

moratorium or similar Laws at the time in effect affecting the enforceability or rights of creditors generally and by general equitable principles that may limit the right to obtain equitable remedies.

SECTION 4.03 Governmental Authorization.

The execution, delivery and performance by Buyer of this Agreement and each Ancillary Agreement and the consummation of the transactions contemplated hereby and thereby require no action by or in respect of, or filing with or notification to, any Governmental Authority other than (a) the FCC, and (b) any such action by or in respect of or filing with any Governmental Authority as to which the failure to take, make or obtain could not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Buyer or on Buyer's ability to perform its obligations under this Agreement or the Ancillary Agreements.

SECTION 4.04 Noncontravention.

The execution, delivery and performance of this Agreement by Buyer and each Ancillary Agreement to which Buyer will be a party and the consummation of the transactions contemplated hereby and thereby do not and will not (a) violate or conflict with the certificate of incorporation or by-laws of Buyer, (b) assuming compliance with the matters referred to in Section 4.03, conflict with or violate any Law or Governmental Order applicable to Buyer, (c) require any consent or other action by or notification to any Person under, constitute a default under, or give to any Person any rights of termination, amendment, acceleration or cancellation of any right or obligation of Buyer or to a loss of any benefit relating to the Business to which Buyer is entitled under, any provision of any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other agreement or instrument to which Buyer is a party or by which any of Buyer's assets is or may be bound or (d) result in the creation or imposition of any Lien on any asset of Buyer, except for Permitted Liens, except, in the cases of clauses (b), (c) and (d), for any such violations, consents, actions, defaults, rights or losses as could not have, individually or in the aggregate, a material adverse effect on Buyer or on Buyer's ability to perform its obligations under this Agreement or the Ancillary Agreements.

SECTION 4.05 Absence of Litigation.

There are no Actions pending against or, to Buyer's knowledge, threatened against Buyer before any Governmental Authority that in any manner challenges or seeks to prevent, enjoin, alter or delay materially the transactions contemplated by this Agreement or the Ancillary Agreements or that could be reasonably expected to have a material adverse effect on Buyer's ability to consummate or perform the transactions contemplated by this Agreement and the Ancillary Agreements. Buyer is not subject to any Governmental Order that prevents, enjoins, alters or could delay materially the transactions contemplated by this Agreement or that could be reasonably expected to have a material adverse effect on Buyer's ability to consummate or perform the transactions contemplated by this Agreement and the Ancillary Agreements.

SECTION 4.06 FCC Qualification.

Buyer is legally, technically, financially and otherwise qualified under the Communications Act to acquire the FCC Licenses and to own and operate the Station.

SECTION 4.07 Brokers.

There is no broker, finder, investment banker or other intermediary that has been retained by or is authorized to act on behalf of Buyer who or that might be entitled to any fee or commission from Seller in connection with the transactions contemplated by this Agreement and the Ancillary Agreements. Buyer has not retained or otherwise requested or received the services of Media Venture Partners, or any principal thereof, in connection with the transactions contemplated by this Agreement or any Ancillary Agreement.

SECTION 4.08 Available Funds.

Buyer has, or will have on the Closing Date, sufficient funds available to pay the Purchase Price on the Closing Date in the manner specified in Section 2.08.

ARTICLE V

COVENANTS OF THE SELLER

SECTION 5.01 Operations Pending Closing.

Except as otherwise set forth herein and subject to the provisions of Section 7.03 regarding Control of the Station, after the date of this Agreement and prior to the Closing, Seller shall, unless Buyer shall otherwise consent in writing:

- (a) operate or cause the operation of the Station in the ordinary course of business consistent with past practices;
- (b) operate the Station substantially in compliance with the Communications Act and not cause or permit, or agree or commit to cause or permit, by act or failure to act on the part of Seller, any of the FCC Licenses to expire or to be revoked, suspended or adversely 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;
- (c) not sell, lease, license or otherwise dispose of any Purchased Assets except (i) pursuant to existing contracts or commitments or (ii) in the ordinary course of business consistent with past practices;
- (d) maintain the Personal Property in good operating condition, ordinary wear and tear excepted, and replace with a substantially equivalent asset of substantially equivalent quality or utility any of the Personal Property that shall not be working or shall be lost, stolen or destroyed and which would have been replaced in the ordinary course of business consistent with past practices;
- (e) except with Buyer's prior written consent, which consent shall not be unreasonably withheld or delayed, (A) not enter into, or become obligated under, any agreement or commitment on behalf of the

Station, that, after Closing, will be binding upon Buyer, or (B) not change, amend, terminate or otherwise modify or agree or commit to change, amend, terminate or otherwise modify the Lease in any material respect except to the extent that the Lease terminates or expires prior to the Closing by its own terms; and

- (f) use its commercially reasonable efforts to take all necessary, reasonable action to protect the present service areas of the Station from increased electrical interference from other stations, existing or proposed, and to exercise commercially reasonable efforts to maintain or cause the maintenance of carriage, if any, of the Station's signals on cable systems with at least 2,500 subscribers, provided, however, that nothing in this Section 5.01(f) shall preclude Seller, at its option, from obtaining a special temporary authorization to operate Station KDTN-DT with less than full power in accordance with the policies adopted by the FCC in its decision in its First Periodic Review of the rule and policies affecting the conversion to digital television, 16 FCC Rcd. 20594 (2001).

SECTION 5.02 Access to Information.

- (a) From the date hereof until the Closing Date, upon reasonable notice, Seller shall (i) give Buyer, its counsel, financial advisors, auditors and other authorized representatives reasonable access during normal business hours to the offices, properties, books and records of the Station, (ii) furnish to Buyer, its counsel, financial advisors, auditors and other authorized representatives such financial and operating data and other information relating to the Station as such Persons may from time to time reasonably request and (iii) instruct the employees, counsel and financial advisors of Seller to reasonably cooperate with Buyer in its investigation of the Station; provided, however, that any investigation and access pursuant to this Section 5.02(a) shall be conducted in such manner as not to unreasonably interfere with the conduct of the Business or any of the businesses or operations of Seller. No investigation by Buyer or other information received by Buyer shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by Seller hereunder.
- (b) For a period of one year after the Closing Date, Seller will hold, and will use its commercially reasonable efforts to cause its officers, directors, employees, accountants, counsel, consultants, advisors and agents to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of Law, all confidential documents and information concerning the Buyer, Buyer's Affiliates and the Business.
- (c) For a period of three years after the Closing Date, Seller will afford promptly to Buyer and its agents reasonable access to its books of account, financial and other records (including accountant's work papers), information, employees and auditors to the extent necessary or reasonably useful for Buyer in connection with any audit, investigation, dispute or litigation or any other reasonable business purpose relating to the transactions contemplated by this Agreement; provided that any such access by Buyer shall not unreasonably interfere with the conduct of the businesses or operations of Seller or any Affiliate of Seller.
- (d) For a period of six years after the Closing Date, Buyer will afford promptly to Seller and its agents reasonable access to its books of account, financial and other records (including accountant's work papers), information, employees and auditors to the extent necessary or reasonably useful for Seller in

connection with any audit, investigation, dispute or litigation or any other reasonable business purpose relating to the Business; provided that any such access by Seller shall not unreasonably interfere with the conduct of the businesses or operations of Buyer.

SECTION 5.03 Schedule Modification.

Notwithstanding any provision to the contrary contained in this Agreement, the information and disclosures contained in the Schedules attached hereto shall be deemed amended and modified by, and Seller shall be permitted to amend and supplement the information and disclosures made in such schedules in respect of events, circumstances, occurrences or changes occurring subsequent to the date of this Agreement so long as such events, circumstances, occurrences or changes (i) are in the ordinary course of business and do not violate any covenants or agreements made by Seller in this Agreement or (ii) do not have or are not reasonably likely to have a Material Adverse Effect.

SECTION 5.04 Estoppel Certificates.

Seller shall use its commercially reasonable efforts to obtain an estoppel certificate in a form reasonably acceptable to Buyer, executed by the landlord of the Leased Real Property, and upon the receipt of any such estoppel certificate, Seller shall deliver such estoppel certificate to Buyer as promptly as practicable but in no event less than five (5) days prior to the Closing Date.

SECTION 5.05 Risk of Loss.

- (a) Upon the occurrence prior to the Closing of any casualty loss, damage or destruction material to the operation of the Station, Seller shall promptly give Buyer written notice setting forth in detail the extent of such loss, damage or destruction and the cause thereof if known. Seller shall use its commercially reasonable efforts to commence promptly and thereafter to proceed diligently to repair or replace any such lost, damaged or destroyed property whether such loss, damage or destruction occurs prior to, on or after the date of this Agreement, such efforts to include the payment of any applicable insurance policy deductibles. However, in the event that such repair or replacement is not fully completed prior to the Closing Date, then (i) Buyer may elect to (A) consummate the transactions contemplated hereby on the Closing Date, in which event Seller shall assign to Buyer the portion of the insurance proceeds, if any, not previously expended by Seller to repair or replace the damaged or destroyed property, or (B) delay the Closing Date until fifteen (15) days after Seller gives written notice to Buyer of completion of the repair or replacement of the damaged or destroyed property; provided that in no event shall Buyer delay the Closing to a date more than sixty (60) days after the Termination Date; or (ii) Seller may elect to extend the Closing Date for a reasonable period of time not to exceed sixty (60) days necessary to complete such repair or replacement; provided further that if Seller is unable through its commercially reasonable efforts to complete any such material repair or replacement to Buyer's reasonable satisfaction within sixty (60) days after the casualty, Buyer may then terminate this Agreement.
- (b) If the Closing does occur as contemplated under Section 5.05(a)(i)(A), the Purchase Price shall not be adjusted by reason of such casualty or such assignment of the insurance proceeds to Buyer.

SECTION 5.06 Lease Amendment

Seller shall request that Richland Dallas Tower, LLC, the landlord under the Lease (the "Landlord"), agree to rescind in its entirety the First Amendment to Lease Agreement for KDTN dated May 29, 2003 (the "Amendment") prior to the Closing, and if the Landlord agrees to rescind the Amendment prior to the Closing, Seller shall take such action as shall be reasonably necessary to effect the rescission of the Amendment prior to the Closing. Notwithstanding the foregoing, Seller shall under no condition be required to assume any liability or pay any amount to any third party in connection with obtaining the Landlord's agreement, and Buyer shall be obligated to assume the Lease at the Closing in accordance with the provisions of this Agreement whether or not Landlord shall agree to rescind the Amendment prior to the Closing, and whether or not the Landlord takes such action as may be necessary to rescind the Amendment prior to the Closing, and Seller shall have no liability to Buyer with respect to any failure of Landlord to agree to rescind the Amendment or to take such action as may be necessary to rescind the Amendment prior to the Closing. Any rescission of the Amendment shall not be deemed to result in any default by the Seller of any of Seller's representations and warranties contained in Section 3.10.

ARTICLE VI

COVENANTS OF BUYER

SECTION 6.01. Access to Information.

On and after the Closing Date, upon reasonable notice, Buyer will afford promptly to Seller and its agents reasonable access to its properties, books and records relating exclusively to any period ending on or before the Closing Date and to employees of Buyer to the extent necessary to establish facts related to such period and in order to ensure Buyer's compliance with the terms and provisions of this Agreement.

ARTICLE VII

COVENANTS OF BUYER AND SELLER

SECTION 7.01. Commercially Reasonable Efforts; FCC Consent; Further Assurances.

- (a) Subject to the terms and conditions of this Agreement, Buyer and Seller will use their commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things reasonably necessary or desirable under applicable Law to consummate the transactions contemplated by this Agreement; provided that notwithstanding anything to the contrary contained in this Agreement (other than in the Note, the Security Agreement and the Guaranty), neither Buyer nor any of its Affiliates shall be required to sell or otherwise dispose of, hold separate (through the establishment of a trust or otherwise), divest itself of, or limit the ownership or operations of all or any portion of its businesses, assets or operations.

- (b) Also in furtherance and not in limitation of Section 7.01(a), Buyer and the Seller shall prepare and file with the FCC as soon as practicable but in no event later than ten (10) Business Days after the execution of this Agreement, the requisite applications (the "FCC Applications") and other necessary instruments or documents requesting the FCC Consent and thereupon prosecute such applications with all reasonable diligence to obtain the requisite FCC Consent; provided, however, except as provided in the following sentence, neither Buyer nor the Seller shall be required to pay consideration to any third party (other than attorneys fees) to obtain the FCC Consent. Buyer and Seller each shall oppose (and take all steps and action reasonably necessary to oppose) any petitions to deny or other objections filed with respect to the FCC Applications to the extent such petition or objection relates to such party. The parties hereto shall not take any action that would, or fail to take any action which such action or failure to take such action, would reasonably be expected to have the effect of materially delaying the receipt of or failing to obtain the FCC Consent. If the Closing shall not have occurred for any reason within the original effective period of the FCC Consent, and no party shall have terminated this Agreement under Article X, the parties hereto shall jointly request an extension of the effective period of the FCC Consent. No extension of the FCC Consent shall limit the right of any party to exercise its rights under Article X.
- (c) In connection with the efforts referenced in Sections 7.01(a) and 7.01(b) to obtain the FCC Consent, Buyer and Seller shall use their commercially reasonable efforts to (i) cooperate in all respects with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party, (ii) keep the other party informed in all material respects of any material communication received by such party from, or given by such party to, the FCC or any other Governmental Authority and of any material communication received or given in connection with any proceeding by a private party and (iii) permit the other party to review any material communication given by it to, and consult with each other in advance of and be permitted to attend any meeting or conference with, the FCC or any such other Governmental Authority or, in connection with any proceeding by a private party, with any other Person, in each case regarding any of the transactions contemplated by this Agreement.

SECTION 7.02. Certain Filings; Further Actions.

The Seller and Buyer shall cooperate with one another (a) in determining whether any action by or in respect of, or filing with, any Governmental Authority is required, or any actions, consents, approvals or waivers are required to be obtained from the lessor under the Lease, in connection with the consummation of the transactions contemplated by this Agreement and (b) in taking such actions or making any such filings, furnishing information required in connection therewith and seeking timely to obtain any such actions, consents, approvals or waivers; provided, however, that neither the Seller nor the Buyer shall be required to pay consideration to obtain any such consent, approval or waiver and Seller shall not agree to or permit, without the prior written consent of Buyer, the material amendment of the Lease in order to obtain any consent or approval; provided that, for the avoidance of doubt, Buyer's consent shall not be required with respect to the amendment to the Lease contemplated by Section 5.06.

SECTION 7.03. Control Prior to Closing.

The parties acknowledge and agree that, for the purposes of the Communications Act, this Agreement and, without limitation, the covenants in Article V, are not intended to and shall not be construed to transfer control of the Station from Seller to Buyer prior to the Closing.

SECTION 7.04. Public Announcements.

The parties shall agree on the terms of the press release that announces the transactions contemplated hereby and thereafter agree to consult with each other before issuing any press release or making any public announcement with respect to this Agreement or the transactions contemplated hereby, including any press releases or public statements the making of which may be required by applicable Law.

SECTION 7.05. Notices of Certain Events.

Seller and Buyer shall each promptly notify the other of and deliver copies of the relevant notice, communication or documentation:

- (a) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;
- (b) any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement;
- (c) in the case of Seller, any Action commenced or, to the Knowledge of Seller, threatened against, relating to or involving or otherwise affecting the Business that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.08 or that relates to the consummation of the transactions contemplated by this Agreement; and
- (d) in the case of Buyer, any Action commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting Buyer that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 4.05 or that relates to the consummation of the transactions contemplated by this Agreement.

SECTION 7.06. Completion of Construction of Station KDTN-DT and Relocation of Station KDTN-TV to the Richland Tower.

- (a) Seller shall use reasonable commercial efforts to complete the construction of Station KDTN-DT on or before the Closing Date, and if the construction is not complete on or before the Closing Date, Seller shall remain responsible for completing the construction, at Seller's expense, following the Closing. If construction of Station KDTN-DT is not completed before the granted extension of time to complete construction is due to expire and if the Closing has not occurred before that extension of time to complete construction is due to expire, Seller shall timely file with the FCC and diligently prosecute a request for a further extension of time to complete construction of Station KDTN-DT. If construction of Station KDTN-DT is not completed before the granted extension of time to complete construction is due to expire and if the Closing has occurred before that extension of time to complete construction is due to expire, Buyer shall timely file with the FCC and diligently prosecute a request for a further

extension of time to complete construction of Station KDTN-DT, and Seller shall cooperate with Buyer with respect to such prosecution. If construction of Station KDTN-DT is completed on or before the Closing Date, Seller shall timely file an application for a license to cover the outstanding construction permit or, either on its own motion or in response to a request by Buyer, for authority to operate with an effective radiated power of 500 kw in accordance with the policies adopted by the FCC in its decision in its First Periodic Review of the rule and policies affecting the conversion to digital television, 16 FCC Rcd. 20594 (2001). If construction of Station KDTN-DT is not completed on or before the Closing Date, Buyer shall timely file the application described in the preceding sentence, and Seller shall cooperate with Buyer with respect to such application.

- (b) Subject to the other provisions of this Section 7.06, prior to the Closing Date, Seller shall at its expense relocate the transmission facilities of Station KDTN-TV from the present transmitter (the "American Tower") to the tower located at 2133 Tar Road, Cedar Hill Texas 75104 (the "Richland Tower"). Seller shall consult with Buyer concerning the facilities to be constructed, but Seller shall retain control over the relocation of the transmission facilities of Station KDTN-TV to the Richland Tower (the "Relocation"). For purposes of this Agreement, the Relocation shall be deemed completed upon obtaining program test authority from the FCC and the filing with the FCC of an application for a license to cover the construction permit to relocate to the Richland Tower.
- (c) Seller understands that Buyer wishes to use a circularly polarized antenna at the Richland Tower whereas Buyer planned to deploy a horizontally polarized antenna. The parties acknowledge that the use of a circularly polarized antenna will increase the complexity and cost of the Relocation, and will lengthen the time required to complete the Relocation. Seller has filed an application with the FCC to relocate Station KDTN-TV to the Richland Tower using its proposed horizontally polarized antenna. Seller hereby agrees, as an accommodation to Buyer, to modify that application to specify the circularly polarized antenna Buyer desires, and to deploy that antenna, provided that (i) Buyer notifies Seller promptly, and in no event later than ten (10) days, after execution of this Agreement that it wishes for Seller to deploy the circularly-polarized antenna, and provides Seller with the technical specifications for such antenna ("Buyer's Antenna Notice"), (ii) the landlord of the Richland Tower allows Seller to modify its existing proposal for use of the Richland Tower to substitute the circularly polarized antenna and make such other modifications as may be necessary to accommodate the use of the circularly polarized antenna, and (iii) Buyer pays to Seller, in advance in accordance with this Section 7.06(c), the difference between the costs of relocating the transmission facilities of Station KDTN-TV using the horizontally polarized antenna planned by Seller and the circularly polarized antenna requested by Buyer. Such difference in cost shall include any costs incurred by Seller to relocate the transmission facilities of Station KDTN-TV as provided in Section 7.06(b) using the circularly polarized antenna requested by Buyer that are in excess of the costs Seller would otherwise have incurred to relocate the transmission facilities of Station KDTN-TV as provided in Section 7.06(b) using the horizontally polarized antenna it planned to use (the "Cost Differential"). The Cost Differential shall include, but is not limited to, any difference in the price of the antenna, any costs associated with determining whether the Richland Tower can safely handle the circularly polarized antenna, any modifications of the antenna tower required to handle the circularly polarized antenna, and any additional costs that may be incurred by Seller as a result of the need to use a different transmission line, a different transmitter or other equipment because of the use of the circularly polarized antenna, and other expenses that may be incurred as a result of conditions or demands

imposed by the landlord of the Richland Tower; provided, however, that notwithstanding the foregoing, Seller shall be responsible for the engineering and legal costs of seeking the FCC construction permit to modify the transmission facilities of Station KDTN-TV, including the use of the circularly polarized antenna (other than the costs of determining whether the Richland Tower can handle the circularly polarized antenna). As soon as practicable after Seller's receipt of Buyer's Antenna Notice, but not later than five (5) days after such receipt, (x) Seller and Buyer shall agree upon (i) an estimate of the Cost Differential (the "Estimated Cost Differential") and (ii) an estimate of the expenses that Seller would have incurred to complete the Relocation using the horizontally polarized antenna specified by Seller in its FCC application (the "Base Amount"), and (y) Buyer shall pay to Seller within five (5) days of the parties agreeing upon the Estimated Cost Differential and Base Amount the amount of the Estimated Cost Differential in immediately available funds to an account specified by Seller.

- (d) If the conditions specified in the third sentence of Section 7.06(c) are not satisfied, or the parties cannot agree on the Estimated Cost Differential and Base Amount within the five day period specified in the last sentence of Section 7.06(c), Seller shall be released from any obligation to deploy a circularly polarized antenna and may, without any liability to Buyer, install such antenna and transmission system as Seller chooses. In such event, the Seller shall use commercially reasonable efforts to complete the Relocation in accordance with Section 7.06(b) on or before the Closing Date, and if the relocation is not complete on or before the Closing Date, Seller shall remain responsible for completing the Relocation, at Seller's expense, following the Closing.
- (e) If the conditions specified in the third sentence of Section 7.06(c) are satisfied such that the circularly polarized antenna will be used, and the Relocation is not complete on or before the Closing Date determined in accordance with Article IX and Section 2.08, (i) Buyer shall accept the facilities at the Closing in such condition as they may be, (ii) Seller shall, at Buyer's request, complete the Relocation following the Closing; provided, however, that Seller shall have no liability to Buyer arising out of or resulting from Seller's completion of the Relocation (other than as a result of the gross negligence of Seller), and (iii) Seller shall use commercially reasonable efforts to obtain the consent of the lessor of the American Tower to the assignment of the related lease (the "American Tower Lease") by Seller to Buyer and to assign the American Tower Lease to Buyer at the Closing. The failure by Seller to complete the Relocation prior to the Closing Date shall neither constitute, nor result in, a breach of any representation, warranty, covenant or agreement of Seller under this Agreement, and Seller shall have no liability to Buyer with respect thereto. In addition, Buyer acknowledges that the American Tower Lease is subject to termination upon thirty (30) days notice by the lessor, and that Seller is required under the terms of the American Tower Lease to obtain the lessor's consent to any assignment of the American Tower Lease by Seller to Buyer. Buyer agrees that any failure by Seller to assign the American Tower Lease to Buyer at the Closing under this Section 7.06(e), either as a result of the termination prior to the Closing of the American Tower Lease by the lessor (other than as a result of a breach of the American Tower Lease by Seller) or as a result of the lessor's refusal to consent to an assignment to the American Tower Lease to Buyer, shall neither be, nor result in, a breach of any representation, warranty, covenant or agreement of Seller under this Agreement, and Seller shall have no liability to Buyer with respect thereto. For the avoidance of doubt, Buyer agrees that it shall be obligated to consummate the transactions contemplated under this Agreement if the conditions