

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, dated as of August 9, 2005, by and among KCWE-TV, Inc., a Kansas corporation (the "Company"), David Salzman, Sonia G. Salzman, and Quincy Jones ("Shareholders") (Shareholders and the Company being collectively referred to as "Sellers"), and KCWE LMA, Inc., a Delaware corporation ("Buyer").

RECITALS:

1. The Company owns certain assets used or held for use in connection with the operation of television broadcast station KCWE-TV (including KCWE-DT) (the "Station").

2. Shareholders and The Hearst Corporation ("Hearst") are parties to that certain Option Agreement dated December 7, 1995 among The Hearst Corporation ("Hearst"), CamEl, L.L.C., and David and Sonia Salzman, as amended by that certain Consent and Waiver between Shareholders and Hearst dated as of January 1, 2001 (the "Option Agreement"). The Company and Hearst are parties to that certain Programming Services and Time Brokerage Agreement dated as of August 24, 1995, as amended, that certain Exercise of Option to Extend and Amendment dated as of February 23, 2001 (the "TBA"). Buyer is an indirect, wholly owned subsidiary of Hearst.

3. Hearst has given Shareholders notice of exercise of the Hearst Assets Option (as defined in the Option Agreement), and Shareholders had elected to delay the exercise as permitted under the Option Agreement. Subsequently, the parties reached agreement on the option exercise price under the Option Agreement, and based on such agreement, Shareholders agree to waive their right to delay exercise of the Hearst Assets Option, the Company agrees to sell, assign, and transfer to Buyer, and Buyer agrees to purchase from the Company, all of the assets of the Company, used or held for use in connection with the operation and business of the Station, in each case subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1

Purchase and Sale of Properties and Assets

1.1 (i) **Station Assets.** Subject to and in reliance upon the representations warranties and agreements herein set forth, and subject to the terms and conditions herein contained, Sellers agree to convey, sell, assign, transfer and deliver to Buyer on the Closing Date (as hereinafter defined), and Buyer agrees on the Closing Date to purchase, accept, assume, and, as the case may be, pay and perform, all of Sellers' right, title and interest in the properties, assets, privileges, rights, interests and claims, real and personal, tangible and intangible, of every

type and description, wherever located, including the business of the Station as a going concern and goodwill, that are used or held for use exclusively in connection with the business and operations of the Station (the “Station Assets”). Without limiting the foregoing, the Station Assets shall include the following assets to the extent that they are used or held for use exclusively in connection with the business and operations for the Station, but shall not include any Shared Asset or Excluded Asset (as defined below):

(a) Tangible Personal Property. All equipment, vehicles, furniture, fixtures, office material and supplies, spare parts, and other tangible personal property of every kind and description as of the date of this Agreement, including those assets shown on Schedule 1.1(i)(a) to this Agreement, and any additions, improvements, replacements and alterations thereto made between the date of this Agreement and the Closing Date.

(b) Leasehold Property. All leaseholds, easements and other interests in buildings, towers and antennae, and fixtures and improvements thereon, and equipment shown on Schedule 1.1(i)(b) to this Agreement, and any additions, improvements, replacements and alterations thereto made between the date of this Agreement and the Closing Date.

(c) Contracts. All Contracts (as defined below) entered into in connection with the business and operations of the Station, including without limitation the TBA and any Contract shown on Schedule 1.1(i)(c) hereto, together with all Contracts that have been or will have been entered into in the ordinary course of business of the Station between the date of this Agreement and the Closing Date, but specifically excluding Sellers’ rights and interests under (x) the TBA, (ii) all Contracts of insurance and (y) this Agreement. As used in this Agreement, “Contract” means any unexpired or executory agreement, arrangement or commitment, written or oral, express or implied, to which the Station or the Company with respect to the Station is a party or is bound.

(d) Trademarks, etc. All call letters, trademarks, service marks, franchises, patents, domain names, trade names, jingles, slogans, and logotypes and other intangible properties and rights, as of the date of this Agreement, including without limitation those shown on Schedule 1.1(i)(d) to this Agreement, and those acquired in connection with the business and operations of the Station between the date of this Agreement and the Closing Date.

(e) Programming and Copyrights. All programs, program rights and programming materials and elements, including those set forth on Schedule 1.1(i)(e) hereto, of whatever form or nature owned by the Company as of the date of this Agreement, 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 copyrights owned by or licensed to the Company, together with all such programs, materials, elements and copyrights acquired by the Company between the date of this Agreement and the Closing Date, but excluding those rights and/or materials consumed in the ordinary course of business between the date of this Agreement and the Closing Date.

(f) FCC Records. All logs and other records required by the Federal Communications Commission (“FCC”) as of the Closing Date to be maintained at the Station and/or on file with the FCC that relate to the operation of the Station.

(g) Files and Records. All files, records, books of account, computer programs, tapes, electronic data processing, software, customer lists and other records relating to the business and operations of the Station.

(h) Prepaid Expenses, Accounts Receivable, etc. All prepaid expenses (other than prepaid taxes), accounts receivable, advances and deposits, arising in connection with the business and operations of the Station.

(i) Trade Agreements. All goods, assets, rights and services due under the trade agreements of the Station set forth on Schedule 1.1(i)(i).

(j) Goodwill. All of the goodwill in, and going concern value of, the Station.

(k) FCC Authorizations. All of the Company’s rights and obligations associated with the FCC authorizations issued to the Company with respect to the Station, including without limitation the FCC authorizations on Schedule 1.1(i)(k) to this Agreement, and all applications therefor and additions thereto (the “FCC Authorizations”).

(ii) Shared and Excluded Assets. Schedule 1.1(ii)(a) lists all properties, assets, privileges, rights, interests and claims, real and personal, tangible and intangible, of every type and description, wherever located, that are owned, leased, licensed, used or held for use by any of the Sellers in connection with the business and operations of the Station, other than the Station Assets (the “Shared Assets”). Notwithstanding anything to the contrary in this Agreement, the Station Assets shall not include any Shared Asset or any asset identified on Schedule 1.1(ii)(b) (the “Excluded Assets”).

1.2 Liabilities.

(a) The Station Assets shall be sold and conveyed to Buyer free and clear of all mortgages, pledges, liens, security interests, defects in title, encumbrances, restrictions, impairments, and charges of whatever nature and by whatever name called (collectively, “Security Interests”), provided that Buyer will assume, at Closing, (i) that certain Promissory Note dated January 29, 2001, as amended, by the Company in favor of J.P. Morgan Chase Bank in the principal amount of \$558,000 (the “JP Morgan Chase Loan”), (ii) all liabilities and obligations and Security Interests of the Company under leases and Contracts assigned pursuant to Paragraphs 1.1(i)(b) and 1.1(i)(c), and (iii) all liabilities and Security Interests incurred by the Company with the consent of Hearst or any of Affiliate of Hearst. “Affiliate,” whether or not capitalized, shall mean, with respect to any party, any natural person, general or limited partnership, corporation, limited liability company, firm association, trust or other legal entity or organization directly or indirectly controlling, controlled by or under common control with such party.

(b) Except as otherwise provided herein or as otherwise specifically agreed in writing by Buyer or any Affiliate of Buyer, Buyer expressly does not, and shall not assume nor be deemed to assume, under this Agreement or otherwise by reason of the transactions contemplated hereby, any liabilities, commitments, expenses or agreements of Sellers of any nature whatsoever. Without limiting the generality of the foregoing, and except as otherwise provided herein (including Paragraph 1.5) or as otherwise specifically agreed in writing by Buyer or any Affiliate of Buyer, Buyer shall not assume nor shall Buyer be liable for: (i) any obligation of the Company arising out of any contract of insurance, (ii) any pension, retirement, deferred compensation, incentive bonus, or profit-sharing plan or trust or any other employee welfare or benefit plan of the Sellers except to the extent set forth in any Contract assumed by Buyer pursuant hereto, (iii) any litigation, proceeding, or claim by any person or entity to the extent relating to the business or operations of the Station prior to the Closing Date arising out of Licensee Programming as that term is defined in the TBA, whether or not such litigation or proceeding or claim is pending, threatened or asserted before, on or after the Closing Date, (iv) any liability for income or other taxes relating to the Company pertaining to the period prior to the Closing Date or (v) any liability of the Company of any kind to the Shareholders, including without limitation, any liability of the Company to make a payment of any kind to the Shareholders, individually or collectively, under the terms of any agreement, dividend plan or legal obligation of any kind. Notwithstanding the foregoing, Buyer shall be fully and solely responsible for any and all costs, expenses, severance payments, termination benefits and liabilities of any nature resulting from or associated with the termination by Buyer of employment on or after the Closing Date of any employee of the Station, provided that, Buyer shall not employ Robert E. Liepold at Closing and Sellers shall be solely responsible for any and all costs, expenses, severance payments, termination benefits and liabilities of any nature resulting from or associated with Robert E. Liepold's termination from employment. Buyer shall also be fully and solely responsible for all payroll and payroll tax obligations on or after the Closing Date for all employees of the Station which are properly accruable in accordance with GAAP from and after the Closing Date.

1.3 **The Closing.**

(a) The consummation of the transactions provided for in this Agreement (the "Closing") shall take place: at the offices of Hearst-Argyle Television, Inc., 888 Seventh Avenue, New York, New York 10106, not later than three (3) business days after the receipt of a Final Order from the FCC approving the assignment of FCC Authorizations for the Station from the Company to Buyer; provided that Buyer may unilaterally waive the requirement that the FCC order granting consent to assignment become a Final Order and may require the Closing to occur at any time three (3) business days after the FCC provides public notice of its order granting consent to the assignment of the FCC Authorizations; and provided further that the Closing shall not occur prior to January 3, 2006. In the event the Closing occurs before the FCC order granting consent to assignment becomes a Final Order, the parties shall execute a mutually agreeable Rescission Agreement. "Business Day," whether or not capitalized, shall mean every day of the week except Saturday, Sunday and days on which banks are closed in the State of New York. The date on which the Closing is to occur is referred to herein as the "Closing Date."

(b) The FCC Authorizations expire on February 1, 2006. The Company shall timely file and thereafter prosecute a renewal application for the FCC Authorizations. The parties acknowledge that under current FCC policy, either the FCC will not grant an assignment application while a renewal application is pending, or the FCC will grant an assignment application with a renewal condition. If the assignment application with respect to the transaction contemplated by this Agreement is granted subject to a renewal condition, then the Closing shall not occur until satisfaction of such renewal condition.

1.4 **Purchase Price.** As consideration for the purchase of the Station Assets, Buyer shall on the Closing Date (i) assign, or cause to be assigned, to the Company (a) that certain Amended and Restated Promissory Note dated as of January 1, 2001 in the original principal amount of \$560,000 made by Shareholders to Hearst, together with accumulated interest; and (b) that certain Amended and Restated Promissory Note dated as of January 1, 2001 in the original principal amount of \$400,000 made by Shareholders to Hearst, together with accumulated interest (together with the Amended and Restated Promissory Note referred to in clause (a), the "Notes"); and (ii) pay or cause to be paid to the Company the sum of Ten Million Dollars (\$10,000,000.00) in immediately available U.S. funds, plus any amount due to or minus any amount due from the Company pursuant to Paragraph 1.5(c) below to the extent such amount has been determined as of the Closing.

1.5 **Time Brokerage Agreement.**

(a) Notwithstanding anything to the contrary in this Agreement, the Option Agreement or the TBA, the TBA shall terminate at Closing. Buyer represents and warrants that it has full and complete authority to act as Hearst's agent with regard to the TBA.

(b) Amounts due or paid pursuant to Schedule A of the TBA with respect to the quarter in which the Closing occurs (and the preceding quarter if the reconciliation for such quarter has not been completed by the Closing) shall be reconciled pursuant to the second paragraph of Schedule A of the TBA as if such quarter ended at 11:59 P.M. Kansas City time on the Closing Date. The Company will pay to Hearst the amount of any overpayment, or Buyer shall pay to the Company the amount of any underpayment.

(c) The parties shall use good faith efforts to complete the reconciliation and make any payments due under Paragraph 1.5(b) prior to or at the Closing based on estimates to be provided by the Company to Buyer no later than five (5) business days prior to Closing. To the extent that such reconciliation is not determined finally by the Closing, Buyer and Sellers shall conduct a final accounting and make any further payments, as required on a date mutually agreed upon within ninety (90) days after the Closing Date.

ARTICLE 2

Representations and Warranties of Sellers

Sellers represent and warrant to Buyer as follows:

2.1 **Corporate Status and Actions.** The Company is a corporation duly organized and validly existing under the laws of the State of Kansas and is duly licensed or qualified to do business and is in good standing in the State of Missouri. The Company has the requisite corporate power to carry on the business of the Station as it is now being conducted and to own and operate the Station, and to enter into and complete the transactions contemplated by this Agreement. All corporate and Shareholder actions and proceedings necessary to be taken by or on the part of Sellers in connection with the transactions contemplated by this Agreement have been duly and validly taken, and this Agreement has been duly and validly authorized, executed and delivered by Sellers and constitutes their legal, valid and binding obligation, enforceable against them in accordance with and subject to its terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws from time to time in effect affecting creditors' rights generally or by principles governing the availability of equitable remedies. The ownership of the Company as set forth in Schedule 2.1 constitutes 100% of the ownership in the Company. Except as disclosed in Schedule 2.1, Company has no subsidiaries and is not a party to any other joint venture, partnership or other business venture.

2.2 **No Defaults.** Neither the execution and delivery by Sellers of this Agreement nor the consummation by Sellers of the transactions contemplated hereby is an event that, of itself, or with the giving of notice or the passage of time or both, will (i) conflict with the Articles of Incorporation or Bylaws, as amended and/or restated, of the Company, (ii) constitute a violation of, or conflict with or result in any breach of or any default under, or constitute grounds for termination or acceleration of, any mortgage, indenture, lease contract, agreement or instrument to which Sellers or any of them is a party or by which any of them is bound, or (iii) violate any (A) judgment, decree, or order, or (B) assuming the filings, consents and approvals contemplated hereby are made or obtained, statute, rule or regulation, in each such case, applicable to Sellers or the Station.

2.3 **No Undisclosed Business Assets or Liabilities.** Except solely with respect to the operations and business of the Station as contemplated under the TBA, the Company does not conduct nor has it ever conducted and does not have nor has it ever had any operations or business interests. Except as listed on Schedules 1.1(i)(a), 1.1(i)(b), 1.1(i)(c), 1.1(i)(d), 1.1(i)(e), 1.1(i)(i), and 1.1(i)(k), the Company has not in the past and does not own, lease, or license, any property of any nature or kind whatsoever other than personal property used in connection with the operations and business of the Station and disposed of in the ordinary course of business. Except for those liabilities to be assumed by Buyer pursuant to Paragraph 1.2 or reimbursable pursuant to Schedule A of the TBA, the Company has no liabilities of any nature or kind whatsoever, including, without limitation, any liabilities that would be required to be disclosed, or would be typically disclosed, on a balance sheet of the Company prepared in accordance with Generally Accepted Accounting Principles ("GAAP") that would present fairly, in all material respects, the financial position of the Company. Except for the Notes to Hearst to be assigned to the Company at the Closing pursuant to Paragraph 1.4, the Shareholders have no liabilities relating to the operation of the Station of any nature or kind whatsoever including, without limitation, any liabilities that would be required to be disclosed, or would be typically disclosed, on financial statements of prepared in accordance with GAAP that would present fairly, in all material respects, the financial position of such individuals.

2.4 **Business Through the Closing Date.** As of the date of this Agreement and through the Closing Date, except as disclosed on Schedule 2.4, there has been no:

(a) actual or, to Sellers' knowledge, threatened union organizational activity with respect to a union, strike, work stoppage affecting the business or operations of the Station, or to Sellers' knowledge, any complaint against the Company with respect to the Station filed with the National Labor Relations Board, any arbitration tribunal or any administrator of any applicable state or federal wage/hour laws or equal employment opportunity laws;

(b) physical damage, destruction or loss affecting the Station Assets (other than equipment provided by Hearst under the equipment leases listed on Schedule 1.1(i)(b)) which is not covered by insurance or not remedied within thirty (30) days;

(c) increase in compensation payable or to become payable to any of the employees of the Station, or any material change in insurance benefits or other compensation arrangements affecting the employees of the Station, except with the prior consent of Hearst or any of Hearst's Affiliates; or

(d) any waiver of any rights by the Company under any Contract, which waiver has a material adverse effect on the financial condition, business or assets of the Company, except with the prior consent of Hearst or any of Hearst's Affiliates.

2.5 **Licenses.** As of the date of this Agreement, the Company is the legal holder of the FCC Authorizations with respect to the Station. Pursuant to the TBA, the Company contracted for certain programming to be supplied by Hearst or an Affiliate of Hearst, subject to certain controls to protect such FCC Authorizations. The FCC Authorizations are in full force and effect and, except as limited by the provisions of the Communications Act of 1934, as amended, and the FCC's rules and regulations and as otherwise specified on the face of the FCC Authorizations, none of the FCC Authorizations is subject to any restriction or condition which would limit in any material respect the business and operation of the Company as now conducted. There is not, as of the date hereof, pending, or to the knowledge of Sellers threatened, any action or proceeding by or before the FCC to revoke, cancel, rescind or modify (including a reduction in coverage area) any of the FCC Authorizations (other than proceedings to amend FCC rules of general applicability) or refuse to renew the FCC Authorizations, and there is not now issued or outstanding, or to the knowledge of Sellers pending or threatened, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against the Company with respect to the Station, other than regularly scheduled license renewal proceedings. Except as to those Station operations performed by Hearst or any of its Affiliates, the Station is operating, and the Station Assets are operated, in compliance in all material respects with the FCC Authorizations, the Communications Act, and the current rules, regulations and policies of the FCC, and the rules and regulations of the Federal Aviation Administration and all state and local ordinances.

2.6 **Approvals and Consents.** To Sellers' knowledge the only approvals or consents of persons or entities not a party to this Agreement that are legally required to be obtained by the Company or required to be obtained in connection with the consummation of the transactions

contemplated by this Agreement, including the transfer of the FCC Authorizations, are those which are contemplated by Paragraphs 4.4 and 5.2 (FCC Authorization) and 4.7 and 5.5 (Hart-Scott-Rodino) hereunder, disclosed on Schedules 1.1(i)(b) and 1.1(i)(c).

2.7 **Condition of Assets.** The material tangible assets included in the Station Assets are (i) being maintained in good operating condition and repair in accordance with good engineering practices and (ii) in all material respects in good working condition, reasonable wear and tear excepted, except in both cases as otherwise known to Hearst or any of its Affiliates. The representation in this Paragraph does not apply to material tangible assets provided by Hearst or any of Hearst's Affiliates under the equipment leases listed on Schedule 1.1(i)(b).

2.8 **Title, Liens, etc.** Except with respect to assets used in the operation of the Station which are provided by Hearst or any of its Affiliates, the Company owns, leases or is licensed to use all of the Station Assets. Schedule 1.1(i)(b) hereto lists the material items of tangible personal property leased by the Sellers and used or held for use exclusively in connection with the business or operations of the Station as of the date of this Agreement, other than property leased from Hearst or any of its Affiliates. Schedule 1.1(i)(b) hereto contains descriptions of all land, leaseholds and other interest of every kind and description in real property, buildings, towers and antennae leased by Sellers in connection with the business or operations of the Station, involving rental payments by the Sellers in excess of Five Thousand Dollars (\$5,000) per annum, other than land, leaseholds and other interests leased from Hearst or any of its Affiliates. The Station Assets are, and at Closing shall be transferred to Buyer, free and clear of all Security Interests except (i) Security Interests in favor of Hearst or any of its Affiliates, (ii) Security Interests permitted under the TBA, (iii) Security Interests (if any) relating to the JP Morgan Chase Loan, or (iv) Security Interests created by Hearst or any Affiliate or employee of Hearst.

2.9 **Employees.**

(a) Except as set forth on Schedule 2.9(a), the Sellers do not have any written contracts of employment with any employee and are not a party to or subject to any collective bargaining agreements with respect to the Station. Schedule 2.9(a) lists all persons employed by the Sellers in connection with the business and operations of the Station. The parties acknowledge that the Shareholders do not have employees that are employed in connection with the business and operations of the Station.

(b) Except as described in Schedule 2.9(b), the Company does not maintain with respect to its employees and is not required with respect to such employees to make contributions to, any "employee benefit plan" (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), including, without limitation, any pension, welfare or savings plan or arrangement, or any employee stock purchase or stock option, severance, vacation or holiday pay, sick leave, group health, major medical, performance, bonus, incentive, defined compensation, or insurance plan or arrangement (each, a "Benefit Plan") and related trust agreements. The Company has made available to Buyer copies of any Benefit Plan which relates to or covers any of its employees (a "Company Benefit Plan") and related trust agreements as in effect on the date hereof. No Company Benefit Plan is a (and

with respect to the operation of the Station, the Company is not required to contribute to any) “multiemployer plan” (within the meaning of Section 3(37) of ERISA).

(c) Each of the Company Benefit Plans is in compliance in all material respects with all applicable requirements of ERISA, the Internal Revenue Code of 1986, as amended (the “Code”), and other applicable law. Each of the Company Benefit Plans has been administered in all material respects in accordance with its terms and with applicable legal requirements. No material unfunded liabilities exist with respect to any Company Benefit Plan which is a “defined benefit plan” (within the meaning of Section 3 (35) of ERISA). The Company has not engaged in any “prohibited transaction” within the meaning of Section 406 of ERISA or Section 4975 of the Code or breach of fiduciary responsibility with respect to any Company Benefit Plan which could subject Buyer to a penalty tax or other liability under ERISA or the Code, and Sellers do not have knowledge of any pending or threatened claim or litigation by any party with respect to the Company Benefit Plans.

(d) No lien pursuant to Section 412(n) of the Code has arisen (or will arise within sixty (60) days after the Closing Date) with respect to the Station Assets due to one or more failures by the Company to make contributions or other payments required under Section 412 of the Code.

2.10 **Litigation.** Except as set forth on Schedule 2.10, to Sellers’ knowledge, as of the date of this Agreement, there is no litigation, proceeding, claim or investigation pending or threatened against Sellers related to or affecting the Company or the Station Assets, which if adversely determined, would have a material adverse effect on the financial condition of the Company as a whole or the Station Assets as a whole, and none of the officers or directors of the Company has any reasonable ground to know of any basis for such litigation, proceeding or investigation. The Sellers have not been operating under or subject to, or in default with respect to, any order, writ, injunction or decree of any court or federal, state, municipal or other governmental department, commission, board, agency or instrumentality, foreign or domestic, which has had or could reasonably be expected to have a material adverse effect on the financial condition of the Company as a whole or the Station Assets as a whole.

2.11 **Brokers.** There is no investment banker, broker or finder or other person who would have any valid claim against Sellers for a commission or brokerage fee in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of or action taken by any Seller.

2.12 **Contracts.** As of the date of this Agreement, Schedule 1.1(i)(c) lists all Contracts providing for payments by the Company except for (a) Contracts relating to Broker Programming as that term is defined in the TBA, and (b) Contracts for the sale of advertising time and trade agreements entered into by Hearst or any of Hearst’s Affiliates under the TBA. To Sellers’ knowledge, all such Contracts are in full force and effect and the Company is not in default in any material respect under any Contract listed on Schedule 1.1(i)(c), and to Sellers’ knowledge, none of the other parties to such Contracts is in default, except in each case for defaults which individually or in the aggregate would not have a material adverse effect on the

financial condition of the Station as a whole following the Closing. Sellers have made available to Buyer or its representatives complete and correct copies of all such Contracts.

2.13 **Compliance with Laws.** Except for the operations of the Station being conducted by Hearst pursuant to the TBA or as otherwise known to Hearst or any of Hearst's Affiliates, to Sellers' knowledge the operations of the Company and the operation of the Station Assets are not being conducted in violation of any applicable governmental law, ordinance or regulation, except for violations which do not and will not have a material adverse effect on the Station as a whole following the Closing. As of the date of this Agreement, Sellers have not received any notice from any governmental authority that Seller's operations of the Station or the Company are being conducted in violation of any applicable law, ordinance or regulation of any governmental authority, which violation individually or in the aggregate with such other violations would have a material adverse effect on the Station as a whole following the Closing.

ARTICLE 3

Representations and Warranties of Buyer

Buyer represents and warrants to Seller as follows:

3.1 **Corporate Status.** Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and Buyer will on the Closing Date be duly qualified to do business and in good standing as a foreign corporation in the State of Missouri. Buyer has the requisite corporate power to carry on its business as it is now being conducted, to own and operate the properties used in its business, and to enter into this Agreement and the other documents and instruments to be executed and delivered by Buyer hereunder and to carry out and complete the transactions contemplated hereby and thereby. All corporate actions and proceedings necessary to be taken by or on the part of Buyer in connection with the transactions contemplated by this Agreement have been duly and validly taken, and this Agreement has been duly and validly authorized, executed and delivered by Buyer and constitutes its legal, valid and binding obligation, enforceable against it in accordance with and subject to its terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws from time to time in effect affecting creditors' rights generally or by principles governing the availability of equitable remedies. Buyer is a wholly owned subsidiary and an Affiliate of Hearst.

3.2 **No Defaults.** Neither the execution and delivery by Buyer of this Agreement nor the consummation by Buyer of the transactions contemplated hereby is an event that, of itself or with the giving of notice or the passage of time or both, will (i) conflict with the Certificate of Incorporation or Bylaws (or similar governing instruments with different names) of Buyer, (ii) constitute a violation of, or conflict with or result in any breach of or any default under, or constitute grounds for termination or acceleration of, any mortgage, indenture, lease contract, agreement or instrument to which Buyer or Hearst or any of Hearst's Affiliates is a party or by which any of them is bound, except for such violations, conflicts, breaches, terminations and accelerations as would not in the aggregate have a material adverse effect on the financial condition, business or assets of Buyer or result in the creation of any material Security Interest

upon any of Buyer's assets, or (iii) violate any (A) judgment, decree or order or (B) assuming the filings, consents and approvals contemplated hereby are made or obtained, as the case may be, statute, rule or regulation, in each case, applicable to Buyer or Hearst or any of Hearst's Affiliates.

3.3 **Corporate Action.** All corporate and shareholder actions and proceedings necessary to be taken by or on the part of Buyer in connection with the transactions contemplated by this Agreement have been duly and validly taken, and this Agreement, and the other documents and instruments to be executed and delivered by Buyer pursuant hereto, have been duly and validly authorized by all necessary corporate and shareholder action, and do not require the further approval of any holders of any indebtedness or obligations of Buyer. This Agreement has been duly and validly executed and delivered by Buyer and this Agreement constitutes, and when executed and delivered, the other documents and instruments to be executed and delivered by Buyer pursuant thereto will constitute, the legal, valid and binding obligations of Buyer, enforceable against Buyer in accordance with and subject to their respective terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws from time to time in effect affecting creditors' rights generally or by principles governing the availability of equitable remedies.

3.4 **Brokers.** There is no investment banker, broker or finder or other person who would have any valid claim against Buyer, Hearst or any Affiliate of Hearst for a commission or brokerage in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of or action taken by Buyer.

3.5 **Qualification as a Broadcast Licensee.** Buyer is familiar with the Communications Act and the existing rules, regulations and policies of the FCC. Buyer, having consulted with counsel knowledgeable as to such matters, affirms that it possesses legal and financial qualifications consistent with the requirements of the FCC to be licensee of the Station, and knows of no fact that would, under the Communications Act and the existing rules, regulations and policies of the FCC, disqualify Buyer as owner and operator of the Station.

3.6 **Litigation.** There is no litigation, proceeding or investigation of any nature pending or, to Buyer's knowledge, threatened against or affecting it, Hearst or any of Hearst's Affiliates that would affect Buyer's ability fully to carry out the transactions contemplated by this Agreement.

3.7 **Funds.** As of the date hereof Buyer has, and on the Closing Date Buyer shall have, cash and cash equivalents on hand in an amount at least equal to the Purchase Price.

3.8 **Approvals and Consents.** The only approvals or consents of persons or entities not a party to this Agreement that are legally or contractually required to be obtained by Buyer in connection with the consummation of the transactions contemplated by this Agreement are those which are contemplated by Paragraphs 4.4 (FCC Authorization) and 4.7 (Hart-Scott-Rodino) hereunder.

3.9 **Access.** Assuming Sellers have performed all of their obligations under this Agreement, Buyer acknowledges that it has been provided full and complete access to the Company's records, facilities and management, that it has reviewed the Station's logs, FCC files, contracts and other records to the extent it deemed appropriate, and that all questions regarding the Station have been answered to its full satisfaction.

ARTICLE 4

Covenants of Sellers Pending the Closing

Sellers covenant and agree that from the date hereof until the completion of the Closing:

4.1 Operation of the Station.

(a) Sellers shall use commercially reasonable efforts to ensure the Station is operated in accordance with the terms of the FCC Authorizations and the TBA and in compliance in all material respects with all applicable laws and FCC rules and regulations and will give Buyer prompt notice of receipt of written notice of violation thereof. The Company shall timely file any necessary applications for renewal of the FCC Authorizations.

(b) Subject to the terms and conditions of the TBA, Sellers shall use commercially reasonable efforts to preserve the business organization of the Company intact and preserve the current coverage of the Station's analog and digital television signals.

(c) Prior to the Closing Date, Sellers will not, without the prior written consent of Buyer (which consent shall not be unreasonably withheld or delayed), sell, lease or transfer, or agree to sell, lease or transfer, the FCC Authorizations or any rights thereunder.

(d) Sellers shall mail or deliver to Buyer or an Affiliate of Buyer within five (5) business days after filing with the FCC copies of any applications, reports or other filings relating to the Station which are filed by the Company with the FCC between the date hereof and the Closing Date.

(e) The Company shall not make distributions in cash or in kind of any nature to the Shareholders by the Company except for distributions which may be required to pay taxes.

(f) The Company shall not make any capital expenditure nor incur any loans or other indebtedness, without the consent of Buyer or an Affiliate of Buyer.

(g) The Company shall not permit the creation of any liens, charges, or encumbrances of any nature on the Station Assets nor the pledge of the Station Assets, except for tax liens imposed by governmental authorities in the ordinary course for taxes not yet due and payable and Security Interests created by Hearst or an Affiliate of Hearst.

(h) Except with the prior written consent of Buyer or an Affiliate of Buyer or as required under the TBA, the Sellers shall not (i) enter into, or become obligated under, any

agreement or commitment related to the business or operations of the Station or change, amend, terminate, or otherwise modify any Contract, except for those which terminate or expire by their own terms at or prior to Closing; (ii) sell, lease, transfer, or agree to sell, lease, or transfer any Station Assets to be conveyed by this Agreement or which are material to the operation of the Station, without replacement thereof with a substantially equivalent asset of substantially equivalent kind, condition, and value; or (iii) hire any additional employees nor increase or otherwise change the rate or nature of the compensation (including wages, salaries, bonuses, severance arrangements, and other termination benefits) which is paid or payable to any employee, except pursuant to existing compensation and fringe benefit plans, practices, and arrangements which have been disclosed to Buyer.

4.2 **Access to Facilities, Files and Records.** At the reasonable request of Buyer and upon reasonable advance notice, Sellers will from time to time give or cause to be given to the officers, employees, accountants, counsel and authorized representatives of Buyer full access during normal business hours to all accounts, books, licenses, agreements, contracts, records and files of every character of the Company solely with respect to the FCC Authorizations; provided, however, that Sellers shall not be required to permit such access or provide such information to the extent it unreasonably interferes with the operation of the Station.

4.3 **Representations and Warranties.** Sellers will give written notice to Buyer promptly upon learning of the occurrence of any event that would cause or constitute a material breach, or would have caused a material breach had such event occurred or been known to Sellers prior to the date hereof, of any of Sellers' representations or warranties contained in this Agreement or any Schedule.

4.4 **Application for Commission Consent.** No later than one (1) business day after the date of this Agreement, the Company shall file an application (after receiving Buyer's portion of such application pursuant to Paragraph 5.2) with the FCC requesting the FCC's consent to the assignment of the FCC Authorizations to Buyer and to the consummation of the transactions contemplated by this Agreement. Sellers will diligently take, or cooperate in the taking of, all reasonable steps that are necessary, proper or desirable to expedite the preparation of such application and its prosecution to a favorable conclusion. Sellers will promptly provide Buyer with a copy of any pleading, order or other document served on the Company relating to such application. In addition, Sellers and Buyer will consult prior to any contacts with the FCC or its staff.

4.5 **Notice of Proceedings.** Sellers will promptly notify Buyer in writing upon (i) becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder, or (ii) receiving any notice from any governmental department, court, agency or commission of its intention (x) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (y) to nullify or render ineffective this Agreement or such transactions if consummated.

4.6 **Consummation of Agreement.** Subject to the provisions of Paragraph 10.1 of this Agreement: (i) Sellers will use reasonable efforts to fulfill and perform all conditions and

obligations on their part to be fulfilled and performed under this Agreement, and to cause the transactions contemplated by this Agreement to be fully carried out; and (ii) Sellers will not take any action that would make consummation of this Agreement contrary to the Communications Act or the rules, regulations or policies of the FCC.

ARTICLE 5

Covenants of Buyer Pending the Closing

Buyer covenants and agrees that from the date hereof until the completion of the Closing:

5.1 **No Control.** Nothing contained in this Agreement shall give Buyer any right to control the programming, operations or any other matter relating to the Station prior to the Closing Date and, subject to the TBA, the Company shall have complete control of the programming, operations and all other matters relating to the Station up to the Closing Date.

5.2 **Representations and Warranties.** Buyer shall give written notice to Sellers promptly upon learning of the occurrence of any event that would cause or constitute a material breach or would have caused a material breach had such an event occurred or been know to Buyer prior to the date hereof, of any of the representations and warranties of Buyer contained in this Agreement.

5.3 **Application for Commission Consent.** No later than one (1) business day after the date hereof, Buyer will complete its portion of the application to be filed by the Company with the FCC pursuant to Paragraph 4.4. Buyer will diligently take, or cooperate in the taking of, all steps that are necessary, proper or desirable to expedite the preparation of such application and its prosecution to a favorable conclusion. Buyer will promptly provide Sellers with copies of any pleading, order or other document served on it relating to such application.

5.4 **Consummation of Agreement.** Subject to the provisions of Paragraph 10.1 of this Agreement, Buyer shall use its reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement, and to cause the transactions contemplated by this Agreement to be fully carried out.

5.5 **Notice of Proceeding.** Buyer will promptly notify Sellers in writing upon (i) becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder, or (ii) receiving any notice from any governmental department, court, agency or commission of its intention (x) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (y) to nullify or render ineffective this Agreement or such transactions if consummated.

5.6 **Actions Inconsistent with Consummation.** Until the Closing shall have occurred or this Agreement shall have been terminated, Buyer shall not acquire, or permit any of

its subsidiaries (or any other person or entity affiliated with Buyer) to acquire, any interest in any radio or television station, newspaper, or cable television, if such acquisitions together with the other interest of Buyer, its subsidiaries and other Affiliates would make the consummation of the transactions contemplated by this Agreement contrary to the Communications Act or the rules, regulations or policies of the FCC or would otherwise prevent the consummation of the transactions contemplated by this Agreement.

ARTICLE 6

Conditions to the Obligations of Sellers

The obligations of Sellers under this Agreement are subject to the fulfillment of the following conditions prior to or at the Closing Date unless waived by Sellers:

6.1 Representations, Warranties and Covenants.

(a) Each of the representations and warranties of Buyer contained in this Agreement shall have been true and correct in all material respects as of the date when made and shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects except to the extent changes are permitted or contemplated pursuant to this Agreement;

(b) Buyer shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or at the Closing Date; and

(c) Buyer shall have furnished Sellers with a certificate dated the Closing Date and duly executed by a Senior Officer of Buyer authorized on behalf of Buyer to give such a certificate, to the effect that the conditions set forth in subparagraphs (a) and (b) of this Paragraph 6.1 have been satisfied.

6.2 Proceedings.

(a) (i) Neither Sellers nor Buyer shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby; (ii) no action or proceeding shall have been instituted before any court or governmental body to restrain or prohibit the consummation of the transactions contemplated by this Agreement; and (iii) neither of the parties to this Agreement shall have received written notice from any governmental body of (A) its intention to institute any action or proceeding to restrain or enjoin or nullify this Agreement or the transactions contemplated hereby, or to commence any investigation (other than a routine letter of inquiry) into the consummation of this Agreement or (B) the actual commencement of such an investigation.

(b) In the event such a restraining order or injunction is in effect or such an action or proceeding has been instituted and is pending or such a notice of intention is received or such an investigation is commenced, this Agreement may not be abandoned by Sellers

pursuant to this Paragraph 6.2 prior to the Closing, but the Closing shall be delayed during such period. This Agreement may be abandoned prior to the Closing if (i) such restraining order or injunction remains in effect or (ii) such action or proceeding remains pending and, in the opinion of counsel to Sellers, is likely to succeed on its merits or if, in the reasonable opinion of Sellers, there is a likely probability that an investigation will result in an action or proceeding of the type described in clause (a) of this Paragraph 6.2.

6.3 **FCC Authorizations.** All FCC approvals contemplated by this Agreement shall have been granted without any conditions materially adverse to Buyer.

6.4 **Deliveries.** Buyer shall have complied with each and every one of its obligations set forth in Paragraph 8.2.

ARTICLE 7

Conditions to the Obligations of Buyer

The obligations of Buyer under this Agreement are subject to the fulfillment of the following conditions prior to or at the Closing Date unless waived by Buyer:

7.1 **Representations, Warranties and Covenants.**

(a) Each of the representations and warranties of Sellers contained in this Agreement shall have been true and correct in all material respects as of the date when made and shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects except to the extent changes are permitted or contemplated pursuant to this Agreement;

(b) Sellers shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or at the Closing Date; and

(c) Sellers shall have furnished Buyer with a certificate, dated the Closing Date and duly executed by the Shareholders, to the effect that the conditions set forth in subparagraphs (a) and (b) of this Paragraph 7.1 have been satisfied.

7.2 **Proceedings.**

(a) (i) Neither Sellers nor Buyer shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby; (ii) no action or proceeding shall have been instituted before any court or governmental body to restrain or prohibit the consummation of the transactions contemplated by this Agreement; and (iii) neither of the parties to this Agreement shall have received written notice from any governmental body of (A) its intention to institute any action or proceeding to restrain or enjoin

or nullify this Agreement or the transactions contemplated hereby, or to commence any investigation (other than a routine letter of inquiry) into the consummation of this Agreement or (B) the actual commencement of such an investigation.

(b) In the event such a restraining order or injunction is in effect or such an action or proceeding has been instituted and is pending or such a notice of intention is received or such an investigation is commenced, this Agreement may not be abandoned by Sellers pursuant to this Paragraph 7.2 prior to the Closing, but the Closing shall be delayed during such period. This Agreement may be abandoned prior to the Closing if (i) such restraining order or injunction remains in effect or (ii) such action or proceeding remains pending and, in the opinion of counsel to Sellers, is likely to succeed on its merits or if, in the reasonable opinion of Sellers, there is a likely probability that an investigation will result in an action or proceeding of the type described in clause (a) of this Paragraph 7.2.

7.3 **FCC Authorizations.** All FCC approvals contemplated by this Agreement shall have been granted without any conditions materially adverse to Buyer and shall have become a Final Order. For purposes of this Agreement, a “Final Order” shall mean action by the FCC (including action duly taken by the FCC’s staff, pursuant to delegated authority), which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or sua sponte action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking as any such sua sponte action by the FCC shall have expired.

7.4 **Deliveries.** Sellers shall have complied with each and every one of their obligations set forth in Section 8.1.

ARTICLE 8

Items to be Delivered at the Closing

8.1 **Deliveries by Sellers.** At the Closing, Sellers shall deliver, or cause to be delivered, to Buyer:

(a) Assignments and other good and sufficient instruments of sale, transfer and assignment in form and substance reasonably satisfactory to Buyer and Buyer’s counsel sufficient to sell, transfer and assign to Buyer all right, title and interest of the Company in and to the Station Assets;

(b) The consent referred to in Paragraph 4.4 hereof;

(c) The certificate referred to in Paragraph 7.1(c);

(d) A termination executed by David E. Salzman of the Consulting Agreement dated December 7, 1995, between Hearst and David E. Salzman (the “Consulting Agreement”), provided that all amounts due prior to the Closing Date under the Consulting

Agreement have been paid and that no amount paid prior to the Closing Date under the Consulting Agreement shall be refundable in whole or in part;

(e) A termination executed by the Company of the TBA;

(f) An assignment to Buyer of the UPN Affiliation Agreement;

(g) A release by all Sellers of any claims against Buyer and its Affiliates (including, without limitation, Hearst) relating to the Station, the TBA, the Option Agreement and the Consulting Agreement, except claims for indemnification pursuant to Section 22 of the TBA and Paragraph 9.2(b) of this Agreement; and

(h) Such other documents as are required to be delivered by Sellers pursuant to this Agreement.

8.2 **Deliveries by Buyer.** At the Closing, Buyer shall deliver, or cause to be delivered, to Sellers or the Company, as the case may be:

(a) The Purchase Price (i) in cash by wire transfer to the account designated by the Company three days before the Closing Date; and (ii) an assignment by Hearst to the Company of the Notes including accumulated interest due thereunder, together with delivery of the Notes;

(b) The shares of stock of the Company held by Hearst pursuant to that certain Amended and Restated Pledge dated as of January 1, 2001;

(c) An instrument or instruments of assumption of the FCC Authorizations and obligations associated therewith to be assumed by Buyer pursuant to this Agreement, and the liabilities to be assumed by Buyer pursuant to Paragraph 1.2 in form and substance reasonably satisfactory to Sellers and Sellers' counsel;

(d) Certified copies of resolutions, duly adopted by Buyer's Board of Directors and which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Buyer of this Agreement and the consummation of the transactions contemplated hereby;

(e) The certificate referred to in Paragraph 6.1(c);

(f) Terminations executed by Hearst of the Consulting Agreement and the TBA;

(g) A release by Buyer and Hearst on behalf of itself and all of its Affiliates of all claims against Sellers relating to the Station, the TBA, all leases with Hearst or any of its Affiliates assigned pursuant to this Agreement, the Option Agreement and the Consulting Agreement, except for claims under the Notes (which shall be assigned to the Company) and

claims for indemnification pursuant to Section 22 of the TBA and Paragraph 9.2(a) this Agreement; and

(h) Such other documents or payments as are required to be delivered or paid by Buyer pursuant to this Agreement.

ARTICLE 9

Non-Survival of Representations, Warranties and Covenants

9.1 **Survival.** All representations, warranties, covenants and agreements made by Sellers contained in this Agreement or in any Schedule, Exhibit, certificate, agreements, document or statement delivered pursuant hereto, shall expire, terminate and be of no further force immediately following the Closing, except as otherwise necessary to satisfy the obligations of Sellers contained in Paragraphs 9.2, 10.3, 10.4, 10.6 and 10.14 hereof.

9.2 **Indemnification.** The parties shall indemnify each other as set forth below:

(a) Sellers hereby agree to indemnify and hold harmless Buyer and its directors, officers, employees and all persons which directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with Buyer from, and to reimburse Buyer and its directors, officers, stockholders, employees and all persons which directly or indirectly, through one or more intermediaries control, are controlled by, or are under common control with Buyer for any and all losses, damages, liabilities and claims, and all fees, costs and expenses of any kind related thereto (including, without limitation, reasonable legal expenses), arising out of, based upon or resulting from (i) any failure by Sellers to pay or discharge any liability or obligation for taxes (including costs, interest and penalties) relating to the Company or the Shareholders that is not assumed by Buyer pursuant to this Agreement, (ii) any failure to pay or discharge any other obligation or liability of Sellers that is not assumed by Buyer pursuant to this Agreement, (iii) any litigation or proceeding initiated by any party to the extent such litigation or proceeding relates to the business or operations of the Company and for which Hearst or an Affiliate of Hearst would not have indemnified or reimbursed the Company or the Sellers under the TBA and (iv) any breach of any of Sellers' representations, warranties, covenants or agreements hereunder, where such failure, such litigation or proceeding, or such breach, materially and adversely affects Sellers' ability to convey to Buyer title to the Station Assets.

(b) Buyer hereby agrees to indemnify and hold harmless Sellers and their respective directors, officers, stockholders, employees and all persons which directly or indirectly, through one or more intermediaries control, are controlled by, or are under common control with any Seller, , for any and all losses, damages, liabilities and claims and all fees, costs and expenses of any kind related thereto (including, without limitation, reasonable legal expenses), arising out of, based upon or resulting from (i) any failure by Buyer to pay or discharge any liability or obligation assumed by it pursuant to this Agreement, and (ii) any litigation or proceeding initiated by any third party to the extent relating to the business or operations of the Station on or after the Closing Date.

(c) As promptly as practicable but in any event within fifteen (15) calendar days of the receipt by Buyer or Sellers, as the case may be, of any notice of the commencement of any action, suit or proceedings, the assertion of any claim, or notice of any event or the occurrence of any loss or damage for which Buyer or any Seller, as the case may be, asserts that indemnification is provided for by this Paragraph 9.2, the party seeking indemnification (an “Indemnified Party”) shall give written notice to any party from which indemnification is sought (an “Indemnifying Party”) describing in reasonable detail the basis of such claim for indemnification. If the Indemnified Party does not so notify the Indemnifying Party within fifteen (15) calendar days of the date of such notice, assertion or incurrence, the Indemnifying Party shall not be relieved of liability hereunder in respect of such claim except if and only to the extent that the Indemnifying Party suffers prejudice or damage by reason of such failure to give timely notice. If such claim involves the claim of any third party, the Indemnifying Party shall be entitled to participate in, and assume sole control over, the defense or settlement of such claim; provided, however, that:

(i) the Indemnified Party shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim; and

(ii) the Indemnifying Party shall obtain the prior written approval of the Indemnified Party (which approval shall not be unreasonably withheld or delayed) before entering into any settlement of such claim or ceasing to defend against such claim, if pursuant to or as a result of such settlement or cessation, injunctive or other equitable relief would be imposed against the Indemnified Party.

After written notice by the Indemnifying Party to the Indemnified Party of its election to assume control of the defense of any such action, the Indemnifying Party shall not be liable to such Indemnified Party hereunder for any legal fees or expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation. If the Indemnifying Party does not assume sole control over the defense or settlement of such claim as provided in this Paragraph 9.2(c), the Indemnified Party shall have the right to defend and settle the claim in such manner as it may deem appropriate at the cost and expense of the Indemnifying Party, and the Indemnifying Party shall promptly reimburse the Indemnified Party therefor in accordance with this Paragraph 9.2.

(d) In any event involving the claim of any third party, the Indemnified Party shall cooperate fully with the Indemnifying Party in the defense of any such claim under this Paragraph 9.2. Without limiting the generality of the foregoing, the Indemnified Party shall furnish the Indemnifying Party with such documentary or other evidence as is then in his possession as may reasonably be requested by the Indemnifying Party for the purpose of defending against any such claim.

(e) In the event that the Indemnifying Party shall be obligated to Indemnify the Indemnified Party pursuant to this Paragraph 9.2, the Indemnifying Party shall, upon payment of such indemnity, be subrogated to all rights of the Indemnified Party with respect to claims to which such indemnification relates. The rights of Buyer and Sellers under this

Paragraph 9.2 are exclusive and in lieu of any and all other rights which Buyer or Sellers may have under this Agreement or otherwise with respect to the transactions contemplated hereby.

ARTICLE 10

Miscellaneous

10.1 **Termination of Agreement.** This Agreement may be terminated by Sellers or Buyer only as follows:

(a) Thirty (30) days after a denial by FCC of the approvals contemplated by this Agreement in an order which has become a Final Order, provided the party seeking to terminate this Agreement has not contributed in any material way to the denial of such approvals;

(b) by the non-defaulting party if there has been a material breach of any covenant or agreement contained in this Agreement (other than those referred to in clause (a) above) on the part of the other party which, if not cured, would excuse the performance hereof by the non-defaulting party and such breach is not cured at or prior to the time the Closing would have taken place in accordance with Paragraph 1.3;

(c) by either party if the Closing has not taken place within sixty (60) days after a Final Order approving the assignment of Station Assets to Buyer by the FCC, provided the party seeking to terminate this Agreement has not contributed in any material way to the failure of the transaction to close by the applicable date; and

(d) by either party if the Closing has not occurred by March 27, 2007.

A termination pursuant to this Paragraph 10.1 shall not relieve any party of liability it would otherwise have for a breach of this Agreement.

10.2 **Liabilities Upon Termination.** Upon the termination of this Agreement pursuant to Paragraph 10.1 hereof, this Agreement shall forthwith become null and void, and no party hereto or any of its officers, directors, employees, agents, consultants, stockholders, partners or principals shall have any rights, liabilities or obligations hereunder or with respect hereto; provided, however, that nothing contained herein shall relieve any party from liability for any breach or inaccuracy of any representation or warranty contained herein or any failure to comply with any covenant or agreement contained herein.

10.3 **Expenses.** Each party hereto shall bear all of its expenses incurred in connection with the transactions contemplated by this Agreement, including without limitation, accounting and legal fees incurred in connection herewith; provided, however, that Buyer shall pay any FCC filing fees required to be paid in connection with the FCC applications referred to in Paragraphs 4.4 and 5.2 hereof. Buyer shall be exclusively responsible for, and Sellers shall have no liability or responsibility for any sales or transfer taxes arising from the assignment of the FCC Authorizations to Buyer.

10.4 **Bulk Sales Laws.** Buyer hereby waives compliance with the provisions of any applicable bulk sales law, and Sellers agree to indemnify and hold Buyer harmless from all claims made by creditors with respect to noncompliance with any bulk sales law, except to the extent that such claims result from liabilities assumed by Buyer hereunder.

10.5 **Assignments.** Neither Shareholders nor the Company may assign any of its rights or delegate any of its duties hereunder without the prior written consent of Buyer. Buyer may not assign any of its rights or delegate any of its duties hereunder without the prior written consent of Sellers; provided, however, that Buyer may assign this Agreement to Hearst or an affiliate of Hearst without Seller's consent.

10.6 **Further Assurances.** From time to time prior to, at and after the Closing Date, each party hereto will execute all such instruments and take all such actions as the other party hereto, being advised by counsel, shall reasonably request in connection with carrying out and effectuating the intent and purpose hereof and all transactions and things contemplated by this Agreement, including, without limitation, the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered on the Closing Date, and any and all actions which may reasonably be necessary or desirable to complete the transactions contemplated hereby. From and after the Closing, each party will cooperate with the other party in the investigation, defense or prosecution of any action, suit proceeding or other litigation, at law or in equity, which is pending or threatened against Sellers or Buyer, as the case may be, and which relates to the FCC Authorizations or the Station. Without limiting the generality of the foregoing, Buyer will make available employees of the Station to give depositions or testimony and will furnish all documentary or other evidence, in each case as Sellers may reasonably request.

10.7 **Public Announcement.** Prior to the Closing Date, no party hereto shall, with the approval of the other, make any press release or other public announcement concerning the transactions contemplated by this Agreement, except as and to the extent that such party shall be so obligated by law, in which case such party shall give advance notice to the other party hereto and the parties shall use their best efforts to cause a mutually agreeable release or announcement to be issued.

10.8 **Notices.** Notices and other communications provided for herein shall be in writing (which shall include notice by telex or facsimile transmission) and shall be delivered personally or mailed by registered or certified U.S. mail, return receipt requested and postage prepaid, or by private overnight mail courier service (or if by telex, graphic scanning or other facsimile communications equipment of the sending party hereto, delivered by such equipment), addressed as follows:

If to the Company and Shareholders:

David Salzman
KCWE-TV, Inc.
702 N. Sierra Drive
Beverly Hills, CA 90210
Telecopy No.: (310) 858-7321

Sonia G. Salzman
702 N. Sierra Drive
Beverly Hills, CA 90210
Telecopy No.: (310) 858-7321

Quincy Jones
c/o John Cannon
Cannon & Company
10850 Wilshire Blvd
Los Angeles, CA 90024

with copies to (which shall not constitute notice)

Meredith S. Senter, Jr.
Leventhal Senter & Lerman PLLC
Suite 600
2000 K Street, N.W.
Washington, D.C. 20006-1809
Telecopy No.: (202) 293-7783

Irwin G. Barnet
Reed Smith LLP
Suite 700
1901 Avenue of the Stars
Los Angeles, CA 90067

If to Buyer:

KCWE LMA, Inc.
c/o David J. Barrett
Hearst-Argyle Television, Inc.
888 Seventh Avenue
New York, New York 10106
Telecopy No.: (212) 887-6835

with copies (which shall not constitute notice) to:

Jonathan C. Mintzer

Hearst-Argyle Television, Inc.
888 Seventh Avenue
New York, New 10106
Telecopy No.: (212) 887-6855

Mark J. Prak, Esq.
Brooks, Pierce, McLendon, Humphrey & Leonard, L.L.P.
Wachovia Capitol Center, 16th Floor
P.O. Box 1800
Raleigh, N.C. 27601
Telecopy No.: (918) 839-0304

or to such other address as a party may from time to time designate in writing in accordance with this Paragraph. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given as follows: If personally delivered, such communication shall be deemed delivered upon actual receipt; if electronically transmitted pursuant to this Paragraph, such communication shall be deemed delivered the next business day after transmission (and sender shall bear the burden of proof of delivery); if sent by overnight courier pursuant to this Paragraph such communication shall be deemed delivered upon receipt; and if sent by U.S. mail pursuant to this Paragraph, such communication shall be deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service, or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal.

10.9 **Captions.** The captions of Articles and Paragraphs of this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

10.10 **Law Governing.** This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of New York.

10.11 **Waiver of Provisions.** The terms, covenants, representations, warranties, and conditions of this Agreement may be amended, modified or waived only by a written instrument executed by the party sought to be bound thereby. The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later date to enforce the same. No waiver by any party of any condition or the breach of any provision, term, covenant, representation, or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation, or warranty of this Agreement.

10.12 **Counterparts.** This Agreement may be executed in separate counterparts, and all counterparts so executed shall constitute one agreement, binding on the parties hereto, notwithstanding that the parties are not signatories to the same counterpart.

10.13 **Entire Agreement.** This Agreement, including the Schedules and Exhibits hereto, constitutes the entire Agreement between the parties and supersedes and cancels any and all prior agreements between them relating to the subject matter hereof.

10.14 **Access to Books and Records.** After the Closing Date, Buyer shall upon Sellers' request, in connection with the preparation by Shareholders and the Company of their respective tax returns, and for such other purposes any Seller shall reasonably request: (i) provide to the requesting Seller and its authorized representatives full access, during normal business hours upon reasonable advance notice, to any and all premises, properties, files, books, records, documents and other information of the Company including all information relating to the FCC Authorizations; (ii) cause its officers and the Station to furnish to any Seller and its authorized representatives any and all relevant financial, technical and operating data and other information pertaining to the Station; (iii) make available to any Seller and its authorized representatives personnel of Buyer to consult with such persons; and (iv) make available for inspection and copying by any Seller at Buyer's expense true and complete copies of any documents relating to the foregoing. Any information obtained by Sellers pursuant to this Paragraph 10.14 relating to the operation of the Station after the Closing which is not generally known or otherwise publicly available shall be held confidential by the recipient thereof. In exercising their rights under the foregoing provisions of this Section 10.14, Sellers and their representatives shall not interfere with Buyer's normal operations. Each party shall retain the files, books, records and documents of the Station for at least seven (7) years after the Closing Date.

[signatures appear on following page]

COMPANY:

KCWE-TV, INC.

Attest:

Secretary

By:_____
President

SHAREHOLDERS:

David Salzman

Sonia G. Salzman

Quincy Jones

BUYER:

KCWE LMA, INC.

Attest:

By:_____
James M. Asher
Vice President