

ASSET PURCHASE AGREEMENT

between

KMPH (TV) License, LLC and Pappas Telecasting Incorporated

as Sellers,

and

Westwind Communications, L.L.C.

as Buyer

August 10, 2005

Execution Version

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is made and entered into as of this 10th day of August, 2005, by and among KMPH (TV) License, LLC, a Delaware limited liability company and Pappas Telecasting Incorporated, a California corporation (each a "Seller", and collectively, the "Sellers"), and Westwind Communications, L.L.C., a Delaware limited liability company ("Buyer").

RECITALS

A. KMPH (TV) License, LLC holds the licenses, permits, approvals, and authorizations, and applications therefor (collectively, the "FCC Licenses") issued by the Federal Communications Commission (the "FCC") for the operation of a Class A Television Station KBFX-CA, licensed to Bakersfield, California (the "Station");

B. Pappas Telecasting Incorporated owns or leases the other Assets (as defined in Section 1.1) used in connection with the operation of the Station.

C. Sellers desire to sell and transfer to Buyer the Assets, and Buyer desires to purchase and acquire the Assets from Sellers for the consideration and upon the terms and conditions herein provided, subject to FCC approval.

D. Buyer and Pappas Telecasting Incorporated are parties to a Joint Sales Agreement dated July 22, 1996, as amended by First Amendment dated December 23, 1997, and Second Amendment and Waiver to Joint Sales Agreement dated January 1, 2002 (collectively, the "ISA"), providing for, among other things, the sale by Buyer of substantially all the commercial time of the Station.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations, and warranties contained in this Agreement, the parties hereto, intending to be legally bound, do hereby agree as follows:

ARTICLE I

ASSETS BEING SOLD AND PURCHASED AND PURCHASE PRICE

1.1 Assets. Upon the terms and subject to the conditions set forth in this Agreement, Sellers hereby agree to sell, assign, convey, transfer, and deliver to Buyer at the Closing (as defined in Section 2.1 hereof), and Buyer hereby agrees to purchase at the Closing, free and clear of all Liens (as defined in Section 1.3(a) hereof) (other than Permitted Liens (as defined in Section 1.3(a) hereof)), all of Sellers' right, title, and interest in and to such tangible and intangible assets used by Sellers in connection with the operation of the Station immediately prior to the Closing as set forth on Schedules 1.1(a) - 1.1(h) (except as expressly provided in Section 1.2 hereof) (collectively, the "Assets"). The Assets include:

(a) except as set forth in Section 1.2, all right, title and interest in and to the FCC Licenses and all other licenses, permits, approvals, and authorizations, if any, issued by the Federal Aviation Administration (the "FAA"), any other regulatory agency, or

any Federal, state or local governmental authority that are required in connection with the ownership and operation of the Station, as set forth in Schedule 1.1(a) hereto, and all applications therefor, together with any renewals, extensions or modifications thereof and additions thereto (collectively, and including the FCC Licenses, the “Authorizations”);

(b) except as set forth in Section 1.2, all right, title and interest in and to the Station’s transmitter, antenna tower, antenna system, cables, fixtures, equipment, electrical devices, machinery, tools, inventories of supplies, tapes, including recorded commercials and programming, spare parts, and any other tangible assets or personal property of every kind and description, which assets and property are set forth in Schedule 1.1(b) hereto (collectively, the “Tangible Personal Property”), plus such additions thereto and minus such deletions therefrom as are permitted by the provisions of this Agreement;

(c) except as set forth in Section 1.2, all right, title, and interest in and to (i) the contracts, leases, agreements, and commitments listed on Schedule 1.1(c) hereto, including but not limited to all feature films and syndicated programming contracts, the Fox Network Affiliation Agreement (subject, however, to the limitations set forth in Section 1.8 below), the Fox News Service Agreement (and related agreements), the Wide Orbit Traffic System agreement, the Peter Storer SIMS Program Management System agreement to the extent that such agreements apply to the Station (and also including, without limitation, rights to deposits under leases or held by utilities or others, provided Sellers shall be entitled to reimbursement thereof from Buyer at the Closing to extent such prepaid items are listed on Schedule 1.1(c)), (ii) any other contracts and agreements pertaining to the Station (whether identified prior to the execution of this Agreement or subsequently) that Buyer specifically agrees in writing to assume in its sole discretion, and (iii) any additional contracts or agreements executed and delivered, if written, or entered into orally, if oral, by Sellers between the date hereof and the Closing Date that Buyer specifically agrees in writing to assume in its sole discretion (collectively, the “Assumed Contracts”). It is expressly understood and agreed that it shall be the sole responsibility (and cost) of the Buyer to arrange to transfer the Wide Orbit Traffic Systems and the Peter Storer SIMS Program Management System (to the extent applicable to the Station) to Buyer’s own hardware;

(d) except as set forth in Section 1.2, all right, title and interest in and to all call signs or call letters used with respect to the Assets, including “KBFX-LP” or “KBFX-CA,” but specifically excluding KBFX(AM), KBFX(FM) or KBFX-AM or KBFX-FM and all trade names, trademarks, service marks, copyrights, and patents (registered or unregistered, and including applications and licenses therefor), and all telephone numbers and listings, trade secrets, universal resource locators, Internet domain names, website addresses, (including any and all common law rights, applications, registrations, extensions and renewals relating thereto), as listed and described in Schedule 1.1(d) hereto, together with the goodwill associated therewith, and any logograms, jingles, slogans and other intangible personal property associated therewith;

(e) except as set forth in Section 1.2, all right, title and interest in and to the real property (including fee estates and buildings, fixtures, and improvements thereon, leasehold interests, easements, rights to access, rights-of-way, and other real property

interests) listed and described in Schedule 1.1(e) hereto, plus such additions thereto and minus such deletions therefrom as are permitted by the provisions of this Agreement (collectively, the “Real Property”);

(f) except as set forth in Section 1.2, all right, title and interest in and to all books, files, and records relating to the Assets, the Station, and the operation of the Station, including proprietary information, schematics, technical information and engineering data, machinery and equipment warranties, maps, rights to use telephone numbers, drawings, blueprints, plans, engineering data and processes developed or acquired by Sellers, programming information, customer lists and files, advertising and programming purchase and sales records and other sales and traffic information, correspondence, advertising records, market data and information relating to the Station’s markets, files, literature, copies of the Assumed Contracts, and the FCC required logs, files, and records, including the Station’s complete public inspection file, but not including (i) those books, files, and records set forth in Section 1.2 below, and (ii) any corporate or accounting books or records of Sellers which do not relate to the operation of the Station and the Assets, or which relate to Sellers’ past or current income tax returns or liabilities;

(g) all advance payments, if any, to Sellers by advertisers for advertising that would run on the Station after the Closing Date and any other advance payments by third parties for services to be provided by or for the Station after the Closing Date;

(h) except (i) for claims relating to taxes, (ii) as otherwise provided in Schedule 1.1(h), or (iii) for reimbursement of payments already made by Sellers, all rights and claims of Sellers against third parties relating to the Assets;

(i) all accounts receivable from the sale of advertising time on the Station.

1.2 Excluded Assets. Notwithstanding anything to the contrary contained in this Agreement, the Assets do not include, and Sellers shall not, and are not hereby agreeing to, sell, assign, transfer, deliver, or convey to Buyer any assets not expressly set forth in Section 1.1 above, including but not limited to: (a) any assets used by, or held for use by, or useful in the operation or business of KMPH-TV, KMPH-DT, KMPH-CA or KFRE-CA whether such assets are used exclusively for such station or shared with other assets in the operation or other stations, (b) Sellers’ Fresno studio building and any right to use it (the “Fresno Studio”); (c) all equipment, microwave dishes and computers located at Sellers’ Fresno studio building used in the operation of the Station; (d) other than the amounts described in Section 1.1(g), cash and cash equivalents on hand or on deposit in banks, (including, without limitation, certificates of deposit, commercial paper, treasury bills, and money market accounts), marketable securities, or inter-company or inter-affiliate accounts, and any similar accounts, accounts receivable (other than accounts receivable included in Section 1.1(i)); (e) any computers or computer related equipment used in the traffic or programming functions in the operation of the Station (such equipment is limited to the equipment located at the KMPH studio’s at 5111 E. McKinley, Fresno, CA), (f) any and all prepayments (such as deposits on leasehold interests and utilities, prepaid taxes and insurance premiums), to the extent such prepayments are not the subject of a proration adjustment as provided herein; (g) any and all insurance policies and contracts of insurance, and

proceeds or refunds therefrom; (h) any and all promissory notes, bonds, letters of credit, certificates of deposit, receivables on account, and any other similar items, and any cash surrender value in regard thereto; (i) any pension, profit-sharing, or employee benefit plans, including Sellers' interest in any welfare plan, pension plan, or benefit arrangement; (j) any collective bargaining agreements; (k) all tax returns and supporting materials, all financial statements and supporting materials, all books and records that Sellers are required by law to retain, and all records of Sellers relating to the sale of the Assets; (l) any interest in and to any refunds or overpayments of federal, or local franchise, income, or other taxes for periods prior to the Closing Date; (m) any contract, lease, or agreement other than the Assumed Contracts; (n) original of the books and records necessary to enable Sellers to file its tax returns and reports; (o) all of the Station's studio, control room, and production equipment as well as all of the intercity microwave network licenses and equipment used in the signal transfer from Fresno and all other microwave equipment used and useful in the operation of the Station except the STL from the current KBAK-TV studio to Mt. Breckenridge; (p) Sellers' and Sellers' Affiliate's rights to the servicemark "We're your Station" except to the extent authorized in that certain Trademark License Agreement to be entered into between Sellers on the Closing date (Exhibit A), authorizing Buyer to use this servicemark only in connection with the operation of the Station for a period of three years from the Closing Date or until such earlier date on which Buyer ceases to use the servicemark as provided in the Trademark License Agreement, (q) all tangible and intangible personal property within the Assets disposed of or consumed in the ordinary course of business consistent with the past practices of Sellers, and the terms and conditions of this Agreement, between the date hereof and the Closing Date; (r) the name "Pappas" as used on or in any intangible assets, (s) Sellers' and Sellers' Affiliate's rights to the servicemark or use of the name "Great Day"; (t) any programs produced by Sellers' station KMPH relating to the news programming as provided to the Station; (u) any right to require Sellers to provide any news programming or news related programming to the Station after the Closing Date, and (v) subject to Section 5.10 of this Agreement, all Assumed Contracts that have terminated or expired prior to the Closing Date in the ordinary course of business consistent with the past practices of Sellers (excluding the Fox Affiliation Agreement and all cable and satellite retransmission agreements, which Sellers, with the cooperation of the Buyer prior to Closing, shall endeavor to renew and keep in effect), and the terms and conditions of this Agreement (together (a)-(v), the "Excluded Assets").

1.3 Liabilities

(a) The Assets shall be sold and conveyed to Buyer by instruments of conveyance in form reasonably satisfactory to Buyer and free and clear of all mortgages, liens, deeds of trust, security interests, pledges, restrictions, prior assignments, charges, claims, and encumbrances of any kind or type whatsoever (collectively, "Liens") except the obligations set forth on Schedule 1.3(a) (the "Permitted Liens").

(b) Solely to the extent specifically assumed by Buyer as of the Closing Date, Buyer will assume and agree to pay for, discharge and perform insofar as they relate to the time period on and after the Closing Date and arise out of events occurring on or after the Closing Date, all the obligations and liabilities of Sellers under the Assumed Contracts (including all programming obligations to the extent the contractual payments are due after the Closing Date) (the "Assumed Obligations"). Otherwise, Buyer shall not assume or be

liable for, and does not undertake to attempt to, assume or discharge: (i) any liability or obligation of Sellers arising out of or relating to any contract, lease agreement, or instrument; (ii) any liability or obligation of Sellers arising out of or relating to any employee benefit plan or otherwise relating to employment, including but not limited to wages, salaries, vacation pay, payroll taxes, COBRA coverage or severance payments (all employment obligations shall be brought current by Sellers as of the Closing Date, including the payment of all accrued benefits and severance pay and all bonuses, whether or not such benefits or bonuses are due as of the Closing Date); (iii) any liability or obligation of Sellers arising out of or relating to any litigation, proceeding or claim (whether or not such litigation, proceeding or claim is pending, threatened or asserted before, on or after the Closing Date); (iv) any other liabilities, obligations, debts or commitments of Sellers whatsoever, whether accrued now or hereafter, whether fixed or contingent, whether known or unknown; or (v) any claims asserted against the Station or any of the Assets relating to any event (whether act or omission) occurring prior to the Closing Date including, without limitation, the payment of all taxes.

(c) Buyer shall in no event assume any liability or obligation arising (i) from the assignment to Buyer of any contract, lease or agreement in violation of its terms or (ii) from any other breach or default by Sellers upon or prior to Closing under any contract, lease or agreement.

(d) Sellers retain and shall hereafter pay, satisfy, discharge, perform and fulfill all obligations and liabilities not expressly assumed by Buyer hereunder as they become due, without any charge or cost to Buyer, and Sellers agrees to indemnify and hold Buyer and its successors and assigns harmless from and against any and all such liabilities in accordance with the terms of Article IX.

1.4 Escrow Deposit. Upon the execution of this Agreement, Buyer shall deliver to Fletcher, Heald & Hildreth, PLC (the "Escrow Agent") the sum of Eight Hundred Fifty Thousand Dollars (\$850,000.00) by wire transfer of immediately available funds (the "Escrow Deposit"). The Escrow Deposit shall be held by the Escrow Agent in an interest bearing account in accordance with the terms of an earnest money escrow agreement dated the date of this Agreement in the form of attached Exhibit B (the "Escrow Agreement").

1.5 Purchase Price, Payment.

(a) Purchase Price. Upon the terms and subject to the conditions set forth in this Agreement, and in consideration for the sale, assignment, conveyance, transfer, bargain, and delivery of the Assets to Buyer pursuant to the terms hereof, the purchase price hereunder (the "Purchase Price") shall be Seventeen Million Dollars (\$17,000,000.00).

(b) Method of Payment. At Closing, (i) the Escrow Deposit shall be delivered by Escrow Agent to Sellers in cash by wire transfer of immediately available U.S. funds to an account designated by Sellers, (ii) the balance of the cash portion of the Purchase Price in excess of the Escrow Deposit, subject to the adjustments described in Section 1.6 to be made as of the Closing Date, shall be delivered by Buyer to Sellers by wire transfer of immediately available U.S. funds to an account designated by Sellers.

1.6 Adjustments.

(a) Prorations. Sellers and Buyer shall pro-rate between them, as of the Closing Date, all sewer, water, gas, electrical and similar utility charges applicable to the Station's transmitter facility and the FCC annual regulatory fee for the Station, Sellers' prepaid rent and power expenses under the JSA, and any prepaid taxes, rent charges, and other items, to the extent transferred to Buyer (collectively, the "Pro Rated Items"). The Pro Rated Items shall be estimated at the Closing Date, taking into account the pre-existing obligations set forth in, and the prepayments made by Sellers for this year to Buyer under, the JSA with respect to expenses and income, and the Purchase Price shall be appropriately adjusted.

(b) Trade and Barter Items. At the Closing, Sellers shall deliver to Buyer a report, dated as of the Closing Date (the "Trade Report"), which lists all trade agreements included in the Assets, together with an itemized statement of the aggregate value of time owed (based on the Station's current rates) pursuant to each of the trade agreements and the fair market value of goods and services to be received pursuant to each of the Trade Agreements as of the Closing Date and Buyer shall, as additional consideration, fully assume, perform, discharge and be fully responsible for the same as Buyer has been the exclusive sales agent for Sellers under the JSA.

(c) JSA Net Revenue Payment. At the Closing, Buyer shall pay to Sellers an amount that is estimated by Buyer, taking into account prior collections practices and experiences, to be equivalent to the Net Revenue Payment (as defined in Section 2.2 of the JSA) due to Pappas Telecasting Incorporated under the JSA using the following formula: the Net Revenues (as defined in the JSA) on the Sold Time (as defined in the JSA) as of the Closing Date for the calendar year in which Closing occurs which exceed the following product—[(day of the year out of 365 on which Closing occurs divided by (365)) times (\$1,000,000)] and then multiplying such excess amount by 0.50 (such payment referred to as the "Estimated JSA Net Revenue Payment"). The Estimated JSA Net Revenue Payment is subject to a true-up, with Buyer paying to Sellers any amount by which the actual Net Revenue Payment due should exceed the Estimated JSA Net Revenue Payment, or Sellers paying to Buyer the amount by which the actual Net Revenue Payment is less than the Estimated JSA Net Revenue Payment, no later than ninety (90) days after the Closing Date, based on the actual Net Revenues received by Buyer as of that date attributable to the period of time for the calendar year as of the Closing Date. The Estimated JSA Net Revenue Payment is also subject to a credit in favor of Buyer, for any prepaid Base Payments (as defined in the JSA) made pursuant to the terms of the JSA prorated as of the Closing Date for the period to which the prepaid Base Payment is applicable (in the event that this credit should exceed the Estimated JSA Net Revenue Payment, such amount shall be credited to Buyer through the adjustment to the Purchase Price process provided for herein). Any disputes concerning the Net Revenue Payment shall be resolved pursuant to the procedures set forth below in subsection (d).

(d) Settlement and Dispute. To the extent that any of the foregoing prorations and adjustments cannot be determined as of the Closing Date, Buyer and Sellers shall conduct a final accounting and make any further payments, as required on a date

mutually agreed upon within ninety (90) days after the Closing Date. In the event of any disputes between the parties as to any adjustments under this Section, the amounts not in dispute shall be paid at the time provided herein and the dispute shall be resolved by an independent certified public accountant (“CPA”) who shall be jointly selected by the parties within thirty (30) days after the Closing or after the final settlement on prorations, as the case may be. The decision of the CPA shall be binding on each of the parties and enforceable by a court of competent jurisdiction. The fees and expenses of the CPA shall be paid one-half by Sellers and one-half by Buyer.

1.7 Additional Fees. Buyer shall bear any and all sales and use taxes arising out of the transactions contemplated by this Agreement, including any applicable “bulk sales” tax. Buyer shall bear any transfer, conveyance, recordation and filing fees, taxes or assessments, including fees in connection with the conveyance of real property and the recordation of instruments related thereto, applicable to, imposed upon, or arising out of the sale, assignment, conveyance, and transfer to Buyer of the Assets as contemplated by this Agreement, provided that Sellers shall pay the fees, if any, for properly documenting and recording the release of any liens on the Assets and all income taxes or other fees based upon gain realized by Sellers as a result of the sale of the Assets. Buyer and Sellers shall bear equally all of the FCC filing fees incurred in connection with the Applications (as defined in Section 5.1).

1.8 Fox Consent. At Closing, Buyer shall have obtained the written consent of the Fox Television Network (“Fox”) to the assignment by Sellers to Buyer of the existing Fox Television Network Affiliation Agreement for the Station or such modified agreement that is at least as favorable for Buyer as the existing agreement is to Seller (the “Fox Agreement”). Seller shall have no obligation to negotiate with Fox for such consent. Notwithstanding the foregoing and any other provision in this Agreement to the contrary, both parties understand and agree that in the event that Fox does not consent in writing to the assignment of the Fox Agreement as of the Closing Date, this shall not be deemed a default by either party under this Agreement and neither party shall be obligated to close. In the event that the Agreement terminates as a result of the inability to obtain the Fox consent to the assignment of the Fox Agreement, the escrow deposit and any interest accrued thereon shall be returned to Buyer, and neither party shall have any further obligation or liability to the other hereunder as a result of such termination.

ARTICLE II

CLOSING AND CLOSING DELIVERIES

2.1 Closing. The term “Closing” as used herein shall refer to the actual conveyance, transfer, assignment, and delivery of the Assets to Buyer in exchange for the payment to Sellers by Buyer of the consideration payable pursuant to Section 1.4 hereof on the Closing Date, and shall be deemed effective as of 12:01 a.m. Eastern Time on the Closing Date. The Closing shall take place at such place and hour as shall be mutually agreed upon by Buyer and Sellers or the Closing may be conducted by mail or courier delivery of documents executed in counterparts; provided, however, that the Closing shall be held no later than ten (10) business days after the date on which the FCC Consent (as defined in Section 5.1) has become a Final Order (as defined in Section 6.1(j)) (such date referred to herein as the “Closing Date”), subject

to the satisfaction or waiver of the other conditions set forth in Articles VI and VII of this Agreement.

2.2 Specified Agreements and Arrangements.

(a) Tower Lease Agreement. At Closing, the parties and/or their Affiliates, as appropriate, will execute a tower lease agreement substantially in the form set forth in Exhibit D providing for the lease of tower space by Buyer to Sellers' affiliate, Hispanic Bakersfield, LLC, for the operation of the Station KAZB-CA, Channel 19, transmitting facilities (the "KAZB-CA Tower Lease Agreement").

(b) Termination of JSA. At Closing, the JSA shall be deemed terminated, and, in connection with the termination, Buyer shall pay to Sellers (i) the principal amount of that certain obligation due to Sellers by Buyer pursuant to the terms of Section 2 of the Second Amendment and Waiver to the Joint Sales Agreement (the "Note"), in the amount of Two Hundred and Fifty Thousand Dollars (\$250,000.00); and (ii) the Estimated JSA Net Revenue Payment (as defined in Section 1.6(c) above, and subject to the credit against prorated prepaid Base Payments under the JSA as set forth above in Section 1.6(c)), both in cash by wire transfer of immediately available U.S. funds, to an account designated by Sellers, in full payment of the obligation set forth in paragraph 2 of the Second Amendment to the JSA.

(c) Covenant Not To Compete. At Closing, Sellers and Harry J. Pappas will execute and cause to be delivered to Buyer a Covenant Not To Compete substantially in the form set forth in Exhibit E. Notwithstanding the foregoing, Sellers' or Sellers' Affiliate's ownership and operation of Station KMPH(TV), a Fox affiliate licensed to Visalia, California, shall be exempt from all terms of such Covenant Not To Compete. In addition, provided that they do not compete with Buyer as Fox Affiliates in the Bakersfield DMA, Sellers or Sellers' Affiliates ownership and operation of Class A television stations KFRE-CA, Tulare, California, and Station KAZB-CA, Bakersfield, California, shall be exempt from the terms of this Covenant.

(d) Interference and Cessation Agreement. At Closing, Sellers will cause to be delivered to Buyer an executed Interference and Cessation Agreement substantially in the form set forth in Exhibit F providing for Sellers' acceptance of interference to Stations KMPH and KMPH-DT by the Station if and when it commences operation on Channel 27, and Buyers' cessation of broadcasting on Channel 27 by KFRE-CA if and when the Station commences operation on Channel 27.

(e) Buyer's "Put" Option. At Closing, Sellers will cause to be delivered to Buyer a Put Option Agreement on mutually agreeable terms and conditions in the form set forth in Exhibit G.

(f) Buyer's Option Agreement. At Closing, Sellers will cause to be delivered to Buyer an Option Agreement with respect to Sellers' interest in an alternative Bakersfield allotment, in the form of attached Exhibit C (the "Option Agreement").

2.3 Closing Deliveries.

(a) At the Closing, Sellers shall deliver (or cause to be delivered) to Buyer the following documents and instruments of conveyance and assignment, in each case reasonably satisfactory in form and substance to Buyer and its counsel and duly executed by Sellers or such other signatory as may be required by the nature of the document:

(i) bills of sale, certificates of title, endorsements, assignments, consents and other good and sufficient instruments of sale, conveyance, transfer and assignment sufficient to sell, convey, transfer and assign the Authorizations, the Tangible Personal Property, the Assumed Contracts, and the other Assets to Buyer free and clear of any Liens (other than Permitted Liens) and to quiet Buyer's title thereto, including, without limitation, the documents described in Section 2.2;

(ii) certified copies of the required consents and/or resolutions of the directors, members, managers, stockholders and/or partners of Sellers, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Sellers of the transactions contemplated by this Agreement;

(iii) a certificate dated as of the Closing Date, executed by an officer of Sellers certifying (A) that the representations and warranties of Sellers contained in this Agreement are true and complete in all material respects as of the Closing Date, except for changes contemplated by this Agreement and except for representations and warranties expressly made solely as of a prior date; and (B) that Sellers have, in all material respects, performed all of its obligations and complied with all of its covenants set forth in this Agreement to be performed and complied with by it prior to or on the Closing Date;

(iv) Subject to the provisions of Section 1.2 hereof, copies of all Authorizations, Assumed Contracts, blueprints, schematics, working drawings, plans, projections, statistics, engineering records, and all files and records regarding the Assets and used by Sellers in connection with the Assets and the Station's operations;

(v) certificates from the appropriate governmental officials of Delaware as to the good standing of KMPH (TV) License, LLC and California as to the good standing of Pappas Telecasting Incorporated;

(vi) all Consents that Sellers have been able to obtain pursuant to this Agreement;

(vii) an opinion of Sellers' counsel in the form attached hereto as Exhibit H;

(viii) to the extent not previously transferred, the files, records and other information referenced in Section 1.1(f);

(ix) the executed KAZB-CA Tower Lease Agreement;

- (x) the executed Interference and Cessation Agreement;
- (xi) the executed Covenant Not to Compete;
- (xii) the Trade Report required by Section 1.6(b);
- (xiii) the executed Trademark License Agreement attached hereto as Exhibit A;
- (xiv) the executed "Put" Option Agreement;
- (xv) the executed Option Agreement;
- (xvi) joint escrow instructions to the Escrow Agent; and
- (xvii) such other documents to be delivered by Sellers and as are reasonably necessary for Buyer to effectuate and document the transactions contemplated herein.

(b) At the Closing, Buyer shall deliver (or cause to be delivered) to Sellers the following documents and instruments of conveyance and assignment, in each case reasonably satisfactory in form and substance to Sellers and its counsel and duly executed by Buyer or such other signatory as may be required by the nature of the document:

- (i) the Purchase Price, which shall be paid in the manner specified in Section 1.5;
- (ii) payment in full of the obligation of the Note (\$250,000);
- (iii) payment in full of the Estimated JSA Net Revenue Payment (subject to offset against prorated Base Payments under the JSA, in accordance with Section 1.6(c);
- (iv) an instrument or instruments of assumption of the Authorizations, the Assumed Contracts, and the other Assets to be assumed by Buyer pursuant to this Agreement;
- (v) a certificate, dated as of the Closing Date, executed by an officer of Buyer, certifying that (A) the representations and warranties of Buyer contained in this Agreement are true and complete in all material respects as of the Closing Date, except for changes contemplated by this Agreement and except for representations and warranties expressly made as of a prior date; and (B) Buyer has, in all material respects, performed all of its obligations and complied with all of its covenants set forth in this Agreement to be performed and complied with by it prior to or on the Closing Date;

(vi) certificates from the appropriate governmental officials of (A) Delaware as to the good standing of Buyer and (B) California as to the good standing as a foreign entity of Buyer;

(vii) certified copies of the required consents and/or resolutions of the directors, members, managers, stockholders and/or partners of Buyer, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by Buyer of the transactions contemplated by this Agreement;

(viii) the JSA Termination Agreement;

(ix) the executed KAZB-CA Tower Lease Agreement;

(x) the executed Interference and Cessation Agreement;

(xi) the executed Covenant Not to Compete;

(xii) the executed Trademark License Agreement attached hereto as Exhibit A;

(xiii) the executed "Put" Option Agreement;

(xiv) the executed Option Agreement;

(xv) joint escrow instructions to the Escrow Agent; and

(xvi) such other documents to be delivered by Buyer hereunder as are reasonably necessary to effectuate and document the transactions contemplated herein.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLERS

As of the date hereof and on the Closing Date, Sellers represents and warrants to Buyer as follows:

3.1 Good Standing. KMPH (TV) License, LLC is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Delaware. Pappas Telecasting Incorporated is a corporation duly organized, validly existing and in good standing under the laws of the State of California. Sellers have all requisite power and authority (a) to own, lease, and use the Assets as presently owned, leased, and used, (b) to conduct the business and operations of the Station as presently conducted, and (c) to execute and deliver this Agreement and the documents contemplated hereby, and to perform and comply with all of the terms and conditions to be performed and complied with by Sellers hereunder and thereunder. Sellers holds all material rights, franchises, licenses, permits, authorizations, and approvals (governmental and otherwise), including the licenses and permits issued by the FCC, necessary to own and operate its properties and to carry on and conduct the business of the Station as it is presently carried on and conducted. Sellers are not participants in any joint

venture or partnership with any other person or entity with respect to any part of the Station's operations or the Assets.

3.2 Right, Power and Authority. Sellers have taken all requisite action in order to authorize the execution, delivery, and performance of this Agreement and the consummation of the sale of the Assets and the other transactions contemplated hereby. This Agreement has been duly executed and delivered by Sellers and is the legal, valid, and binding obligation of Sellers enforceable against Sellers in accordance with its terms.

3.3 No Conflicts or Defaults. Neither the execution, delivery, nor performance of this Agreement by Sellers, nor the consummation of the sale and purchase of the Assets or any other transaction contemplated hereby, after the giving of notice, or the lapse of time, or both, (a) conflicts with, results in a breach of, or constitutes a default under the articles of organization, operating agreement or other organizational instrument of Sellers, or any Federal, state or local law, statute, ordinance, rule, or regulation, or any court or administrative order or process applicable to Sellers; (b) except for the consent of Sellers' lender, conflicts with, constitutes grounds for termination of, results in an organizational breach of, constitutes a default under, violates any right of first refusal or similar right granted to a third party under, or accelerates or permits the acceleration of any performance required by the terms of, any contract, agreement, arrangement, commitment, plan, instrument, license, or permit to which either Seller is a party or by which Sellers or the Assets are bound and which relates to the ownership or operation of the Station or the Assets; provided, however, that certain Assumed Contracts listed in Schedule 1.1(c) hereto are not assignable without the consent of another party; or (c) results in the creation of any mortgage, pledge, lien, claim, liability, charge, condition, or encumbrance, other than Permitted Liens, upon any of the Assets utilized or required in connection with the operation of the Station, other than as expressly contemplated by this Agreement.

3.4 Broker's Fee. Neither this Agreement, nor the sale and purchase of the Assets contemplated by this Agreement, was induced or procured through the services of any person, firm, corporation, or other entity acting on behalf of or representing Sellers as broker, finder, investment banker, financial advisor, or in any similar capacity.

3.5 FCC Licenses and Other Authorizations.

(a) KMPH (TV) License, LLC legally holds the FCC Licenses and other Authorizations identified on Schedule 1.1(a) hereto. Schedule 1.1(a) includes a true and complete list of all FCC Licenses and all other Authorizations, except as otherwise noted therein. Sellers have delivered to Buyer true and complete copies of the Authorizations (including any and all amendments and other modifications thereto). The FCC Licenses and other Authorizations were validly issued by the FCC and are in full force and effect, unimpaired by any act or omission by either Seller or its partners, managers, officers, directors, employees or agents. Other than the FCC Licenses and the other Authorizations set forth in Schedule 1.1(a) hereto, and except as set forth on Schedule 3.5(a) hereto, no franchises, licenses, permits, approvals, or authorizations are required in order for Sellers to legally own and operate the Station in the manner and to the full extent that it is operated on the date hereof and on the Closing Date, and none of the FCC Licenses or other Authorizations are subject to any restriction or condition which would limit the full

operation of the Station as required by the FCC and as presently operated or as operated on the Closing Date, other than (a) restrictions set forth in the FCC Licenses and other Authorizations on the date hereof, and (b) restrictions of general applicability to the television broadcasting industry as a whole. Other than proceedings of general applicability affecting or purporting to affect all similarly-situated television broadcasting stations, there is not now pending or, to the knowledge of Sellers, threatened (y) any action or proceeding by or before the FCC or by or before any other governmental body to revoke, refuse to renew, or modify the FCC Licenses or any other Authorizations; or (z) any petition, investigation, inquiry, complaint, notice of violation, notice of apparent liability, or notice of forfeiture against the Station or against Sellers with respect to the Station. No applications are currently pending before the FCC with respect to the Station. Unless Buyer puts the Station back to Sellers, Sellers shall have no obligation whatever for the implementation of the Channel 27 (or other displacement channel) construction permit or for filing the required license to cover application following the implementation of same.

(b) Pursuant to the Station's limited rights to cable carriage under the Communications Act of 1934, as amended, and the rules and regulations of the FCC, Sellers have requested carriage on behalf of the Station with respect to each cable system in the Bakersfield DMA. On Schedule 3.5(b), Sellers have listed (i) each cable system in the Bakersfield DMA together with a designation of whether the Station is carried on such system and, if so, whether the Station is carried pursuant to must-carry or retransmission consent for each such cable system, and (ii) each cable system outside the Bakersfield DMA on which the Station is carried. Except as described on Schedule 3.5(b), no cable system identified on Schedule 3.5(b) of the Disclosure Schedule has advised Sellers of any signal quality or copyright indemnity or other prerequisite to cable carriage of the signal of the Station, and, except as described on Schedule 3.5(b), no cable system identified on Schedule 3.5(b) has declined or, to Sellers' knowledge, (x) threatened to decline such carriage, (y) failed to respond to a request for carriage, or (z) sought any form of relief from carriage, including without limitation, market modification from the FCC. Except as disclosed on Schedule 3.5(b), Sellers have received no notification(s) from a satellite carrier that a satellite carrier is retransmitting or proposes to retransmit by satellite to satellite subscribers in the Bakersfield DMA the signal of any television station licensed to a community in that DMA.

(c) The Station is fully eligible for "Class A" designation as set forth in the Community Broadcasters Protection Act of 1999 and the rules and regulations adopted by the FCC implementing the Class A television service, and KMPH (TV) License, LLC possesses a valid Class A Television Broadcast License (File No. BLTTL-20040219ABM) affording Class A status to the Station in connection with the Channel 27 construction permit (File No. BPTTL-20030508ACO), which permit is in full force and effect, authorizing construction of a Class A facility on Channel 27. Upon the satisfaction of the conditions set forth in the Channel 27 construction permit and the filing and grant of an FCC Form 302-CA, the Station will be entitled to full Class A status and protection.

3.6 FCC Compliance. Except as described on Schedule 3.6 hereto, the Station, its physical facilities, electrical and mechanical systems, and transmitting and studio equipment are operated in all material respects in accordance with the specifications of the FCC

Licenses and the rules and regulations of the FCC. Without limiting the foregoing, and subject to the JSA, all transmission towers and equipment have been operated and maintained by Sellers in material compliance with the Communications Act of 1934, as amended, and with the rules and regulations of the FCC and the FAA and all such towers have been approved by the FAA, if required, and properly registered with the FCC as necessary. The operation of the Station does not cause or result in the exposure of workers or the general public to levels of radio frequency radiation in excess of the exposure limits set out in 47 C.F.R. §1.1310 and the renewal of the FCC Licenses would not constitute a “significant impact” on the environment, within the meaning of 47 C.F.R. §1.301 et seq. To Sellers’ knowledge, the Station is not causing or receiving electrical interference to any other station or communications facility in violation of the FCC rules and regulations and Sellers have not received any complaints or allegations of such interference. All reports and other filings required by the FCC with respect to the Station have been duly and currently filed in all material respects, and all such filings have been timely placed in the Station’s public inspection file as required by the rules and regulations of the FCC. Sellers are in compliance with the FCC requirements applicable to low power television stations for operation as a “Class A” television station. Sellers agrees, at its sole expense, to take any and all actions necessary to cure the items described on Schedule 3.6 on or prior to the Closing Date.

3.7 KMPH (TV) License, LLC Qualifications. KMPH (TV) License, LLC is qualified to hold and to assign the FCC Licenses. Sellers have no reason to believe that either the assignment of FCC Licenses contemplated herein or the next renewal of the FCC Licenses might be challenged or might not be granted by the FCC in the ordinary course.

3.8 Title to Assets. Pappas Telecasting Incorporated has good and marketable title to all of the Assets, free and clear of any mortgages, pledges, liens, encumbrances, or other charges or rights of others of any kind, except for (a) Permitted Liens and (b) the mortgages, pledges, liens, encumbrances, or other charges or rights of others listed in Schedule 3.8 all of which will be removed on or before the Closing Date.

3.9 No Litigation or Violations of Law.

(a) Except for matters affecting the television broadcasting industry generally, and except for those matters set forth in Schedule 3.9(a) hereto, there is no litigation at law or in equity, no arbitration proceeding, and no proceeding before or by any court, commission, agency, or other administrative or regulatory body or authority, pending or, to the knowledge of Sellers, threatened, which would reasonably be expected to have a material adverse effect upon the Station or Sellers’ ability to perform in accordance with the terms of this Agreement.

(b) Except as disclosed in Schedule 3.9(b) hereto, there is no labor trouble, dispute, grievance, controversy, strike, union representation, or request for union representation pending, or, to the knowledge of Sellers, threatened, against Sellers relating to or affecting the business or operation of the Station.

(c) Sellers own, lease and operate their properties and assets, and carry on and conduct the business and affairs of the Station, in material compliance with all Federal, state, and local laws, statutes, ordinances, rules, and regulations. To Sellers’

knowledge, neither the ownership or use of its properties, nor the conduct of the business or operations of the Station, conflicts in any material way with the rights of any other person, firm, corporation or entity.

3.10 Intellectual Property. All patent, trademark, trade name, service mark, or brand name registrations and copyright registrations, licenses, permits, jingles, privileges, and other similar intangible property rights and interests and all pending applications or applications to be filed, if any, therefor, owned by Sellers and used in the operation of the Station are disclosed in Schedule 1.1(d) hereto. Sellers have delivered to Buyer copies of all documents, establishing or supporting Sellers' claim to such rights, licenses, or other authority. To the knowledge of Sellers, the ownership and operation of the Station and the Assets, as presently owned and operated, do not infringe upon or conflict in any material respect with any patent, trademark, trade name, service mark, brand name or copyright of any other person, firm, corporation, or entity. Sellers have all right and authority to use the call letters "KBFX-LP" and "KBFX-CA" in connection with the operation of the Station and to transfer such rights to Buyer at Closing.

3.11 Contracts. Schedule 1.1(c) and/or 1.1(e) hereto sets forth (a) all program contracts, real and personal property leases, and other contracts, agreements, and commitments to which Sellers or the Station are a party as of the date hereof and which relate to the Assets, or the operation of the of the Station, and (b) all leases under which Sellers are the lessee or lessor of tower space on any tower included in the Assets or used in the operation of the Station. Sellers have made available to Buyer, true and complete copies of all such written contracts, leases, agreements, and commitments, and true and complete memoranda of all material oral contracts, leases, agreements, and commitments (including any and all amendments and other modifications to such contracts). Except as otherwise disclosed in Schedule 1.1(c) hereto, all of the Assumed Contracts (as of the date hereof) are in full force and effect, and are valid, binding, and enforceable in accordance with their terms. Sellers are not in material breach, nor is any other party in material breach, of the terms of any of the Assumed Contracts. Except as expressly set forth in Schedule 3.11, Sellers are not aware of any intention of any party to any Assumed Contract (a) to terminate such Assumed Contract, or to amend the terms thereof, (b) to refuse to renew the same upon its expiration of its term, or (c) to renew the same upon its expiration only upon terms and conditions which are less favorable to Sellers. Except as disclosed on Schedule 1.1(c), all oral contracts set forth thereon are terminable by Sellers at will or upon no more than thirty (30) days notice. Assuming that the Consents (as defined in Section 5.11) shall have been obtained, and except as set forth on Schedule 3.11, Sellers have full legal power and authority to assign its rights under the Assumed Contracts to Buyer in accordance with this Agreement, and such assignment will not affect the validity, enforceability, and continuation of any of the Assumed Contracts. Sellers have not entered into any trade agreements which would require Buyer to deliver services after Closing.

3.12 Insurance. Sellers have in full force and effect insurance insuring the properties and assets of the Station included in the Assets. Sellers will make available to Buyer, at Buyer's request, a summary of such insurance policies.

3.13 Assets in Good Condition. Except as provided in Schedule 3.13 hereto, the Assets are in good operating condition and repair (ordinary wear and tear excepted), have

been maintained in a manner consistent with generally accepted standards within the television broadcasting industry, do not now require any repairs other than routine maintenance and are available for immediate use in the operations of the Station in the ordinary course of business. The Station's transmitting facilities are being operated at full power as authorized by the FCC Licenses and in accordance with manufacturer's specifications. Sellers agrees, at its sole expense, to take any and all action necessary to repair, to Buyer's satisfaction, the items described on Schedule 3.13 on or prior to the Closing Date.

3.14 Required Consents. Except for the FCC Consent, Sellers' lender's consent to the proposed sale, and the Consents described in Schedule 3.14 hereto, no consent, approval, permit, or authorization of, or declaration to, or filing with, any governmental or regulatory authority or any other third party is required to be obtained by Sellers in order (a) to consummate the transactions contemplated by this Agreement, or (b) to permit Sellers to assign or transfer the Assets to Buyer.

3.15 Employee Benefits. Sellers are not aware of the existence of any pending, threatened or anticipated governmental audit or examination of any Employee Benefit Plan (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) or "Compensation Arrangement." For purposes of the preceding sentence, "Compensation Arrangements" means any bonus, deferred compensation, incentive compensation, stock purchase, stock option, severance or termination pay, or profit sharing plan, program, agreement, or arrangement and any other employee benefit plan, program, agreement or arrangement for the benefit of any current or former employee, director, or independent contractor. There exists no action, suit, or claim (other than routine claims for benefits) with respect to any such plans or arrangements pending, or, to the knowledge of Sellers, threatened or anticipated, against any such Employee Benefit Plan or Compensation Arrangement. Neither Buyer nor any entity related to Buyer under Section 414 of the Internal Revenue Code of 1986 (the "Code"), or any officer, director, partner, employee, or affiliate of the same, shall have any liability, obligation, or responsibility with respect to claims or liabilities arising or accruing under any Employee Benefit Plan or Compensation Arrangement maintained or provided by Sellers or any other entity related to Sellers under Section 414 of the Code which relates to any period whatsoever. Sellers have complied in all material respects with Part 6 of Subtitle B of Title I of ERISA or Section 4980B of the Code (hereinafter collectively referred to as "COBRA"), and will provide such continuation of health benefit coverage to the extent required by reason of the events occurring prior to or on the Closing Date or by reason of the transactions contemplated by this Agreement. Neither Buyer nor any entity related to Buyer under Section 414 of the Code, or any officers, directors, partners, employees, or affiliates of the same, shall have any liability, obligation, or responsibility with respect to penalties, claims, or liabilities arising or accruing under COBRA with respect to any group health plan maintained by or contributed to by Sellers or any entity related to Sellers under Section 414 of the Code.

3.16 Labor Matters. Sellers are not party to, or subject to any, collective bargaining agreements with respect to the Station. Sellers have no written or oral contracts of employment with any employee of the Station, other than (a) oral employment agreements terminable at will without penalty, or (b) those listed in Schedule 1.1(c) or excluded by Schedule 1.2. Except as disclosed in Schedule 3.9(b) hereto, Sellers have received no notice alleging that Sellers have failed to comply in any material respect with all applicable laws, rules, and

regulations relating to the employment of labor, including those related to wages, hours, collective bargaining, occupational safety, discrimination, and the payment of social security and other payroll-related taxes. No controversies, disputes, or proceedings are pending, or, to Sellers' knowledge, threatened or anticipated, between Sellers and the employees (singly or collectively) of the Station, except as disclosed in Schedule 3.9(b) hereto. No labor union or other collective bargaining unit represents, or, to Sellers' knowledge, claims to represent any of the employees of the Station. To Sellers' knowledge, there is no union campaign being conducted to solicit cards from employees to authorize a union to request a National Labor Relations Board certification election with respect to any of Sellers' employees at the Station.

3.17 Taxes. Sellers have filed or caused to be filed all Federal income tax returns and all other Federal, state, county, local, or city tax returns which are required to have been filed by Sellers, and Sellers have paid or caused to be paid all taxes shown on said returns or on any tax assessment received by Sellers to the extent that such taxes have become due, or has set aside on its books reserves (segregated to the extent required by generally accepted accounting practices) deemed by Sellers to be adequate with respect thereto and except as specifically disclosed or scheduled there is no known, threatened or anticipated tax liability. No events have occurred which could impose upon Buyer any transferee liability for any taxes, penalties, or interest due or to become due from Sellers. Without limiting the foregoing, Sellers represents and warrants that neither the sale nor the transfer of the Assets pursuant to this Agreement, nor Buyer's possession and use thereof from and after the Closing, shall be subject to any law pertaining to bulk sales or transfers that will impose any tax, appraisal or other liability on Buyer.

3.18 Reports. All material returns, reports, and statements which the Station is currently required to have filed with the FCC or with any other governmental agency have been filed, and all material reporting requirements of the FCC and other governmental authorities having jurisdiction over the Station have been complied with. All of such reports, returns, and statements are complete and correct as filed. The Station's public inspection files are located at the Station's main studio and are in material compliance with the FCC's rules and regulations

3.19 Financial Statements. Attached as Schedule 3.20 are true and complete copies of financial information that has been extracted from the audited financial statement of Pappas Telecasting Incorporated that reflects the operations of the Station for the fiscal years ended December 31, 2003 and December 31, 2004 (the "Financial Statements"). This financial information has been compiled from the books and records of Sellers in accordance with generally accepted accounting practices consistently applied ("GAAP") and maintained throughout the periods indicated, include all corporate allocations that would be reflected in operations, and present fairly, in all material respects, the financial condition of the Station as of the respective dates and the results of operations of the Station for the periods then ended.

3.20 No Changes. Since January 1, 2005, Sellers have conducted the business and operations of the Station only in the ordinary course, and there has not been:

- (a) any material adverse change in the operational condition of the Station, including any material damage, destruction, or loss affecting the Assets or any loss or damage that prevents the Station from broadcasting;

(b) any sale, assignment, lease, or other transfer of any of the Assets, other than in the normal and usual course of business, with suitable replacements being obtained therefor to the extent required by this Agreement;

(c) with respect to the Station, any incurrence of debt, liability or obligations, except for obligations arising from the purchase of goods or the rendition of services in the ordinary course of business;

(d) any canceled debts owed to or claims held by Sellers with respect to the business and operations of the Station, except in the normal and usual course of business;

(e) any changes in Sellers' accounting practices with respect to the business and operations of the Station;

(f) any material write-down of the value of any Assets;

(g) any transfer or grant of any right under, or any settlement regarding the breach or infringement of, any license, patent, copyright, trademark, trade name, franchise, or similar right, or modification of any existing right, in each case used in the operation of the Station; or

(h) any mortgage, pledge or grant of lien with respect to any of the Assets.

3.21 Affiliate Transactions. There is no Assumed Contract or other arrangement or accommodation between Sellers and an Affiliate of Sellers which relates to any of the Assets being sold, assigned or transferred to Buyer, except for such arrangements which are set forth on Schedule 3.21 (the "Affiliate Arrangements"). All Affiliate Arrangements shall be terminated at or prior to the Closing.

3.22 Disclosure. Neither this Agreement, nor any schedule or exhibit hereto or any certificate, document or other statement delivered to Buyer by Sellers, its Affiliates or their officers, directors, employees or agents, in connection with the transactions contemplated herein, contains any untrue statement of a material fact or omits any statement of material fact necessary to make the statements contained in this Agreement, or in any schedule or exhibit hereto or any certificate, document or other statement delivered to Buyer by Sellers, its Affiliates or their officers, directors, employees or agents, in connection with the transactions contemplated herein, not misleading.

**ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER**

As of the date hereof and on the Closing Date, Buyer represents and warrants to Sellers as follows:

4.1 Good Standing Buyer is a limited liability company, validly organized and in good standing under the laws of the State of Delaware and is qualified to do business in the State of California.

4.2 Right, Power and Authority Buyer has the full power and authority to enter into, to execute and deliver, and to perform its obligations under, this Agreement and any other instruments contemplated hereby, and Buyer has taken all requisite action in order to authorize the execution, delivery, and performance of this Agreement and the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by Buyer and is the legal, valid, and binding obligations of Buyer, enforceable against Buyer in accordance with its terms.

4.3 Buyer Qualifications Except as disclosed on Schedule 4.3 hereto, there is no fact known to Buyer that would, under the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC, each as in effect on the date of this Agreement, disqualify Buyer from holding the FCC Licenses, and Buyer has taken no action that would be likely to cause such disqualification prior to the Closing Date.

4.4 No Conflicts or Defaults Neither the execution, delivery, nor performance of this Agreement by Buyer, nor the consummation of the sale and purchase of the Assets or any other transaction contemplated hereby or thereby, after the giving of notice, or the lapse of time, or both, (a) conflicts with, results in a breach of, or constitutes a default under the certificate of incorporation, bylaws or other organizational instrument of Buyer, or any Federal, state, or local law, statute, ordinance, rule, or regulation, or any court or administrative order or process applicable to Buyer, or (b) conflicts with, constitutes grounds for termination of, results in a breach of, constitutes a default under, or accelerates or permits the acceleration of any performance required by the terms of, any material contract, agreement, arrangement, commitment, plan, instrument, license, or permit to which Buyer is a party or by which Buyer is bound and which might materially affect Buyer's ability to perform its obligations under this Agreement.

4.5 No Litigation or Violations of Law

(a) Except for matters affecting the television broadcasting industry generally, and except for those matters set forth in Schedule 4.5(a) hereto, there is no litigation at law or in equity, no arbitration proceeding, and no proceeding before or by any court, commission, agency, or other administrative or regulatory body or authority, pending or, to the knowledge of Buyer, threatened, which would reasonably be expected to have a material adverse effect upon Buyer's ability to perform in accordance with the terms of this Agreement.

(b) Buyer owns, leases and operates its properties and assets, and carries on and conducts its business and affairs, in material compliance with all Federal, state, and local laws, statutes, ordinances, rules, and regulations. To Buyer's knowledge, neither the ownership or use of its properties, nor the conduct of the business or operations of Buyer's business, conflicts in any material way with the rights of any other person, firm, corporation or entity.

4.6 Required Consents. Except for the FCC Consents and consents to assignment of the Assumed Contracts, no consent, approval, permit, or authorization of, or declaration to, or filing with, any governmental or regulatory authority or any other third party is required to be obtained by Buyer in order (a) to consummate the transactions contemplated by this Agreement, or (b) to permit Buyer to acquire the Assets from Sellers.

4.7 Broker's Fee. Neither this Agreement, nor the sale and purchase of the Assets contemplated by this Agreement, was induced or procured through the services of any person, firm, corporation, or other entity acting on behalf of or representing Buyer as broker, finder, investment banker, financial advisor, or in any similar capacity.

4.8 Sellers' Employees. For a period of five (5) years after Closing, Buyer agrees not to solicit to hire any of Sellers' Station employees. For a period of two (2) years after Closing, Buyer agrees not to hire any of Sellers' Station employees.

4.9 Disclosure. Neither this Agreement, nor any schedule or exhibit hereto or any certificate, document or other statement delivered to Sellers by Buyer, its Affiliates or their officers, directors, employees or agents, in connection with the transactions contemplated herein, contains any untrue statement of a material fact or omits any statement of material fact necessary to make the statements contained in this Agreement, or in any schedule or exhibit hereto or any certificate, document or other statement delivered to Sellers by Buyer, its Affiliates or their officers, directors, employees or agents, in connection with the transactions contemplated herein, not misleading.

ARTICLE V

COVENANTS

5.1 FCC Approval.

(a) Buyer and Sellers shall jointly file with the FCC substantially complete applications (the "Applications") to request the FCC's consent to the voluntary assignment of the FCC Licenses from Sellers to Buyer (the "FCC Consent") within five(5) business days after the execution of this Agreement and if Buyer has delivered the Escrow Deposit to the Escrow Agent in accordance with Section 1.4 above; provided, however, that if any FCC-imposed freeze on the filing of broadcast license assignment applications is in effect during such one (1) business day period, then the Applications shall be filed not more than one (1) business day after such freeze is lifted. Buyer and Sellers shall each pay its own expenses in connection with the preparation and prosecution of the Applications and shall share any filing fee associated with the Applications equally. Sellers and Buyer shall

prosecute the Applications before the FCC, including opposing any petitions to deny filed against the Applications, with all reasonable diligence, in order to obtain the FCC Consent promptly and in order to carry out the provisions of this Agreement. If FCC reconsideration or review, or if judicial review shall be sought with respect to the FCC Consent by a third party or upon the FCC's own motion, Buyer and Sellers shall cooperate in opposing such requests for FCC reconsideration or review or for judicial review.

(b) If the FCC Consent shall impose any condition upon any party hereto, such party shall use its commercially reasonable efforts to comply with such condition. If any party to this Agreement shall seek FCC reconsideration or review, or judicial review, of a materially adverse condition imposed by the FCC, the other party shall cooperate fully with the party seeking reconsideration or review of such condition; provided, however, that neither party shall seek or cause to be sought, without the prior written consent of the other party, FCC reconsideration or review, or judicial review, of any condition or qualification that is not a materially adverse condition. For purposes of this Agreement, a "materially adverse condition" shall not include any condition generally applicable to the broadcast industry or a transaction of this kind.

5.2 Cooperation. Buyer and Sellers shall cooperate fully with each other and with their respective counsel and accountants in connection with any actions required to be taken as part of their respective obligations under this Agreement, and Buyer and Sellers shall execute such other documents as may be necessary and reasonable for the implementation and consummation of the transactions contemplated by this Agreement, and otherwise use their commercially reasonable efforts to consummate the transactions contemplated hereby and to fulfill their obligations hereunder. Notwithstanding the foregoing, Sellers and Buyer shall have no obligation (a) to expend funds out-of-pocket in order to obtain the Consents, or (b) to agree to any material adverse change to any Assumed Contract in order to obtain a Consent with respect thereto.

5.3 Risk of Loss.

(a) The risk of loss or damage to the Assets shall be upon Sellers at all times prior to the Closing. In the event of loss or damage to the Assets, Sellers shall promptly notify Buyer thereof (the "Sellers' Risk of Loss Notice") and if the lost or damaged Assets are capable of being replaced or repaired for an aggregate amount less than \$250,000, then Sellers shall, at their sole cost and expense, replace or repair such Assets prior to the Closing or deliver to Buyer at the Closing an amount in cash equal to the cost of replacement or repair of such Assets, as mutually agreed in good faith by Buyer and Sellers. Notwithstanding the foregoing, if the amount required to replace or repair such Assets exceeds \$250,000, Sellers may elect in the Sellers' Risk of Loss Notice not to replace or repair such Assets (which election must be set forth in Sellers' Risk of Loss Notice); provided, however, that in such event Buyer, at its option, may elect within thirty (30) days after receipt of the Sellers' Risk of Loss Notice to terminate this Agreement without either party being subject to a claim by the other for liquidated damages or any other claims for damages, or waive any default or breach with respect to the loss or damage and receive a \$250,000 credit at Closing. Either party may extend the Closing Date by up to thirty (30) days in order to allow Sellers to complete the repair or replacement.

(b) Sellers shall use their commercially reasonable efforts to avoid the Station being off the air for three (3) or more consecutive days or five (5) or more days in any thirty (30) day period. Sellers shall give prompt written notice to Buyer if either of the following (a “Specified Event”) shall occur: (i) the regular broadcast transmissions of the Station in the normal and usual manner are interrupted or discontinued for more than twenty-four (24) hours in any fourteen (14) day period, on a cumulative basis, whether or not consecutive; or (ii) the Station is operated at less than its licensed antenna height above average terrain or at less than ninety percent (90%) of its licensed effective radiated power for more than seventy-two (72) consecutive hours or five (5) or more days, whether or not consecutive, during any period of thirty (30) consecutive days. If a Specified Event shall occur, other than a Specified Event resulting from the action or failure to act of Buyer, its employees or agents pursuant to the terms of the JSA, then, provided that Buyer is not in default under this Agreement, Buyer may, at its option: (i) terminate this Agreement by written notice given to Sellers not more than ten (10) days after the expiration of such fourteen (14) day, seventy-two (72) hour or thirty (30) day period, as the case may be (without either party being subject to a claim by the other for liquidated damages or any other claims for damages), or (ii) proceed in the manner set forth in Section 5.3(a) above. In the event of termination of this Agreement by Buyer pursuant to this Section 5.3, the parties shall be released and discharged from any further obligation hereunder (without being subject to a claim by Sellers for liquidated damages or any other claims for damages).

(c) If the parties are unable to agree upon the extent of any loss or damage, the cost to repair, replace or restore any lost or damaged property, the adequacy of any repair, replacement, or restoration of any lost or damaged property, or any other matter arising under this Section 5.3, the disagreement shall be referred to a qualified consulting communications engineer mutually acceptable to Sellers and Buyer who is a member of the Association of Federal Communications Consulting Engineers, whose decision shall be final, binding upon and non-appealable by the parties, and whose fees and expenses shall be paid one-half by Sellers and one-half by Buyer.

5.4 No Inconsistent Act. Pending the Closing Date, neither Sellers nor Buyer shall (a) take any action which is materially inconsistent with its respective obligations hereunder, or which would reasonably be expected to materially hinder or delay the consummation of the transaction contemplated by this Agreement, except as specifically required or permitted herein, or (b) take or fail to take any action which would render any of its representations and warranties set forth in Articles III or IV, as the case may be, no longer accurate.

5.5 Notifications. Pending the Closing Date, Sellers and Buyer shall promptly notify each other in writing of any developments, except for matters affecting the television broadcasting industry generally, which singly or in concert with others are materially adverse to the ability of such notifying party to consummate the transactions contemplated hereby, and of any material change in any of the information contained in such party’s representations and warranties contained in this Agreement, provided that such notification shall not relieve such party of any obligations under this Agreement.

5.6 Allocation of Purchase Price. The Purchase Price set forth in Section 1.4 shall be allocated among the Assets in accordance with the provisions of Section 1060 of the Code and as determined by mutual agreement of Sellers and Buyer prior to Closing as specified in a separate writing between the parties. Buyer and Sellers shall each complete, execute and timely file Form 8594 with the Internal Revenue Service with their respective tax returns for the taxable year that includes the Closing Date (or such other Internal Revenue Service Form as may then be prescribed for use by the regulations promulgated under the Code (the “Tax Regulations”) to comply with applicable asset acquisition reporting requirements of Section 1060 of the Code and the Tax Regulations thereunder). Buyer and Sellers agree to act in accordance with the allocation of the Purchase Price established pursuant to this section in the preparation and filing of all tax returns, including Form 8594.

5.7 Further Assurances. After the Closing Date, each party will take all action reasonably requested by the other to carry out the intent of this Agreement and to vest in Buyer title to the Assets consistent with Sellers’ representation and warranty in Section 3.8.

5.8 Control of the Station. Prior to Closing, Buyer shall not, directly or indirectly, control, supervise, direct, or attempt to control, supervise, or direct the operations of the Station in contravention of the rules, regulations and policies of the FCC; all such operations, including control and supervision of all of the Station’s programs, Sellers’ employees, finances and policies, shall be the responsibility of Sellers until the Closing.

5.9 Inspection Rights. Until the Closing, upon reasonable prior notice, Sellers shall, during the Station’s regular business hours, make the studio and office facilities, books, accounts, records, contracts, and documents pertaining to the Station and included in the Assets available for examination and inspection by Buyer and its agents, provided that neither the furnishing of such information nor any investigation made heretofore or hereafter shall affect Buyer’s right to rely upon any representation or warranty made by Sellers in this Agreement, each of which shall survive any furnishing of information or any investigation, subject to Section 9.1 hereof. Any such examination and inspection shall be undertaken in a manner designed to minimize the disruption to the operations of the Station to the extent reasonably practicable.

5.10 No Changes. From and after the date hereof until the Closing Date, Sellers shall:

(a) except as otherwise provided herein, maintain the FCC Licenses in full force in effect, take any actions and make any filings necessary before the FCC to preserve the FCC Licenses’ effectiveness and notify Buyer of any proceeding or matter pending before the FCC that could have a material adverse affect on the FCC Licenses;

(b) operate the Station’s business in the ordinary course of business, including, without limitation, pay when due all obligations arising under the Assumed Contracts or any other agreements or commitments of the Station which accrued prior to the Closing Date;

(c) not dissolve, liquidate, merge or consolidate the Sellers, nor sell, assign, lease, mortgage, pledge, or otherwise transfer, or dispose of any of the Assets, or

create, assume, or permit to exist any Lien upon any of the Assets, except for (i) Liens in favor of Buyer, (ii) Permitted Liens or liens which will be removed at or before Closing; (iii) immaterial items of personal property included in the Assets which are sold, or otherwise disposed of in the ordinary and regular course of the operation of the Station's business; and (iv) transactions engaged in with Buyer's written consent first obtained;

(d) not, except with Buyer's prior written consent, enter into, or become obligated under, (i) any program contract, whether for cash or barter, or any agreement, not terminable at the Closing without liability to Buyer, except in the ordinary course of business consistent with past practices, or (ii) any other agreement or commitment on behalf of the Station requiring the Station to make cash payments to third parties, except for normal commitments for personal property and services entered into in the ordinary and regular course of the operation of the Station, consistent with the Station's past and present practices, and which do not provide for payments, in the aggregate, in excess of Five Thousand Dollars (\$5,000.00) during the full terms of all such agreements and commitments, nor materially change, amend, terminate, or otherwise modify any agreement or commitment other than in the ordinary course of business;

(e) maintain insurance policies on the Assets in accordance with Sellers' normal and customary business practices;

(f) subject to the JSA, maintain and preserve the current operations of the Station and, consistent with the ordinary course of business, the Station's goodwill and the Station's present relationships with suppliers, advertisers, and others having business relations with it;

(g) maintain all of the Authorizations in full force and effect, filing applications for the renewal thereof as necessary; do any act necessary in order to prevent the expiration, revocation, suspension, or adverse modification of any of the Authorizations; and not do any act which would reasonably be expected to result in the expiration, revocation, suspension, or adverse modification of any of the Authorizations (other than to correct FCC records), nor fail to (i) do any act necessary in order to prevent the expiration, revocation, suspension, or adverse modification of any of the authorizations or (ii) immediately inform Buyer of the commencement of any inquiry, investigation, complaint or proceeding before the FCC with respect to any Station or Sellers; provide Sellers with copies of any notice, complaint or correspondence with respect to any such matter; respond to the FCC or any complainant before the FCC on a timely basis as necessary; and take such actions as are commercially necessary to preserve and protect the FCC Licenses in connection with such matters;

(h) not assign, waive or release any material right of Sellers in the Assumed Contracts without prior Buyer consent;

(i) use commercially reasonable efforts to protect the present service areas of the Station from increased broadcast signal interference from other stations, existing or proposed, and to exercise commercially reasonable efforts to maintain carriage on the cable systems and satellite systems described on Schedule 3.5(b);

(j) promptly (within five business days) provide Buyer with copies of all material correspondence with the cable and satellite systems concerning carriage and retransmission consent status and keep Buyer advised of the status of material developments in all negotiations with cable and satellite systems concerning such matters; *provided however*, that Sellers shall have no obligation to negotiate retransmission consents with cable and satellite carriers unless the Closing under this Agreement has not occurred by September 15, 2005, in which event Sellers and Buyer shall cooperate to negotiate retransmission consents with cable and satellite carriers;

(k) not, except as required by law, enter into any collective bargaining agreement, or through negotiations or otherwise make any commitment or incur any liability to any labor organization with respect to the employees of the Station;

(l) not transfer or grant any rights to intellectual property under any leases, licenses, agreements, trademarks, trade names, or copyrights included in the Assets, and respond substantively to any outstanding matters before the U.S. Patent and Trademark Office pertaining to the Station or the Assets;

(m) not take any material action which is inconsistent with Sellers' obligations hereunder, or which would reasonably be expected to materially hinder or delay the consummation of the transactions contemplated by this Agreement, except as specifically required or permitted herein;

(n) maintain all of the Assets (except for immaterial Assets with a fair market value, in the aggregate, not exceeding Five Thousand Dollars (\$5,000)), or replacements thereof (to the extent required pursuant to this Agreement) and improvements thereon in their current condition (ordinary wear and tear excepted) in the usual and customary manner, and in material compliance with the FCC's rules and regulations, and use, operate, and maintain all of the Assets in a reasonable manner, with inventories of spare parts and expendable supplies being maintained at levels reasonably consistent with past practices;

(o) maintain its books and records, including the record keeping and reporting requirements imposed by the FCC, in accordance with past practices and in material compliance with the FCC's rules and regulations;

(p) promptly notify Buyer in writing of any developments, except for matters affecting the television broadcasting industry generally, which singularly or in concert with others are materially adverse to the business or operations of the Station or the Assets and of any material change in any of the information contained in Sellers' representations and warranties contained in Article III hereof or in the schedules hereto, provided that such notification shall not relieve Sellers of any obligation hereunder;

(q) make by the Closing Date all payments under the Assumed Contracts that are due to be paid by Sellers on or before the Closing Date, and, consistent with past practice, take all action reasonably necessary to preserve in full force and effect the existing rights of Sellers under the Assumed Contracts;

(r) prior to the Closing Date, deliver to Buyer a list of any contracts relating to the Station entered into by Sellers between the date hereof and the Closing Date of the type required to be listed in Schedule 1.1(c) hereto, together with copies of such contracts; and,

(s) comply in all material respects with all rules and regulations of the FCC, and all other laws, rules, and regulations to which Sellers, the Station, and the Assets are subject.

5.11 Written Consents. Except for the Fox Television Network Affiliation Agreement, for which Buyer will be solely responsible for obtaining the Consent of Fox Television Network pursuant to the terms of Section 1.8 above, pending the Closing Date, Sellers shall proceed with all reasonable diligence and shall use commercially reasonable efforts to obtain all written consents necessary to consummate the transactions contemplated by this Agreement, including, without limitation, the consents of parties to the Assumed Contracts where required (the "Consents").

5.12 Prepaid Programming Obligations. On or before Closing, with funds provided in advance by Buyer, Sellers will pay up to \$200,000.00 in prepaid programming expenses as directed by Buyer in its discretion with respect to programming to air on the Station after Closing. Funds advanced by Buyer under this provision shall not be considered a credit against the Purchase Price.

5.13 Relocation of Control Room Operations. Immediately following the Closing Date, Buyer shall ensure that all control room operations for the Station shall be conducted from the KBAK studio in Bakersfield.

ARTICLE VI

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF BUYER

The obligations of Buyer hereunder to close the transactions herein contemplated are subject to the following conditions precedent (unless any such conditions are waived in writing by Buyer, in Buyer's sole discretion):

6.1 Conditions.

(a) All warranties and representations made by Sellers herein to Buyer shall be true and correct on and as of the Closing Date, with the same effect as if such warranties and representations had been made by Sellers to Buyer on and as of the Closing Date, with only such exceptions as would not, in the aggregate, be reasonably expected to have a material adverse impact on the consummation of the transactions contemplated by this Agreement, the Assets, or the operation of the Station;

(b) Sellers shall have performed and complied in all material respects with all agreements, covenants, and conditions herein required to be performed or complied with on Sellers' part on or prior to the Closing Date, with only such exceptions as would not, in the aggregate, be reasonably expected to have a material adverse impact on the

consummation of the transactions contemplated by this Agreement, the Assets, or the operation of the Station;

(c) each of the Consents that Sellers have been able to obtain pursuant to Section 5.11 above, shall have been duly obtained and delivered to Buyer, with no material adverse change to the terms of the Assumed Contracts with respect to which such Consent shall have been obtained, unless Buyer shall have consented in writing to such change;

(d) Sellers shall be the holder of the FCC Licenses and there shall not have been any modification with respect to such FCC Licenses which has a materially adverse effect on the Station or the conduct of its business or operations other than proceedings generally applicable to the television broadcast industry;

(e) no proceeding (other than proceedings generally applicable to the television broadcast industry) shall be pending, the reasonably likely effect of which would be to revoke, cancel, fail to renew, suspend, or adversely modify the FCC Licenses;

(f) Sellers shall have made, or shall stand willing and able to make, all deliveries to Buyer required to be made pursuant to this Agreement;

(g) the consent of any governmental authority required to be obtained for the consummation of the transactions contemplated by this Agreement shall have been obtained; and

(h) the FCC Consent shall have been granted without any “materially adverse condition” (as defined in Section 5.1(b)) having been imposed upon Sellers or Buyer, except as may be the result of Buyer’s actions or failure to take any action reasonably required to obtain such FCC Consent, such FCC Consent shall be in full force and effect, and, unless waived by the Buyer, such FCC Consent shall have become a Final Order. For the purpose of this Agreement, an action or order of the FCC granting the FCC’s Consent shall be deemed to have become a “Final Order” when such action or order shall have been issued by the FCC in writing, setting forth the FCC Consent, and (i) so long as such action or order shall not have been reversed, stayed, enjoined, set aside, annulled or suspended, and (ii) so long as no protest, request for stay, reconsideration or review by the FCC on its own motion or by any third party, petition for FCC reconsideration or for rehearing, application for FCC review, or judicial appeal of such action or order shall be pending, when the period provided by law for initiating such protest, request for stay, reconsideration or review by the FCC on its own motion, petition for FCC reconsideration or for rehearing, application for FCC review, or judicial appeal of such action or order shall have expired.

(i) Buyer shall have obtained a lien search, at its expense, which is dated within twenty (20) days of the Closing Date and which demonstrates that, except for the Permitted Liens, there are no Liens of any kind or nature on the Assets other than those to be removed at or before the Closing.

(j) At Closing, Sellers shall assign to Buyer the Time Warner Cable (Bright House), Cox Cable Retransmission Consent Agreements, and the Fox Television Network Affiliation Agreement, subject to the terms of this Agreement.

6.2 No Challenges. No proceeding or formal investigation by or before any court or governmental agency shall be pending or threatened which would reasonably be expected to prevent the consummation of the transactions contemplated by this Agreement.

6.3 Closing Deliveries. Buyer shall have received each of the documents or items required to be delivered pursuant to Section 2.3(a) hereof.

ARTICLE VII

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF SELLERS

The obligations of Sellers hereunder to close the transactions herein contemplated are subject to the following conditions precedent (unless any such conditions are waived in writing by Sellers, in Sellers' sole discretion):

7.1 Conditions.

(a) All warranties and representations made by Buyer herein to Sellers shall be true and correct in all material respects on and as of the Closing Date, with the same effect as if such warranties and representations had been made by Buyer to Sellers on and as of the Closing Date, with only such exceptions as would not, in the aggregate, be reasonably expected to have a material adverse impact on the consummation of the transactions contemplated by this Agreement;

(b) Buyer shall have performed and complied in all material respects with all agreements, covenants, and conditions herein required to be performed or complied with on Buyer's part on or prior to the Closing Date, with only such exceptions as would not, in the aggregate, be reasonably expected to have a material adverse impact on the consummation of the transactions contemplated by this Agreement;

(c) Buyer shall have made, or shall stand willing and able to make, all payments and deliveries to Sellers required to be made pursuant to this Agreement;

(d) the consent of any governmental authority required to be obtained for the consummation of the transactions contemplated by this Agreement shall have been obtained;

(e) the FCC Consent shall have been granted and shall be in full force and effect; and

(f) Buyer shall have fully complied with all terms, conditions and obligations under the JSA.

7.2 No Challenges. No proceeding or formal investigation by or before any court or governmental agency shall be pending or threatened which would reasonably be expected to prevent the consummation of the transactions contemplated by this Agreement.

7.3 Closing Deliveries. Sellers shall have received each of the documents or items required to be delivered pursuant to Section 2.3(b) hereof.

ARTICLE VIII

RIGHTS OF BUYER AND SELLERS UPON TERMINATION OR BREACH

8.1 Termination. This Agreement may be terminated by either Buyer or Sellers, as appropriate (if the terminating party is not then in material breach of any provision of this Agreement), upon written notice to the other party, upon the occurrence of any of the following:

(a) if there shall have occurred a material breach of a representation or warranty of the non-terminating party contained herein, or a material default in the performance by the non-terminating party of a covenant or obligation of such non-terminating party contained herein, and if such breach or default shall not have been cured within forty-five (45) days, with curative steps having been commenced within fifteen (15) days, from and after the date upon which written notice thereof shall have been given to the non-terminating party by the terminating party;

(b) by Buyer pursuant to Section 1.8 of this Agreement;

(c) by Buyer or Sellers pursuant to Section 5.3 of this Agreement;

(d) by either party if the FCC denies the Applications and such denial becomes a Final Order or if the FCC should designate the Applications for hearing;

(e) by mutual agreement of Sellers and Buyer; and

(f) by either party if the Closing has not occurred within (i) twelve (12) months of the date hereof or (ii) ten (10) business days of the FCC Consent becoming a Final Order, unless, in either case, such deadline has been extended by the written agreement of both parties; provided, however, that this Agreement may not be terminated pursuant to this Section 8.1(e) by a party then in material breach of any of its representations or warranties contained herein, or in material default of any of its covenants or obligations herein.

8.2 Effect of Termination. A termination pursuant to Section 8.1 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 Section 8.1, all further obligations of the parties hereunder shall terminate. The parties agree that they shall each have the rights and remedies set forth in this Agreement for any breach hereof and expressly waive any and all other rights and remedies at law or in equity.

8.3 Specific Performance and Remedies. Each of Buyer and Sellers acknowledges and agrees that the Assets are unique and that Buyer would be damaged irreparably in the event Sellers fail to transfer the Assets to Buyer upon satisfaction of the conditions set forth in Article VII of this Agreement. Accordingly, Buyer and Sellers agree that Buyer shall be entitled to specific performance and injunctive or other equitable relief as remedies for any breach by Sellers of its obligations hereunder; provided, however, that in no event shall Buyer be precluded from seeking any damages in lieu of specific performance, or in the event Buyer is unable to compel specific performance, or for reasonable attorney's fees and expenses incurred in pursuing its remedies against Sellers. Sellers agree to waive the posting of any bond in connection with any such remedies, and Sellers shall waive the defense that Buyer has an adequate remedy at law. Sellers shall not be entitled to the remedy of specific performance. In the event that this Agreement is terminated by Sellers pursuant to Section 8.1(a) above after the applicable cure period for Buyer has expired without Buyer having cured the breach and Sellers are not in material breach of this Agreement, Buyer shall pay to Sellers Eight Hundred Fifty Thousand Dollars U.S. (\$850,000.00) as liquidated damages and Sellers shall be entitled, in Sellers' sole discretion, to terminate the JSA on account of Buyer's breach of this Agreement. Such right to liquidated damages and Sellers' right to terminate the JSA herein described, shall be Sellers' sole and exclusive remedies (other than its right to recover attorneys' fees and costs pursuant to Section 8.4), and shall be in lieu of Sellers' right to recover actual damages and to pursue any other remedies available to Sellers for Buyer's breach of this Agreement.

8.4 Attorneys' Fees and Costs. If attorneys' fees or other costs are incurred to secure performance of any obligations hereunder, or to establish damages for the breach thereof or to obtain any other appropriate relief, whether by way of prosecution or defense, the prevailing party will be entitled to recover reasonable attorneys' fees and costs incurred in connection therewith.

ARTICLE IX

INDEMNIFICATION

9.1 Survival. Except as otherwise specifically provided in this Agreement, all representations, warranties, covenants and agreements contained in this Agreement, or in any certificate, agreement, or other document or instrument, delivered pursuant hereto, shall survive (and not be affected in any respect by) the Closing for a period of twelve (12) months, provided that if a Claim (as hereinafter defined) or notice for indemnification with respect to any such representation, warranty, covenant, agreement, certificate, or other document or instrument, arises prior to the end of the survival period, such Claim or notice shall continue (and such representation, warranty, covenant, agreement, certificate, or other document or instrument shall survive) indefinitely until such Claim is finally resolved. Notwithstanding the foregoing, the representations of Sellers made in Sections 3.2, 3.8, 3.15, and 3.18 shall survive for the period of the applicable statute of limitations, and any Claims arising therefrom shall continue to be subject to this Article IX.

9.2 Indemnification in General. Buyer and Sellers agree that the rights to be indemnified and held harmless set forth in this Agreement, as between the parties hereto and

their respective permitted successors and assigns, shall be exclusive of all rights (other than those specifically referenced in the Agreement) to be indemnified and held harmless that such party (or its permitted successors or assigns) would otherwise have by statute, common law or otherwise.

9.3 Indemnification by Sellers. Sellers shall indemnify, defend, and hold harmless Buyer, any officer, director or member thereof, and their permitted assigns with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, obligations, liabilities, recoveries, deficiencies, and expenses (including interest, penalties and reasonable attorneys' fees) of every kind and description (individually or collectively, a "Claim") relating to or arising out of:

(a) any breach or non-performance by Sellers of, or misrepresentation with respect to, any of Sellers' representations, warranties, covenants or agreements set forth in this Agreement, it being understood that, for purposes of this Section 9.3(a), the representations and warranties of Sellers shall mean such representations and warranties of Sellers made on and as of the Closing Date after disregarding all knowledge qualifications of Sellers;

(b) subject to the JSA, the operations or business of Sellers or the Station prior to the Closing Date, to the extent such Claim relates to any period before the Closing Date, regardless of whether disclosed in any schedule or document and regardless of whether constituting a breach by Sellers of any representation, warranty, covenant or agreement, and any other liability or obligation of Sellers other than the post-Closing obligations assumed by Buyer pursuant to the Assumed Contracts;

(c) any legal, administrative or tax proceedings pursuant to which Sellers are or could be made liable for any taxes, penalties, interest or other charges and the liability of which is extended to Buyer in connection with the transactions contemplated by this Agreement; or

(d) any and all damages occasioned by, arising out of or resulting from any claim by any person or entity that any agent, broker, investment or commercial banker, person or firm acting on behalf of Sellers that it is entitled to any broker, finder, financial advisor fee or any other commission or similar fee directly or indirectly in connection with the transaction contemplated by this Agreement.

9.4 Indemnification by Buyer. Buyer shall indemnify, defend, and hold harmless Sellers, any officer or director thereof, and their permitted assigns, with respect to any Claim of any kind and description relating to or arising out of:

(a) any breach or non-performance by Buyer of, or misrepresentation with respect to, any of Buyer's representations, warranties, covenants or agreements set forth in this Agreement, it being understood that, for purposes of this Section 9.4(a), the representations and warranties of Buyer shall mean such representations and warranties of Buyer made on and as of the Closing Date after disregarding all knowledge qualifications of Buyer;

(b) the Assumed Obligations and any other liability, obligation or debt of Buyer or the Station that arises or results from and is attributable to the operations or business of the Station on or after the Closing Date excluding, however, any liability or obligation of Sellers specifically retained by Sellers; or

(c) any and all damages occasioned by, arising out of or resulting from any claim by any person or entity that any agent, broker, investment or commercial banker, person or firm acting on behalf of Buyer that it is entitled to any broker, finder, financial advisor fee or any other commission or similar fee directly or indirectly in connection with the transaction contemplated by this Agreement.

9.5 Indemnification Procedure. For purposes of administering the indemnification provisions set forth in this Article IX, the following procedure shall apply:

(a) Whenever a Claim shall arise under this Article, the party entitled to indemnification (the "Indemnified Party") shall promptly and in no event later than ten (10) business days after becoming aware of such a Claim, give written notice to the party from whom indemnification is sought (the "Indemnifying Party") setting forth in reasonable detail, to the extent then available, the facts concerning the nature of such Claim and the basis upon which the Indemnified Party believes that it is entitled to indemnification hereunder, provided that the Indemnified Party's failure to do so shall not preclude it from seeking indemnification hereunder unless such failure has materially prejudiced the Indemnifying Party's ability to defend such Claim.

(b) In the event of any Claim hereunder resulting from or in connection with any Claim brought by a third party, the Indemnifying Party shall be entitled, at its sole expense, either:

(i) to participate therein, or

(ii) to assume the entire defense thereof with counsel who is selected by it and who is reasonably satisfactory to the Indemnified Party provided that:

(A) the Indemnifying Party agrees in writing that it does not and will not contest its responsibility for indemnifying the Indemnified Party in respect of such Claim, and

(B) no settlement shall be made without the prior written consent of the Indemnified Party which shall not be unreasonably withheld (except that no such consent shall be required if the claimant is entitled under the settlement to only monetary damages to be paid solely by the Indemnifying Party). If, however, (1) the Claim would, if successful, result in the imposition of damages for which the Indemnifying Party would not be solely responsible hereunder, or (2) representation of both parties by the same counsel would otherwise be inappropriate due to actual or potential differing interests between them, then the Indemnifying Party shall not be entitled to assume the entire defense and each party shall be entitled to retain counsel (in the case of Clause

(A) of this sentence, at their own expense) who shall cooperate with one another in defending against such Claim.

(c) If the Indemnifying Party does not choose to defend against a Claim by a third party, the Indemnified Party may defend against such Claim in such manner as it deems appropriate or settle such Claim (after giving notice thereof to the Indemnifying Party) on such terms as the Indemnified Party may deem appropriate, and the Indemnified Party shall be entitled to periodic reimbursement of expenses incurred in connection therewith and prompt indemnification from the Indemnifying Party, including without limitation reasonable attorneys' fees, in accordance with this Article IX.

(d) The Indemnifying Party will not, without the Indemnified Party's written consent, settle or compromise any Claim or consent to any entry of judgment which does not include, as an unconditional term thereof, the giving by the claimant to the Indemnified Party of a release from all liability with respect to such Claim. Neither Buyer nor Sellers shall be deemed to have notice of any Claim by reason of any knowledge acquired on or prior to the Closing Date by an employee of the Station unless express evidence is available establishing actual notice to either party.

ARTICLE X

MISCELLANEOUS

10.1 Respective Costs. Except as otherwise specifically provided herein, Buyer on the one hand, and Sellers on the other, will each pay its own costs and expenses (including attorneys' fees, accountants' fees, and other professional fees and expenses) in connection with the negotiation, preparation, execution, delivery, and performance of this Agreement and the consummation of the purchase and sale of the Assets and the other transactions contemplated by this Agreement.

10.2 Terms Generally. The defined terms in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes," and "including" shall be deemed to be followed by the phrase "without limitation." All references herein to Articles, Section, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules, to this Agreement unless the context shall otherwise require, and references to "herein," "hereof," "hereunder," and words of similar import shall refer to this Agreement as a whole rather than specific sections hereof unless the context shall otherwise require.

10.3 Entire Understanding. This Agreement, including the Schedules and Exhibits hereto, contain the entire understanding among the parties hereto with respect to the transactions contemplated herein and therein, and supersede all negotiations, representations, warranties, commitments, offers, letters of intent, contracts, agreements, understandings, and writings not set forth herein or therein. No waiver and no modification or amendment of any provision of this Agreement shall be effective, unless specifically made in writing and duly signed by all parties hereto. The failure of any party at any time or times to require performance

of any provision of this Agreement shall not affect the exercise of a party's rights at a later date. No party's ability to rely upon the representations, warranties, covenants, and other provisions of this Agreement shall be limited by any information or document provided to or obtained by such party, unless specifically set forth in a writing duly signed by all parties hereto.

10.4 Confidentiality.

(a) Except as necessary for the consummation of the transactions contemplated by this Agreement, and except as and to the extent required by law, each party will keep confidential, and shall cause its representatives, advisors, attorneys and financing sources to keep confidential, any information obtained from the other party in connection with the transactions contemplated by this Agreement. If this Agreement is terminated, each party will return to any other party that furnished it with information in connection with the transactions contemplated by this Agreement all such information.

(b) No party shall publish any press release or make any other public announcement concerning this Agreement or the transactions contemplated hereby without the prior written consent of each other party; provided, however, that nothing contained in this Agreement shall prevent any party, after notification to and consultation with the other party, from making any filings with governmental authorities that, in its judgment, may be required or advisable in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

10.5 Further Assurances. From time to time prior to, at and after the Closing, each party hereto will execute all such instruments and take all such actions any other party shall reasonably request in connection with effectuating the intent and purpose of this Agreement and all transactions 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 at the Closing. Buyer and Sellers agree to cooperate with each other in all reasonable respects to assure Buyer the continued title to and possession of the Assets in the condition and manner contemplated by this Agreement.

10.6 Headings. The Article headings contained herein are for convenience and for reference purposes only, and shall not in any way affect the meaning or interpretation of this Agreement.

10.7 Counterparts. This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one (1) and the same instrument. Any such counterpart signature page may be delivered by electronic means or facsimile and shall become binding on the delivering party upon receipt by the other party.

10.8 Choice of Law. This Agreement shall be governed by, and shall be construed in accordance with, the internal laws of the State of California governing contracts made and to be performed entirely within such State, without reference to any choice-of-law principles of the laws of such State. If any provision herein shall be held to be invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative or

administrative action, such holding or action shall be strictly construed and shall not affect the validity or the enforceability of any other provision herein.

10.9 Benefit and Binding Effect; Like-Kind Exchange.

(a) This Agreement shall be binding upon, and shall inure to the benefit of, the successors and permitted assigns of the parties hereto. No party may transfer by operation of law or assign any of its rights, interests or obligations under this Agreement without the prior written consent of the other party hereto, except that without the consent of Sellers, Buyer may assign its rights, interests and obligations under this Agreement, in whole or in part, to any entity controlled by, controlling, or under common control with, Buyer (a "Pilot Entity"), provided that such entity is legally qualified to be an FCC licensee, does not delay the approval process at the FCC by requiring the license transfer applications to be re-filed or the comment time periods to re-start and is financially qualified to perform hereunder including, but not limited to, the ability to meet the financial obligation of the purchase price and the indemnifications that may arise under Article IX. If Buyer assigns its rights, interests and obligations under this Agreement to a Pilot Entity, Sellers and Buyer agree to amend this Agreement, if necessary, so as to eliminate Buyer as a party hereto and to reflect the assumption by the Pilot Entity of the assigned obligations and liabilities of Buyer under this Agreement. Notwithstanding the foregoing, Buyer shall guaranty the obligations of any Pilot Entity to which Buyer assigns its rights, interests and obligations.

(b) Notwithstanding the foregoing, Buyer hereby acknowledges that Sellers may wish to complete a tax deferred exchange under Section 1031 of the Internal Revenue Code of 1986, as amended. Sellers' rights pursuant to this Agreement may be assigned to a qualified intermediary of the Sellers' choice for the purpose of completing such an exchange. Buyer agrees to cooperate with the Sellers and the qualified intermediary to complete the exchange, so long as the exchange will not delay the Closing of the purchase transaction or cause additional expense to the Buyer. Sellers shall remain liable for all of its representations, warranties and covenants made hereunder notwithstanding the assignment of certain rights as provided in this Section.

10.10 Notices.

(a) All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be delivered in person or sent by overnight private commercial delivery service or by certified or registered United States mail, postage prepaid, or by facsimile, and addressed as follows:

to Sellers:

Harry J. Pappas
KMPH (TV) License, LLC
Suite 300
Corporate Pointe
5250 South Virginia Street
Reno, Nevada 89502
Facsimile: 559-636-5550

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

Kathleen Victory
Fletcher Heald & Hildreth, PLC
1300 North 17th Street
11th Floor
Arlington, Virginia 22209-3801
Facsimile: (703) 812-0486

to Buyer:

Peter Desnoes
Westwind Communications, L.L.C.
47-475 Vintage Drive East
Indian Wells CA 92210
Facsimile: (760) 862-2793

with copies to (which shall not constitute notice to Buyer):

Wayne Lansche
Westwind Communications, L.L.C.
1901 Westwind Drive
Bakersfield, California 93301
Facsimile: (661) 327-5603

Wade H. Hargrove
Brooks, Pierce, McLendon, Humphrey & Leonard, LLP
Post Office Box 1800
Suite 1600, Wachovia Capitol Center (zip 27601)
Raleigh, North Carolina 27602
Facsimile: 919-839-0304

All notices and other communications required or permitted under this Agreement which are addressed as provided in this Section 10.10, shall be effective upon such delivery.

(b) Either party may from time to time change its address for the purpose of the giving of notices to that party, by giving to the other party a notice specifying a new address in compliance with the provisions of this Section 10.10.

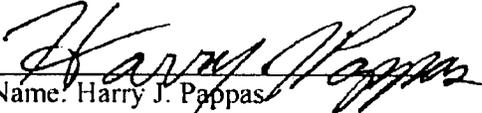
10.11 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any person other than the parties hereto and their respective successors and permitted assigns

10.12 Contract Consents/Benefit. Nothing contained in this Agreement shall be construed as an assignment or an attempted assignment of any Contract which is non-assignable without the consent of the other party or parties thereto, unless such consent shall be given. If a Consent to assignment of a Contract is not obtained prior to Closing, Sellers shall use reasonable commercial efforts to obtain such Consent after Closing, except for the Fox Television Network Affiliation Agreement for which Buyer shall be responsible under Section 1.8 above. Until such Consent is obtained, Sellers shall reasonably cooperate with Buyer in any arrangements necessary or desirable, on commercially reasonable terms, to provide for Buyer to have the benefits and to have Buyer assume the burdens arising after the Closing Date thereunder, including, without limitation, enforcement for the benefit of Buyer, and assumption by Buyer of the costs of enforcing, any and all rights of Sellers thereunder against the other party thereto arising out of the cancellation thereof by such other party or otherwise.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused their hands and seals to be affixed herein below on the date and year first above written.

KMPH (TV) License, LLC
By Pappas Telecasting Incorporated

By: 
Name: Harry J. Pappas
Title: Chairman and Chief Executive Officer

Pappas Telecasting Incorporated

By: 
Name: Harry J. Pappas
Title: Chairman and Chief Executive Officer

Westwind Communications, L.L.C.

By: _____
Name: Peter B. Desnoes
Title: Member and Chairman of Management Committee

IN WITNESS WHEREOF, the parties hereto have caused their hands and seals to be affixed herein below on the date and year first above written.

KMPH (TV) License, LLC
By Pappas Telecasting Incorporated

By: _____
Name: Harry J. Pappas
Title: Chairman and Chief Executive Officer

Pappas Telecasting Incorporated

By: _____
Name: Harry J. Pappas
Title: Chairman and Chief Executive Officer

Westwind Communications, L.L.C.

By:  _____
Name: Peter B. Desnoes
Title: Member and Chairman of Management Committee

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EXHIBIT C

OPTION AGREEMENT

OPTION AGREEMENT

THIS OPTION AGREEMENT (the "Option Agreement") is made as of this ____ day _____, 2005 by and among Pappas Telecasting Incorporated, a California corporation, ("Grantor") and Westwind Communications, L.L.C., a Delaware limited liability company ("Grantee").

WITNESSETH:

WHEREAS, Grantor has filed an application with the Federal Communications Commission (the "FCC") on FCC Form 175 to participate in Auction No. 81 and intends to bid in Auction No. 81 to become the permittee of a new low power television station on Channel 13 in Bakersfield, California (the "Station");

WHEREAS, pursuant to the FCC's auction rules, if Grantor is the winning bidder for the Station, Grantor will submit an application on FCC Form 301 for an initial construction permit for the Station (the "Permit");

WHEREAS, Grantor desires to grant Grantee, and Grantee desires to acquire, an option to purchase the Permit at a price and upon terms and conditions hereafter set forth; and

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants, agreements and conditions hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. RIGHTS TO PURCHASE AND SELL THE STATION.

1.1 Option. In exchange for \$100.00, the receipt and sufficiency of which is hereby acknowledged, Grantor hereby grants to Grantee an option to purchase from Grantor and cause Grantor to sell and assign to Grantee all of Grantor's rights, interests, and obligations in

the Permit (the “Option”) for the purchase price and upon the other terms and conditions set forth herein, provided the following condition is met: the FCC shall have released a Public Notice acknowledging the close of Auction No. 81 and Grantor’s status as the winning bidder for the Station.

1.2 Term and Exercise of Option. To exercise its Option, Grantee shall give written notice to Grantor of its intent to purchase the Permit. The Option may be exercised by Grantee at any time during the Option Period. The “Option Period” shall be that period of time beginning on the date Auction 81 closes, assuming that Grantor is the winning bidder for the Station, and ending on the seventh (7th) day after the date of release of the FCC’s Public Notice acknowledging the close of Auction No. 81 and Grantor’s status as the winning bidder for the Station.

1.3 Purchase Price. The total purchase price payable by Grantee to Grantor in exchange for the Permit shall be an amount equal to the amount of Grantor’s winning bid for the Station (“Winning Bid”) plus the documented costs of Grantor incurred in connection with Grantor’s acquisition of the Permit in Auction No. 81, including but not limited to legal, engineering, and FCC fees (the “Purchase Price”).

1.4 Payment of Purchase Price. Upon Grantee’s exercise of the Option, Grantee shall pay Grantor in cash an amount equal to twenty percent (20%) of Grantor’s Winning Bid (“20% Payment”). Within five (5) business days of Grantee’s exercise of the Option, Grantee shall deliver to Fletcher, Heald & Hildreth PLC (the “Escrow Agent”) an amount equal to eighty percent (80%) of the Winning Bid (“80% Payment”) by wire transfer of immediately available funds (the “Escrow Deposit”). The Escrow Deposit shall be held by the Escrow Agent in accordance with the terms of an escrow agreement in the form of attached

Exhibit A (the “Escrow Agreement”). The Escrow Deposit shall be released to Grantor three business days prior to the date established by the FCC as the deadline for payment of the balance of the Winning Bid in a public notice announcing that it is ready to grant the Permit to Grantor. Failure to fund the Winning Bid payments in a timely manner as provided above shall be a material breach hereunder and the Option shall automatically, without notice, terminate and, except as set forth below, neither party shall have any further obligation to the other. If Grantee timely funds the 20% Payment but fails to timely fund the 80% Payment, the Option shall automatically, without notice, terminate and Grantee shall forfeit the 20% Payment. The parties expressly understand and agree that if Grantee exercises the Option granted herein, it will take the Permit “as is” and Grantor shall have no obligation to construct or implement the facilities authorized by the Permit or to seek any modification of the facilities authorized by the Permit.

2. ACTIONS PRIOR TO AND DURING AUCTION.

2.1 Grantor’s Participation in Auction. Subject to the Communications Act of 1934, as amended (the “Communications Act”), and the rules, regulations and policies of the FCC, Grantor’s participation in Auction No. 81 shall be at its sole discretion. Grantor’s bidding strategy, the amounts bid for the Station, and any decision to cease bidding for the Station shall be entirely within the sole discretion of Grantor. Under no circumstances whatsoever shall Grantor be liable to Grantee for its decisions with respect thereto.

2.2 No Control by Grantee. Grantee shall not exercise or attempt to exercise control or influence over Grantor or Grantor’s participation in Auction No. 81. Grantee shall not influence or seek to influence Grantor’s bidding strategy, the amounts bid for the Station, or any decision to cease bidding for the Station.

3. ACTIONS SUBSEQUENT TO EXERCISE OF OPTION

3.1 Application for Construction Permit. Subject to and in accordance with the Communications Act and the FCC's rules and regulations, upon the release of the Public Notice acknowledging the close of Auction No. 81 and Grantor's status as the winning bidder for the Station, Grantor shall use commercially reasonable efforts to prepare, file, and prosecute a "long form" application for the Permit on FCC Form 301 within the time prescribed by the FCC (the "CP Application").

3.2 Application for FCC Consent to Assign. Within ten (10) business days of the FCC's action granting the Permit to Grantor, Grantor and Grantee shall cooperate to prepare, file, and prosecute an application for FCC consent to assign the Permit from Grantor to Grantee on FCC Form 314 (the "Assignment Application"). The FCC filing fees in connection with the Assignment Application shall be divided equally between Grantor and Grantee.

3.3 Closing. The consummation of the sale and assignment of the Permit from Grantor to Grantee provided for in this Agreement (the "Closing") shall take place at a mutually agreeable date and location after the FCC's consent to the Assignment Application, but no later than ten (10) business days after the FCC's consent to the Assignment Application has become a Final Order. A "Final Order" is an order of the FCC that has not been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or sua sponte action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such sua sponte action by the FCC shall have expired or otherwise terminated. At Closing, Grantor and Grantee shall deliver to the other such executed documents and instruments of conveyance and assignment as may be reasonably necessary to effectuate and document the

transactions contemplated herein. In addition, at Closing, Grantee shall pay to Grantor an amount equal to Grantor's documented expenses incurred in Grantor's acquisition of the Permit by wire transfer of immediately available funds to an account designated by Grantor at least two (2) days prior to the Closing.

4. REPRESENTATIONS AND WARRANTIES OF GRANTOR.

Grantor hereby represents and warrants to Grantee as follows:

4.1 Organization and Standing; Power and Authority. Grantor is a corporation duly organized, validly existing and in good standing under the laws of the State of California. Grantor has the power and authority to carry on its business as currently conducted, and to enter into and perform the terms of this Option Agreement and of the documents and instruments called for herein and to consummate the transactions contemplated hereby and thereby.

4.2 Authorization; Binding Obligation; Consents. The execution, delivery and performance by Grantor of this Option Agreement and of the documents and instruments called for herein, and the consummation of the transactions contemplated hereby and by such documents and instruments have been duly and validly authorized by all necessary action on the part of Grantor. This Option Agreement constitutes, and upon execution and delivery each of such document and instrument will constitute, a valid and binding agreement and obligation of Grantor enforceable in accordance with its terms. Except for Grantor's becoming the winning bidder for the Station in Auction 81, the grant of the CP Application and issuance of the Permit, and the consent of Grantor's lender, the FCC to the Assignment Application, the execution, delivery and performance by Grantor of this Option Agreement and the agreements and instruments called for hereunder will not require the consent, approval or authorization of any person, entity or governmental authority.

4.3 Qualification of Grantor. Grantor has submitted a completed FCC Form 175 in connection with its participation in Auction No. 81. Grantor is unaware of any facts that would cause it to be disqualified to participate in Auction No. 81. Grantor is financially qualified and, to Grantor's knowledge, legally qualified under the Communications Act and the rules, regulations and policies of the FCC to become the permittee of Station in the event that it is the winning bidder in Auction 81. There is no fact or condition known to Grantor that would, under the Communications Act and the existing rules, regulations and policies of the FCC, disqualify Grantor from becoming the permittee of the Station or constitute grounds for the filing of a petition to deny the CP Application or the Assignment Application or that would reasonably be expected to result in a delay of the FCC's grant of the CP Application or Assignment Application. To Grantor's knowledge, no waiver of any FCC rule, regulation or policy existing as of the date of this Option Agreement will be required, with respect to Grantor, to obtain the FCC's grant of the CP Application or the Assignment Application.

5. REPRESENTATIONS AND WARRANTIES OF GRANTEE.

Grantee hereby represents and warrants to Grantor as follows:

5.1 Organization and Standing; Power and Authority. Grantee is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. Grantee has the power and authority to carry on its business as currently conducted, and to enter into and perform the terms of this Option Agreement and of the documents and instruments called for herein and to consummate the transactions contemplated hereby and thereby.

5.2 Authorization; Binding Obligation; Consents. The execution, delivery and performance by Grantee of this Option Agreement and of the documents and instruments called

for herein, and the consummation of the transactions contemplated hereby and by such documents and instruments have been duly and validly authorized by all necessary action on the part of Grantee. This Option Agreement constitutes, and upon execution and delivery each of such document and instrument will constitute, a valid and binding agreement and obligation of Grantee enforceable in accordance with its terms. Except for the consent of the FCC to the Assignment Application, the execution, delivery and performance by Grantee of this Option Agreement and the agreements and instruments called for hereunder will not require the consent, approval or authorization of any person, entity or governmental authority.

5.3 Grantee's Qualification. Grantee is financially qualified and, to Grantee's knowledge, legally qualified under the Communications Act and the rules, regulations and policies of the FCC to acquire the Permit from Grantor. There is no fact or condition known to Grantee that would, under the Communications Act and the existing rules, regulations and policies of the FCC, disqualify Buyer as owner and operator of the Station or constitute grounds for the filing of a petition to deny the Assignment Application or that would reasonably be expected to result in a delay of the FCC's grant of the Assignment Application. To Grantee's knowledge, no waiver of any FCC rule, regulation or policy existing as of the date of this Option Agreement will be required, with respect to Grantee, to obtain the FCC's grant of the Assignment Application.

6. SPECIFIC PERFORMANCE.

Grantor and Grantee acknowledge that the subject matter of this Option Agreement is unique and that there is no adequate remedy at law if any of the parties hereto fails to perform any of its obligations hereunder, and the parties hereto therefore confirm and agree that its respective rights to specific performance are essential to protect its rights and interests.

Accordingly, in addition to any other remedies which Grantor or Grantee may have hereunder or

at law or in equity or otherwise, the parties agree that any party hereto shall have the right to have all obligations, undertakings, agreements and other provisions of this Option Agreement specifically performed by Grantor or Grantee (as the case may be) and that Grantor or Grantee shall have the right to obtain an order or decree of such specific performance in any of the courts of the United States or of any state or other political subdivision thereof. Grantor and Grantee agree to waive the posting of any bond in connection with any such remedies, and Grantor and Grantee shall waive the defense that the other party has an adequate remedy at law.

7. MISCELLANEOUS.

7.1 Additional Actions and Documents. Each of the parties hereto agrees to take or cause to be taken such further reasonable actions, to execute, deliver and file or cause to be executed, delivered and filed such further documents and instruments, and to obtain such consents, as may be necessary or as may be reasonably requested in order to fully effectuate the purposes, terms and conditions of this Option Agreement.

7.2 Notices. All notices, requests, demands or other communications that may be or are required to be given, served or sent by any party to any other party pursuant to this Option Agreement shall be in writing and shall be hand delivered or mailed by first class, registered or certified mail, return receipt requested, postage prepaid, or sent by nationally recognized overnight courier addressed as follows:

(a) If to Grantee:

Peter Desnoes
Westwind Communications, L.L.C.
47-475 Vintage Drive East
Indian Wells, CA 92210
Facsimile: 760-862-2793

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

Wade H. Hargrove
Brooks, Pierce, McLendon, Humphrey & Leonard, LLP
P.O. Box 1800
Suite 1600, Wachovia Capitol Center (zip 27601)
Raleigh, NC 27602
Facsimile: 919-389-0304

(b) If to Grantor:

Harry J. Pappas
Pappas Telecasting Incorporated Reno Corporate Office
Corporate Pointe, Suite 330
5250 South Virginia Street
Reno, Nevada 89502
Facsimile: (559) 636-5550
and

c/o Pappas Telecasting Incorporated – Visalia Corporate Office
500 S. Chinowth Road
Visalia, California 93277
Facsimile: 559-733-7878

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

Kathleen Victory
Fletcher, Heald & Hildreth, PLC
1300 N. 17th Street, Suite 1100
Arlington, VA 22209
Facsimile: 703-812-0486

7.3 Assignment. This Option Agreement shall not be assignable without prior written consent of all parties.

7.4 Termination. This Option Agreement shall terminate upon the expiration of the Option Period unless the Option is exercised. If the Option is exercised, this Option Agreement will remain in effect until the consummation of the sale of the Permit from Grantor to Grantee, unless earlier terminated pursuant to Section 1.4 of this Option Agreement. In addition, this Option Agreement may be terminated:

(a) by Grantor if Grantee shall have breached any representation, warranty, covenant or obligation contained herein *except* the payment obligations (and timing thereof) set forth in this agreement which shall result in automatic termination of this Agreement without notice or opportunity to cure, and such breach is not cured within twenty (20) days after written notice of such breach, provided that Grantor is not then in breach of any of its representations, warranties or covenants hereunder; or

(b) by Grantee if Grantor shall have breach any representation, warranty or covenant contained herein and such breach is not cured within twenty (20) days after written notice of such breach, provided that Grantee is not then in breach of any of its representations, warranties or covenants hereunder.

7.5 Effect of Termination. Upon the termination of this Option Agreement Grantor shall no longer have any obligation to sell or assign the Permit or the Station to Grantee and Grantee shall no longer have any right to purchase the Permit or the Station from Grantor. If this Option Agreement is terminated pursuant to Section 7.4(a), the Escrow Deposit shall be delivered to Grantor as its sole remedy for Grantee's breach. If this Option Agreement is terminated pursuant to Section 7.4(b) the Escrow Deposit shall be delivered to Grantee.

7.6 Governing Law. This Option Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall be governed by and construed in accordance with the laws of the State of California.

7.7 Execution in Counterparts. This Option Agreement may be executed in two or more counterparts, none of which need contain the signatures of all parties hereto.

7.8 Confidentiality. Grantee and Grantor agree to exercise their best efforts to maintain confidentiality respecting this Option, except to the extent that a copy of this Option Agreement may be required to be filed at the FCC.

IN WITNESS WHEREOF, each of the undersigned has duly executed this Option Agreement, or has caused this OPTION AGREEMENT to be duly executed on its behalf, on the day and year first hereinabove set forth.

GRANTOR:

PAPPAS TELECASTING INCORPORATED

By: _____
Name: Harry J. Pappas
Title: Chairman/CEO

GRANTEE:

WESTWIND COMMUNICATIONS, L.L.C.

By: _____
Name: Peter B. Desnoes
Title: Member and Chairman of
Management Committee

[SIGNATURE PAGE TO OPTION AGREEMENT]

EXHIBIT G

PUT OPTION AGREEMENT

PUT OPTION AGREEMENT

among

Westwind Communications, L.L.C.,

and

Harry J. Pappas

_____, 2005

PUT OPTION AGREEMENT

This Put Option Agreement (this "Agreement") is made and entered into as of this ____ day of ____, 2005, by and among Harry J. Pappas, an individual resident of Nevada ("Pappas"), and Westwind Communications, L.L.C., a Delaware limited liability company ("Westwind").

RECITALS

A. On like date herewith, Westwind and KMPH (TV) License, LLC, a Delaware limited liability company, and Pappas Telecasting Incorporated, a California corporation (collectively, "Pappas Telecasting"), consummated the purchase and sale of certain assets and properties of Pappas Telecasting used in the operation of Class A Television Station KBFX-CA, Bakersfield, California (the "Station") as contemplated in that certain Asset Purchase Agreement ("Purchase Agreement"), dated _____, 2005.

B. As a condition of the Purchase Agreement, Pappas Telecasting was required to grant to Westwind a put option, pursuant to which, if certain conditions are met as set forth herein, Westwind may sell and assign the Station and the Assets purchased by Westwind back to Harry J. Pappas, the 99% shareholder of Pappas Telecasting Incorporated, and to return the parties to the *status quo* as existed prior to the consummation of the Purchase Agreement but for the assignment to Harry J. Pappas rather than Pappas Telecasting.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations, and warranties contained in this Agreement, the mutual covenants, agreements, representations, and warranties in the Purchase Agreement, and the sum of one dollar, the adequacy and sufficiency of which consideration is hereby acknowledged, and subject to the terms and conditions hereof, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. Grant of Put Option. Pappas Telecasting grants to Westwind the option (the "Put Option") to require Pappas, on the Closing Date, to purchase all of the Assets and to assume the Assumed Obligations, and to assign to Pappas the Authorizations as defined in the Purchase Agreement, subject to the terms and conditions set forth herein.

2. Exercise of Put Option. Provided the conditions set forth in Section 3 hereof have been satisfied and fulfilled, then Westwind may exercise the Put Option by giving written notice of its exercise (effective as of the date such notice is sent) via overnight mail delivery to Pappas at Corporate Pointe, Suite 330, 5250 South Virginia Street, Reno, Nevada 89502, at any time during the period commencing on the one year anniversary of the date of this Agreement and ending on the third anniversary of the date of this Agreement (the "Exercise Period"). If the Put Option is properly exercised, then Pappas and Westwind shall be required to consummate the purchase and sale of the Assets, and the assumption of the Assumed Obligations, in accordance with this Agreement. If Westwind does not exercise the Put Option on or before the end of the Exercise Period, the Put Option shall terminate and neither party shall have any obligation or liability to the other hereunder. It is expressly understood and agreed that in the event that Westwind sells the Station to any third party to which Pappas is not a party, this Agreement shall

terminate and be of no further force and effect and neither party shall have any obligation to the other arising hereunder. Moreover, it is agreed that if Pappas Telecasting should sell Station KMPH(TV), Visalia, CA, then Pappas shall have the right to assign his rights and obligations hereunder to the buyer of such station provided that such purchaser agrees, in writing, to assume this Agreement and provided that Westwind consents to such assignment in writing, such consent not to be unreasonably withheld, conditioned or delayed.

3. Conditions to and Exercise of Put Option.

(a) Westwind may exercise the Put Option as provided herein, if during the Exercise Period Westwind determines that (i) the operation of the Station with the facilities authorized in the FCC Channel 27 displacement construction permit for the Station (File BPTTL-20030508ACO) cannot be implemented without receipt of image interference from low power television station KPMC-LP operating on Channel 42 at Bakersfield, California, and (ii) another in-core displacement channel providing for operation of the Station on a Class A basis and which will not result in image or other objectionable interference to the Station cannot be found and implemented; and (iii) Westwind cannot find any other reasonable alternative solution to the interference.

(b) Westwind may exercise the Put Option during the Exercise Period, by delivering to Pappas a certificate, executed by an authorized officer of Westwind, dated as of the date the Put Option is exercised, certifying (1) that the conditions set forth in Section 3(a) of this Agreement have been met, and (2) (A) that the representations and warranties of Westwind contained in this Agreement are true and correct in all material respects as of the date the Put Option is exercised, and delivering a full set of the Schedules to the Purchase Agreement updated to reflect any additions thereto or deletions therefrom which may be necessary to make such representations and warranties true and correct and to accurately reflect the Assets, and (B) any representation or warranty that is expressly made as of a specified date, which shall be true and correct as of such specified date. To the extent that any schedules need to be revised to comply with the foregoing certificate, such revised schedules shall be attached to the certificate and will be deemed to amend and replace the schedules attached hereto, *provided however*, that Pappas shall not be obligated to purchase the Station from Westwind if, between the date hereof and the Closing Date hereunder, (i) the Station's FCC License is not valid and in full force and effect, and if applicable, has not been renewed in the ordinary course; (ii) the Station's Fox Affiliation Agreement and cable and satellite retransmission agreements are not in full force and effect and assignable to Pappas; (iii) the gross revenues for the Station for the 12 month period preceding the exercise of the Put Option are not approximately equal to or greater than the gross revenues for the year ending December 2004; or (iv) Westwind fails to sell Pappas reasonably equivalent equipment and auxiliary licenses to that conveyed to Westwind pursuant to the Purchase Agreement for the operation of the Station.

(c) This Put Option shall terminate and become null and void, *ab initio*, upon Westwind exercising the Option to acquire the FCC construction permit for a new Bakersfield LPTV station from Sellers under the terms of the Option Agreement.

4. The Put Transaction. If properly exercised, then Westwind and Pappas agree to use their respective best efforts to restore the parties, with respect to the Station and Licenses, to the *status quo* existing prior to consummation of the Purchase Agreement, and agree to cooperate one with the other to bring about the fair and equitable restoration of each such party to its position prevailing prior to consummation. In such event, and to that end, Westwind and Pappas agree that they will rescind the transactions previously carried out pursuant to the terms of the Purchase Agreement, including:

(a) Assets. Except as otherwise herein set forth herein and subject to the FCC Consent to the assignment of the Station from Westwind to Pappas which shall be a Final Order, Westwind will convey to Pappas all personal property, tangible assets, feature and syndicated programming, and intangible assets (including the FCC Licenses) previously conveyed to Westwind pursuant to Section 2.1 of the Purchase Agreement (except for assets disposed of by Westwind in the ordinary course of business of the Station), together with any replacements and alterations thereto made between the date hereof and the Closing Date hereunder, free and clear of all Liens (other than any statutory lien which secures a payment not yet due that arises, and is customarily discharged, in the ordinary course of the Station's business) and otherwise on substantially the same terms and conditions as set forth in the Purchase Agreement, as applicable. Such assets shall be in substantially the same condition as on the date hereof, reasonable wear and tear in ordinary course of business excepted.

(b) Contracts. Except as otherwise set forth herein, Westwind will assign to Pappas, and Pappas agrees that it will assume the following contracts (the "Assumed Contracts"): (i) all contracts assigned to and assumed by Westwind pursuant to Section 2.1(c) of the Purchase Agreement; (ii) any contracts entered into in the ordinary course of business of the Station between the date hereof and the date of notice of exercise of the Put Option, which on the Closing Date have an unused term of less than 13 months provided, however, that any such programming agreements are for programs that have historically been broadcast on the Station prior to the notice of exercise of the Put Option by Westwind, and (iii) all contracts entered into by Westwind subsequent to the date hereof that have been specifically approved in writing by Pappas. Solely to the extent specifically assumed by Pappas in accordance with the terms of this subsection (b), as of the Closing Date, Pappas will assume and agree to pay for, discharge and perform, insofar as they relate to the time period on and after the Closing Date, all of the obligations and liabilities of Westwind under the Assumed Contracts arising on or after the Closing Date (the "Assumed Obligations"). For purposes of this subsection (b), renewal or amendment by Westwind of an existing contract shall be treated as a new contract to determine if it is an Assumed Contract.

(c) Purchase Price. Upon the terms and conditions set forth herein, Pappas agrees to pay to Westwind on the Closing Date the sum of Seventeen Million Dollars (\$17,000,000.00) (the "Purchase Price") subject to the adjustments herein provided. The JSA

Net Revenue Payment and the Note that were paid to Pappas Telecasting under the Purchase Agreement shall not be part of this Agreement and no obligation shall be created by this document to remit those amounts back to Westwind. The Purchase Price shall be paid by Pappas at Closing by wire transfer of immediately available U.S. funds to an account designated by Westwind.

(d) Allocation of Price. A mutually agreeable allocation of the Purchase Price, adjusted as provided for herein, shall be made that is substantially similar to the allocation agreed to under the Purchase Agreement.

(e) FCC Application. Notwithstanding anything to the contrary contained in this Agreement, Pappas shall be entitled to up to nine (9) months from the date on which it receives Westwind's notice of exercise of the Put Option to obtain financing for the purchase contemplated hereunder. Westwind and Pappas agree that they shall jointly prepare and file with the FCC substantially complete Applications to request the FCC's consent to the voluntary assignment of the FCC Licenses from Westwind to Pappas (the "FCC Consent") within ten (10) business days after Pappas receives a financing commitment from a funding source; *provided, however,* that if any FCC-imposed freeze on the filing of broadcast license assignment applications is in effect during such ten (10) business day period, then the Applications shall be filed not more than ten (10) business days after such freeze is lifted. Pappas and Westwind each shall pay its own expenses in connection with the preparation and prosecution of the Applications and shall share equally any filing fee associated with the Applications. Westwind and Pappas shall prosecute the Applications before the FCC, including opposing any petitions to deny filed against the Applications, with all reasonable diligence, in order to obtain the FCC Consent promptly and in order to carry out the provisions of this Agreement. If FCC reconsideration or review, or if judicial review shall be sought with respect to the FCC Consent by a third party or upon the FCC's own motion, Pappas and Westwind shall cooperate in opposing such requests for FCC reconsideration or review or for judicial review. If the FCC Consent imposes any condition upon any party hereto, such party shall use its commercially reasonable efforts to comply with such condition. If any party to this Agreement shall seek FCC reconsideration or review, or judicial review, of a materially adverse condition imposed by the FCC, the other party shall cooperate fully with the party seeking reconsideration or review of such condition; *provided, however,* that neither party shall seek or cause to be sought, without the prior written consent of the other party, FCC reconsideration or review, or judicial review, of any condition or qualification that is not a materially adverse condition. For purposes of this Agreement, a "materially adverse condition" shall not include any condition generally applicable to the broadcast industry.

(f) The Closing shall take place at such place and hour as shall be mutually agreed upon by Buyer and Seller or the Closing may be conducted by mail or courier delivery of documents executed in counterparts. Except as otherwise provided herein, the Closing shall be held no later than ten (10) business days after the later of: (i) the date on which the FCC Consent has become a Final Order; or (ii) the date that is nine (9) months after the date on which Pappas receives Westwind's notice of exercise of the Put Option. The date such Closing occurs is the "Closing Date".

(g) (i) Westwind shall be and remain solely responsible for any and all liabilities and obligations arising out of any litigation, proceeding or claim by any person or entity relating to the business or operations of the Station from and including the date hereof to and including the Closing Date (the "Westwind Period"), whether or not such litigation, claim or proceeding is pending, threatened or asserted before, on or after the Closing Date, and Westwind shall be responsible for all other liabilities relating to the business or operations of the Station during such Westwind Period. Pappas shall be solely responsible for any and all liabilities and obligations relating to the business or operations of the Station arising from the Assumed Obligations after the Closing Date.

(ii) In the event that any such litigation, proceeding or claim relating to the business or operations of the Station is made against Westwind after exercise of the Put Option, Westwind shall notify Pappas, in writing, of such litigation, proceeding or claim. Westwind shall indemnify and save Pappas harmless from any such litigation, proceeding or claim. Pappas shall indemnify and save Westwind harmless from any litigation, proceeding or claim relating to Assumed Obligations arising from the business or operation of the Station after the Closing Date.

(h) Except as otherwise provided herein, Westwind shall be entitled to all revenues and profits and shall be liable for all debts and obligations arising out of the business or operations of the Station during the Westwind Period.

(i) (i) Westwind hereby makes to Pappas the warranties and representations made by Sellers in section 3.1 – 3.22 of the Purchase Agreement.

(ii) Pappas hereby makes to Westwind the warranties and representations made by Buyer in sections 4.1 – 4.9 of the Purchase Agreement, modified only to the extent that such warranty or representation pertains to an entity other than an individual and Pappas further warrants and represents that he is an individual resident of the State of Nevada.

(j) The risk of loss or damage to the Station and the Assets shall be upon Westwind at all times prior to Closing hereunder. The terms of the Risk of Loss provision in the Purchase Agreement shall be applicable hereunder with Westwind substituted for Pappas Telecasting therein.

(k) At the Closing hereunder, each party shall deliver to the other such documents as reasonably requested by the other party or such party's counsel. Notwithstanding anything provided for herein, Westwind and Pappas expressly agree that upon the Closing Date hereunder, (i) Pappas shall have no obligation to pay to Westwind and Westwind shall have no right to the return of the JSA Net Revenue Payment or the Note payment arising under the JSA; (ii) the Covenant Not to Compete, the Interference and Cessation Agreement, and the Trademark License Agreement executed and delivered in connection with Westwind's purchase of the Station

shall terminate; (iii) the KAZB Tower Lease executed and delivered at the Closing under the Purchase Agreement shall remain in place, unchanged; (iv) in the event that the Closing hereunder has not occurred within eighteen (18) months of the date on which the Applications for FCC Consent are filed, then this Agreement shall terminate, *provided however*, that if the grant of the FCC assignment application or the Closing hereunder is delayed as a result of the pendency of an application for renewal of the license of the Station, then this agreement shall not terminate and the Closing will occur within ten (10) business days of the date on which such obstruction to Closing is removed.

5. Operation and Control of the Station. Westwind covenants and agrees with Pappas that, between the date hereof and the Closing Date hereunder:

(a) Nothing contained in this Agreement shall give to Pappas directly or indirectly rights to control or supervise the programming, finances, personnel or operations of the Station prior to the consummation of the put of the Station to Pappas, and Westwind shall exercise complete control and supervision of the programming, financing, personnel and operations of the Station prior thereto. Notwithstanding the foregoing, Westwind shall, with respect to the Station, (i) carry on its business and keep its books of account, records in the ordinary course of business; (ii) make by the Closing Date all payments under the Assumed Contracts that are due to be paid by Westwind when due, and, consistent with past practice, take all actions reasonably necessary to preserve in full force and effect the existing rights of Westwind under the Assumed Contracts (including, without limitation, the Fox Affiliate Agreement and the cable and satellite retransmission agreements); (iii) use commercially reasonable efforts to continue to operate the Station, in all material respects, in accordance with the terms of the FCC Licenses and in compliance with all applicable laws and FCC rules and regulations; (iv) promptly file any necessary application for renewal of such FCC Licenses or other FCC authorizations; (v) maintain copies of the regular internal financial statements related to the Station for the Station's accounting periods subsequent to the date of this Agreement, and provide copies of such documents to Pappas on the date of notice of exercise of the Put Option, and all financial statements and accounting records after the date of exercise of the Put Option as such statements are prepared; and (vi) use commercially reasonable efforts to preserve the goodwill of the Station's suppliers, customers, and others having business relations with it.

(b) Westwind will maintain in full force and effect property damage, liability, and other insurance with respect to the Assets of the Station as is customary in the industry for similar stations and as may be required by the terms of any financing agreement(s) Westwind may have regarding the Station.

(c) Westwind will not, without the prior written consent of Pappas, which shall not be unreasonably withheld:

(i) Sell, lease, transfer, or agree to sell, lease, or transfer any Assets conveyed by the Purchase Agreement or which are material to the operation of the Station,

without replacement thereof with a substantially equivalent asset of substantially equivalent kind, condition, and value; or

(ii) Renew, renegotiate, modify, amend, or terminate any existing time sales contracts with respect to the Station except in the ordinary course of business.

6 Duty of Cooperation. Pappas and Westwind shall cooperate with each other and with their respective counsel and accountants in connection with the actions required to be taken hereunder as part of their respective obligations under this Agreement, and Pappas and Westwind, at its own expense, shall execute such other documents and do such other acts as may be reasonably necessary for the implementation and consummation of the transactions contemplated by this Agreement, and otherwise use their commercially reasonable efforts to consummate the transactions contemplated hereby and to fulfill their obligations hereunder.

7 No Action to Delay FCC Consent. During the term of this Agreement, neither Westwind nor Pappas shall take any action which reasonably could be expected to delay or prevent the transaction contemplated herein or to delay the FCC Consent.

8. Costs. If attorneys' fees or other costs are incurred to secure performance of any obligations hereunder, or to establish damages for the breach thereof or to obtain any other appropriate relief, whether by way of prosecution or defense, the prevailing party will be entitled to recover reasonable attorneys' fees and costs incurred in connection therewith.

9. Entire Understanding. This Agreement contains the entire understanding among the parties hereto with respect to the transactions contemplated herein and therein, and supersede all negotiations, representations, warranties, commitments, offers, letters of intent, contracts, agreements, understandings, and writings not set forth herein or therein. No waiver and no modification or; amendment of any provision of this Agreement shall be effective, unless specifically made in writing and duly signed by all parties hereto. The failure of any party at any time or times to require performance of any provision of this Agreement shall not affect the exercise of a party's rights at a later date. No party's ability to rely upon the representations, warranties, covenants, and other provisions of this Agreement shall be limited by any information or document provided to or obtained by such party, unless specifically set forth in a writing duly signed by all parties hereto.

10. Governing Law; Amendment. Except to the extent that the Communications Act of 1934, as amended, and regulations of the FCC govern, this Agreement shall be governed by, construed under, and enforced in accordance with the laws of the State of California.

11. Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be delivered in person or sent by overnight private commercial delivery service or by certified or registered United States mail, postage prepaid, or by facsimile, and addressed as follows:

to Westwind:

Peter Desnoes
Westwind Communications, L.L.C.
47-475 Vintage Drive East
Indian Wells CA 92210
Facsimile: (760) 862-2793

with copies to (which shall not constitute notice to Westwind):

Wayne Lansche
Westwind Communications, L.L.C.
1901 Westwind Drive
Bakersfield, California 93301
Facsimile: (661) 327-5603

Wade H. Hargrove
Brooks, Pierce, McLendon, Humphrey & Leonard, LLP
Post Office Box 1800
Suite 1600, Wachovia Capitol Center (zip 27601)
Raleigh, North Carolina 27602
Facsimile: 919-839-0304

to Pappas:

Harry J. Pappas
Suite 300
Corporate Pointe
5250 South Virginia Street
Reno, Nevada 89502
Facsimile: 559-636-5550

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

Kathleen Victory
Fletcher Heald & Hildreth, PLC
1300 North 17th Street
11th Floor
Arlington, Virginia 22209-3801

Facsimile: (703) 812-0486

12. Defined Terms. Capitalized terms used herein shall unless otherwise defined herein have the same meaning as provided in the Purchase Agreement.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their duly authorized representatives on the day and year first above written.

WESTWIND COMMUNICATIONS, L.L.C.

Date: _____

By: _____

Peter B. Desnoes
Member and Chairman of Management
Committee

HARRY J. PAPPAS

Date: _____

By: _____

Harry J. Pappas, Individually

Accepted and Agreed to:
KMPH (TV) LICENSE, LLC
PAPPAS TELECASTING INCORPORATED

By: _____

Date: _____

[SIGNATURE PAGE TO PUT OPTION AGREEMENT]