

## **ASSET PURCHASE AGREEMENT**

THIS AGREEMENT is made and entered into as of this 6<sup>th</sup> day of August, 2008, by and among MNE Broadcasting, LLC, a Virginia Limited Liability Company ("Licensee"), WDRL-TV, Inc. ("Debtor") (collectively referred to as "Seller") and Living Faith Ministries, Inc., a Virginia Corporation ("Buyer") (the "Agreement").

### **WITNESSETH:**

WHEREAS, Licensee is the licensee of television broadcast station WDRL-TV, Danville, VA, currently operating on analog Channel 24 and digital channel 41 (said stations referred to as the "Station"), whose facility ID number is 15507; and

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, on the terms and conditions set forth herein, all of Seller's assets used or usable in connection with the operation of the Station; and

WHEREAS, Licensee desires to assign to Buyer the licenses, permits, and authorizations issued to Licensee that allow it legally to operate the Station; and

WHEREAS, in order to consummate said sale and purchase the consent of the Federal Communications Commission ("FCC") must be first obtained as to the licensee, and as to Debtor, the consent of the United States Bankruptcy Court for the Western District of Virginia.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants, representations, warranties, and agreements contained herein, the parties hereto hereby agree as follows:

### **ARTICLE 1. - DEFINITIONS**

1.1. **Definitions.** In this Agreement, the following terms shall be defined as follows:

"**Application**" shall mean the application seeking FCC consent to the assignment to Buyer of the FCC Authorizations, as defined below.

"**Assets**" shall mean the assets described in Sections 2.1.1 through 2.1.6 of this Agreement.

"**Authorizations**" shall mean the FCC Authorizations together with all other governmental licenses, permits, or authorizations issued to Seller relating to the Station, as described in section 2.1.3 and 2.1.5.

"**Closing**" shall mean the closing of the purchase by Buyer from Seller of the Assets and Authorizations, as contemplated under this Agreement.

**“Closing Date”** shall mean the date on which the Closing occurs.

**“Code”** shall mean the Internal Revenue Code of 1986, as amended.

**“FCC Authorizations”** shall mean all licenses, permits, or other authorizations issued by the FCC to Licensee, all renewals or extensions thereof and all additions thereto, and all applications of Licensee before the FCC, in each case, relating to the Station.

**“FCC Consent”** shall mean written action of the FCC, or any successor federal governmental agency the approval of which is required before a broadcast license can be assigned, consenting to the assignment to Buyer of the FCC Authorizations.

**“Final Order,”** with respect to action by the FCC, shall mean an action or order of the FCC granting the FCC’s Consent (i) so long as such action or order shall not have been reversed, stayed, enjoined, set aside, annulled or suspended, and (ii) so long as no protest, request for stay, reconsideration or review by the FCC on its own motion or by any third party, petition for FCC reconsideration or for rehearing, application for FCC review, or judicial appeal of such action or order shall be pending, when the period provided by law for initiating such protest, request for stay, reconsideration or review by the FCC on its own motion, petition for FCC reconsideration or for rehearing, application for FCC review, or judicial appeal of such action or order shall have expired.

**“Governmental Body”** shall mean any governmental body of competent jurisdiction, including any court, legislative body, taxing authority, or governmental agency of competent jurisdiction, as well as any arbitrators of competent jurisdiction.

**“Interim Period”** shall mean the period beginning on the date hereof and ending on the Closing Date.

**“Laws”** shall mean all federal, state, local, and other governmental laws, statutes, rules, regulations, ordinances, decrees, orders, and requirements, including the Communications Act of 1934 and the rules, regulations, and policies of the FCC, all of the foregoing as amended and hereafter amended.

**“Liens”** shall mean all liens, security interests, mortgages, pledges, liabilities, debts, or encumbrances of any kind.

**“Obligations”** shall mean all obligations of Seller arising under Section 6.2 of this Agreement.

**“Purchase Price”** shall mean the purchase price for the Authorizations and Assets that is set forth in Section 3.1 of this Agreement.

**“Securities Act”** shall mean the Securities Act of 1933, as amended.

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

“**Tax Return**” shall mean any return, declaration, report, claim for refund, or information return or statement relating to Taxes required to be supplied, or actually supplied, to any Governmental Body, including any schedule or attachment thereto, and including any amendment thereof.

1.2. **Use of Language.** Words of any gender used in this Agreement shall be held and construed to include every other gender, and words used in this Agreement in the singular shall be held and construed to include the plural and vice versa, unless the context otherwise requires.

1.3. **Final Agreement.** This Agreement constitutes the final agreement between the parties, and supersedes all prior agreements, including prior versions of this Agreement. An initial version of an asset purchase agreement was signed by the parties on July 7, 2008, and submitted by the parties to the Bankruptcy Court on that date to comply with a deadline set by the Bankruptcy Court. A second version of an asset purchase agreement, entitled “First Amended Asset Purchase Agreement”, was intended to make certain non-substantive revisions, and was signed by the parties on July 9, 2008, but has not been tendered to the Bankruptcy Court. After further review and discussion between them, the parties now sign this Agreement, so as to incorporate further revisions and replace all prior versions.

## **ARTICLE 2. - SALE AND PURCHASE OF ASSETS**

2.1. **Assets.** On the Closing Date, subject to the terms and conditions set forth herein, Seller shall sell, assign, transfer, and deliver to Buyer, and Buyer shall purchase from Seller, the Authorizations and the following Assets:

2.1.1. The furniture, fixtures, equipment, supplies, spare parts, inventory, and all other tangible personal property owned and used or useful in the operation of the Station, as described in **Schedule 2.1.1** attached hereto, together with all replacements thereof or additions thereto, if any, made during the Interim Period.

2.1.2. Only those leases other than for real property, contracts, and other agreements and commitments of Seller that are set forth in **Schedule 2.1.2** attached hereto and that are in effect on the Closing Date.

2.1.3. The Station's goodwill, going-concern value, privileges, patents, copyrights, trade secrets, trademarks, trade names, Internet Websites and rights related thereto, and other tangible and intangible rights, including any and all rights to the call letters WDRL-TV and WDRL-DT, as set forth on schedule 2.1.3.

2.1.4. All real property leases specified in **Schedule 2.1.4** attached hereto.

2.1.5. The station's licenses and permits issued by the Federal Communications Commission as set forth on **Schedule 2.1.5** All other assets used in the operation of the Station, including logs, reports, the public inspection file, books, records, databases, lists, tapes, recordings, music libraries, and supplies on hand.

2.1.6. Specifically excluded from the Assets are cash on hand, money on deposit, and, except as set forth herein, all other cash equivalents.

2.2. **Records.** On the Closing Date, Licensee shall deliver to Buyer all operating and maintenance logs and FCC records and reports relating to the operation of the Station or the Assets. Seller represents and warrants to Buyer that each of such logs, records, and reports is in proper order, is complete, and covers at least the period beginning one (1) year prior to the Closing Date and ending on the Closing Date. After the Closing Date, Buyer shall provide Licensee access to such records under Buyer's control as may be reasonably necessary for Seller to complete its financial statements, Tax Returns, and similar documents.

2.3. **Liens.** Seller agrees that the Assets and Authorizations at Closing are to be free and clear of all Liens.

2.4. **Buyer's Assumption of Certain Future Obligations.** Notwithstanding anything to the contrary contained in this Agreement, in the event of Closing, Buyer on the Closing Date shall assume only the obligations of Seller that are set forth in **Schedule 2.1.2** or **Schedule 2.1.4**. With respect to such disclosed obligations, (i) Seller shall pay current all contract obligations due prior to the Closing Date and (ii) Buyer shall assume the obligation for all such contract payments due on or after the Closing Date. Seller shall execute and deliver to Buyer, and Buyer shall accept and execute as necessary, all documents and instruments as may be reasonably required to effectuate such assumption of future obligations.

2.4.1 Seller and Buyer agree that there are three leases necessary in the operation of the Station and the routine transmission/broadcast of its signal: (i) the Tower License Agreement between Crown Atlantic Company LLC, WDRL-TV, Inc. and Celco Partnership d/b/a as Verizon Wireless; (ii) Master Lease Agreement between Williams Pipeline Services Company and WDRL-TV, Inc.; and (iii) Tower Space Lease between American Tower (successor to WPXR-TV 38) and MNE Broadcasting LLC (successor to BIP/Channel 24 Productions, Inc.) (the "Necessary Leases"). To the extent that Seller is unable to assign any leases necessary to the operation of the Station, then notwithstanding anything herein to the contrary, the consummation of the purchase and sale of the Assets and authorizations

contemplated under this Agreement are subject to and conditioned upon the Bankruptcy Court's final, non-appealable Order allowing assumption and assignment under Section 365 of the Bankruptcy Code of the Williams Pipeline lease and the Crown Castle lease, as well as Seller's cure of any defaults required by the Court as a precondition to such assumption and assignment, and/or the Buyer being able to obtain commercially reasonable replacement leases for the remaining Necessary Lease identified above. Seller shall cooperate with Buyer in securing commercially reasonable replacement leases, on substantially the same terms as current leases, adjusted for the passage of time and the change in ownership for the leases identified as necessary for the operation of the television broadcast station and obtain a commercially reasonable replacement lease for equivalent space and tower height from a lessor located within one quarter mile of the Poor Mountain tower currently leased from American Tower.

2.5. **Prepaid Expenses/Unearned Revenue.** Buyer shall reimburse Seller for the unexpended portion as of the Closing Date of all Station expenses and obligations that Seller prepaid prior to such time to the extent that such prepaid items are of benefit to Buyer, and Seller shall reimburse Buyer for all accrued but unpaid expenses and obligations of the Station as of such time. Income received by Seller for advertising to be broadcast on the Station on or after the Closing Date shall be paid by Seller to Buyer.

### **ARTICLE 3. - PURCHASE PRICE; ADJUSTMENTS; CERTAIN CONVENANTS**

3.1. **Purchase Price.** The Purchase Price hereunder for the Authorizations and Assets shall equal FIVE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$5,250,000.00).

3.2. **Escrow Deposit.** Upon the execution of this Agreement, buyer will pay into escrow in favor of Debtor in accordance with the terms of the Escrow Agreement attached hereto as **Exhibit 1**, an Escrow Deposit of ONE HUNDRED EIGHTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$187,500.00), which shall be part of the purchase price.

3.3. **Cash at Closing** On the closing date Buyer will pay cash or wire transfer to Debtor, in addition to the Escrow Deposit, the sum of ONE HUNDRED EIGHTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$187,500.00).

3.4. **Balance of Purchase Price.** On the Closing Date, the balance of the Price shall be paid by three non-negotiable promissory notes (copies attached): Note 1, by Buyer in favor of Debtor, will be for the principal amount of EIGHT HUNDRED THOUSAND DOLLARS (\$800,000) bearing simple interest at the rate of 5% per annum and amortized over a period of three years (**Exhibit 2**) secured as set forth in the Securities Agreement (**Exhibit 5**); Note 2, by Buyer in favor of Licensee, will be for the principal amount of THREE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$325,000) bearing simple interest at the rate of 5% per annum and amortized over a period of two years (**Exhibit 3**), secured as set forth in the Security Agreement (**Exhibit 5**); and Note 3 will be for the principal amount of THREE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$3,750,000) bearing simple

interest at the rate of 6% per annum and amortized over a period of 20 years, except for the first 24 calendar months during which the note shall be payable as interest only at the rate of 5% per annum simple interest (**Exhibit 4**) secured as set forth in the Securities Agreement (**Exhibit 5**). During the first two years Buyer will pay \$10,000 per month toward the interest and the balance of the interest due will be added to the principal of the note. All notes are non-negotiable. Any default in payment of any note or asset of the Station will accelerate the payment of all notes.

3.5. **Expenses.** Each party shall be responsible for its own expenses in connection with the transactions contemplated under this Agreement, including the negotiation and preparation of this Agreement and the preparation and prosecution of the Application, except that Seller shall pay one half (1/2) the cost of all FCC filing fees, if any, pertaining to the Application and Buyer shall pay the other half of such cost.

3.6. **Interim Obligations.** Throughout the Interim Period: (i) Seller shall maintain its qualifications under all applicable FCC requirements to be an assignor of the Station, shall operate the Station in the normal course of business and shall comply in all material respects with all applicable Laws and shall operate the Station in compliance in all material respects with all applicable Laws. Licensee shall remain the authorized holder of each of the FCC Authorizations and shall maintain each of the FCC Authorizations in good standing and in full force and effect, and Seller shall not transfer, convey, or assign to any person or entity any of the Assets, other than Assets transferred, conveyed, or assigned in the ordinary course of business that, during the Interim Period, are replaced with assets of equal or greater value, quality, and usefulness. Buyer and Licensee shall execute a tolling agreement with the FCC to facilitate the renewal of the Station license and the grant of the authorization to assign the license consummated by this Agreement.

3.7. **Purchase Price Allocation.** Buyer and Seller agree to allocate the consideration paid hereunder for federal income Tax purposes among the Assets and Authorizations in accordance with **Schedule 3.6** attached hereto. Buyer and Seller agree to file all Tax Returns, including Internal Revenue Service Form 8594 and all disclosures that are required under Code Section 1060, if any, in a manner consistent with such allocation.

#### **ARTICLE 4. - REPRESENTATIONS AND WARRANTIES**

4.1. **Buyer.** Buyer agrees and represents and warrants to Seller as follows:

4.1.1. **Binding Obligation.** This Agreement constitutes the legal, valid, and binding obligation of Buyer enforceable in accordance with this Agreement's terms, subject to applicable bankruptcy, reorganization, insolvency, or similar laws affecting creditors' rights generally, and subject to the application of equitable principles in any proceeding involving the enforcement of any of the provisions of this Agreement and the discretion of the court before which any such proceedings may be brought.

4.1.2. **Authority.** Buyer is a Corporation duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, recognized as a

tax exempt charitable entity under Section 501(c)(3) of the Internal Revenue Code,, and has full power and authority to own its assets and to carry on its tax-exempt activities as it has been and is conducting. Buyer has full corporate power and authority to make and perform this Agreement. Neither the making of this Agreement by Buyer nor the consummation of the transactions contemplated hereunder conflicts with or is prohibited by Buyer's Articles of Incorporation or Bylaws.

4.1.3. **No Conflict.** The execution, delivery, and performance of this Agreement by Buyer shall not cause any breach of any of the terms, conditions, or provisions of, or constitute a default under, any indenture, mortgage, agreement, or other instrument to which Buyer is a party or by which Buyer is bound.

4.1.4. **Absence of Litigation.** Buyer is aware of no proceeding pending against Buyer before any Governmental Body that would prevent Buyer from performing this Agreement in accordance with its terms.

4.2. **Seller.** Seller agrees and represents and warrants to Buyer as follows:

4.2.1. **Authority.** MNE Broadcasting, LLC is a limited liability company duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, is qualified to transact business in the Commonwealth of Virginia, and has full power and authority to own its assets and to carry on its business as it has been and is conducting. WDRL-TV, Inc. is a corporation duly organized, validly existing, and in good standing under the laws of the Commonwealth of Virginia, is qualified to transact business in the Commonwealth of Virginia and has full power and authority to own its assets and carry on its business as it has been and is conducting. This Agreement is a valid, legally binding, and enforceable obligation of Seller enforceable in accordance with this Agreement's terms, subject to applicable bankruptcy, reorganization, insolvency, or similar laws affecting creditors' rights generally, and subject to the application of equitable principles in any proceeding involving the enforcement of any of the provisions of this Agreement and the discretion of the court before which any such proceedings may be brought. Neither the making nor the performance of this Agreement by Seller nor the consummation of the transactions contemplated hereunder conflicts with or is prohibited by Seller's organizational or governing documents, or has constituted or shall constitute a default under any contract or commitment to which Seller is a party or by which Seller is bound, or has resulted or shall result in the creation or imposition of any Liens in favor of any third party with respect to any of the Assets or Authorizations.

4.2.2. **Restrictions and Consents.** The execution and delivery of this Agreement and the performance of the transactions provided for herein by Seller have been duly authorized by all necessary action and do not require the consent, approval, or authorization of or filing with any person, entity, or Governmental Body, other than the FCC Consent and as to the Debtor the consent of the U.S. Bankruptcy Court, and shall not violate any Laws or any injunction, order, or decree of any Governmental Body or conflict with or result in a breach of or constitute a default under any of the terms of any mortgage, lease, note, indenture, commitment, contract, agreement, license, or other instrument or obligation to which Seller is a party or by

which Seller or any of its properties is or may be bound. The execution and delivery of this Agreement and the consummation of the transactions provided for herein by Seller shall not give to others any interests or rights, including rights of termination or cancellation, in or with respect to any property, asset, lease, note, bond, indenture, commitment, contract, agreement, license, or other instrument or right of Seller.

4.2.3. **Title to Assets.** Seller on the Closing Date shall convey to Buyer good and marketable title to all of the Assets and Authorizations, free and clear of all Liens, except as expressly set forth in Section 2.4. Seller shall satisfy all liabilities and take all action as necessary to cause the preceding sentence to be true.

4.2.4. **Authorizations and FCC Matters.** **Schedule 2.1.5** attached hereto is a true, complete, and correct description of all FCC licenses, permits, or authorizations currently held by Licensee, including all digital television authorizations held by Licensee, and all applications before the FCC, in each case, relating to the Station. Throughout the Interim Period, except as otherwise expressly contemplated under the FCC applications, FCC licenses, permits, or authorizations shall not be modified nor shall Seller seek modification of any such FCC licenses, permits, or authorizations. Throughout the Interim Period, Seller shall diligently prosecute such FCC applications. The expiration date of each of the FCC Authorizations is set forth in **Schedule 2.1.5**. The Authorizations are (i) in good standing and in full force and effect and (ii) validly held by Seller. The Authorizations include all licenses, permits, or authorizations necessary to operate the Station as it is presently being operated in accordance with all applicable Laws. All FCC annual regulatory fees for each of the FCC Authorizations have been, and throughout the Interim Period shall be, timely paid to the FCC. At Closing, there will be no complaints, not subject to a tolling agreement pending at the FCC against the Station and no notice of violation or letters of inquiry have been issued against the Station. Notwithstanding anything herein to the contrary, following the closing Seller shall be responsible for any fines, forfeitures, or any other monetary sanctions imposed by the FCC against Buyer as the result of any complaint or violation of FCC rules occurring prior to the closing and Buyer shall be entitled to offset any payment due Seller hereunder by reason on any such sanction, fine, or forfeiture imposed by the FCC or the courts on the Station. Except as described on **Schedule 2.1.5** hereto, the Station, its physical facilities, electrical and mechanical systems, and transmitting and studio equipment are operated in all material respects in accordance with the specifications of the FCC Authorizations and the rules and regulations of the FCC. To Seller's knowledge, the Station is not causing or receiving electrical interference to any other station or communications facility in violation of the FCC rules and regulations and Sellers have not received any complaints or allegations of such interference. All reports and other filings required by the FCC with respect to the Station have been duly and currently filed in all material respects, and all such filings have been timely placed in the Station's public inspection file as required by the rules and regulations of the FCC. At Closing, the Station will be broadcasting its digital television ("DTV") signal in material compliance with the applicable rules and regulations of the FCC, including its authorizations. The Station will be in compliance in all material respects with the FCC's build-out requirements for DTV. The Assets include all equipment, approvals, consents, real property rights, and other items necessary to complete the construction of the Station's post-transition DTV allotted facility as specified in FCC MB Docket No. 87-268, and the Seller is prepared and



is scheduled to complete construction of such facility by February 17, 2009, or such other date as required by the FCC.

4.2.5. **Tangible Assets.** **Schedule 2.1.1** is a true, complete, and correct description of all tangible and physical assets owned by Seller relating to the Station as of the date of this document. Seller is obligated to update this list to include all Assets being transferred at Closing. The Assets, as well as all tangible assets leased to Seller relating to the Station, if any, are in good operating condition and shall, on the Closing Date, be in at least as good condition as at present, reasonable wear and tear excepted, and are and shall on the Closing Date be as required for the Station to be operated in accordance with its FCC Authorizations and all applicable Laws.

4.2.6. **Condition of Assets.** The Assets include all the equipment and other property necessary to operate the Station as it is presently being operated in accordance with all applicable Laws, including all applicable standards pertaining to radiofrequency radiation. All Station antenna towers and equipment can and, as of the Closing Date, shall (i) meet the technical and operational requirements prescribed by the FCC for the Station, (ii) be operated in accordance with good engineering practices, and (iii) be in good operating condition and repair. There are no material defects in any of the structures, improvements, electronic equipment, or other tangible personal assets of the Station.

4.2.7. **Contracts.** Except as set forth in **Schedule 2.1.2 and Schedule 2.1.4** attached hereto, Seller is not a party to any written or oral agreement of any kind relating to the Station, including any:

- i. Contract for the employment of any officer or employee that is not terminable on thirty (30) days or less notice without liability on the part of Seller;
- ii. Contract with any labor union;
- iii. Continuing contract for the purchase of materials, supplies, services, machinery, or equipment;
- iv. Contract continuing for a period of more than (1) one year from the date hereof;
- v. Contract not terminable on sixty (60) days notice or less without liability on the part of Seller;
- vi. Distributor, sales agency, or advertising contract, any Internet Domain lease, or any contract for the sale of products of a third party or Seller;
- vii. Lease or any contract for the purchase or sale of real property;

viii. Contract with any subcontractor;

ix. Bonus, pension, profit-sharing, retirement, stock purchase, stock option, hospitalization, insurance, or similar plan or practice, formal or informal, in effect with respect to Seller's employees or others;

x. Network contract, time brokerage agreement, local marketing agreement, joint sales agreement, retransmission consent agreement, wire service agreement, trade agreement, normal operating contract, program supply contract, syndicated programming arrangement, or similar arrangement.

xi. Contract not made in the ordinary course of business of the Station; or

xii. Material contract or contract the consideration for which exceeds Five Hundred Dollars (\$500.00).

True, complete, and correct copies of all of the agreements set forth in **Schedule 2.1.2** or **Schedule 2.1.4**, including all amendments, if any, to such agreements, have been delivered to Buyer and each of such agreements is in full force and effect, and all such amendments, if any, are also accurately set forth in **Schedule 2.1.2** or **Schedule 2.1.4**. On the Closing Date, Seller shall assign such agreements to Buyer, except for those agreements that have expired pursuant to their terms. Throughout the Interim Period, Seller shall neither amend nor seek amendment of any agreement set forth in **Schedule 2.1.2** or **Schedule 2.1.4**.

4.2.8. **No Default.** No person or entity with whom Seller has an agreement that is of material importance to the businesses, properties, or operations of the Station is in default thereunder or has given Seller notice of termination thereof, and no condition exists or event has occurred that, with notice or lapse of time, or both, would constitute such default and Seller shall not willingly accept such notice of termination. Seller is not in default under any of such agreements.

4.2.9. **Intellectual Property.** Neither the Station's operations nor any of the Assets infringes upon or misappropriates any copyrights, trademarks, patent rights, or other rights of any person or entity. Seller has no knowledge of any infringement or unlawful or unauthorized use of any of Seller's copyrights, trademarks, patent rights, or other rights relating to the Station, including the use of any call sign, slogan, or logo by any broadcast station or MVPD in the Commonwealth of Virginia that may be confusingly similar to the call sign, slogans, and logos currently used by the Station.

4.2.10. **Real Property.** Attached hereto as **Schedule 2.1.4** are true, complete, and correct copies of all leases relating to the Station, including all amendments thereto, if any, to which Seller is a party, for real property, buildings and improvements thereon, and space on antenna towers. Such leases are valid and in full force and effect and there does not exist any default or event that with notice or lapse of time, or both, would constitute a default

under any of such leases. Such leases are assignable to Buyer, and Seller shall obtain on or prior to the Closing Date all necessary consents for assignment of all such leases to Buyer on the Closing Date. No real property is owned by Seller relating to the Station. All of the tangible Assets are located on real property leased to Seller, and none of the Assets, including antenna tower guy wires, if any, extend or project over real property not leased to Seller.

4.2.11. **Public Inspection File and Records.** All the material required by FCC rules, regulations, or policies to be kept in the public inspection file of the Station is in such file in compliance with FCC rules, regulations, and policies. Such file shall be maintained in proper order and shall be complete throughout the Interim Period. All files and records relating to the Station required by applicable Laws to be kept by Seller have been kept in proper order and shall be complete throughout the Interim Period.

4.2.12. **Litigation.** Except for matters affecting the television broadcasting industry generally, and except as disclosed on **Schedule 4.2.12**, there is no litigation, proceeding, complaint, or investigation pending, or to the best of Seller's knowledge threatened, before or by any Governmental Body, against or relating to Seller, the Assets, or the Authorizations, nor will there be any such action pending at Closing. Seller does not know of, or have any reasonable grounds to know of, in view of Seller's present situation or the action Seller now contemplates taking, any basis for such litigation, proceeding, complaint, or investigation, and the execution, delivery, and performance of this Agreement by Seller shall not result in the violation or default by Seller with respect to any Laws or judgment, order, writ, injunction, ruling, or decree of any Governmental Body.

4.2.13. **Insurance.** **Schedule 4.2.13** attached hereto is a true, correct, and complete schedule of all insurance policies relating to the Station, including all amendments thereto, if any, issued to Seller as of the date of this Agreement. True, correct, and complete copies of all such policies, including all such amendments, have been delivered to Buyer. Such insurance is issued by financially sound insurers that are generally recognized within the United States.

4.2.14. **Financial Information.** All financial information relating to the Station, if any, given by Seller to Buyer is true, complete, and correct.

4.2.15. **Compliance with Laws.** Seller, Seller's operations, the Assets, and the Authorizations have been and are in compliance with all applicable Laws, and there are no material violations of any such Laws, existing or threatened. Seller has not received any notice of violation of any applicable zoning or other Laws relating to the operation of the Station. All governmental licenses, permits, authorizations, franchises, certificates of compliance, and consents held by Seller relating to the Station, including the FCC Authorizations, are detailed in **Schedule 2.1.5** and will be in good standing and in full force and effect. Seller shall use its best efforts to cure promptly all operating problems, if any, that may permit, after notice from the FCC or any other Governmental Body, the revocation, termination, suspension, or adverse modification of any of the Authorizations or the imposition of any restriction or limitation upon the operation of the Station.

4.2.16. **Personnel Information.** There are no employment agreements or benefit plans covering employees of Seller at the Station. Buyer shall have the opportunity, but shall have no obligation, to employ Station employees of Seller after the Closing Date.

4.2.18. **Labor Relations.** Seller has been and is in compliance with all applicable Laws relating to the employment of labor, including those Laws relating to wages, hours, collective bargaining, occupational safety, discrimination, and the payment and withholding of social security and other Taxes, and Seller has not received any notice alleging that Seller has failed to comply with any of the foregoing. Seller is not a party to any collective bargaining agreement relating to the Station. There are no controversies or proceedings pending or, to the best of Seller's knowledge, threatened between Seller and the employees of Seller at the Station or any labor union or other collective bargaining unit representing or claiming to represent any of such employees of Seller. To the best of Seller's knowledge, there is no union campaign being conducted to solicit cards from employees to authorize a union to request a National Labor Relations Board certification election with respect to any of the employees of Seller at the Station.

4.2.19. **Taxes and Bulk Sales.** Seller has duly filed on a timely basis all Tax Returns that Seller is required to have filed. All such Tax Returns are correct and complete in all respects. All Taxes required to have been paid by Seller, whether or not shown on any Tax Return, have been duly paid on a timely basis. No claim has ever been made by any Governmental Body in a jurisdiction where Seller does not file Tax Returns that it is or may be subject to taxation by that jurisdiction. Buyer shall not be subject to any transferee liability for any Taxes or governmental charges imposed or to be imposed on but unpaid by Seller. Neither the sale and transfer of the Assets or Authorizations pursuant to this Agreement, nor Buyer's ownership, possession, or use thereof from and after the Closing Date as a result of such sale and transfer, shall result in or be subject to: (x) any law pertaining to bulk sales or transfers or fraudulent conveyances that might make such sale or transfer or any part thereof ineffective as to creditors of or claimants against Seller; (y) any federal, state, local, or foreign sales, use, transfer, excise, or license Tax, fee, or charge applicable to any of the Assets or Authorizations; or (z) the imposition upon Buyer, or any of the Assets or Authorizations, of any liability of any nature whatsoever that has not been expressly assumed by Buyer under this Agreement.

4.2.20. Pursuant to the Station's rights to cable carriage under the under the Communications Act of 1934, as amended, and the rules and regulations of the FCC, Seller has requested carriage on behalf of the Station with respect to each cable system in the applicable DMA. On **Schedule 4.2.20**, Seller has listed (i) each cable system in the applicable DMA together with a designation of whether the Station is carried on such system and, if so, whether the Station is carried pursuant to must-carry or retransmission consent for each such cable system, and (ii) each cable system outside the applicable DMA on which the Station is carried. Except as described on **Schedule 4.2.20**, no cable system identified on **Schedule 4.2.20** of the Disclosure Schedule has advised Seller of any signal quality or copyright indemnity or other prerequisite to cable carriage of the signal of the Station, and, except as described on **Schedule 4.2.20**, no cable system identified on **Schedule 4.2.20** has declined or, to Seller's knowledge, (x)

threatened to decline such carriage, (y) failed to respond to a request for carriage, or (z) sought any form of relief from carriage, including without limitation, market modification from the FCC. Except as disclosed on **Schedule 4.2.20**, Seller has received no notification(s) from a satellite carrier that a satellite carrier is retransmitting or proposes to retransmit by satellite to satellite subscribers in the applicable DMA the signal of any television station licensed to a community in that DMA. The Station's DMA has not been modified in any way by any cable, television, or satellite company, and the station is entitled (a) upon election of must carry, to carriage on every cable television system operating within that market and (b) upon election of carry-one-carry-all, to carriage by any satellite carrier providing local-into-local service in that market. The terms "must carry", "carry-on-carry-all," and "local-into-local" have the meaning assigned by the FCC.

4.2.21 **Environmental Laws and Regulations.** To Seller's knowledge, the operation of the Station and the use of the Assets as heretofore operated and used are not in violation of any applicable Environmental Law. Seller has not received any written claim, complaint, citation, report or other notice regarding any liabilities or potential liabilities (whether accrued, absolute, contingent, unliquidated or otherwise), including any investigatory, remedial or corrective obligations, arising under Environmental Law with respect to the Station or the Assets. "**Environmental Law**" means any and all laws, rules, regulations or orders of any United States of America governmental authorities relating to pollution or the environment, including those relating to emissions, discharges, releases or threatened releases of Hazardous Substances into the environment (including ambient air, surface water, ground water or land), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances. "**Hazardous Substances**" means (i) any "hazardous waste" as defined by the Resources Conservation and Recovery Act of 1976 ("RCRA") (42 U.S.C. § 6901 et seq.); (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601 et seq.) ("CERCLA"); (iii) any "chemical substances", "new chemical substance" or "hazardous chemical substance or mixture" or other substance regulated by the Toxic Substances Control Act ("TSCA") (42 U.S.C. § 2601 et seq.); (iv) asbestos; (v) polychlorinated biphenyls; (vi) any substances regulated under the provisions of Subtitle I of RCRA relating to underground storage tanks; and (vii) any substance the presence, use, treatment, storage, transmission or disposal of which on or from the Real Property is prohibited by any laws, rules, regulations or orders of any United States of America governmental authorities.

4.2.22. **Disclosures.** No Seller statement, representation, or warranty contained herein, and no Seller statement, representation, or warranty made in any document, notice, certificate, or schedule furnished in connection with or attached to this Agreement, contains or shall contain an untrue statement of a material fact or omits or shall omit to state any material fact necessary to make such statement, representation, or warranty not misleading to a prospective purchaser. Throughout the Interim Period, Seller shall advise Buyer in writing immediately, and in no event more than ten (10) days after Seller has knowledge, of all changes, if any, in circumstances that would cause any of such statements, representations, or warranties to be inaccurate.

## **ARTICLE 5. - REGULATORY MATTERS**

5.1. **FCC Consent to Assignment.** Notwithstanding anything herein to the contrary, the consummation of the purchase and sale of the Assets and Authorizations contemplated under this Agreement is subject to and conditioned upon the prior consent of the FCC.

5.2. **Application for Consent.** Subject to Bankruptcy Court approval as to Debtor, within thirty (30) days of the date hereof, Buyer and Seller shall file with the FCC the Application seeking FCC consent to assignment of the FCC Authorizations to Buyer without conditions adverse to Buyer, which Application shall include all necessary waiver requests, if any, to enable the Application to be granted. The parties shall promptly and diligently file and expeditiously prosecute all necessary amendments, briefs, pleadings, documents, and supporting data to the Application, and take such actions and Seller shall give such notices as may be required or requested by the FCC or as may be appropriate, all in an effort to expedite the approval by the FCC of the Application with no conditions adverse to Buyer, and shall promptly supply to each other such information in their respective possession as may be reasonably requested by either party to expedite such approval. In the event of the filing of any protest, petition to deny, petition for reconsideration, or appeal of the FCC's consent and approval with respect to the Application, or other action seeking review, reconsideration, or appeal of such consent and approval, the parties mutually agree that each such filing or action, if any, shall be opposed by each of them vigorously.

5.3. **Operation of the Station Before Closing.** Throughout the Interim Period, Seller shall continue to operate the Station in the public interest, convenience, and necessity, and shall file with the FCC all documents required to be filed in connection with the operation of the Station.

5.4. **Control.** Throughout the Interim Period, Buyer shall not directly or indirectly control, supervise, or direct, or attempt to control, supervise, or direct, the operations of the Station. Such operations, shall be the sole responsibility of Seller throughout the Interim Period.

5.5. **Hearing Designation.** If the Application is designated for hearing by the FCC, then this Agreement may be terminated by either Buyer or Seller on ten (10) days prior written notice to the other party so long as the terminating party is not then in material breach hereunder.

## **ARTICLE 6. - RISK OF LOSS AND INDEMNIFICATION**

6.1. **Risk of Loss.** The risk of loss or damage to the Assets and Authorizations shall be on Seller at all times prior to the Closing, and thereafter said risk shall be Buyer's.

6.2. **Indemnification by Seller.** Throughout the period following the Closing, Seller shall indemnify and hold harmless Buyer and its stockholders, directors, officers, employees, agents, and consultants, and the successors and assigns of each of the foregoing, against:

6.2.1. Any and all claims, liabilities, Taxes, and obligations of any kind or nature, contingent or otherwise, including any transferee liability, arising out of or relating to the operation or use by Seller of the Assets, Authorizations, or Station prior to the Closing or arising or required to be performed prior to the Closing under any lease, contract, or agreement assumed by Buyer hereunder;

6.2.2. Any and all damage or deficiency resulting from any Seller misrepresentation, breach of warranty, or nonfulfillment of any agreement, covenant, or obligation assumed or required to be performed by Seller under this Agreement, or from any misrepresentation in or omission from any certificate or other instrument furnished to Buyer pursuant to this Agreement or furnished to Buyer by Seller or Seller's agents in connection with any of the transactions contemplated hereunder; and

6.2.3. Any and all actions, suits, proceedings, damages, assessments, judgments, costs, and expenses, including reasonable attorneys' fees, incurred by Buyer as a result of Seller's failure or refusal to defend, to compromise, or to pay any claim incident to the foregoing provisions of this Section 6.2.

6.2.4. If any claim or liability shall be asserted against Buyer that would give rise to a claim by Buyer against Seller for indemnification under the provisions of this Section 6.2 and Buyer seeks to be indemnified under such provisions, Buyer shall promptly notify Seller in writing of the same and Seller shall be entitled at its own expense to compromise or to defend such claim asserted against Buyer subject to Section 6.4 hereof; provided, however, that Buyer's failure so to notify Seller shall not relieve Seller of any indemnity obligation hereunder, except to the extent that Seller is materially prejudiced by such failure.

6.3. **Indemnification by Buyer.** Throughout the period following the Closing, Buyer shall indemnify and hold harmless Seller and its members, managers, stockholders, directors, officers, employees, agents, and consultants, and the successors and assigns of each of the foregoing, against:

6.3.1. Any and all claims, liabilities, Taxes, and obligations of any kind or nature, contingent or otherwise, arising out of or relating to the operation or use of the Assets, Authorizations, or Station subsequent to the Closing or arising or required to be performed subsequent to the Closing under any lease, contract, or agreement assumed by Buyer hereunder;

6.3.2. Any and all damage or deficiency resulting from any Buyer misrepresentation, breach of warranty, or nonfulfillment of any agreement, covenant, or obligation assumed or required to be performed by Buyer under this Agreement, or from any misrepresentation in or omission from any certificate or other instrument furnished to Seller pursuant to this Agreement or furnished to Seller by Buyer or Buyer's agents in connection with any of the transactions contemplated hereunder; and

6.3.3. Any and all actions, suits, proceedings, damages, assessments, judgments, costs, and expenses, including reasonable attorneys' fees, incurred by Seller as a result of Buyer's failure or refusal to defend, to compromise, or to pay any claim incident to any of the foregoing provisions of this Section 6.3.

6.3.4. If any claim or liability shall be asserted against Seller that would give rise to a claim by Seller against Buyer for indemnification under the provisions of this Section 6.3 and Seller seeks to be indemnified under such provisions, Seller shall promptly notify Buyer in writing of the same and Buyer shall be entitled at its own expense to compromise or to defend such claim asserted against Seller subject to Section 6.4 hereof; provided, however, that Seller's failure so to notify Buyer shall not relieve Buyer of any indemnity obligation hereunder, except to the extent that Buyer is materially prejudiced by such failure.

6.4. **Procedure for Indemnification.** With respect to any third-party claims or proceedings as to which the Claimant is entitled to and seeks indemnification hereunder, the Indemnitor shall have the right, subject to the provisions of this Section 6.4, to employ counsel reasonably acceptable to the Claimant to defend against each such claim or proceeding, if any, or to compromise, settle, or otherwise dispose of the same if the Indemnitor deems it advisable to do so, all at the expense of the Indemnitor. The parties shall fully cooperate in each such action, and shall make available to each other all of their books or records, if any, useful for the defense of such claim or proceeding. As a condition of tendering defense of such claim or proceeding to the Indemnitor, the Claimant shall have the right to require the Indemnitor to post a bond or provide other reasonable assurance to the Claimant that the Indemnitor can and shall pay all liabilities arising from such claim or proceeding in the event of an unsuccessful defense or any settlement. If the Indemnitor fails to acknowledge in writing to the Claimant the Indemnitor's obligation to defend against or settle such claim or proceeding or fails to provide such bond or assurance, in each case within twenty (20) days after receiving notice thereof from the Claimant, or such shorter time specified in such notice as the circumstances of the matter dictate, the Claimant shall be free to engage counsel of the Claimant's choice and defend against or settle the matter, all at the expense of the Indemnitor. Notwithstanding anything herein to the contrary, (i) the Claimant shall always be free to engage its own counsel and participate fully in the defense of any claim or proceeding being defended by the Indemnitor under the indemnification provisions hereof, it being understood that the Indemnitor shall bear the expense of such counsel in the event that such claim or proceeding seeks in whole or in part any nonmonetary relief, and (ii) the Indemnitor shall not effect any settlement relating to any claim or proceeding under the indemnification provisions hereof that seeks in whole or in part any nonmonetary relief or that could adversely affect the Claimant without the prior written consent of the Claimant.

#### **ARTICLE 7. - CLOSING DATE; CONDITIONS TO CLOSING; CLOSING DOCUMENTS**

7.1. **Closing Date.** The Closing shall be held at the Stations Studio, 5002 Airport Road, NW, Roanoke, VA 24012, or at such other location as the parties may mutually specify, and shall be held on a mutually agreeable date within the thirty (30) days immediately following the date of the FCC Consent, unless an earlier Closing (i) is necessary to comply with FCC



regulations, (ii) is mutually agreeable to the parties and is consistent with FCC regulations, or (iii) is specified by Buyer by the giving of ten (10) days prior written notice to Seller and is consistent with FCC regulations. The Closing shall commence at 10:00 a.m. local time on the Closing Date at the Closing location.

7.2. **Conditions to Obligations of Seller.** The following are conditions precedent to Seller's obligation to close hereunder, any or all of which may be waived in whole or in part in writing by Seller to the extent permitted by applicable Laws:

7.2.1. **Representations and Warranties to be True and Obligations Performed.** The representations and warranties of Buyer contained herein shall be true in all material respects as of and on the Closing Date as though made on such date. Buyer shall have performed and complied with all obligations and covenants required under this Agreement to be performed or complied with by Buyer on or prior to the Closing Date.

7.2.2. **Closing Documents.** Buyer shall have delivered to Seller or caused the delivery to Seller of the Closing documents and items described in Section 7.5 of this Agreement.

7.2.3. **FCC Consent.** The FCC Consent shall have been issued and such consent shall be in full force and effect.

7.2.4. **Litigation.** Neither Seller nor Buyer shall be subject to any order or injunction of any Governmental Body restraining or prohibiting the consummation of the transactions contemplated hereunder, and no action or proceeding shall have been instituted by any third party and remain pending before a Governmental Body to prohibit such transactions, nor shall any Governmental Body have notified either party to this Agreement that the consummation of the transactions contemplated hereunder may constitute a violation of applicable Laws, which notification remains outstanding.

7.2.5. **Certificate.** Buyer shall have delivered to Seller a certificate, dated as of the Closing Date, signed by officers of the Buyer and its parents, if any, stating that the representations and warranties of Buyer set forth in this Agreement and in the instruments delivered by Buyer to Seller in connection with this Agreement are true and correct as of the Closing Date in all material respects.

7.3. **Conditions to Obligations of Buyer.** The following are conditions precedent to Buyer's obligation to close hereunder, any or all of which may be waived in whole or in part in writing by Buyer to the extent permitted by applicable Laws:

7.3.1. **Representations and Warranties to be True and Obligations Performed.** The representations and warranties of Seller contained herein shall be true in all material respects as of and on the Closing Date as though made on such date. Seller shall have performed and complied with all obligations and covenants required under this Agreement to be performed or complied with by Seller on or prior to the Closing Date.

7.3.2. **Closing Documents.** Seller shall have delivered to Buyer or caused the delivery to Buyer of the Closing documents and items described in Section 7.4 of this Agreement.

7.3.3. **FCC Consent.** The FCC Consent shall have been issued, shall be in full force and effect, shall be a Final Order, and shall contain no conditions that are materially adverse to Buyer.

7.3.4. **Bankruptcy Court approval as to WDRL-TV, Inc.** Debtor shall have obtained a non-appealable Final Order in the Bankruptcy Case (i) granting the Debtor-in-Possession's motion under 11 U.S.C. § 363 and, if necessary § 365 for approval of the sale of all, or substantially all, of the debtor's assets free and clear of all liens and other encumbrances; and, if necessary, for assumption and assignments of certain agreements, or (ii) a Final Order confirming the Debtor-in-Possession's plan of reorganization approving the sale of all, or substantially all, of the debtor's assets free and clear of all liens and other encumbrances; and, if necessary, for assumption and assignment of certain agreements.

7.3.5. **Litigation.** Neither Seller nor Buyer shall be subject to any order or injunction of any Governmental Body restraining or prohibiting the consummation of the transactions contemplated hereunder, and no action or proceeding shall have been instituted by any third party and remain pending before a Governmental Body to prohibit such transactions, nor shall any Governmental Body have notified either party to this Agreement that the consummation of the transactions contemplated hereunder may constitute a violation of applicable Laws, which notification remains outstanding.

7.3.6. **Certificate.** Seller shall have delivered to Buyer a certificate, dated as of the Closing Date, signed by Seller stating that the representations and warranties of Seller set forth in this Agreement and in the instruments delivered by Seller to Buyer in connection with this Agreement are true and correct as of the Closing Date in all material respects.

7.3.7. **Consents Obtained.** Seller shall have obtained all authorizations, consents, approvals, permits, and clearances that are necessary to consummate the purchase and sale of the Assets and Authorizations contemplated under this Agreement.

7.3.8 **Leases.** Seller shall have obtained the assignment of, or assisted with the negotiation of commercially reasonable replacements for all Necessary Leases listed in **2.4.1** of this Agreement.

7.3.9 **"Must Carry" Election.** Seller shall have timely given valid written notice no later than October 1, 2008 to all satellite carriers that as of that date uplink and downlink local broadcast stations to subscriber located in the Station's DMA of the Station's election of "must carry" under FCC Rules for the three year cycle beginning January 1, 2009 through December 31, 2011. Seller will not elect retransmission consent or take any other action

to defeat "must carry" status , as that term is defined by the FCC, for the Station's analog or digital signal, as the case may be, on all cable systems within the Station's DMA for the three year period from January 1, 2009 to December 31, 2011. The term DMA as used herein means the Defined Market Area of the Station as determined by Nielsen Company. It is expressly agreed that as a precondition of Buyer's obligation to close and perform this Agreement that the Station shall have "must carry" status (as that term is defined by the FCC rules) on all satellite carriers and all cable television systems serving and which operate in the Station's DMA, except those systems excluded on Schedule 4.2.20.

**7.4. Closing Documents Delivered by Seller.** On the Closing Date, Seller shall deliver or cause the delivery of the following instruments or items to Buyer:

7.4.1. Bills of sale and assignments in form reasonably satisfactory to Buyer, dated the Closing Date, executed by Seller, conveying to Buyer all of Seller's right, title, and interest in and to all the Assets and all the Authorizations, pursuant to the terms of this Agreement.

7.4.2. Assignments to Buyer of all leases and contracts described in **schedule 2.1.2** and **Schedule 2.1.4**, pursuant to the terms of this Agreement, which assignments Seller agrees shall be dated the Closing Date, executed by Seller, and in form reasonably satisfactory to Buyer.

7.4.3. All necessary consents to assignment to Buyer of the Assets and Leases under this Agreement.

7.4.4. The logs and records referred to in Section 2.3 of this Agreement.

7.4.5. All keys, passcards, and other items, as well as a list of all passcodes, combinations, account numbers, and other information necessary to access or operate any of the Assets, access any property leased to Seller under leases set forth in **Schedule 2.1.2** or **Schedule 2.1.4**, or access any FCC database to which Seller has or should have access relating to the Station.

7.4.6. Duly authenticated copies of Sellers company resolutions adopted by Sellers members and managers authorizing the execution, delivery, and performance of this Agreement by Seller.

7.4.7. Such other instruments or documents, as Buyer may reasonably request to provide to Buyer the full rights and benefits intended to be granted to Buyer hereunder, as are customary for transactions of the type contemplated hereunder, or as Buyer's lenders may reasonably require in connection with such transactions.

**7.5. Closing Documents Delivered by Buyer.** On the Closing Date, Buyer shall deliver or cause the delivery of the following instruments or items to Seller:

7.5.1. The Purchase Price in accordance with Sections 3.1, 3.2, and 3.3 of this Agreement, and executed originals of Exhibits 2, 3, 4, and 5.

7.5.2 Duly authenticated copies of Buyers company resolutions adopted by Buyers members and managers authorizing the execution, delivery, and performance of this Agreement by Buyer.

7.5.3 Assumption agreements for contracts to be assumed pursuant to Schedule 2.1.2 and Schedule 2.1.4.

## **ARTICLE 8. - MISCELLANEOUS**

8.1. **Termination of Agreement.** This Agreement may be terminated in writing at any time on or before the Closing Date: (a) by the mutual consent of the Sellers and the Buyer; or (b) by either party hereto if the Closing has not occurred on or before the date that is twelve (12) months after the date of this Agreement. A termination pursuant to this Article 8 shall not relieve any party of any liability it would otherwise have for a willful breach of this Agreement or the TBA. If this Agreement is terminated rightfully pursuant to this section, all further obligations of the parties hereunder shall terminate. The parties agree that the Sellers will suffer damages if this Agreement is terminated other than pursuant to this section by Buyer. Although the amount of such damages is difficult or impossible to determine, the parties agree that \$187,500.00 is a reasonable estimate of the Sellers' loss in such an event. Thus, the Sellers shall accept such payment of \$187,500.00 as liquidated damages but not as penalty. Such liquidated damages shall constitute the Seller's sole and exclusive remedy. **On termination for any other reason, including if this Agreement is terminated pursuant to Sections 8.1 (a) or 8.1 (b) above, the Earnest Money Escrow Deposit shall be returned to the Buyer.**

8.2 **Notices.** All notices and communications hereunder or with respect hereto shall be deemed to have been duly given to a party when in writing and (i) actually delivered to such party as follows, or, (ii) if mailed, upon the third (3rd) day following mailing via certified United States mail, postage prepaid, addressed to such party as follows, or, (iii) if duly tendered to Federal Express, or another overnight courier service generally operating and recognized within the United States, for next business day delivery to such party, upon the first (1st) business day following such tender to Federal Express or such other overnight courier service, delivery fee prepaid or charged to sender, addressed as follows:

If to Licensee, to:

Melvin N. Eleazer, Managing Member  
MNE Broadcasting, LLC  
5002 Airport Road NW  
Roanoke, VA 24012

If to Debtor, to:

WDRL-TV, Inc.  
5002 Airport Road NW  
Roanoke, VA 24012

With a copy, which shall not constitute notice, to:

Howard Beck, Esquire  
Howard Beck Law Firm  
4648 Brambleton Avenue SW  
Roanoke, VA 24018

With a copy, which shall not constitute notice, to:

George A. Mclean, Jr. Esquire  
320 Washington Avenue, SW  
Roanoke, VA 24001

If to Buyer, to:

Michael D. Smith  
Living Faith Ministries  
8594 Hidden Valley Road  
Abingdon, VA 24210

With a copy, which shall not constitute notice, to:

Roy M. Terry, Jr., Esquire  
DurretteBradshaw PLC  
600 East Main Street, 20<sup>th</sup> Floor  
Richmond, VA 23219

Provided, however, that if either party has designated a different address for itself by ten (10) days prior written notice to the other party pursuant to this Section 8.5, then, for purposes of notices and communications hereunder to the designating party, to the last address so designated.

8.4. **Entire Agreement.** This Agreement, which includes the exhibits and schedules hereto, if any, sets forth the entire understanding of the parties at the time of execution and delivery hereof regarding the subject matter hereof, and all prior agreements between them with respect to the subject matter hereof shall be of no further force or effect. This Agreement may be amended only by an instrument in writing executed by both parties.

8.5. **Headings and Table of Contents.** The headings and the table of contents, if any, of this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement.

8.6. **Survival.** The representations and warranties set forth in this Agreement and in the other instruments delivered hereunder shall survive the Closing Date.

8.7. **Waiver.** The waiver by either party of any matter provided for herein shall be in writing in order to be effective and shall not be deemed to be a waiver of (i) any such matter on any other occasion or (ii) any other matter.

8.8. **No Strict Construction.** The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any person or entity by virtue of the authorship of any of the provisions of this Agreement.

8.9. **Governing Law and Venue.** This Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Virginia, without regard to its choice of law rules. Exclusive venue and jurisdiction with respect to each lawsuit or court action, if any, arising under this Agreement shall be in the state or federal courts of the Commonwealth of Virginia, it being understood, however, that judgments, orders, or decrees resulting from such lawsuits or court actions may be appealed to or enforced in any competent court.

8.10. **Best Efforts.** Without in any way limiting their other obligations hereunder, Buyer and Seller shall cooperate, act in good faith hereunder and use their best efforts consistent with commercial reasonableness in the timely performance and prompt fulfillment of all terms and conditions of this Agreement, including, but not limited to, (a) in filing the Application together with all information, data, exhibits, statements, amendments, and other materials necessary and proper in connection with such Application, (b) in securing a Final Order of the FCC Consent, (c) in securing any other governmental or third-party consents required hereunder, (d) in opposing attempts by third parties to resist, modify, or overturn the grant of the Application, Final Order in the Bankruptcy Case, or any other governmental or third-party consents required hereunder, and (e) in bringing about a prompt Closing. Buyer and Seller shall provide such information and execute and deliver such other and further documents, whether before, at, or after the Closing Date, as may be reasonably required to carry out their intent as expressed hereunder.

Debtor shall cooperate, act in good faith hereunder and use its best efforts consistent with commercial reasonableness in the timely performance and prompt fulfillment of all terms and conditions of this Agreement in securing a non-appealable Final Order in the Bankruptcy Case,

8.11. **Severability.** In the event that any term or provision of this Agreement is determined to be void, unenforceable, or contrary to law, the remainder of this Agreement shall continue in full force and effect provided that such continuation would not materially diminish the benefits of this Agreement for either party.

8.12. **Counterparts.** More than one counterpart of this Agreement may be executed by the parties and each fully executed counterpart of this Agreement shall be deemed an original of this Agreement.

8.13. **Authority of Signatory.** Each individual signing this Agreement below in a signature block for Buyer or Seller personally represents and warrants that such individual has full power and authority to execute and deliver this Agreement on behalf of the entity whose name appears directly above the signature of such individual in such signature block.

8.14 **Joint and Severable Liability of WDRL-TV Inc. and MNE Broadcasting, LLC.** For any and all purposes of this Agreement, where any obligation, liability, duty or other responsibility is placed upon the Seller under this Agreement, such obligation, liability duty or other responsibility shall be the joint and severable liability of both WDRL-TV, Inc. and MNE Broadcasting, LLC. **This provision shall only apply between the parties to this agreement and with respect to this agreement. There shall be no third party beneficiary with respect to this provision. In no event shall MNE be liable for the debts of WDRL-TV listed in its bankruptcy schedules as a result of this provision.**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**SELLER:**

MNE BROADCASTING, LLC

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

Melvin N. Eleazer  
Managing Member

*Aug 6, 2008*

WDRL-TV, INC.

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

Melvin N. Eleazer  
President

*Aug 6, 2008*

**BUYER:**

LIVING FAITH MINISTRIES, INC.

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

Michael D. Smith  
President

8.13. **Authority of Signatory.** Each individual signing this Agreement below in a signature block for Buyer or Seller personally represents and warrants that such individual has full power and authority to execute and deliver this Agreement on behalf of the entity whose name appears directly above the signature of such individual in such signature block.

8.14 **Joint and Severable Liability of WDRL-TV Inc. and MNE Broadcasting, LLC.** For any and all purposes of this Agreement, where any obligation, liability, duty or other responsibility is placed upon the Seller under this Agreement, such obligation, liability duty or other responsibility shall be the joint and severable liability of both WDRL-TV, Inc. and MNE Broadcasting, LLC. This provision shall only apply between the parties to this agreement and with respect to this agreement. There shall be no third party beneficiary with respect to this provision. In no event shall MNE be liable for the debts of WDRL-TV listed in its bankruptcy schedules as a result of this provision.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**SELLER:**

MNE BROADCASTING, LLC


By: \_\_\_\_\_  
Melvin N. Eleazer  
Managing Member

WDRL-TV, INC.

By: \_\_\_\_\_  
Melvin N. Eleazer  
President

**BUYER:**

LIVING FAITH MINISTRIES, INC.

By:   
Michael D. Smith  
President