

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

by and among

SCANLAN COMMUNICATIONS, INC.

(the “Seller”),

THOMAS SCANLAN

(the “Shareholder”),

MAX MEDIA OF TRAVERSE CITY LLC

(the “Company”)

and

MTC LICENSE LLC

(“License Sub”)

Dated as of May 7, 2003

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1	DEFINITIONS 1
ARTICLE 2	PURCHASE AND SALE OF PROPERTIES AND ASSETS 6
2.1	Assets 6
2.2	Excluded Assets 9
2.3	Liabilities 10
2.4	Earnest Money Escrow Agreement and Deposit 12
2.5	Purchase Price, Payment, and Allocation 12
2.6	Adjustments 13
2.7	Closing 14
ARTICLE 3	REPRESENTATIONS AND WARRANTIES OF THE SELLER AND THE SHAREHOLDER 14
3.1	Corporate Status 15
3.2	No Options 15
3.3	Entity Action 15
3.4	No Defaults 15
3.5	Contracts, Leases, Agreements and Other Commitments 15
3.6	Breach 16
3.7	Financial Information 16
3.8	Liabilities 16
3.9	Taxes 17
3.10	Licenses 17
3.11	Additional FCC Matters 18
3.12	Owned Real Property 19
3.13	Business Operations 19
3.14	Approvals and Consents 19
3.15	Condition of Assets 20
3.16	Leased Real Property 20
3.17	Environmental Matters 21
3.18	Environmental Studies 22
3.19	Compliance with Law and Regulations 22
3.20	Insurance 22
3.21	Labor, Employment Contracts and Benefit Programs 23
3.22	Litigation 23
3.23	Intangible Property 24
3.24	Brokers 24
3.26	Conflicting Interests 24
3.26	Matters Arising After the Interim Balance Sheet Date 24
3.27	FAA Compliance 25
3.29	Coverage 25
3.30	Bankruptcy 25
3.31	Disclosure 25

ARTICLE 4	REPRESENTATIONS AND WARRANTIES OF THE BUYER	26
4.1	Qualification as a Broadcast Licensee	26
4.2	Status	26
4.3	No Defaults.....	26
4.4	Entity Action.....	26
4.5	Brokers	27
4.6	Full Disclosure.....	27
4.7	Certain Matters Relating to Affiliation Agreement.....	27
ARTICLE 5	COVENANTS OF THE SELLER AND THE SHAREHOLDER PENDING THE CLOSING.....	27
5.1	Operations of the Business	27
5.2	Prohibited Actions	29
5.3	No Distributions or Payments	30
5.4	Access to Facilities, Files and Records.....	30
5.5	Representations and Warranties	30
5.6	Consents	31
5.7	Notice of Proceedings	31
5.8	Consummation of Agreement	31
5.9	Application for FCC Consents	31
5.10	Title to Real Property.....	32
5.11	Publicity.....	32
5.12	Exclusivity.....	32
5.13	Construction Permit	32
5.14	Environmental Matters.....	34
5.15	Confidentiality.....	35
5.16	M-72 Real Property Subdivision.....	35
5.17	Payment of Certain Items, Transfers and Remedial such Payments.....	35
ARTICLE 6	COVENANTS OF THE BUYER PENDING THE CLOSING	37
6.1	Consummation of Agreement	37
6.2	Notice of Proceedings	37
6.3	Contracts Not to be Assumed.....	37
6.4	Confidentiality.....	37
ARTICLE 7	CONDITIONS TO THE OBLIGATIONS OF THE SELLER AND THE SHAREHOLDER	38
7.1	Representations, Warranties and Covenants	38
7.2	Proceedings	38
7.3	Deliveries.....	38
7.4	Authorizations.....	38
7.5	Other Consents.....	38
ARTICLE 8	CONDITIONS TO THE OBLIGATIONS OF THE BUYER	39
8.1	Representations, Warranties and Covenants	39
8.2	Proceedings	40
8.3	Liens Released.....	40
8.4	Deliveries.....	41
8.5	Other Consents.....	41
8.6	Revised Schedules	41

8.7	No Material Change in Business or Assets	41
8.8	Authorizations	41
ARTICLE 9	ITEMS TO BE DELIVERED AT THE CLOSING	41
9.1	Deliveries by the Seller	41
9.2	Deliveries by the Buyer	42
ARTICLE 10	SURVIVAL; INDEMNIFICATION; EMPLOYEES	43
10.1	Survival	43
10.2	Basic Provision	43
10.3	Definition of Deficiencies	44
10.4	Procedures for Establishment of Deficiencies	46
10.5	Payment of Deficiencies	47
10.6	Treatment of Indemnity Payments	47
ARTICLE 11	MISCELLANEOUS	47
11.1	Termination of Agreement	47
11.2	Liabilities on Termination or Breach	48
11.3	Expenses	48
11.4	Remedies Cumulative	48
11.5	Non-Assignable Contracts	48
11.6	Further Assurances	48
11.7	Risk of Loss	49
11.8	Broadcast Transmission Interruption	49
11.9	Employees	49
11.10	Receivables	50
11.11	Choice of Jurisdiction	51
ARTICLE 12	GENERAL PROVISIONS	51
12.1	Successors and Assigns	51
12.2	Amendments; Waivers	51
12.3	Notices	51
12.4	Captions	52
12.5	Governing Law and Choice of Jurisdiction	52
12.6	Entire Agreement	52
12.7	Execution: Counterparts and Facsimile	53
12.8	Gender and Tense	53
12.9	Third-Party Beneficiaries	53
12.10	No Party Deemed Drafter	53
12.11	Bulk Sales Laws	53

LIST OF SCHEDULES AND EXHIBITS

Schedules

K	List of Seller Knowledge Parties
2.1(a)	Tangible Personal Property
2.1(b)	Licenses and Authorizations
2.1(c)	Real Property
2.1(d)	Program License Agreements
2.1(f)	Other Contracts
2.1(g)	Intangible Property
2.1(i)	Affiliation Agreements
2.2	Employee Personal Property
2.3(a)	Security Interests
2.3(e)	Trade Accounts
2.5	Allocation of Purchase Price
3.1	Governing Documents
3.2	Options
3.5	Changes to ABC Affiliation Agreement
3.6	Breaches
3.7	Seller Financial Statements
3.8	Liabilities Not Reflected in Most Recent Balance Sheet
3.11	Grandfathered Operations
3.12(a)	Encumbrances on Owned Real Property
3.12(b)	Liens to be Paid Off at or Before Closing
3.13	Business Operations
3.15	Storage/Backup/Damaged Assets
3.16	Liens to be Paid Prior To Closing
3.17	Environmental Matters
3.18	Environmental Studies on Owned and Leased Real Property
3.19	Notices of Non Compliance with Law
3.20	Insurance
3.21	Collective Bargaining Agreement; Employee Manuals, etc.; List of Employees
3.22	Potential Proceedings and/or Defaults
3.23	Intellectual Property Limitations
3.25	Conflicting Interests
3.26	Matters Occurring Between Date of Most Recent Financial Statements and Signing
3.27	Exceptions to FAA Compliance; Tower Inspection Reports
3.28	Carriage by Cable Systems
5.1	Budget
5.2(h)	Requested Changes in Authorizations
5.6	Material Consents
5.13(a)	Digital Television Buildout Budget – WGTU
5.13(b)	Digital Television Buildout Budget – WGTQ

Exhibits

- A Earnest Money Escrow Agreement
- B Indemnification Escrow Agreement
- C Non-Competition Agreement
- D-1 Seller's Opinion of Counsel
- D-2 Seller's Opinion of FCC Counsel
- E Buyer's Opinion of Counsel

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (the "Agreement") is entered into as of May 7, 2003, by and among SCANLAN COMMUNICATIONS, INC., a Michigan corporation (the "Seller"), THOMAS SCANLAN (the "Shareholder"), MAX MEDIA OF TRAVERSE CITY LLC, a Virginia limited liability company (the "Company"), and MTC LICENSE LLC, a Virginia limited liability company ("License Sub" and collectively with the Company, the "Buyer").

RECITALS

A. The Shareholder owns all of the issued and outstanding stock of the Seller. The Seller is the licensee of television broadcast stations WGTU(TV), Channel 29, licensed to Traverse City, Michigan ("WGTU") and WGTQ(TV), Channel 8, licensed to Sault Ste. Marie, Michigan ("WGTQ" and together with WGTU, the "Stations"). The Seller operates the Stations pursuant to certain licenses, franchises, authorizations and approvals, including associated broadcast auxiliary and business radio authorizations issued by the Federal Communications Commission ("FCC").

B. The Seller desires to sell, assign and transfer to the Buyer all of the Seller's right, title and interest in and to the Stations, the Authorizations, and all of the assets used or held for use in the operations of the Stations and described in more detail below, and the Buyer desires to purchase from the Seller all of the Seller's right, title and interest in and to the Stations, the Authorizations and all of the assets used or held for use in the operations of the Stations and described in more detail below, all under the terms and conditions described herein. The parties acknowledge that the Authorizations will be transferred to License Sub and all other assets will be transferred to the Company.

C. The Shareholder will personally benefit from the transaction described herein because of his ownership of the stock in the Seller; therefore, he desires to enter into this Agreement on the terms and conditions set forth below to induce the Buyer to purchase the assets of the Seller.

NOW, THEREFORE, in consideration of the premises and the mutual promises, representations, warranties and covenants herein contained, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE 1 DEFINITIONS

"Affiliate" of any Person means (a) any Person that owns or controls, is owned or controlled by, or under common control with, such Person, (b) any Person that is an officer, director, member, general partner or trustee of, or serves in a similar capacity with the specified Person, or for which the specified Person is an officer, director, member, general partner or trustee, or serves in a similar capacity or (c) any member of the immediate family of the specified Person.

"ABC" means the American Broadcasting Company, Inc.

“ABC Affiliation Agreement” means the ABC Primary Television Affiliation Agreement between the Seller and ABC dated February 8, 1995, as amended by a side letter amendment dated June 30, 1999 and by a second amendment dated October 10, 2002.

“Affiliation Agreements” has the meaning set forth in Section 2.1(i).

“Assets” has the meaning set forth in Section 2.1.

“Assumed Employees” has the meaning as set forth in Section 11.9.

“Assumed Liabilities” has the meaning set forth in Section 2.3(b).

“Authorizations” has the meaning set forth in Section 3.10.

“Bahamas Promotion” has the meaning set forth in Section 5.1(a).

“Buyer Indemnitees” has the meaning set forth in Section 10.2(a).

“Claims” has the meaning set forth in Section 2.1(k).

“Closing” has the meaning set forth in Section 2.7.

“Closing Date” has the meaning set forth in Section 2.7.

“COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985.

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

“Contest Notice” has the meaning set forth in Section 10.4(b).

“Contract” means any currently enforceable agreement, arrangement, commitment or understanding, written or oral, relating to the operation of the Stations, to which the Seller is a party or is bound, including, without limitation, orders and agreements for the sale of advertising, leases for Leased Real Property and Tangible Personal Property, Program License Agreements and Affiliation Agreements.

“Contract Schedules” has the meaning set forth in Section 2.1(f).

“Defects” has the meaning set forth in Section 8.1(c)

“Deficiencies” has the meaning set forth in Section 10.3.

“Disclosure Schedule” has the meaning set forth in Article 3.

“Duplicate Records” has the meaning set forth in Section 2.1(j).

“Earnest Money Escrow Agreement” has the meaning set forth in Section 2.4.

“Earnest Money Escrow Deposit ” has the meaning set forth in Section 2.4.

“Effective Time” has the meaning set forth in Section 2.6(a).

“Employee Welfare Benefit Plan” has the meaning set forth in ERISA §3(1).

“Environmental Laws” has the meaning set forth in Section 3.17.

“Environmental Permits” has the meaning set forth in Section 3.17.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Escrow Agent” has the meaning set forth in Section 2.4.

“Excluded Assets” has the meaning set forth in Section 2.2.

“FCC” has the meaning set forth in Recital A.

“FCC Order” means the order of the FCC consenting to the assignment of all Authorizations to the Buyer, subject to the Waiver, without any conditions that would restrict, limit, increase the cost or burden of or otherwise adversely affect or impair, in any material respect, the right of the Seller or the Buyer to the ownership, use, control, enjoyment or operation of the Stations or the proceeds therefrom; *provided, however*, that any condition that requires that the Stations be operated in accordance with conditions similar to and not more adverse than those contained in the present Authorizations issued for operation of the Stations, shall not be applicable.

“Final” means an order of a governmental authority, or the failure of a governmental authority to act when required by law to prevent a proposed action, which creates rights (i) which are effective, (ii) with respect to which no appeal, request for stay, request for reconsideration or other request for review is pending, (iii) with respect to which the time for appeal, requesting a stay, requesting reconsideration or requesting other review has expired, and (iv) for which the time for the FCC to reconsider its order on its own motion has passed.

“Final Closing Date” has the meaning set forth in Section 11.1.

“Financial Statement” has the meaning set forth in Section 3.7(a).

“GAAP” means United States generally accepted accounting principles as in effect from time to time.

“Government Agency” has the meaning as set forth in Section 3.11(a).

“Governing Documents” has the meaning set forth in Section 3.1.

“Income Tax” means any federal, state, local, or foreign income tax, including any interest, penalty, or addition thereto, whether disputed or not.

“Indemnification Escrow Agreement” has the meaning set forth in Section 2.5(b).

“Indemnification Escrow Amount” has the meaning set forth in Section 2.5(b).

“Indemnifying Party” has the meaning set forth in Section 10.2.

“Indemnitees” has the meaning set forth in Section 10.4(a).

“Intangible Property” has the meaning set forth in Section 2.1(g).

“Interim Balance Sheet” has the meaning set forth in Section 3.7.

“IRS” means the Internal Revenue Service.

“Knowledge” means, with respect to Seller, actual knowledge of the Shareholder after due inquiry of Seller’s sales manager, director of engineering, general manager/chief operating officer and president (the identities of such officers, as of the date hereof, are specified on Schedule K) after due examination of any documents, correspondence or other items contained in the files or properties of the Seller pertaining to such subject matter.

“Latest Balance Sheet Date” has the meaning set forth in Section 3.8.

“Leased Real Property” has the meaning set forth in Section 2.1(c).

“Legal Expenses” shall mean any and all fees (whether of attorneys, accountants or other professionals), costs and expenses of any kind reasonably incurred by any Person identified herein and its counsel in investigating, preparing for, defending against, or providing evidence, producing documents or taking other action with respect to any threatened or asserted claim.

“Losses” has the meaning set forth in Section 8.1(c)(i).

“Material Consent” has the meaning set forth in Section 5.6.

“Multiemployer Plan” has the meaning set forth in ERISA §3(37).

“NMR Lease” means that certain Lease by and between Seller and Northern Michigan Radio, Inc. dated as of October 3, 1996.

“Option Agreement” means that certain Option Agreement by and between Seller and Northern Michigan Radio, Inc. dated as of October 3, 1996.

“Ordinary Course of Business” means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

“OSHA” means the Occupational Safety and Health Act, 29 U.S.C. §§ 651 *et seq.*, any amendment thereto, any successor statute, and any regulations promulgated thereunder.

“Owned Improvements” has the meaning set forth in Section 3.16(b).

“Owned Real Property” has the meaning set forth in Section 2.1(c).

“M-72 Real Property” means the Transferred M-72 Real Property and the Retained M-72 Real Property.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

“Permitted Encumbrances” has the meaning set forth in Section 2.3(a).

“Permitted Title Exceptions” has the meaning set forth in Section 3.12.

“Pre-Closing Tax Period” means all taxable periods ending on or before the Closing Date and the portion of any taxable period ending on the Closing that includes but does not end on the Closing Date.

“Program License Agreements” has the meaning set forth in Section 2.1(d).

“Purchase Price” has the meaning set forth in Section 2.5(a).

“Real Property Leases” has the meaning set forth in Section 3.16(a).

“Receivables” has the meaning set forth in Section 2.2(g).

“Representatives” has the meaning set forth in Section 5.4(b).

“Retained M-72 Real Property” means all that certain real property owned by Seller located on Highway M-72 in Grand Traverse County, Michigan Section 6, Town 72 North, Range 11 West and more particularly described as the west 696.62 feet of Government Lot 2, except the North 1091 feet of the East 630.62 feet of the West 696.62 feet of said Lot 2; plus that portion of the South ½ of the Northeast ¼ of Section 6, lying North and West of the centerline of old Benzonia State Road; excluding, in all respects, the Transferred M-72 Real Property.

“Returns” has the meaning set forth in Section 3.9(b).

“Security Interest” has the meaning set forth in Section 2.3(a).

“Seller Indemnitees” has the meaning set forth in Section 10.2(b).

“Stations” has the meaning set forth in the Recitals.

“Station Benefit Plan” has the meaning set forth in Section 2.2(a).

“Subsidiary” means any corporation, partnership, limited liability company or other legal entity with respect to which a specified Person (or a Subsidiary thereof) owns a majority of the common stock, partnership interests, membership interests or other entity interests or has the power to vote or direct the voting of sufficient securities to elect a majority of the directors, managers or general partners.

“Superior Claims” has the meaning set forth in Section 10.1.

“Tangible Personal Property” has the meaning set forth in Section 2.1(a).

“Taxes” means any federal, state, local and foreign taxes, net or gross income, gross receipts, sales, use, transfer, franchise, employment, payroll, withholding, excise, assessment, levy, capital, stamp, personal property, real property, social security, unemployment, disability, registration, value added, estimated, alternatives or add-on minimum taxes, or any other similar taxes, together with any interest and any penalties or additions thereto.

“Title Search” has the meaning set forth in Section 5.10.

“Trade Accounts” has the meaning set forth in Section 2.3(e).

“Transferred M-72 Real Property” means that certain real property described as the “Property” in the Option Agreement.

“Value of Trades” has the meaning set forth in Section 2.3(e).

“Waiver” means the waiver of the FCC’s rules to be requested by Buyer to allow it to operate television station WGTQ(TV) Sault Ste. Marie, Michigan as a satellite of television station WGTU(TV) Traverse City, Michigan without a main studio.

ARTICLE 2 PURCHASE AND SALE OF PROPERTIES AND ASSETS

2.1 Assets. The Seller agrees to sell and the Buyer agrees to purchase all properties and assets, real, personal and mixed, tangible and intangible, of every type and description, wherever located (except for Excluded Assets) that are owned or leased by the Seller and used or held for use in the operation of the Stations, including, without limitation, the property and assets (except the Excluded Assets) which are acquired between the date hereof and the Closing Date and are used or held for use in the operation of the Stations (collectively, the “Assets”). Without limiting the foregoing, the Assets shall include the following, except to the extent that any of the following are included within the Excluded Assets:

(a) Tangible Personal Property. All equipment, electrical devices, antennae, cables, tower equipment, distribution systems, amplifiers, microwave equipment, converters, testing equipment, computers and computer equipment, furniture, fixtures, office materials and supplies, hardware, tools, spare parts, vehicles, towers, software, prize inventory and other tangible personal property owned or leased by the Seller on the date hereof, including, without limitation the tangible personal property described on attached Schedule 2.1(a), together with any additions, modifications, alterations or improvements between the date of this Agreement and the Closing Date (collectively, the “Tangible Personal Property”). None of the equipment listed on Schedule 2.1(a) is currently subject to any capital equipment leases.

(b) Licenses and Authorizations. All rights in and to the Authorizations issued to the Seller or any Affiliate of the Seller, including, without limitation, all rights in and to the call letters WGTU and WGTQ and all of those Authorizations listed and described on attached Schedule 2.1(b), including without limitation, all amendments and all applications therefor, together with any renewals, extensions or modifications thereof and additions thereto and all public inspection files and other required records of the Seller, including, without limitation, those required by the FCC.

(c) Real Property. All real property and any interests therein, including, without limitation, land, easements, air rights, rights of way and fee ownership, buildings, towers, guy wires, anchors, structures, fixtures and improvements owned by the Seller and used or held for use in the operation of the Stations (the “Owned Real Property”) as listed and described on Schedule 2.1(c) and the Seller’s interests in the leases, licenses, leased rights of way and other interests of every kind and description (the “Leased Real Property”) in and to all of the real property, towers, buildings and improvements thereon, leased by the Seller as of the date hereof, as listed and described on Schedule 2.1(c), and any additions, improvements and alterations thereto made between the date of this Agreement and the Closing Date owned by the Seller (the Owned Real Property and the Leased Real Property, collectively, the “Real Property”).

(d) Program License Agreements. All program license agreements and rights to broadcast programs and films, whether for cash or barter (the “Program License Agreements”), held by the Seller as of the date hereof, as listed and described on Schedule 2.1(d), together with all Program License Agreements that have been or will have been entered into in the Ordinary Course of Business of the Stations between the date of this Agreement and the Closing Date, except those entered into after the execution of this Agreement which the Buyer elects not to assume pursuant to Section 6.3; *provided, however*, the Buyer is under no obligation to assume any liability under any Program License Agreement existing as of the date of this Agreement that is not listed and described on Schedule 2.1(d).

(e) Agreements for Sale of Time. All orders and agreements now existing, or entered into in the Ordinary Course of Business between the date hereof and the Closing Date for the sale of advertising time on the Stations (including Trade Accounts to the extent provided in Section 2.3(e) below), except those which on the Closing Date have already been filled or have expired.

(f) Other Contracts. The Seller’s interest in all Contracts in connection with the business and operations of the Stations, together with Seller’s interest in all Contracts that

have been or will have been entered into in the Ordinary Course of Business of the Stations between the date of this Agreement and the Closing Date, except those entered into after the execution of this Agreement which Buyer elects not to assume pursuant to Section 6.3; *provided, however*, the Buyer is under no obligation to assume any liability under any Contract existing as of the date of this Agreement which is not listed and described on Schedules 2.1(d), 2.1(f), 2.1(g) or 2.1(i) (collectively, the “Contract Schedules”) or described in Section 2.1(e) or which Buyer elects not to assume pursuant to Section 6.3.

(g) Intangible Property. All trademarks, trade names, call letters, service marks, franchises, patents, jingles, slogans, logotypes, software licenses, domain names, websites (including www.wgtu.com) and other intangible rights, owned or licensed and used or held for use by the Seller as of the date of this Agreement, including, without limitation, all of those listed and described on attached Schedule 2.1(g), and those acquired by the Seller between the date hereof and the Closing Date (collectively, the “Intangible Property”).

(h) Programming and Copyrights. All programs and programming materials and elements of whatever form or nature which have been created or produced by the Seller as of the date of this Agreement, whether recorded on tape or any other substance or intended for live performance, and whether completed or in production, and all related common law and statutory copyrights owned by or licensed or sublicensed to the Seller, together with all such programs, materials, elements and copyrights acquired by the Seller between the date hereof and the Closing Date.

(i) Network Affiliation Agreements. Any and all of the Stations’ network affiliation agreements, including, but not limited to, the ABC Affiliation Agreement (collectively, the “Affiliation Agreements”), true copies of which with all amendments are attached to Schedule 2.1(i).

(j) Files and Records. All files and other records of the Seller relating to the Stations and the Assets (other than duplicate copies of such files, hereinafter “Duplicate Records”) including, without limitation, all books, files, correspondence, studies, reports, projections, schematics, blueprints, engineering data, customer lists, reports, specifications, signal and program carriage, projections, statistics, creative materials, mats, plates, negatives and other advertising, marketing or related materials, dealings with governmental authorities (including all reports filed by or on behalf of the Seller with the FCC and statements of account filed by or on behalf of the Seller with the U.S. Copyright Office) and all other business, technical and financial information regardless of the media on which stored.

(k) Claims. Except the Receivables, any and all of the Seller’s claims and rights against third parties to the extent related to the Stations, including, without limitation, all rights under manufacturers’ and vendors’ warranties, and all deposits, refunds, rights to recovery and rights of setoff and recoupment (collectively, the “Claims”).

(l) Prepaid Items. All prepaid expenses and rent, utility and other deposits held by third parties to the extent related to the operation of the Stations in respect of which, and only to the extent that, an adjustment is made to the Purchase Price in favor of Seller pursuant to Section 2.6.

(m) Goodwill. All of the Seller's and the Shareholder's goodwill in, and going concern value of, the Stations.

(n) Franchises, Permits. All franchises, approvals, licenses, orders, registrations, certificates, variances and similar rights obtained from governments and governmental agencies used or held for use in the operation of the Stations.

(o) Prepaid Taxes. All prepaid *ad valorem* and property taxes in respect of which, and only to the extent that, an adjustment is made to the Purchase Price in favor of Seller pursuant to Section 2.6.

2.2 Excluded Assets. The following assets of the Seller, to the extent in existence on the Closing Date (collectively, the "Excluded Assets"), shall be retained by the Seller or transferred to the Shareholder:

(a) Certain Assets. Pension, 401(k), profit sharing and savings plans and trusts and any other Employee Benefit Plan within the meaning of Section 3(3) of ERISA and any assets thereof (the "Station Benefit Plan").

(b) Corporate Records. The minute books, stock books, shareholder lists and similar corporate records of the Seller.

(c) Tax Returns. All tax returns and supporting materials, all original financial statements and supporting materials and all related books and records that Seller is required by law to retain.

(d) Tax Refunds. All rights to receive refunds and credits with respect to any and all Taxes that relate are allocable to Pre-Closing Tax Periods, except to the extent an adjustment for such amount is made to the Purchase Price in favor of Seller pursuant to Section 2.6.

(e) Employee Personal Property. Any personal property which is listed on Schedule 2.2 and located at the Seller's offices but owned by any employee of the Seller.

(f) Cash and Investments. All of the Seller's or Seller's cash on hand or in bank accounts and any other cash equivalents including, without limitation, certificates of deposit, commercial paper, treasury bills, or money market accounts.

(g) Receivables. Except as provided otherwise in Section 2.3(e) and subject to Section 11.10, all receivables of the Seller accrued through the Effective Time (the "Receivables").

(h) Certain Real Property. The Retained M-72 Real Property.

(i) Security Deposits. Any cash security deposit provided by Seller and held by a third party pursuant to any agreement included within the Contracts in respect of which, and only to the extent that, an adjustment is made to the Purchase Price in favor of Seller pursuant to Section 2.6.

(j) Claims. Actions, deposits, prepayments, refunds, causes of action, choses in action, rights of recovery, rights of set off, and rights of recoupment of any kind or nature (including any income taxes that relate to the sale of the Assets) other than as provided in Section 2.1(k).

(k) Insurance Refunds. Refunds paid or payable in connection with the cancellation or discontinuance of any insurance policies applicable to the Stations.

(l) Rights under Transaction Documents. All rights of the Seller under this Agreement, any agreement, certificate, instrument or other document executed and delivered by the Seller in connection with the transactions contemplated hereby, or any side agreement between the Seller and the Buyer entered into on or after the date of this Agreement.

(m) Specific Exclusions. Those Assets listed on Schedule 2.2 hereto.

2.3 Liabilities.

(a) Security Interests. The Assets shall be sold and conveyed to the Buyer free and clear of all mortgages, liens, deeds of trust, security interests, pledges, options, restrictions, prior assignments, charges, claims, defects in title and encumbrances of any kind or type whatsoever (collectively, the “Security Interests”) except for: (i) the Security Interests disclosed on Schedule 2.3(a), all of which will be paid in full and released at or before Closing; (ii) liens for taxes, other than state, federal or local income taxes and other taxes of the Seller that do not relate to the Assets or which are not yet due and payable, accruing before the Effective Time, (iii) the obligations of the Seller arising after the Effective Time which the Buyer has agreed to assume under the Contracts as described in Section 2.3(b); and (iv) the Permitted Title Exceptions. The Security Interests referred to in the foregoing clauses (i)-(iv) are collectively referred to herein as “Permitted Encumbrances.”

(b) Assumed Liabilities. Except as otherwise provided herein and subject to the terms and conditions of this Agreement, simultaneously with the sale, transfer, conveyance and assignment to the Buyer of the Assets, the Buyer shall assume, and hereby agrees to perform and discharge when due all liabilities and obligations arising or to be performed after the Closing Date under the Contracts that are effectively assigned and transferred to the Buyer including any Contracts the benefits and burdens of which are assigned to the Buyer under Section 11.5 (collectively, the “Assumed Liabilities”).

(c) Excluded Liabilities. The Buyer shall not assume or be liable for, and does not undertake or attempt to assume or discharge any obligation of the Seller, other than the Assumed Liabilities, specifically including but not limited to:

(i) any liability or obligation of the Seller arising out of any contract not assumed by the Buyer under Sections 2.3(b), 6.3 or 11.5 and any liability arising under Contracts before the Effective Time, except to the extent an adjustment to the Purchase Price in favor of Buyer is made pursuant to Section 2.6;

(ii) any liability or obligation of the Seller arising out of or relating to any pension, 401(k), employee benefit, retirement or profit sharing plan or trust, insurance policy, or vacation and sick days but with respect to such days, except to the extent included in the Closing pro rations, and benefits of any employee of the Seller (except for those benefits provided in Section 11.9 and any other benefits accruing to the Assumed Employees on or after the Closing Date);

(iii) for any compensation accrued at or before the Effective Time, Seller's obligations under the Deferred Compensation and Phantom Stock Agreements referenced in Schedule 3.21 or any severance pay or similar obligations incurred by Seller to any employee or independent contractor of the Seller and any related payroll tax or other liability associated with compensation earned on or prior to Closing, payments under said Deferred Compensation and Phantom Stock Agreements, or any severance pay or similar obligations incurred by Seller, except to the extent an adjustment to the Purchase Price in favor of Buyer is made pursuant to Section 2.6;

(iv) any liability or obligation of the Shareholder or the Seller arising out of or relating to any litigation, proceeding or claim by any Person relating to the Shareholder, the Seller, the Stations or the Assets before the Effective Time, whether such litigation, proceeding or claim is pending, threatened or asserted before, on or after the Closing Date; and

(v) except to the extent an adjustment to the Purchase Price in favor of Buyer is made pursuant to Section 2.6, any and all other liabilities, obligations, debts or commitments of the Shareholder or the Seller whatsoever, whether accrued now or hereafter, whether fixed or contingent, whether known or unknown, or any claims asserted against the Shareholder, the Seller, any employee of the Seller, the Stations or any of the Assets or other items owned by the Seller at the Effective Time and in each such case relating to any event (whether act or omission) before the Effective Time, including, without limitation, Seller's obligation to pay Taxes, including, without limitation, any taxes due upon liquidation of the Seller by the Seller or the sale of the Assets by the Seller (except sales Taxes and other Taxes Buyer is obligated to pay under Section 11.3), and any other corporate, income, real estate (including real estate taxes retroactively imposed relating to the period before Closing resulting from (i) the subdivision of the M-72 Real Property or (ii) the transfer of the Owned Real Property in accordance with this Agreement at Closing) franchise, sales, use, business and occupation taxes and real estate taxes.

(d) Retained Obligations of the Seller.

(i) The Seller and the Shareholder retain and shall hereafter pay, satisfy, discharge, perform and fulfill all such obligations and liabilities not expressly assumed by Buyer hereunder, including, without limitation those described in Section 2.3(c) (the "Excluded Liabilities"), as they become due, without any charge or cost to the Buyer. The Seller and the Shareholder agree to indemnify and hold the Buyer and its successors and assigns harmless from and against any and all such liabilities in accordance with the terms of Article 10 below.

(ii) The Buyer shall assume and, after the Effective Time, pay, satisfy, discharge, perform and fulfill all Assumed Liabilities, as they become due, without any

charge or cost to the Seller. The Buyer agrees to indemnify and hold the Seller and its successors and assigns harmless from and against any and all such liabilities in accordance with the terms of Article 10 below.

(e) Trade Accounts. The Seller's trade and barter accounts, trade contracts and trade commitments receivable and payable (the "Trade Accounts") are listed in detail on Schedule 2.3(e), which lists the Seller's gross dollar obligations to provide airtime by advertiser and the gross airtime assets available to the Seller as of February 2003. The Buyer acknowledges that the Seller may run out any negative balance in its Trade Accounts before Closing and Buyer agrees that any such running out of negative balances will be considered to be conducted in the Ordinary Course of Business. The Seller will transfer all Trade Accounts to the Buyer at the Closing, effective as of the Effective Time, and the Buyer shall assume the Trade Accounts; *provided, however*, if the aggregate airtime liability of the Trade Accounts to be assumed by the Buyer at Closing exceeds the value of goods and services to be received by the Stations as of the Effective Time ("Value of Trades") all as determined in accordance with generally accepted accounting principles, then the excess Trade Accounts shall appear as a debit to Seller in the closing pro rations in accordance with Section 2.6(a); *provided, further*, all such Trade Accounts assumed by the Buyer shall be subject to preemption for cash advertising.

2.4 Earnest Money Escrow Agreement and Deposit. On execution of this Agreement, Buyer shall deliver to Lawyer's Title Insurance Corporation (the "Escrow Agent") the sum of \$387,500.00 in cash (the "Earnest Money Escrow Deposit"). The Earnest Money Escrow Deposit shall be held by the Escrow Agent in accordance with the terms of an earnest money escrow agreement dated the date of this Agreement in the form of attached Exhibit A (the "Earnest Money Escrow Agreement"). At the Closing, \$200,000.00 of the Earnest Money Escrow Deposit will be retained by Escrow Agent pursuant to Section 2.5(b) and the entire Earnest Money Escrow Deposit shall be credited dollar-for-dollar against the Purchase Price. Any and all interest relating to the Earnest Money Escrow Deposit accrued prior to Closing shall be paid to the Buyer and all interest relating to the Indemnification Escrow Deposit accrued after Closing will be paid to the Seller. If the Closing does not take place in accordance with the terms of this Agreement, then the Earnest Money Escrow Deposit will be delivered to the Seller or the Buyer in accordance with the terms and conditions set forth in Section 11.1.

2.5 Purchase Price, Payment, and Allocation

(a) Purchase Price. The aggregate purchase price to be paid for the Assets will be \$7,750,000.00 as adjusted by Section 2.6 and Section 5.13 (the "Purchase Price").

(b) Method of Payment. The Earnest Money Escrow Agreement shall be terminated and \$200,000.00 of the Earnest Money Escrow Deposit shall be retained by the Escrow Agent (thereafter, the "Indemnification Escrow Amount") for a period of fifteen (15) months following Closing pursuant to the Indemnification Escrow Agreement in the form of attached Exhibit B ("Indemnification Escrow Agreement") which shall be executed by the Seller, the Buyer and the Escrow Agent at the Closing. The balance of the Purchase Price shall be paid to the Seller by the Buyer at Closing by wire transfer pursuant to the instructions of the Seller, which instructions shall be delivered to the Buyer at least two days before the Closing.

(c) Allocation of Purchase Price. The Buyer and the Seller agree that the Purchase Price shall be allocated among the Assets and the Non-Competition Agreement in the manner agreed to by the Parties prior to Closing in accordance with this Section 2.5. The asset allocation agreed to by the parties pursuant to this Section 2.5 shall be referred to as the "Allocation." The parties agree to negotiate a mutually satisfactory Allocation within sixty (60) business days of the date hereof; *provided, however*, that if the parties are unable to agree upon mutually satisfactory Allocation within that time period, then the Allocation shall be determined in accordance with an appraisal performed prior to Closing by either BIA or Bond and Pecaro, the fees for which shall be paid by Buyer. Such allocation shall be attached to this Agreement as Schedule 2.5. The Seller and the Buyer agree (i) to jointly complete IRS Form 8594 in the manner required by Section 1060 of the Code, the regulations thereunder and the Allocation, and to separately file such IRS Form 8594 with its federal income tax return for the tax year in which the Closing occurs and (ii) that neither Seller nor Buyer will take a position on any Tax Return inconsistent with the Allocation without the written consent of the other party; *provided, however*, that nothing contained herein shall prevent Buyer or Seller from settling any proposed deficiency or adjustment by any taxing authority based upon or arising out of the Allocation, and neither Buyer nor Seller shall be required to litigate before any court, any proposed deficiency or adjustment by any taxing authority challenging such Allocation. Notwithstanding anything to the contrary in this Agreement, the provisions of this Section 2.5 shall survive the Closing.

2.6 Adjustments.

(a) General Rule. The operation of the Stations and the income and normal operating expenses attributable thereto through 12:00:00 a.m. (Eastern Standard Time) on the calendar day immediately following the Closing Date (the "Effective Time") shall be for the account of the Seller and thereafter for the account of the Buyer and, if any income or expense is properly allocable or credited, then it shall be allocated, charged or prorated accordingly. Expenses for goods or services received both before and after the Effective Time, power and utilities charges, frequency discounts, insurance premiums for any insurance policies being assigned to the Buyer, prepaid cash, time sales agreements, excess Value of Trades pursuant to Section 2.3(e), commissions, wages, vacation or sick days, *ad valorem*, payroll and property Taxes and rents and similar prepaid and deferred items (including, without limitation, accruals and deferrals under Contracts, Program License Agreements and Affiliation Agreements) shall be prorated between the Seller and the Buyer as of the Effective Time (except that this Section will not apply to Accounts Receivable which will be collected and distributed in accordance with Section 11.10). At Closing, the parties shall make all known prorations and estimate any remaining prorations. All special assessments and similar charges or liens imposed against any of the Assets in respect of any period of time through the Effective Time, whether payable in installments or otherwise, shall be the responsibility of the Seller and amounts payable with respect to such special assessments, charges or liens in respect of any period of time after the Effective Time shall be the responsibility of the Buyer and such charges shall be adjusted as required hereunder. Notwithstanding the foregoing, at Closing the Parties will prorate the costs of the Bahamas Promotion stipulated at \$3,000.00 per trip. The allocation of such costs to Seller shall be based on the percentage of 2003 revenues earned by Seller from each advertiser through the Closing Date as a percentage of targeted 2003 revenues set forth in each Bahamas Promotion Agreement, as determined by the Parties in their reasonable discretion. If any costs are allocated to Seller under the preceding sentence, with respect to an

advertiser, but such advertiser does not earn the Bahamas Promotion, the Buyer shall refund the amount allocated to Seller with respect to such advertiser.

(b) Adjustment Schedule. The Buyer will prepare and deliver to the Seller within 90 days after the Closing Date a report computing the details of the determination, in accordance with the provisions of Section 2.6(a), of the final prorations as compared to the estimated prorations made at Closing. Within 30 days after receiving the report, the Seller will provide the Buyer with any objections to the computations. If the Seller has no objections, the party obligated to make payment under the report will do so within five days after the expiration of the 30-day period. Any disagreement which cannot be resolved by the parties within 30 days will be resolved by the Seller and the Buyer each selecting a certified public accountant knowledgeable in the broadcast industry to resolve the dispute. If these two accountants cannot resolve the dispute within 30 days after submission to them, then the two accountants shall select a third certified public accountant knowledgeable in the broadcast industry and the agreement of two of the three accountants shall be binding on the parties and subject to judicial enforcement. Each party shall bear the costs of its own accountant and one-half of the cost of the third accountant.

2.7 Closing. The consummation of the transactions provided for in this Agreement (the "Closing") shall take place by the facsimile transfer of executed signature pages to the Parties' respective counsel at the numbers specified herein (and the previous delivery of original executed deeds to Lawyers Title Insurance Corporation for recording), followed by the exchange of all other originals by Federal Express and the wire transfer of immediately available funds pursuant to instructions to be provided by Seller at (a) 11:00 a.m. on the date which is mutually set by the Seller and the Buyer and occurs within five days after the FCC Order becomes Final and all conditions to Closing set forth in Articles 7 and 8 have been satisfied, or (b) if the Buyer waives the finality of the FCC Order, such place, time or date as the parties may agree on in writing, within five days after the satisfaction of all conditions to Closing set forth in Articles 7 and 8. The date on which the Closing is to occur is referred to herein as the "Closing Date."

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE SELLER AND THE SHAREHOLDER

The Shareholder and the Seller, jointly and severally, represent and warrant to the Buyer that the statements contained in this Article 3 are correct and complete as of the date of this Agreement except as set forth in the disclosure schedule delivered by the Seller to the Buyer on the date hereof (the "Disclosure Schedule"). Nothing in a Disclosure Schedule shall be deemed adequate to disclose an exception to a representation or warranty made herein, however, unless the exception reasonably identifies the Disclosure Schedule and the Disclosure Schedule reasonably identifies such exception and the Disclosure Schedule reasonably identifies the relevant facts related thereto. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item in a schedule shall not be deemed adequate to disclose an exception to a representation or warranty made herein (unless the representation or warranty has to do with the existence of the document or other item itself). The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this Article 3.

3.1 Corporate Status. The Seller is a corporation duly organized on July 9, 1993, validly existing and in good standing under the laws of the State of Michigan, and is duly qualified to transact business in Michigan and every state in which the failure to be qualified would have a material adverse effect on the Stations or the Assets. The Seller has the requisite power to carry on its business as it is now being conducted and to own and operate the Stations, and the Seller has the requisite power to enter into and complete the transactions contemplated by this Agreement. The Seller has no business other than the operation of the Stations. Attached as Schedule 3.1 are the Articles of Incorporation and Bylaws and all amendments thereto of the Seller (collectively, the “Governing Documents”).

3.2 No Options. Except as set forth on Schedule 3.2, no Affiliate of the Seller or any other Person has an interest in, or option to acquire, any of the Assets or any property used in the operation of the Stations.

3.3 Entity Action. All actions and proceedings necessary to be taken by or on the part of the Seller and the Shareholder in connection with the performance, execution and delivery of this Agreement have been duly and validly taken and this Agreement has been duly and validly authorized, executed, and delivered by the Seller and the Shareholder and constitutes the legal, valid and binding obligation of the Seller and the Shareholder enforceable against each in accordance with and subject to its terms.

3.4 No Defaults. Neither the execution, delivery and performance by the Seller or the Shareholder of this Agreement nor the consummation by the Seller and the Shareholder 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: (a) violate or conflict with any provision of the Governing Documents of the Seller; (b) assuming that the consents: (i) referred to in Section 5.6, (ii) required in connection with any assignment to the Buyer of the Contracts or (iii) otherwise contemplated by this Agreement are obtained, constitute a violation of, conflict with or result in any breach of or any default under, result in any termination of, or cause any acceleration of any obligation of the Seller under any contract, mortgage, indenture, agreement, lease or other instrument which is not being paid on or before Closing to which the Seller is party or by which it is bound or result in the creation of any Security Interest on the Assets; (c) violate any judgment, decree, order, statute, law, rule or regulation of any court, arbitrator or government or regulatory body applicable to the Seller, the Stations or the Assets; or (d) result in the creation or imposition of any lien, charge or encumbrance (other than Permitted Encumbrances) against the Stations or the Assets.

3.5 Contracts, Leases, Agreements and Other Commitments. Neither the Seller nor any Shareholder is a party to, nor is it bound by, any written or oral contract, agreement, lease, power of attorney, guaranty, surety arrangement or other commitment related to the operation of the Stations, including, but not limited to, any contract or agreement for the purchase or sale of merchandise or for programming or software of the Seller or for the rendition of services, except for the Contracts listed and described on the Contract Schedules. The Seller has listed and described all Contracts on the Contract Schedules and provided to the Buyer or its representatives complete and correct copies of all written Contracts and all amendments, modifications, extensions and renewals thereof and written summaries of all oral Contracts. The Disclosure Schedule specifies those Contracts that require consent to transfer. No material change in any term or provision of any Contract and no change in any term or provision of the ABC Affiliation Agreement (except as

otherwise specified in Schedule 3.5) will occur as a result of the execution, delivery and performance by the Seller or the Shareholder of this Agreement or the acquisition of the Assets by the Buyer or the assignment by the Seller of such Contract to the Buyer.

3.6 Breach. Except as set forth on Schedule 3.6, (i) the Seller is not in violation or breach of any of the terms, conditions or provisions of its Governing Documents, any Program License Agreement, Affiliation Agreement, or other Contract or any indenture, mortgage or deed of trust or other secured debt instrument, court order, judgment, arbitration award or decree relating to or affecting the Stations or the Assets to which the Seller is a party or by which it is bound; (ii) all accrued and currently payable amounts due from the Seller under the Contracts have been paid; and (iii) to Seller's Knowledge, no other party thereto is in default or breach under any of the Contracts.

3.7 Financial Information. Attached to this Agreement as Schedule 3.7 are true and correct copies (collectively, the "Financial Statements") of the unaudited financial statement of the Seller at December 31, 2002, including an unaudited balance sheet as of such date, an unaudited statement of operations, for the period then ended and the unaudited financial statements of the Seller at February 28, 2003, including an unaudited balance sheet as of such date (the "Interim Balance Sheet") and an unaudited statement of operations of the Seller for the period then ended (the "Interim Income Statements," collectively, the Interim Balance Sheets and Income Statements are the "Interim Financial Statements"). The Financial Statements: (a) have been prepared in accordance with GAAP (except for the absence of any audit or review and the absence of footnotes and typical year-end adjustments for the Interim Statements; provided that such adjustments, if included, would not have a material adverse effect on such Interim Statements) and (b) except as disclosed in Schedule 3.7, present fairly the financial position of the Seller as of their respective dates and the results of operations for the periods indicated in accordance with GAAP (except for the absence of any audit or review and the absence of footnotes). No income from the M-72 Real Property is or has been included in the Financial Statements.

3.8 Liabilities. There are no liabilities or obligations of the Seller accruing or arising before the date of this Agreement, whether arising under Contracts, related to tax or non-tax matters, known or unknown as of the date of this Agreement, due or not yet due, liquidated or unliquidated, fixed, contingent or otherwise, including penalty, acceleration or forfeiture clauses in any Contract, that would make the Interim Financial Statements misleading in any material respect (the date of the Interim Balance Sheet is the "Latest Balance Sheet Date") that are not so reflected, except as otherwise listed and described on Schedule 3.8 (the "Additional Liabilities").

3.9 Taxes.

(a) There are no liens for Taxes upon any of the Assets, except for liens for Taxes not yet due and payable. The Seller has, or by the Closing Date will have, paid in full or discharged all Taxes, the nonpayment of which could result in a lien on the Assets in the hands of Buyer, except for such Taxes as will not be due until after the Closing Date. For purposes of this Agreement, in the case of any Taxes relating to the Assets that are imposed on a periodic basis and are allocable to a Taxable period that includes (but does not end on) the Closing Date, the portion of such Tax allocated to the Pre-Closing Tax Period shall, (i) in the case of any Tax based upon the value of property, such as property or *ad valorem* tax, be deemed to be the amount of such Tax for the entire period multiplied by a fraction the numerator of which is the number of days in the period ending on the Closing Date and the denominator of which is the number of days in the entire period, and (ii) in the case of any other Tax, including income, sales or use tax, be deemed equal to the amount which would be payable if the relevant taxable period ended on the Closing Date.

(b) All federal, state and local returns, reports, estimates and other statements (“Returns”) required to have been filed with any jurisdiction with respect to the Seller and the operation of the Stations with respect to any Taxes have been duly and timely filed by the Seller and each such Return correctly reflects the amount of Taxes required to be reported and/or paid.

(c) The Seller has withheld amounts from its employees working in its business in accordance with applicable law. With respect to such employees, the Seller has filed all Returns required to be filed and paid all required Taxes with respect to employee income tax withholding, social security, Medicare and unemployment taxes and other similar taxes and charges, in compliance with the tax withholding provisions of the Code and other applicable federal, state and local laws.

3.10 Licenses. Except as otherwise disclosed on Schedule 2.1(b): (i) the Seller is the holder of all licenses, permits, franchises, authorizations and approvals, including associated broadcast auxiliary authorizations, and authorizations of any governmental or quasi-governmental authority required for the operation of the Stations as currently operated and for the construction of a digital television broadcast facility for each of the Stations (collectively, the “Authorizations”) and all of such licenses, permits and authorizations are listed on Schedule 2.1(b); (ii) the Authorizations constitute all of the licenses and authorizations required under the Communications Act of 1934, as amended (the “Communications Act”), or the current rules, regulations and policies of the FCC for the operation of the Stations as currently operated, and for the construction of a digital television broadcast facility for each of the Stations; (iii) the Authorizations are in full force and effect (or, with respect to the either of the DTV construction permits issued for the Stations, is expired but is the subject of a pending request for extension) and have not been revoked, suspended, canceled, rescinded or terminated and have not expired; (iv) there is not pending or threatened any action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the Authorizations (other than proceedings to amend FCC rules of general applicability) and there is not now issued or outstanding or 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 Seller, the Shareholder or the Stations; (v) the Stations are operating in compliance with the Authorizations,

the Communications Act and the current rules, regulations and policies of the FCC and the ordinances, rules, regulations and policies of the State of Michigan; and (vi) other than the Authorizations, there are no licenses, permits or authorizations of any governmental or quasi-governmental authority required to operate the Stations as currently operated and for the construction of a digital television broadcast facility for each of the Stations.

3.11 Additional Regulatory Matters.

(a) All reports and filings required to be filed with the FCC and any other agency of the Federal, State or local government (“Government Agency”) by the Seller have been timely filed. All such reports and filings are accurate and complete and from the date hereof to the Effective Time will be filed on a timely basis. The Seller maintains appropriate public inspection files at the Stations as required by FCC rules.

(b) No Notices. Neither the Seller nor the Shareholder has any Knowledge and neither has received notice or other communication indicating that it is not in compliance with all requirements of (i) the FCC or the Communications Act or (ii) applicable state and local statutes, regulations and ordinances. Neither the Seller nor the Shareholder has any Knowledge and neither has received any notice or communication, formal or informal, indicating that the FCC, or any other Government Agency is considering revoking, suspending, adversely modifying, canceling, rescinding or terminating any Authorization. The Stations’ digital television construction permits are the subject of granted requests to the FCC for additional time in which to complete construction, but the time for reconsideration or review of the granted requests has not passed.

(c) RF Radiation. The operation of the Stations does not cause or result in exposure of workers or the general public to levels of radio frequency radiation in violation of FCC rule Section 1.310 or FCC OST/OET Bulletin Number 65. Renewal of the Authorizations issued by the FCC would not constitute a “major action” within the meaning of Section 1.1301, *et seq.*, of the FCC’s rules.

(d) Children’s Rules. The Seller has complied with all FCC rules, regulations and policies concerning children’s programming and the Seller has not exceeded the limitations on program length commercials or the number of minutes of commercials in any children’s program aired on the Stations.

(e) Affiliation Agreements. The Affiliation Agreements attached to Schedule 2.1(i) to this Agreement are in full force and effect and neither the Shareholder nor the Seller has received any notice of any intent or desire of ABC to change the terms of, terminate or not renew such Agreements.

(f) No Grandfathered Operations. Except as set forth on Schedule 3.11, none of the individual or collective operations of the Stations or the build out or subsequent operation of digital television or any other FCC authorized facility operated by the Seller would, if conducted or built out (or subsequently operated) by the Buyer after the Closing, violate the Communications Act, FCC rules, any law or regulation binding on the operator thereof, or would

require any waiver of any FCC rule for the Buyer to continue such operation or operations after the Closing.

3.12 Owned Real Property. Schedule 2.1(c) contains a complete and accurate list, as of the date thereof, of all Owned Real Property used in the operation of the Stations and the conduct of the Seller's businesses. Except as provided below, all of the Owned Real Property, and the improvements located on the Owned Real Property, are in good operating condition and repair, reasonable wear and tear excepted, have been maintained in accordance with industry standards and are adequate for their intended use; provided that Seller provides no representation under this sentence for any Owned Real Property listed on Schedule 3.15 it being understood and agreed that any representation and warranty with respect to the physical condition of such items will be set forth in Section 3.15(c). There are no condemnation or eminent domain proceedings pending or, to the Seller's or the Shareholder's Knowledge, threatened against the Owned Real Property, the Seller has not received any notice of any condemnation or eminent domain proceedings against the Owned Real Property. The Seller has good, marketable and insurable fee simple title to the Owned Real Property, free and clear of all liens, claims, charges, options, rights of tenants or other encumbrances of any nature whatsoever except for: (i) current real estate taxes not yet due and payable (including, without limitation, those listed on Schedule 3.12(a)) but which shall be subject to the Closing prorations pursuant to Section 2.6; (ii) easements, rights-of-way, zoning restrictions and other restrictions or encumbrances listed on Schedule 3.12(a) that do not materially adversely affect such property, Seller's present or future intended use or its marketability; (iii) encumbrances or title defects listed on Schedule 3.12(a) and Schedule 3.12(b); provided that the liens listed in Schedule 3.12(b) which secure the Seller's indebtedness to third parties and the taxes described in Schedule 3.19 shall be paid in full and satisfied at or before Closing; and (iv) such other matters as the Buyer may approve in writing ("Permitted Title Exceptions"). No improvements or other Assets are located on the Transferred M-72 Real Property other than the tower and accompanying equipment building owned by Northern Michigan Radio, Inc. No improvements used or useful in the operation of the Stations or other Assets are located on the Retained M-72 Real Property, except for an antennas and feedline on a microwave tower and related electronic and other equipment located within the building and on the tower on the Retained M-72 Real Property and used in the operation of the Stations (including, without limitation, certain relay equipment located on such tower and within such building).

3.13 Business Operations. Except as set forth on Schedule 3.13, (i) the only business the Seller has conducted since its formation is the operation of the Stations and (ii) the Seller has never engaged in the business of selling goods from inventory, of leasing tangible personal property or of developing, selling, licensing or sublicensing software, software licenses or any other Intangible Property. Schedule 3.13 lists all business addresses, trade names and names of predecessor entities used by the Seller since January 1, 1996. The Seller has not been a party to a merger, consolidation, liquidation, recapitalization or other business combination since January 1, 1996.

3.14 Approvals and Consents. All approvals under the Contracts involving a Material Consent or with the FCC are material to the consummation of the transactions contemplated by this Agreement. To the Seller's Knowledge, the only other material approvals or consents of Persons not a party to this Agreement that are legally or contractually required to be obtained by the Seller in connection with the consummation of the transactions contemplated by this

Agreement are contemplated by Section 5.6. Except for FCC approval and the subdivision of the Transferred M-72 Real Property from the Retained M-72 Real Property, no permit, license, consent, approval or authorization of, or filing with, any governmental regulatory authority or agency is required of the Seller or the Shareholder in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

3.15 Condition of Assets.

(a) All Assets. The Assets constitute all of the assets used or necessary to conduct the operation of the Stations as presently conducted and as presently proposed to be conducted by the Seller, excluding those Assets to be used or necessary for Seller's intended interim digital operations as more fully described in Section 5.13, it being understood and agreed that a portion of these Assets may not be acquired prior to Closing and Seller has agreed to accept an adjustment in the Purchase Price in lieu of such Assets all as provided in Section 5.13.

(b) Tangible Personal Property. Schedule 2.1(a) contains a true and complete list as of the date hereof of all items of Tangible Personal Property of every kind or description owned by the Seller, except office materials and supplies (which office supplies or any replacements thereof shall be part of the Assets). Any material Tangible Personal Property that is leased by the Seller as of the date hereof, whether as lessor or lessee, is separately designated on Schedule 2.1(a) and all related lease agreements are described on Schedule 2.1(a).

(c) Good Title, Good Operating Condition. The Seller has good, valid and marketable title to or the unrestricted right to use all of the Assets owned, leased or licensed by it, in each case, free and clear of all Security Interests of every kind or character (other than Permitted Encumbrances). Except for leased materials described in Schedule 2.1(a), the Seller is the owner, lessee or licensee of all of the Tangible Personal Property listed on the Schedules to this Agreement and of all Tangible Personal Property not listed on the Schedules to this Agreement which is material to the operation of the Stations. Except for items designated on Schedule 3.15, all Tangible Personal Property (together with any Owned Real Property or Owned Improvements included on Schedule 2.1(a)), including equipment and electrical devices, is in good operating condition and repair, reasonable wear and tear excepted, and has been maintained in accordance with industry standards and any standards or guidelines imposed by the FCC. Except as otherwise stated on Schedule 3.15, items listed on Schedule 3.15 are in operating condition and repair, reasonable wear and tear excepted.

3.16 Leased Real Property.

(a) Leases. Schedule 2.1(c) contains a complete and accurate list of all real property lease agreements, licenses or other rights to possession of any real property used or held by the Seller to conduct the operation of the Stations, including all amendments and modifications thereto (the "Real Property Leases").

(b) Interests. The Seller's interest in the Leased Real Property is as set forth on Schedule 2.1(c). Except as otherwise provided in Schedule 3.15(c), the Leased Real Property and all of the fixtures, towers and improvements thereon owned by the Seller (collectively, the "Owned Improvements") are in good operating condition and repair, reasonable wear and tear

excepted, and have been maintained in accordance with industry standards and any standards or guidelines imposed by the FCC; provided that Seller provides no representation under this sentence for any Owned Improvements listed in Schedule 3.15, it being understood and agreed that any representation and warranty with respect to the physical condition of such items will be set forth in Section 3.15(c). The Seller has not received any notice alleging that the Leased Real Property or the Owned Improvements fail to comply with applicable zoning laws or the building, health, fire and environmental protection codes of applicable governmental jurisdictions.

(c) All Leases. The Real Property Leases constitute all the real property leases to which the Seller is lessee and the Owned Real Property and the Leased Real Property are the only real property now used by the Seller in the operation of the Stations as the Stations are presently operated.

(d) Good Title. With respect to the Real Property Leases, the Seller has good title to its leasehold interest in such real property and the Owned Improvements, in each case, free and clear of all liens, claims and encumbrances, except for any liens, claims and encumbrances (i) that will be paid on or prior to Closing as listed on Schedule 3.16, (ii) identified in such leases, (iii) as specifically stated on Schedule 2.1(a), or (iv) the Security Interests described in Schedule 2.3(a); provided that such Security Interests will be paid in full and released at or before Closing. With respect to each such lease, except as otherwise disclosed on Schedule 2.1(c), (i) the leases are in full force and effect, (ii) all accrued and currently payable rents and other payments required by such leases to be paid by the Seller have been paid, (iii) the Seller entered into such leases in the Ordinary Course of Business and the Seller has been in peaceable possession since the beginning of the original term of any such lease, (iv) neither the Seller nor, to the Seller's Knowledge, any other party thereto is in default under any such lease, (v) the Seller has not given nor received any notice of default or termination, and no condition exists and no event has occurred that, with the giving of notice, the lapse of time or the happening of any further event would become a default by Seller (or to the Seller's Knowledge, the other party) or permit early termination by the other party (or to the Seller's Knowledge, Seller) under any such lease and (vi) subject to obtaining the Consents described on Schedule 5.6, the validity or enforceability of any such lease will in no way be affected by the sale of the Assets or the other transactions contemplated herein. Except as set forth on Schedule 5.6, no third-party consent or approval is required for the assignment of the Real Property Leases to the Buyer or for the consummation of the transactions contemplated herein.

(e) Option. Provided Buyer expressly agrees in writing to become a party to the Option Agreement and assume all of Seller's obligations thereunder accruing after the Closing Date, the sale of the Assets will not trigger the option right held by Northern Michigan Radio, Inc. pursuant to the Option Agreement.

3.17 Environmental Matters. Notwithstanding anything to the contrary contained herein and, except as provided on Schedule 3.17, with respect to the ownership and operation of the Business: (a) the Seller is in compliance with all applicable federal, state and local laws and regulations relating to pollution and the discharge of materials into the environment ("Environmental Laws"); (b) the Seller holds all the permits, licenses and approvals of governmental authorities necessary for the current use, occupancy or operation of the Stations under applicable Environmental Laws ("Environmental Permits"); (c) the Seller is in compliance with such Environmental Permits; (d) such Environmental Permits are transferable to the Buyer without

the consent of any Government Agency; and (e) to the Seller's Knowledge, there are no underground or aboveground storage tanks on any of the Real Property. Seller has not released, discharged or disposed of any hazardous or toxic substances on any of the Leased Real Property (except for material used in the Ordinary Course of Business in commercially reasonable quantities) and, to Seller's Knowledge, except as provided on Schedule 3.17, hazardous or toxic substances have not been released, discharged or disposed of on any of the Leased Real Property by any other Person. To Seller's Knowledge, except as provided on Schedule 3.17, there are no quantities or concentrations of hazardous or toxic substances present at, on or under the Real Property that would pose an unacceptable risk to human health or the environment under any Environmental Law. No litigation or proceeding relating to Environmental Laws, Environmental Permits or any release, discharge or disposal of hazardous or toxic substances is pending or, to the Seller's Knowledge, threatened against the Stations or the Seller.

3.18 Environmental Studies. Set forth on Schedule 3.18 is a list of all environmental reports, studies or analyses, if any, in the possession of the Seller or the Shareholder relating to the Leased Real Property or the operation of the Stations concerning hazardous or toxic substances or compliance with applicable Environmental Laws or Environmental Permits, if any. True and complete copies of such reports, studies or analyses have been provided to the Buyer.

3.19 Compliance with Law and Regulations. Except as otherwise expressly set forth in Sections 3.9, 3.10, 3.11, 3.12, 3.17, 3.18, 5.13 and/or the Disclosure Schedules with respect to such sections: (i) the Stations, the Assets, and the Seller are in compliance with all requirements of federal, state and local law and all requirements of all federal, state and local governmental bodies or agencies having jurisdiction over any of them including, without limitation, requirements related to the operations and the construction of a digital television broadcast facility for each of the Stations, the use of the Seller's properties and assets (including the Assets) and the Leased Real Property; (ii) without limiting the foregoing, the Seller has paid all monies and obtained all FCC licenses, permits, certificates and authorizations and all other material licenses, permits, certificates and authorizations needed or required for its operations and for the construction of a digital television broadcast facility for each of the Stations, and the use of the Leased Real Property; (iii) the Seller has properly filed all reports and other documents required to be filed with any federal, state or local government or subdivision or agency thereof. Except as disclosed on Schedule 3.19, neither the Seller nor any Shareholder has received any notice from any federal, state or municipal authority or any insurance or inspection body that any of its properties, facilities, equipment or business procedures or practices fails to comply with any applicable law, ordinance, regulation, building or zoning law or requirement of any public authority or body.

3.20 Insurance. A summary of current insurance coverage of the Seller is attached as Schedule 3.20. The Seller maintains and will continue to maintain in full force and effect through the Effective Time, insurance policies covering it and the Assets in amounts and insuring against hazards, in the amounts set forth on Schedule 3.20. All of such policies are in full force and effect and the Seller is not in default of any material provision thereof. Neither the Seller nor any Shareholder has received notice from any issuer of any such policies of its intention to cancel, terminate or refuse to renew any policy issued by it.

3.21 Labor, Employment Contracts and Benefit Programs.

(a) No Collective Bargaining Agreements. There are no collective bargaining agreements or written or oral agreements relating to the terms and conditions of employment or termination of employment covering any employees, consultants or agents of the Seller, except as listed and described on Schedule 3.21. The Seller is not engaged in any unfair labor practice or other unlawful employment practice and there are no unfair labor practice charges or other employee-related complaints, grievances or arbitrations against the Seller pending or, to the Seller's Knowledge, threatened before the National Labor Relations Board, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, the Department of Labor, any arbitration tribunal or any other federal, state, local or other governmental authority. There is no strike, picketing, slowdown or work stoppage by or concerning such employees pending against or involving Seller. No representation question is pending or threatened with respect to any of the Stations' employees.

(b) ERISA Compliance. Each of the Station Benefit Plans that is intended to be qualified and tax exempt under the provisions of Code Sections 401(a) and 501(a) has (i) either been determined by the IRS to be so qualified and tax-exempt or application for such determination has been made; and (ii) is being operated in compliance with applicable law and, to Seller's Knowledge, no action or proceeding has been instituted or threatened which would affect the qualification of such Station Benefit Plan.

(c) No Multiemployer Plans. The Seller (i) has never contributed to a multi-employer pension plan; and (ii) has never incurred any liability under Title IV of ERISA to the PBGC or to a multiemployer pension plan.

(d) Employees. Schedule 3.21 lists the names and job titles of all employees of the Seller as of April 15, 2003, the current compensation and any proposed salary increase or bonus to be authorized or payable between the date hereof and the Closing Date for each, current hourly wages and vacation days for each (or pay in lieu thereof) assuming no vacation has been taken, the actual days of vacation taken by each employee through April 15, 2003, and the monetary liability associated with such available vacation days. Each employee's length of service and employment commencement date is set forth on Schedule 3.21.

3.22 Litigation. Except as set forth on Schedule 3.22, there are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations pending against the Seller. Except as set forth on Schedule 3.22, to the Seller's Knowledge, there are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations threatened against the Seller or the Shareholder with respect to the Stations or the Assets, nor, except as specified in Schedule 3.22, to the Seller's Knowledge, is there any basis for any such suit, arbitration, administrative charge or other legal proceedings, claim or governmental investigation. Except as set forth in Schedule 3.22, the Seller has not been operating under or subject to, or in default with respect to, any order, writ, injunction or decree relating to the Stations or the Assets of any court or federal, state, municipal or other governmental department, commission, board, agency or instrumentality which would have an adverse effect on the condition of the Stations or any of the Assets or on the ability of the Shareholder or the Seller to enter into this Agreement or consummate the transactions contemplated hereby.

3.23 Intangible Property. Except as otherwise provided in Schedule 3.23, the Seller has all right, title and interest in and to all Intangible Property necessary or desirable in the operation of the Stations as presently operated and as presently proposed to be operated. Neither the Seller nor either Shareholder has received notice of any claim against it involving any conflict or claim of conflict of any of the items listed on Schedule 2.1(g), and there is no basis for any such claim of conflict. Except as otherwise provided in Schedule 3.23, (i) assuming the Seller receives all necessary consents to the transfer of the Contracts listed on Schedule 2.1(g), each item of Intangible Property owned or used by the Seller immediately before the Closing will be owned or available for use by the Buyer on identical terms and conditions immediately after the Closing; and (ii) the Seller has taken all necessary and desirable action to maintain and protect each item of Intangible Property that it owns or uses. No service created or originated by the Seller infringes on any copyright, patent or trademark of any party and to the Seller's Knowledge, no programming or other material used, broadcast or disseminated by the Seller or the Stations, infringes on any copyright, patent or trademark of any other party. Neither the Seller nor either Shareholder has received any notice of any claim of infringement of any third-party's copyright, patent, trademark, service mark, logotype, license or other proprietary right, including the use of any call sign, slogan or logo by an broadcast station or cable systems in the marketing are of the Stations which may become confusingly similar to the call sign, slogans and logos currently used by the Stations. Except as otherwise provided in Schedule 3.23, the Seller owns or possesses adequate licenses or other rights to use all copyrights, patents, trademarks, service marks, trade names, logotypes and other intangible rights used to operate the Stations.

3.24 Brokers. Except for brokerage commissions and expenses payable to The Hepburn Company, which will be paid by the Seller, there is no broker or finder or other Person who would have any valid claim through the Seller against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, the Seller or the Shareholder.

3.25 Conflicting Interests. Except as disclosed on Schedule 3.25, neither the Seller, the Shareholder, nor any director, officer, member, manager, partner, employee or shareholder of either, nor any Affiliate of any of the foregoing, has any financial interest in any supplier, advertiser or customer of the Seller or the Shareholder or in any other business enterprise with which the Stations or the Seller engages in business or with which the Stations or the Seller is in competition. The ownership of less than one percent of the outstanding capital stock of a publicly-held corporation shall not be deemed to be a violation of this representation and warranty. None of the Shareholder and his Affiliates owns any asset, tangible or intangible, which is used in the business of the Seller.

3.26 Matters Arising After the Interim Balance Sheet Date. Except as set forth on Schedule 3.26, between the date of the Financial Statements and the date of this Agreement:

(a) There has not been any material adverse change in the financial condition or business of the Seller, uncured default by the Seller under the terms of the leases for the Leased Real Property or any material physical damage or loss to any of the Assets (except where such damage or loss was covered by insurance and repair or replacement of the damaged or lost assets has been completed);

(b) The Seller has maintained its books, accounts and records in the usual, customary and ordinary manner;

(c) The Seller has preserved its business organization intact and has used its commercially reasonable efforts to keep available the services of their employees and to preserve relationships with ABC, the FCC and its customers, advertisers, suppliers and others with whom it deals;

(d) The Seller has not sold, lease, transferred, or assigned any of its assets, tangible or intangible, other for a fair consideration in the Ordinary Course of Business;

(e) The Seller has not entered into any agreement, contract, license or lease outside the Ordinary Course of Business;

(f) No party (including the Seller) has accelerated, terminated, modified or cancelled any agreement, contract, lease or license involving more than \$5,000.00 to which the Seller is a party or by which it is bound;

(g) The Seller has not permitted the imposition of any security interests upon any of its assets;

(h) The Seller has not experienced any damage, destruction or loss (whether or not covered by insurance) to its property; and

(i) The Seller has not taken any action outside of the Ordinary Course of Business, except as related to the transactions contemplated hereby.

3.27 FAA Compliance. Except as provided in Schedule 3.27: (i) the Seller and the Assets are in compliance with the rules and regulations of the Federal Aviation Administration (the "FAA") applicable to the Stations; and (ii) all towers used by the Stations are in compliance with all painting, lighting and tower registration requirements of the FAA, the FCC and any other governmental authority. Set forth on Schedule 3.27 is a list of all tower inspection reports in the possession of the Seller or the Shareholder. True and complete copies of such reports have been provided to the Buyer.

3.28 Carriage. As of the date of this Agreement, attached as Schedule 3.28 is a list of all the cable stations in the Designated Market Area of the Stations that, to the Seller's Knowledge, carry the Stations.

3.29 Bankruptcy. Neither the Seller nor any Shareholder is insolvent or the subject of bankruptcy or any similar proceeding.

3.30 Disclosure. No provision of this Agreement relating to Seller, the Stations or the Assets or any other document, Schedule, Exhibit or other information furnished by the Seller or Shareholder to the Buyer in connection with the execution, delivery and performance of this Agreement, or the consummation of the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated to make the statement, in light of the circumstances in which it is made, not misleading. All

Schedules attached hereto are accurate and complete as of the date hereof or the date specified on the Schedule.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE BUYER

Buyer represents and warrants to Seller as follows:

4.1 Qualification as a Broadcast Licensee. The Buyer is familiar with the Communications Act and the existing rules, regulations and policies of the FCC. The Buyer is legally and financially qualified under the Communications Act and the rules, regulations and policies of the FCC to acquire the Stations from the Seller. There is no fact or condition known to the Buyer that would, under the Communications Act and the existing rules, regulations and policies of the FCC, disqualify Buyer as owner and operator of the Stations or constitute grounds for the filing of a petition to deny or objection related to the qualifications of the Buyer or that would reasonably be expected to result in a delay for FCC approval of the assignment applications. No waiver of any FCC rule, regulation or policy existing as of the date of this Agreement will be required, with respect to the Buyer, to obtain FCC approval of the assignment applications.

4.2 Status.

(a) Buyer. The Buyer is a limited liability company duly organized, in good standing and validly existing under the laws of the Commonwealth of Virginia. The Company is (or will be at the Closing) duly authorized to transact business in the State of Michigan. The Buyer has the requisite power to enter into and complete the transactions contemplated by this Agreement.

(b) Approvals and Consents. There are no approvals or consents of Persons not a party to this Agreement that are legally or contractually required to be obtained by the Buyer in connection with the consummation of the transactions contemplated by this Agreement other than the FCC and internal approvals.

4.3 No Defaults. Neither the execution, delivery and performance by the Buyer of this Agreement nor the consummation by the 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: (a) violate or conflict with any provision of the Articles of Organization or Operating Agreement of the Buyer, (b) constitute a violation of, conflict with or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation under any contract, mortgage, indenture, agreement, lease or other instrument to which the Buyer is a party or by which it is bound or the assets of it are bound, or by which it may be affected, or result in the creation of any Security Interest on any of the assets of the Buyer, or (c) violate any judgment, decree, order, statute, law, rule or regulation of any court, arbitrator or government or regulatory body applicable to the Buyer or the assets of the Buyer.

4.4 Entity Action. All actions and proceedings necessary to be taken by or on the part of the Buyer or its members, if required by applicable law, in connection with the

performance, execution and delivery of this Agreement have been duly and validly taken, and this Agreement has been duly and validly authorized, executed and delivered by the Buyer and constitutes the legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with and subject to its terms.

4.5 Brokers. There is no broker or finder or other Person who would have any valid claim through the Buyer against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of or action taken by the Buyer.

4.6 Full Disclosure. No provision of this Agreement relating to the Buyer or any other document, Schedule, Exhibit or other information furnished by the Buyer to the Seller in connection with the execution, delivery and performance of this Agreement, or the consummation of the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated to make the statement, in light of the circumstances in which it is made, not misleading.

4.7 Certain Matters Relating to Affiliation Agreement. The Buyer does not control, is not controlled by and is not under common control with an entity that distributes 10 or more hours of primetime television programming per week to at least 25 affiliated television licensees in 10 or more states, and Buyer is not in default under any agreement with the ABC or any of its Affiliates. To the Buyer's knowledge, no facts exist as a result of the Buyer's previous commercial dealings with ABC that would give ABC reasonable business concerns regarding the Buyer's assumption of the Affiliation Agreement or the Buyer's qualification to own the Stations.

ARTICLE 5

COVENANTS OF THE SELLER AND THE SHAREHOLDER PENDING THE CLOSING

5.1 Operations of the Business.

(a) Ordinary Operations. The Shareholder and the Seller will exert commercially reasonable efforts to close under this Agreement. Until the Closing, the Seller will use its commercially reasonable efforts to carry on operations of the Stations and keep its books and accounts, records and files in the usual and ordinary manner in which the business of the Stations has been conducted in the past, including, but not limited to, spending amounts on advertising, promotions and marketing of the Stations between the date of this Agreement and the Closing Date, as set forth in the Budget attached as Schedule 5.1 which are comparable to the amounts the Seller spent for the comparable periods in 2001 and 2002. The Seller shall operate the Stations in compliance with the terms of the Authorizations and all applicable laws, rules and regulations, including, without limitation, FCC rules and regulations. Notwithstanding the foregoing, Seller has entered into an agreement, the date of which is in parentheses beside each advertiser's name (the "Bahamas Promotion") with each of the following advertisers under which Seller agrees to provide a vacation in the Bahamas for two people to each of the following advertisers in the event that the advertisers meet a specified level of advertising spending: (a) Old Spud Warehouse (3/4/03), (b) Bedroom Company ((3/1/03), (c) Bay Home Medical & Rehab (3/11/03), (d) The Collision Center, Inc. (3/24/03), (e) Floor Covering Brokers (4/14/03),

and (f) Bartlett's Home Interiors (3/20/03). The Parties acknowledge and agree that the satisfaction of Seller's obligations under the Bahamas Promotion will be deemed conduct in the Ordinary Course of Business.

(b) Current Statements. The Seller shall provide the Buyer with copies of the Seller's monthly internal balance sheets and related statements of operations for the monthly accounting periods between the Latest Balance Sheet Date and the Closing Date, by no more than 20 days after the end of each calendar month, which statements shall present fairly, in all material respects, the financial position of the Seller and the results of operations for the period indicated, in accordance with GAAP, except they are not audited or reviewed and except for the absence of footnotes and year-end adjustments; provided that such adjustments, if included, would not have a material adverse effect on such statements. Such monthly statements shall show: (i) the current month's and prior year's actual results for such month and the current month's budget, each by line item, (ii) year-to-date information and comparative prior year period information for each of the foregoing, each by line item, and (iii) items of non-recurring income and expense separately, all of which shall be presented fairly and in accordance with GAAP, except for the absence of footnotes. In addition, the Seller shall provide to the Buyer simultaneously with the delivery of these monthly financial statements, financial information to permit the Buyer to compute readily the income from operations and broadcast cash flow of the Stations for such month and the year-to-date and, if required by the Buyer's lender and at the Buyer's expense, permit an audit by an independent firm of certified professional accountants of the cash flow of the Stations.

(c) Preserve Business. While operating the Stations, the Seller shall use its commercially reasonable efforts to preserve (i) its business organization intact, retaining substantially as at present the employees, consultants and agents of the Stations and (ii) the goodwill of the Stations and the suppliers, advertisers, customers and others having business relations with the Stations.

(d) Assets in Good Repair. All Tangible Personal Property and Leased Real Property shall be maintained in the same operating condition and repair as such property exists on the date hereof, reasonable wear and tear excepted, and the entity operating the Stations shall maintain adequate and usual supplies of office supplies, spare parts and other materials as have been customarily maintained in the past. The Seller shall use its commercially reasonable efforts to preserve intact the Assets and to maintain in effect the casualty and liability insurance on the Assets heretofore in force. Notwithstanding the foregoing, the Parties acknowledge and agree that before the Closing Date, the Seller shall move or shall cause Northern Michigan Radio, Inc. to move, in a good and workmanlike manner, the antennas, feedline, transmission line and electronic and other relay equipment used in the operation of the Stations and now located on the Retained M-72 Real Property (or substitute equipment not included in the Assets with equivalent or better functionality as determined by Seller in its reasonable discretion) from the Retained M-72 Real Property to the Transferred M-72 Real Property and, subject to the terms and conditions of the NMR Lease, Seller shall install or cause Northern Michigan Radio, Inc. to install such equipment on the tower or in the building, as appropriate, located on the Transferred M-72 Real Property.

(e) Additional Liabilities. Additional Liabilities and liabilities that arise in the Ordinary Course of Business (none of which results from, arises out of, relates to, is in the nature of, or was caused by any breach of contract or warranty, tort, infringement or violation of law) between the Latest Balance Sheet Date and the Effective Time will be paid by Seller. Liabilities arising outside of the Ordinary Course of Business between the Latest Balance Sheet Date and the Effective Time will be listed by Seller on the updated certificate delivered at or before the Closing pursuant to Section 8.1(c) and in such case will be subject to Section 8.1 or paid by Seller.

5.2 Prohibited Actions. Before the Closing Date, the Seller shall not, without the prior written consent of the Buyer:

(a) Sell, lease or transfer or agree to sell, lease or transfer, any Assets except for incidental sales or leases in the Ordinary Course of Business or sales or leases of Assets which are being replaced by assets of comparable or superior kind, condition and value;

(b) Except as may be required by existing written plans or agreements (which written plans and agreements have been provided to the Buyer), grant any raises to any of its employees or consultants (except in the Ordinary Course of Business), pay any substantial bonuses (except in the Ordinary Course of Business), or enter into any contract of employment with any employee or employees or independent contractors of the Seller or the Stations;

(c) Renegotiate, modify, renew, amend, or terminate any Affiliation Agreement or Program License Agreement or, except in the Ordinary Course of Business, any other existing Contracts, including, without limitation, any time sales contract;

(d) Make any change in the Stations' buildings, leasehold improvements or fixtures except in the Ordinary Course of Business;

(e) Enter into any contracts with Affiliates of the Shareholder or the Seller with respect to the Stations or the Assets;

(f) Apply to the FCC for any construction permit that would restrict the Seller's present operations or make any change in the Stations' buildings, leasehold improvements or fixtures except in the Ordinary Course of Business and except as contemplated in Schedule 5.2(h) and Section 5.13;

(g) Enter into any barter or trade contract or contracts that are prepaid other than in the Ordinary Course of Business;

(h) Except as provided in Schedule 5.2(h), make or attempt to make any change in the Authorizations, other than to keep the Authorizations in full force and effect; or

(i) Consent to the execution, placement, creation or amendment of easements, restrictions, rights-of-way or other matters affecting title to the Real Property, except in connection with the subdivision of the M-72 Real Property referenced in Section 5.16.

5.3 No Distributions or Payments. Seller shall not make any distributions to its shareholders or partners with respect to interests in the Seller of any kind or nature, except it may distribute the Excluded Assets.

5.4 Access to Facilities, Files and Records.

(a) At the reasonable request of the Buyer and on reasonable advance notice, the Seller shall, from time to time, promptly give or cause to be given to the officers, employees, accountants, counsel, agents, consultants and representatives of the Buyer full access during normal business hours to: (i) all facilities, properties, accounts, books, deeds, title papers, insurance policies, agreements, contracts, commitments, records and files of every character, including, without limitation, minute books, equipment, machinery, fixtures, furniture, vehicles, notes and accounts payable and receivable relating to the Stations; and (ii) all such other information concerning the Seller, the Stations, the Construction Permit and the Assets as the Buyer may reasonably request. Any investigation or examination by the Buyer in connection with the foregoing shall not in any way diminish or obviate any representations or warranties of the Seller or the Shareholder made in this Agreement, the Exhibits, Schedules and documents delivered pursuant to this Agreement. The Seller shall cause its accountants and any of their agents in possession of the Seller's books and records to cooperate with the Buyer's requests for information pursuant to this Agreement and shall request such accountants to provide the Buyer access to all of the accountants' review and tax work papers with respect to the Seller or the Stations.

(b) Inspections permitted by this Section will be conducted only (i) during regular business hours upon reasonable notice to the Seller, (ii) in a manner which will not unduly interfere with the operation of the Stations and/or the use of, access to or egress from the Owned Real Property and the Leased Real Property, and (iii) without damage to any property of the Seller or any property of any lessor of Leased Real Property.

(c) The parties covenant and agree that, with respect to the period subsequent to the Closing Date: (i) each party will cooperate with and make available to the other party, during normal business hours and upon reasonable notice, all books and records which are necessary or useful in connection with any tax inquiry, audit, investigation or dispute, any litigation or investigation or any other matter requiring any such books and records, information or employees for any reasonable business purpose; (ii) the party requesting any such books and records, information or employees shall bear all of the out-of-pocket costs and expenses reasonably incurred in connection with providing such books and records, information or employees; (iii) all information received pursuant to this Section 5.4 shall be kept confidential by the party receiving it and (iv) if Buyer or Seller is required by legal process or operation of law to disclose any confidential information, it shall provide the other party with prompt written notice of such request so that such other party may seek an appropriate protective order.

5.5 Representations and Warranties. The Seller and the Shareholder shall give detailed written notice to the Buyer promptly on learning of the occurrence of any event that would cause or constitute a material breach, or that would have caused a material breach had such event occurred or been known to the Seller or the Shareholder on or before the date of this

Agreement, of any of the Seller's or the Shareholder's representations or warranties contained in this Agreement or in any Schedule attached hereto.

5.6 Consents. The Seller and the Shareholder shall use their commercially reasonable efforts to obtain the consent or approval of any third Person required under any Contract listed on the Contract Schedules to assign any such contract from the Seller to the Buyer, including providing adequate notice of the assignment where applicable. The Buyer has designated certain of these consents as material to the operations of the Stations as noted on Schedule 5.6 (a "Material Consent"). The Buyer shall not be obligated to accept the assignment of any Contract or any liability under such Contract for which a Material Consent is not obtained and, if such consent is obtained after the Closing, the Buyer will not be required to assume any liability under such Contract until such consent is obtained and the Buyer is placed in the position it would have been in if the consent had been obtained before the Closing.

5.7 Notice of Proceedings. The Seller will promptly notify the Buyer in writing on: (a) receiving notice 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 (b) receiving any notice from any governmental department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated.

5.8 Consummation of Agreement. Subject to the provisions of Section 11.1 of this Agreement, the Seller shall use its commercially reasonable efforts to (i) fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement and (ii) cause the transactions contemplated by this Agreement to be fully carried out.

5.9 Applications for FCC Consents. As promptly as practicable after the date of this Agreement, and in no event later than 10 business days after the full execution of this Agreement, the Seller, the Shareholder and the Buyer shall cause to be filed applications with the FCC requesting the FCC's written consent to the assignment of the Authorizations to the Buyer, which application shall include Buyer's request for the Waiver. The Seller, the Shareholder and the Buyer shall use their respective commercially reasonable efforts to take all steps that are proper, necessary or desirable to expedite the preparation of such applications and their prosecution to a favorable conclusion. Each party shall promptly provide the other with a copy of any pleading, order or other document served on such party relating to such applications. The Seller and the Shareholder shall furnish all information required by the FCC. If Closing occurs hereunder without the FCC Order and any required extension of the terms thereof becoming Final, then the parties' obligations under this Section shall survive the Closing until the FCC Order and all such consents and extensions become Final.

5.10 Title to Real Property.

(a) With respect to any Real Property, within 20 days after the date of this Agreement, Seller shall deliver to the Buyer copies of (A) all soil, engineering and environmental reports and studies with respect to the ownership, maintenance, use, occupancy and operation, (B) any existing surveys and plats, (C) Seller's source deed, (D) any and all title insurance commitments and title insurance policies, (E) the real property tax bill for the current fiscal year, and (F) any permits issued by any Governmental Agency.

(b) The parties acknowledge that Buyer may conduct a title examination on the Owned Real Property and the Leased Real Property (the "Title Search") and an ALTA survey of the Owned Real Property and the Leased Real Property (the "Surveys"), so long as they are prepared and delivered to the Seller within sixty (60) days of the date of this Agreement. If the Title Search reflects the existence of any defect, encumbrance, or other limitation with respect to any such title which would cause a material limitation or exclusion from an ALTA policy of title insurance issued at Closing or if the surveys reveal any matter which shall cause the title company issuing the owner's title insurance commitment to the Buyer to take exception to a matter or matters shown on the survey (other than the Permitted Title Exceptions) (a "Title Defect"), then Buyer shall notify the Seller of such Title Defect within seventy-five (75) days after the date of this Agreement. If Buyer does not so notify Seller of any Title Defect within such seventy-five (75) day period, any such Title Defect shall be deemed waived by Buyer in which event such Title Defect will be listed on the certificate referenced in Section 8.1(c). For the avoidance of doubt, Seller's sole obligation to remedy any Title Defect will be in connection with the delivery of such certificate and as set forth in Section 8.1.

5.11 Publicity. Neither the Shareholder and the Seller, nor the Buyer, nor any of their respective Affiliates shall issue or cause the publication of any press release or any other public statement or any correspondence or other communication with respect to the execution and Closing of this Agreement unless the other party shall have had the prior opportunity to review and comment thereon and such release or statement has been consented to by such party.

5.12 Exclusivity. The Seller will not (i) solicit, initiate, or encourage the submission of any proposal or offer from any Person relating to the acquisition of any of the voting securities, or any substantial portion of the assets of the Seller (including any acquisition structured as a merger, consolidation, or share exchange) or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing. The Shareholder will not vote his interests in the Seller in favor of any such acquisition structured as a merger, consolidation, or share exchange. The Seller will notify the Buyer immediately if any Person makes any proposal, offer, inquiry, or contact with respect to any of the foregoing.

5.13 Digital Television Buildout.

(a) Upon grant of authority to do so from the FCC and any other applicable regulatory authorities, Seller will use commercially reasonable efforts to construct and/or install digital television facilities for WGTU pursuant to Special Temporary Authority

that meet the FCC's minimum initial facilities as set forth in FCC 01-330, Paragraph 34 (the "Minimum DTV Facilities"). In the event that Seller does not complete the Minimum DTV Facilities for WGTU prior to Closing, the Purchase Price will be reduced by an amount equal to the amount obtained by subtracting (x) all costs and expenses incurred by Seller in constructing the Minimum DTV Facilities (including, without limitation, the cost of all equipment purchased in connection with such construction) which shall be conveyed to Buyer at closing, reasonably approved by the Buyer from (y) \$85,740.00, the amount set forth on the budget attached as Schedule 5.13(a), it being understood and agreed that, notwithstanding anything contained in this Agreement to the contrary, this reduction will be Buyer's sole remedy for Seller's failure to construct and/or install digital television facilities at WGTU. If the Seller has not completed the Minimum DTV Facilities for WGTU prior to the date that is sixty (60) days prior to October 18, 2003, then the Seller shall timely file and diligently pursue in good faith with the FCC any necessary or appropriate request for extension of the construction period under the granted digital television construction permit issued by the FCC for WGTU (FCC File No. BPCDT-19991027ABX, as may be modified by pending application BMPCDT-20021113AAJ), provided that any such extension requests shall be subject to the prior written approval of the Buyer, which approval shall not be unreasonably withheld or delayed. Subject to the foregoing, the Seller can make no assurance that request(s) to further extend the DTV construction period for WGTU will be granted by the FCC, if such request is still pending at Closing.

(b) The Parties acknowledge and agree that Seller will not construct the Minimum DTV Facilities for WGTQ prior to Closing and the Parties agree as follows with respect to WGTQ:

(i) if the Closing shall not have occurred before the date that is sixty (60) days prior to October 18, 2003, then Seller shall timely file and diligently pursue in good faith with the FCC any necessary or appropriate request for extension of the construction period under the granted digital television construction permit issued by the FCC for WGTQ (FCC File No. BPCDT-19991027ABT), provided that any such extension requests shall be subject to the prior written approval of the Buyer, which approval shall not be unreasonably withheld or delayed. Subject to the foregoing, the Seller can make no assurance that request(s) to further extend the DTV construction period for WGTQ will be granted by the FCC, if such request is still pending at Closing; and

(ii) the Purchase Price will be reduced by an amount equal to \$92,390.00 (which amount includes the amount set forth on the budget attached as Schedule 5.13(b) and the estimated cost of the required antenna and feed line installation), it being understood and agreed that, notwithstanding anything contained in this Agreement to the contrary, this reduction will be Buyer's sole remedy for Seller's failure to construct and/or install digital television facilities at WGTQ.

5.14 Environmental Matters.

(a) The Buyer shall have the right, at its sole cost and expense, to engage Malcolm Pirnie Group (the "Consultant") to conduct a Phase I Environmental Assessment, as such term is commonly understood, with respect to the Owned Real Property and the Leased Real Property (the "Phase I"), except that the rights granted to the Buyer with respect to the Leased Real Property shall be subject to any required consent of the landlord of such Leased Real Property and provided, in each case, such inspections and interviews shall be conducted only (i) during regular business hours upon reasonable notice to the Seller, (ii) in a manner which will not unduly interfere with the operation of the Stations and/or the use of, access to or egress from the Owned Real Property and the Leased Real Property, and (iii) without damage to any property of the Seller or any property of any lessor of Leased Real Property; *provided, however*, the Phase I must be completed and the final report prepared by the Consultant in connection with the Phase I must be delivered to the Seller within sixty (60) calendar days from the date hereof.

(b) If the Phase I details a violation under applicable Environmental Law in connection with the Owned Real Property or the Leased Real Property, Buyer may at its election and cost commission the Consultant to conduct a Phase II report if necessary. If either the Phase I or the Phase II determines that the violation is required to be remediated under applicable Environmental Law (an "Environmental Violation"), the Seller shall remedy such Environmental Violation or cause it to be remediated to meet the least stringent standards or requirements that the Seller is required to meet so as not to be a violation under applicable Environmental Law (the "Environmental Work").

(c) Notwithstanding anything to the contrary contained herein, the Seller shall not be obligated to incur any costs or expenses in connection with Environmental Work in excess of One Hundred Thousand Dollars (\$100,000.00) (the "Environmental Work Cost Limit"). If the costs or expenses of Environmental Work exceed the Environmental Work Cost Limit, the Seller shall have the right, in its sole and absolute discretion, to elect, by written notice to the Buyer, not to incur any costs or expenses (a) in connection with the Environmental Work or (b) in connection with the Environmental Work in excess of the Environmental Work Cost Limit (the "Environmental Work Notice"). If the Seller makes either such election, the Buyer shall have the right, in its sole and absolute discretion, by written notice to the Seller within five (5) business days of the Buyer's receipt of the Environmental Work Notice, to elect to (x) proceed with the Closing without any adjustment in the Purchase Price and, at Closing, assume all further responsibility and liability for the Environmental Violation under applicable Environmental Law, in which event such Environmental Violation will be excluded from Seller's representations and warranties; or (y) terminate this Agreement. If the Buyer elects to terminate this Agreement pursuant to the previous sentence, the Earnest Money Escrow Deposit will be returned to Buyer and the parties shall have no liability or further obligation to the other under this Agreement.

(d) The parties understand and agree that the procedures outlined in this Section 5.14 shall in no event delay the Closing beyond the date on which the Closing would occur but for such procedures.

(e) The parties further understand and agree that the provisions of this Agreement provide the Buyer's sole and exclusive remedies for any environmental violation or condition and the Seller shall have no liability with respect to such matters other than as provided in this Agreement.

(f) To Seller's Knowledge, Goldfinger, LLC has filed the Baseline Environmental Assessment described as item 4 on Schedule 3.18 with the Michigan Department of Environmental Quality.

5.15 Confidentiality. Except as set forth in Section 6.4, any and all information, disclosures, knowledge or facts regarding the Buyer and its operations derived from or resulting from the Seller's or the Shareholder's acts or conduct (including, without limitation, acts or conduct of the Seller's or the Shareholder's officers, employees, accountants, counsel, agents, consultants or representatives, or any of them (collectively, "Representatives")) under the provisions of this Section or otherwise obtained by the Seller or the Shareholder (or their Representatives) pursuant to or in connection with this Agreement, shall be confidential and shall not be divulged, disclosed or communicated to any other Person, except as required by law and to the Seller's and the Shareholder's Representatives and their respective attorneys for the purpose of consummating the transactions contemplated by this Agreement and the Seller shall be responsible for any breach of confidentiality by any such Person. If this Agreement terminates before Closing, the Seller and the Shareholder shall return promptly any information obtained regarding the Buyer and the Seller and the Shareholder shall instruct their Representatives also to return any such information.

5.16 M-72 Real Property Subdivision. The Seller shall subdivide the M-72 Real Property into the Transferred M-72 Real Property and the Retained M-72 Real Property before Closing. If the Seller is unable to subdivide the M-72 Real Property after using commercially reasonable efforts, at Closing the Seller and the Buyer will enter into a long-term lease of the M-72 Real Property for Seller to lease such property to the Buyer after Closing at the same cost as reflected in the Stations' historical financial statements and under other terms and conditions acceptable to the Buyer in its reasonable discretion.

5.17 Payment of Certain Items, Transfers and Remedial such Payments.

(a) Payments. The Seller shall pay all amounts owed as disclosed on Schedules 3.16 and 3.19 on or before Closing.

(b) Kalkaska Tower. Seller shall or shall cause Central Michigan University, at their cost, to engage Structural Systems Technology (the "Tower Inspector") to perform a replacement Computer Structural Analysis and Evaluation (the "Tower Inspection") for the Kalkaska tower that evaluates the compliance of the tower with the ANSI/TIA/EIA-222-F standard in connection with the proposed additions and subtractions of equipment to the tower outlined in the Central Michigan Tower Lease (as defined in Schedule 3.12(a)). The Tower Inspector will prepare a written report (the "Kalkaska Tower Inspection Report") of its findings, a copy of which will be provided to Buyer. Seller shall also commission the Michigan Association of Broadcasters to perform a voluntary inspection (the "Voluntary Inspection") of

the Kalkaska Tower for compliance with FCC and FAA painting and lighting regulations. Seller shall provide a copy of the Michigan Association of Broadcasters report produced from the Voluntary Inspection (the “Voluntary Inspection Report”). Seller shall use its commercially reasonable efforts prior to Closing to cause Central Michigan University to correct all deficient conditions on the Kalkaska Tower, if any, identified in the Kalkaska Tower Inspection Report such that the tower will comply with ANSI/TIA/EIA-222-F standard (as such standard exists on the date hereof) when the proposed additions and subtractions of equipment to the tower outlined in the Central Michigan University Lease Agreement are completed. At least 30 days before the Closing Date, Seller shall take such actions disclosed in the Voluntary Inspection Report as may be necessary to ensure that the Kalkaska Tower meets applicable FCC and FAA painting and lighting regulations (the “Kalkaska Work”); provided that in the event that any of the Kalkaska Work is not completed before the date set for Closing under this Agreement, Seller may elect (i) to extend the Closing Date such that Closing will occur 30 days after all Kalkaska Work is completed, or (ii) to add the reasonable cost of completing any uncompleted Kalkaska Work to the certificate of Defects in Section 8.1(c). Buyer may engage a qualified inspector reasonably acceptable to Seller, at Buyer’s expense, to make a visual inspection of the tower within the 30-day period prior to Closing to determine whether the Kalkaska Work has been completed. Seller shall provide Buyer a copy of any final tower work completion certification or similar report delivered to Seller (whether by Central Michigan University, its vendor or otherwise) upon completion of any or all of (i) the Kalkaska Work and (ii) the proposed additions and subtractions of equipment to the tower outlined in the Central Michigan University Lease Agreement.

(c) Goetzville Tower. Within thirty (30) days of the Seller’s completion of the replacement of the WGTQ antenna on the Goetzville Tower, the Buyer, in its discretion and at its cost, may engage the Tower Inspector to complete a Computer Structural Analysis and Evaluation for the Goetzville Tower that evaluates the compliance of the tower with the following standards (collectively, the “Tower Standards”): (i) ANSI/TIA/EIA-222-F standard (as such standard exists on the date hereof); and (ii) applicable FCC and FAA tower painting and lighting regulations. The Tower Inspector will prepare a written report (the “Goetzville Tower Inspection Report”) of its findings, a copy of which Buyer will provide to Seller promptly and in any event within forty-five (45) days of the Seller’s completion of the replacement of the WGTQ antenna on the Goetzville Tower. At least 30 days before the Closing Date, the Seller shall take such actions as may be necessary to remedy all conditions, if any, identified in the Goetzville Tower Inspection Report that do not comply with the Tower Standards (the “Goetzville Work”); provided that in the event that such conditions are not remedied before the date set for Closing under this Agreement, Seller may elect (i) to extend the Closing Date such that Closing will occur 30 days after all Goetzville Work is completed, or (ii) to add the reasonable cost of completing any uncompleted Goetzville Work to the certificate of Defects in Section 8.1(c). A qualified inspector selected by Buyer and reasonably acceptable to Seller shall be permitted on the Goetzville Tower to make a visual inspection of the tower within the 30-day period prior to Closing to determine whether the Goetzville Work has been completed. Seller shall provide Buyer a copy of any tower work completion certification or similar report delivered to Seller (whether by Seller’s antenna vendor or otherwise) upon completion of the replacement of the WGTQ antenna on the Goetzville Tower.

ARTICLE 6
COVENANTS OF THE BUYER PENDING THE CLOSING

6.1 Consummation of Agreement. Subject to the provisions of Section 11.1 of this Agreement, Buyer shall use its commercially reasonable efforts to (i) fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement and (ii) cause the transactions contemplated by this Agreement to be fully carried out.

6.2 Notice of Proceedings. The Buyer will promptly notify the Seller in writing on: (a) receiving notice 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 (b) receiving any notice from any governmental department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated.

6.3 Contracts Not to be Assumed. From time to time following the date of this Agreement, the Seller may request that the Buyer permit additional Contracts to be added to the Schedules to this Agreement and to be assigned to and assumed by the Buyer at the Closing. These Contracts may be accepted or rejected by the Buyer (except for those entered into in the Ordinary Course of Business pursuant to Sections 2.1(e) and (f), subject to the limitations set forth in Section 2.1(f)) at the Buyer's sole discretion.

6.4 Confidentiality. Any and all information, disclosures, knowledge or facts regarding the Seller, the Assets and the Stations and their operations derived from or resulting from the Buyer's acts or conduct (including, without limitation, acts or conduct of the Buyer's Representatives) under the provisions of this Section or otherwise obtained by the Buyer (or its Representatives) pursuant to or in connection with this Agreement, shall be confidential and shall not be divulged, disclosed or communicated to any other Person, except as required by law and to the Buyer's Representatives and their respective attorneys for the purpose of consummating the transactions contemplated by this Agreement and the Buyer shall be responsible for any breach of confidentiality by any such Person. If this Agreement terminates before Closing, the Buyer shall return promptly any information obtained regarding the Seller, the Stations or the Assets and the Buyer shall instruct its Representatives also to return any such information. Notwithstanding anything to the contrary set forth herein or in any other written or oral understanding or agreement to which the parties hereto are parties or by which they are bound, the parties acknowledge and agree that (i) any obligations of confidentiality contained herein and therein do not apply and have not applied from the commencement of discussions between the parties any statements made by either party to the other party regarding the potential tax consequences of the tax structure of the transactions contemplated under this Agreement (and any related transactions or arrangements) (the "Transaction"), and (ii) each party (and each of its employees, representatives, or other agents) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided by the other party to such party relating to the potential tax consequences of such tax structure, all within the meaning of Treasury Regulations Section 1.6011-4.

ARTICLE 7
CONDITIONS TO THE OBLIGATIONS OF THE SELLER AND THE SHAREHOLDER

The obligations of the Seller and the Shareholder under this Agreement are, at their option, subject to the fulfillment of the following conditions:

7.1 Representations, Warranties and Covenants.

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

(b) Buyer Compliance. The 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 before or on the Closing Date.

(c) Certificate of the Buyer. The Seller shall be furnished with a certificate, dated the Closing Date and duly executed by an officer or manager of the Buyer to the effect that the conditions set forth in Sections 7.1(a) and (b) have been satisfied.

(d) Other Documents. The Seller shall be furnished with such certificates, documents or instruments with respect to the Buyer as the Seller may have reasonably requested before the Closing to carry out the intent and purposes of this Agreement.

7.2 Proceedings.

(a) No Injunction. No party shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

(b) Postponement. In the event such a restraining order or injunction is in effect, this Agreement may not be terminated by the Seller pursuant to this Section 7.2 before the Final Closing Date but the Closing shall be delayed during such period. This Agreement may be terminated after such date if such restraining order or injunction remains in effect.

7.3 Deliveries. The Buyer shall have complied with each and every one of its obligations set forth in Section 9.2.

7.4 Authorizations. Except as otherwise contemplated by Section 2.7, the FCC Order shall have been granted, shall be effective and shall have become Final.

7.5 Other Consents. The Buyer shall have obtained all consents, approvals and waivers of other persons or parties as may be required for the consummation of the transactions contemplated by this Agreement. The Buyer and the Seller shall have obtained all Material Consents (except those related to Contracts which the Buyer has agreed to waive in writing) including, without limitation, all approvals and waivers of governmental agencies as are required for

the consummation of the transactions contemplated by this Agreement. ABC shall have consented to the assignment of the Affiliation Agreements to the Buyer.

ARTICLE 8
CONDITIONS TO THE OBLIGATIONS OF THE BUYER

The obligations of the Buyer under this Agreement are, at its option, subject to the fulfillment of the following conditions:

8.1 Representations, Warranties and Covenants.

(a) Representations True. Each of the representations and warranties of the Seller and the Shareholder contained in this Agreement shall have been true and correct in all material respects as of the date when made; and each of such representations and warranties shall be true and correct in all material respects on and as of the Closing Date, except to the extent of changes described in a bring down certificate prepared by Seller.

(b) Seller's and Shareholder's Performance. The Seller and the Shareholder 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 them before or on the Closing Date.

(c) Seller's Certificate. At least three (3) days before Closing, the Seller shall have furnished the Buyer with the certificate required by Section 8.1(a), dated the Closing Date and duly executed by the President of the Seller, to the effect that the conditions set forth in Section 8.1(a) have been satisfied or disclosure of any conditions that have not been satisfied (the "Defects"). Liabilities arising in the Ordinary Course of Business will not be considered "Defects" and nothing contained in this Section 8.1 will limit Seller's obligation to pay such amounts in accordance with Section 5.1(e).

(i) The Buyer in its sole discretion may elect not to proceed to Closing (and no party shall be in breach of its obligations hereunder as a result) if (x) Buyer reasonably determines that the Defects would likely result in losses, fines, damages, liabilities or other claims (including reasonable attorneys and expert witness fees and out-of-pocket litigation costs) (collectively, the "Losses") that exceed \$100,000.00 and (y) the Seller does not elect to pay or otherwise remediate such Defects such that the aggregate Losses associated with such Defects is less than or equal to \$100,000.00. In the event that the Seller elects to pay or otherwise remediate the Defects such that the aggregate Losses associated with such Defects are less than or equal to \$100,000.00 and the other conditions contained in this Article 8 are satisfied, the Buyer and the Seller shall proceed to Closing; provided that, notwithstanding the foregoing, the Buyer's sole remedy and the Seller's sole liability for the Defects will be a reduction in the Purchase Price at Closing equal to the remaining unpaid and not remediated Defect Losses (if any) up to a total of \$100,000.00. In the event that Buyer has the right to terminate in accordance with this Section 8.1(c)(i) but elects to proceed to Closing, (1) Buyer will be deemed to have waived the Defects and any failure of conditions contained in this Article 8 relating to the Defects (including, without limitation, failure of the condition specified in Section 8.1(a) and this Section 8.1(c) to the extent

related to such Defects) and (2) the Buyer's sole remedy and the Seller's sole liability for the Defects will be the deduction of \$100,000.00 from the Purchase Price at Closing.

(ii) The Buyer in its sole discretion may elect not to proceed to Closing (and no party shall be in breach of its obligations hereunder as a result) if (x) the Buyer reasonably determines that Losses from the Defects are not reasonably estimable or otherwise quantifiable but could reasonably be expected to subject the Buyer to substantial liability or have a substantial adverse effect on the Business, the Stations or the Assets, and (y) the Seller is not willing to indemnify the Buyer Indemnitees from the Losses for such Defects as a Deficiency, and so elects. In the event that the Seller elects to accept liability for Defects as a Deficiency, the Defects will be deemed to be a Deficiency and the Buyer will have the recourse set forth in Article 10. In the event that the Buyer has the right to terminate in accordance with this Section 8.1(c)(ii) because Seller does not elect to remedy Defects by indemnifying Buyer, but Buyer elects to proceed to Closing, the Buyer will be deemed to have waived the Defects and any failure of conditions contained in this Article 8 relating to the Defects (including, without limitation, failure of the condition specified in Section 8.1(a) and this Section 8.1(c) to the extent related to the Defects) and Seller will have no liability whatsoever for the Defects.

(iii) If the Buyer reasonably determines that the Defects would likely result in Losses that are \$100,000.00 or less, then the Buyer will be deemed to have waived such Losses and any failure of conditions contained in this Article 8 relating to such liabilities (including, without limitation, failure of the condition specified in Section 8.1(a) and this Section 8.1(c) to the extent related to the Defects) and, assuming that the other conditions contained in this Article 8 are satisfied, the Buyer and the Seller shall proceed to Closing and the Buyer's sole remedy and the Seller's sole liability for the Defects will be the reduction of the Losses from the Defects (up to a maximum of \$100,000.00) from the Purchase Price at Closing.

(iv) All notices and elections under this Section 8.1(c) shall be in writing.

(d) Other Documents. The Buyer shall be furnished with such certificates, documents or instruments with respect to the Seller and the Shareholder as the Buyer may have reasonably requested before the Closing to carry out the intent and purposes of this Agreement.

8.2 Proceedings.

(a) No Injunction. No party shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

(b) Postponement. If such a restraining order or injunction is in effect, then this Agreement may not be terminated by the Buyer pursuant to this Section before the Final Closing Date, but the Closing shall be delayed during such period. This Agreement may be terminated after such date if such restraining order or injunction remains in effect.

8.3 Liens Released. All Security Interests pertaining to the Assets (except for those included in the Permitted Encumbrances not required by this Agreement to be released prior

to Closing) shall be released of record and there shall be no liens in respect of the Assets, except Permitted Encumbrances.

8.4 Deliveries. The Seller and the Shareholder shall have complied with each and every one of their respective obligations set forth in Section 9.1.

8.5 Other Consents. The Buyer and the Seller shall have obtained all Material Consents, including, without limitation, all approvals and waivers of governmental agencies as are required for the consummation of the transactions contemplated by this Agreement, without any change in the terms thereof, except these approved by the Buyer in writing. ABC shall have consented to the assignment of the Affiliation Agreements to the Buyer, without a decrease in Station compensation or remaining term and without any other change in such agreement, except those approved by the Buyer in writing.

8.6 Revised Schedules. The Seller and the Shareholder shall have delivered to the Buyer such revised forms of each of the Schedules or updated information for addition to or inclusion in the Schedules as are necessary to reflect changes in such Schedules as of the Closing Date; *provided, however*, that, except for changes that are permitted by the terms of this Agreement, no change in any Schedule will be binding on the Buyer without its prior written consent, which consent may be withheld by the Buyer for any or no reason.

8.7 No Material Change in Business or Assets. There shall not have been a material adverse change in the Stations or Assets (excluding any material adverse changes that are not specific to the Assets or Stations which excluded changes include, without limitation, adverse changes in the regional or national broadcasting industry or changes in general economic conditions) nor shall there have been an uncured or continuing default by the Seller under any Contract involving a Material Consent.

8.8 Authorizations. Except as otherwise contemplated by Section 2.7, the FCC Order with respect to all Authorizations issued by the FCC shall have been granted, shall be effective and shall have become Final. The FCC permits for the construction of a digital television broadcast facility for each of the Stations shall not have been revoked, canceled, rescinded or terminated, and Seller shall not have Knowledge of any existing fact or circumstance that could reasonably be expected to cause the FCC to revoke, cancel, rescind or terminate either of the FCC permits for the construction of a digital television broadcast facility for the Stations after the Closing.

ARTICLE 9

ITEMS TO BE DELIVERED AT THE CLOSING

9.1 Deliveries by the Seller. At the Closing, the Seller and the Shareholder shall deliver to the Buyer, duly executed by the Seller, the Shareholder or such other signatory as may be required by the nature of the document:

(a) Bills of Sale. Bills of sale, general warranty deeds for the Owned Real Property, memorandum of the assignment of the Option Agreement with Northern Michigan Radio, certificates of title, endorsements, assignments and other good and sufficient instruments of

sale, conveyance, transfer and assignment, in form and substance satisfactory to the Buyer, sufficient to sell, convey, transfer and assign to the Buyer all right, title and interest of the Seller and the Seller in and to the Assets and to quiet the Buyer's title thereto;

(b) Board Resolutions. Certified copies of resolutions, duly adopted by the Shareholder and Directors of Seller, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by the Seller of this Agreement and the consummation of the transactions contemplated hereby;

(c) Officer's Certificate. The certificate referred to in Section 8.1(c);

(d) Noncompetition Agreement. The Noncompetition, Nonsolicitation and Confidentiality Agreement between the Shareholder, the Seller, and the Buyer in the form of Exhibit C attached (the "Noncompetition Agreement");

(e) Opinions. An opinion of counsel for the Seller and the Shareholder and an opinion of FCC counsel for the Seller, both dated the Closing Date, in the forms attached as Exhibits D-1 and D-2;

(f) Estoppel Certificates. Landlords' and ABC estoppel certificates, consents and waivers concerning the Leased Real Property and the Affiliation Agreements in form and substance satisfactory to the Buyer;

(g) Consents. Consents to the assignment of Material Contracts to the Buyer in form and content reasonably satisfactory to the Buyer;

(h) Indemnification Escrow Agreement. The Indemnification Escrow Agreement;

(i) Easement. Except as otherwise contemplated by Section 5.16, an easement for ingress and egress from Michigan Highway 72 across the Retained M-72 Real Property as necessary to provide Transferred M-72 Real Property with access to Michigan Highway 72 (which access may involve the use of a third party easement) (the "Easement"); provided that the location of the Easement will be established by Seller in its reasonable discretion, subject to the written approval of the Buyer, in its reasonable discretion; and

(j) Other. A deed or long-term lease satisfactory to the Buyer in its discretion, to Transferred M-72 Real Property.

9.2 Deliveries by the Buyer. At the Closing, the Buyer shall deliver to the Seller, duly executed by the Buyer or such other signatory as may be required by the nature of the document:

(a) Purchase Price. The Purchase Price, which shall be paid in the manner specified in Section 2.5;

(b) Assumption Agreements. An instrument or instruments of assumption of the Affiliation Agreements, Program License Agreements, the Contracts and Real

Property Leases and Assumed Liabilities to be assumed by the Buyer pursuant to this Agreement, in form and substance satisfactory to the Seller;

(c) Resolutions. Certified copies of resolutions, duly adopted by the Managers of the Buyer, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by the Buyer;

(d) Officer's Certificate. The certificates referred to in Section 7.1(c);

(e) Noncompetition Agreement. The Noncompetition Agreement;

(f) Opinions. An opinion of counsel for the Buyer, dated the Closing Date, in the form attached as Exhibit E; and

(g) Indemnification Escrow Agreement. The Indemnification Escrow Agreement.

ARTICLE 10

SURVIVAL; INDEMNIFICATION; EMPLOYEES

10.1 Survival. Except as otherwise specifically provided in this Agreement regarding the Title Search and the Phase I, all representations, warranties and covenants that contemplate performance after the Closing contained in this Agreement, or in any Exhibit, Schedule, certificate, agreement or statement delivered pursuant hereto, shall survive the Closing and any investigation conducted by any party hereto and any information which any party may receive. All such representations and warranties shall survive until 15 months after the Closing Date whereupon all such representations, warranties, and indemnities with respect thereto, shall expire and terminate and shall be of no further force or effect; *provided, however*, that representations and warranties and indemnities with respect thereto with respect to a Tax matter, an environmental matter, an employee benefits matter, a title matter, or an OSHA matter (collectively, "Superior Claims") may be asserted at any time on or before the expiration of the limitations period under applicable law. If a Deficiency is asserted by either party, before the expiration of the survival or limitations period, such asserted Deficiency shall survive until the existence of such Deficiency has been finally established and the Deficiency is resolved as provided below.

10.2 Basic Provision

(a) Buyer Indemnitees. The Seller and the Shareholder (the Seller and the Shareholder an "Indemnifying Party") hereby, jointly and severally, agree to indemnify and hold harmless the Buyer, its members, managers, officers, agents and employees and all persons which directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Buyer, and its successors and assigns (collectively, the "Buyer Indemnitees") from, against and in respect of, and to reimburse the Buyer Indemnitees for the amount of any and all Deficiencies. After Closing, Buyer shall be partially secured through

access to the Indemnification Escrow Amount for the purpose of providing collateral security from the Deficiencies suffered or incurred pursuant to this Section 10.2(a).

(b) Seller Indemnitees. The Buyer (“Indemnifying Party”), hereby agrees to indemnify and hold harmless the Seller and its shareholders, officers, directors, agents, employees and all persons which directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Seller, and its successors and assigns (collectively, the “Seller Indemnitees”) from, against and in respect of, and to reimburse the Seller Indemnitees for the amount of any and all Deficiencies.

(c) Notwithstanding anything contained in this Article 10 to the contrary, the aggregate amount that (i) the Seller and the Shareholder shall be required to indemnify and hold harmless Buyer pursuant to Section 10.2(a) and (ii) the Buyer shall be required to indemnify and hold harmless the Seller pursuant to Section 10.2(b), shall not exceed the Purchase Price. The Seller and the Shareholder shall have no obligation to indemnify Buyer with respect to Section 10.2(a) and Buyer shall have no obligation to indemnify the Seller with respect to Section 10.2(b) unless and until, in either case, (I) the aggregate amount of any Deficiency exceeds \$25,000.00, in which event the Indemnifying Party shall be required to indemnify the Buyer Indemnitees or the Seller Indemnitees, as applicable, for the full amount of any Deficiencies incurred by such Persons and (II) there will be a \$1,000,000.00 aggregate ceiling (the “Liability Cap”) on the obligation of the Indemnifying Party to indemnify the Buyer Indemnitees or the Seller Indemnitees, as applicable, from and against Deficiencies resulting from (x) the breach of any warranties or representations by the Seller or the Shareholder or the Buyer, as applicable or (y) any environmental matter; provided that, the Liability Cap will not apply to Deficiencies related to (1) Tax matters, (2) employee benefits matters, (3) title matters, (4) OSHA matters, or (5) circumstances of which the Seller or Shareholder had Knowledge giving rise to a violation of an Environmental Law at or prior to the Effective Time (excluding Deficiencies related to environmental matters that result from changes in the Environmental Laws that occur after the Effective Time). For the avoidance of doubt, with respect to Buyer Deficiencies (as described in Section 10.3 below), the Liability Cap will be reduced, dollar for dollar, for every dollar paid to any Buyer Indemnitee out of the Indemnification Escrow Amount, to the extent such amount paid out of the Indemnification Escrow Amount is attributable to a Deficiency to which the Liability Cap relates.

10.3 Definition of “Deficiencies.”

(a) Deficiencies for the Buyer. As used in this Article 10, the term “Deficiencies” when asserted by the Buyer Indemnitees or arising out of a third party claim against the Buyer Indemnitees shall mean any and all losses, fines, damages, liabilities and claims sustained by the Buyer Indemnitees (excluding any amounts for which an adjustment or proration has been made in favor of the Buyer) and arising out of, related to, in the nature of, caused by, based on or resulting from:

(i) Any misrepresentation, breach of warranty or any non-fulfillment of any representation, warranty, covenant, obligation or agreement on the part of the Seller or the Shareholder contained in or made in this Agreement or in an Exhibit, Schedule, certificate, agreement or statement delivered pursuant to this Agreement;

(ii) Any failure by the Seller and the Shareholder to pay or discharge any Excluded Liability or any other liability of the Seller, the Shareholder and the Seller Indemnitees, direct or contingent, that is not expressly assumed by the Buyer pursuant to the provisions of this Agreement;

(iii) Any litigation, proceeding or claim by any third party to the extent relating to the business or operations of the Seller, the Assets or the Stations before the Effective Time;

(iv) Any severance pay or other payment required to be paid by the Seller with respect to any employee or consultant of the Seller terminated by the Seller on or before the Effective Time;

(v) Except for obligations or liabilities expressly assumed by the Buyer herein, the Seller's operation of the Stations or the ownership of the Assets before the Effective Time (including, but not limited to, any and all claims, liabilities, and obligations arising or required to be performed by the Seller under any lease, contract, or agreement or under this Agreement before the Effective Time);

(vi) Except for obligations or liabilities expressly assumed by the Buyer herein, any transaction entered into by the Seller or arising in connection with the Stations or the operation of its business or any of the Assets before the Effective Time;

(vii) Any fees, costs, expenses or other liability under any music license agreement (including, without limitation, agreements with BMI, ASCAP or SESAC) entered into by Seller related to periods before the Effective Time;

(viii) Any and all acts, suits, proceedings, demands, assessments and judgments and all reasonable fees, costs and expenses of any kind, related or incident to any of the foregoing (including, without limitation, any and all Legal Expenses); or

(ix) As provided in Section 12.11.

(b) Deficiencies for the Seller. As used in this Article 10, the term "Deficiencies" when asserted by the Seller Indemnitees or arising out of a third party claim against the Seller Indemnitees shall mean any and all losses, damages, liabilities and claims sustained by the Seller Indemnitees and arising out of, related to, in the nature of, caused by, based on or resulting from:

(i) Any misrepresentation, breach of warranty or any non-fulfillment of any representation, warranty, covenant, obligation or agreement on the part of the Buyer contained in or made in this Agreement or in an Exhibit, Schedule, certificate, statement or agreement delivered pursuant to this Agreement;

(ii) Any failure by the Buyer to pay or discharge any other liability accruing after the Closing Date for any Assumed Liability;

(iii) Any litigation, proceeding or claim by any third party to the extent relating to the business or operations of the Buyer or the Stations after the Closing Date;

(iv) Except as accounted for in the Closing pro rations as set forth in Section 2.6(a), the Buyer's operation of the Stations or the ownership of the Assets after the Closing Date (including, but not limited to, any and all claims, liabilities, and obligations arising or required to be performed by the Buyer under any lease, contract, or agreement or under this Agreement after the Closing Date);

(v) Any transaction entered into by the Buyer or arising in connection with the Stations or the operation of its business or any of the Assets after the Closing Date; or

(vi) Any and all acts, suits, proceedings, demands, assessments and judgments and all fees, costs and expenses of any kind, related or incident to any of the foregoing (including, without limitation, any and all Legal Expenses).

10.4 Procedures for Establishment of Deficiencies.

(a) Claim Asserted. In the event that any claim shall be asserted by any third party against the Buyer Indemnitees or the Seller Indemnitees (the Buyer Indemnitees or the Seller Indemnitees, as the case may be, hereinafter, the "Indemnitees"), which, if sustained, would result in a Deficiency, then the Indemnitees, promptly and in all events within 15 days after learning of such claim, shall notify the Indemnifying Party of such claim and Indemnitees shall permit the Indemnifying Party to defend against such claim, at the Indemnifying Party's sole expense and through legal counsel reasonably acceptable to the Indemnitees, provided that the Indemnifying Party proceeds in good faith, expeditiously and diligently. The Indemnitees shall, at their option and expense, have the right to participate in any defense undertaken by the Indemnifying Party with legal counsel of their own selection and at their expense. The parties will cooperate fully in any such action and shall make available to each other any books or records useful for the defense of such claim. No settlement or compromise of any claim which may result in a Deficiency may be made by the Indemnifying Party without the prior written consent of the Indemnitees unless: (a) before such settlement or compromise, the Indemnifying Party acknowledges in writing its obligation to pay in full the amount of the settlement or compromise and all associated expenses and (b) the Indemnitees are furnished with security reasonably satisfactory to the Indemnitees that the Indemnifying Party will in fact pay such amount and expenses or the Indemnifying Party obtains a release of the Indemnitees from all liability in respect of such claim.

(b) Notice. In the event that the Indemnitees assert the existence of any Deficiency against the Indemnifying Party, such Indemnitees shall give written notice to the Indemnifying Party of the nature and amount of the Deficiency asserted. If the Indemnifying Party within a period of 30 days after the giving of the Indemnitees' notice, shall not give written notice to the Indemnitees announcing its intent to contest such assertion of the Indemnitees (such notice by the Indemnifying Party being hereinafter referred to as the "Contest Notice"), such assertion of the Indemnitees shall be deemed accepted and the amount of the Deficiency shall be deemed established. In the event, however, that a Contest Notice is given to the Indemnitees within such 30-

day period, then the Parties agree to work in good faith to resolve the issue. If such negotiations fail, then either side may exercise any remedies available to it under this Agreement.

(c) Agreement. The Indemnitees and the Indemnifying Party may agree in writing, at any time, as to the existence and amount of a Deficiency, and, on the execution of such agreement such Deficiency shall be deemed established.

10.5 Payment of Deficiencies. The Indemnifying Party hereby agrees to pay the amount of established Deficiencies within 30 days after the establishment thereof. The amount of established Deficiencies shall be paid in cash or, as applicable, through the Indemnification Escrow Amount. Any amounts not paid by the Indemnifying Party when due under this Section shall bear interest from and after the due date thereof until the date paid at a rate equal to the lesser of: (a) 12% per annum and (b) the highest legal rate permitted by applicable law. At the option of the Indemnitees, the Indemnitees may offset any Deficiency or any portion thereof that has not been paid by the Indemnifying Party to the Indemnitees against any obligation the Indemnitees, or any other Party to the Indemnitees against any obligation the Indemnitees, or any of them, may have to the Indemnifying Party arising out of a Deficiency established pursuant to Section 10.4.

10.6 Treatment of Indemnity Payments. All amounts paid with respect to indemnity claims under this Agreement shall be treated by the parties hereto for all Tax purposes as adjustments to the Purchase Price.

ARTICLE 11 MISCELLANEOUS

11.1 Termination of Agreement. This Agreement may be terminated at any time on or before the Closing Date: (a) by the mutual consent of the Seller and the Buyer; (b) by the Buyer as provided in Sections 11.7 and 11.8; (c) by either party hereto if the Closing has not taken place by December 31, 2003 (the "Final Closing Date"); (d) by the Buyer at least thirty (30) days after the FCC Order becomes Final if the Seller and the Shareholder have not satisfied the conditions set forth in Article 8 and the Buyer has satisfied or is prepared and able (but for the Seller's and the Shareholder's defaults) to satisfy the conditions of Article 7; (e) by the Buyer pursuant to Section 8.1(c)(i) or (ii); (f) by the Seller at least thirty (30) days after the FCC Order becomes Final if the Buyer has not satisfied the conditions set forth in Article 7 and the Seller and the Shareholder have satisfied or are prepared and able (but for Buyer's defaults) to satisfy the conditions of Article 8; or (g) by written notice by either party to the other if, for any reason, the FCC application referenced in Section 5.9 is designated for hearing by the FCC, so long as such notice is given within twenty (20) days after release of the hearing designation order and the party giving such notice is not in material default of its obligations under this Agreement. A termination pursuant to this Article 11 shall not relieve any party of any liability it would otherwise have for a willful breach of this Agreement. If this Agreement is terminated rightfully pursuant to this Article 11, all further obligations of the parties hereunder shall terminate, except that all obligations for confidentiality under Sections 5.4(b) and 6.4 shall survive such termination for a period of three years. If the Buyer materially breaches its obligations hereunder and neither the Seller nor any Shareholder is in material default of their obligations hereunder, the Earnest Money Escrow Deposit and all accrued interest thereon shall be delivered to the

Seller. On a termination for any other reason, the Earnest Money Escrow Deposit (together with any accrued interest thereon) shall be returned to the Buyer.

11.2 Liabilities on Termination or Breach. The parties acknowledge that the operation of the Stations is of a special, unique and extraordinary character. Upon a material breach by the Seller or the Shareholder of their representations, warranties, covenants and agreements under this Agreement, so long as Buyer is not then in material breach of this Agreement, the Buyer shall be entitled to an injunction restraining any such breach or threatened breach or to enforcement of this Agreement by a decree or decrees of specific performance requiring the Seller and the Shareholder to fulfill their obligations under this Agreement.

11.3 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*, the Buyer and Seller shall equally share the filing fees with the FCC (and related legal fees) and the Buyer shall be solely responsible for the payment of any sales or transfer taxes arising from the transfer of the Assets to the Buyer.

11.4 Remedies Cumulative. Except with respect to the penultimate sentence of Section 11.1, the remedies provided in this Agreement shall be cumulative and shall not preclude the assertion by any party hereto of any other rights or the seeking of any other remedies against the other party hereto.

11.5 Non-Assignable Contracts. Nothing contained in this Agreement shall be construed as an assignment or an attempted assignment of any Contract which is by law non-assignable without the consent of the other party or parties thereto, unless such consent shall be given. The Seller shall use and the Shareholder shall cause the Seller to use is commercially reasonable efforts (and the Buyer shall assist the Seller) both after and before the Closing to obtain such consents to the assignment or transfer of Contracts to vest in the Buyer all of the Seller's right, title and interest in such Contracts, in all cases in which such consent is required for assignment or transfer. If such consent is not obtained, the Seller shall, and the Shareholder shall cause the Seller to, cooperate with the Buyer in any arrangements necessary or desirable, on commercially reasonable terms, to provide for the Buyer to have the benefits and to have the Buyer assume the burdens arising after the Closing Date thereunder, including, without limitation, enforcement for the benefit of the Buyer, and assumption by the Buyer of the costs of enforcing, any and all rights of the Seller thereunder against the other party thereto arising out of the cancellation thereof by such other party or otherwise.

11.6 Further Assurances. From time to time before, on and after the Closing Date, each party hereto will execute all such instruments and take all such actions as any other party, being advised by counsel, shall reasonably request, without payment of further consideration, 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. The parties shall cooperate fully with each other and with their

respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement.

11.7 Risk of Loss. The risk of loss, damage or destruction to any of the Assets from fire or other casualty or cause shall be borne by the Seller at all times before the Effective Time. In the event of any such loss, damage or destruction, the proceeds of any claim for any loss, payable under any insurance policy with respect thereto, shall be used to repair, replace or restore any such property to its former condition, subject to the conditions stated below. It is expressly understood and agreed that, in the event of any loss or damage to any of the Assets from fire, casualty or other causes before the Closing, the Seller shall promptly notify the Buyer of same in writing. Such notice shall specify with particularity the loss or damage incurred, the cause thereof (if known or reasonably ascertainable) and the insurance coverage. In the event that the damaged property is not completely repaired, replaced or restored on or before the Closing Date, the Buyer at its sole option: (a) may elect to postpone Closing until such time as the property has been completely repaired, replaced or restored to the reasonable satisfaction of the Buyer if the repair, replacement or restoration can be accomplished within one month following the date of the loss or damage or the Final Closing Date, whichever is the earlier and (b) may elect to consummate the Closing and accept the property in its then condition, in which event the Seller shall pay to the Buyer all proceeds of insurance (less amounts spent on repairs to the Assets and the Stations reasonably approved in advance by the Buyer) and assign to the Buyer the right to any unpaid proceeds; or (c) terminate this Agreement without liability to any party.

11.8 Broadcast Transmission Interruption. If, before the Closing, the regular broadcast transmission of any of the Stations in the normal and usual manner is interrupted (except for Special Temporary Authority operations described in Schedule 2.1(b) or Schedule 5.2(h)) for a period of 24 continuous hours or more, solely as a result of actions of, or the failure to act by, the Seller, then the Shareholder or the Seller shall give prompt written notice thereof to the Buyer. The Buyer shall then have the right by giving written notice to the Seller, to postpone (and if necessary re-postpone) the Closing to a date that is 15 days after the end of any such interruption. If, solely as a result of actions of, or the failure to act by, the Seller the regular broadcast transmission of the Stations in the normal and usual manner is interrupted (except for STA operations described in Schedule 2.1(b) or Schedule 5.2(h)) for a continuous period of 72 hours or more at any time before Closing Date or, if at the Closing Date, the regular transmission of the Stations is interrupted (except for Special Temporary Authority operations described in Schedule 2.1(b) or Schedule 5.2(h)) and cannot be reestablished within 72 hours, then (a) the Seller immediately shall give written notice thereof to the Buyer; and (b) the Buyer shall have the right, by giving written notice to the Seller, to (i) within three business days after receiving notice from the Seller of such interruption, to terminate this Agreement without liability to the Seller, the Shareholder or the Buyer, in which event the Earnest Money Escrow Deposit and all accrued interest shall promptly be returned to the Buyer or its designee, or (ii) postpone the Closing as provided above.

11.9 Employees.

(a) Except as provided otherwise in this Section, the Seller shall terminate all of the Stations' employees effective as of the Effective Time and pay all termination and severance costs in connection with such termination. The Buyer presently intends to offer employment to all of the employees of the Stations that are listed on Schedule

3.21 (“Assumed Employees”) beginning at the Effective Time. The Seller acknowledges and agrees that the foregoing representation by the Buyer does not require the Buyer to continue to employ any such Assumed Employee for any specific periods of time after the Effective Time. The Buyer will not give the Assumed Employees credit for accrued vacation and sick leave unless the costs thereof are paid by the Seller to the Buyer before or on the Closing Date or, at the Buyer’s option, the Purchase Price is adjusted at Closing. The Buyer acknowledges that the Seller may require employees to take all available vacation leave prior to Closing and Buyer agrees that any such conduct will be considered to be in the Ordinary Course of Business; provided that nothing contained in this sentence will limit Seller’s covenant to otherwise operate the Stations in the usual and ordinary manner in accordance with Section 5.1.

(b) Buyer shall recognize, for the purpose of determining the vesting of benefits, participation eligibility and benefit accrual under any employee pension plan, as defined under Section 3(2) of ERISA, of Buyer, all service by Assumed Employees with the Seller.

(c) Buyer shall provide COBRA continuation coverage to Assumed Employees and those former employees of Seller who were employed in connection with the business of Seller or the Stations (and their covered dependents and qualified beneficiaries) who are receiving COBRA continuation coverage at the Closing with respect to whom a qualifying event occurred prior to the Closing and for which the applicable election period for COBRA continuation coverage had not expired as of the Effective Date, or with respect to whom a qualifying event occurs as a result of the Closing in compliance with the provisions of COBRA. Before Closing, the Seller shall provide the Buyer a list of all former employees (and their covered dependents and qualified beneficiaries) who are receiving COBRA continuation coverage at the Closing Date.

11.10 Receivables. On the Closing Date, Seller shall assign to Buyer, for purpose of collection only, all of the Receivables. For a period of one hundred twenty days (120) after the Closing Date, Buyer will collect in the normal course of business the Receivables for Seller’s benefit. Seller will furnish Buyer with a complete list of the Receivables at or as soon as is reasonably possible after the Closing. Buyer will not adjust, compromise or settle any dispute concerning the Receivables without prior written consent of Seller. Thirty-five (35), sixty-five (65), ninety-five (95) and one hundred twenty five (125) days after the Closing Date, Buyer shall pay to Seller, without setoff, all amounts collected on account of the Receivables during the first thirty (30), sixty (60), ninety (90) and one hundred twenty (120) days following the Closing Date, *provided, however*, that any payment received by Buyer during such period from any customer which continues to be serviced by Buyer shall be applied to the invoice (if any) specified by the customer and, failing specification by the customer, to the oldest Receivables. The obligation of Buyer hereunder will be to collect such Receivables in the ordinary and normal course of business and does not extend to the institution of litigation, employment of counsel or a collection agency, or any other extraordinary means of collection. At one hundred twenty-five (125) days after the Closing Date, Buyer will then reassign to Seller any Receivables that remain uncollected.

11.11 Choice of Jurisdiction. Any controversy or claim arising out of or related to this Agreement which the parties are unable to resolve shall be submitted to the state or federal courts located in the City of Detroit in the State of Michigan, which shall be the sole forums for the resolution of all disputes hereunder, to the jurisdiction of which both parties submit.

ARTICLE 12 GENERAL PROVISIONS

12.1 Successors and Assigns. Except as otherwise expressly provided herein, this Agreement shall be binding on and inure to the benefit of the parties hereto, and their respective representatives, successors and assigns. Neither the Seller nor the Shareholder may assign any of their rights or delegate any of their duties hereunder without the prior written consent of the Buyer. The Buyer may freely assign some or all of its rights and obligations hereunder to any entity controlled by or under common control with the Buyer, as long as the Buyer remains fully obligated hereunder, and such assignment does not delay the issuance of the Final Order.

12.2 Amendments; Waivers. The terms, covenants, representations, warranties and conditions of this Agreement may be changed, amended, modified, waived, discharged or terminated only by a written instrument executed by the party waiving compliance. 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.

12.3 Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (which shall include notice by telex or facsimile transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by telex, graphic scanning or other facsimile communications equipment, delivered by such equipment, addressed as set forth below:

- (a) If to the Seller or the Shareholder, then to:

Thomas Scanlan
Scanlan Communications, Inc.
201 East Front Street
Traverse City, Michigan 49684
Telecopier: (231) 946-1600

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

Kevin Boyle, Esq.
Latham & Watkins
11955 Freedom Drive
Suite 500
Reston, Virginia 20190
Telecopier: (703) 456-1001

(b) If to the Buyer then to:

A. Eugene Loving, Jr.
Max Media of Traverse City LLC
900 Laskin Road
Virginia Beach, Virginia 23451
Telecopy Number: (757) 437-0034

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

Thomas R. Frantz, Esq.
Williams Mullen
A Professional Corporation
Suite 900
One Columbus Center
Virginia Beach, Virginia 23462
Telecopy Number: (757) 473-0395

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice.

12.4 Captions. The captions of Articles and Sections 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.

12.5 Governing Law. THIS AGREEMENT AND ALL QUESTIONS RELATING TO ITS VALIDITY, INTERPRETATION, PERFORMANCE AND ENFORCEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MICHIGAN, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAWS.

12.6 Entire Agreement. This Agreement and the Schedules hereto and thereto and the other documents delivered hereunder constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof, and supersede all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating

to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof.

12.7 Execution: Counterparts and Facsimile. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be as effective as delivery of a manually executed counterpart of this Agreement.

12.8 Gender and Tense. Where appropriate to the context, pronouns of other terms expressed in one number or gender will be deemed to include all other numbers or genders. The use of a word in one tense will include the other tenses, where appropriate to the context.

12.9 Third-Party Beneficiaries. This Agreement is intended to benefit only the parties to this Agreement, their successors and permitted assigns. No other Person is an intended or incidental beneficiary of this Agreement.

12.10 No Party Deemed Drafter. The parties acknowledge that they have been represented by counsel in connection with this Agreement and the transactions contemplated hereby. Accordingly, any rule of law or any legal decision that would require interpretation of any claim ambiguities in this Agreement against the party that drafted it has no application and is expressly waived. Provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of the parties.

12.11 Bulk Sales Laws. The parties hereby waive compliance with the bulk transfer provisions of the Uniform Commercial Code and any applicable Bulk Sales Laws of any State in which the Assets are located or in which operations relating to the Stations are conducted. The Seller and the Shareholder agree to indemnify the Buyer against as well as hold the Buyer harmless from any Deficiencies arising out of the failure of the Seller to comply with any such bulk sales or transfer law with respect to any of the Assets.

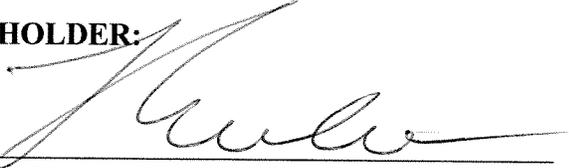
IN WITNESS WHEREOF, the parties have caused this Asset Purchase Agreement to be duly executed by their duly authorized signatories, all as of the day and year first above written.

SELLER:

SCANLAN COMMUNICATIONS, INC.

By: 
Thomas Scanlan, President

SHAREHOLDER:


THOMAS SCANLAN

BUYER:

MAX MEDIA OF TRAVERSE CITY LLC
a Virginia limited liability company

By: _____
David J. Wilhelm, Vice President

MTC LICENSE LLC
a Virginia limited liability company

By: _____
David J. Wilhelm, Vice President

IN WITNESS WHEREOF, the parties have caused this Asset Purchase Agreement to be duly executed by their duly authorized signatories, all as of the day and year first above written.

SELLER:

SCANLAN COMMUNICATIONS, INC.

By: _____
Thomas Scanlan, President

SHAREHOLDER:

THOMAS SCANLAN

BUYER:

MAX MEDIA OF TRAVERSE CITY LLC
a Virginia limited liability company

By: _____
David J. Wilhelm, Vice President

MTC LICENSE LLC
a Virginia limited liability company

By: _____
David J. Wilhelm, Vice President

EXHIBIT A

EARNEST MONEY ESCROW AGREEMENT

This EARNEST MONEY ESCROW AGREEMENT (the "Agreement") is entered into on May 7, 2003, by and among MAX MEDIA OF TRAVERSE CITY LLC, a Virginia limited liability company, and MTC LICENSE LLC, a Virginia limited liability company (collectively, the "Buyer"), SCANLAN COMMUNICATIONS, INC., a Michigan corporation ("Seller"), and Lawyers Title Insurance Corporation (the "Escrow Agent").

RECITALS

Buyer, Seller and Thomas Scanlan ("Shareholder") have entered into an Asset Purchase Agreement of even date (the "Purchase Agreement") pursuant to which Buyer will acquire from Seller the Assets. The Purchase Agreement provides that the escrow fund provided for hereby will be used to secure the liquidated damages obligation of Buyer to Seller set forth in Section 11.1 of the Purchase Agreement, on the terms and conditions set forth herein and the Purchase Agreement. Pursuant to the Purchase Agreement, Buyer will deliver certain funds upon the execution of the Purchase Agreement which are to be deposited into the escrow fund provided for hereby. The parties desire to establish the terms and conditions pursuant to which such escrow fund will be established and maintained. Capitalized terms used, but not otherwise defined, in this Agreement will have the meaning set forth in the Purchase Agreement.

AGREEMENT

The parties agree as follows:

1. Defined Terms. Capitalized terms used in this Agreement and not otherwise defined shall have the meanings given them in the Purchase Agreement.

2. Escrow.

(a) Initial Escrow. On the date of full execution of the Purchase Agreement (the "Escrow Effective Date"), Buyer shall deposit \$387,500 in immediately available funds ("Escrow Deposit") into an interest bearing escrow account maintained by the Escrow Agent. The Escrow Deposit shall be held as a trust fund and shall not be subject to any lien, attachment, trustee process or any other judicial process of any creditor of any party hereto. The Escrow Agent agrees to accept delivery of the Escrow Deposit and to hold such Escrow Deposit in escrow subject to the terms and conditions of this Agreement and Sections 2.4 and 11.1 of the Purchase Agreement.

(b) Investment of Initial Escrow Funds. Escrow Agent shall invest the funds in the Escrow Deposit as directed in writing by Buyer in any of the following:

(i) obligations issued by or guaranteed by the United States of America or any agency or instrumentality thereof;

(ii) certificates of deposit of or interest bearing accounts with national banks or corporations endowed with trust powers, including the Escrow Agent, having capital and surplus in excess of \$100,000,000;

(iii) commercial paper that at the time of investment is rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Investor Service;

(iv) repurchase agreements with any bank or corporation described in clause (ii), above, fully secured by obligations described in clause (i), above; or

(v) any money market fund registered under the Investment Company Act of 1940, as amended, for which the Escrow Agent or an affiliate thereof is the adviser.

Any interest or other income earned on the Escrow Deposit funds shall be paid to the Person receiving the Escrow Deposit pursuant to Section 3(b) or to Buyer pursuant to Section 4 hereof, as the case may be.

(c) Liquidated Damages. Buyer has agreed in Section 11.1 of the Purchase Agreement to pay the Escrow Deposit in liquidated damages to Seller if the Closing fails to occur for certain reasons set forth in Section 11.1 of the Purchase Agreement. The Escrow Deposit ("Initial Escrow") shall be security for this liquidated damages obligation of Buyer, subject to the limitations, and in the manner provided, in this Agreement and the Purchase Agreement.

3. Administration of Initial Escrow. Escrow Agent shall administer the Initial Escrow as follows:

(a) Escrow Agent shall hold and safeguard the Initial Escrow during the Escrow Period (as defined in Section 4 below), shall treat such fund as a trust fund in accordance with the terms of this Agreement and the Purchase Agreement and not as the property of Buyer and shall hold and dispose of the Initial Escrow only in accordance with the terms hereof.

(b) In the event the Closing fails to occur before the Final Closing Date, the Initial Escrow shall be distributed in accordance with Section 11.1 of the Purchase Agreement and this Section 3(b). If either Buyer or Seller wishes to terminate the Purchase Agreement it shall provide notice (the "Payment Notice") to the other parties to this Agreement and the Escrow Agent as provided herein specifying the provision of Article 11 of the Purchase Agreement pursuant to which such termination is made. Upon receipt of the Payment Notice, the Escrow Agent shall, subject to the provisions of Section 3(d) below, deliver to either Buyer or Seller (as provided in Section 11.1 of the Purchase Agreement) as promptly as practicable, the Initial Escrow.

(c) Objections to Claims. Simultaneously with delivery of any Payment Notice to Escrow Agent, a duplicate copy of such certificate shall be delivered to either the Seller or Buyer (as applicable) and for a period of 30 days after receipt of the Payment Notice, Escrow Agent shall make no delivery to Buyer or Seller from the Initial Escrow pursuant to Section 3(b) hereof unless Escrow Agent shall have received written authorization from the other party to make such delivery. After the expiration of such 30 day period, Escrow Agent shall

make delivery from the Initial Escrow in accordance with Section 3(b) hereof, *provided* that no such payment or delivery may be made if Seller or Buyer (as applicable) shall object in a written statement to the claim for liquidated damages made in the Payment Notice and such statement shall have been delivered to Escrow Agent and Seller or Buyer (as applicable) before the expiration of such 30-day period.

(d) Resolution of Conflicts.

(i) In case either Seller or Buyer shall object in writing to the claim made in any Payment Notice or in the event that a conflicting Payment Notice is delivered, Seller and Buyer shall attempt in good faith to agree upon the rights of the respective parties with respect to the claim or notice within 30 days after Seller or Buyer, as the case may be, receives such party's written objection to the claim pursuant to Section 3(c) (the "Negotiation Period"). If Seller and Buyer should so agree during the Negotiation Period, a memorandum setting forth such agreement shall be prepared and signed by both parties and shall be furnished to Escrow Agent. Escrow Agent shall be entitled to rely on any such memorandum and distribute the Initial Escrow funds and/or other property from the Initial Escrow in accordance with the terms thereof.

(ii) If no such agreement has been reached by the end of the Negotiation Period, the dispute shall be resolved through an appropriate proceeding before a court having jurisdiction over the parties. A final, non-appealable order of any such court shall be binding and conclusive upon the parties to this Agreement, and Escrow Agent shall be entitled to act in accordance with such order and make or withhold payments out of the Initial Escrow in accordance therewith.

4. Release of Escrow Fund. Subject to the following requirements and provided the Purchase Agreement is not terminated before Closing, the Initial Escrow shall remain in existence from the Escrow Effective Date until the Closing Date (the "Escrow Period"). Upon the expiration of the Escrow Period, \$200,000 of the Escrow Deposit shall be deposited into escrow subject to the terms of Section 2.5(b) of the Purchase Agreement and the Indemnification Escrow Agreement. The remaining \$187,500, plus any interest or other income actually earned on the Initial Escrow funds, shall be paid to Buyer upon the expiration of the Escrow Period.

5. Escrow Agent's Duties.

(a) Buyer and Seller acknowledge and agree that Escrow Agent (i) shall not be responsible for any of the agreements referred to herein but shall be obligated only for the performance of such duties as are specifically set forth in this Agreement and as set forth in any additional written escrow instructions which Escrow Agent may receive after the date of this Agreement that are signed by an officer of Buyer and an officer of Seller; (ii) shall not be obligated to take any legal or other action hereunder which might in its reasonable judgment involve expense or liability unless it shall have been furnished with indemnity reasonably acceptable to it; and (iii) may rely on and shall be protected in acting or refraining from acting upon any written notice, instruction, instrument, statement, request or document furnished to it hereunder and reasonably believed by it to be genuine and to have been signed or presented by the proper person, and shall have no responsibility for determining the accuracy thereof.

(b) Escrow Agent is hereby expressly authorized to disregard any and all warnings given by any of the parties hereto or by any other person, excepting only orders or process of courts of law and notices from the parties hereto as set forth herein, and is hereby expressly authorized to comply with and obey orders, judgments or decrees of any court. In case Escrow Agent obeys or complies with any such order, judgment or decree of any court, Escrow Agent shall not be liable to any of the parties hereto or to any other person by reason of such compliance, notwithstanding any such order, judgment or decree being subsequently reversed, modified, annulled, set aside, vacated or found to have been entered without jurisdiction.

(c) Escrow Agent shall not be liable in any respect on account of the identity, authority or rights of the parties executing or delivering or purporting to execute or deliver this Agreement or any documents or papers deposited or called for hereunder.

(d) Escrow Agent shall not be liable for the expiration of any rights under any statute of limitations with respect to this Agreement or any documents deposited with Escrow Agent.

(e) Neither Escrow Agent nor any of its directors, officers or employees shall be liable to anyone for any action taken or omitted to be taken by it or any of its directors, officers or employees hereunder except in the case of gross negligence, bad faith or willful misconduct. Subject to Section 5(g) below, Buyer and Seller (collectively, the “Indemnifying Parties”) covenant and agree to jointly and severally indemnify Escrow Agent and hold it harmless from and against any fee, loss, liability or expense (including reasonable attorney’s fees and expenses) (a “Loss”) incurred by Escrow Agent arising out of or in connection with the performance of its obligations in accordance with the provisions of this Agreement or with the administration of its duties hereunder, unless such Loss shall arise out of or be caused by Escrow Agent’s gross negligence, bad faith or willful misconduct; *provided, however*, that payment for Escrow Agent’s fees and expenses set forth on the fee schedule attached as Exhibit A shall be paid one-half each by Buyer and Seller, and *provided further* that the indemnity agreement contained in this Section 5(e) shall not apply to amounts paid in settlement of any Loss if such settlement is effected without the consent of Buyer and Seller.

(f) To the extent that Escrow Agent becomes liable for the payment of any taxes in respect of income derived from the investment of funds held or payments made hereunder, Escrow Agent shall satisfy such liability to the extent possible from the Initial Escrow. Subject to Section 5(g) below, the Indemnifying Parties agree to jointly and severally indemnify and hold Escrow Agent harmless from and against any taxes, additions for late payment, interest, penalties and other expenses, that may be assessed against Escrow Agent on any payment or other activities under this Agreement unless any such tax, addition for late payment, interest, penalty or other expense shall arise out of or be caused by the actions of, or a failure to act by, Escrow Agent.

(g) Each of the Indemnifying Parties shall contribute for indemnification of Escrow Agent under Sections 5(e) and 5(f) hereof (the “Indemnification Liability”) to the Indemnification Liability in such proportion as is appropriate to reflect the relative fault of each individual Indemnifying Party, including up to all such Indemnification Liability in the case of any tax liability arising from failure to provide correct information with respect to any taxes

pursuant to Section 5(f) above. In all cases where there is no such basis for allocating contribution for such Indemnification Liability or except as otherwise provided in Section 5(e), one half of the total Indemnification Liability shall be paid by Seller, and one half of the total Indemnification Liability shall be paid by Buyer.

(h) Escrow Agent may resign at any time upon giving at least 30 days' written notice to Buyer and Seller; *provided, however*, that no such resignation shall become effective until the appointment of a successor escrow agent, which shall be accomplished as follows: Buyer and Seller shall use their best efforts to mutually agree upon a successor agent within 30 days after receiving such notice. If the parties fail to agree upon a successor escrow agent within such time, Buyer with the consent of Seller, which shall not be unreasonably withheld, shall have the right to appoint a successor escrow agent; *provided* that such successor escrow agent shall be a third party unaffiliated with either Seller or Buyer. The successor escrow agent selected in the preceding manner shall execute and deliver an instrument accepting such appointment and it shall thereupon be deemed the Escrow Agent hereunder and it shall without further acts be vested with all the estates, properties, rights, powers, and duties of the predecessor Escrow Agent as if originally named as Escrow Agent. If no successor escrow agent is named, Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor escrow agent. Thereafter, the predecessor Escrow Agent shall be discharged from any further duties and liabilities under this Agreement. The provisions of Sections 5(e) and 5(f) shall survive the resignation or removal of Escrow Agent or the termination of this Agreement.

6. Fees, Expenses and Taxes. Buyer and Seller agree to pay or reimburse Escrow Agent for its normal services hereunder in accordance with the fee schedule attached hereto as Exhibit A. The Escrow Agent shall be entitled to reimbursement upon 30 days' written notice for all expenses incurred in connection with Sections 5(e) and 5(f) above, and payment of any legal fees and expenses incurred by the Escrow Agent in connection with the resolution of any claim by any party hereunder. Taxes incurred with respect to the earnings of the Initial Escrow and payments made hereunder shall be borne by the party to whom such earnings are distributed (or to be distributed) or to whom such payment is made.

7. Miscellaneous.

(a) Amendments and Waivers. Any term of this Agreement may be amended or waived with the written consent of all of the parties or their respective successors and assigns. Any amendment or waiver effected in accordance with this Section 7(a) shall be binding upon the parties and their respective successors and assigns.

(b) Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

(c) Governing Law; Jurisdiction. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Virginia, without

giving effect to principles of conflicts of law. Each of the parties to this Agreement consents to the exclusive jurisdiction and venue of the courts of the state and federal courts of Virginia.

(d) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(e) Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

(f) Notices. Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon receipt, when delivered personally or by courier, overnight delivery service or confirmed facsimile, if such notice is addressed to the party to be notified at such party's address or facsimile number as set forth below, or as subsequently modified by written notice.

(i) If to Buyer, then to:

Max Media of Traverse City LLC
900 Laskin Road
Virginia Beach, Virginia 23451
Telecopy Number: (757) 437-0034
Attn: A. Eugene Loving, Jr.

with a copy, given in the manner prescribed above, to:

Williams Mullen
900 One Columbus Center
Virginia Beach, Virginia 23462
Telecopy Number: (757) 473-0395
Attn: Thomas R. Frantz, Esquire

(ii) If to Seller then to:

Scanlan Communications, Inc.
201 East Front Street
Traverse City, Michigan 49684
Telecopy Number: (231) 946-1600
Attn: Thomas Scanlan

with a copy, given in the manner prescribed above, to:

Latham & Watkins
11955 Freedom Drive
Suite 500
Reston, Virginia 20190
Telecopy Number: (703) 456-1001
Attn: Kevin Boyle, Esquire

(iii) If to Escrow Agent then to:

Lawyers Title Insurance Corporation
101 W. Main Street, Suite 1100
World Trade Center, East Lobby
Norfolk, Virginia 23510
Telecopy Number: (757) 321-8189
Attn: Douglass W. Dewing or Donna Rae Webster

(g) Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(h) Entire Agreement. Except as set forth in the Purchase Agreement, this Agreement constitutes the entire agreement between such parties pertaining to the subject matter hereof, and merges all prior negotiations and drafts of the parties with regard to the transactions contemplated herein. Any and all other written or oral agreements existing between the parties hereto regarding such transactions are expressly canceled.

(i) Advice of Legal Counsel. Each party acknowledges and represents that, in executing this Agreement, it has had the opportunity to seek advice as to its legal rights from legal counsel and that the person signing on its behalf has read and understood all of the terms and provisions of this Agreement. This Agreement shall not be construed against any party by reason of the drafting or preparation thereof.

(j) Tax Forms. All entities entitled to receive interest or other payments from the Escrow Deposit will provide the Escrow Agent with all forms or documents as may be legally required by any governmental authority including, without limitation, if so legally required, a W-9 or W-8 IRS tax form before the disbursement of interest.

[SIGNATURE PAGE FOLLOWS]

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

SELLER:

SCANLAN COMMUNICATIONS, INC.,
a Michigan corporation

By: 
Thomas Scanlan, President

BUYER:

MAX MEDIA OF TRAVERSE CITY LLC,
a Virginia limited liability company

By: _____
David Wilhelm, its Assistant Secretary
and Vice President

MTC LICENSE LLC,
a Virginia limited liability company

By: _____
David Wilhelm, Assistant Secretary
and Vice President

ESCROW AGENT:

**LAWYERS TITLE INSURANCE
CORPORATION**

By: _____

Its: _____

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

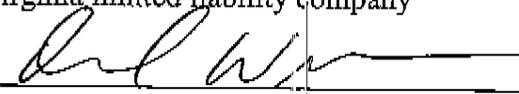
SELLER:

SCANLAN COMMUNICATIONS, INC.,
a Michigan corporation

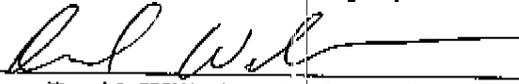
By: _____
Thomas Scanlan, President

BUYER:

MAX MEDIA OF TRAVERSE CITY LLC,
a Virginia limited liability company

By:  _____
David Wilhelm, its Assistant Secretary
and Vice President

MTC LICENSE LLC,
a Virginia limited liability company

By:  _____
David Wilhelm, Assistant Secretary
and Vice President

ESCROW AGENT:

**LAWYERS TITLE INSURANCE
CORPORATION**

By: _____

Its: _____

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

SELLER:

SCANLAN COMMUNICATIONS, LLC,
a Michigan corporation

By: _____

Its: _____

BUYER:

MAX MEDIA OF TRAVERSE CITY LLC,
a Virginia limited liability company

By: _____

David Wilhelm, its Assistant Secretary
and Vice President

MTC LICENSE LLC,
a Virginia limited liability company

By: _____

David Wilhelm, Assistant Secretary
and Vice President

ESCROW AGENT:

**LAWYERS TITLE INSURANCE
CORPORATION**

By: Dayle W. Davis

Its: Asst. Counsel

EXHIBIT A

FEE SCHEDULE

To open, administer and close an interest bearing ("Money Market")
account at Wachovia Bank, Norfolk, Virginia \$100

As a prerequisite to opening any interest bearing account, the Escrow Agent
must receive a completed W-9 form from the party to whom the interest will
initially be credited.

Earnest Money Escrow Agreement- Traverse City(v3).DOC

EXHIBIT C

NONCOMPETITION, NONSOLICITATION AND CONFIDENTIALITY AGREEMENT

This NONCOMPETITION, NONSOLICITATION AND CONFIDENTIALITY AGREEMENT ("Agreement") is made and entered into as of _____, 2003, by and between MAX MEDIA OF TRAVERSE CITY LLC, a Virginia limited liability company and MTC LICENSE LLC, a Virginia limited liability company (collectively, "Buyer"), and THOMAS SCANLAN ("Owner").

RECITALS

A. Scanlan Communications, Inc., a Michigan corporation ("Seller"), Owner and Buyer have entered into an Asset Purchase Agreement, dated May 7, 2003 (the "Purchase Agreement") pursuant to which Buyer will acquire from Seller the Assets, based in large part on the understanding that Owner would not compete in the Prohibited Business (as hereinafter defined) after the acquisition of such assets for the period of time stated herein.

B. Owner is the sole common shareholder of Seller. Thus, Owner will personally and singularly benefit from the sale by Seller.

C. The parties acknowledge that the Prohibited Business is highly competitive and that if Owner were to compete in the Prohibited Business after the consummation of Buyer's acquisition of the assets acquired pursuant to the Asset Purchase Agreement, then Buyer would suffer irreparable harm.

D. Owner is entering into this Agreement and is willing to abide by the restrictive covenants contained herein to induce Buyer to execute and consummate the transactions contemplated by the Asset Purchase Agreement.

E. The principal place of business for Seller is in the city of Traverse City, Michigan, and the counties adjacent to Traverse City.

F. Capitalized terms used, but not otherwise defined, in this Agreement will have the meaning set forth in the Purchase Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises herein contained and contained in the Asset Purchase Agreement, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

ARTICLE I
CONSIDERATION FOR OWNER'S COVENANTS

For and in consideration of the covenants set forth in Sections 2.01, 2.02 and 2.03 below, simultaneously with the execution and delivery of this Agreement and as an inducement to Owner to enter into this Agreement, Buyer has paid Seller the consideration set forth in the Asset Purchase Agreement.

ARTICLE II
OWNER'S COVENANTS; SEVERABILITY; REMEDIES

2.01 Covenant Not to Compete. Owner agrees that for a period of three years from the date of this Agreement ("Restrictive Period"), he and his corporate Affiliates will not engage or participate, directly or indirectly, either as principal, agent, employee, employer, consultant, stockholder, member, director, officer, partner, lender, investor, guarantor or in any other individual or representative capacity whatsoever, in the conduct or management of, or own any stock or other proprietary interest in, any business or enterprise which operates a television broadcast station licensed to a community within the Traverse City, Michigan Designated Market Area (as defined by Nielsen Media Research) (the "Prohibited Business"), unless Owner shall have obtained the prior written consent thereto of Buyer, which may be granted or withheld in Buyer's sole discretion. The ownership of 1% or less of the common stock of a company traded on a national securities market which is engaged in the Prohibited Business shall not be a violation of this Section 2.01. Notwithstanding the foregoing, if Nielsen Media Research changes the Designated Marked Area of Traverse City, Michigan during the Restrictive Period that would otherwise prohibit Owner's operation of television broadcast stations WBUP(TV) licensed to Ishpeming, Michigan and WBKP(TV) licensed to Calumet, Michigan (the "STI Stations"), Owner's operation of the STI Stations shall not be a violation of this Section 2.01.

2.02 Additional Restricted Conduct. Owner further agrees that for a period of 24 months following the Closing, he and his Affiliates will not:

(a) directly or indirectly, solicit, raid, entice or induce (collectively, "Solicitation") any employee of Buyer to leave the employ of Buyer or otherwise attempt to retain or obtain, directly or indirectly, the services of any such employee, unless such services do not compete with Buyer or interfere with such employee's work for Buyer; provided that the placement of advertisements in or on the Internet, trade publications, general circulation newspapers other than the Traverse City Record Eagle, and recruiting at local colleges and universities shall not constitute Solicitation even in the event that an employee of Buyer responds to such general advertisement or recruiting efforts; or

(b) directly or indirectly, solicit for business, deal with, or otherwise transact business with any Person, or entice or induce any Person to stop conducting business with Buyer, who or which on the date hereof is, or within the previous six months was, a customer of or advertiser with the Business, or at any time during the Restrictive Period hereunder shall be, a customer of or advertiser with Buyer. Notwithstanding the foregoing,

Owner may solicit, deal with and otherwise transact business with any such customer or advertiser *provided* it is not for the purpose of participating in the Prohibited Business.

2.03 Confidentiality of Trade Secrets and Other Materials. Notwithstanding anything contained in this Section 2.03 to the contrary, the Parties acknowledge and agree that Owner and/or his Affiliates may continue to own and operate the Retained Stations. Buyer acknowledges that certain customer prospects, customer and customer prospect lists, management methods, sales techniques, incentive plans, incentives, promotion plans, promotions, advertising and promotion predicting techniques, programs, program ideas, website materials and similar items (collectively, the “Common Use Items”) are common to both the Stations and the stations to be retained by Seller (WBUP(TV) licensed to Ishpeming, MI and WBKP(TV) licensed to Calumet, MI) (collectively the “Retained Stations”). With respect to these Common Use Items, Owner and his Affiliates may (i) use such items for any reason other than a Prohibited Business and (ii) transfer such items in connection with the sale of the Retained Stations.

(a) Confidentiality. Except for the Common Use Items: (i) Owner and his Affiliates shall regard and preserve as confidential all Trade Secrets (defined below) and other Confidential Information (defined below) pertaining to the Stations or otherwise to Buyer that has been or may be obtained by Owner by reason of his involvement with the Stations; (ii) Owner and his Affiliates shall not, without written authority from Buyer to do so, use for its own benefit or purposes, nor disclose to others, any Trade Secrets or other Confidential Information of the Stations; and (iii) Owner and his Affiliates shall not take or retain or copy any of the Business’ information, customer and advertiser lists, customer or advertiser files or other documents (the “Confidential Information”). Notwithstanding any other provision of this Section 2.03, any Confidential Information or Trade Secrets that Owner can prove was obtained or obtainable from publicly available sources or is publicly available (through no violation of this Agreement or the Purchase Agreement by Owner or his Affiliates) at the time delivered to Owner or his Affiliates shall not constitute Confidential Information or Trade Secrets for purposes of this Agreement.

(b) Proprietary Information. Except for the Common Use Items: (i) Owner further agrees that all know-how, documents, designs, schematics, reports, plans, proposals, marketing and sales plans, customers and advertisers, client files and materials made by either Seller or Owner or that come into Owner’s possession by reason of his involvement in the Business (the “Proprietary Information”) are the property of Buyer and shall not be used by it in the operation of a Prohibited Business; (ii) Owner and his Affiliates shall not deliver, reproduce or in any way allow such documents or things to be delivered or used by any third party without the specific direction or consent of a duly authorized representative of Buyer; and (iii) during the Restriction Period, Owner and his Affiliates shall not publish, release or otherwise make available to any third party any information describing any Trade Secret or other Proprietary Information of the Business without prior written authorization of Buyer.

(c) Trade Secrets. For purposes of this Agreement, the term “Trade Secrets” shall include, but not be limited to, the Business information encompassed in all know-how, plans, designs, schematics, proposals, marketing and sales plans, customers and advertisers, and all concepts or ideas (whether or not conceived by Owner or other employees or agents of

Buyer) that have not previously been publicly released by duly authorized representatives of Buyer.

2.04 Remedies for Breach. Both parties recognize and agree that Owner’s services and knowledge are special, unique and extraordinary character, and that any breach of the covenants and obligations undertaken by Owner pursuant to this Agreement at any time would result in irreparable damage to Buyer in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Buyer may be entitled, Buyer shall be entitled, if it so elects, to institute and prosecute proceedings in any court of competent jurisdiction, either in law or in equity, to obtain damages for such breach of this Agreement, to enforce the specific performance of the terms and conditions of this Agreement by Owner, or to enjoin Owner from performing services for any such other Person.

2.05 Scope of Agreement. For purposes hereof, all references in this Article II to Buyer shall be deemed to include its affiliates, successors and assigns.

ARTICLE III
MISCELLANEOUS

3.01 Entire Agreement; Amendment. This Agreement (to the extent any provision hereof is inconsistent with the terms and conditions of any other agreement between Buyer and Seller or Owner) supersedes all other agreements, oral or written, previously made with respect to the subject matter hereof and contain the entire agreement of the parties with respect to the subject matter hereof. It may not be changed orally, but only by agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

3.02 Severability and Modifications. Should any provision hereof be found to be prohibited by or unlawful or unenforceable under any applicable law of any jurisdiction, other provisions shall be substituted so as to provide Buyer, to the fullest extent permitted by applicable law, the benefits intended by this Agreement. Moreover, such a finding shall not affect any other provision of this Agreement. To the full extent, however, that the provisions of such applicable law may be waived, they are hereby waived, to the end that this Agreement be deemed to be a valid and binding agreement enforceable in accordance with its terms.

3.03 Venue. The parties agree that exclusive jurisdiction and venue (subject to proper service of process) for the resolution of all disputes arising in connection with this Agreement will be the state or federal courts located in the City of Detroit, Michigan.

3.04 Governing Law. All questions concerning the validity and operation of this Agreement and the performance of the obligations imposed upon the parties hereunder shall be governed by the laws of the State of Michigan.

3.05 Assignments. Buyer shall have the right to assign this Agreement and to delegate all rights, duties and obligations hereunder, to any affiliate, successor-in-interest, assignee who acquires substantially all the assets of Buyer or subsidiary of Buyer. Owner agrees

that this Agreement is personal and his rights and interests hereunder may not be assigned, nor may his obligations and duties hereunder be delegated.

3.06 Cumulative Remedies; No Waiver. Each and all of the several rights and remedies provided in this Agreement, or by law or in equity, shall be cumulative, and no one of them shall be exclusive of any other right or remedy, and the exercise of any one of such rights or remedies shall not be deemed a waiver or, or an election to exercise, any other such right or remedy. No waiver of any term or condition of this Agreement shall be construed as a waiver of any other term or condition; not shall any waiver of any default hereunder be construed as a waiver of any other default hereunder.

3.07 Notices. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand, telecopy or mailed, certified or registered mail with postage prepaid:

a) If to Buyer, to:

Max Media of Traverse City LLC
900 Laskin Road
Virginia Beach, Virginia 23451
Telecopy Number: (757) 437- 0034
Attn: A. Eugene Loving, Jr.

with a copy, given in the manner prescribed above, to:

Williams Mullen
A Professional Corporation
Suite 900
One Columbus Center
Virginia Beach, Virginia 23462
Telecopy Number: (757) 473-0395
Attn: Thomas R. Frantz, Esquire

Or to such other person or address as Buyer shall furnish to Owner in writing;

b) If to Owner, to

Scanlan Communications, Inc.
Scanlan Communications, Inc.
201 East Front Street
Traverse City, Michigan 49684
Telecopy Number: (231) 946-1600
Attn: Thomas Scanlan

with a copy, given in the manner prescribed above, to:

Latham & Watkins
11955 Freedom Drive
Suite 500
Reston, Virginia 20190
Telecopy Number: (703) 456-1001
Attn: Kevin Boyle, Esquire

Or to such other person or address as Owner shall furnish to Buyer in writing.

3.08 Representation by Counsel; Interpretation. Buyer and Owner each acknowledge that each party to this Agreement has been represented by counsel in connection with this Agreement and the transactions and relationships contemplated by this Agreement. Accordingly, any rule of law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the party that drafted it has no application and is expressly waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of Buyer and Owner.

3.09 Capitalized Terms. Capitalized terms not specifically defined herein shall have the meanings ascribed to them in the Asset Purchase Agreement.

[SIGNATURE PAGE FOLLOWS]

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

BUYER

MAX MEDIA OF TRAVERSE CITY LLC,
a Virginia limited liability company

By: _____
David Wilhelm, Assistant Secretary and Vice
President

OWNER

THOMAS SCANLAN

Noncompete- MM Traverse City(v3).DOC

SCHEDULE K

SELLER KNOWLEDGE PERSONNEL

General Manager and Chief Operating Officer – Todd Ruonavaara

Sales Manager – Christopher Webb

Director of Engineering – Jay Zacharias

President – Thomas Scanlan

SCHEDULE 2.1(b)

AUTHORIZATIONS AND LICENSES

<u>FCC License/Construction Permit</u>	<u>Expiration</u>
WGTU(TV), Traverse City, Michigan, main station television broadcasting license (FCC Facility ID # 59280)	10/1/2005
WGTU-DT, Traverse City, Michigan, main station digital television broadcasting construction permit (FCC File No. BPCDT-19991027ABX)	10/18/2003 ¹
WGTQ(TV), Sault Ste. Marie, Michigan, main station television broadcasting license (FCC Facility ID # 59279)	10/1/2005
WGTQ(TV), Sault Ste. Marie, Michigan, special temporary authority (FCC Facility ID # 59279)	7/13/2003
WGTQ-DT, Sault Ste. Marie, Michigan, main station digital television broadcasting construction permit (FCC File No. BPCDT-19991027ABT) ²	10/18/2003 ³
WBX284, TV Intercity Relay broadcast auxiliary license	10/1/2005
WGY48, TV Studio Transmitter Link broadcast auxiliary license	10/1/2005
WGY49, TV Intercity Relay broadcast auxiliary license	10/1/2005
WGY50, TV Studio Transmitter Link broadcast auxiliary license	10/1/2005
WGY51, TV Intercity Relay broadcast auxiliary license	10/1/2005
WHB286, TV Intercity Relay broadcast auxiliary license	10/1/2005
WHE906 TV Remote Pickup broadcast auxiliary license	10/1/2005
WLI218, TV Studio Transmitter Link broadcast auxiliary license	10/1/2005
WLI223, TV Studio Transmitter Link broadcast auxiliary license	10/1/2005

¹ Seller's granted application for further extension of the construction period under this construction permit remains "pending" in that the time for reconsideration or review of the grant has not yet expired. Seller can make no assurance that request(s) to further extend the DTV construction period for WGTU will be granted by the FCC.

² Seller has pending before the FCC a Petition for Rulemaking (in MM Docket No. 02-83) that requests the substitution of DTV channel 9 for DTV channel 56 at Sault Ste. Marie, Michigan in the FCC's DTV Table of Allotments.

³ Seller's granted application for further extension of the construction period under this construction permit remains "pending" in that the time for reconsideration or review of the grant has not yet expired. Seller can make no assurance that request(s) to further extend the DTV construction period for WGTQ will be granted by the FCC.

<u>FCC License/Construction Permit</u>	<u>Expiration</u>
WLM503, TV Intercity Relay broadcast auxiliary license	10/1/2005
WPNF795, TV Intercity Relay broadcast auxiliary license	10/1/2005
WPNF796, TV Intercity Relay broadcast auxiliary license	10/1/2005
WPNF797, TV Intercity Relay broadcast auxiliary license	10/1/2005
WQN42, TV Intercity Relay broadcast auxiliary license	10/1/2005

The FCC has granted Seller a waiver of the Commission's multiple ownership rule (47 CFR 73.3555) to hold the FCC licenses for both WGTQ(TV), Sault Ste. Marie, MI and WGTU(TV), Traverse City, MI and to allow Seller to operate television station WGTQ(TV) as a satellite of television station WGTU(TV).

<u>Pending applications</u>
WGTU-DT, Traverse City, Michigan, application for minor modification of main station digital television broadcasting construction permit (FCC File No. BMPCDT-20021113AAJ)
WGTU(TV), Traverse City, Michigan, application for main station television broadcasting construction permit (FCC File No. BPCT-20021113AAC)
WGTU-DT, Traverse City, Michigan, application for extension of time to construct a digital television broadcast station (FCC File No. BEPCDT-20020903AFG) (granted April 18, 2003)
WGTQ(TV), Sault Ste. Marie, Michigan, application for main station television broadcasting construction permit (FCC File No. BPCT-20030313AHC) (granted April 30, 2003)
WGTQ-DT, Sault Ste. Marie, Michigan, application for extension of time to construct a digital television broadcast station (FCC File No. BEPCDT-20020903AFI) (granted April 18, 2003)

Exceptions

1. Seller is currently operating WGTQ(TV) at reduced power pursuant to the above-referenced grant of special temporary authority.
2. Matters disclosed in Schedule 3.11.
3. The FCC's ULS database lists Seller as the licensee for TV studio transmitter link broadcast auxiliary station WBX286. Scanlan believes that the ULS database is incorrect because the licensed site for that authorization is located in Missoula, Montana and the FRN associated with the authorization is in the name of KPAX Communications, Inc., which is the licensee of a Missoula, MT television station.

4. The remote indicator systems currently in place for monitoring the tower lighting on the WGTU tower in Kalkaska, Michigan and the WGTQ tower in Goetzville, Michigan may not comply with FCC rule Section 17.47 in that those systems may not be capable of indicating the failure of a single beacon or set of lights. To the extent that Seller reasonably determines after the date of the Agreement that a different remote indicator system is required for compliance with FCC rule Section 17.47, that system will be installed by Seller at Seller's sole cost and expense prior to Closing. Remote indicator and/or alarm systems necessary for the Stations' compliance with FCC rule Section 17.47 shall be in good working order on the Closing Date.

5. The WGTU tower in Kalkaska, Michigan may require cleaning and/or repainting to ensure that the tower complies with FCC rule Section 17.50. An antenna feedline mounted on the outside of the structure of the WGTQ tower in Goetzville, Michigan may require painting to ensure that the tower complies with FCC rule Section 17.50.

SCHEDULE 2.5

ALLOCATION OF PURCHASE PRICE

[TO BE DETERMINED PRE-CLOSING PURSUANT TO SECTION 2.5]

SCHEDULE 3.11

GRANDFATHERED OPERATIONS

1. WGTQ(TV) operates as a satellite of WGTU-TV pursuant to a waiver of 47 C.F.R. Section 73.3555 granted to Seller upon its acquisition of the Stations. Buyer will be required to obtain a similar waiver in connection with the applications called for by Section 5.9 of the Agreement.
2. WGTQ(TV) operates without a main studio located in its community of license. The FCC has changed its policies with respect to main studio requirements since Seller acquired WGTQ(TV) but the FCC has not made clear its position as to satellite stations. Seller has taken the position that the rule changes did not impose a studio requirement on WGTQ, but the FCC has not responded to Seller's position. It may be necessary for Buyer to obtain an additional waiver to maintain WGTQ's current main studio status.

SCHEDULE 5.2(h)

REQUESTED CHANGES IN AUTHORIZATIONS

As more fully described on Schedule 2.1(b), Seller has several pending applications for construction permits related to the WGTU and WGTQ facilities. Also, Seller may seek prior to Closing special temporary authority for (i) digital operations for either or both of the Stations or (ii) operation at variance from WGTU's licensed analog parameters in connection with the installation of the new WGTU antenna, which is the subject of the construct permit applications referenced on Schedule 2.1(b).