

ASSET PURCHASE AGREEMENT

by and between

CHANNEL 20 TV COMPANY,  
TWINVER BROADCAST, INC.

and

MULTIMEDIA HOLDINGS CORPORATION

December 14, 2005

## TABLE OF CONTENTS

	<u>Page</u>
<b>ARTICLE I DEFINITIONS</b>	
SECTION 1.01	Certain Defined Terms ..... 1
SECTION 1.02	Glossary of Defined Terms ..... 5
SECTION 1.03	Terms Generally ..... 7
<b>ARTICLE II PURCHASE AND SALE</b>	
SECTION 2.01	Purchase and Sale ..... 7
SECTION 2.02	Assumption and Exclusion of Liabilities ..... 10
SECTION 2.03	Purchase Price; Allocation of Purchase Price ..... 10
SECTION 2.04	Closing ..... 11
SECTION 2.05	Closing Deliveries by Sellers ..... 11
SECTION 2.06	Closing Deliveries by Purchaser ..... 12
SECTION 2.07	Prorations and Adjustments ..... 12
SECTION 2.08	Third Party Accounts Receivable ..... 14
<b>ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLERS</b>	
SECTION 3.01	Incorporation and Authority of Sellers ..... 16
SECTION 3.02	No Conflict ..... 16
SECTION 3.03	Consents and Approvals ..... 17
SECTION 3.04	Financial Information ..... 17
SECTION 3.05	No Undisclosed Liabilities ..... 17
SECTION 3.06	Conduct of Business; Absence of Certain Changes ..... 18
SECTION 3.07	Absence of Litigation ..... 18
SECTION 3.08	Compliance with Laws ..... 18
SECTION 3.09	Licenses and Authorizations ..... 18
SECTION 3.10	Personal Property ..... 19
SECTION 3.11	Transfer of Broadcasting Assets ..... 19
SECTION 3.12	Intellectual Property ..... 19
SECTION 3.13	Employee Benefit Plans ..... 20
SECTION 3.14	Employees; Labor Matters ..... 21
SECTION 3.15	Taxes ..... 21
SECTION 3.16	Ability to Conduct Business ..... 22
SECTION 3.17	Material Contracts ..... 22
SECTION 3.18	Brokers ..... 23
SECTION 3.19	DTV and Cable/DBS Carriage ..... 23
SECTION 3.20	Environmental ..... 24
SECTION 3.21	EXCLUSIVITY OF REPRESENTATIONS ..... 24
<b>ARTICLE IV REPRESENTATIONS AND WARRANTIES OF PURCHASER</b>	
SECTION 4.01	Incorporation and Authority of Purchaser ..... 24

SECTION 4.02	No Conflict.....	25
SECTION 4.03	Consents and Approvals .....	25
SECTION 4.04	Absence of Litigation .....	25
SECTION 4.05	Qualifications of Purchaser.....	26
SECTION 4.06	Financial Ability.....	26
SECTION 4.07	Investment Intent; Ability to Bear Risk.....	26
SECTION 4.08	Brokers.....	26

## ARTICLE V ADDITIONAL AGREEMENTS

SECTION 5.01	Conduct of Business Prior to the Closing .....	27
SECTION 5.02	Access to Information.....	29
SECTION 5.03	Confidentiality.....	30
SECTION 5.04	Regulatory and Other Authorizations; Consents.....	31
SECTION 5.05	Employee Matters.....	33
SECTION 5.06	Tax Matters .....	34
SECTION 5.07	Assignment of Contracts, Leases, Approvals, Etc .....	35
SECTION 5.08	Public Announcements .....	36
SECTION 5.09	[Reserved] .....	36
SECTION 5.10	Simulcast Services Agreement.....	36
SECTION 5.11	Further Action .....	36
SECTION 5.12	Right to Set-off.....	36
SECTION 5.13	Investigation.....	37
SECTION 5.14	Certain Notices.....	37

## ARTICLE VI CONDITIONS TO CLOSING

SECTION 6.01	Conditions to Obligations of Sellers.....	38
SECTION 6.02	Conditions to Obligations of Purchaser.....	39

## ARTICLE VII TERMINATION, AMENDMENT AND WAIVER

SECTION 7.01	Termination.....	40
SECTION 7.02	Effect of Termination .....	41
SECTION 7.03	Waiver.....	41

## ARTICLE VIII GENERAL PROVISIONS

SECTION 8.01	Survival; Indemnification .....	41
SECTION 8.02	Expenses .....	44
SECTION 8.03	Notices .....	45
SECTION 8.04	Headings .....	46
SECTION 8.05	Severability .....	46
SECTION 8.06	Entire Agreement .....	46
SECTION 8.07	Assignment .....	46
SECTION 8.08	No Third-Party Beneficiaries .....	46
SECTION 8.09	Amendment.....	46

SECTION 8.10	Specific Performance.....	46
SECTION 8.11	Governing Law.....	46
SECTION 8.12	Waiver of Jury Trial .....	47
SECTION 8.13	Counterparts.....	47
SECTION 8.14	No Presumption.....	47

Exhibit A:	Form of Assumption Agreement
Exhibit B:	Form of Bill of Sale
Exhibit C:	Form of Escrow Agreement
Exhibit D:	Form of Simulcast Services Agreement
Exhibit E:	Purchaser Balance Sheet

## ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, dated as of December 14, 2005, by and between Channel 20 TV Company, an Illinois corporation ("Channel 20 TV Company"), Twenver Broadcast, Inc., a Delaware corporation ("Twenver" and together with Channel 20 TV Company, "Sellers"), and Multimedia Holdings Corporation, a South Carolina corporation ("Purchaser"). Capitalized terms used herein without definition have the meanings specified in Article I hereof.

### W I T N E S S E T H:

WHEREAS, Sellers together own and operate, under license from the FCC, the Station (the "Business");

WHEREAS, Sellers wish to sell to Purchaser, and Purchaser wishes to purchase from Sellers, all of Sellers' right, title and interest in and to the Broadcasting Assets, upon the terms and subject to the conditions set forth herein; and

WHEREAS, Sellers desire to assign to Purchaser, and Purchaser is willing to assume from Sellers, the Assumed Liabilities, upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements and covenants hereinafter set forth, the parties hereto hereby agree as follows:

## ARTICLE I

### DEFINITIONS

SECTION 1.01 Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Accounts Receivable" means all accounts receivable of Sellers accrued in accordance with GAAP with respect to the Business, including any "co-op" receivables from providers of Program Rights, as of the Cutoff Time.

"Action" means any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

"Affiliate" means, with respect to any specified Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with, such specified Person.

"Agreement" means this Asset Purchase Agreement and all amendments hereto made in accordance with Section 8.09 hereof.

“Ancillary Agreements” means, collectively, the Assumption Agreement, the Bill of Sale, the Escrow Agreement and the Simulcast Services Agreement.

“Assumption Agreement” means the Assumption Agreement to be executed by Purchaser and Sellers on the Closing Date in substantially the form attached as Exhibit A hereto.

“Bill of Sale” means the Bill of Sale to be executed by Purchaser and Sellers on the Closing Date in substantially the form attached as Exhibit B hereto.

“Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in the City of New York.

“Business Intellectual Property” means the Intellectual Property that is used in, or that relates to, the Business.

“Code” means the Internal Revenue Code of 1986, as amended.

“Communications Act” means the Communications Act of 1934, as amended, and the rules, regulations, policies and orders promulgated thereunder, as in effect from time to time.

“Contract” means any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument.

“Control” means, as to any Person, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. The term “Controlled” shall have a correlative meaning.

“Disclosure Schedule” means the Disclosure Schedule delivered by Sellers to Purchaser on the date hereof.

“FCC” means the Federal Communications Commission.

“FCC Licenses” means the licenses, permits, construction permits and other authorizations issued by the FCC to Sellers for the operation of the Station, including those listed or described in Section 1.01(a) of the Disclosure Schedule, and all applications therefor, together with any renewals, extensions or modifications thereof and additions thereto. For the avoidance of doubt, FCC Licenses does not include licenses, permits, construction permits and other authorizations issued by the FCC to Sellers for the operation of KUPN.

“Final Order” means an action or order of the FCC (including an action or order of the FCC’s staff, pursuant to delegated authority): (a) which has not been vacated, reversed, stayed, enjoined, set aside, annulled or suspended; (b) with

respect to which no timely filed protest, request for stay, request or petition for FCC rehearing, reconsideration or review, reconsideration or review by the FCC on its motion, or judicial appeal of such action or order is pending; and (c) as to which the time for filing any such protest, request for stay, request or petition for FCC rehearing, reconsideration or review, reconsideration or review by the FCC on its own motion, or judicial appeal of such action or order has expired.

“GAAP” means United States generally accepted accounting principles, as consistently applied by Sellers.

“Governmental Authority” means any United States federal, state or local or any non-United States government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

“Intellectual Property” means (a) the call letters “KTVD”; (b) trademarks, service marks, trade names, Internet domain names, designs, logos, jingles, slogans and general intangibles of like nature, together with goodwill, registrations and applications relating to the foregoing; (c) patents, copyrights (including registrations and applications for any of the foregoing); and (d) software, confidential information, technology, know-how, inventions, processes, formulae, algorithms, models and methodologies.

“IRS” means the Internal Revenue Service.

“Knowledge of Sellers” or “Sellers’ knowledge” means the actual knowledge of James Gregory Armstrong, Charles Frank Gross, Bob Brewer and Mike Dant, without any further inquiry, investigation or due diligence on the part of any of such Persons.

“KUPN” shall mean KUPN-TV, Channel 3, licensed to Sterling, Colorado, currently a satellite of the Station, and KUPN-DT, Channel 23.

“Law” means any federal, state, local or non-United States statute, law, ordinance, regulation, rule, code, order or other requirement of law.

“Liabilities” means, as to any Person, all debts, adverse claims, liabilities and obligations, direct, indirect, absolute or contingent of such Person, whether known or unknown, whether accrued, vested or otherwise, whether in contract, tort, strict liability or otherwise and whether or not actually reflected, or required by GAAP to be reflected, in such Person’s balance sheets or other books and records.

“Lien” means any mortgage, deed or trust, pledge, hypothecation, security interest, encumbrance, claim, lien or charge of any kind.

“Losses” means any and all losses, damages, costs, expenses, Liabilities, obligations and claims of any kind (including any Action brought by any Governmental Authority or Person and including reasonable attorneys’ and consultants’ fees and expenses and other costs and expenses reasonably incurred in any investigation, remediation, defense or settlement).

“Material Adverse Effect” means a material adverse effect on the Broadcasting Assets taken as a whole or the results of operations or the financial condition of the Business, except for any adverse effect arising out of or resulting from (a) any change or development generally applicable to the industries in which Sellers are involved; (b) any change or development generally applicable to the United States or global economic conditions; (c) any change or development resulting from the execution of this Agreement or the Ancillary Agreements, the consummation of the transactions contemplated hereby or thereby or the public announcement hereof; (d) any material adverse change in the Station’s “Nielsen Ratings” as reported in the ratings information provided by the Nielsen Media Research, Inc.; (e) the bringing of any Actions or any change or development arising out of or relating to any Actions involving or relating to Lake Cedar’s construction of a new telecommunications tower on Lookout Mountain, Jefferson County, Colorado, but only to the extent such Actions relate to Lake Cedar and all of its members; or (f) any change or development resulting from the failure of Purchaser to consent to any of the actions proscribed by Section 5.01, provided, however, that in the case of the exceptions contained in subsections (c) and (f), such change or development must be directly and demonstrably caused by the particular circumstance described therein.

“Permitted Liens” means the following Liens: (a) Liens for Taxes, assessments or other governmental charges or levies that are not yet due or payable or that are being contested in good faith by appropriate proceedings; (b) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen, repairmen and other Liens imposed by Law and on a basis consistent with past practice for amounts not yet due; and (c) Liens incurred or deposits made in the ordinary course of the business of Sellers and on a basis consistent with past practice in connection with workers’ compensation, unemployment insurance or other types of social security.

“Person” means any natural person, general or limited partnership, corporation, limited liability company, firm, association or other legal entity.

“Program Rights” means any rights of Sellers presently existing or obtained after the date of this Agreement and prior to the Closing in accordance with the terms of this Agreement to broadcast television programs or shows as part of the Station’s programming, including all film and program barter agreements, sports rights agreements, news rights or service agreements and syndication agreements.



“Program Rights Agreement” means any agreement for the provision of Program Rights.

“Station” means television station KTVD-TV Channel 20, Denver, Colorado and KTVD-DT, Channel 19, Denver, Colorado.

“Studio” means the studio located at 11203 E. Peakview, Centennial, CO.

“Tax” or “Taxes” means any and all income, excise, gross receipts, license, premium, ad valorem, sales, use, employment, franchise, profits, gains, property, transfer, payroll, withholding, social security (or similar), unemployment, intangibles, alternative or add-on minimum, estimated or other taxes, fees, stamp taxes, duties, charges, levies or assessments of any kind whatsoever (whether payable directly or by withholding), together with any interest, penalties, additions to tax and additional amounts imposed by any Tax authority or Governmental Authority with respect thereto.

“Tax Returns” means all returns and reports (including elections, declarations, amendments, schedules, information returns or attachments thereto) required to be supplied to a Tax authority relating to Taxes.

SECTION 1.02      Glossary of Defined Terms. Each of the terms set forth below shall have the meaning ascribed thereto in the following sections:

<u>Term</u>	<u>Section</u>
Adjustment Amount .....	2.07(c)
Affected Employee .....	5.05(a)
Arbitrating Firm .....	2.07(d)
Assignment Applications .....	5.04(b)
Assumed Liabilities .....	2.02(a)
Balance Sheet Date .....	3.04
Basket Amount .....	8.01(e)
Broadcasting Assets .....	2.01(a)
Business .....	Recitals
Channel 20 TV Company .....	Preamble
Closing .....	2.04
Closing Date .....	2.04
Collection Period .....	2.08(a)
Confidentiality Agreement .....	5.03
Cutoff Time .....	2.07(a)
Determination .....	5.04(c)
Employee .....	3.13(a)
Employee Schedule .....	5.05(a)
ERISA Affiliate .....	3.13(a)
Escrow Agent .....	2.03(d)
Escrow Agreement .....	2.03(d)

Escrow Funds .....	2.03(d)
Excluded Assets .....	2.01(b)
Excluded Liabilities .....	2.02(b)
FCC Consents.....	5.04(b)
Final Allocation.....	2.03(c)
Financial Statements.....	3.04
Indemnified Party .....	8.01(f)
Indemnifiable Loss .....	8.01(d)
Indemnifying Party .....	8.01(f)
Indemnity Payment.....	8.01(f)
Lake Cedar .....	2.01(a)(xi)
Lease Election .....	5.09
Material Consents.....	6.02(h)
Material Other Licenses.....	3.09(c)
Mid-Range .....	2.07(e)
Minimum Claim Amount.....	8.01(e)
Minimum Number .....	5.05(a)
Plans.....	3.13(a)
Post-Closing Expenses.....	2.07(a)
Post-Closing Period .....	5.06(b)
Pre-Closing Period.....	5.06(b)
Preliminary Adjustment Report .....	2.07(c)
Property Taxes.....	5.06(b)
Purchaser .....	Preamble
Purchaser's 401(k) Plan .....	5.05(e)
Purchaser's Station .....	4.05(b)
Purchaser Employee Plans .....	5.05(b)
Purchaser Indemnified Parties.....	8.01(b)
Purchaser Renewal Application .....	4.05(b)
Purchase Price .....	2.03(a)
Representatives.....	5.13(a)
Securities Act .....	4.07
Seller Indemnified Parties .....	8.01(c)
Seller Renewal Application .....	3.09(b)
Sellers .....	Preamble
Sellers' 401(k) Plan .....	5.05(e)
Simulcast Election .....	5.10
Simulcast Services Agreement.....	5.10
Straddle Period .....	5.06(b)
Terminating Purchaser Breach.....	7.01(b)
Terminating Sellers Breach.....	7.01(c)
Third Party Accounts Receivable.....	2.08(a)
Threshold Number.....	2.07(a)
Tolling Agreement.....	5.04(b)
Transferred Contracts .....	2.01(a)(ii)
Twenver .....	Preamble

UPN Agreement .....	2.01(a)(v)
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SECTION 1.03 Terms Generally. (a) Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other genders as the context requires, (b) the terms “hereof”, “herein”, and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement and not to any particular provision of this Agreement, and Article, Section, paragraph, Exhibit and Disclosure Schedule references are to the Articles, Sections, paragraphs, Exhibits and Disclosure Schedules to this Agreement unless otherwise specified, (c) the word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless otherwise specified, (d) the word “or” shall not be exclusive and (e) provisions shall apply, when appropriate, to successive events and transactions.

## ARTICLE II

### PURCHASE AND SALE

SECTION 2.01 Purchase and Sale. (a) Upon the terms and subject to the conditions of this Agreement, at the Closing, Sellers shall sell, assign, transfer, convey and deliver to Purchaser, and Purchaser shall purchase and accept from Sellers, all of Sellers’ right, title and interest in and to all of the assets used in, or relating to, the Business, other than the Excluded Assets (the assets to be purchased by Purchaser being referred to as, the “Broadcasting Assets”), including the following:

(i) all broadcasting and other equipment, office furniture, fixtures, tapes, office materials and supplies, spare parts, tubes and other tangible personal property of every kind and description that are used in, or that relate to, the Business, including the assets set forth in Section 2.01(a)(i) of the Disclosure Schedule;

(ii) all Contracts to which a Seller is a party or by which a Seller is bound that are used in, or that relate to, the Business or to which the Broadcasting Assets are subject, including (A) all orders, arrangements, Contracts and understandings for the sale of advertising time on the Station, except those which on the Closing Date have already been filled or have expired and (B) the Contracts set forth in Section 2.01(a)(ii) of the Disclosure Schedule (collectively, the “Transferred Contracts”);

(iii) all prepayments under advertising sales Transferred Contracts to the extent such prepayments or portion thereof is payment for committed air time for advertising that has not been aired prior to the Closing Date;

(iv) all prepayments paid to Sellers by any lessee pursuant to a lease that is a Transferred Contract to the extent such

prepayment or portion thereof is with respect to periods from and after the Closing Date and any security deposit paid to Sellers by any lessee pursuant to any such lease;

(v) prepaid revenue pursuant to the Affiliation Agreement between UPN and Channel 20 TV Company, as amended (the “UPN Agreement”), pro rata based on the number of months (or pro rata portions thereof) remaining as of the Closing under the terms of such agreement, without duplication with payments or credits pursuant to Section 2.07;

(vi) all (A) FCC Licenses and (B) any other permits, certificates, consents, approvals, licenses and authorizations issued or granted by any Governmental Authority used in, or that relate to, the Business;

(vii) the files, lists, tapes, books and records, including all FCC logs and other records, used in, or that relate to, the Business;

(viii) all Sellers’ right, title and interest in Business Intellectual Property;

(ix) all programs and programming materials and elements of whatever form or nature owned by Sellers that are used in, or that relate to, the Business, whether recorded on film, tape or any other medium or intended for live performance, television broadcast or other medium and whether completed or in production, and all related common law and statutory intangible rights used in, or that relate to, the Business;

(x) all rights and claims relating to any other Broadcasting Asset (to the extent relating to periods after the Closing Date) or any Assumed Liability, including all guarantees, warranties, indemnities and similar rights in favor of a Seller in respect of any other Broadcasting Asset (to the extent relating to periods after the Closing Date) or any Assumed Liability;

(xi) all of Channel 20 TV Company’s ownership interests in Lake Cedar Group LLC, a Delaware limited liability company (“Lake Cedar”); and

(xii) all Sellers’ goodwill in, and going concern value of, the Business.

(b) Notwithstanding the terms of Section 2.01(a), Sellers shall not sell, assign, transfer, convey or deliver to Purchaser, and Purchaser shall not purchase and accept, and the Broadcasting Assets shall not include, any of Sellers’ right, title and interest in and to any of the following assets (the “Excluded Assets”):

(i) all cash and cash equivalents, securities (other than Channel 20 TV Company's interests in Lake Cedar), and negotiable instruments of Sellers on hand, in lock boxes, in financial institutions or elsewhere;

(ii) all Accounts Receivable;

(iii) the Studio and all real property owned in fee by Sellers;

(iv) all assets and properties of every kind and description and wherever located, directly or indirectly, owned or held for use by Sellers and not used in, or related to, the Business;

(v) all licenses, permits, construction permits and other authorizations issued by the FCC to Sellers for the operation of KUPN and any other permits, certificates, consents, approvals, licenses and authorizations issued or granted by any Governmental Authority used in, or that relate to, KUPN, and all other assets and properties of every kind and description used in, or relating to, KUPN, including the items set forth in Section 2.01(b)(v) of the Disclosure Schedule;

(vi) Sellers' prepaid business (including liability, business interruption and the like) and group insurance premiums;

(vii) all Contracts of insurance;

(viii) all rights and claims relating to any Excluded Assets or any Excluded Liabilities, including all guarantees, warranties, indemnities and similar rights in favor of a Seller or any Affiliate of a Seller in respect of any Excluded Assets or any Excluded Liabilities;

(ix) any rights to Tax refunds, credits or similar benefits or Tax attributes relating to or attributable to periods ending, or an event occurring, prior to the Closing Date;

(x) the minute books from the meetings of the boards of directors and stockholders of Sellers, the stock records and corporate seals of Sellers and the Tax Returns and records relating to Taxes of Sellers;

(xi) all rights of Sellers under this Agreement and the Ancillary Agreements;

(xii) the Employment Contract with Gregory Armstrong, dated March 8, 2005; and

(xiii) all rights of Sellers with respect to the assets of any Plan.

SECTION 2.02 Assumption and Exclusion of Liabilities. (a) Assumed Liabilities. Upon the terms and subject to the conditions set forth in this Agreement, Purchaser shall, on the Closing Date, assume, agree to pay, perform and discharge when due, and indemnify and hold Sellers harmless from and against any and all Losses attributable to, the following liabilities (the “Assumed Liabilities”):

(i) all Liabilities arising under any Transferred Contracts relating to the period from and after the Closing Date;

(ii) all Liabilities set forth in Section 5.05 of the Agreement; and

(iii) all Liabilities arising on or after, and relating to the period from and after, the Closing Date arising out of or related to the ownership or operation of the Broadcasting Assets or the Business; provided that in no event will Purchaser be responsible for any Liabilities relating to the Employees (other than Liabilities arising from Purchaser’s post-Closing employment of the Affected Employees) or the Plans, except as set forth in Section 2.07 and Section 5.05.

(b) Excluded Liabilities. Except as expressly provided in Section 2.02(a), Purchaser shall not assume or be liable for any other Liabilities of Sellers, including the following Liabilities (the “Excluded Liabilities”):

(i) all Taxes of Sellers or attributable to the Business or the Broadcasting Assets for any period, or any portion of any period, ending as of or prior to the Cutoff Time;

(ii) all Liabilities relating to the Excluded Assets;

(iii) all Liabilities relating to the Plans;

(iv) all intercompany payables;

(v) all Liabilities arising out of or relating to the ownership of the Broadcasting Assets or operation of the Business, Broadcasting Assets or the Station prior to the Closing Date; and

(vi) any Liabilities of Sellers under this Agreement and the Ancillary Agreements.

SECTION 2.03 Purchase Price; Allocation of Purchase Price. (a) The aggregate purchase price for the Broadcasting Assets shall be \$155,000,000, subject to adjustment pursuant to Section 2.07 (the “Purchase Price”).

(b) Purchaser shall pay the Purchase Price, less the Escrow Funds, in cash to Sellers at the Closing as provided in Section 2.06(a).

(c) Within 90 days after the date of this Agreement, Purchaser shall prepare and deliver to Sellers a proposed allocation of the Purchase Price plus the Assumed Liabilities (and subsequent adjustments, if any) among the Broadcasting Assets in accordance with Section 1060 of the Code (and any similar provision of state or local law, as appropriate) and Section 2.03(c) of the Disclosure Schedule. Within 30 days after Sellers' receipt of such proposed allocation, Sellers and Purchaser shall cooperate in developing and agree upon a final allocation in accordance with Section 1060 of the Code (and any similar provision of state or local law, as appropriate) and Section 2.03(c) of the Disclosure Schedule (the "Final Allocation"). Each of Purchaser and Sellers shall (i) timely file all forms (including IRS Form 8594) and Tax Returns required to be filed in connection with the Final Allocation, (ii) be bound by the Final Allocation for purposes of determining Taxes, (iii) prepare and file, or cause to be prepared and filed, its Tax Returns on a basis consistent with the Final Allocation and (iv) take no position, or cause no position to be taken, inconsistent with the Final Allocation on any applicable Tax Return, in any audit or proceeding before any Governmental Authority, in any report made for Tax, financial accounting or any other purposes, in any litigation, or otherwise. Each party will provide to the other party any information returns required by Section 1060 of the Code and any similar state or local statute at least sixty (60) days prior to filing such returns. Such returns shall be subject to the other party's review and consent, which shall not be unreasonably withheld. If the Final Allocation is disputed by any Governmental Authority, the party receiving notice of such dispute shall promptly notify the other party hereto concerning the existence and resolution of such dispute. The provisions of this Section 2.03(c) shall survive the Closing.

(d) Purchaser shall withhold from the Purchase Price payable to Sellers at Closing an amount of cash equal to \$20,000,000 (the "Escrow Funds"). The Escrow Funds will be deposited at Closing with an escrow agent to be mutually agreed upon by Sellers and Purchaser (the "Escrow Agent") and be held and released to Sellers or Purchaser, as applicable, in accordance with the terms of this Agreement and the Escrow Agreement in substantially the form attached hereto as Exhibit C, with such changes as may be reasonably required by the Escrow Agent (the "Escrow Agreement").

SECTION 2.04 Closing. Subject to the terms and conditions of this Agreement, the sale and purchase of the Broadcasting Assets contemplated hereby shall take place at a closing (the "Closing") to be held at 10:00 a.m., Chicago time, on the fourth Business Day following the satisfaction or waiver of the conditions to the obligations of the parties set forth in Article VI, at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, 333 West Wacker Drive, Chicago, Illinois, or at such other time or on such other date or at such other place as Sellers and Purchaser may mutually agree upon in writing (the day on which the Closing takes place being, the "Closing Date").

SECTION 2.05 Closing Deliveries by Sellers. At the Closing, Sellers shall deliver or cause to be delivered to Purchaser:

(a) receipts for the Purchase Price, less the Escrow Funds, and the Reimbursement Amount;

(b) the Bill of Sale; and

(c) the certificates and other documents to be delivered pursuant to Article VI.

SECTION 2.06 Closing Deliveries by Purchaser. At the Closing, Purchaser shall deliver:

(a) to Sellers, the Purchase Price, as adjusted pursuant to Section 2.07 below, less the Escrow Funds, by wire transfer in immediately available funds, to an account or accounts designated at least three (3) Business Days prior to the Closing Date by Sellers in a written notice to Purchaser;

(b) to the Escrow Agent, the Escrow Funds, by wire transfer in immediately available funds, to the account designated at least three (3) Business Days prior to the Closing Date by the Escrow Agent in a written notice to Purchaser;

(c) to Sellers, the Assumption Agreement; and

(d) the certificates and other documents to be delivered pursuant to Article VI.

SECTION 2.07 Prorations and Adjustments. All prepaid and deferred income and expenses relating to the Broadcasting Assets and arising from the operation of the Business shall be prorated between Purchaser and Sellers in accordance with GAAP as of 11:59 p.m. of the day immediately preceding the Closing Date (the "Cutoff Time"). Such prorations shall include without limitation all personal property taxes, the annual FCC license fee, music and other license fees, Program Rights charges, performance incentives set forth in annual compensation plans that Affected Employees are entitled to receive as of the Closing Date at the time of Closing, any accrued vacation for Affected Employees, utility expenses, rent and other amounts under the Transferred Contracts and similar prepaid and deferred items. Sellers shall receive a credit for all of the Business's deposits and prepaid expenses. Sales commissions earned prior to the Closing Date and related to the sale of advertisements broadcast on the Station prior to the Cutoff Time shall be the responsibility of Sellers, and sales commissions related to the sale of advertisements broadcast on the Station after the Cutoff Time shall be the responsibility of Purchaser. It is agreed and understood by the parties that any payables under Program Rights Agreements that are contractually due in the month in which the Closing takes place shall be apportioned on a pro rata basis based upon the number of days in the calendar month which includes the Closing Date. If the final Employee Schedule listing the Employees to whom Purchaser intends to offer employment in accordance with Section 5.05 contains less than the number of full time Employees set forth on Section 2.07(a) of the Disclosure Schedule (the "Threshold Number"), Sellers shall receive a credit for the severance costs to be incurred by Sellers with respect to that number of full time Employees equal to the difference between the Threshold Number



and the Minimum Number; provided, however, that the Employees with respect to which Sellers shall receive credit shall be those full time Employees who are not included on the Employee Schedule and who are entitled to the least amount of severance. If, prior to the Closing Date, Sellers have not completed the buildout of the Republic Plaza facility referenced in Section 5.01(b)(iv) of the Disclosure Schedule such that it is able to commence digital operations at the site, Purchaser shall receive a credit for the reasonable costs Purchaser incurs in connection with the completion of such buildout.

(b) With respect to trade, barter or similar agreements for the sale of time for goods or services assumed by Purchaser pursuant to Section 2.01(a)(ii) (excluding any Program Rights Agreements), if at the Cutoff Time the Business has an aggregate negative or positive barter balance (i.e., the amount by which the value of air time to be provided by the Business after the Cutoff Time exceeds, or conversely, is less than, the fair market value of corresponding goods and services), there shall be a proration or adjustment and such excess or deficiency, as the case may be, shall be treated either as prepaid time sales or a receivable of Sellers, and adjusted for as a proration in Purchaser's or Seller's favor, as applicable. In determining barter balances, the value of air time shall be based upon the fair market value of the goods and services received by the Business, and corresponding goods and services shall include those to be received by the Business after the Cutoff Time plus those received by the Business before the Cutoff Time to the extent conveyed by Sellers to Purchaser as a part of the Broadcasting Assets.

(c) No later than three (3) business days prior to the scheduled Closing Date, Sellers shall provide Purchaser with a statement setting forth a reasonably detailed computation of Sellers' reasonable and good faith estimate of the Adjustment Amount (defined below) as of the Cutoff Time (the "Preliminary Adjustment Report"). As used herein, the "Adjustment Amount" means the net amount by which the Purchase Price is to be increased or decreased in accordance with this Section 2.07. If the Adjustment Amount reflected on the Preliminary Adjustment Report is a credit to Purchaser, then the Purchase Price payable at Closing shall be reduced by the amount of the preliminary Adjustment Amount, and if the Adjustment Amount reflected on the Preliminary Adjustment Report is a charge to Purchaser, then the Purchase Price payable at Closing shall be increased by the amount of such preliminary Adjustment Amount. For a period of one hundred twenty (120) days after Closing, Sellers and their auditors and Purchaser and its auditors may review the Preliminary Adjustment Report and the related books and records of Sellers with respect to the Business, and Purchaser and Sellers will in good faith seek to reach agreement on the final Adjustment Amount. If agreement is reached within such 120-day period, then promptly thereafter Sellers shall pay to Purchaser or Purchaser shall pay to Sellers, as the case may be, an amount equal to the difference between (i) the agreed Adjustment Amount and (ii) the preliminary Adjustment Amount indicated in the Preliminary Adjustment Report. If agreement is not reached within such 120-day period, then the dispute resolutions of Section 2.07(d) shall apply.

(d) If the parties do not reach an agreement on the Adjustment Amount within the 120-day period specified in Section 2.07(c), then Sellers and

Purchaser shall select an independent accounting firm of recognized national standing that is not rendering (and during the preceding two-year period has not rendered) audit or non-audit services to either party or their respective Affiliates (the “Arbitrating Firm”) to resolve the disputed items. If Sellers and Purchaser do not agree on the Arbitrating Firm within five (5) calendar days after the end of such 120-day period, then the Arbitrating Firm shall be a nationally recognized independent accounting firm that is not rendering (and during the preceding two-year period has not rendered) audit or non-audit services to either party or their respective Affiliates selected by lot (after excluding one firm designated by Sellers and one firm designated by Purchaser). Purchaser and Sellers shall each inform the Arbitrating Firm in writing as to their respective positions with respect to the Adjustment Amount, and each shall make available to the Arbitrating Firm any books and records and work papers relevant to the preparation of the Arbitrating Firm’s computation of the Adjustment Amount. The Arbitrating Firm shall be instructed to complete its analysis within thirty (30) days from the date of its engagement and upon completion to inform the parties in writing of its own determination of the Adjustment Amount, the basis for its determination and whether its determination is within the Mid-Range (defined below) or if not, whether it is closer to Purchaser’s or Sellers’ written determination of the Adjustment Amount. Any determination by the Arbitrating Firm in accordance with this Section shall be final and binding on the parties. Within five (5) calendar days after the Arbitrating Firm delivers to the parties its written determination of the Adjustment Amount, Sellers shall pay to Purchaser, or Purchaser shall pay to Sellers, as the case may be, an amount equal to the difference between (i) the Adjustment Amount as determined by the Arbitrating Firm and (ii) the preliminary Adjustment Amount indicated in the Preliminary Adjustment Report.

(e) If the Arbitrating Firm’s determination of the Adjustment Amount is within the Mid-Range, then Sellers and Purchaser shall each pay one-half of the fees and disbursements of the Arbitrating Firm in connection with its analysis. If not, then (i) if the Arbitrating Firm determines that the written position of Purchaser concerning the Adjustment Amount is closer to its own determination, then Sellers shall pay the fees and disbursements of the Arbitrating Firm in connection with its analysis, or (ii) if the Arbitrating Firm determines that the written position of Sellers concerning the Adjustment Amount is closer to its own determination, then Purchaser shall pay the fees and disbursements of the Arbitrating Firm in connection with its analysis. As used herein, the term “Mid-Range” means a range that (i) equals thirty-three percent (33%) of the absolute difference between the written positions of Purchaser and Sellers as to the Adjustment Amount and (ii) has a midpoint equal to the average of such written positions of Purchaser and Sellers.

(f) All payments to be made under this Section 2.07 shall be paid by wire transfer in immediately available funds to the account of the payee at a financial institution in the United States and shall for all purposes constitute an adjustment to the Purchase Price.

**SECTION 2.08** Third Party Accounts Receivable. (a) On the Closing Date, Sellers shall prepare and deliver to Purchaser a statement listing all Accounts Receivable other than any intercompany accounts receivable (the “Third Party”

Accounts Receivable”). During the period commencing with the Closing Date and ending on the 120th day after the Closing Date (the “Collection Period”), Purchaser shall, without charge to Sellers, use commercially reasonable efforts to collect the Third Party Accounts Receivable consistent with its practices for collection of its accounts receivable; provided, however that Purchaser shall not discount, adjust or otherwise compromise any Third Party Accounts Receivable without the prior written consent of Sellers. Purchaser shall account to Sellers and remit to Sellers all amounts collected by Purchaser with respect to the Third Party Accounts Receivable in accordance with the following schedule: (i) on or before the twentieth (20th) day of the first complete calendar month after the Closing Date, remit all amounts collected up to the end of the previous month; and (ii) on or before the twentieth (20th) day of each succeeding month, remit all amounts collected during the month previous thereto. With each remittance, Purchaser shall furnish a statement of the amounts collected and the Persons from whom such amounts were collected. Any payment received by Purchaser (i) at any time after the Closing and (ii) from a customer of the Business after the Closing who was also a customer of the Business prior to the Closing, shall be presumptively applied to the accounts receivable for such customer outstanding for the longest amount of time and, if such accounts receivable shall be a Third Party Accounts Receivable, remitted to Sellers in accordance with the provisions set forth above; provided, however, that if, prior to the Closing, Sellers or, after the Closing, Sellers or Purchaser received or receive a written notice of dispute from a customer with respect to a Third Party Accounts Receivable that has not been resolved, then Purchaser shall apply any payments from such customer to such customer’s oldest, non-disputed accounts receivable. Unless requested by Sellers and subject to Purchaser’s consent, which shall not be unreasonably withheld, conditioned or delayed, Purchaser shall not be obligated to refer any of the Third Party Accounts Receivable to a collection agency or to an attorney for collection; provided, however, that Sellers shall bear any and all fees and expenses of any collection agency or attorney to which Purchaser refers any Third Party Accounts Receivable at Sellers’ request. Purchaser shall incur no liability to Sellers for any collected (other than to comply with the provisions of this Section 2.08(a)) or uncollected Third Party Accounts Receivable. Notwithstanding the foregoing, if Sellers have referred any Third Party Accounts Receivable to a collection agency or to any attorney or other Person for collection prior to the Closing Date, Purchaser shall not be authorized to collect such Third Party Accounts Receivable on behalf of Sellers, and Sellers shall have full authority to attempt to collect such Third Party Accounts Receivable.

(b) Following the expiration of the Collection Period, Purchaser shall have no further obligations under this Section 2.08, except that Purchaser shall immediately pay over to Sellers any amounts not previously remitted to Sellers and any amounts subsequently paid to it with respect to any Third Party Accounts Receivable. Following the Collection Period, after consultation with Purchaser, Sellers may pursue collections of all the Third Party Accounts Receivable, and Purchaser shall at Sellers’ expense deliver to Sellers all files, records, notes and any other materials relating to the Third Party Accounts Receivable and shall otherwise cooperate with Sellers for the purpose of collecting any outstanding Third Party Accounts Receivable.

## ARTICLE III

### REPRESENTATIONS AND WARRANTIES OF SELLERS

Sellers represent and warrant to Purchaser, except as otherwise set forth in the Disclosure Schedule, as follows (it being agreed and understood that (i) any matter set forth for purposes of this Article III in any section of the Disclosure Schedule shall be deemed disclosed with respect to any other section of this Article III, but only to the extent the relevance and significance to such other section of this Article III is reasonably evident from such disclosure, and (ii) no reference to or disclosure of any item on the Disclosure Schedule shall be construed as an admission or indication that such item or other matter is material or that such item or other matter is required to be referred to or disclosed on the Disclosure Schedule):

SECTION 3.01      Incorporation and Authority of Sellers. Channel 20 TV Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Illinois. Twenver is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. Each Seller has all necessary corporate power and authority to enter into this Agreement and each applicable Ancillary Agreement, to carry out its respective obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and each applicable Ancillary Agreement by each Seller, the performance by each Seller of its respective obligations hereunder and thereunder and the consummation by each Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of each Seller. This Agreement has been, and at the Closing each Ancillary Agreement executed and delivered by each Seller will be, duly executed and delivered by each Seller, and (assuming due authorization, execution and delivery by Purchaser) this Agreement constitutes, and at the Closing each Ancillary Agreement executed and delivered by a Seller will constitute, the legal, valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms, subject to the effect of any applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or similar Laws affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 3.02      No Conflict. Assuming all consents, approvals, authorizations and other actions described in Section 3.03 have been obtained, and except as may result from any facts or circumstances relating to Purchaser or as set forth in Section 3.02 of the Disclosure Schedule or as otherwise provided in this Article III, the execution, delivery and performance of this Agreement and the applicable Ancillary Agreements by each Seller do not and will not (a) violate or conflict with the articles of incorporation or by-laws of such Seller, (b) conflict with or violate any Governmental Order applicable to such Seller, (c) conflict with or violate any Law applicable to such Seller or (d) result in any breach of, or constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, or give to any Person any rights of termination, amendment, acceleration or cancellation of, or result in

the creation of any Lien (other than a Permitted Lien) on any of the assets or properties of such Seller pursuant to, any Contract to which such Seller is a party or by which any assets or properties of such Seller are subject, except in the case of clauses (c) and (d) above, for any such conflicts, violations, breaches, defaults, rights or Liens as would not have a Material Adverse Effect.

SECTION 3.03      Consents and Approvals. Except as set forth in Section 3.03 of the Disclosure Schedule, the execution and delivery of this Agreement and the applicable Ancillary Agreements by each Seller do not, and the performance of this Agreement and the applicable Ancillary Agreements by each Seller will not, require any consent, approval, authorization or other action by, or filing with or notification to, any Governmental Authority or Person, except (a) the notification requirements of the HSR Act, (b) the FCC, (c) where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent such Seller from performing any of its obligations under this Agreement or any of the Ancillary Agreements, (d) as may be necessary as a result of any facts or circumstances relating solely to Purchaser or its Affiliates or (e) where the failure to obtain such consents, approvals or authorizations, to take such action, or to make such filing or notification would not have a Material Adverse Effect.

SECTION 3.04      Financial Information. The audited balance sheet of the Business for the fiscal years ended December 26, 2004 (the “Balance Sheet Date”) and December 28, 2003, and the respective related audited statements of income and cash flows of the Business, together with all notes and schedules related thereto, and the unaudited income statement for the Business dated as of November 27, 2005 are set forth on Section 3.04(a) of the Disclosure Schedule (collectively, the “Financial Statements”). Except as set forth therein and except as set forth in Section 3.04(b) of the Disclosure Schedule, (a) the Financial Statements have been, and the monthly unaudited income statements to be delivered pursuant to Section 5.02(d) will be, prepared in accordance with the books and records regularly maintained by Sellers with respect to the Business; (b) the audited financial statements included in the Financial Statements present fairly, in all material respects, the financial condition and results of operations of the Business as of the respective dates and for the respective periods thereof; and (c) the unaudited income statement included in the Financial Statements presents fairly, and the monthly unaudited income statements to be delivered pursuant to Section 5.02(d) will present fairly, in each case in all material respects, the results of operations of the Business for the period thereof (subject to normal year-end adjustments).

SECTION 3.05      No Undisclosed Liabilities. Except as set forth in Section 3.05 of the Disclosure Schedule and except (a) for liabilities and obligations incurred in the ordinary course of business since the Balance Sheet Date, (b) for liabilities and obligations incurred in connection with the transactions contemplated by this Agreement, (c) for liabilities and obligations that would not have a Material Adverse Effect and (d) for other liabilities and obligations that are otherwise the subject of any other representation or warranty contained in this Article III, since the Balance Sheet Date, Sellers have not incurred any liabilities or obligations that would be required to be reflected or reserved against in a consolidated balance sheet of the Business prepared in

accordance with GAAP as applied in preparing the audited balance sheet of the Business included in the Financial Statements.

SECTION 3.06      Conduct of Business; Absence of Certain Changes. Except as set forth on Section 3.06(a) of the Disclosure Schedule or as contemplated by this Agreement, since the Balance Sheet Date to the date hereof the Business has been conducted in the ordinary course consistent with past practice. Except as set forth on Section 3.06(b) of the Disclosure Schedule, since the Balance Sheet Date, there has not occurred any event or condition that has had a Material Adverse Effect that is continuing or that is reasonably likely to have a Material Adverse Effect.

SECTION 3.07      Absence of Litigation. Except as set forth on Section 3.07(a) of the Disclosure Schedule, as of the date hereof, (a) there are no Actions pending or, to the Knowledge of Sellers, threatened against either Seller or any of the assets or properties of either Seller and (b) neither Seller nor any of its assets and properties are subject to any Governmental Order. Except for inquiries that have been sent to television stations in the Denver DMA generally or to all of Lake Cedar's members, Section 3.07(b) of the Disclosure Schedule lists each written inquiry received by Sellers during the twelve (12) months prior to the date of this Agreement from any Governmental Authority which is specifically concerned with the Business, the Station or the Broadcasting Assets and alleges a violation of Law or requests any action on the part of Sellers to maintain the FCC Licenses.

SECTION 3.08      Compliance with Laws. Neither Seller is in violation of any Laws (in any material respect) or Governmental Orders applicable to the conduct of the Business, except as set forth in Section 3.08 of the Disclosure Schedule.

SECTION 3.09      Licenses and Authorizations. (a) Section 1.01(a) of the Disclosure Schedule contains a true and complete list of all material FCC Licenses (the "Material FCC Licenses") as of the date hereof. A Seller is the authorized and legal holder of each of the Material FCC Licenses. The Material FCC Licenses constitute all of the licenses, permits or authorizations from the FCC necessary under the Communications Act and the current rules, regulations and policies of the FCC to entitle Sellers to own and operate the Station and carry on the Business in all material respects as currently conducted.

(b) Except as relates to the applications for FCC Licenses set forth in Section 3.09(b) of the Disclosure Schedule, the Material FCC Licenses are valid and in full force and effect and are unimpaired by any act or omission of Sellers or their respective officers, directors, employees or agents. Sellers have filed all material reports, forms and statements required by the FCC to be filed by Sellers with respect to the Business in the current license term. On or before December 1, 2005, Sellers filed with the FCC applications for renewal of the licenses to operate the Station (the "Seller Renewal Application"), copies of which have been delivered or made available to Purchaser. There is no proceeding pending before or, to the Knowledge of Sellers, threatened by the FCC to revoke, suspend, cancel, refuse to renew or materially adversely modify any of the Material FCC Licenses, and there is not now pending or, to the

Knowledge of Sellers, threatened, issued or outstanding by or before the FCC, any investigation, order to show cause, notice of violation, notice of apparent liability or notice or forfeiture or complaint against Sellers or any of their Affiliates with respect to the Business. The Station is operating in all material respects in compliance with the Material FCC Licenses, the Communications Act and the current rules, regulations and policies of the FCC. Subject to the timely filing of complete and properly executed applications for renewal and payment of all applicable filing fees, as of the date hereof, Sellers have no reason to believe that the FCC will not renew the Material FCC licenses in the normal course.

(c) Section 3.09(c) of the Disclosure Schedule contains a true and complete list of all material permits, licenses and authorizations other than the FCC Licenses (the “Material Other Licenses”) issued or granted by any Governmental Authority necessary to entitle Sellers to own and operate the Station and carry on the Business as currently conducted. Each Material Other License is in full force and effect with no violations of them having occurred.

SECTION 3.10 Personal Property. (a) The applicable Seller owns, has a valid leasehold interest in or has the legal right to use all of the tangible personal property necessary to carry on the Business as currently conducted, free and clear of all Liens, except Permitted Liens.

(b) Except for items of tangible personal property under repair or out of service in the ordinary course, each material item of tangible personal property included in the Broadcasting Assets is in reasonably good operating condition and repair, ordinary wear and tear excepted, and those material items of tangible personal property included in the Broadcasting Assets constituting transmitting and studio equipment have been maintained in a manner consistent with generally accepted standards of good engineering practice.

SECTION 3.11 Transfer of Broadcasting Assets. At the Closing, Sellers will convey good and valid title to all of the Broadcasting Assets to Purchaser free and clear of any and all Liens, except Permitted Liens.

SECTION 3.12 Intellectual Property. (a) Section 3.12 of the Disclosure Schedule sets forth a true and complete list of all registrations and applications for Business Intellectual Property and a list of all Business Intellectual Property owned by Sellers not subject to a registration or application, excluding commercially available “off the shelf” Intellectual Property. The registrations for Business Intellectual Property set forth in Section 3.12 of the Disclosure Schedule are valid, in good standing and, to the Knowledge of Sellers, uncontested. Except for such claims which would not have a Material Adverse Effect, there are no pending or threatened claims of which either Seller has been given written notice by any Person against its use of any Business Intellectual Property owned by such Seller. The applicable Seller has such ownership of or such rights by license, lease or other agreement to the Business Intellectual Property as are necessary to conduct the Business as currently conducted. Sellers have not received any written notice alleging that either

Seller is infringing upon or unlawfully or improperly using any Intellectual Property owned or alleged to be owned by any other Person, which allegation if true would have a Material Adverse Effect. The Business Intellectual Property owned by the Sellers is free and clear of all Liens, other than Permitted Liens. Following the Closing, Sellers and its Affiliates will have no ownership interest in the Business Intellectual Property. Sellers have not granted any outstanding licenses or other rights to any Business Intellectual Property and, as of the date hereof, Sellers have no Knowledge of any infringement of any of the Business Intellectual Property.

(b) The only representations and warranties given in respect of the Business Intellectual Property and matters and agreements relating thereto are those contained in this Section 3.12 and none of the other representations and warranties of either Seller shall be deemed to constitute, directly or indirectly, a representation or warranty in respect of Business Intellectual Property and matters or agreements relating thereto.

**SECTION 3.13** Employee Benefit Plans. (a) Section 3.13(a) of the Disclosure Schedule contains a true and complete list as of the date hereof of each deferred compensation, bonus, incentive compensation, stock purchase, stock option, equity compensation plan, program, agreement or arrangement; each severance or termination pay, medical, surgical, hospitalization, life insurance and other “welfare” plan, fund or program (within the meaning of Section 3(1) of ERISA); each profit-sharing, stock bonus or other “pension” plan, fund or program (within the meaning of Section 3(2) of ERISA); each employment, termination or severance agreement; and each other employee benefit plan, fund, program, agreement or arrangement, in each case, that is sponsored, maintained or contributed to or required to be contributed to by either Seller or by any trade or business, whether or not incorporated (an “ERISA Affiliate”), that together with either or both Sellers would be deemed a “single employer” within the meaning of Section 4001(b) of ERISA, or to which either Seller or an ERISA Affiliate is party, whether written or oral, for the benefit of any employee (each, an “Employee” and collectively, the “Employees”) of either Seller primarily engaged in the Business (collectively, the “Plans”).

(b) No liability under Title IV or Section 302 of ERISA has been incurred by either Seller or any ERISA Affiliate that has not been satisfied in full, and no condition exists that presents a risk to Purchaser of incurring any such liability.

(c) Except as set forth in Section 3.13(c) of the Disclosure Schedule, the consummation of the transactions contemplated by this Agreement will not (i) entitle any Employee to severance pay, unemployment compensation or any other payment, except as expressly provided in this Agreement, or (ii) accelerate the time of payment or vesting, or increase the amount of compensation due any Employee.

(d) There are no pending claims by or on behalf of any Plan by any Employee or beneficiary covered under any such Plan, or otherwise involving any such Plan (other than routine claims for benefits).



(e) Each of the Plans (a) is in material compliance with all applicable provisions of ERISA, the Code and all other applicable Laws and (ii) has been administered, operated and managed in all material respects in accordance with its governing documents. Neither Seller nor any of its respective ERISA Affiliates, any Plan, any trust created thereunder, nor any trustee or administrator thereof has engaged in a transaction in connection with which such Seller or any of its ERISA Affiliates, any Plan, any such trust, or any trustee or administrator thereof, or any party dealing with any Plan or any such trust could be subject to either a civil penalty assessed pursuant to Section 409 or 502(i) of ERISA or a tax imposed pursuant to Section 4975 or 4976 of the Code. There are no pending or, to the Knowledge of Seller, threatened claims (other than claims for benefits in the ordinary course), lawsuits or arbitrations that have been asserted or instituted relating to the Plans that, in each case, would reasonably be expected to result in a material liability to any Seller or any ERISA Affiliate. All employer and employee contributions to each Plan required by law or by the terms of such Plan have been timely made, or, if applicable, accrued, in accordance with applicable accounting practices.

(f) Neither Seller nor any ERISA Affiliate maintains a welfare benefit plan providing continuing benefits after the termination of employment (other than as required by Section 4980B of the Code and at the former employee's own expense) for any current or former employees of the Sellers.

SECTION 3.14 Employees; Labor Matters. Section 3.14 of the Disclosure Schedule sets forth a true and complete list of all Employees as of the date of this Agreement, including each such Employee's title, original date of hire and current rate of compensation. As of the date hereof, neither Seller is a party to any collective bargaining or other labor union contract applicable to the Employees and no collective bargaining agreement is presently being negotiated by either Seller. As of the date hereof, Sellers have not recognized, or received a written demand for recognition of, any collective bargaining representative. As of the date hereof, there is no labor dispute, strike or work stoppage against either Seller pending or threatened in writing which may materially interfere with the Business. As of the date hereof, there is no charge or complaint against either Seller by the National Labor Relations Board or any comparable state agency pending or threatened in writing.

SECTION 3.15 Taxes. (a) All Tax Returns required to be filed by each Seller with respect to taxes attributable to the Business or the Broadcasting Assets for periods (or portions thereof) ending on or prior to the Closing Date have been or will be timely filed and all such Tax Returns are or will be complete and accurate when filed in all material respects insofar as they relate to the Business or the Broadcasting Assets. All Taxes attributable to the Business or the Broadcasting Assets for periods (or portions thereof) ending on or prior to the Closing Date have been or will be paid by each Seller at the time such Taxes were or will be due and payable, whether or not reflected on any Tax Return, except to the extent the same are being contested in good faith.

(b) Each Seller has properly withheld, and has timely paid and deposited or will timely pay and deposit to the proper Government Authority when due,

all Taxes required to be so withheld, deposited and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, or other third party; and all Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed.

(c) As of the date hereof, there are no ongoing federal, state, local or foreign audits, investigations or examinations with respect to either Seller, and no written notification has been received by either Seller that any such audit or examination is pending.

(d) Neither Seller is a “foreign person” within the meaning of Section 1445 of the Code.

(e) There are no Liens for Taxes upon any of the Broadcasting Assets, other than Permitted Liens.

(f) As of the date hereof, in connection with the Business or the Broadcasting Assets, no claim has ever been made by an authority in a jurisdiction where Sellers have not filed Tax Returns that either Seller is or may be subject to taxation by that jurisdiction.

(g) Neither Seller has any liability for Taxes of any Person other than the Sellers, respectively, (i) under Section 1.1502-6 of the Treasury regulations (or any similar provision of state, local or foreign Law), (ii) as a transferee or successor, (iii) by Contract, or (iv) otherwise, for any taxable period for which the applicable statute of limitations is not closed.

(h) Neither Seller has agreed to extend the time or to waive the applicable limitations period for the assessment of any deficiency or adjustments for any taxable period (or portion thereof).

**SECTION 3.16** Ability to Conduct Business. Taken together, the (i) Broadcasting Assets and (ii) Excluded Assets constitute all of the material tangible and intangible assets that are used to conduct the Business as of the date hereof (it being understood and agreed that nothing set forth in this Section 3.16 constitutes a representation or warranty that the Business can or will be operated at the existing performance levels following the Closing Date). Other than as set forth on Section 3.16 of the Disclosure Schedule, there are no assets that are included in the Excluded Assets as a result of Section 2.01(b)(v) that but for Section 2.01(b)(v) would be included as Broadcasting Assets.

**SECTION 3.17** Material Contracts. (a) Each Transferred Contract to which a Seller is a party is valid and binding on such Seller and is in full force and effect. To Sellers’ Knowledge, as of the date hereof, no party thereto is in breach of, or default under, any Transferred Contract.

(b) Except as set forth in Section 3.17(b) of the Disclosure Schedule, as of the date of this Agreement, the Transferred Contracts listed in Section

2.01(a)(ii) of the Disclosure Schedule constitute all of the Contracts relating to the Business: (i) for the sale of broadcast time for advertising after the date of this Agreement for an amount of cash in excess of \$200,000, (ii) with a remaining term of more than six (6) months from April 1, 2006 and that involve payments or receipts over such remaining term of more than \$100,000 with respect to any single agreement (other than Contracts for the sale of broadcast time for advertising), (iii) that are barter or trade Contracts (excluding Program Rights Agreements) requiring the Station to run advertising, (iv) constituting a mortgage, pledge or security agreement, deed of trust or other instrument granting a Lien (other than Permitted Liens) upon any of the Broadcasting Assets, (v) containing noncompetition restrictions binding on the Station or its Employees and relating to the Station that may bind the Purchaser or its Affiliates as a result of the consummation of the transactions contemplated by this Agreement, (vi) involving a joint venture or similar agreement with another party with respect to all or any part of the operations of the Station, (vii) constituting Contracts that were not entered into in the ordinary course of the Business consistent with past practice, (viii) with respect to the Station's network affiliation, (ix) for the future construction or purchase of capital improvements, purchase of materials, supplies or equipment, or for the sale of assets (other than broadcast time) that involve payments of more than \$100,000 after April 1, 2006, (x) that are sales agency or advertising representation contracts which are not terminable by Sellers without penalty upon notice of thirty (30) days or less, (xi) with employees of the Business, (xii) that are Program Rights Agreements, or (xiii) for the lease of real or personal property.

(c) As of the Closing Date, Sellers shall have paid all amounts due under the Program Rights Agreements in accordance with their terms and such payments are up to date.

SECTION 3.18 Brokers. Except for UBS Securities LLC, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement and the Ancillary Agreements based upon arrangements made by or on behalf of Sellers. Sellers are solely responsible for the fees and expenses of UBS Securities LLC.

SECTION 3.19 DTV and Cable/DBS Carriage. (a) Section 3.19(a) of the Disclosure Schedule lists each cable system and DBS system located within the Station's DMA carrying the Station's signal as of the date hereof, together with the channel position and whether the Station's signal is carried pursuant to a must carry election or retransmission consent agreement. As of the date hereof, to Seller's Knowledge there are no pending complaints regarding the quality of the KTVD signal being delivered to the cable systems and DBS systems. Sellers have made valid must carry or retransmission consent elections for DBS systems for the January 1, 2006 through December 31, 2008 FCC-mandated cycle. For the cable systems located within the Station's DMA, Sellers have made retransmission consent elections, have existing retransmission consent agreements, or are deemed to have elected must-carry status for the 2006-2008 cycle pursuant to FCC rules.

(b) The Station has been assigned channel 19 by the FCC for the provision of digital television service, and the FCC Licenses include authorization to transmit DTV service on such channel. Such authorization is in full force and effect and the FCC has not taken any adverse action with respect thereto. The Station has made all required filings in accordance with the FCC procedures for channel elections, replication/maximizations, and interference protection for its DTV signal.

SECTION 3.20 Environmental. Except as set forth on Section 3.20 of the Disclosure Schedule, no hazardous or toxic substance or waste regulated under any applicable environmental, health or safety law has been generated, stored, transported or released in connection with the operation of the Business such that the Station or either Seller is or may be liable for any remediation, restoration, cleanup, removal, treatment or maintenance with respect thereto, except where such liability would not have a Material Adverse Effect. Except as set forth on Section 3.20 of the Disclosure Schedule, Sellers have complied in all material respects with all environmental, health and safety laws applicable to the Business.

SECTION 3.21 EXCLUSIVITY OF REPRESENTATIONS. The representations and warranties of Sellers set forth in this Article III are the only representations and warranties made by Sellers with respect to Sellers, the Business and the Broadcasting Assets. Except as specifically set forth herein, Sellers are selling the Broadcasting Assets to Purchaser “as is” and “where is” and with all faults. SELLERS SPECIFICALLY DISCLAIM ANY WARRANTY REGARDING THE PROFITABILITY OF THE BUSINESS. FURTHERMORE, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, SELLERS MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER RELATING TO SELLERS, THE BUSINESS OR THE BROADCASTING ASSETS, INCLUDING THE CONDITION OF THE BROADCASTING ASSETS, THEIR MERCHANTABILITY OR THEIR FITNESS FOR ANY PARTICULAR PURPOSE.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Sellers as follows:

SECTION 4.01 Incorporation and Authority of Purchaser. Purchaser is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has all necessary corporate power and authority to enter into this Agreement and each Ancillary Agreement, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and each Ancillary Agreement by Purchaser, the performance by Purchaser of its obligations hereunder and thereunder and the consummation by Purchaser of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Purchaser. This Agreement has been, and at the Closing each Ancillary Agreement executed and delivered by Purchaser will be, duly executed and delivered by Purchaser, and (assuming

due authorization, execution and delivery by Sellers) this Agreement constitutes, and at the Closing each Ancillary Agreement executed and delivered by Purchaser will constitute, the legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms, subject to the effect of any applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or similar Laws affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 4.02      No Conflict. The execution, delivery and performance of this Agreement and the Ancillary Agreements by Purchaser do not and will not (a) violate or conflict with the Certificate of Incorporation or By-laws of Purchaser or any Affiliate of Purchaser, (b) conflict with or violate any Law or Governmental Order applicable to Purchaser or any Affiliate of Purchaser or (c) result in any breach of, or constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, or give to any Person any rights of termination, amendment, acceleration or cancellation of, or result in the creation of any Lien (other than a Permitted Lien) on any of the assets or properties of Purchaser or any of its Affiliates pursuant to, any Contract to which Purchaser or any of its Affiliates is a party or by which any of such assets or properties is subject, except in the case of clauses (b) and (c) above, for any such conflicts, violations, breaches, defaults, rights or Liens as would not, individually or in the aggregate, delay or prevent the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements or impair the ability of Purchaser to perform its obligations under this Agreement and the Ancillary Agreements.

SECTION 4.03      Consents and Approvals. The execution and delivery of this Agreement and the Ancillary Agreements by Purchaser do not, and the performance of this Agreement and the Ancillary Agreements by Purchaser will not, require any consent, approval, authorization or other action by, or filing with or notification to, any Governmental Authority or Person, except (a) the notification requirements of the HSR Act, (b) the FCC, (c) where failure to obtain any such consent, approval, authorization or action, or to make any such filing or notification, would not, individually or in the aggregate, delay or prevent the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements or impair the ability of Purchaser to perform its obligations under this Agreement and the Ancillary Agreements, (d) as may be necessary as a result of any facts or circumstances relating solely to Sellers or their Affiliates or (e) as may be necessary under the Program Rights Agreements for the delivery of programming pursuant to the Simulcast Services Agreement.

SECTION 4.04      Absence of Litigation. There are no actions pending against Purchaser or any of its Affiliates or any of the assets or properties of Purchaser or any of its Affiliates that, individually or in the aggregate, would prevent or materially impair the ability of Purchaser to consummate the transactions contemplated by this Agreement and the Ancillary Agreements.

SECTION 4.05      Qualifications of Purchaser. (a) Purchaser is legally, financially and otherwise qualified to be the assignee of the FCC Licenses pursuant to a routine grant of the FCC Consents, and no waivers shall be required by the FCC for the consummation of the transactions contemplated hereby or the grant of the FCC Consents. There are no matters related to Purchaser or any Affiliate of Purchaser which might reasonably be expected to result in the FCC's delay of approval of the Assignment Applications or denial of the FCC Consents.

(b) To the knowledge of Purchaser, Purchaser or any Affiliate of Purchaser shall not be required to sell, dispose of or surrender any FCC license held by Purchaser or any such Person with respect to any broadcast properties, or any other properties or businesses of Purchaser or such other Person, as may be required under the Communications Act or other Applicable Law in order to consummate the sale and purchase of the Broadcasting Assets contemplated by this Agreement and the Ancillary Agreements. On or before December 1, 2005, Purchaser filed with the FCC applications for renewal of the licenses to operate Purchaser's television station ("Purchaser's Station") licensed to Denver, CO (the "Purchaser Renewal Application").

SECTION 4.06      Financial Ability. As of the date hereof, Purchaser has, and on the Closing Date Purchaser shall have, cash available that is sufficient to enable it to consummate the transactions contemplated by this Agreement and the Ancillary Agreements. The unaudited balance sheet of Purchaser attached as Exhibit E hereto has been accurately prepared in accordance with the books and records regularly maintained by Purchaser with respect to its businesses, which books and records are maintained consistent with the manner in which Gannett Co., Inc. maintains its books and records and are subject to the same internal controls and procedures to which Gannett Co., Inc.'s books and records are subject. As of the date hereof Purchaser has, and at all times through and including the Closing Date Purchaser shall have, stockholders' equity in an amount not less than \$250,000,000.

SECTION 4.07      Investment Intent; Ability to Bear Risk. Purchaser is acquiring the ownership interests in Lake Cedar for Purchaser's own account for investment and not with a view to or for sale in connection with any distribution thereof other than in compliance with the Securities Act of 1933, as amended (the "Securities Act"). Purchaser acknowledges that the ownership interests in Lake Cedar have not been registered under the Securities Act and may not be transferred unless such transfer is made in accordance with the Limited Liability Company Agreement of Lake Cedar, dated June 24, 1997, and (i) is pursuant to an effective registration statement under the Securities Act or (ii) is exempt from the provisions of Section 5 of the Securities Act. The financial situation of Purchaser is such that it can afford to (i) bear the economic risk of holding the ownership interests in Lake Cedar for an indefinite period and (ii) suffer the complete loss of its investment in Lake Cedar.

SECTION 4.08      Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement and the Ancillary Agreements based upon arrangements made by or on behalf of Purchaser.

## ARTICLE V

### ADDITIONAL AGREEMENTS

#### SECTION 5.01 Conduct of Business Prior to the Closing. (a)

Unless Purchaser otherwise agrees in writing and except as otherwise set forth herein or in the Disclosure Schedule, between the date of this Agreement and the Closing Date, Sellers will (i) conduct the Business in the ordinary course consistent with past practices, (ii) use commercially reasonable efforts to preserve the business organization of the Business intact and preserve the goodwill of the Business and Sellers' relationships with the customers and suppliers of the Business and others with significant and recurring business dealings with the Station, (iii) use commercially reasonable efforts to maintain all existing insurance policies for the Broadcasting Assets or other substantially similar coverage and (iv) continue to promote the Station consistent with past practices.

(b) Except as expressly provided in this Agreement or the Disclosure Schedule, between the date of this Agreement and the Closing Date, Sellers will not do any of the following without the prior written consent of Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed):

(i) acquire, sell, assign, lease or otherwise transfer or dispose of any FCC License or any other material Broadcasting Assets (other than with respect to or pursuant to Program Rights Agreements in the ordinary course of business);

(ii) create, assume or permit to exist (if not permitting such Lien to exist is within Sellers' control) any Lien (other than Permitted Liens) affecting any of the material Broadcasting Assets;

(iii) acquire (by merger, consolidation or acquisition of stock or assets) any corporation, partnership or other business organization or division thereof or any equity interest therein which would, or whose assets and/or Liabilities would, be included in the Broadcasting Assets or Assumed Liabilities;

(iv) other than capital expenditures set forth in Section 5.01(b)(iv) of the Disclosure Schedule, authorize any new capital expenditure or expenditures affecting any of the Broadcasting Assets which, individually, is in excess of \$100,000 or, in the aggregate, are in excess of \$300,000;

(v) (A) with respect to the period from the date of this Agreement until June 30, 2006, amend or terminate any Program Rights Agreement or enter into any new Program Rights Agreement which require additional payments (together with all additional payments under such amendments or new Program Rights Agreements) that in the aggregate would exceed \$500,000, which may be binding on or affect the

Broadcasting Assets or Purchaser on or after the Closing; and (B) with respect to the period from July 1, 2006 until the earlier of the Closing Date or the termination of this Agreement in accordance with its terms, amend or terminate any Program Rights Agreement or enter into any new Program Rights Agreement which require additional payments (together with all additional payments under such amendments or new Program Rights Agreements) that in the aggregate would exceed \$1,000,000, which may be binding on or affect the Broadcasting Assets or Purchaser on or after the Closing; provided, however that neither Purchaser nor any of its Affiliates may acquire for the benefit of KUSA-TV in Denver any Program Rights for which Purchaser does not grant, to the extent required, its consent pursuant to this Section 5.01(b)(v).

(vi) other than as set forth in Section 5.01(b)(vi) of the Disclosure Schedule, amend or terminate any Contract or series of related Contracts (excluding any Program Rights Agreements) or enter into any new Contract or series of related Contracts (excluding any Program Rights Agreements), in any instance involving payments in excess of \$100,000 with respect to any individual Contract (excluding any Program Rights Agreement) or in excess of \$500,000 with respect to all such Contracts or series of related Contracts (excluding any Program Rights Agreements) (other than amendments to such Contracts or series of related Contracts which do not result in increases in payments by the Business in excess of \$100,000 with respect to any individual Contract (excluding any Program Rights Agreement) or in excess of \$500,000 with respect to all such Contracts or series of related Contracts (excluding any Program Rights Agreements)), which may be binding on or affect the Broadcasting Assets or Purchaser on or after the Closing;

(vii) enter into barter or trade Contracts (excluding any Program Rights Agreements) requiring the Station to run advertising with a fair market value in excess of \$100,000 in the aggregate;

(viii) other than as set forth in Section 5.01(b)(viii) of the Disclosure Schedule, (A) adopt any new employee benefit plan, or amend any existing Plan covering any of the Affected Employees to increase benefits thereunder, except as may be required by applicable Law, or (B) increase any compensation or enter into or amend any employment, severance, termination or similar agreement with any of the Affected Employees, except for normal increases in the ordinary course of business or as required by agreements as in effect on the date hereof or by law;

(ix) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the material obligations of any other Person which may be binding on or affect the Broadcasting Assets or Purchaser on or after the Closing,



except in the ordinary course of business in an amount not material to Sellers;

(x) cause or permit, by any act or failure to act, any of the Material FCC Licenses or other permits of Sellers relating to the Station to expire or to be revoked, suspended or modified, or take, or fail to take, any action that would be reasonably likely to cause the FCC or any other Governmental Authority to institute proceedings for the suspension, revocation or adverse modification of any of the FCC Licenses or other permits of Sellers relating to the Station; or

(xi) authorize or enter into an agreement to do any of the foregoing.

(c) Prior to Closing, Purchaser shall not, directly or indirectly, control, supervise, direct, or attempt to control, supervise, or direct the operations of the Station; and such operations, including complete control and supervision of all of the Station's programs, employees, and finances, shall be the sole responsibility of Sellers until the Closing.

(d) Sellers will deliver to Purchaser, promptly after filing, copies of any reports, applications or communications with the FCC related to the Station which are filed between the date of this Agreement and the Closing Date. Sellers will use commercially reasonable efforts to maintain carriage on the cable systems and DBS systems located in Station's DMA that are currently carrying the Station's signal in the ordinary course of business.

SECTION 5.02      Access to Information. Subject to applicable Law:

(a) From the date hereof until the Closing (upon reasonable notice to and approval of Sellers, which approval shall not be unreasonably withheld, conditioned or delayed), during normal business hours, Sellers shall, and shall cause their respective officers, directors, employees, auditors and agents to, (i) afford the officers, employees and authorized agents and representatives of Purchaser reasonable access to the offices, properties, books and records of Sellers to the extent related to the Business, and (ii) furnish to the officers, employees and authorized agents and representatives of Purchaser such additional financial and operating data and other information regarding the assets, properties and goodwill of the Business as Purchaser may from time to time reasonably request in order to assist Purchaser in fulfilling its obligations under this Agreement and to facilitate the consummation of the transfer contemplated hereby; provided, however, that such investigation shall not unreasonably interfere with any of the businesses or operations of either Seller or any Affiliate of either Seller.

(b) Sellers shall have the right to retain copies of all books and records of Sellers relating to the Business which relate to periods ending on or prior to the Closing Date. For a period of seven years after the Closing, Purchaser shall (i) retain the books and records of Sellers relating to the Business which relate to periods ending on or

prior to the Closing Date in a manner reasonably consistent with the prior practice of Seller, and (ii) upon reasonable notice, afford the officers, employees and authorized agents and representatives of Sellers reasonable access (including the right to make, at Sellers' expense, photocopies), during normal business hours, to such books and records.

(c) Each party agrees that it will cooperate with and make available to the other party, during normal business hours, all books and records, information and employees (without substantial disruption of employment) retained and remaining in existence after the Closing Date that are necessary or useful in connection with any litigation or investigation or any other matter requiring any such books and records, information or employees for any reasonable business purpose similar to the foregoing. The party requesting any such books and records, information or employees shall bear all of the out-of-pocket costs and expenses (including attorneys' fees, but excluding reimbursement for salaries and employee benefits) reasonably incurred in connection with providing such books and records, information or employees.

(d) Within twenty (20) days after the end of each monthly accounting period that occurs after the date of this Agreement until the earlier of the termination of this Agreement in accordance with its terms and the Closing Date, Sellers will furnish Purchaser with a copy of the monthly unaudited income statement for the Business for each such month in the form prepared by Sellers prior to the date of this Agreement.

(e) From the Closing Date until the date that is three (3) weeks after the Closing Date (upon reasonable notice to and approval of Sellers, which approval shall not be unreasonably withheld, conditioned or delayed), during normal business hours, Sellers shall, and shall cause their respective employees to, afford the officers, employees and authorized agents and representatives of Purchaser reasonable access to the offices and properties of Sellers as Purchaser may from time to time reasonably request in order to allow Purchaser to remove the Broadcasting Assets from such offices and properties; provided, however, that such access and removal shall not unreasonably interfere with any of the businesses or operations of either Seller or any Affiliate of either Seller. Purchaser shall indemnify, defend and hold Sellers harmless from and against any damage caused to the offices or properties of Sellers in connection with such access and removal. Purchaser and Sellers agree that title to any Broadcasting Assets remaining at the offices or properties of Sellers following the expiration of such three week period shall revert to Sellers and each of the parties hereto agrees to execute and deliver such documents and other papers and take such further actions as may be reasonably required to effect such reversion.

SECTION 5.03 Confidentiality. The terms of the letter agreement dated as of September 27, 2005 (the "Confidentiality Agreement") between Sellers and Purchaser are hereby incorporated herein by reference and shall continue in full force and effect until the Closing, at which time such Confidentiality Agreement and the obligations of Purchaser under this Section 5.03 shall terminate; provided, however, that the Confidentiality Agreement shall terminate only in respect of that portion of the Evaluation Material (as defined in the Confidentiality Agreement) exclusively relating to

the transactions contemplated by this Agreement, and the Business. If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement shall nonetheless continue in full force and effect.

SECTION 5.04 Regulatory and Other Authorizations; Consents. (a)

Each party hereto agrees to make an appropriate filing of a notification and report form pursuant to the HSR Act with respect to the transactions contemplated hereby within five (5) Business Days after the date hereof. Purchaser will be responsible for paying all filing fees in connection with the HSR Act filings pursuant to this Agreement. In addition, Purchaser shall engage and be responsible for the fees, costs and expenses of any economists or other experts reasonably necessary (as determined by Purchaser) in connection with the performance of the parties' obligations pursuant to this Section 5.04.

(b) No later than five (5) Business Days after the date hereof, Sellers and Purchaser shall jointly cause to be filed by Sellers' FCC counsel one or more applications with the FCC (the "Assignment Applications") requesting its consent to the assignment of the FCC Licenses from the applicable Seller to Purchaser (the "FCC Consents"). Each party shall pay its own expenses in connection with the preparation and prosecution of the Assignment Applications and shall share any filing fees associated with the Assignment Applications equally. To the extent necessary to expedite grant of the Seller Renewal Application or Purchaser Renewal Application, and thereby to facilitate the grant of the Assignment Applications, Sellers and Purchaser, respectively, shall negotiate and enter into tolling agreements with the FCC to extend, for a period of up to three (3) years following the date on which the FCC grants such a renewal application, the statute of limitations applicable to any pending complaints alleging that the Station or Purchaser's Station aired programming containing obscene, indecent or profane material (each, a "Tolling Agreement"). The Sellers and Purchaser shall consult in good faith with each other prior to entering into any such Tolling Agreement.

(c) Upon the terms and subject to the conditions set forth in this Agreement, Sellers and Purchaser shall each use their respective commercially reasonable efforts to promptly (i) take, or to cause to be taken, all actions, and to do, or to cause to be done, and to assist and cooperate with the other parties in doing all things necessary, proper or advisable under applicable Law or otherwise to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements; (ii) obtain from any Governmental Authority or third parties (other than, in the case of Sellers, from third parties with respect to Contracts, which are governed by Section 5.07 hereof) any actions, non-actions, clearances, waivers, consents, approvals, authorizations, permits or orders required to be obtained by Sellers, Purchaser or any of their respective Affiliates in connection with the authorization, execution, delivery and performance of this Agreement and the Ancillary Agreements, the consummation of the transactions contemplated hereby and thereby and the assignment of the FCC Licenses from the applicable Seller to Purchaser; (iii) furnish all information required for any application or other filing to be made pursuant to any applicable Law or any applicable regulations of any Governmental Authority in connection with the transactions contemplated by this Agreement and the Ancillary Agreements, including filings in connection with the HSR Act and the Assignment Applications, and to supply promptly

any additional information and documentary material that may be requested in connection with such filings or applications; (iv) oppose the entry of, or seek to have vacated or terminated, any decree, order, or judgment that would restrain, prevent or delay the Closing or the FCC Consents from becoming Final Orders, including defending against and opposing any lawsuits or other proceedings (including any FCC reconsideration or review), whether judicial or administrative, reviewing or challenging this Agreement or the Ancillary Agreements, the consummation of the transactions contemplated hereby and thereby or the assignment of the FCC Licenses from the applicable Seller to Purchaser; provided, however, that neither party shall act in accordance with this Section 5.04(c)(iv) if Purchaser determines in good faith (a “Determination”) that acting in accordance with this Section 5.04(c)(iv) would not be commercially reasonable; provided further, however that neither party shall institute a judicial declaratory judgment proceeding seeking a ruling that this Agreement, any Ancillary Agreement or any transaction contemplated hereby or thereby is lawful without the consent of the other party, which consent may be withheld for any reason. Purchaser shall use commercially reasonable efforts to consult with Sellers before making any such Determination and shall promptly give Sellers written notice of its making of any such Determination; (v) notify the other of any notice or communications from any Governmental Authority in connection with the transactions contemplated by this Agreement; and (vi) execute and deliver any additional instruments necessary to assign the FCC Licenses from the applicable Seller to Purchaser (including a Tolling Agreement in accordance with Section 5.04(b)) or to consummate any other transactions contemplated by this Agreement and the Ancillary Agreements. No party to this Agreement shall consent to any voluntary delay of the assignment of the FCC Licenses from the applicable Seller to Purchaser or the consummation of the other transactions contemplated hereby at the behest of any Governmental Authority or third party without the consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary contained in this Agreement, Purchaser shall not be required to waive any substantial rights or accept any substantial limitation on its operations, in each case, in respect of any assets or businesses owned by Purchaser or any of its Affiliates as of the date of this Agreement (the “Existing Purchaser Assets”) or to sell, divest itself of, license or dispose of any Existing Purchaser Assets.

(d) Notwithstanding anything in this Agreement to the contrary, if the Closing occurs before the FCC Consents become Final Orders, the terms of Section 5.04(c) shall survive the Closing until the FCC Consents become Final Orders; provided, however, that such terms shall only survive as applied to actions relating to the obtaining of the FCC Consents and such FCC Consents becoming Final Orders. No assignment of the FCC Licenses shall occur prior to obtaining the FCC Consents.

(e) Purchaser shall not, and shall cause its Affiliates not to, engage in any other transaction or activity, including any acquisition (by merger, consolidation or acquisition of stock or assets) of any corporation, partnership or other business organization or division thereof or any equity interest therein, that would cause its representation and warranty in Section 4.05 to become untrue or that would result in a delay in obtaining, or in a failure to obtain, as soon as reasonably possible (and in any

event, no later than one (1) year from the execution of the Agreement) any consent, approval or other authorization of any Governmental Authority or other Person required pursuant to any Law or otherwise in connection with the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements.

SECTION 5.05      Employee Matters. (a) Prior to the Closing, Purchaser shall offer to employ each Employee listed on the Employee Schedule, on substantially the same terms and conditions for similarly situated newly hired employees of KUSA-TV, such employment to be effective as of the time of Closing. Within sixty (60) days after the date of this Agreement, Purchaser shall prepare and deliver to Sellers a schedule listing the Employees to whom Purchaser intends to offer employment (the “Employee Schedule”); provided, however, that the Employee Schedule may be updated by Purchaser at any time prior to the Closing Date; provided further, however, the Employee Schedule must include no less than the number of full time Employees set forth on Section 5.05(a) of the Disclosure Schedule (the “Minimum Number”). Purchaser will not offer to employ any Employee who is listed on Section 5.05(b) of the Disclosure Schedule or any Employee who is not an active Employee on the Closing Date. At the time of Closing, the employment of each Employee with either Seller or any Affiliate of either Seller shall terminate and the employment with KUSA-TV of each Employee who has accepted Purchaser’s offer of employment (each such Employee, an “Affected Employee”) shall commence. Sellers agree that they will not, directly or indirectly, solicit for employment any Affected Employee during the period ending one (1) year from the Closing Date. Purchaser agrees that it will not, directly or indirectly, solicit for employment any Employee who is not an Affected Employee during the period ending one (1) year from the Closing Date unless, prior to such solicitation or employment, Purchaser reimburses Sellers for the amount of costs and expenses incurred by Sellers in connection with the termination of such Employee by Sellers in connection with the consummation of the transactions contemplated by this Agreement. Notwithstanding the foregoing, it shall not be a breach of the provisions of this Section 5.05(a) if Purchaser or Sellers employ Employees who respond to general solicitations of employment to the public in the normal course of business.

(b) As of the time of Closing, Affected Employees shall cease to participate in the Plans (other than any employment, termination and severance agreements) and shall commence participation or shall become eligible to participate in the employee benefit plans of KUSA-TV (“Purchaser Employee Plans”) maintained after the Closing in the same manner as other similarly situated newly hired employees of KUSA-TV. Purchaser shall maintain for a period of at least one year after the Closing, such employee compensation, welfare and benefit plans, programs, policies and fringe benefits as will, in the aggregate, provide benefits to the Affected Employees that are no less favorable than those provided to similarly situated newly hired employees of KUSA-TV with respect to employee compensation, welfare and benefit plans, programs, policies and fringe benefits as in effect immediately prior to the Closing.

(c) Purchaser or its appropriate Affiliate shall give each Affected Employee full credit for purposes of eligibility and vesting, but not determination of the level of benefits under each Purchaser Employee Plan for such

Affected Employee's service with either Seller or any of its Affiliates to the same extent recognized by such Seller or such Affiliate immediately prior to the Closing. Purchaser shall permit Affected Employees to carry over and take accrued, but unused, vacation days with pay in accordance with the policies of the applicable Seller as in effect as of the Closing Date, but only to the extent Purchaser has received a credit pursuant to Section 2.7 for such accrued but unused vacation days.

(d) Purchaser or the appropriate Affiliate shall, (i) waive all limitations as to preexisting conditions exclusions and waiting periods with respect to participation and coverage requirements applicable to each Affected Employee under any Purchaser Employee Plan that provides medical or dental benefits, other than limitations or waiting periods that are already in effect with respect to such Affected Employee and that have not been satisfied as of the Closing under any Plan maintained for the Affected Employee immediately prior to the Closing and (ii) provide each Affected Employee with credit for any co-payments and deductibles paid prior to the Closing in satisfying any applicable deductible or out-of-pocket requirements under any Purchaser Employee Plan.

(e) Effective as of the Closing all Affected Employees shall cease participation in the Newsweb Corporation Employee Savings Plan ("Sellers' 401(k) Plan"). As soon as practicable following the Closing, Purchaser shall designate, or establish, a savings plan, qualified under Sections 401(a) and 401(k) of the Code, and a trust thereunder that is exempt from tax under Section 501(a) of the Code ("Purchaser's 401(k) Plan"), and shall allow all Affected Employees previously eligible to participate in Sellers' 401(k) Plan to participate in Purchaser's 401(k) Plan on the same terms and conditions as apply to other similarly situated newly hired employees of Purchaser. To the extent requested by an Affected Employee and subject to the satisfaction of all applicable legal requirements, for a specified period of time after Closing determined by Purchaser, Sellers and Purchaser shall permit a rollover, pursuant to Code Section 402(c), to Purchaser's 401(k) Plan, including any outstanding plan participant loan receivables allocated to such accounts.

(f) As of the Closing, Purchaser shall provide each Affected Employee with severance benefits no less favorable than those described on Section 5.05(f) of the Disclosure Schedule during the six month period commencing on the Closing Date.

SECTION 5.06 Tax Matters. (a) Sellers shall pay all sales, use, transfer gains, transfer, conveyance, filing, recording, ad valorem and other similar Taxes which may be payable in connection with the transactions contemplated by this Agreement and the Ancillary Agreements. Purchaser shall prepare and file, or cause to be prepared and filed, all Tax Returns and other documentation required with respect to such Taxes and, if required by applicable Law, Sellers shall join in the execution of any such Tax Returns and other documentation as reasonably requested by Purchaser.

(b) All state and local real and personal property Taxes and assessments ("Property Taxes") imposed by any Governmental Authority with respect to the Broadcasting Assets that are due and payable with respect to a taxable period

beginning on or before the Closing Date and ending after the Closing Date (a “Straddle Period”) (taking into account whether such Property Taxes are payable in advance or in arrears) shall be apportioned between Sellers and Purchaser based on the number of days beginning with the first day of the Straddle Period through and including the Closing Date (the “Pre-Closing Period”), and the number of days beginning with the day after the Closing Date through the last day of the Straddle Period (the “Post-Closing Period”). In performing such apportionment, all Property Taxes shall be prorated on the assumption that an equal amount of Property Tax applies to each day of the Straddle Period, regardless of how installment payments are billed or made. Sellers shall be liable for all Property Taxes apportioned to the Pre-Closing Period. Purchaser shall be liable for all Property Taxes apportioned to the Post-Closing Period. After the Closing, Purchaser will provide Sellers with a copy of any final Property Tax bill covering a Straddle Period.

SECTION 5.07      Assignment of Contracts, Leases, Approvals, Etc.

(a) Sellers shall use commercially reasonable efforts to obtain the Material Consents prior to the Closing. With respect to the assignment of the UPN Agreement, (i) Sellers shall notify UPN in accordance with Paragraph 11.3 of UPN’s Standard Terms and Conditions and (ii) Purchaser shall deliver to UPN the assumption agreement as required by Paragraph 11.2 of UPN’s Standard Terms and Conditions, in each case as such terms and conditions are amended pursuant to the Deal Terms Rider to the UPN Agreement. Anything in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any Contract or permit or any claim, right or benefit arising thereunder or resulting therefrom if an attempted assignment thereof, without the consent of a third party thereto, would constitute a breach or other contravention thereof or be ineffective with respect to any party thereto.

(b) With respect to any Contract or permit and any claim, right or benefit arising thereunder or resulting therefrom which would otherwise be included as a Broadcast Asset, following the Closing, Sellers and Purchaser will use reasonable good faith efforts to transfer the economic benefit and any corresponding Liabilities under such Contract and to obtain, or cause to be obtained, as expeditiously as possible the written consent of the other parties to such Contract or permit for the assignment or, if required, novation thereof to Purchaser or, alternatively, written confirmation from such parties reasonably satisfactory in form and substance to Purchaser and Sellers that such consent is not required. In no event, however, shall Sellers be obligated to pay any money to any Person or to offer or grant other financial or other accommodations to any Person in connection with obtaining any consent, waiver, confirmation, novation or approval with respect to any Contract or permit.

(c) Except as provided in Section 6.02(i), the failure by Purchaser or Sellers to obtain any required consent, waiver, confirmation, novation or approval with respect to any Contract or permit shall not relieve any party from its obligation to consummate the transactions contemplated by this Agreement.

(d) If any consent, waiver, confirmation, novation or approval is not obtained with respect to any Contract or permit, then Sellers and Purchaser will cooperate to establish an agency type or other similar arrangement reasonably

satisfactory to Purchaser and Sellers under which Purchaser would obtain, to the extent practicable, the claims, rights and benefits and assume the corresponding Liabilities thereunder in accordance with this Agreement (including by means of any subcontracting, sublicensing or subleasing arrangement) or under which Sellers would enforce for the benefit of Purchaser, with Purchaser assuming and agreeing to pay Sellers' obligations and expenses, any and all claims, rights and benefits of Sellers against a third party to any such Contract or permit. In such event (i) the applicable Seller will promptly pay to Purchaser when received all moneys relating to the period on or after the Closing Date received by it under any Contract or any claim, right or benefit arising thereunder not transferred pursuant to this Section 5.07 and (ii) Purchaser will promptly pay, perform or discharge when due any Liability arising thereunder on or after the Closing Date but not transferred to Purchaser pursuant to this Section 5.07.

SECTION 5.08      Public Announcements. Sellers and Purchaser shall consult with each other and will mutually agree upon any press release or public announcement pertaining to the transactions contemplated by this Agreement and shall not issue any such press release or make any such public announcement prior to such consultation and agreement, except as may be required by applicable Law, the FCC, the Securities and Exchange Commission, any other Governmental Authority or any applicable stock exchange, in which case the party proposing to issue such press release or make such public announcement shall consult in good faith with the other party before issuing any such press release or making any such public announcement.

SECTION 5.09      [Reserved].

SECTION 5.10      Simulcast Services Agreement. At the Closing, if Sellers notify Purchaser no later than 60 days from the date hereof that they have elected to continue broadcasting the Station's programming on KUPN (the "Simulcast Election"), Channel 20 TV Company and Purchaser shall enter into a simulcast services agreement pursuant to which Purchaser or one of its Affiliates shall provide specified simulcast services to KUPN (the "Simulcast Services Agreement"), substantially in the form attached hereto as Exhibit D.

SECTION 5.11      Further Action. For a period of 12 months from and after the Closing Date, each of the parties hereto shall execute and deliver such documents and other papers and take such further actions as may be reasonably required to carry out the provisions of this Agreement and the Ancillary Agreements and give effect to the transactions contemplated hereby and thereby.

SECTION 5.12      Right to Set-off. Purchaser and its Affiliates shall not be entitled to set-off against any amounts to be paid by it to Sellers pursuant to this Agreement any amounts owing to Purchaser or any of its Affiliates by Sellers. Likewise, each Seller and its Affiliates shall not be entitled to set-off against any amounts to be paid by it to Purchaser pursuant to this Agreement any amounts owing to such Seller or any of its Affiliates by Purchaser.



SECTION 5.13      Investigation. (a) Purchaser acknowledges and agrees that (i) it has made its own inquiry and investigation into, and, based thereon, has formed an independent judgment concerning, the Business, (ii) neither Seller nor any of their respective directors, officers, employees, agents, stockholders, Affiliates, consultants, counsel, accountants, investment bankers or representatives (together, “Representatives”) makes any representation or warranty, either express or implied, as to the accuracy or completeness of any of the information provided or made available to Purchaser or its Representatives and (iii) it will not assert any claim (whether in contract or tort, under federal or state securities laws or otherwise) against either Seller or any of their respective Representatives, or hold either Seller or any such Persons liable for any inaccuracies, misstatements or omissions with respect to information (other than, with respect to Sellers, the representations and warranties contained in this Agreement) furnished by Sellers or any such Persons concerning Sellers; provided, however, that this Section 5.13(a) shall not preclude Purchaser from seeking any remedy for fraud on the part of Sellers.

(b)      In connection with Purchaser’s investigation of the Business and the Broadcasting Assets, Purchaser has received from Sellers certain estimates, projections and other forecasts for the Business, and certain plan and budget information. Purchaser acknowledges that there are uncertainties inherent in attempting to make such estimates, projections, forecasts, plans and budgets, that Purchaser is familiar with such uncertainties, that Purchaser is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections, forecasts, plans and budgets so furnished to it, and that Purchaser will not assert any claim against either Seller or any of its respective Representatives, or hold any such Persons liable, with respect thereto. Accordingly, Sellers make no representation or warranty with respect to any estimates, projections, forecasts, plans or budgets referred to in this Section 5.13(b).

SECTION 5.14      Certain Notices. (a) Sellers shall promptly notify the Purchaser of any material damage to any of the Broadcasting Assets.

(b)      Each party shall promptly notify the other upon becoming aware of any Governmental Order or any Action requesting a Governmental Order restraining or enjoining the consummation of the transactions contemplated by this Agreement, or upon receiving any written notice from any Governmental Authority of its intention to institute an investigation into or an Action to restrain or enjoin the consummation of the transactions contemplated by this Agreement or to nullify or render this Agreement ineffective.

(c)      Sellers shall promptly notify Purchaser of any event or condition that is reasonably likely to have a Material Adverse Effect.

## ARTICLE VI

### CONDITIONS TO CLOSING

SECTION 6.01      Conditions to Obligations of Sellers. The obligations of Sellers to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing, of each of the following conditions:

(a)      Representations and Warranties. Each of the representations and warranties of Purchaser contained in this Agreement shall have been true and correct as of the date hereof and shall be true and correct as of the Closing Date, with the same force and effect as if made as of the Closing Date, other than such representations and warranties as are made as of another date, which shall be true and correct as of such date, except, in each case, where the failure to be so true and correct (without giving effect to any limitation as to “materiality” or “material adverse effect” set forth therein), individually or in the aggregate, would not materially delay or prevent the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements or impair the ability of Purchaser to perform its obligations under this Agreement and the Ancillary Agreements, and Sellers shall have received a certificate from Purchaser to such effect signed by a duly authorized officer thereof.

(b)      Covenants. The covenants and agreements contained in this Agreement to be complied with by Purchaser on or before the Closing shall have been complied with in all material respects, and Sellers shall have received a certificate from Purchaser to such effect signed by a duly authorized officer thereof.

(c)      FCC Consents. The FCC Consents shall have been granted (it being agreed and understood that Sellers’ obligations to consummate the transactions contemplated by this Agreement shall not be subject to the condition that the FCC Consents be Final Orders).

(d)      HSR Act. Any waiting period (and, if applicable, any extension thereof) under the HSR Act applicable to the purchase of the Broadcasting Assets contemplated hereby shall have expired or shall have been terminated.

(e)      Absence of Orders and Actions. There shall be no Governmental Order in existence, and no Action pending that was instituted by the United States Department of Justice or the FCC that may reasonably be expected to result in a Governmental Order, which expressly prohibits or materially restrains the transactions contemplated by this Agreement.

(f)      Resolutions. Sellers shall have received a true and complete copy, certified by the Secretary or an Assistant Secretary of Purchaser, of the resolutions duly and validly adopted by the Board of Directors of Purchaser evidencing its authorization of the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(g)      Simulcast Services Agreement. If Sellers have made the Simulcast Election no later than 60 days from the date hereof, Purchaser shall have executed and delivered to Channel 20 TV Company the Simulcast Services Agreement.

SECTION 6.02      Conditions to Obligations of Purchaser. The obligations of Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing, of each of the following conditions:

(a)      Representations and Warranties. Each of the representations and warranties of Sellers contained in this Agreement shall have been true and correct as of the date hereof and shall be true and correct as of the Closing Date, with the same force and effect as if made as of the Closing Date, other than such representations and warranties as are made as of another date, which shall be true and correct as of such date, except, in each case, where the failure to be so true and correct (without giving effect to any limitation as to “materiality” or “Material Adverse Effect” set forth therein), individually or in the aggregate, would not have a Material Adverse Effect, and Purchaser shall have received a certificate from Sellers to such effect signed by a duly authorized officer thereof.

(b)      Covenants. The covenants and agreements contained in this Agreement to be complied with by Sellers on or before the Closing shall have been complied with in all material respects, and Purchaser shall have received a certificate from Sellers to such effect signed by a duly authorized officer thereof.

(c)      FCC Consents. The FCC Consents shall have been granted (it being agreed and understood that Purchaser’s obligations to consummate the transactions contemplated by this Agreement shall not be subject to the condition that the FCC Consents be Final Orders).

(d)      HSR Act. Any waiting period (and, if applicable, any extension thereof) under the HSR Act applicable to the purchase of the Broadcasting Assets contemplated hereby shall have expired or shall have been terminated.

(e)      Absence of Orders and Actions. There shall be no Governmental Order in existence, and no Action pending that was instituted by the United States Department of Justice or the FCC that may reasonably be expected to result in a Governmental Order, which expressly prohibits or materially restrains the transactions contemplated by this Agreement.

(f)      Resolutions. Purchaser shall have received a true and complete copy, certified by the Secretary or an Assistant Secretary of the applicable Seller, of the resolutions duly and validly adopted by the Board of Directors of each Seller evidencing its authorization of the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(g)      Simulcast Services Agreement. If Sellers have made the Simulcast Election no later than 60 days from the date hereof, Channel 20 TV Company shall have executed and delivered to Purchaser the Simulcast Services Agreement.

(h)      Third-party Consents. Each of the consents, approvals and authorization of the Persons listed in Section 6.02(h) of the Disclosure Schedule (the

“Material Consents”) shall have been obtained in form reasonably satisfactory to Purchaser.

## ARTICLE VII

### TERMINATION, AMENDMENT AND WAIVER

SECTION 7.01      Termination. This Agreement may be terminated at any time prior to the Closing:

- (a)      by the mutual written consent of Sellers and Purchaser;
- (b)      by Sellers, if Purchaser (i) breaches or fails in any material respect to perform or comply with any of its material covenants or agreements contained herein, or (ii) breaches its representations or warranties in any material respect and such breach would materially delay or prevent the consummation of the transactions contemplated hereby, in each case such that the condition set forth in Section 6.01(a) or Section 6.01(b) would not be satisfied (a “Terminating Purchaser Breach”); provided that, if such Terminating Purchaser Breach is curable by Purchaser through the exercise of its best efforts, and Purchaser continues to exercise such best efforts, Sellers may not terminate this Agreement under this Section 7.01(b);
- (c)      by Purchaser, if Sellers (i) breach or fail in any material respect to perform or comply with any of their material covenants or agreements contained herein, or (ii) breaches their representations or warranties in any material respect and such breach would have a Material Adverse Effect, in each case such that the condition set forth in Section 6.02(a) or Section 6.02(b) would not be satisfied (a “Terminating Sellers Breach”); provided that, if such Terminating Sellers Breach is curable by Sellers through the exercise of their best efforts, and Sellers continue to exercise such best efforts, Purchaser may not terminate this Agreement under this Section 7.01(c);
- (d)      by Sellers or Purchaser, if the Closing shall not have occurred prior to one (1) year from execution of this Agreement; provided, however, that the right to terminate this Agreement under this Section 7.01(d) shall be suspended until fifteen (15) months from execution of this Agreement if the failure to satisfy the conditions set forth in Sections 6.01(c) and 6.02(c) or Sections 6.01(d) and 6.02(d) or Sections 6.01(e) and 6.02(e) shall have been the cause of, or shall have resulted in, the failure of the Closing to occur prior to one (1) year from execution of this Agreement; and provided further, however, that the right to terminate this Agreement under this Section 7.01(d) shall not be available to any party whose failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur prior to such date;
- (e)      by Sellers or Purchaser, in the event of the issuance of a Governmental Order (which Governmental Order the parties hereto shall use their best efforts to lift) restraining, enjoining or otherwise prohibiting the transactions

contemplated herein and such Governmental Order having been made final and non-appealable;

(f) by Sellers or Purchaser, if the FCC has denied the Assignment Applications and such denial has become a Final Order; or

(g) by Sellers, if Purchaser has made a Determination pursuant to Section 5.04(c)(iv).

SECTION 7.02 Effect of Termination. In the event of the termination of this Agreement as provided in Section 7.01, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto, except as set forth in Sections 5.03 and 8.02; provided, however, that nothing herein shall relieve either Sellers or Purchaser from liability for (a) failure to perform the obligations set forth in Section 5.04, (b) the failure of the representation set forth in Section 4.06 to be true and correct when made or on the date of termination or (c) any willful breach of this Agreement or willful failure to perform hereunder.

SECTION 7.03 Waiver. At any time prior to the Closing, any party may (a) extend the time for the performance of any of the obligations or other acts of any other party hereto, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto or (c) waive compliance with any of the agreements or conditions contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. The waiver by any party hereto of a breach of any term or provision of the Agreement shall not be construed as a waiver of any subsequent breach.

## ARTICLE VIII

### GENERAL PROVISIONS

SECTION 8.01 Survival; Indemnification. (a) Survival. The representations and warranties of Sellers and Purchaser contained in this Agreement and any Ancillary Agreement shall survive the Closing for a period of one (1) year. The covenants and agreements of Sellers and Purchaser contained in this Agreement and any Ancillary Agreement shall survive the Closing for a period of one (1) year after the Closing, except to the extent such covenants and agreements by their terms contemplate or may involve actions to be taken or obligations in effect after the Closing which covenants and agreements shall survive in accordance with their terms.

(b) Indemnification by Sellers. From and after the Closing, Sellers hereby agree to indemnify, defend and hold harmless, Purchaser and Purchaser's officers, directors, employees and Affiliates (the "Purchaser Indemnified Parties") from and against all Losses actually incurred by any Purchaser Indemnified Party by reason of or resulting from: (i) any failure by Sellers to pay, perform or discharge any Excluded Liabilities; (ii) any breach of the representations and warranties of Sellers contained in or made pursuant to this Agreement or any Ancillary Agreement (without giving effect to

any limitation as to “materiality” or “Material Adverse Effect” set forth therein); or (iii) any breach by Sellers of any covenant or agreement of Sellers contained in or made pursuant to this Agreement or any Ancillary Agreement.

(c) Indemnification by Purchaser. From and after the Closing, Purchaser hereby agrees to indemnify, defend and hold harmless each Seller and their respective officers, directors, employees and Affiliates (the “Seller Indemnified Parties”) from and against all Losses actually incurred by any Seller Indemnified Party by reason of or resulting from: (i) any failure by Purchaser to pay, perform or discharge any Assumed Liabilities, including all Liabilities arising on or after, and relating to the period from and after, the Closing Date arising out of or relating to the ownership or operation of the Broadcasting Assets or the Business; (ii) any breach of the representations and warranties of Purchaser contained in or made pursuant to this Agreement or any Ancillary Agreement (without giving effect to any limitation as to “materiality” set forth therein); or (iii) any breach by Purchaser of any covenant or agreement of Purchaser contained in or made pursuant to this Agreement or any Ancillary Agreement.

(d) No Indirect or Consequential Damages. Notwithstanding any other provision in the Agreement, as to any claims by an Indemnified Party, Losses in respect of which a party may be indemnified, defended or held harmless under this Section 8.01 and as provided in the Escrow Agreement (an “Indemnifiable Loss”) shall not include, and no party shall be entitled to be indemnified or to make any claim for, any indirect or consequential damages.

(e) Limitations on Indemnification; Losses. (i) Sellers shall indemnify, defend and hold harmless the Purchaser Indemnified Parties solely from the Escrow Funds; (ii) Sellers shall not be liable to Purchaser Indemnified Parties in respect of any indemnification hereunder pursuant to Section 8.01(b)(ii) or 8.01(b)(iii) except to the extent that the aggregate amount (without duplication) of Indemnifiable Losses of the Purchaser Indemnified Parties exceeds \$750,000 (the “Basket Amount”), after which Sellers shall be liable only for those Indemnifiable Losses in excess of the Basket Amount; (iii) no Losses shall be claimed under Section 8.01(b)(ii) or 8.01(b)(iii) by a Purchaser Indemnified Party other than Indemnifiable Losses individually in excess of \$10,000 (the “Minimum Claim Amount”), provided that such Indemnifiable Losses shall be applied against the Basket Amount; (iv) the maximum liability of Sellers for indemnification pursuant to Section 8.01(b)(ii) and 8.01(b)(iii) shall be \$20,000,000; and (v) Sellers shall not have any liability for any breach of a representation or warranty contained in this Agreement if the facts giving rise to such breach were set forth in any section of the Disclosure Schedule as of the Closing Date, and no Losses related thereto shall be aggregated for purposes of this Section 8.01(e).

(f) Adjustment for Insurance. The amount that any Person or the Escrow Funds, as applicable, (an “Indemnifying Party”) is required to pay to, for or on behalf of any Person (an “Indemnified Party”) pursuant to this Section 8.01 shall be adjusted (including retroactively) by any insurance proceeds, or indemnity, contribution or similar payment, actually received by any Indemnified Party in reduction of the related indemnifiable loss after reduction for any costs or expenses incurred in connection with

collecting such proceeds or payments (which the Indemnified Party will use commercially reasonable efforts to collect) therewith. Amounts required to be paid, as so reduced, are hereinafter sometimes called an “Indemnity Payment.” If an Indemnified Party shall have received or shall have had paid on its behalf an Indemnity Payment in respect of an Indemnifiable Loss and shall subsequently actually receive insurance proceeds, or indemnity, contribution or similar payment in respect of such Indemnifiable Loss, then the Indemnified Party shall pay to the Indemnifying Party the amount of such insurance proceeds or payments (after reduction for any costs or expenses incurred in collecting such proceeds and payments) or, if lesser, the amount of the Indemnity Payment.

(g) Escrow. From and after the Closing, Sellers agree that the Escrow Funds shall be available to indemnify, defend and hold harmless the Purchaser Indemnified Parties from and against any and all Losses in respect of which such Purchaser Indemnified Parties may be indemnified, defended or held harmless under this Section 8.01 and as provided in the Escrow Agreement. The Escrow Funds will be held by the Escrow Agent and released to Sellers or Purchaser, as applicable, in accordance with the terms of the Escrow Agreement.

(h) Notification of Claims.

(i) The Indemnified Party shall promptly notify the Indemnifying Party in writing of any claim or demand which the Indemnified Party has determined has given or could give rise to a right of indemnification under this Agreement; provided, however, that a failure to give prompt notice or to include any specified information in any notice will not affect the rights or obligations of any party hereunder except, and only to the extent that, as a result of such failure, any party which was entitled to receive such notice was prejudiced as a result of such failure.

(ii) If the Indemnified Party shall notify the Indemnifying Party of any claim or demand pursuant to Section 8.01(h)(i), and if such claim or demand relates to a claim or demand asserted by a third party against the Indemnified Party, the Indemnifying Party shall have the right (at the expense of such Indemnifying Party) to assume the defense of any claim or demand asserted against the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any such claim or demand at its own expense. The parties shall make available to the party responsible for defending against such claim or demand or its counsel all records and other material in such parties’ possession reasonably required for use in contesting such claim or demand and shall cooperate fully in the defense against such claim or demand. In the event the Indemnifying Party elects not to defend such claim or demand, the Indemnified Party shall defend against such claim or demand in any manner as it may reasonably deem appropriate and the Indemnifying Party shall have the right to participate in such defense as its own expense. The Indemnified Party shall not settle or compromise any claim or demand without the consent of the Indemnifying Party, which consent may not be unreasonably withheld.

(i) Sole and Exclusive Remedy. From and after the Closing, whether a claim arises under contract, Law or otherwise that is not otherwise prohibited by this Agreement, (i) the indemnification provisions of this Section 8.01 and resort to the Escrow Funds as provided in this Section 8.01 and the Escrow Agreement shall be the sole and exclusive remedy of the Purchaser Indemnified Parties for any claims to the extent arising out of the execution, delivery, performance (or nonperformance) or breach (including any inaccuracy in any representation or warranty) by Sellers of this Agreement, the Ancillary Agreements or the Disclosure Schedule or any other document referenced herein and (ii) the indemnification provisions of this Section 8.01 shall be the sole and exclusive remedy of Seller Indemnified Parties for any claims to the extent arising out of the execution, delivery, performance (or nonperformance) or breach (including any inaccuracy in any representation or warranty) by Purchaser of this Agreement or the Ancillary Agreements or any other document referenced herein. To the extent that Purchaser or any other Purchaser Indemnified Party suffers or incurs any Losses arising out of the execution, delivery, performance (or nonperformance) or breach (including any inaccuracy in any representation or warranty) by Sellers of this Agreement, the Ancillary Agreements or the Disclosure Schedule or any other document referenced herein for which Purchaser or any other Purchaser Indemnified Party may assert any other right to indemnification, hold harmless, reimbursement, defense, contribution, payment or recovery from Sellers or any of their Affiliates (whether under this Agreement or under any Law or otherwise) other than as provided in this Section 8.01, Purchaser hereby waives, releases and agrees not to assert such right, and Purchaser agrees to cause each other Purchaser Indemnified Party to waive, release and agree not to assert such right. To the extent that any Seller or any other Seller Indemnified Party suffers or incurs any Losses arising out of the execution, delivery, performance (or nonperformance) or breach (including any inaccuracy in any representation or warranty) by Purchaser of this Agreement or the Ancillary Agreements or any other document referenced herein for which any Seller or any other Seller Indemnified Party may assert any other right to indemnification, hold harmless, reimbursement, defense, contribution, payment or recovery from Purchaser (whether under this Agreement or under any Law or otherwise) other than as provided in this Section 8.01, Sellers hereby waive, release and agree not to assert such right, and each Seller agrees to cause each other Seller Indemnified Party to waive, release and agree not to assert such right. Nothing contained in this Section 8.01 shall limit the right of any party to seek specific performance of covenants which by their terms are required to be performed by any other party after the Closing or preclude any party from seeking any remedy for fraud on the part of any other party.

(j) For purposes of this Section 8.01 only, the term “Ancillary Agreement” shall be deemed not to include the Simulcast Services Agreement.

(k) Other Matters. Section 8.01(k) of the Disclosure Schedule is hereby incorporated by reference.

SECTION 8.02 Expenses. Except as may be otherwise specified herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the



transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

SECTION 8.03      Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile (followed by delivery of a copy via overnight courier service) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.03):

(a)      if to Sellers:

Channel 20 TV Company  
Twenver Broadcast, Inc.  
1645 West Fullerton Avenue  
Chicago, IL 60614  
Attention: Charles Frank Gross  
Telecopier: (773) 975-1301

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP  
333 West Wacker Drive  
Chicago, Illinois 60606  
Attention: Rodd M. Schreiber  
Telecopier: (312) 407-0411

(b)      if to Purchaser:

Multimedia Holdings Corporation  
c/o Gannett Co., Inc.  
7950 Jones Branch Drive  
McLean, VA 22107  
Attention: Daniel S. Ehrman, Jr.  
Telecopier (703) 854-2042

with a copy to:

Gannett Co., Inc.  
7950 Jones Branch Drive  
McLean, VA 22107  
Attention: Thomas L. Chapple, Esq.  
Telecopier: (703) 854-2031

SECTION 8.04      Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 8.05      Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, 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 a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

SECTION 8.06      Entire Agreement. This Agreement, the Ancillary Agreements, the Disclosure Schedule and the Confidentiality Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior agreements and undertakings, both written and oral, between Sellers and Purchaser with respect to the subject matter hereof.

SECTION 8.07      Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other party. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective permitted successors and assigns.

SECTION 8.08      No Third-Party Beneficiaries. Except as expressly provided herein, this Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

SECTION 8.09      Amendment. This Agreement may not be amended or modified except by an instrument in writing signed by Sellers and Purchaser.

SECTION 8.10      Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity, without the necessity of demonstrating the inadequacy of money damages.

SECTION 8.11      Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of New York applicable to contracts to be made and performed entirely therein without giving effect to the principles of conflicts of law thereof or of any other jurisdiction.

SECTION 8.12      Waiver of Jury Trial. SELLERS AND PURCHASER HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF SELLERS OR PURCHASER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT THEREOF.

SECTION 8.13      Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8.14      No Presumption. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

IN WITNESS WHEREOF, Sellers and Purchaser have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

CHANNEL 20 TV COMPANY

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

Name: Charles F. Gross

Title: Chief Operating Officer

TWENVER BROADCAST, INC.

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

Name: Charles F. Gross

Title: Chief Operating Officer

MULTIMEDIA HOLDINGS CORPORATION

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

Name: Daniel S. Ehrman, Jr.

Title: Authorized Representative