

AGREEMENT FOR THE SALE OF COMMERCIAL TIME

This **AGREEMENT FOR THE SALE OF COMMERCIAL TIME** (the "Agreement") is entered into as of [____], 2008 by and between SagamoreHill of Corpus Christi, LLC, a Delaware limited liability company ("SHCC"), and Evening Post Publishing Company, a [____] corporation ("EPC"), SHCC and EPC referred to collectively as the "Parties."

WHEREAS, SHCC owns and operates, and its subsidiary, SagamoreHill of Corpus Christi Licenses, LLC, a Delaware limited liability company, is licensee of, television broadcast station KZTV (TV), Corpus Christi, Texas (the "Station"); and

WHEREAS, EPC desires to purchase advertising time on the Station.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. Term of Agreement. The term of this Agreement shall commence on the date of execution of this Agreement. The initial term of this Agreement is ten (10) years. Unless otherwise terminated by either Party, the term of this Agreement shall be extended for an additional ten (10) year term. Either Party may terminate this Agreement at the end of the initial ten year term by six months prior written notice to the other. Notwithstanding the foregoing, the Agreement will terminate (i) upon the consummation of the sale of assets of SHCC relating to the Station to EPC, or an assignee of EPC, under the terms of a certain Option Agreement (the "Option Agreement") entered into by SHCC, as optionor, and EPC, as optionee, or (ii) at EPC's option, if the assets of SHCC relating to the Station are sold other than pursuant to the Option Agreement.

2. Advertising Time. SHCC agrees that during the term of this Agreement, it will sell to EPC, and will permit EPC to resell to advertisers, all of the time available for commercial announcements on the Station. All advertising announcements furnished by EPC shall comply with applicable federal, state, and local regulations and pertinent governmental policies, including, but not limited to, lottery restrictions, prohibitions on obscenity and indecency, deceptive advertising, false representations or deception of any kind, and political broadcasting rules and the Bipartisan Campaign Reform Act ("BCRA"). EPC shall notify SHCC in advance of the broadcast of any material which promotes or opposes any candidate for public office or any issue to appear on a ballot or takes a position on a controversial issue of public importance. No material constituting a personal attack or which is defamatory, violates any right of privacy, infringes on any intellectual property right of another party, or is not in the English language will be accepted for broadcast. EPC shall furnish SHCC with all material required by law, including FCC rules and BCRA, to be made available for public inspection regarding requests for time by political advertisers or the broadcast of issue advertising. All material furnished by EPC for broadcast on the Station shall include any and all sponsorship identification announcements as required by Section 317 of the Communications Act of 1934, as amended, and the FCC's rules and regulations (the "Communications Laws"), and EPC shall undertake in good faith to determine each instance where such announcements are required. To assist EPC in its advertising time sales efforts, SHCC shall, during the term of this Agreement, provide EPC with not less than ninety (90) days advance written notice of any television network affiliation change for the Station.

3. **Payments.** During the term of this Agreement, for the revenues that EPC collects pursuant to this Agreement, EPC will pay (the "Monthly Payment") the greater of (i) [\$6,000] per month (the "Base Rate") or (ii) seventy (70) percent of such revenues to SHCC. In exchange for the services EPC provides under this Agreement, EPC will retain the lesser of (x) the revenues it collects *minus* the Base Rate or (y) thirty (30) percent of all such revenues as its fee for such services. The Monthly Payment will be paid on the last day of each month from and after the month this Agreement is executed and will be prorated for the first month and last month of the Agreement on a calendar day basis.

4. **Revenues.** Subject to Section 3, EPC shall be entitled to all revenues attributable to commercial advertisements sold by EPC, and all other advertising time revenue received, in each case with respect to commercial advertisements broadcast during the term hereof. Notwithstanding anything herein to the contrary, at the request of an advertiser, SHCC may set a reasonable rate for time on the Station and sell time in accordance with such rates for the account of EPC for broadcast during the term of this Agreement.

5. **SHCC's Broadcast Obligations.** During the term of this Agreement, EPC shall assume, and undertake the administration and servicing of all of the Station's contracts and other agreements which provide for the sale and broadcast of advertising and related activities. All revenues arising from such contracts and agreements for advertising broadcast during the term of this Agreement shall belong to EPC, even though the time was sold by SHCC; and all commissions to employees, agencies, or representatives payable on account of advertising broadcast during the term of the Agreement shall be paid by EPC even if the time was sold by SHCC.

6. **Personnel.** EPC shall employ and be responsible for the salaries, benefits, employer taxes, and related costs of employment of a sales staff for the sale of the advertising time and for the collection of accounts receivable with respect to advertising sold by EPC pursuant to this Agreement. SHCC shall retain sufficient staff to oversee those aspects of its business and financial matters not specifically delegated to EPC hereunder.

7. **Interruption of Normal Operations.** If the Station suffers loss or damage of any nature to its transmission facilities which results in the interruption of service or the inability to operate full time at maximum authorized facilities, SHCC shall immediately notify EPC and shall undertake such repairs as are necessary to restore the full-time operation of the Station and shall fully cooperate with EPC in providing make goods or other accommodations to advertisers affected by such interruption. If the Station does not resume operation with at least 80% of its authorized signal coverage within one hundred twenty (120) hours, or such longer time as is reasonable in the circumstances, provided that repair or replacement is being pursued in a commercially reasonable manner, EPC may, at its option, terminate this Agreement. In such event, EPC shall be entitled to a pro rata refund of the payments made pursuant to Section 3 hereof.

8. **Operation of the Station.** During the term of this Agreement, SHCC shall continue to maintain full control over the operations of the Station, including programming, editorial policies, employees of SHCC, and SHCC-controlled facilities. SHCC is responsible for the Station's compliance with the Communications Act of 1934, as amended, FCC rules, regulations, and policies, and all other applicable laws. SHCC shall be solely responsible for and pay in a timely manner all expenses relating to the operation of the Station other than for

the sale of advertising time, including but not limited to, maintenance of the studios and transmitting facilities and all taxes and other costs incident thereto; payments due, under any leases, contracts and agreements; music performance license fees; and all utility costs relating to the operation of the Station. SHCC shall also maintain insurance covering the Station's transmission facilities. SHCC may, in its sole discretion, decline to accept advertising sold by EPC, in the event that it reasonably believes that the broadcast of such advertising would violate applicable laws or regulations, would damage SHCC's reputation in the community, or would otherwise be contrary to the public interest, or preempt any of the commercial time sold by EPC in order to present program material of pressing public interest or concern. SHCC shall promptly notify EPC of any such rejection or rescheduling of advertising and shall cooperate with EPC in efforts to fulfill EPC's commitments to advertisers. In the event EPC sustains any liability or loss of revenue as a result of the rejection or rescheduling by SHCC of any advertising for any reason other than as set forth above, SHCC shall promptly indemnify EPC for any and all such losses. EPC shall not enter into any contract, without SHCC's approval, that would be violated if SHCC reasonably exercised its foregoing rights.

9. Advertising Rates. The rates for advertising sold by EPC shall be set by EPC, provided, however, that EPC shall comply with all applicable statutes and regulations regarding access to airtime and rates charged for political advertising and shall indemnify SHCC against any liability incurred by SHCC as a result of EPC's failure to comply with such statutes and regulations.

10. Delivery of Material for Broadcast. All advertising material furnished by EPC for broadcast on the Station shall be delivered to the Station on tape cartridges, or other mutually agreeable method, in a format to be agreed upon by EPC and SHCC, in a form ready for broadcast on the Station's existing playback equipment, and with quality suitable for television broadcast. SHCC shall not be required to provide production services or to copy, reformat, or otherwise manipulate material furnished by EPC other than inserting tape cartridges into machinery for broadcast.

11. Access to Station Premises. EPC shall have access to any available space at the studio and offices of the Station for purposes of selling time and producing commercial announcements to the extent reasonably necessary or appropriate for EPC to exercise its rights and perform its obligations under this Agreement. When on the Station premises, EPC's personnel shall be subject to the direction and control of SHCC's management personnel and shall not act contrary to the terms of any lease for the premises. If EPC utilizes telephone lines other than those of SHCC in connection with its sale of time on the Station, it shall not answer those lines in a way that implies that the lines are those of SHCC; but EPC may use the Station's call letters in promotional literature and in answering the telephone (*e.g.*, "KZTV Sales").

12. Billing. EPC shall keep written records relating to the sale of commercial advertising consistent with EPC's past practices at its existing stations.

13. Records. SHCC shall keep internal records and logs of the placement of advertisements and shall submit to EPC affidavits of performance confirming the same in accordance with industry practice within ten (10) days after the close of each broadcast month.

14. Certain Representations, Warranties and Covenants.

(a) EPC and SHCC each represent and warrant to the other that it has the power and authority to enter into this Agreement and to engage in the transactions contemplated by this Agreement. SHCC is a limited liability company and EPC is a corporation, each of which is in good standing in the state of its formation and qualified to do business in the State of Texas. The signatures appearing for EPC and SHCC, respectively, at the end of this Agreement have been affixed pursuant to such specific authority as, under applicable law, is required to bind them. Neither the execution, delivery, nor performance by SHCC or EPC of this Agreement conflicts with, results in a breach of, or constitutes a default or ground for termination under any agreement or judicial or governmental order or decree to which SHCC or EPC, respectively, is a party or by which it is bound.

(b) During the term of this Agreement, SHCC will file all reports and applications required to be filed with the FCC or any other governmental body in a timely and complete manner. SHCC will maintain the Station's facilities in accord with good engineering practice and in compliance in all material respects with the engineering requirements set forth in the Station's FCC licenses, including broadcasting at substantially maximum authorized power (except at such time that reduction of power is required for routine or emergency maintenance).

(c) SHCC may, during the term of this Agreement, dispose of any of its assets or properties, so long as: (1) such action does not adversely affect SHCC's ability to perform its obligations hereunder; and (2) such action does not abrogate any of EPC's rights hereunder.

15. Events of Default. The following shall, after the expiration of the applicable cure periods, constitute Events of Default under the Agreement:

(a) Non-Payment. EPC's failure to remit to SHCC any payment described in Section 3 above in a timely manner.

(b) Default in Covenants. The default by either Party in the material observance or performance of any material covenant, condition, or agreement contained herein, or if any material representation or warranty herein made by such Party to the other shall prove to have been false or misleading as of the time made.

16. Cure Period and Termination upon Default. An Event of Default shall not be deemed to have occurred until ten (10) business days after the nondefaulting party has provided the defaulting party with written notice specifying the event or events which if not cured would constitute an Event of Default and specifying the actions necessary to cure within such ten-day period. The notice period provided in this Section shall not preclude SHCC from at any time preempting or refusing to broadcast any advertising furnished by EPC. Either Party may terminate this agreement upon notice to the other Party in the event the other Party is responsible for an Event of Default under this Agreement or that certain Shared Services Agreement which the Parties have entered into on the date hereof (the "Shared Services Agreement") or has defaulted in the performance of its obligations the Option Agreement and has failed to cure such within the applicable time period; provided that no such termination shall relieve any Party of its obligations arising prior to such termination. Additionally, if EPC has defaulted in the performance of its obligations under this Agreement and has failed to cure such default within the applicable time period, SHCC shall be under no further obligation to

make commercial time available to EPC, and all amounts then due and payable to SHCC shall immediately be paid by EPC to SHCC.

17. Other Agreements. SHCC will not enter into any other commercial time sales (except as permitted by Section 4 hereof), time brokerage, local marketing or similar agreement for the Station with any third party during the term of this Agreement. SHCC will also not purchase or accept for broadcast on the Station any programming that includes commercial advertising sold by any third party without EPC's consent, excluding national advertising time sold in network programming and nationally syndicated barter programming aired on the Station.

18. Liabilities after Termination. After the expiration or termination of this Agreement for any reason other than an assignment of the Station's assets to EPC or any assignee of EPC, (i) SHCC shall be responsible for broadcasting such advertising on the Station as may be required under advertising contracts entered into by EPC during the term of this Agreement and (ii) SHCC shall be entitled to all revenues for advertising broadcast after termination of this Agreement.

19. Indemnification. EPC shall indemnify and hold SHCC and its officers, managers, members, agents, and employees harmless against any claim, loss, cost, damages or liability, including without limitation for libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights, resulting from or relating in any manner to this Agreement or the advertising or other material furnished by EPC for broadcast on the Station, including without limitation for any fine or forfeiture imposed by the FCC relating to any content or material furnished by EPC or any conduct of EPC (including omissions). SHCC shall indemnify and hold EPC and its officers, directors, members, agents, and employees harmless from any failure by SHCC to broadcast advertising material furnished by EPC, except as permitted by Section 8 of this Agreement. Indemnification shall include all liability, costs, and expenses, including counsel fees (at trial and on appeal). The indemnification obligations under this Section shall survive any termination of this Agreement. Each party shall give the other reasonably prompt notice of any matter subject to indemnification under this paragraph, provided that no failure to give any such notice as set forth in this sentence shall limit the obligation of the indemnifying party, except to the extent such failure results in prejudice to the indemnifying party. The obligation of each party to indemnify is conditioned upon the reasonable cooperation of the claiming party in defending against the claim. The party responsible for indemnification shall select counsel and control the defense, subject to the indemnified party's reasonable approval, provided, however, that no claim may be settled by an indemnifying party without the consent of the indemnified party, and provided further, that if an indemnifying party and a claimant agree on a settlement and the indemnified party rejects the settlement unreasonably, the indemnifying party's liability will be limited to the amounts the claimant agreed to accept in settlement.

20. Insurance. EPC and SHCC shall each carry (i) comprehensive general liability insurance with reputable companies covering their activities under this Agreement, in an amount not less than [Two Million Dollars (\$2,000,000.00)]; (ii) worker's compensation and/or disability insurance; and (iii) libel/defamation/First Amendment liability insurance, with a deductible of no more than [\$100,000]. Each Party will name the other party as an additional insured on these policies.

21. No Partnership or Joint Venture. The Agreement is not intended to be, and shall not be construed as, an agreement to form a partnership, agency relationship, or a joint venture between the parties. Except as otherwise specifically provided in the Agreement, neither party shall be authorized to act as an agent of or otherwise to represent the other party.

22. Successors and Assigns. Neither party may assign its rights and obligations under this Agreement, either in whole or in part, without the prior written consent of the other; however, such consent shall not be unreasonably withheld. The covenants, conditions and provisions hereof are and shall be for the exclusive benefit of the parties hereto and their permitted successors and assigns, and nothing herein, express or implied, is intended or shall be construed to confer upon or to give any person or entity other than the parties hereto and their permitted successors and assigns any right, remedy or claim, legal or equitable, under or by reason of this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns.

23. Governing Law; Entire Agreement. This Agreement shall be construed in accordance with the laws of the State of Delaware without regard to principles of conflict of laws. This Agreement, the Shared Services Agreement and the Option Agreement embody the entire agreement between the parties with respect to the subject matter hereof and thereof, and there are not other agreements, representations, or understandings, oral or written, between them with respect thereto.

24. Modification and Waiver. No modification or waiver of any provision of the Agreement shall be effective unless in writing and signed by the party against whom such modification or waiver is asserted, and no failure to exercise any right, power, or privilege hereunder shall operate to restrict the exercise of the same right, power, or privilege upon any other occasion nor to restrict the exercise of any other right, power, or privilege upon the same or any other occasion. The rights, powers, privileges, and remedies of the parties hereto are cumulative and are not exclusive of any rights, powers, privileges, or remedies which they may have at law, in equity, by statute, under this Agreement, or otherwise.

25. Severability. If any provision of this Agreement or the application thereof to any person or circumstances 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 law, except that if such invalidity or unenforceability should change the basic economic positions of the Parties, they shall negotiate in good faith such changes in other terms as shall be practicable in order to restore them to their prior positions. In the event that the FCC alters or modifies its rules or policies in a fashion which would raise substantial and material questions as to (i) the validity of any provision of this Agreement or (ii) whether or not a Party would be in violation of any FCC rule or policy as a result of such Party's compliance with any provision of this Agreement, the Parties shall negotiate in good faith to revise any such provision of this Agreement in an effort to comply with all applicable FCC rules and policies, while attempting to preserve the intent of the Parties as embodied in the provisions of this Agreement. The Parties agree that, upon the request of either of them, they will join in requesting the view of the staff of the FCC, to the extent necessary, with respect to the revision of any provision of this Agreement in accordance with the foregoing. If the Parties are unable to negotiate a mutually acceptable modified Agreement, then either party may terminate this Agreement

upon written notice to the other, and each Party shall be relieved of any further obligations, one to the other.

26. Notices. All notices, demands and other communications given or delivered under this Agreement will be in writing and will be deemed to have been given when personally delivered, delivered by express courier service or delivered by facsimile machine with confirmation of receipt. Notices, demands and communications to EPC or SHCC will, unless specified differently in writing, be sent to as indicated below:

To SHCC: SagamoreHill of Corpus Christi, LLC
525 Blackburn Drive
Augusta GA 30907
Attention: Louis Wall
Telephone: (706) 922-5644
Facsimile: (706) 534-5810

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

Wiley Rein LLP
1776 K Street, NW
Washington, DC 20006
Attention: Todd Stansbury
Telephone: (202) 719-4948
Facsimile: (202) 719-7049

To EPC: Evening Post Publishing Company
134 Columbus Street
Charleston, South Carolina 29403-4800
Attention: Mr. Ivan V. Anderson, Jr.
Telephone: 843-937-5780
Facsimile: 843-937-5786

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

Dow Lohnes PLLC
1200 New Hampshire Avenue, N.W.
Suite 800
Washington, D.C. 20036-6802
Attention: Stuart A. Sheldon, Esq.
Telephone: (706) 922-5644
Facsimile: (706) 534-5810

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

28. Captions. The captions used in this Agreement are for convenience of reference only, do not constitute a part of this Agreement and will not be deemed to limit, characterize or in any way affect any provision of this Agreement, and all provisions of this Agreement will be enforced and construed as if no caption had been used in this Agreement.

29. Waiver of Jury Trial. AS A SPECIFICALLY BARGAINED INDUCEMENT FOR EACH OF THE PARTIES TO ENTER INTO THIS AGREEMENT (EACH PARTY HAVING HAD OPPORTUNITY TO CONSULT COUNSEL), EACH PARTY EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN.

30. Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the Parties to express their mutual intent. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

31. Other Definitional Provisions. The terms “hereof,” “herein” and “hereunder” and terms of similar import will refer to this Agreement as a whole and not to any particular provision of this Agreement. Section references contained in this Agreement are references to Sections in this Agreement, unless otherwise specified. Each defined term used in this Agreement has a comparable meaning when used in its plural or singular form. Each gender-specific term used in this Agreement has a comparable meaning whether used in a masculine, feminine or gender-neutral form. Whenever the term “including” is used in this Agreement (whether or not that term is followed by the phrase “but not limited to” or “without limitation” or words of similar effect) in connection with a listing of items within a particular classification, that listing will be interpreted to be illustrative only and will not be interpreted as a limitation on, or an exclusive listing of, the items within that classification.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO AGREEMENT FOR THE SALE OF
COMMERCIAL TIME

IN WITNESS WHEREOF, the parties have executed this Agreement for the Sale of Commercial Time as of the date first above written.

**SAGAMOREHILL OF CORPUS CHRISTI,
LLC**

By: _____
Louis Wall
President and CEO

EVENING POST PUBLISHING COMPANY

By: _____
Name:
Title: