aggregate amount equal to Six Million Dollars (\$6,000,000.00) (the "*Option Consideration*") as follows: (i) in equal monthly installments of Fifteen Thousand Dollars (\$15,000.00) each (the "*Monthly Option Payments*"), which such Monthly Option Payments shall be due and payable commencing on the date (the "*Payment Date*") that is the earlier to occur of (A) 10 days following the date on which the FCC Application is filed pursuant to the terms hereof or (B) April 1, 2009 and thereafter on each 30-day anniversary of the Payment Date; and (ii) the unpaid balance of the Option Consideration, which shall be due and payable at the Option Closing.

(b) *Letter of Credit.*

(1) As security for its obligations pursuant to Section 3(a) above, no later than April 2, 2009, LIN shall deliver to the Shareholder Representative a letter of credit drawn on J.P. Morgan Chase Bank, N.A. (together with any successor financial institution with which such letter of credit shall be posted at any time, "**Bank**"), in substantially the form attached as Exhibit B, in the aggregate principal amount of Six Million Dollars (\$6,000,000.00) (the "**LOC**"). The LOC shall (i) name LIN, or an Affiliate of LIN, as the "Applicant", (ii) name the Shareholder Representative as the "Beneficiary", (iii) will not permit multiple drawings but will permit partial drawings, (iv) provide that the Shareholder Representative will receive no less than 30 calendar days notice of a termination or non-extension of the LOC, (v) have an expiration date of not less than twenty-seven (27) months following April 2, 2009; and (vi) contain substantially the following language with respect to the conditions to be met and the documentation to be presented to Bank by the beneficiary thereunder to permit a draw upon the LOC:

"The Beneficiary of this Letter of Credit may draw upon this Letter of Credit by presenting both of the following two signed documents:

(1) The following statement signed by Frank Goldberg, as Shareholder Representative: "Frank Goldberg, as Beneficiary under Letter of Credit Number [*Insert Number*], in his capacity as Shareholder Representative, and not individually, has the right, pursuant to the terms of that certain Amended and Restated Option Agreement, dated as of March 20, 2009, to draw on this Letter of Credit in an amount equal to the unpaid balance of the Option Consideration (as defined in the Amended and Restated Option Agreement), which such amount Beneficiary certifies is the amount indicated on this demand for a draw on this Letter of Credit."

(2) The following statement signed by Daryl Bristow: "Daryl Bristow certifies that the conditions set forth in Section 3(b)(2) of that certain Amended and Restated Option Agreement, dated as of March 20, 2009, have been met.""

(2) The LOC may be drawn by the Shareholder Representative in an amount equal to the unpaid balance of the Option Consideration due at the Option Closing upon the following conditions: (i) all of the events described in Section 12 hereof have occurred and all of the documents described in Section 12 have been delivered, except that LIN has not paid the unpaid balance of the Option Consideration to the Shareholder Representative as required by, and in accordance with, Sections 3(a) and 12(c); and (ii) a Bankruptcy Event has occurred with respect to LIN.

(3) For purposes of this Agreement, "**Bankruptcy Event**" means, with respect to any Person, (i) the voluntary filing by such Person of a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of such Person or of its assets; (ii) such Person is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition is not dismissed on or prior to the Closing Date; or (iii) such Person consents to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of such Person or for any substantial part of its property or makes any assignment for the benefit of creditors.

(4) LIN shall promptly deliver to the Shareholder Representative all communications received from or delivered to Bank in connection with the LOC and shall provide such documentation as the Shareholders may reasonably request with respect to the maintenance of the LOC prior to the Closing. The obligations set forth in Section 3 of this Agreement shall remain obligations of LIN notwithstanding the assignment by LIN set forth in Section 4 below or any other subsequent assignment of this Agreement pursuant to Section 20.

(5) The Shareholders shall be entitled to obtain the presence of Daryl Bristow at the Option Closing. In the event that Daryl Bristow is unable or unwilling to serve in the capacity set forth in this Section 3(b), LIN and the Shareholder Representative shall mutually select another individual to serve in such capacity and LIN and the Shareholder Representative shall promptly take any and all actions necessary to amend this Agreement and to make the necessary modifications to the LOC to reflect the selection of such other individual.

(c) The parties hereby acknowledge and agree that any payments made to the Shareholders (or any of their respective predecessors-in-interest) pursuant to the terms of the Original Option Agreement, under any and all circumstances and of any kind or form of consideration, as of the date hereof, shall be retained by the Shareholders and shall be deemed to be additional consideration for the grant of the Option hereunder.

4. Assignment of Option. Subject to Section 3(c) above, LIN hereby conveys, assigns and transfers to Vaughan and its successors and assigns all of LIN's right, title and interest in, to and under this Agreement and delegates to Vaughan all of its duties and obligations to be performed, or arising on or after the date hereof, in connection with or under this Agreement. Vaughan hereby accepts the foregoing assignment of rights and delegation of duties and obligations and agrees to be bound by and to assume such duties and obligations arising under or in connection with this Agreement to be performed or arising on or after the date hereof. Each of the Shareholders and the Company hereby acknowledges and consents to the foregoing assignment and assumption. The parties hereto acknowledge and agree that, pursuant to the terms of Section 20, LIN shall not be released of any of its obligations hereunder by virtue of the foregoing assignment. As used herein, the term "**Option Holder**" shall refer to Vaughan and its successors and assigns.

5. ***Exercise of Option.*** Option Holder hereby exercises the Option and each of the Shareholders and the Company hereby acknowledges such exercise. Option Holder, the Shareholders, the Company and, to the extent set forth in Section 3 above, LIN, are hereby obligated to enter into the transactions to be consummated hereunder at the Option Closing.

6. ***Purchase of Optioned Shares.***

(a) ***Purchase Price.*** At the Option Closing, Option Holder shall pay to the Shareholder Representative, on behalf of the Shareholders, an aggregate amount equal to Five Hundred Thousand Dollars (\$500,000.00) (the "***Purchase Price***"), *provided*, that the Purchase Price shall be deemed paid when deposited in an interest bearing escrow account maintained by the Escrow Agent (the "***Escrow Account***"), pursuant to the terms of an escrow agreement, substantially in the form attached hereto as Exhibit C, with any modifications required or reasonably requested by the Escrow Agent (the "***Escrow Agreement***"). The Purchase Price shall be retained by the Escrow Agent in accordance with the Escrow Agreement until the earlier to occur of (i) the date that is fifteen (15) months after the Closing Date (except as expressly set forth herein), and (ii) the date on which the balance of the Escrow Account is reduced to \$0.00 because of disbursements therefrom in accordance with this Agreement and the Escrow Agreement (the "***Escrow Termination Date***"). Following the Option Closing, subject to the provisions of this Agreement and the Escrow Agreement, Option Holder and the Company shall be entitled to seek disbursements of all or portions of the Purchase Price from the Escrow Account in order to satisfy any amounts due to Option Holder or the Company, as applicable, as a result of claims for Damages pursuant to Section 13. On the Escrow Termination Date, the Company and the Shareholder Representative shall execute and deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to disburse to the Shareholder Representative any escrowed funds remaining in the Escrow Account, except to the extent of the amount of any claims for indemnifiable Damages made by any Indemnified Party under Section 13 prior to the Escrow Termination Date that have yet to be paid, are in dispute, or as to which Third Party Claims (as defined below) are pending, which amounts (to the extent of the remaining portion of the Purchase Price) shall continue to be held by the Escrow Agent after the Escrow Termination Date until such time as such disputed claims or Third Party Claims are resolved, at which time the Purchase Price remaining in the Escrow Account shall be disbursed to the Shareholder Representative or Option Holder in accordance with the resolution of such claims.

(b) ***Delivery of Stock Certificates.*** At the Option Closing, each Shareholder shall deliver any and all stock certificates representing the Optioned Shares owned or held by such Shareholder, duly endorsed for transfer to Option Holder, together with appropriate stock powers duly endorsed for transfer to Option Holder.

(c) ***Closing.*** Subject to Section 14, the Option Closing shall take place no later than ten (10) Business Days after the satisfaction or, to the extent permissible by Applicable Law, the waiver (by the party for whose benefit the closing condition is imposed) of, the conditions specified in Sections 10 and 11 hereof.

7. ***Representations and Warranties of the Shareholders.***

(a) *Representations and Warranties of the Shareholders Relating to the Optioned Shares.* Each Shareholder, for itself or himself individually and severally, represents and warrants to each of LIN and Option Holder as follows:

(1) Authority. Such Shareholder has the full power, authority and legal capacity to enter into and to perform its or his obligations under this Agreement. The execution, delivery and performance of this Agreement by such Shareholder has been duly authorized (as necessary or applicable) and this Agreement constitutes a valid and binding obligation of such Shareholder enforceable against such Shareholder in accordance with its terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights in general and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(2) Title to Optioned Shares. Such Shareholder owns 100% of the shares of Common Stock set forth opposite such Shareholder's name on Exhibit A and no other shares of Common Stock, equity interests or securities convertible into or exchangeable for equity interests in the Company, and such Shareholder has good and valid title to such shares of Common Stock free and clear of all Liens. Upon the consummation of the transactions contemplated by this Agreement, Option Holder will acquire good and valid title to the Optioned Shares owned by such Shareholder free and clear of all Liens. The amounts owing by such Shareholder to the Company as set forth in Exhibit A under the column "Shareholder Debt" (such amounts the "*Shareholder Debt*"), which such amounts shall be discharged or distributed prior to the Option Closing pursuant to Section 11(c), are unsecured by any collateral, including any Lien on the Optioned Shares owned by such Shareholder.

(3) Conflicts. Neither the execution by such Shareholder of this Agreement, nor the performance by such Shareholder of its or his obligations hereunder will (A) violate or conflict with any Applicable Laws, (B) violate, conflict with or result in a breach or termination of, or otherwise give any Person additional rights or compensation under, or the right to terminate or accelerate, or constitute (with notice or lapse of time, or both) a default under the terms of any governing or organizational document or agreement, material note, deed, lease, instrument, security agreement, mortgage, commitment, contract, license or other instrument to which such Shareholder is a party or by which any of the assets or the properties of such Shareholder are bound, or (C) result in the creation or imposition of any Lien with respect to, or otherwise have a material adverse effect upon, the Optioned Shares owned by such Shareholder or the Company.

(4) Consents. Such Shareholder is not required to obtain any consent, approval or authorization of any Person or Governmental Authority, other than the FCC, in connection with the execution, delivery and performance by such Shareholder of this Agreement.

(5) Agreements Relating to Optioned Shares. Such Shareholder is not a party to any agreement relating to the issuance, sale, transfer or voting of the Optioned Shares owned by such Shareholder or any equity interests or other securities of the Company, other than the Original Option Agreement.

(6) Litigation. There are no proceedings pending or, to the knowledge of such Shareholder, threatened against such Shareholder that will impede the consummation of the transactions contemplated by this Agreement.

(7) Decision Freely Made. The decision of such Shareholder to enter into, execute and deliver this Agreement is made freely, without duress of any kind.

(8) Brokers. No broker, finder or other Person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of such Shareholder or any other Person acting on such Shareholder's behalf.

(b) *Representations and Warranties of the Shareholders Relating to the Company*. The Shareholders and the Company, jointly and severally, represent and warrant to each of LIN and Option Holder as follows; *provided, however*, that none of the Shareholders or the Company makes any representation or warranty as to any action, event, occurrence or circumstance that was or shall be caused by, or that arose or shall arise from, any acts or omissions of LIN under the LMA:

(1) Capitalization. The Optioned Shares constitute all of the issued and outstanding shares of Common Stock of the Company, other than the LIN Shares. All of the Optioned Shares have been duly authorized and are validly issued, fully paid and nonassessable. Other than the Optioned Shares and the LIN Shares, no class of equity or debt interests of the Company is outstanding, and there are no other securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind, to which the Company is a party or by which it is bound obligating the Company to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock, voting debt or other voting securities of the Company, or obligating the Company to issue, grant, extend or enter into any such security, interest, option, warrant, call, right, commitment, agreement, arrangement or undertaking. There are no outstanding or authorized stock appreciation, phantom stock or similar rights with respect to the Company, nor are there any voting trusts, proxies, shareholder agreements or any other agreements or understandings with respect to the voting of the Common Stock. All outstanding shares of Common Stock have been issued in compliance with all Applicable Laws relating to securities.

(2) Organization. The Company is a corporation duly organized, validly existing and subsisting under the laws of the State of Texas and has the corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted. The Company is duly qualified to do business and is in good standing in each jurisdiction in which such qualification is necessary because of the property owned, leased or operated by it or because of the nature of its business as now being conducted.

(3) Authority. The Company has the full power, authority and legal capacity to enter into and to perform its obligations under this Agreement. The execution, delivery and performance of this Agreement by the Company has been duly authorized and this Agreement constitutes a valid and binding obligation of the Company enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights in general and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(4) FCC Licenses and Compliance with Applicable Laws. The Company is the holder of the FCC Licenses, a true, correct and complete list of which is set forth on *Schedule 7(b)(4)(i)*. Such FCC Licenses are valid and in full force and effect and constitute all of the FCC licenses, permits and authorizations necessary to operate the Station as currently operated. Except as set forth on *Schedule 7(b)(4)(ii)*, the business and operations of the Company and the Station have been and are conducted in compliance with all Applicable Laws.

(5) FCC Qualifications. The Company is, and at all times from and after the date of this Agreement to and including the Closing Date will be, legally, financially and otherwise qualified under the Communications Act to perform its obligations hereunder and to be the licensee of, and to own and operate, the Station. No fact or circumstance exists relating to the FCC qualifications of the Company that (A) could reasonably be expected to prevent or delay the FCC from granting the FCC Consent or (B) would otherwise disqualify the Company as the licensee, owner and operator of the Station. Other than as set forth on *Schedule 7(b)(5)*, none of the Shareholders nor the Company has taken or failed to take any action that could reasonably be expected to prevent or delay the FCC from granting the FCC Consent or could otherwise disqualify the Company as the licensee, owner and operator of the Station or Option Holder as a controlling owner of the Company and operator of the Station.

(6) FCC Filings. The Company and the Shareholders have filed all material returns, reports, and statements that the Company or the Shareholders, as applicable, are required to file with the FCC. There is no action, suit or proceeding pending or, to any Shareholder's knowledge, threatened in writing against the Company in respect of the Station or seeking to enjoin the transactions contemplated by this Agreement and there are no governmental claims or investigations pending or, to any Shareholder's knowledge, threatened against the Company (except those affecting the broadcasting industry generally).

(7) Liabilities and Indebtedness. Other than as reflected on the pro forma balance sheet of the Company set forth on *Schedule 7(b)(7)*, there are no liabilities or obligations of the Company of any kind whatsoever, whether accrued, fixed, absolute, contingent, known, unknown, determined, determinable or otherwise (and whether due or to become due), other than obligations incurred in the ordinary course of business and consistent with past practice that are not material to the Company, and, to the knowledge of any Shareholder, there is no circumstance currently existing that could reasonably be expected to result in any such liability or obligation.

(8) Company Contracts. *Schedule 7(b)(8)* sets forth a true, complete and correct list of all contracts and agreements to which the Company is a party or by which the Company is bound, or to which any of the Company's assets or properties are subject, except for contracts and agreements entered into by LIN on behalf of the Company or the Station (all such contracts listed in *Schedule 7(b)(8)* and the LMA, collectively, the "***Company Contracts***"). All of the Company Contracts are, and immediately following the Option Closing will be, (i) in full force and effect, (ii) the valid and binding obligations of the Company and, to the knowledge of any Shareholder, the other parties thereto and (iii) enforceable in accordance with their respective terms. There exists no default, or any event which upon notice or the passage of time, or both, could reasonably be expected to give rise to any default, in the performance by the Company or, to the knowledge of any Shareholder, by any other party, under any Company Contract or permit any termination, modification or acceleration thereunder. There are no material disputes under any Company Contract and none of the Shareholders or the Company has received any notice that any party to any of the Company Contracts intends to cancel or terminate any Company Contract.

(9) Related Party Transactions. Except as set forth on *Schedule 7(b)(9)* and other than the Shareholder Debt, no current or former partner, director, officer, employee, manager, member or shareholder of the Company or any associate or Affiliate of the Company, or any relative with a relationship of not more remote than first cousin of any of the foregoing, is presently, or has been during the 12-month period prior to the date hereof, (i) a party to any transaction related to the business of the Company or the Station (including any contract providing for the furnishing of services by, or rental of real or personal property from, or otherwise requiring payments to, any such Person) or (ii) in receipt of income from any source other than the Company which relates to the operations of, or should properly accrue to, the Company.

(10) Taxes.

(i) The Company has timely filed all Income Tax Returns that it was required to file, all such Income Tax Returns were correct and complete in all material respects and all Income Taxes reflected thereon as due and owing have been timely paid.

(ii) Prior to the Closing Date, the Company was not at any time required to (A) file a Tax Return, other than Income Tax Returns, or (B) pay a Tax other than Income Taxes.

(iii) There is no action, suit, proceeding, audit, investigation or claim pending or, to the knowledge of any Shareholder, threatened, in respect of any Taxes for which the Company is or may become liable. No deficiency or claim for any such Taxes been asserted or, to the knowledge of any Shareholder, threatened against the Company, and there are no Liens for Taxes upon any of the assets of the Company. There is no agreement, waiver or consent providing for an extension of time with respect to the assessment or collection of any Taxes against the Company, and no power of attorney granted by the Company with respect to any tax matters is currently in force. No claim has ever been made by a Governmental Authority in any jurisdiction in which the Company does not file Tax Returns that the Company is or may be subject to taxation by that jurisdiction.

(iv) The Company is not a party to any agreement, contract, arrangement or plan that has resulted or would result, separately or in the aggregate, in the payment or any "excess parachute payment" within the meaning of Code section 280G (or any corresponding provision of state, local or foreign Tax law).

(v) The Company will not be required to include any adjustment in taxable income for any Post-Closing Tax Period under Section 481(c) of the Code (or any similar provision of the Tax laws of any jurisdiction) as a result of a change in method of accounting for a Pre-Closing Tax Period. The Company will not be required to include for a Post-Closing Tax Period taxable income attributable to income economically realized in a Pre-Closing Tax Period, including any income includible in a Post-Closing Tax Period as a result of the installment method of accounting or any cancellation of indebtedness income realized in a Pre-Closing Tax Period but recognized in a Post-Closing Tax Period under Section 108(i) of the Code, other than any cancellation of indebtedness income related to the LIN Loan. For the avoidance of doubt, any Taxes arising as a result of cancellation or forgiveness of the LIN Loan shall be the sole responsibility of the Company and shall not be the responsibility of any of the Shareholders in their personal capacity as Shareholders of the Company or as indemnitors for any Pre-Closing Tax Period liability of the Company.

(11) Litigation. Except for the matters subject to the Settlement Agreement (as hereinafter defined), there are no proceedings pending or, to the knowledge of any Shareholder or the Company, threatened against the Company.

(12) Legal Fees. All costs, expenses and fees, including all legal and attorney's fees, incurred by the Company on or prior to the Closing Date (including any costs, expenses and fees related to the matters set forth on *Schedule 7(b)(5)*), whether or not such costs, expenses and fees are due and owing as of the Closing Date, have been, or will be as of the Closing Date, fully and timely paid, or shall be paid in substantial part simultaneously with the Option Closing with adequate provision for the payment by the Shareholders of any outstanding portion thereof.

(13) Brokers. No broker, finder or other Person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of the Company or any other Person acting on the Company's behalf.

8. *Representations and Warranties of Option Holder and LIN.*

(a) *Representations and Warranties of Option Holder*. Option Holder represents and warrants to the Shareholders as follows:

(1) Organization. Option Holder is a limited liability company duly formed, validly existing and in good standing under the laws of the state of its organization.

(2) Authorization. Option Holder has the full power, authority and legal capacity to enter into and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement by Option Holder has been duly authorized and this Agreement constitutes a valid and binding obligation of Option Holder enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights in general and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(3) Brokers. No broker, finder or other Person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Option Holder or any Person acting on Option Holder's behalf.

(b) *Representations and Warranties of LIN*. LIN represents and warrants to the Shareholders as follows:

(1) Organization. LIN is a limited partnership duly formed, validly existing and in good standing under the laws of the State of Texas.

(2) Authority. LIN has the full power, authority and legal capacity to enter into and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement by LIN has been duly authorized and this Agreement constitutes a valid and binding obligation of LIN enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights in general and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(3) Brokers. No broker, finder or other Person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of LIN or any Person acting on LIN's behalf.

9. *Covenants of the Shareholders and Certain Tax Matters.*

(a) *Covenants of the Shareholders Relating to the Company*. From and after the date hereof until the Option Closing, and subject to the LMA and the performance by LIN of its obligations thereunder, the Shareholders and the Company, jointly and severally, covenant and agree to:

(1) Affirmative Covenants.

(i) Maintain insurance on the assets of the Company and with respect to the operation of the Station in such amounts and in such nature as in effect on the date hereof;

(ii) Operate the Station in all material respects in accordance with the terms of the FCC Licenses, the Communications Act and all other Applicable Laws;

(iii) File all material returns, reports, and statements that the Shareholders or the Company, as applicable, are required to file with the FCC and the Federal Aviation Administration;

(iv) Consult and cooperate with LIN, to the extent consistent with Applicable Laws, in the negotiation, maintenance and enforcement of retransmission consent agreements with cable, satellite and other multichannel video providers and exercise the rights of the Station to mandatory carriage and retransmission consent for cable television and other multichannel video providers in a manner that ensures the maximum possible distribution of the Station's signal on cable, direct-broadcast-satellite and other multichannel video programming distributors serving communities located in the Station's market; and

(v) Perform in all material respects all obligations under the Company Contracts and any other contracts and any other documents relating to or affecting the Company or the Station.

(2) Negative Covenants.

- (i) Not take any action that would cause the FCC Licenses not to be in full force and effect or to be revoked, suspended, cancelled, rescinded, terminated or expired;
- (ii) Not mortgage, pledge, subject to any Lien or otherwise encumber (or cause to occur, or agree or commit to do, any of the foregoing) any of the assets of the Company;
- (iii) Not sell, lease, transfer, assign or otherwise dispose of (or cause to occur, or agree or commit to do, any of the foregoing) any of the assets of the Company, except for properties and assets sold or replaced with others of like kind and value in the ordinary course of business;
- (iv) Not take any action or fail to take any action that could reasonably be expected to prevent or delay the FCC from granting the FCC Consent or could otherwise disqualify the Company as the licensee, owner and operator of the Station or Option Holder as a controlling owner of the Company and operator of the Station;
- (v) Not issue any subscription, warrant, option, calls, commitments or other rights to purchase or acquire any equity or debt interests, or any securities convertible into or exchangeable for any equity or debt interests, in the Company;
- (vi) Not permit or cause the Company to enter into any arrangement or contract with any Shareholder or any Affiliates, parents, spouses, descendants (whether natural, step or adopted) or other family members of any Shareholder, other than as reasonably necessary to discharge or otherwise terminate prior to the Closing Date any arrangements between the Shareholders, or any such related persons, and the Company existing as of the date hereof;
- (vii) Not permit or cause the Company to enter into, renew, amend or modify any Company Contract or other contract or agreement relating in any way to Company or the Station, outside the ordinary course of business and without substantial business justification, which Company Contract or other contract or agreement would involve liabilities or obligations of the Company that would not be fully performed or discharged in full prior to the Closing Date;
- (viii) Not make or declare any dividend or distribution to the Shareholders, other than as required pursuant to Section 11(c);

(ix) Not make any investment (whether in the form or equity or debt) in the Company, other than to comply with the terms of this Agreement, without the prior written consent of Option Holder and LIN, which consent shall not be unreasonably withheld;

(x) Not make any payments to third parties relating to or on behalf of the Company, other than in the ordinary course of business and consistent with past practice or as otherwise required by the terms of a Company Contract, or with the prior written consent of Option Holder and LIN; and

(xi) Not make or change any Tax election, change an annual accounting period, adopt or change any accounting method, file any amended Tax Return, enter into any closing agreement, settle any Tax claim or assessment related to the Company, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to the Company, or take any other similar action relating to the filing of any Tax Return or the payment of any Tax, if such election, adoption, change, amendment, agreement, settlement, surrender, consent or other action would have the effect of increasing the Tax liability of the Company for any period after the Closing Date (including a Post-Closing Tax Period) or decreasing any Tax attribute of the Company existing on the Closing Date, without the prior written consent of Option Holder and LIN, which such consent shall not be unreasonably withheld;

(xii) Not take any action, or fail to take any action, that could reasonably be expected to materially adversely affect the goodwill of the Station then in existence; or

(xiii) Not agree or commit, whether in writing or otherwise, to take any of the actions specified in the foregoing clauses.

Notwithstanding anything to the contrary contained herein, to the extent that the obligations of the Shareholders or the Company under this Section 9 would require the incurrence of an expense reimbursable under the terms of the LMA, such obligation or covenant shall be subject to the terms and conditions of the LMA.

(b) *Covenants of the Shareholders Relating to the Shareholders.* From and after the date hereof until the Option Closing, each Shareholder, for itself or himself individually and severally, covenants and agrees to:

(1) Not mortgage, pledge, subject to any Lien or otherwise encumber (or cause to occur, or agree or commit to do, any of the foregoing) any of the Optioned Shares owned or held by such Shareholder;

(2) Not sell, lease, transfer, assign or otherwise dispose of (or cause to occur, or agree or commit to do, any of the foregoing) any of the Optioned Shares owned or held by such Shareholder;

(3) Not enter into any agreement relating to the issuance, sale, transfer or voting of the Optioned Shares owned by such Shareholder or any equity interests or other securities of the Company; and

(4) Not take any action or fail to take any action that could reasonably be expected to prevent or delay the FCC from granting the FCC Consent or could otherwise disqualify the Company as the licensee, owner and operator of the Station or Option Holder as a controlling owner of the Company and operator of the Station.

(c) *Tax Indemnification.*

(1) Subject to the terms and conditions of the LMA with respect to the Station, the Shareholders shall indemnify the Company and the Option Holder against all Tax liability of the Company attributable to a Pre-Closing Tax Period. For purposes of this Section 9, in the case of any Taxes that are imposed on a periodic basis and are payable for a Tax period that includes (but does not end on) the Closing Date (a "*Straddle Period*"), the portion of such Taxes related to the portion of such Tax period ending on and including the Closing Date shall (i) in the case of any Taxes other than gross receipts, sales and use Taxes and Taxes based upon or related to income (including, as applicable, franchise Taxes and "doing business" Taxes), be deemed to be the amount of such Tax for the entire Tax period multiplied by a fraction the numerator of which is the number of days in the Tax period ending on and including the Closing Date and the denominator of which is the number of days in the entire Tax period, and (ii) in the case of any Tax based upon or related to income and any gross receipts, sales or use Tax, be deemed equal to the amount which would be payable if the relevant Tax period ended on the close of business on the Closing Date.

(2) LIN shall indemnify the Shareholders against any Tax liability incurred as a result of, or otherwise attributable to, the cancellation or forgiveness of the LIN Loan; *provided, however*, that LIN shall not be obligated to indemnify the Shareholders against any liabilities arising out of a cancellation or forgiveness of the LIN Loan upon a termination of this Agreement pursuant to Section 14(b) and in accordance with Section 14(d)(1).

(d) *Responsibility for Filing Tax Returns.* Following the Closing Date, Option Holder shall prepare and file, or cause to be prepared and filed, all Tax Returns for the Company relating to Taxes owed for any Pre-Closing Tax Period or Straddle Period but due after the Closing Date. Option Holder shall permit the Shareholder Representative to review and comment on each such Tax Return and each shall confer in good faith with respect to such comments or proposed revisions and Option Holder shall accept such proposed revisions, except to the extent that the Company reasonably determines that such revisions would be reasonably likely to result in penalties or additions to Tax for any Pre-Closing Tax Period or Straddle Period or increase the Tax liability of the Company or any member of a consolidated group of which the Company is a member for any Post-Closing Tax Period (or portion of a Straddle Period beginning after the Closing Date).

(e) *Refunds and Benefits.* Any Tax refunds or credits that are received by Option Holder, LIN or the Company, or that any of the foregoing become entitled to receive, that relate to Pre-Closing Tax Periods or the portion of any Straddle Period occurring prior to the Closing Date, other than refunds or credits related to losses incurred following the Closing Date and carried back to taxable years ending on or prior to the Closing Date, shall be for the account of the Shareholders, and Option Holder, LIN and the Company shall pay over to the Shareholders any such refunds or the amount of any such credit within 15 days after receipt thereof or entitlement thereto. If the Company has an adjustment to its taxable income or incurs a liability for Taxes for a Pre-Closing Tax Period (or the portion of a Straddle Period occurring prior to the Closing Date) which results in the denial, in whole or in part, of any claim for refund for which the Company received a payment of a refund of Taxes attributable to the carryback of any loss or credit from a Post-Closing Tax Period (or the portion of a Straddle Period beginning after the Closing Date), then, notwithstanding Section 9(c) hereof, the Shareholders shall not be required to indemnify Option Holder, LIN or the Company for any Tax liability for Taxes attributable to such denial, in whole or in part, of any claim for refund.

(f) *Cooperation on Tax Matters.* Option Holder, LIN, and the Company, on the one hand, and the Shareholders, on the other hand, shall cooperate fully, as and to the extent reasonably requested by the other parties, in connection with the filing of Tax Returns pursuant to Section 9(d) and in connection with any audit, litigation, or other proceeding involving the Company with respect to Taxes. The Company, LIN and Option Holder shall provide prompt written notice to the Shareholder Representative of any audit of the Company's Tax Returns following the Closing Date that relates to a Pre-Closing Tax Period and the Shareholders shall have the right to participate in any such audit. Each of the parties hereto shall retain, and, upon the request of any other party hereto, provide any records and information that could reasonably be expected to be relevant to any such audit, litigation, or other proceeding and shall make such party's employees, agents or representatives available on a mutually convenient basis to provide additional information and explanation of any such records and information. Option Holder, LIN, the Company, and the Shareholders agree: (x) to retain all books and records with respect to Tax matters pertinent to the Company relating to any Pre-Closing Tax Period or Straddle Period until the expiration of the applicable statute of limitations (and, to the extent notified by the Company, any extensions thereof) of the applicable Tax matter or period, and to abide by all record retention agreements entered into by the Company with any taxing authority, and (y) to give the other parties hereto written notice reasonably in advance of transferring, destroying, or discarding any such books and records.

(g) *Survival.* The provisions of Sections 9(c)-(g) shall survive the Closing Date until the expiration of the applicable statute of limitations with respect to the filing and audit of the applicable Tax Returns.

10. *Shareholder Closing Conditions.*

The obligations of the Shareholders to consummate the sale and purchase of the Optioned Shares are subject to satisfaction or waiver, at or prior to the Option Closing, of each of the following conditions:

(a) *Representations, Warranties and Covenants of Option Holder and LIN.* The representations and warranties of each of Option Holder and LIN made in this Agreement shall be true and correct in all material respects as of the Closing Date, except for changes expressly permitted by the terms of this Agreement, and the covenants and agreements to be complied with and performed by each of Option Holder and LIN at or prior to the Option Closing shall have been complied with or performed in all material respects. The Shareholders shall have received a certificate dated as of the Closing Date from each of Option Holder and LIN, executed by an authorized officer of Option Holder or LIN, as applicable, to the effect that the conditions set forth in this Section 10(a) have been satisfied.

(b) *FCC Consent.* The FCC Consent shall have been obtained and shall be in effect and no court or governmental order prohibiting the Option Closing shall be in effect.

(c) *No Prohibitions.* No injunction, restraining order or decree of any nature of any Governmental Authority of competent jurisdiction shall be in effect that restrains or prohibits any party from consummating the transactions contemplated by this Agreement.

11. *Option Holder Closing Conditions.*

The obligations of Option Holder to consummate the sale and purchase of the Optioned Shares are subject to satisfaction or waiver, at or prior to the Option Closing, of each of the following conditions:

(a) *Representations, Warranties and Covenants.* The representations and warranties of each Shareholder made pursuant to Section 7(a) and the representations and warranties of the Shareholders made pursuant to Section 7(b) shall be true and correct in all material respects as of the Closing Date, except for changes expressly permitted by the terms of this Agreement, and the covenants and agreements to be complied with and performed by the Shareholders and the Company at or prior to the Option Closing shall have been complied with or performed in all material respects. Option Holder shall have received certificates dated as of the Closing Date from each of the Company and each Shareholder, executed by an authorized officer of each of the Company and each Shareholder, or such Shareholder individually, as applicable, to the effect that the conditions set forth in this Section 11(a) have been satisfied.

(b) *FCC Consent.* The FCC Consent shall have been obtained and shall be in effect and constitute a Final Order, and no court or governmental order prohibiting the Option Closing shall be in effect.

(c) *Shareholder Debt; Company Contracts.* All of the Shareholder Debt shall have been distributed by the Company to the Shareholders, or otherwise fully and finally discharged by the Company, and the Company shall have no further obligations, liabilities or rights with respect to the Shareholder Debt. To evidence compliance with this Section 11(c), the Shareholders shall deliver to Option Holder a pro forma balance sheet of the Company, dated as of the Closing Date and certified by an authorized officer of the Company, in a form and substance substantially similar to the pro forma balance sheet attached on *Schedule 7(b)(7)*, reflecting the distribution or discharge of the Shareholder Debt or otherwise reflecting the absence of such Shareholder Debt on the balance sheet of the Company. The Company Contract set forth on *Schedule 7(b)(8)* shall have been terminated as of the Closing Date.

(d) *No Prohibitions.* No injunction, restraining order or decree of any nature of any Governmental Authority of competent jurisdiction shall be in effect that restrains or prohibits any party from consummating the transactions contemplated by this Agreement.

12. Closing Deliveries.

(a) *Shareholders' Deliveries.* At the Option Closing the Shareholders shall deliver or cause to be delivered to Option Holder:

- (1) certified copies of resolutions authorizing the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby, by each Shareholder that is an entity;
- (2) the certificates described in Section 11(a) hereof;
- (3) all stock certificates representing the Optioned Shares, duly endorsed by the applicable Shareholder for transfer and accompanied by appropriate stock powers duly endorsed by the appropriate Shareholder for transfer;
- (4) a true, accurate and complete stock ledger of the Company reflecting all issued and outstanding shares of Common Stock and other interests in the Company, certified by the secretary of the Company;
- (5) the original LOC, except in the event that LIN has failed to deliver the unpaid balance of the Option Consideration as contemplated by Sections 3(a)-(b);
- (6) executed letters of resignation from each officer and each director of the Company;
- (7) a duly authorized and validly executed counterpart of the Escrow Agreement;

- (8) a certificate from the Secretary of State of the State of Texas as to the Company's good standing dated within three days of the Closing Date;
- (9) a pro forma balance sheet of the Company as set forth in Section 11(c), dated as of the Closing Date and certified by an authorized officer of the Company; and
- (10) such other documents, certificates, payments, assignments, transfers and other deliveries as Option Holder may reasonably request and as are customary to effect a closing of the matters contemplated by this Agreement.

(b) *Option Holder Deliveries.* At the Option Closing Option Holder shall deliver or cause to be delivered to the Shareholder Representative:

- (1) the certificate described in Section 10(a) hereof;
- (2) a duly authorized and validly executed counterpart of the Escrow Agreement;
- (3) the Purchase Price; and
- (4) such other documents, certificates, payments, assignments, transfers and other deliveries as the Shareholder Representative may reasonably request and as are customary to effect a closing of the matters contemplated by this Agreement.

(c) *LIN Deliveries and Agreements.* At the Option Closing LIN shall pay the unpaid balance of the Option Consideration to the Shareholder Representative, on behalf of the Shareholders, pursuant to the terms and subject to the conditions of Section 3 and shall deliver the written notification described in Section 3(b)(i) duly executed by LIN. At the Option Closing, LIN shall deliver to the Shareholders the original copies of each of the Guarantees and the Pledge Agreements marked as "cancelled" by an authorized officer of LIN. LIN hereby represents, warrants, covenants and agrees that the LIN Loan shall not mature prior to the Closing Date and LIN shall not cancel, forgive or accelerate the maturity of the LIN Loan at any time prior to the Closing Date. For the avoidance of doubt, in no event shall the Company, prior to the Option Closing, or the Shareholders, at any time, be required or obligated to pay to LIN any principal or interest on the LIN Loan.

13. *Survival; Indemnification.*

(a) *Survival.* The representations and warranties in this Agreement shall survive the Option Closing until the date that is fifteen (15) months after the Closing Date, whereupon they shall expire and be of no further force or effect, except those under this Section 13 that relate to Damages for which written notice is given by the Indemnified Party to the Indemnifying Party prior to such expiration, which shall survive until resolved.

(b) *Indemnification.*

(i) Subject to the limitations set forth in Section 13(d) below, from and after the Option Closing, the Shareholders, jointly and severally, shall defend, indemnify and hold harmless the Company and Option Holder from and against any and all Damages incurred by Option Holder or the Company arising out of or resulting from (A) any material inaccuracy in, or breach or nonfulfillment of, any of the representations, warranties, covenants or agreements made by the Shareholders or the Company in this Agreement or default by the Shareholders or the Company under this Agreement and (B) the business or operations of the Station or the Company prior to the Closing Date, except to the extent arising from, relating to, or as a result of the actions or omissions of LIN, or its employees and representatives in performing their duties, or in acting outside the scope of their duties, under the LMA.

(ii) Subject to the limitations set forth in Section 13(d) below, from and after the Option Closing, Option Holder shall defend, indemnify and hold harmless the Shareholders from and against any and all Damages incurred by the Shareholders arising out of or resulting from (A) any material inaccuracy in, or breach or nonfulfillment of, any of the representations, warranties, covenants or agreements made by Option Holder in this Agreement or default by Option Holder under this Agreement and (B) the business or operations of the Station or the Company after the Closing Date.

(iii) Subject to the limitations set forth in Section 13(d) below, from and after the Option Closing, LIN shall defend, indemnify and hold harmless the Shareholders from and against any and all Damages incurred by the Shareholders arising out of or resulting from any material inaccuracy in, or breach or nonfulfillment of, any of the representations, warranties, covenants or agreements made by LIN in this Agreement or default by LIN under this Agreement.

(c) *Indemnification Procedures.*

(d) If any person entitled to indemnification under this Agreement (an “*Indemnified Party*”) asserts a claim for indemnification for, or receives notice of the assertion or commencement of any action, suit, claim or legal, administrative, arbitration, mediation, governmental or other proceeding or investigation, other than any brought by a party to this Agreement or an Affiliate of a party to this Agreement (a “*Third Party Claim*”) as to which such Indemnified Party intends to seek indemnification under this Agreement, such Indemnified Party shall give reasonably prompt written notice of such claim to the party from whom indemnification is to be sought (an “*Indemnifying Party*”), together with a statement of any available information regarding such Third Party Claim. The Indemnifying Party shall be entitled to participate in the defense of any such Third Party Claim, and if, in the judgment of the Indemnified Party, such Third Party Claim can properly be resolved by money damages alone and the Indemnifying Party has the financial resources to pay such damages, and the Indemnifying Party admits that this indemnity fully covers the Third Party Claim, then the Indemnifying Party shall be entitled to direct the defense of such Third Party Claim at its sole cost and expense, but such defense shall be conducted by legal counsel reasonably satisfactory to the Indemnified Party. The parties hereto agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any Third Party Claim. If the Indemnifying Party direct the defense of any Third Party Claim pursuant to the foregoing sentence, the Indemnified Party will cooperate with and make available to the Indemnifying Party such assistance and materials as may be reasonably requested by the Indemnifying Party, all at the expense of the Indemnifying Party.

(1) If the Indemnified Party defends any Third Party Claim, then the Indemnifying Party shall reimburse the Indemnified Party for the reasonable costs and expenses of defending such Third Party Claim upon submission of periodic bills. If the Indemnifying Party conducts the defense of the subject Third Party Claim pursuant to Section 13(c)(1), the Indemnified Party may participate, at his or its own expense, in the defense of such Third Party Claim; *provided, however*, that such Indemnified Party shall be entitled to participate in any such defense with separate counsel at the expense of the Indemnifying Party if (A) such separate representation is requested by the Indemnifying Party or (B) in the reasonable opinion of counsel to the Indemnified Party, a conflict or potential conflict exists between the Indemnified Party and the Indemnifying Party that would make such separate representation advisable; and *provided, further*, that the Indemnifying Party shall not be required to pay for more than one counsel for all Indemnified Parties in connection with any Third Party Claim.

(2) Regardless of which party defends a Third Party Claim, the other party shall have the right at its expense to participate in the defense of such Third Party Claim, assisted by counsel of its own choosing. The Indemnified Party shall not compromise, settle, default on, or admit liability with respect to a Third Party Claim without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed, and, if the Indemnified Party settles, compromises, defaults on, or admits liability with respect to a Third Party Claim except in compliance with the foregoing, the Indemnified Party will be liable for all Damages paid or incurred in connection therewith and the Indemnifying Party shall have no obligation to indemnify the Indemnified Party with respect thereto. The Indemnifying Party shall not compromise or settle a Third Party Claim without the consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed, unless such compromise or settlement includes as a term thereof an unconditional release of the Indemnified Party and such compromise or release does not impose any non-monetary obligations on the Indemnified Party other than immaterial administrative obligations (and all monetary obligations are subject to the indemnification provisions of this Agreement), in which case the consent of the Indemnified Party shall not be required.

(3) After any final decision, judgment or award shall have been rendered by a court or Governmental Authority of competent jurisdiction and the expiration of the time in which to appeal such decision judgment or award, or after a settlement shall have been consummated, or after the Indemnified Party and the Indemnifying Party shall have arrived at a mutually binding agreement with respect to a Third Party Claim hereunder, the Indemnified Party shall deliver to the Indemnifying Party notice of any sums due and owing by the Indemnifying Party pursuant to this Agreement with respect to such matter and the Indemnifying Party shall be required to pay all of the sums so due and owing to the Indemnified Party by wire transfer of immediately available funds within 10 Business Days after the date of such notice; *provided* that if Option Holder or the Company is the Indemnified Party, such Indemnified Party shall be entitled to, and shall first, seek disbursements of all or portions of the amounts then-remaining in the Escrow Account in order to satisfy such amounts due and owing to such Indemnified Party in accordance with the terms of this Agreement and the Escrow Agreement.

(4) Any claim under this Section 13 by an Indemnified Party for indemnification other than indemnification against a Third Party Claim (a "*Direct Claim*") will be asserted by giving the Indemnifying Party reasonably prompt written notice thereof, and the Indemnifying Party will have a period of twenty (20) days within which to pay amounts owing with respect to such Direct Claim; *provided* that if Option Holder or the Company is the Indemnified Party, such Indemnified Party shall be entitled to, and shall first, seek disbursements of all or portions of the amounts then-remaining in the Escrow Account in order to satisfy such Direct Claim in accordance with the terms of this Agreement and the Escrow Agreement. If the Indemnifying Party does not so respond within such twenty (20) day period, the Indemnifying Party will be deemed to have rejected such claim, in which event the Indemnified Party will be free to pursue such remedies as may be available to the Indemnified Party under this Agreement.

(5) A failure by an Indemnified Party to give timely, complete, or accurate notice as provided in this Section 13(c) shall not affect the rights or obligations of either party hereunder except to the extent that, as a result of such failure, any party entitled to receive such notice was deprived of its right to recover any payment under its applicable insurance coverage or was otherwise materially adversely affected or damaged as a result of such failure to give timely, complete, and accurate notice.

(e) NO PARTY HERETO SHALL BE LIABLE TO ANY OTHER PARTY HERETO FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES (EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), EXCEPT TO THE EXTENT SUCH DAMAGES ARE DIRECT DAMAGES ARISING FROM A THIRD PARTY CLAIM SUBJECT TO INDEMNIFICATION HEREUNDER.

14. Termination and Remedies.

(a) *Termination by Option Holder and LIN.* This Agreement may be terminated by either of LIN or Option Holder upon the occurrence of one or more of the following events (each an “*Option Holder Termination Event*”):

- (1) any of the Shareholders or the Company breaches any of the representations and warranties set forth in Sections 7(a), 7(b)(1)-(3), 7(b)(7) or 7(b)(9)-(12), and, if capable of a cure, such breach is not cured within ten (10) Business Days of the date on which the Shareholder Representative receives written notice of such breach from Option Holder;
- (2) any of the Shareholders or the Company materially breaches or defaults in its or his performance of any of the covenants set forth in Sections 9(a)(2)(i)-(vi), 9(a)(2)(viii), 9(a)(2)(xiii) or 9(b), and, if capable of a cure, such breach or default is not cured within ten (10) Business Days of the date on which the Shareholder Representative receives written notice of such breach from Option Holder;
- (3) any of the Shareholders or the Company breaches or defaults in its or his performance of the obligations set forth in Section 25; and
- (4) the FCC denies the FCC Application;

provided, that the occurrence of the applicable Option Holder Termination Event is not as a result of a breach of this Agreement by either of LIN or Option Holder.

(b) *Termination by Shareholders.* This Agreement may be terminated by the Shareholders (i) if the FCC denies the FCC Application and no request for a stay, motion or petition for reconsideration or rehearing, application or request for review or notice of appeal or other judicial petition for review may be filed with respect to such denial or the time for filing any such request, motion, petition, application, appeal or notice and for entry of orders staying, reconsidering or reviewing on the FCC's own motion has expired, or (ii) if the Option Closing has not occurred on or before the second (2nd) anniversary of the date on which the FCC Application is filed pursuant to the terms hereof (each a "**Shareholder Termination Event**"); *provided* that the occurrence of the applicable Shareholder Termination Event is not as a result of a breach of this Agreement by any Shareholder or the Company.

(c) *Non-Exclusive Remedies Available to Option Holder or LIN.* In the event of a breach of this Agreement by the Shareholders or the Company, in addition to any rights and remedies available to Option Holder or LIN at law or in equity or under this Agreement (including termination of the Agreement, if applicable), Option Holder or LIN shall be entitled to temporary and permanent injunctive relief, including specific performance hereof, without any showing of actual damage or inadequacy of legal remedy, in any proceeding before a court of law with proper jurisdiction which may be brought to enforce this Agreement. The Shareholders, the Company, LIN and Option Holder acknowledge and agree that, due to the unique nature of the subject matter of this Agreement, Option Holder and LIN would suffer irreparable damages in the event of breach of this Agreement, which damages could not adequately be compensated except by specific performance of this Agreement and it is agreed that the Shareholders and the Company hereby waive any defense that there is an adequate remedy at law for such breach of this Agreement.

(d) *Remedies Available to the Shareholders.*

(1) In the event that this Agreement is terminated by the Shareholders following a Shareholder Termination Event, the sole and exclusive remedy of the Shareholders shall be to retain any and all Monthly Option Payments paid by LIN prior to, or due and payable as of, the effective date of such termination, *provided* that the parties acknowledge and agree that upon such termination by the Shareholders, the LIN Loan shall be automatically, and shall be deemed to be, fully and finally discharged with no further action of the parties hereto being required and LIN shall deliver the original copies of each of the Guarantees and the Pledge Agreements marked as "cancelled" by an authorized officer of LIN. The parties hereto acknowledge and agree that the liquidated damages provided in this Section 14(d)(1) bear a reasonable relationship to the anticipated harm which would be caused by the breach of this Agreement and do not constitute a penalty.

(2) In the event of a breach of this Agreement by LIN or Option Holder, in addition to any rights and remedies available to the Shareholders at law or in equity or under this Agreement, Shareholders shall be entitled to temporary and permanent injunctive relief, including specific performance hereof, without any showing of actual damage or inadequacy of legal remedy, in any proceeding before a court of law with proper jurisdiction which may be brought to enforce this Agreement. The Shareholders, the Company, LIN and Option Holder acknowledge and agree that, due to the unique nature of the subject matter of this Agreement, the Shareholders would suffer irreparable damages in the event of breach of this Agreement, which damages could not adequately be compensated except by specific performance of this Agreement and it is agreed that LIN and Option Holder hereby waive any defense that there is an adequate remedy at law for such breach of this Agreement.

(e) *Withdrawal of FCC Application.* Upon termination of this Agreement pursuant to this Section 14, the parties hereto that are signatories to the FCC Applications and any Additional Applications shall take any and all actions necessary to withdraw any such FCC Applications and Additional Applications filed prior to the effective date of such termination.

15. Expenses. Each of the Shareholders and the Company, on the one hand, and LIN and Option Holder, on the other hand, shall pay any and all fees, costs and out-of-pocket expenses, incurred by such party in connection with the performance of its obligations hereunder and in connection with the preparation and negotiation of this Agreement and the documents and agreements contemplated hereby; *provided, however*, that Option Holder shall pay any and all filing fees incurred with respect to the filing of the FCC Application, and, *provided further*, that no party shall have any reimbursement obligation with respect to claims, actions or proceedings brought against such party by or on behalf of any other party (or any of its Affiliates) to this Agreement.

16. Further Assurances. Subject to the terms and conditions of this Agreement, each of the parties hereto will use its best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under Applicable Laws to consummate and make effective the transactions contemplated by this Agreement.

17. Amendment and Modification. This Agreement may be amended, modified or supplemented only by written agreement of each of the Shareholder Representative, the Company, LIN and Option Holder.

18. Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliances as set forth in this Section 18.

19. Notices. All notices, requests, demands and other communications which are required or may be given pursuant to the terms of this Agreement shall be in written or electronic form, and shall be deemed delivered (a) on the date of delivery when (i) delivered by hand or (ii) sent by reputable overnight courier maintaining records of receipt and (b) on the date of transmission when sent by facsimile or other electronic transmission during normal business hours with confirmation of transmission by the transmitting equipment; *provided, however*, that any such communication delivered by facsimile or other electronic transmission shall only be effective if such communication is also delivered by hand or deposited with a reputable overnight courier maintaining records of receipt within two Business Days after its delivery by facsimile or other electronic transmission. All such communications shall be addressed to the parties at the address set forth on *Exhibit D*, or at such other address as a party may designate upon 10 days' prior written notice to the other parties hereto.

20. Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, *provided that*, except as expressly provided for herein, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by (i) any Shareholder or the Company without the prior written consent of Option Holder and LIN or (ii) either of Option Holder or LIN without the consent of the Shareholder Representative, and *provided further that* each of Option Holder and LIN may assign this Agreement and any of its respective rights, interests or obligations hereunder without consent in connection with a merger, consolidation or sale of substantially all of the assets of such party or otherwise by operation of law. Notwithstanding the foregoing sentence, Vaughan may assign this Agreement and any of its rights, interests or obligations hereunder without consent of any other party hereto in the event of the death or incapacity of Thomas J. Vaughan and the rights and obligations under this Agreement of any Shareholder may be assigned to any party that succeeds to the ownership of such Shareholder's Optioned Shares as a result of the death or incapacity of such Shareholder.

21. No Third Party Beneficiaries. Except as expressly provided herein, this Agreement is not intended to, and shall not, confer upon any other person except the parties hereto any rights or remedies hereunder.

22. Governing Law.

(a) This Agreement shall be construed and interpreted according to the laws of the State of Texas, without regard to the conflict of law principles thereof.

(b) The parties hereby consent to the venue and jurisdiction of any disputes under this Agreement in the United States District Court for the Western District of Texas, Austin Division, before the Honorable Judge Sam Sparks, to the extent he is able and willing to preside over such dispute, as the exclusive venue and jurisdiction to the extent federal jurisdiction is proper, and the parties further agree that the Honorable Judge Sam Sparks shall be the sole arbiter of any such disputes, to the extent he is able and willing to preside over such disputes, including with respect to the procedures therefor. In the event that the Honorable Judge Sam Sparks is unable or unwilling to preside over a dispute in accordance with this Section 22(b), the parties shall submit the dispute to another judge in the United States District Court for the Western District of Texas, Austin Division, to the extent federal jurisdiction is proper.

23. **Severability.** If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by Applicable Law so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid or enforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in any acceptable manner to ensure that the transactions contemplated hereby are fulfilled to the greatest extent possible.

24. **Confidentiality.** No party hereto shall issue press releases or make public announcements or disclosures relating to this Agreement without the other party's prior written approval, which approval shall not be unreasonably withheld or delayed; *provided, however*, that any party and its respective Affiliates' shall be permitted to make any such disclosures required by Applicable Law generally or the rules, policies or procedures of the Securities and Exchange Commission or the national securities exchange or other stock market on which such party's or its Affiliates' securities are traded.

25. **FCC Approval.**

(a) The consummation of the transactions contemplated hereby is subject to the Communications Act and the prior consent and approval of the FCC. Substantially contemporaneously with the execution of this Agreement, but in no event later than the immediately following Business Day, the Shareholders and the Company, on the one hand, and Option Holder, on the other hand, shall prepare and thereafter shall promptly file with the FCC the FCC Application. In addition, each party hereto covenants and agrees to (i) prepare, file and prosecute any alternative application, petition, motion, request or other filing (including any motion for leave to withdraw or dismiss the FCC Application and any other documents filed by the parties with the FCC in connection with the transactions contemplated hereby) (such other documents, the "**Additional Applications**"); (ii) file any amendment or modification to the FCC Application or Additional Applications, including withdrawal of the existing application and submission of a new application in the event of any assignment by Option Holder as permitted by Section 20 hereof; (iii) otherwise take any other action with respect to the FCC as may be reasonably necessary in connection with the transactions contemplated hereby; and (iv) cooperate in good faith with the other parties hereto with respect to the foregoing, all as may be determined by Option Holder to be necessary, appropriate or advisable in order to consummate the transactions contemplated by this Agreement.

(b) Upon filing of the FCC Application, the parties shall use their best efforts to prosecute the FCC Application and any Additional Applications and to obtain the FCC Consent as expeditiously as practicable. Each party shall promptly provide to the other party a copy of any pleading, order or other document served on them relating to the FCC Application or any Additional Applications.

(c) No Shareholder shall take or omit to take any action, or enter into any contract or agreement, or permit or cause the Company to take or omit to take any action or enter into any contract or agreement, which would, or could reasonably be expected to, prevent or interfere with the successful prosecution of any FCC Application or Additional Application or the consummation of the transactions contemplated by this Agreement, or which is or would be inconsistent with any FCC Application, Additional Application, or the consummation of the transactions contemplated by this Agreement.

(d) Each party agrees to comply with any condition imposed on it by the FCC in connection with the FCC Consent. The parties hereto shall oppose any petitions to deny or other objections filed with respect to any FCC Application or Additional Application and any requests for reconsideration or review of any FCC Consent; *provided* that no Shareholder shall be required to make any representations or statements to the FCC or in any FCC Application or Additional Application that pertain to Option Holder or LIN or their respective qualifications with respect to the transactions contemplated hereby.

(e) If the Option Closing shall not have occurred for any reason within the original effective period of any FCC Consent, and no party shall have terminated this Agreement pursuant to its rights under Section 14, the parties shall jointly request an extension of the effective period of such FCC Consent. No extension of the effective period of any FCC Consent shall limit the exercise by either party of its right to terminate the Agreement under Section 14.

26. Shareholder Representative.

(a) *Appointment.* Each Shareholder, by executing this Agreement, appoints Frank Goldberg as its agent and attorney-in-fact (the "**Shareholder Representative**") for and on behalf of such Shareholder, from and after the date hereof. Shareholder Representative shall have full power and authority to represent all of the Shareholders and their respective heirs, successors, legal representatives and assigns with respect to all matters arising under this Agreement and the Escrow Agreement and all actions taken by Shareholder Representative hereunder and thereunder shall be binding upon all such Shareholders and their respective heirs, successors, legal representatives and assigns as if expressly confirmed and ratified in writing by each of them. Shareholder Representative shall take any and all actions which it or he believes are necessary or appropriate under this Agreement and the Escrow Agreement for and on behalf of the Shareholders, as fully as if the Shareholders were acting on their own behalf, including defending all indemnity claims against Shareholders under this Agreement, consenting to, compromising or settling all such indemnity claims, conducting negotiations with Option Holder or LIN and their respective representatives regarding such indemnity claims, receiving the Monthly Option Payments, the Purchase Price and the Option Consideration, and dealing with Option Holder and LIN with respect to all matters arising under this Agreement and the Escrow Agreement, taking any and all other actions specified in or contemplated by this Agreement and the Escrow Agreement, and engaging counsel, accountants or other representatives in connection with the foregoing matters. Without limiting the generality of the foregoing, the Shareholder Representative shall have full power and authority to interpret all the terms and provisions of this Agreement and the Escrow Agreement and to consent to any amendment hereof or thereof on behalf of all such Shareholders and their respective heirs, successors, legal representatives and assigns.

(b) *Attorney-in-Fact.* Shareholder Representative is hereby appointed and constituted the true and lawful attorney-in-fact of each Shareholder, with full power in its or his name and on its or his behalf to act according to the terms of this Agreement and the Escrow Agreement in the absolute discretion of the Shareholder Representative and, in general, to do all things and to perform all acts, including executing and delivering any other agreements, certificates, receipts, instructions, notices or instruments contemplated by or deemed advisable in connection with this Agreement and the Escrow Agreement. This power of attorney and all authority hereby conferred is granted and shall be irrevocable and shall not be terminated by any act of any Shareholder or by operation of law, whether by such Shareholder's death, disability, protective supervision or any other event. Without limitation of the foregoing, this power of attorney is to ensure the performance of a special obligation and, accordingly, each Shareholder hereby renounces his right to renounce this power of attorney unilaterally any time before the expiration of the survival period set forth in Section 13 or the earlier termination of this Agreement in accordance with its terms. Each Shareholder hereby waives any and all defenses which may be available to contest, negate or disaffirm the action of Shareholder Representative taken in good faith hereunder or under the Escrow Agreement. Notwithstanding the power of attorney granted in this Section 26(b), no agreement, instrument, acknowledgement or other act or document shall be ineffective by reason only of the individual Shareholders having signed or given such directly instead of Shareholder Representative.

27. *Headings; Interpretation.* The section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement. In this Agreement, the singular includes the plural and the plural the singular; the word "it" shall include all pronouns connoting other genders, as the context requires; the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; references to Sections or Exhibits are to those of this Agreement unless otherwise indicated; references to laws and regulations, unless otherwise specified, shall be deemed to include all corresponding provisions of subsequent or superseding laws and regulations affecting the same; references to agreements and other contractual instruments, unless otherwise specified, shall be deemed to include all subsequent amendments and other modifications to such instruments in accordance with the terms thereof; the phrase "and/or" shall be deemed to mean the words both preceding and following such phrase, or either of them; "days" refers to calendar days unless otherwise indicated.

28. *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The delivery of an executed counterpart of the Agreement by facsimile or electronic transmission will be deemed to be an original counterpart of the Agreement so transmitted.

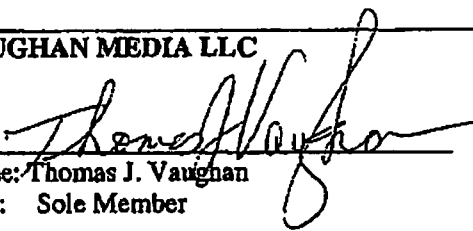
29. ***Entire Agreement.*** This Agreement, the Settlement and Release Agreement, dated as of the date hereof, by and among the parties hereto (the “***Settlement Agreement***”), the Escrow Agreement, the LMA (including that certain Third Amendment to Local Marketing Agreement, dated as of the date hereof), including any documents delivered pursuant hereto or thereto, embody the entire agreement and understanding of the parties hereto in respect of the transactions contemplated by this Agreement. The Schedule(s) and Exhibit(s) hereto are an integral part of this Agreement and are incorporated by reference herein. This Agreement supersedes the Original Option Agreement in its entirety and all prior negotiations, agreements and understandings between the parties with respect to the transactions contemplated by this Agreement and all letters of intent and other writings executed prior to the date hereof relating to such negotiations, agreements and understandings.

[Remainder of page intentionally left blank. Signature pages follow.]

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

54 BROADCASTING, INC. By: _____ Name: _____ Title: _____	LIN TELEVISION OF TEXAS, L.P. By: LIN Television of Texas, Inc. Its General Partner By: <u>V.L.S.</u> Name: Vincent L. Sadusky Title: President & CEO
 _____ Ronnel Oliveira	VAUGHAN MEDIA LLC By: _____ Name: Thomas J. Vaughan Title: Sole Member
GOLDBERG-HIRSCH VENTURES, L.P. By: Goldberg-Hirsch Management Company, L.L.C., its General Partner By: _____ Name: _____ Title: _____	LS COMMUNICATIONS, LTD. By: LS Broadcasting, Inc., its General Partner By: _____ Name: _____ Title: _____
SHAREHOLDER REPRESENTATIVE: _____ Frank Goldberg	

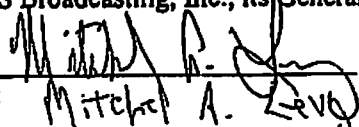
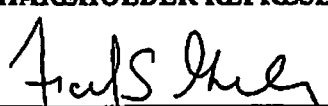
IN WITNESS WHEREOF, the undersigned have executed this Option Agreement
as of the day and year first written above.

54 BROADCASTING, INC. By: _____ Name: Title:	LIN TELEVISION OF TEXAS, L.P. By: LIN Television of Texas, Inc. Its General Partner By: _____ Name: Title:
 _____ Ronnel Oliveira	VAUGHAN MEDIA LLC By:  Name: Thomas J. Vaughan Title: Sole Member
GOLDBERG-HIRSCH VENTURES, L.P. By: Goldberg-Hirsch Management Company, L.L.C., its General Partner By: _____ Name: Title:	LS COMMUNICATIONS, LTD. By: LS Broadcasting, Inc., its General Partner By: _____ Name: Title:
SHAREHOLDER REPRESENTATIVE: _____ Frank Goldberg	

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

54 BROADCASTING, INC. By: <u>Mark Goldberg</u> Name: <u>MARK Goldberg</u> Title: <u>SECRETARY</u>	LIN TELEVISION OF TEXAS, L.P. By: LIN Television of Texas, Inc. Its General Partner By: _____ Name: _____ Title: _____
<u>Rommel Oliveira</u>	VAUGHAN MEDIA LLC By: _____ Name: <u>Thomas J. Vaughan</u> Title: <u>Sole Member</u>
GOLDBERG-HIRSCH VENTURES, L.P. By: Goldberg-Hirsch Management Company, L.L.C., its General Partner By: <u>Kathy Hirsch</u> Name: <u>Kathy Hirsch</u> Title: <u>Manager</u>	LS COMMUNICATIONS, LTD. By: LS Broadcasting, Inc., its General Partner By: _____ Name: _____ Title: _____
SHAREHOLDER REPRESENTATIVE: <u>Frank Goldberg, not individually</u>	

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

54 BROADCASTING, INC. By: _____ Name: Title:	LIN TELEVISION OF TEXAS, L.P. By: LIN Television of Texas, Inc. Its General Partner By: _____ Name: Title:
 _____ Ronnel Oliveira	VAUGHAN MEDIA LLC By: _____ Name: Thomas J. Vaughan Title: Sole Member
GOLDBERG-HIRSCH VENTURES, L.P. By: Goldberg-Hirsch Management Company, L.L.C., its General Partner By: _____ Name: Title:	LS COMMUNICATIONS, LTD. By: LS Broadcasting, Inc., its General Partner By:  Name: Mitchell A. Levy Title: General Partner
SHAREHOLDER REPRESENTATIVE:  _____ Frank Goldberg, not individually	

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


54 BROADCASTING, INC. By: _____ Name: Title:	LIN TELEVISION OF TEXAS, L.P. By: LIN Television of Texas, Inc. Its General Partner By: _____ Name: Title:
 _____ Ronnel Oliveira	VAUGHAN MEDIA LLC By: _____ Name: Thomas J. Vaughan Title: Sole Member
GOLDBERG-HIRSCH VENTURES, L.P. By: Goldberg-Hirsch Management Company, L.L.C., its General Partner By: _____ Name: Title:	LS COMMUNICATIONS, LTD. By: LS Broadcasting, Inc., its General Partner By: _____ Name: Title:
SHAREHOLDER REPRESENTATIVE: _____ Frank Goldberg, not individually	

Exhibit A -- Capitalization and Shareholder Debt

Shareholder	Shares of Common Stock Owned or Held	Percentage Interest	Shareholder Debt
Ronnel Oliveira	8,000	11.24%	\$129,207.46
Goldberg-Hirsch Ventures, L.P.	12,000	16.85%	\$228,116.01
LS Communications, Ltd.	48,000	67.42%	\$821,217.64

Exhibit B — Form of LOC

[DATE]
OUR L/C NO.: [#]

TO:
[NAME AND ADDRESS]

APPLICANT:
[NAME AND ADDRESS]

WE HAVE ESTABLISHED OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR
AS DETAILED HEREIN SUBJECT TO ISP98

DOCUMENTARY CREDIT NUMBER: [#]
FURTHER IDENTIFICATION: ISSUE
DATE OF ISSUE: [DATE]
BENEFICIARY: [NAME AND ADDRESS]
APPLICANT: [NAME AND ADDRESS]
DATE AND PLACE OF EXPIRY: [DATE]
AT OUR COUNTER
DOCUMENTARY CREDIT AMOUNT: [CURRENCY] [AMOUNT]
AVAILABLE WITH: JPMORGAN CHASE BANK, N.A.
BY PAYMENT

ADDITIONAL DETAILS:

THIS LETTER OF CREDIT IS AVAILABLE WITH JPMORGAN CHASE BANK, N.A. AGAINST
PRESENTATION OF YOUR DRAFT AT SIGHT DRAWN ON JPMORGAN CHASE BANK, N.A., WHEN
ACCOMPANIED BY THE DOCUMENTS INDICATED HEREIN.

BENEFICIARY'S DATED STATEMENT ON BENEFICIARY'S LETTERHEAD PURPORTEDLY SIGNED
BY ONE OF ITS OFFICIALS READING AS FOLLOWS:

'' [INSERT DRAW STATEMENT] ''

ALL CORRESPONDENCE AND ANY DRAWINGS HEREUNDER ARE TO BE DIRECTED TO
JPMORGAN CHASE BANK, N.A., C/O JPMORGAN TREASURY SERVICES, ATTN: STANDBY
LETTER OF CREDIT DEPT., 10420 HIGHLAND MANOR DRIVE, 4TH FL., TAMPA,
FLORIDA 33610. CUSTOMER INQUIRY NUMBER IS 1-800-634-1969 CHOOSE OPTION 1.
E-MAIL ADDRESS IS: GTS.CLIENT.SERVICES@JPMCHASE.COM. PLEASE HAVE OUR
REFERENCE NUMBER AVAILABLE WHEN YOU CONTACT US.

WE HEREBY ENGAGE WITH THE BENEFICIARY THAT ALL DRAWINGS DRAWN UNDER AND IN
COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED.
ALL DRAWINGS UNDER THIS LETTER OF CREDIT MUST MENTION IRREVOCABLE LETTER
OF CREDIT NO. [#].

THIS IRREVOCABLE STANDBY LETTER OF CREDIT IS ISSUED SUBJECT TO THE

INTERNATIONAL STANDBY PRACTICES 1998, INTERNATIONAL CHAMBER OF COMMERCE
PUBLICATION NO. 590 (ISP98).

THIS LETTER OF CREDIT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH,
THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT
OF LAWS.

Exhibit C -- Form of Escrow Agreement

ESCROW AGREEMENT

The undersigned have deposited in escrow with THE FROST NATIONAL BANK, Austin, Texas, as Escrow Agent (herein called Escrow Agent), the assets described in the attached Schedule A (referred to below as Escrowed Property).

The Escrow Agent is hereby authorized and directed to deliver Escrowed Property only (i) to any of the undersigned upon presentation by any of the undersigned of a court order, written arbitration decision or other written final determination from a court or arbiter of competent jurisdiction and in accordance with such order, decision or determination, or (iii) in accordance with the written instructions of all the undersigned.

Where directions or instructions from more than one of the undersigned are required, such directions or instructions may be given by separate instruments of similar tenor. Any of the undersigned may act hereunder through an agent or attorney-in-fact, provided satisfactory written evidence of authority is first furnished to the Escrow Agent.

The undersigned agree that the following provisions shall control with respect to the rights, duties, liabilities, privileges and immunities of the Escrow Agent:

(a) Escrow Agent recognizes and is to give consideration only to the terms, provisions, and conditions of this Escrow Agreement. Escrow Agent is not a party to any other agreement or undertaking between the undersigned, or between any of the undersigned and other persons, or any agreement or undertaking which may be evidenced by or disclosed by any items included among the Escrowed Property. Unless it is specially provided otherwise in this agreement, Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of any of the undersigned with respect to arrangements or contracts with each other or with others. The Escrow Agent's sole duty hereunder is to safeguard the Escrowed Property and to dispose of and deliver the same in accordance with instructions given to it in the form and tenor provided for in this Escrow Agreement.

(b) If, however, Escrow Agent is called upon by the terms of this Escrow Agreement to determine the occurrence of any event or contingency, Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence. In event of error in making such determination, Escrow Agent shall be liable only for its own willful misconduct or its gross negligence in the light of all the circumstances, taking into consideration the time and facilities available to Escrow Agent in the ordinary conduct of its business. In determining the occurrence of any such event or contingency, Escrow Agent may request from any of the undersigned or any other person and may rely upon, such reasonable additional evidence as Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may inquire and consult, among others, with any of the undersigned at any time. Escrow Agent shall not be liable for any damages resulting from its delay in acting hereunder pending its examination of the additional evidence requested by it.

Whenever under the terms of this Escrow Agreement, Escrow Agent is required to take certain action upon the occurrence of any event or contingency, the time prescribed for action by Escrow Agent shall in all cases be a reasonable time after notice to Escrow Agent of the happening of such event or contingency, provided, however, that the inclusion of this sentence shall not be deemed to limit or reduce the time allowed Escrow Agent for action as provided in the immediately preceding sentence.

(c) The Escrow Agent shall not be responsible or liable to any person in any manner whatever for the sufficiency, correctness, genuineness, effectiveness or validity of any of the Escrowed Property. If any of the undersigned are acting as agent for others, all of the undersigned represent and warrant that such agent is authorized to make and enter into this Escrow Agreement. This Escrow Agreement is a personal one between the undersigned and Escrow Agent only and in connection therewith Escrow Agent is authorized by each of the undersigned to rely upon the representations, both actual and implied, of the undersigned and all other persons connected with this Escrow Agreement and the Escrowed Property as to marital status, authority to execute and deliver this Escrow Agreement, notifications, receipts or instructions hereunder, and relationships among persons, including persons authorized to receive

delivery hereunder. Escrow Agent shall not be liable to any person in any manner for such reliance. The duty of Escrow Agent hereunder shall only be to the undersigned, and/or to personal representatives and to no other person or persons whomsoever.

(d) None of the undersigned shall assign or attempt to assign or transfer his or its interest hereunder or any part hereof. Any such assignment or attempted assignment by any one or all of the undersigned shall be in direct conflict with the Escrow Agreement and Escrow Agent shall not be bound thereby.

(e) Escrow Agent may act upon any written notice, request, waiver, consent, certificate, receipt, authorization, power of attorney or other instrument or document which Escrow Agent in good faith believes to be genuine and to be what it purports to be.

(f) Whenever under the terms of this Escrow Agreement the performance date of any provision hereof shall fall on a holiday of the Escrow Agent, the performance thereof on the next successive business day of Escrow Agent shall be deemed to be in full compliance.

(g) Any notice, request, instruction or other document required or permitted to be delivered hereunder shall be sufficiently given if in writing and delivered personally or mailed by registered or certified mail, postage prepaid and return receipt requested, or transmitted by prepaid telegram, addressed to the parties hereto at the addresses set forth below opposite their respective signatures, or such other address as any of the undersigned shall hereafter designate by notice to the other parties in the manner provided herein. Any notice to the Escrow Agent must be given to the Escrow Agent's Trust Department during normal business hours.

Escrow Agent shall have no responsibility of notifying any of the undersigned of any sale, resale, loan, exchange, or any other transaction involving any Escrowed Property or any profit realized by any person, firm or corporation (broker, agent, and parties to this or any other escrow included) in connection therewith, regardless of the fact that such transaction may be handled by Escrow Agent in any of its departments.

(h) The death, disability, bankruptcy, divorce, insolvency or absence of any of the undersigned shall not affect or prevent performance by Escrow Agent of its obligations and instructions hereunder.

(i) In the event of any disagreement between any of the parties to this agreement, or between them or either or any of them and any other person, resulting in adverse claims or demands being made in connection with the subject matter of the Escrow Agreement or in the event that the Escrow Agent, in good faith, be in doubt as to what action it should take hereunder, the Escrow Agent may, at its option, refuse to comply with any claims or demands on it, or refuse to take any other action hereunder, so long as such disagreement continues or such doubt exists and in any event the Escrow Agent shall not be or become liable for interest or in any other way to any person for its failure or refusal to act, and the Escrow Agent shall be entitled to continue so to refrain from acting until:

(i) the disagreement is resolved between the parties; or

(ii) the disagreement is resolved through non-binding mediation; or

(ii) the rights of all parties shall have been fully and finally adjudicated by a court of competent jurisdiction; or

(iii) all differences shall have been adjusted and all doubt resolved by agreement among all of the interested persons, and the Escrow Agent shall have been notified thereof in writing signed by all such persons.

For purposes of any suit mentioned in this Paragraph to which the Escrow Agent may be a party, the undersigned hereby consent and submit to the jurisdiction of the Federal courts sitting at Travis County, Texas (or, in the event there is not federal jurisdiction, the state courts sitting in such county); *provided* that the parties hereto, other than Escrow Agent, acknowledge and agree that nothing in this Subsection (i) shall not be deemed to modify any of the provisions regarding dispute resolution, venue and jurisdiction set forth in any other agreement between such parties

relating to the Escrowed Property and that disputes between such parties that do not involve or require the participation of the Escrow Agent shall be resolved in accordance with such provisions. The rights of the Escrow Agent under this paragraph are cumulative of all other rights which it may have by law or otherwise.

(j) If a dispute arises out of or related to this Agreement, and if the dispute cannot be settled through direct discussions, then the undersigned and Escrow Agent agree to first endeavor to settle the dispute in an amicable manner by non-binding mediation before a mutually agreeable mediator having substantial experience and recognized expertise in the field or fields of the matter(s) in dispute, before having recourse to any other proceeding or forum. A party shall initiate non-binding mediation proceedings by notifying the other party in writing that it is requiring that a dispute be mediated in accordance with this Agreement. If the parties are unable to agree upon the appointment of a mediator within 30 days after a party has given notice as provided for above, the parties shall apply to either the Dallas or Houston Regional Office of the American Arbitration Association for appointment of a mediator. Selection of the mediator shall be made in accordance with the current Commercial Mediation Procedures of the American Arbitration Association ("AAA Mediation Procedures"). Except as otherwise provided above in connection with the selection of a mediator, the parties may, but are not required, to follow the AAA Mediation Procedures during the non-binding mediation. The parties agree to cooperate with each other and with the mediator in a good faith effort to negotiate a prompt and reasonable resolution of the dispute. Moreover, the parties agree to treat all mediation proceedings as settlement negotiations and agree that such settlement negotiations shall be inadmissible in a court of law. The provisions of this Section do not prevent either party from seeking injunctive relief if necessary to enforce the terms of this Agreement.

(k) In the alternative, at Escrow Agent's sole discretion, Escrow Agent shall have the right to institute a Bill of Interpleader or any other appropriate judicial proceeding in any court of competent jurisdiction to determine the rights of the parties. Should a Bill of Interpleader or other judicial proceeding be instituted, or should the Escrow Agent become involved in litigation in any manner whatsoever on account of this Agreement, the parties, their heirs, personal representatives, successors and assigns shall pay the Escrow Agent its reasonable attorneys' fees and any other disbursements, expenses, losses, costs or damages in connection with or resulting from such litigation. The Escrow Agent acknowledges and agrees that the parties hereto, other than the Escrow Agent, may resolve any disagreements or disputes between themselves in accordance with any procedures agreed upon by such parties and that the foregoing dispute resolutions procedures set forth in Subsection (j) and this Subsection (k) shall be available only as and to the extent that the Escrow Agent determines such procedures are necessary to enable the Escrow Agent to act or otherwise perform its obligations hereunder.

(l) Escrow Agent may from time to time consult with legal counsel of its own choosing in the event of any disagreement, controversy, question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and it shall incur no liability and shall be fully protected in acting in good faith in accordance with the opinion and instructions of such counsel. The undersigned (herein referred to as "Indemnitors"), as additional consideration of the execution of this Agreement by THE FROST NATIONAL BANK (herein referred to as "Indemnatee"), hereby RELEASE, DISCHARGE AND ACQUIT Indemnatee of any and all further claims, demands and causes of action arising or to arise, out of said transaction and further, Indemnitors hereby agree to INDEMNIFY and HOLD HARMLESS Indemnatee of, from, by, for and against any and all claims, demands, and causes of action, arising, or to arise, from said transaction.

In the event a demand is made or an action is filed, whether rightfully or wrongfully, with respect to the subject of the Indemnity herein, Indemnitors agree that Indemnatee may employ attorneys of its own selection to appear and to defend the action, on behalf of Indemnatee, at the expense of Indemnitors and further, should it become necessary for Indemnatee, its agents or attorneys, to incur costs or retain the services of an attorney to enforce this agreement, or any portion thereof, Indemnitors agree and promise to pay Indemnatee reasonable costs, reasonable attorneys' fees and any mediation fees thereby expended, or for liabilities thereby incurred.

(m) Escrow Agent is authorized and directed by the undersigned to withhold from any funds deposited as Escrowed Property, prior to distribution of said Escrowed Property and prior to termination of the Escrow Agreement, its charges for services hereunder and additional amounts sufficient to reasonably compensate it for additional services imposed upon Escrow Agent as a result of additional responsibilities in connection with or arising on account of the deposit of Escrowed Property, or on account of this Escrow Agreement, or as a result of litigation or threat of litigation as set out in Subsections (i), (j), (k), and (l) hereof, and to reimburse it for reasonable counsel and reasonable attorneys' fees, mediation fees, and disbursements, expenses, costs and damages, if any, suffered or incurred hereunder by Escrow Agent. 54 Broadcasting, Inc.. hereby agrees to replenish the Escrowed Property to the extent of any withholdings made by Escrow Agent pursuant to this Subsection (m).

In the event cash funds are not a part of Escrowed Property hereunder, 54 Broadcasting, Inc. hereby agrees to pay to Escrow Agent upon request, the Escrow Agent's charges for services hereunder including reimbursement for expenses, fees, etc. as outlined in the immediately preceding paragraph. Further, Escrow Agent is authorized and directed by the undersigned to withhold the release or distribution of the Escrowed Property until such time as Escrow Agent has received payment for such services as outlined in the immediately preceding paragraph. Such charges, fees, disbursements, costs, expenses and damages shall be paid to said Escrow Agent at its offices in Austin, Texas.

The Escrow Agent may resign and be discharged from its duties hereunder at any time by giving written notice of its resignation to the parties, specifying the effective date thereof, which date

shall be no sooner than thirty (30) days after the date such notice is given. Within thirty (30) days after receiving such notice, the parties to this Escrow Agreement agree to appoint a successor Escrow Agent, which choice shall be made upon mutual consent of the parties. Such successor Escrow Agent shall become Escrow Agent hereunder upon the resignation date specified in the notice given by the Escrow Agent. If a successor Escrow Agent has not been appointed and has not accepted such appointment by the end of the thirty (30) day period, the Escrow Agent shall be entitled to appoint its successor. The parties to this Escrow Agreement shall have the right at any time to substitute a new Escrow Agent by jointly giving written notice thereof to the Escrow Agent.

(n) Anything in this Agreement to the contrary notwithstanding, Escrow Agent shall not be liable to any person for anything which it may do or refrain from doing in connection with this Escrow Agreement, unless Escrow Agent is guilty of gross negligence or willful misconduct.

(o) The effective date of this Escrow Agreement shall be the date on which it is accepted by Escrow Agent. All of the terms of the Escrow Agreement shall be fully performed and this Escrow Agreement terminated on or before _____ in the manner provided, unless otherwise extended upon mutual agreement of the parties hereto. If not so terminated, Escrow Agent at any time after such date and after payment for its services hereunder, may return the subject matter of the escrow to Frank Goldberg, as Shareholder Representative, close its records and withdraw from and terminate this Escrow Agreement without notice, whereupon all the Escrow Agent's liability and obligations in connection with the entire matter shall terminate.

This Escrow Agreement may be executed in several counterparts, each of which shall be deemed an original, and such counterparts shall constitute one and the same instrument.

(p) Compensation for the services of the Escrow Agent shall be paid by 54 Broadcasting, Inc. and shall be computed as follows:

Account set-up \$1,000 and a minimum annual fee of \$2,500 per year. The first annual fee will be due and payable upon inception of the account. Annually minimum fees will be charged in advance of service on the anniversary date of each year of service. Fees for unusual services

will be measured by time and responsibility involved and/or the results obtained, plus reimbursement for out-of pocket expenses.

(q) Any income earned by the subject matter of the Escrow shall be reportable under tax number of _____.

(r) This Escrow Agreement shall be governed by and construed under the applicable laws of the State of Texas.

(s) The Escrow Agent shall invest the Escrowed Property pursuant to the investments set forth on Schedule B.

(t) Any liability for, obligation, requirement or responsibility owed to Escrow Agent by the undersigned parties hereto shall be joint and several.

Name: 54 Broadcasting, Inc.

Address: c/o Vaughan Media LLC
Vaughan Media LLC
14429 Bridgeview Lane
Port Charlotte, FL 33953
(October – May)
1850 Burning Tree Street
Decatur, IL 62521
(June – September)
Fax: 941-764-6867
Attention: T. J. Vaughan, Sole Member

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

Pillsbury Winthrop Shaw Pittman LLP
2300 N Street, NW
Washington, D.C. 20037-1122
Attention: Clifford M. Harrington
Phone: 202-663-8525
Fax: 202-663-8007

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

Christopher D. Sileo, Esq.
Scott, Douglass & McConnico, L.L.P.
600 Congress Avenue, Suite 1500
Austin, Texas 78701
Phone: 512-495-6300
Facsimile: 512-474-0731

Name: Frank Goldberg, Shareholder Representative
c/o Briar Capital, L.P.
Suite 420
1500 City West Boulevard
Houston, TX 77042

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

Susman & Godfrey
1000 Louisiana, Suite 5100
Houston, TX 77002
Fax: 713-654-6686
Attention: Harry P. Susman, Esq.

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

Thompson Hine LLP
1920 N Street, NW
Suite 800
Washington, D.C. 20036
Fax: 202-331-8330
Attention: Barry A. Friedman, Esq.

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

Mark Cohen, Esq.
801 W. 10th Street
Suite 100
Austin, TX 78701
Fax: 512-472-5444

Address: _____

Telephone: _____

THE FROST NATIONAL BANK, Escrow Agent, hereby acknowledges receipt of the items described in Schedule A hereof and hereby accepts as Escrow Agent hereunder, subject to the terms and conditions above set forth, this _____ day of _____, _____.

ACCEPTED:

THE FROST NATIONAL BANK

By: _____

Title: _____

Date: _____

Schedule A

\$500,000.00

Schedule B

Investment Instructions

1. Direct obligations of, or obligations the principal of or interest on which are unconditionally guaranteed by, the full faith and credit of the United States of America.
2. Money market mutual funds that invest exclusively in investments of the type described in paragraph 1 above.
3. Certificates of deposit or other interest bearing obligations of any bank or trust company (including Escrow Agent) authorized to engage in the banking business, which certificates of deposit are fully insured by the Federal Deposit Insurance Corporation or a similar governmental agency of the United States of America.

Exhibit D - Notices

If to LIN, to:

LIN Television of Texas, L.P.
c/o LIN TELEVISION CORPORATION
Four Richmond Square
Suite 200
Providence, RI 02906
Fax: 401-454-2817
Attention: General Counsel

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

Covington & Burling LLP
1201 Pennsylvania Ave., N.W.
Washington, D.C. 20004-2401
Fax: 202-778-6291
Attention: Eric Dodson Greenberg, Esq.

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

Jackson Walker L.L.P.
1401 McKinney Street
Suite 1900
Houston, TX 77010
Fax: 713-752-4221
Attention: Charles L. Babcock, Esq.

If to the Company to:

54 Broadcasting, Inc.
Suite 500
6100 Corporate Drive
Houston, TX 77036
Fax: 713-772-3967
Attention: Mr. Mitchel Levy

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

Susman & Godfrey
1000 Louisiana, Suite 5100
Houston, TX 77002
Fax: 713-654-6686
Attention: Harry P. Susman, Esq.

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

Thompson Hine LLP
1920 N Street, NW
Suite 800
Washington, D.C. 20036
Fax: 202-331-8330
Attention: Barry A. Friedman, Esq.

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

Mark Cohen, Esq.
801 W. 10th Street
Suite 100
Austin, TX 78701
Fax: 512-472-5444

If to Vaughan to:

Vaughan Media LLC
14429 Bridgeview Lane
Port Charlotte, FL 33953
(October – May)
1850 Burning Tree Street
Decatur, IL 62521
(June – September)
Fax: 941-764-6867
Attention: T. J. Vaughan, Sole Member

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

Pillsbury Winthrop Shaw Pittman LLP
2300 N Street, NW
Washington, D.C. 20037-1122
Attention: Clifford M. Harrington
Phone: 202-663-8525
Fax: 202-663-8007

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

Christopher D. Sileo, Esq.
Scott, Douglass & McConnico, L.L.P.
600 Congress Avenue, Suite 1500
Austin, Texas 78701
Phone: 512-495-6300
Facsimile: 512-474-0731

If to the Shareholders:

Mr. Frank Goldberg
Briar Capital, L.P.
Suite 420
1500 City West Boulevard
Houston, TX 77042

and

Mr. Frank Goldberg
SouthWest MultiMedia Corporation
Suite 500
6100 Corporate Drive
Houston, TX 77036

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

Susman & Godfrey
1000 Louisiana, Suite 5100
Houston, TX 77002
Fax: 713-654-6686
Attention: Harry P. Susman, Esq.

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

Thompson Hine LLP
1920 N Street, NW
Suite 800
Washington, D.C. 20036
Fax: 202-331-8330
Attention: Barry A. Friedman, Esq.

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

Mark Cohen, Esq.
801 W. 10th Street
Suite 100
Austin, TX 78701
Fax: 512-472-5444

Schedule 1

Certain Defined Terms

The capitalized terms contained and used in this Agreement which are defined below shall have the respective meanings ascribed to them as follows:

"Affiliate" means, with respect to any Person, any other Person which, directly or indirectly, controls, is controlled by, or is under common control with, the specified Person.

"Applicable Law" means any federal, state, local or foreign constitution, treaty, law, statute, ordinance, rule, regulation, interpretation, directive, policy, order, writ, decree, injunction, judgment, stay or restraining order, provisions and conditions of permits, licenses, registrations and other operating authorizations, any ruling or decision of, agreement with or by, or any other requirement of, any Governmental Authority.

"Business Day" means any day excluding Saturdays, Sundays and any day that is a legal holiday under the laws of the United States or that is a day on which the Escrow Agent or banking institutions located in Washington, D.C., Austin, Texas or Houston, Texas are authorized or required by Applicable Law or action of a Governmental Authority to close.

"Closing Date" means the date on which the Option Closing is to occur.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Stock" means the class of stock of the Company designated as common stock, no par value, in the Articles of Incorporation or other organizational documents of the Company.

"Communications Act" means collectively, the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC promulgated thereunder.

"Damages" means any and all losses, costs, damages, claims, suits, actions, judgments, liabilities and expenses, including reasonable attorneys' fees and expenses.

"Dollar" means United States Dollars.

"Escrow Agent" means The Frost National Bank, Austin, Texas.

"FCC Application" means the application to be filed with the FCC in order to obtain the consent of the FCC to the transfer of control of the Company to Option Holder, or its successors or assigns.

"FCC Consent" means action by the FCC granting its consent to the FCC Application and the consummation of the transactions contemplated hereby.

"Final Order" shall mean an action by the FCC or other regulatory authority having jurisdiction (i) with respect to which action no timely request for stay, motion or petition for reconsideration

or rehearing, application or request for review or notice of appeal or other judicial petition for review is pending and (ii) as to which the time for filing any such request, motion, petition, application, appeal or notice and for entry of orders staying, reconsidering or reviewing on the FCC's or such other regulatory authority's own motion has expired.

"Governmental Authority" means any federal, state, local or foreign government, legislature, governmental or administrative agency or commission, any self-regulatory association or authority, any court or other tribunal of competent jurisdiction, or any other governmental authority or instrumentality anywhere in the world.

"Guarantees" means those certain Guarantees, each dated July 25, 1997, by each of Mark Goldberg, Ronnel Oliveira, LS Communications, Ltd. and joined by Goldberg-Hirsch Ventures, L.P. pursuant to that certain Joinder, dated as of December 1, 2005, which such Guarantees secure the obligations of the Company under the LIN Loan.

"Income Tax" means any federal, state, local or foreign income tax measured by or imposed on net income, including interest, penalty or additional taxes thereto.

"Income Tax Return" means any return, declaration, amendment, report, claim for refund or informational return or statement relating to Income Taxes, including any schedule or attachment thereto.

"Lien" means any lien (statutory or otherwise), claim, charge, option, security interest, pledge, mortgage, restriction, financing statement or similar encumbrance of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any lease having substantially the same effect as any of the foregoing and any assignment or deposit arrangement in the nature of a security device).

"LIN Loan" means the indebtedness of the Company to LIN in the aggregate principal amount of One Million Six Hundred Thousand Dollars (\$1,600,000.00), as evidenced by that certain Promissory Note, dated July 25, 1997, by and between the Company, as maker, and LIN, as payee, and secured by those certain Guarantees and Pledge Agreements.

"Option Closing" means the consummation of the sale and purchase of the Optioned Shares as contemplated by this Agreement.

"Person" means a human being, labor organization, partnership, firm, enterprise, association, joint venture, corporation, limited liability company, cooperative, legal representative, foundation, society, political party, estate, trust, trustee, trustee in bankruptcy, receiver or any other organization or entity whatsoever, including any Governmental Authority.

"Pledge Agreements" means those certain Pledge Agreements, each dated July 25, 1997, by each of Mark Goldberg, Ronnel Oliveira, LS Communications, Ltd. and joined by Goldberg-Hirsch Ventures, L.P. pursuant to that certain Joinder, dated as of December 1, 2005, which such Pledge Agreements evidence the security interests in the shares of Common Stock of the Company owned by the applicable Shareholder party to such Pledge Agreement granted as security for the obligations of the Company under the LIN Loan.

“Post-Closing Tax Period” means any Tax period (or portion thereof) that begins after the Closing Date.

“Pre-Closing Tax Period” means any Tax period (or portion thereof) that ends on or before the Closing Date.

“Tax” means any federal, state, local, or foreign income (including Income Taxes), gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Section 59A of the Code), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, unclaimed property, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

“Tax Return” means any return, declaration, report, claim for refund, information return or statement relating to Taxes, including any schedule or attachment thereto, filed or maintained, or required to be filed or maintained, in connection with the calculation, determination, assessment or collection of any Tax and shall include any amended returns required as a result of examination adjustments made by the Internal Revenue Service or other Tax authority.

Schedule 7(b)(4)(i)
FCC Licenses

Station KNVA(TV)
Austin, Texas
FIN: 144

Schedule 7(b)(4)(ii)

Compliance with Applicable Laws

Without acknowledging any liability or noncompliance, each of the facts and circumstances alleged by LIN or Vaughan constituting Claims (as defined in the Settlement Agreement) subject to release under the Settlement Agreement that would give rise to, or otherwise constitute any noncompliance with Applicable Laws, shall be deemed to be an exception to the representation and warranty set forth in Section 7(b)(4).

Schedule 7(b)(5)

Litigation

The Shareholders and the Company instituted litigation against LIN and Vaughan relating to the Original Option Agreement in the United States District Court for the Western District of Texas, Austin Division. Such litigation was settled pursuant to the Settlement Agreement.

Certain actions and communications by certain Shareholders expressly disclosed in the transcript of the United States District Court for the Western District of Texas, Austin Division, dated March 2, 2009, relating to the above-referenced litigation.

Schedule 7(b)(7)

Pro Forma Balance Sheet

Schedule 7(b)(8)

Company Contracts

**Agreement for the provision of professional services between the Company and Susman
Godfrey LLP**

Schedule 7(b)(9)
Related Party Transactions

NONE