

**ASSIGNMENT AND ASSUMPTION,  
AND AMENDMENT OF INTERIM OPERATING AGREEMENT  
AND OPTION AGREEMENT**

THIS ASSIGNMENT AND ASSUMPTION, AND AMENDMENT OF INTERIM OPERATING AGREEMENT AND OPTION (this "Assignment") is made and entered into as of this 22nd day of July, 2013, by and among Peak Media of Pennsylvania LLC, a Delaware limited liability company ("Assignor"), Chesapeake Television, Inc., a Maryland corporation ("Assignee"), and Palm Television, L.P., a Delaware limited partnership ("Palm").

**Recitals:**

WHEREAS, Palm holds licenses and other authorizations issued by the Federal Communications Commission (the "FCC") for WATM-TV in Altoona, Pennsylvania (FCC Facility ID No. 20287) (the "Station"); and

WHEREAS, Assignor provides programming and other services for the Station pursuant to that certain Interim Operating Agreement (the "LMA"), dated as of March 11, 1996, by and between US Broadcast Group, LLC and Evergreen License Corp., as amended, a true copy of which is annexed hereto as Exhibit A; and

WHEREAS, Assignor has an option to purchase certain assets of Palm relating to the Station pursuant to that certain Option Agreement (the "Option"), dated as of February 26, 1999, as amended, by and between Assignor and Palm a true copy of which is annexed hereto as Exhibit B; and

WHEREAS, Assignor desires to convey to Assignee all of Assignor's rights and obligations under the LMA and Option, and Assignee desires to accept such assignment pursuant to the terms and conditions hereinafter set forth; and

WHEREAS, the assignment of the LMA from Assignor to Assignee is subject to the written consent of Palm;

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

**1. Assignment of LMA.** Assignor hereby assigns to Assignee all of Assignor's rights and obligations under the LMA, with such assignment to become effective simultaneously with the consummation of that certain Asset Purchase Agreement (the "APA"), dated as of July 22, 2013, by and among Assignor and Peak Media Licensee of Pennsylvania LLC, on the one hand, and Assignee, on the other hand, with respect to the Station (the "Effective Time").

**2. Assignment of Option.** Assignor hereby assigns to Assignee all of Assignor's rights and obligations under the Option, with such assignment to become effective simultaneously with the Effective Time.

**3. Acceptance and Assumption.** Assignee hereby accepts the assignment of the LMA and Option and shall assume any and all rights and obligations of Assignor under the LMA and Option as of the Effective Time.

**4. Further Assurances.** The parties hereby covenant and agree to execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, and to take all further acts, assignments, transfers and assurances, that may be reasonably requested by any other party in order to give effect to this Assignment.

**5. Palm Consent.** By its signature below, Palm hereby consents to the assignment of the LMA and Option pursuant to this Assignment, as of the date hereof, with the understanding that such assignment shall be effectuated on the Effective Time and that no further consent shall be required of Palm after the date hereof.

**6. Representation and Warranties of Assignor.** Assignor represents and warrants to Assignee that, as of the Effective Date:

- a. Assignor has no knowledge of any default under the terms of the LMA and Option, and Assignor is not in default under the terms of the LMA and Option.
- b. To Assignor's knowledge, the Palm is not in default under the terms of the LMA and Option.
- c. Assignor has not heretofore assigned or transferred the LMA and Option or any or all of its rights under the LMA and Option.
- d. The LMA and Option have not been modified or amended in any manner.
- e. The consideration to be conveyed for the Asset Option Property (as defined in the Option) is the release of Palm from any and all obligations under Assignor's loan agreement and all loan documentation in effect at the time of exercise of the Option, which will not require payment of any money to Palm. As of the Effective Date there shall be no outstanding obligations under any such loan agreement.

**7. Representation and Warranties of Palm.** Palm represents and warrants to Assignee that, as of the Effective Date:

- a. Palm has no knowledge of any default under the terms of the LMA and Option, and Palm is not in default under the terms of the LMA and Option.
- b. To Palm's knowledge, Assignor is not in default under the terms of the LMA and Option.
- c. Palm has not heretofore assigned or transferred the LMA and Option or any or all of its rights under the LMA and Option.

- d. The LMA and Option have not been modified or amended in any manner.
- e. The consideration to be conveyed for the Asset Option Property (as defined in the Option) is the release of Palm from any and all obligations under Assignor's loan agreement and all loan documentation in effect at the time of exercise of the Option, which will not require payment of any money to Palm. As of the Effective Date there shall be no outstanding obligations under any such loan agreement.

**8. Amendment of LMA and Option.** The parties agree that the current term of the LMA and Option expire as of December 31, 2015 ("Current Term"). Palm and Assignee agree that as of the Effective Time, the term of the LMA and Option shall be amended for an additional eight year term (expiring December 31, 2023) unless either Palm or Assignee gives the other party 270 day prior written notice that the LMA and Option should terminate upon the expiration of the Current Term.

**9. Binding Effect.** This Assignment shall be binding on and inure to the benefit of the parties and their respective successors and permitted assigns.

**10. Governing Law and Jurisdiction.** The construction and performance of this Assignment shall be governed by the laws of the State of Delaware without regard to conflict of laws provisions. The exclusive forum for the resolution of any disputes arising hereunder shall be the United States District Court for the District of Delaware or the Delaware Chancery Court, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such action and irrevocably waives the reference of an inconvenient forum to the maintenance of any such action.

**11. Expenses.** Each party shall bear its own expenses with respect to the preparation, delivery and implementation of this Agreement; provided, that, if any party institutes any action in any court of competent jurisdiction to enforce its rights hereunder, the prevailing party shall be reimbursed by the other party or parties for all reasonable expenses incurred thereby, including reasonable attorneys' fees.

**12. Termination of APA.** Notwithstanding anything in this Assignment to the contrary, this Assignment shall become null and void and of no further force or effect upon the termination of the APA in accordance with its terms.

**13. Captions.** The captions of this Assignment are solely for the convenience of reference and shall not affect the interpretation of any provision of this Agreement.

**14. Counterparts.** This Assignment may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Delivery of an executed signature page of this Assignment by e-mail or facsimile shall be deemed an original for all intents and purposes.

[Signature Page Follows]



IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the day and year written above.

PEAK MEDIA OF PENNSYLVANIA LLC

By: Brian Pryor  
Name: Brian Pryor  
Title: Vice President

CHESAPEAKE TELEVISION, INC.

By: \_\_\_\_\_  
Name:  
Title:

PALM TELEVISION, L.P.

By: \_\_\_\_\_  
Name:  
Title:

[SIGNATURE PAGE TO

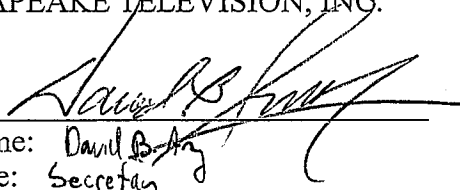
ASSIGNMENT AND ASSUMPTION AND AMENDMENT OF INTERIM OPERATING AGREEMENT AND OPTION AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the day and year written above.

PEAK MEDIA OF PENNSYLVANIA LLC

By: \_\_\_\_\_  
Name:  
Title:

CHESAPEAKE TELEVISION, INC.

By:   
Name: David B. King  
Title: Secretary

PALM TELEVISION, L.P.

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the day and year written above.

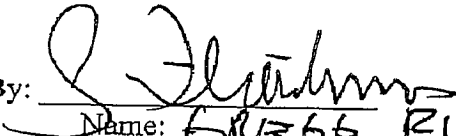
PEAK MEDIA OF PENNSYLVANIA LLC

By: \_\_\_\_\_  
Name:  
Title:

CHESAPEAKE TELEVISION, INC.

By: \_\_\_\_\_  
Name:  
Title:

PALM TELEVISION, L.P.

By:   
Name: GREGORIO P. PINEDA  
Title: PM / CEO

[SIGNATURE PAGE TO  
ASSIGNMENT AND ASSUMPTION AND AMENDMENT OF INTERIM OPERATING AGREEMENT AND OPTION AGREEMENT]

## **EXHIBIT A**

Copy of LMA

(Attached)

170E-34351-81364-80



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(b) ~~Licensee will retain responsibility for broadcasting all ABC network programming which Licensee accepts consistent with Licensee's past practice, including advertising and promotional announcements during such programming provided by the network but excluding all other advertising during such programming, including local and spot advertising (hereafter "Network Programs").~~ Licensee shall also retain responsibility for ascertaining the needs and interests of its community of license and service area, and shall have the right and obligation to broadcast such programming as it determines appropriate to respond to such ascertained issues of community concern, including children's programs (hereafter "Licensee Programs"). The Licensee Programs shall be broadcast at times agreed to by US and Licensee, provided, however, that in the absence of such agreement Licensee will have the right to delete or preempt in Licensee's sole discretion any US Programs for the purpose of transmitting such Licensee Programs.

(c) Licensee may preempt or delete any US Programs which Licensee believes are unsatisfactory, unsuitable or contrary to the public interest, or to substitute programming which, in Licensee's good faith judgment, is of greater local or national importance or interest.

2. Payments. US hereby agrees to pay to Licensee the following amounts in the manner indicated for the broadcast of the US Programs: Beginning on the last day of the first calendar month following the Effective Date and on the last day of each month thereafter during the term hereof, the sum of Four Thousand Dollars (\$4,000.00) plus the Licensee Operating Expenses as set forth in Paragraph 9 of this Agreement, provided, however, that the first and last months payments shall be adjusted to reflect partial months, if applicable.

3. Term. The term of this Agreement shall end on the earlier of the following: (i) May 21, 1997/ or (ii) the date of consummation of the sale of the Station to US or to a third party as permitted under the Asset Purchase Agreement.

4. Programs. US shall furnish or cause to be furnished the artistic personnel and material to produce and broadcast the US Programs, and all US Programs shall be in good taste and in accordance with requirements of the Communications Act of 1934, as amended (the "Act") and the rules, regulations and policies of the FCC. All advertising spots and promotional material or announcements shall comply with all applicable federal, state and local regulations and policies.

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5. Station Equipment. Licensee shall make available to US for no additional consideration the areas in the Station's main studio as may be reasonably necessary or appropriate for US to exercise its rights and perform its obligations under this Agreement. Licensee and US shall also make available to each other equipment currently used or useful in the operation of the Station as may, be required for the production and broadcast of the US Programs and the Licensee Programs. US shall have the right to purchase or install additional equipment for use at the Station which US believes appropriate to enable or assist in the production and broadcast of the Network, Licensee and/or US Program. Licensee shall cooperate with US in permitting the installation of such equipment, which installation shall be at US' sole expense. In the event this Agreement terminates for any reason other than the consummation of the sale of the Station as contemplated in Asset Purchase Agreement, then US shall have the right to remove from the Station, at US' sole expense, any equipment it has installed provided that the removal of such equipment shall not disrupt the normal operations of the Station, and the Station shall be returned to its condition prior to this Agreement, normal wear and tear excepted.

6. New Technologies. The parties agree that any future FCC frequency allocations associated with the operation of the Station, or any additional uses of the Station's frequency authorized by the FCC (or any government agency or entity succeeding to the FCC's authority), including but not exclusively the transmission of advanced television, high definition, or digital broadcasts, are included under the provisions of this Agreement. Licensee agrees to apply for any additional FCC authorization, or authorization from such other government agency or entity which may be necessary in order to make US of any future frequency allocations or additional uses of the Station's frequency as provided herein. US agrees to reimburse Licensee for its reasonable expenses incurred in carrying out its obligations under this Paragraph, including attorney's and engineering fees and expenses.

7. Handling of Public Comments. US shall promptly advise Licensee of any public or FCC complaint or inquiry that US has received concerning programming on the Station.

8. Programming and Operations Standards. US agrees to comply with the Act and the FCC's rules, regulations and policies in providing the US Programs and in its operations. US further agrees that if, in the sole judgment of Licensee or Licensee's General Manager of the Station, US does not comply with said standards, Licensee may suspend or cancel any US Program not in compliance.

9. Operating Expenses. Licensee will be responsible for paying all the expenses incurred related to its operation of the Station (the "Licensee Operating Expenses"). US will be responsible for paying the costs of purchasing, producing and broadcasting the US Programs and for the expenses incurred in the sale of advertising time as described in

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Paragraph 10 hereof. Pursuant to Paragraph 2, US shall reimburse Licensee for an amount equal to the Licensee Operating Expenses less any network compensation Licensee receives for broadcasting the Network Programs and the amount paid by Licensee for the lease or rental of real property or equipment. US shall pay the amount to be reimbursed by the last day of each calendar month, provided that Licensee shall, no later than the 10th day of that month, deliver to US by hand or First Class mail, an itemized list of such Licensee Operating Expenses, network compensation received by Licensee and lease payments made. If the itemized list of Licensee Operating Expenses, network compensation and lease payments is delivered after the 10th day of any month, then US shall render the reimbursement payment for that month within twenty (20) days after its receipt of the itemized list. Upon request by US, Licensee will provide US with documentation adequate to demonstrate that Licensee is current in its payment to all of its creditors whose services are used in connection with the operation of the Station.

10. Sale of Advertising Time. US is permitted to sell all local and spot advertising for the Network Programs and all advertising included as part of the US Programs, and may sell such advertising in combination with the sale of advertising on other stations which it may own in the Johnstown-Altoona market. US will retain all revenues from the sale of such advertising. Licensee is permitted to sell advertising for broadcast only during the Licensee Programs, and will retain all revenues from the sale of such advertising. US is responsible for paying income taxes on the time it sells on the Station.

11. Operation of Station. Notwithstanding anything to the contrary in this Agreement, Licensee shall have full authority and power over the operation of the Station during the period of this Agreement. Licensee shall retain control in its absolute discretion over the policies, programming and operations of the Station, including, without limitation, the right to decide whether to accept or reject any programming or advertisements, the right to preempt or delay or delete any US Programs which Licensee reasonably believes to be unsatisfactory, unsuitable or contrary to the public interest or in order to broadcast a program deemed by Licensee to be of greater national, regional, or local interest, and the right to take any other actions necessary for compliance with the laws of the United States, the Commonwealth of Pennsylvania, and the rules, regulations, and policies of the FCC. Licensee shall at all times be solely responsible for meeting all of the FCC's requirements with respect to public service programming, maintaining a main studio, maintaining the political and public inspection files, and preparing the Station's logs and issues/programs lists. US shall, upon request by Licensee, provide Licensee with information with respect to such of the US Programs which are responsive to the problems, needs and interest of the community or which contain educational and informational programming for children, so as to assist Licensee in the preparation of required programming reports and will provide, upon request, other information to enable Licensee to prepare other records, reports and logs required by the FCC or other local, state or federal governmental agencies.

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12. Personnel. US shall employ and be responsible for the salaries, taxes, insurance and related costs for all personnel used in the production of the US Programs and for the personnel used in the sale of advertising time included within the US Programs pursuant to Paragraph 10. Licensee shall employ and provide the Station Manager and designated Board Operator of the Station, who shall report to and be accountable solely to Licensee and who shall be ultimately responsible for the day-to-day operation of the Station. Licensee shall, after consultation with US, also employ such personnel as it deems necessary to comply with FCC rules and record keeping, to ensure that the technical operations of the station are consistent with the Station's license and FCC rules, and to provide managerial and staff support for the Station's main studio. Subject to Paragraph 9, Licensee shall be responsible for the salaries, taxes, insurance and related costs for all Station personnel under its employ. Employees of US shall conduct themselves in a professional manner and while on the Station's premises shall be subject to the supervision of Licensee's General Manager.

13. Special Events. Licensee reserves the right in its discretion, and without liability, to preempt, delay or delete any of the US Programs and to substitute programming which in Licensee's judgment, is of greater local or national importance. In all such cases, Licensee will use its best efforts to give US reasonable notice of its intention to preempt US' Programs. In the event of such preemption for more than two (2) hours in any given week then the payment US is to make to Licensee for that month shall be reduced by a percentage equal to the number of hours so preempted divided by the total number of hours of US Programs broadcast during that week.

14. Force Majeure. Any failure or impairment of facilities or any delay or interruption in broadcasting US Programs, or failure at any time to furnish facilities, in whole or in part, for broadcasting, due to acts of God, strikes or threats thereof or force majeure or due to causes beyond the control of Licensee, shall not constitute a breach of this Agreement and Licensee will not be liable to US, provided however, Licensee shall take all reasonable steps to restore normal Station operations at the earliest time possible.

15. Right to Use the Programs. The right to use the US Programs and to authorize their use in any manner and in any media whatsoever, shall be and remain vested in US.

16. Payola. US agrees that it will not accept any compensation of any kind or gift or gratuity of any kind whatsoever, regardless of its value or form, including, but not limited to, a commission, discount, bonus, materials, supplies or other merchandise, services or labor, whether or not pursuant to written contracts or agreements between US and merchants or advertisers, unless the payer is identified in the program as having paid for or furnished such consideration in accordance with FCC requirements. US agrees

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annually to execute and provide Licensee with a Payola Affidavit, substantially in the form which is provided as Attachment I hereto.

17. Compliance with Law. US agrees that throughout the term of this Agreement US will comply with all laws and regulations applicable in the conduct of Licensee's business. Licensee will comply with all applicable FCC rules, regulations and policies, including, but not limited to, political advertisements, sponsorship identification, lottery and contest rules, and other local, state and federal laws, rules, and regulations. Licensee will file a copy of this Agreement with the FCC and place a copy in the Station's public file, as required under FCC's rules or policies.

18. Indemnification. (a) Scope. Each party shall forever protect, save, defend and keep the other party harmless and indemnify said other party against and from any and all claims, demands, losses, costs, damages, suits, judgments, penalties, expenses and liabilities of any kind or nature whatsoever arising directly or indirectly out of the acts, omissions, negligence or willful misconduct of said party, its employees or agents in connection with the performance of this Agreement. However, US shall not be liable for nor responsible to indemnify Licensee for the following: (i) damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission caused by the negligence or acts or omissions of Licensee or its employees, contractors or agents; or (ii) damages arising out of the failure of equipment not provided by US or not under its control. Neither Licensee nor US shall be liable or responsible to indemnify the other for damages caused by acts of God, sabotage, vandalism, or negligence or acts or omissions of any third party not acting as an agent or representative of Licensee or US.

(b) Procedure. Where indemnification is sought by a party (the "Claiming Party"), (a) the Claiming Party shall notify the other party (the "Indemnifying Party") promptly of any claim or litigation or threatened claim to which the indemnification relates, (b) upon the Indemnifying Party's written acknowledgment of its obligation to indemnify in such instance, in form and substance satisfactory to the Claiming Party, the Claiming Party shall afford the Indemnifying Party the opportunity to participate in and, at the option of the Indemnifying Party, control, compromise, settle, defend or otherwise resolve the claim or litigation (and the Claiming Party shall not effect any such compromise or settlement without the prior written consent of the Indemnifying Party) and (c) the Claiming Party shall cooperate with the reasonable requests of the Indemnifying Party in its above-described participation in any compromise, settlement, defense or resolution or litigation.

19. Termination Options. This Agreement may be terminated only under the following circumstances:

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(a) Sale of Station. This Agreement shall terminate on the date that the Station is sold and the Station's license assigned to US or to a third party as permitted under the Asset Purchase Agreement.

(b) FCC Action. Subject to the provisions of Paragraph 20(c) hereof, if Licensee is required by the FCC to terminate this Agreement pursuant to an FCC order which has become Final (as that term is defined in the Asset Purchase Agreement), Licensee shall or, if the FCC requires that this Agreement be terminated before its order becomes Final and this Agreement cannot be revised to comply with FCC requirements as contemplated by Paragraph 20(c) hereof, Licensee may, upon at least sixty (60) days written notice to US (or such shorter period as may be required by the FCC) terminate this Agreement.

(c) Obligations Upon Termination. In the event of termination of this Agreement without the consummation of the sale of the Station as contemplated in the Asset Purchase Agreement, US shall pay to Licensee any reimbursable Licensee Operating Expenses due but unpaid as of the date of termination unless prohibited by the FCC, and Licensee shall reasonably cooperate with US to the extent permitted to enable US to fulfill advertising or other programming contracts then outstanding, in which event Licensee shall receive as compensation for the carriage of such advertising or programming subsequent to the termination of this Agreement the amounts which otherwise would have been paid to US thereunder.

20. Representations and Warranties. Each of the parties hereto represents and warrants to the other the following:

(a) Organization and Authority. Licensee holds the FCC licenses for the Station, and Licensee is legally qualified, empowered, and able to carry out all of the transactions contemplated hereby. US has or will have the authority to broadcast on the Station the US Programs, and US is legally qualified, empowered, and able to carry out all of the transactions contemplated hereby. All corporate actions necessary to be taken by or on the part of US and Licensee in connection with the transactions contemplated by this Agreement have been duly and validly taken, and this Agreement has been duly and validly authorized, executed, and delivered by US and Licensee, and constitutes the legal, valid and binding obligation of the parties, enforceable in accordance with and subject to its terms.

(b) Compliance with Law. Licensee will comply with all laws, rules and regulations, including those of the FCC, governing the business, ownership, and operation of the Station. All attendant contracts and undertakings, as well as the carrying out of the provisions of this Agreement, will not result in any violation or be in conflict with any judgment, decree, order, statute, rule or regulation of any governmental authority applicable to Licensee or US.

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(c) Authorizations. (i) Licensee owns and holds all licenses and other permits and authorizations necessary for the operation of the Station (including licenses, permits and authorizations issued by the FCC), and such licenses, permits and authorizations will be unimpaired by any acts or omissions of Licensee, its principals, employees or agents. There is not now pending or, to Licensee's best knowledge, threatened, any action by the FCC or other party to revoke, cancel, suspend, terminate, modify adversely, refuse to renew, or refuse to extend any of such licenses, permits or authorizations and, to Licensee's best knowledge, no event has occurred that allows or, after notice or lapse of time or both, would allow, the revocation or termination of such licenses, permits or authorizations or the imposition of any restriction thereof of such a nature that it may limit the operation of the Station. Licensee is not in material violation of the Act or any applicable statute, ordinance, local or foreign governmental agency, court or authority having jurisdiction over it or over any part of its operation or assets, which default or violation would have a material adverse effect on the Station, Licensee, or its assets, or on Licensee's ability to perform this Agreement.

(ii) In the event the FCC issues an order or decision finding that this Agreement is not consistent with the FCC rules, regulations or policies, or which requires or may require termination of this Agreement pursuant to Paragraph 19(b), then prior to such order or decision becoming Final and any permitted or required termination of this Agreement, the parties shall use their best efforts to reform the Agreement to satisfy the FCC's concerns and request reconsideration or review of the FCC's order or decision so that termination of this Agreement is no longer required or permitted under Paragraph 19(b).

(d) Litigation and Claims. No litigation, proceeding, complaint, investigation or controversy is pending by or before any court or regulatory agency or to the knowledge of the parties is threatened that is material to this transaction, and there is no basis known for any such litigation, proceeding, controversy or claim.

(e) Music Licenses. Licensee and US represent that, as of the Effective Date, they will each secure any music licenses from performers' rights organizations including, but not limited to, ASCAP, BMI, and SESAC, that are necessary for the legal operation of the Station as contemplated by this Agreement and that they will maintain their respective licenses in good standing.

(f) Translatory. Licensee warrants that to the extent it is the licensee of the Translators it will take all commercially reasonable actions necessary to enable the Translators to continue to rebroadcast the Station's signal during the term of this Agreement. Licensee further represents and warrants that it will take no action that



would cause, directly or indirectly, the Translators to no longer rebroadcast the Station's signal during the term of this Agreement.

21. Modification and Waiver. No modification or waiver of any provision of this Agreement shall in any event be effected unless the same shall be in writing and signed by the party adversely affected by the waiver or modification, and then such waiver and consent shall be effective only in the specific instance and for the purpose for which given.

22. No Waiver, Remedies Cumulative. No failure or delay on the part of any party in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The parties agree that the rights provided to US in this Agreement are unique and in the event Licensee breaches this Agreement US shall be entitled to specific performance as to Licensee's obligations. The rights and remedies of the parties herein provided are cumulative and are not exclusive of any right or remedies which each may otherwise have.

23. Construction. This Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania and the rights and obligations of the parties hereto are subject to all federal, state or municipal laws or regulations now or hereafter in force and the regulations of the FCC and all other governmental bodies or authorities presently or hereafter to be constituted.

24. Headings. The headings contained in this Agreement and in the Attachments hereto are included for convenience only and no such heading shall in any way alter the meaning of any provision.

25. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective representatives, successors and assigns. US shall have the right to assign its rights or delegate any of its duties hereunder to a third party [as long as such third party is qualified under the Act and the FCC's rules and regulations to acquire US' rights and to perform its duties hereunder.] Unless otherwise terminated, in the event the Station is sold to a party other than as contemplated in the Asset Purchase Agreement, this Agreement shall remain in effect and will be binding upon any subsequent licensee of the Station.

26. Counterpart Signatures. This Agreement may be signed in one or more counterparts, each of which shall be deemed a duplicate original, binding on the parties hereto notwithstanding that the parties are not signatory to the original or the same counterpart.

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27. Notices. Any notice required hereunder shall be in writing and any payment, notice or other communications shall be deemed given when delivered personally, or if mailed by certified mail with return receipt requested, then three days after mailing, or if by Federal Express, postage prepaid, then the next business day, and addressed as follows:

If to Licensee:

Evergreen License Corp.  
c/o Smith Broadcasting Group, Inc.  
3839 4th Street North--Suite 420  
St. Petersburg, Florida 33703  
Attn: Mr. David A. Fitz

With a copy which shall not constitute notice to:

William S. Reyner, Jr., Esquire  
Hogan & Hartson, L.L.P.  
555 13th Street, N.W.  
Washington, D.C. 20004-1109

If to US :

Mr. Ray Schonbak  
US Broadcast Group, LLC  
158 Sherman Road  
Wakefield, RI 01552

With a copy which shall not constitute notice to:

Peter Samuels, Esquire  
Proskauer, Rose, Goetz & Mendelsohn  
1585 Broadway  
New York, NY 10036

and to:

Richard R. Zaragoza, Esq.  
Fisher Wayland Cooper Leader  
& Zaragoza, L.L.P.  
2001 Pennsylvania Avenue, N.W.  
Suite 400  
Washington, D.C. 20006-1851

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28. Entire Agreement. This Agreement embodies the entire agreement between the parties and there are no other agreements, representations, warranties, or understandings, oral or written, between them with respect to the subject matter hereof. No alteration, modification or change of this Agreement shall be valid unless by like written instrument.

29. Savings Clause. If any provision of this Agreement is held to be illegal, invalid or unenforceable, such provision shall be fully severable, and in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible which is legal, valid and enforceable. This Agreement shall then be construed and enforced as so modified.

30. No Partnership or Joint Venture Created. Nothing in this Agreement shall be construed to make Licensee and US, partners or joint venturers of the other. Neither Licensee nor US shall have the right to bind the other to transact any business in the other's name or on its behalf, in any form or manner or to make any promises or representations on behalf of the other.

31. Arbitration. Any controversy or claim arising out of or relating to this Agreement, including any issue regarding whether a controversy or claim is subject to arbitration, shall be settled by arbitration in the State of Pennsylvania, in accordance with the rules of the American Arbitration Association, and arbitration shall be the exclusive means of settling any such controversies and claims. Any award rendered in such arbitration shall be final and binding upon the parties and judgment upon such award may be entered in any court having jurisdiction thereof.

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

Evergreen License Corp.

By:   
David A. Fitz, Vice President

US Broadcast Group, LLC

By:   
Ray Schonbak, President

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## JOINT AND SEVERAL OBLIGATION

To induce US to enter this Agreement, Evergreen Broadcasting Corp. hereby agrees that it shall be jointly and severally liable for the obligations of Evergreen License Corp. under this Agreement.

Dated: March 11, 1996

EVERGREEN BROADCASTING CORP.

By:

  
David A. Fitz, Vice President

INTERIM OPERATING AGREEMENT

ATTACHMENT I  
AFFIDAVIT RE PAYOLA

Commonwealth of Pennsylvania

County of \_\_\_\_\_

ANTI-PAYOLA/PLUGOLA AFFIDAVIT

\_\_\_\_\_, being first duly sworn, deposes and says as follows:

1. He is \_\_\_\_\_ for US Broadcast Group, LLC.  
Position
2. No matter has been broadcast by Station WATM-TV for which service, money or other valuable consideration has been directly or indirectly paid, or promised to, or charged, or accepted, by me from any person, which matter at the time so broadcast has not been announced or otherwise indicated as paid for or furnished by such person.
3. So far as I am aware, no matter has been provided for broadcast by Station WATM-TV for which service, money, or other valuable consideration has been directly or indirectly paid, or promised to, or charged, or accepted by Station WATM-TV or by any independent contractor engaged by US in furnishing programs, from any person, which matter at the time so broadcast has not been announced or otherwise indicated as paid for or furnished by such person.
4. In the future, I will not pay, promise to pay, request, or receive any service, money, or any other valuable consideration, direct or indirect, from a third party, in exchange for the influencing of, or the attempt to influence, the preparation or presentation of broadcast matter on Station WATM-TV.
5. Nothing contained herein is intended to, or shall prohibit acceptance or receipt of anything with the express knowledge and approval by Licensee, but henceforth any such approval must be given in writing by someone expressly authorized to give such approval.

- 14 -

6. Except as reflected in Paragraph 7, neither myself, nor my spouse or our immediate families have any present direct or indirect ownership interest in any entity engaged in the following business or activities, (other than an investment in a corporation whose stock is publicly held), serves as an officer or director of, whether with or without compensation, or serves as an employee of, any person, firm or corporation engaged in:
- a. The publishing of music;
  - b. The production, distribution (including wholesale and retail sales outlet), manufacture or exploitation of music, films, tapes, recordings or electrical transcriptions of any program material intended for radio broadcast use;
  - c. The exploitation, promotion, or management of persons rendering artistic, production and/or other services in the entertainment field;
  - d. The wholesale or retail sale of records intended for public purchase;
  - e. Advertising on Station WATM-TV, or any other station owned by its licensee (excluding nominal stockholdings in publicly owned companies).
7. The facts and circumstances relating to such interest are as follows: [FILL IN RELEVANT INFORMATION FOR AFFIANT]

\_\_\_\_\_  
Affiant

Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_





2. **Additional Consideration.** In addition to (and not in substitution for) the amounts payable to Licensees under the Operating Agreement, including, without limitation, the amounts payable to Licensees under Sections 2 and 9 thereof, US shall pay to Licensees the additional amount of One Hundred Thousand Dollars (\$100,000) per year during the Term (the "Additional Operating Fee") commencing May 22, 1997. The Additional Operating Fee shall be paid in consecutive monthly installments of Eight Thousand Three Hundred Thirty Three and 88/100 Dollars (\$8,333.88) each, on the twenty-second day of each month during the remainder of the Term through April 22, 2008, commencing on May 22, 1997.

3. **Conditions to Amendment.** The extension of the Term as set forth in Section 1 hereof is subject to the satisfaction by US of each of the following conditions on or before 5 p.m. on November 18, 1998.

3(a) US shall deliver to Broadcasting: (i) an amount equal to \$861,025.29, which amount represents the sum of (A) all proceeds in the amount of \$880,682.85 collected by US during the period commencing on the WWCP-TV Closing Date and continuing through the close of business immediately preceding the date hereof (the "Collection Period") in respect of the Accounts Receivable (net of agency commissions) plus (B) the net amount owing to Broadcasting with respect to prorations under Section 14 of the Purchase Agreement in the amount of \$80,892.44; (ii) the Accounts Receivable which have not been collected by US during the Collection Period together with a complete statement of each such Account Receivable, showing the name of the account debtor and the amount and age thereof; (iii) copies of all books and records relating to the Accounts Receivable and US' collection thereof; and (iv) the statement regarding prorations in support of the net amount reflected in clause (B) above due from US to Broadcasting as a result thereof in accordance with Section 14 of the Purchase Agreement. The payment by US under this Section 3(a) shall be made by wire transfer of federal funds in accordance with wiring instructions to be provided by Broadcasting.

3(b) US shall send sufficient notice to the Deposit Escrow Agent instructing the Deposit Escrow Agent to release the Deposit (including all interest accrued thereon) to Broadcasting, less the sum of Fifty Thousand Dollars (\$50,000) which the Deposit Escrow Agent shall be instructed to deliver to US. The amounts released to Broadcasting and US, as the case may be, under this Section 3(b) shall be by wire transfer of immediately available funds in accordance with the terms of the Deposit Escrow Agreement.

4. **Early Termination or Acquisition of the Station.** Notwithstanding anything to the contrary in the Operating Agreement (including Section 19(a) thereof), (a) US shall be entitled to terminate the Operating Agreement, as amended hereby, or US or its assignee shall be entitled to acquire the Station in accordance with the Purchase Agreement, if the WATM-TV Closing is

consummated on or before December 31, 1997 and provided that US pays to Licensee on the WATM-TV Closing Date (i) a termination fee in the amount of Two Hundred Thousand Dollars (\$200,000) (the "Early Termination Fee") and (ii) the Additional Operating Fee due and payable hereunder through the WATM-TV Closing Date; and (b) in the event that the WATM-TV Closing is not consummated on or before December 31, 1997 or US fails to pay the Early Termination Fee or the Additional Operating Fee through the date of such termination or acquisition, US may terminate the Operating Agreement, as amended hereby, or US or its assignee may acquire the Station in accordance with the Purchase Agreement, only if US prepaids to Licensee on the date of such proposed termination or acquisition the amount of the Additional Operating Fee remaining due and payable hereunder for the full Term of the Operating Agreement, which amount shall be discounted to present value as of the date of such prepayment using a discount rate of eleven percent (11%) (the "Later Termination Fee").

**5. Breach of Operating Agreement.** In the event that (i) US breaches the Operating Agreement in any material respect and such breach continues for a period of ten (10) days following written notice thereof to US by Licensee or (ii) US fails to pay when due any amounts owing to Licensee or Broadcasting under Sections 2 or 9 of the Operating Agreement or under Section 2 hereof, and such default continues for a period of three (3) days following written notice thereof to US by Licensee, Licensee shall be entitled, without any requirement to give any further notice to US, to exercise all remedies available to Licensee at law or in equity, and Licensee also shall have the right to terminate the Operating Agreement, retain the Licensee, and Licensee shall have no obligation to transfer the Licensee to US or any assignee of US. Notwithstanding the foregoing, if a monetary default occurs under clause (ii) of this Section 5 on more than two occasions, thereafter, US shall not be entitled to any cure period for monetary defaults, and Licensee shall be entitled to exercise its remedies as set forth above without any obligation to give US notice or an opportunity to cure.

**6. Assignee of US.** Any proposed assignment to an assignee by US the rights and obligations of US under the Purchase Agreement with respect to the acquisition of the Station shall not be effective unless (i) with respect to any such proposed assignment prior to December 31, 1997, US shall pay to Licensee on or before the date of such assignment (A) the Early Termination Fee, (B) the amount of the Additional Operating Fee remaining due and payable hereunder through the date of such assignment, and (C) any amounts due under Sections 2 and 9 of the Operating Agreement through the date of such assignment, and (ii) with respect to any such proposed assignment after December 31, 1997, US shall pay to Licensee on or before the date of such assignment the Later Termination Fee due and payable as contemplated by Section 4 hereof and any amounts due under Sections 2 and 9 of the Operating Agreement through the date of such assignment. Upon any such valid assignment of the rights and obligations of US under the Purchase

Agreement, the Operating Agreement, as amended hereby, shall remain in full force and effect in accordance with the terms thereof.

7. Accounts Receivable Received After Settlement. In accordance with Section 13(a) of the Purchase Agreement, US shall immediately remit to Broadcasting any proceeds from the Accounts Receivable received by US after the expiration of the Collection Period.

8. Network Compensation. The parties agree that in the event that network compensation received by Licensee with respect to the Station exceeds amounts due to Licensee under the Operating Agreement, any such excess amount shall be remitted by Licensee to US.

9. Representations.

9(a) Representations by US. US represents to Licensee and Broadcasting as follows: (i) US has the limited liability company power and authority to enter into and perform the terms of this Amendment, (ii) the execution, delivery and performance of this Amendment by US have been duly and validly authorized by all necessary actions of US (none of which actions has been modified or rescinded and all of which actions are in full force and effect), (iii) this Amendment constitutes a valid and binding agreement and obligation of US, enforceable in accordance with its respective terms, (iv) the amount of \$830,832.85 set forth in Section 8(a)(i)(A) hereof reflects the total amount of all proceeds and other amounts collected by US during the Collection Period in respect of the Accounts Receivable (net of agency commissions), and (v) the amount of \$30,892.44 set forth in Section 8(a)(i)(B) hereof reflects the accurate net amount owing to Broadcasting under Section 14 of the Purchase Agreement with respect to the proration.

9(b) Licensee's Representations. Licensee represents to US as follows: (i) Licensee has the corporate power and authority to enter into and perform the terms of this Amendment, (ii) the execution, delivery and performance of this Amendment by Licensee have been duly and validly authorized by all necessary actions of Licensee (none of which actions has been modified or rescinded and all of which actions are in full force and effect), and (iii) this Amendment constitutes a valid and binding agreement and obligation of Licensee, enforceable in accordance with its respective terms.

10. Survival of Operating Agreement. Except as amended by this Amendment, all of the terms and conditions of the Operating Agreement are unmodified and shall continue in full force and effect and shall be binding upon the parties hereto and their respective assigns in accordance with the terms thereof.

**11. Books and Records.** For a period of seventy-five (75) days from the date hereof, (a) US shall give Licensee's representatives full and complete access, during normal business hours, to its books and records relating to the Accounts Receivable and the prorations contemplated by Section 14 of the Purchase Agreement in order to permit Licensee to review and verify US' calculations with respect thereto as represented by US in Section 8(a) hereof and (b) Licensee shall give the representatives of US full and complete access, during normal business hours, to its books and records relating to the prorations contemplated by Section 14 of the Purchase Agreement in order to permit US to review and verify Licensee's calculations with respect thereto, which were used by US to calculate the net amount owing to Broadcasting as set forth in Section 8(a)(1)(B) hereof. US and Licensee each agree to cooperate with the representatives of the other in performing such review and verification.

**12. Binding on Successors and Assigns.** This Amendment shall be binding upon and inure to the benefit of Licensee and US and their respective successors and assigns as permitted under the Operating Agreement.

**13. Execution in Counterparts.** To facilitate execution, this Amendment may be executed in as many counterparts as may be required; and it shall not be necessary that the signatures of, or on behalf of, each party, or that the signatures of all persons required to bind any party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each party, or that the signatures of the persons required to bind any party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Amendment to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the parties hereto.

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IN WITNESS WHEREOF, each of the parties hereto has executed this Amendment, or has caused this Amendment to be duly executed and delivered in its name on its behalf, all as of the day and year first above written.

**US BROADCAST GROUP, L.L.C.**

By

**EVERGREEN LICENSE CORP.**

By

**ACKNOWLEDGED AND AGREED:**

**EVERGREEN BROADCASTING CORP.**

By:

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HOGAN & HARTSON DC4

FAX: 1-813-821-8092

No. 235:6E 7 3/3

IN WITNESS WHEREOF, each of the parties hereto has executed this Amendment, or has caused this Amendment to be duly executed and delivered in its name on its behalf, all as of the day and year first above written.

US BROADCAST GROUP, L.L.C.

By \_\_\_\_\_

EVERGREEN LICENSE CORP.

By David A. Fitz

ACKNOWLEDGED AND AGREED:

EVERGREEN BROADCASTING CORP.

By David A. Fitz

**SECOND AMENDMENT TO  
INTERIM OPERATING AGREEMENT**

**THIS SECOND AMENDMENT TO INTERIM OPERATING AGREEMENT**

("Amendment") is entered into as of this 26th day of September, 1997, by and between US BROADCAST GROUP, L.L.C., a Delaware limited liability company ("US"), and EVERGREEN LICENSE CORP., a Delaware corporation ("Licensee").

WHEREAS, Licensee is the licensee of Television Station WATM-TV, Altoona, Pennsylvania (the "Station");

WHEREAS, US and Licensee are parties to that certain Interim Operating Agreement dated as of March 21, 1996 and amended November 1, 1996 (the "Operating Agreement"), whereby Licensee has agreed to accept and transmit programming supplied by US on the Station in accordance with the terms set forth in the Operating Agreement;

WHEREAS, the Video Services Division of the Mass Media Bureau of the FCC ("Video Services Division") has raised concerns about certain provisions in Sections 22 and 25 of the Operating Agreement;

WHEREAS, the parties hereto desire to retain, to the maximum extent possible, the benefits accruing to US under the Operating Agreement while at the same time being fully responsive to the concerns raised by the Video Services Division;

WHEREAS, the parties hereto desire to amend certain provisions of the Operating Agreement, as more fully set forth below; and



WHEREAS, all capitalized terms used herein shall have the meanings set forth in the Asset Purchase Agreement dated as of July 31, 1995 between Licensee and US ("Asset Purchase Agreement") unless otherwise defined herein,

NOW THEREFORE, in consideration of the foregoing, and of the covenants and agreements hereinafter set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Original Section 22 of the Operating Agreement is hereby deleted in its entirety and the following new Section 22 substituted with the same effect as if this new Section had continuously been a section of the Operating Agreement since first entered into:

**"No Waiver: Remedies Cumulative.** No failure or delay on the part of any party in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The parties agree that in the event Licensee breaches this Agreement, US shall be entitled to all rights and remedies that US may otherwise have at law or equity, except for the remedy of specific performance; provided, however, that if (a) Licensee seeks to terminate this Agreement, (b) such termination would be a breach of this Agreement and (c) Licensee at any time through May 21, 2006 either seeks (i) to enter into an Interim Operating Agreement, Time Brokerage Agreement, Local Marketing Agreement, Joint Sales Agreement, or Management Agreement, or any comparable arrangement, with a third party, or (ii) to enter into an agreement to assign, or transfer control of, the Station to a third party, the parties hereto agree that US will be damaged irreparably and monetary damages or other remedies at law that may be available to US for such breach or threatened breach will be inadequate and, without prejudice to US's right to pursue any remedies at law or in equity available to it for such breach or threatened breach, including without limitation the recovery of damages from Licensee, US shall be entitled to injunctive relief to prevent Licensee from entering into or effectuating any of the arrangements identified under sub-section (c) of this Section. The rights and remedies of the parties herein provided are cumulative

and are not exclusive of any right or remedies which each may otherwise have."

2. Original Section 25 of the Operating Agreement is deleted in its entirety and the following new Section 25 substituted with the same effect as if this new Section had continuously been a section of the Operating Agreement since first entered into:

"Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective representatives, successors and assigns. US shall have the right to assign its rights or delegate any of its duties hereunder to a third party only with the consent of Licensee which consent shall not be unreasonably withheld or delayed; provided, however, that Licensee may not use this consent mechanism, directly or indirectly, (a) to renegotiate the terms of this Agreement or (b) to advance its present or future business interests in the Johnstown-Altoona television market or elsewhere; provided further, that the foregoing proviso shall not be interpreted to prevent Licensee from using the consent mechanism to safeguard the WATM-TV broadcast licenses. Unless otherwise terminated, in the event the Station is sold to a party other than as contemplated in the Asset Purchase Agreement, this Agreement shall remain in effect and will be binding upon any subsequent licensee of the Station."

3. No Inconsistent Action. Neither Licensee or US, nor any of Licensee's or US's respective direct or indirect owners, stockholders, members or partners or their respective officers or directors, including but not limited to Robert N. Smith ("Smith") and any legal entity controlled de jure or de facto by Smith, shall take any action which (a) is inconsistent with their respective obligations under the Asset Purchase Agreement or the Operating Agreement as amended hereby or (b) could hinder or delay the efforts by US or its assignee to acquire the Station (even if such assignee were to acquire WWCP-TV, Johnstown, Pennsylvania) and, subject to Section 25, to assign the Operating Agreement to US's assignee, whether or not (x) such assignee is substituted for US in US's pending application to acquire the Station or (y) US

dismisses such application and US's assignee, with the cooperation of Licensee, jointly files a new application for FCC consent to the assignment of the Station's licenses to such assignee; provided, that this Section shall not be construed to prevent Smith, STC Broadcasting, Inc. ("STC") or WJAC, Incorporated ("WJAC") from vigorously competing against US in the Johnstown-Altoona television market or vice versa.

4. WJAC(TV) Petition to Deny. Smith, in his capacity as President and Chief Executive Officer of STC, the entity which is to acquire the stock of WJAC, shall cause WJAC, on the day of the closing of the Acquisition but in no event later than one (1) business day after said closing, to file with the FCC a request for the prompt dismissal with prejudice ("Dismissal Request") of the Petition to Deny and related pleadings filed by WJAC against the WATM-TV assignment application, FCC File No. BALCT-950821KK. The Dismissal Request, which has been executed on the date hereof in the form of Exhibit A hereto, shall be held in escrow by Fisher Wayland Cooper Leader & Zaragoza L.L.P., counsel for US and be filed with the FCC within said time period. The parties hereto, including Smith on behalf of STC and WJAC, acknowledge and agree that, upon the filing of the Dismissal Request, US and its representatives shall be free to make oral and written ex parte presentations to the members and staff of the FCC without being required to notify or serve WJAC. The parties hereto, including Smith, acknowledge and agree that if Licensee or Smith breaches their respective obligations hereunder, monetary damages alone would not be adequate to compensate US for its injury. Notwithstanding Section 1 hereof, US shall therefore be entitled, in addition to any other remedies that may be available, including money damages, to obtain specific performance of Sections 3 and 4 hereof without being required to prove actual damages, post bond or furnish other security, any requirement for which is expressly waived. If any action is brought by US to

enforce either of those provisions. Licensee and Smith shall waive the defense that there is an adequate remedy at law.

5. Binding on Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of Licensee and US and their respective successors and assigns as permitted under the Operating Agreement.

6. Survival. Sections 3 and 4 hereof as they apply to Smith and to any legal entity controlled de jure or de facto by Smith shall survive the expiration and termination of this Agreement until May 21, 2006.

7. Execution in Counterparts. To facilitate execution, this Amendment may be executed in as many counterparts as may be required; and it shall not be necessary that the signatures of all persons required to bind any party, appear on each counterpart; but it shall be sufficient that the signature of, or on behalf of, each party, or that the signatures of the persons required to bind any party, appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a number of counterparts containing the respective signatures of, or on behalf of, all of the parties hereto.

IN WITNESS WHEREOF, each of the parties hereto has executed this Amendment, or has caused this Amendment to be duly executed and delivered in its name on its behalf, all as of the day and year first above written.

US BROADCAST GROUP, L.L.C.

By: 

EVERGREEN LICENSE CORP.

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

ACKNOWLEDGED AND AGREED:

EVERGREEN BROADCASTING CORP.

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

ACKNOWLEDGED AND AGREED:

EVERGREEN GENERAL CORP.

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

ACKNOWLEDGED AND AGREED AS  
TO SECTIONS 3 AND 4 HEREOF:

ROBERT N. SMITH, AN INDIVIDUAL

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

ACKNOWLEDGED AND AGREED:

ADVENT V CAPITAL COMPANY LIMITED PARTNERSHIP

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

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IN WITNESS WHEREOF, each of the parties hereto has executed this Amendment, or has caused this Amendment to be duly executed and delivered in its name on its behalf, all as of the day and year first above written.

US BROADCAST GROUP, L.L.C.

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

EVERGREEN LICENSE CORP.

By: 

ACKNOWLEDGED AND AGREED:

EVERGREEN BROADCASTING CORP.

By: 

ACKNOWLEDGED AND AGREED:

EVERGREEN GENERAL CORP.

By: 

ACKNOWLEDGED AND AGREED AS  
TO SECTIONS 3 AND 4 HEREOF:

ROBERT N. SMITH, AN INDIVIDUAL

By: 

ACKNOWLEDGED AND AGREED:

ADVENT V CAPITAL COMPANY LIMITED PARTNERSHIP

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

IN WITNESS WHEREOF, each of the parties hereto has executed this Amendment, or has caused this Amendment to be duly executed and delivered in its name on its behalf, all as of the day and year first above written.

US BROADCAST GROUP, L.L.C.

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

EVERGREEN LICENSE CORP.

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

ACKNOWLEDGED AND AGREED:

EVERGREEN BROADCASTING CORP.

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

ACKNOWLEDGED AND AGREED:

EVERGREEN GENERAL CORP.

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

ACKNOWLEDGED AND AGREED AS  
TO SECTIONS 3 AND 4 HEREOF:

ROBERT N. SMITH, AN INDIVIDUAL

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

ACKNOWLEDGED AND AGREED:

ADVENT V CAPITAL COMPANY LIMITED PARTNERSHIP

By: *Advent V Capital*



October 1, 1997

VIA HAND DELIVERY

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

Re: APPLICATIONS FOR VOLUNTARY ASSIGNMENT OF LICENSES  
WATM-TV, Altoona, Pennsylvania  
FCC File No. BALCT-950821KK  
W57AH, Brockport, Pennsylvania  
FCC File No. BALTT-950821KL  
W57BM, Somerset, Pennsylvania  
FCC File No. BALTT-950821KM

Dear Mr. Caton:

On behalf of WJAC, Incorporated ("WJAC"), this is to request the prompt dismissal with prejudice of its Petition to Deny and related pleadings filed against the above-referenced applications. As a result of this filing, WJAC no longer regards the matter as restricted under the Commission's Rules and Regulations and accordingly has no objection to the parties to the above-referenced applications making oral or written ex parte presentations to members or staff of the Commission.

This filing is made pursuant to that certain "Second Amendment to Interim Operating Agreement," a copy of which is attached hereto.

Respectfully requested,

WJAC, Incorporated

Robert N. Smith  
President

ASSIGNMENT AND  
THIRD AMENDMENT TO  
INTERIM OPERATING AGREEMENT

THIS ASSIGNMENT AND THIRD AMENDMENT TO INTERIM OPERATING AGREEMENT (the "Amendment") is made and entered into as of February 26, 1999 by and among EVERGREEN LICENSE CORP., a Delaware corporation ("Licensee"), EVERGREEN BROADCASTING CORP., a Delaware corporation ("Evergreen"), PEAK MEDIA OF PENNSYLVANIA, LLC, a Delaware limited liability company ("Peak"), US BROADCAST GROUP, L.L.C., a Delaware limited liability company ("US"), and PALM TELEVISION, L.P., a Delaware limited partnership ("Palm").

RECITALS

WHEREAS, Licensee is the licensee of television station WATM-TV, Altoona, Pennsylvania ("WATM-TV") and together with Evergreen own certain assets related thereto;

WHEREAS, Licensee and US are parties to (i) that certain Interim Operating Agreement dated March 11, 1996 as amended November 1, 1996 and September 26, 1997 (the "Operating Agreement"), whereby Licensee has agreed to accept and transmit programming supplied by US on WATM-TV in accordance with the terms set forth in the Operating Agreement and (ii) that certain Lease dated March 11, 1996 (the "Lease") pursuant to which US leases certain assets to Licensee for use in connection with WATM-TV;

WHEREAS, US and Evergreen are parties to that certain Asset Purchase Agreement dated as of July 31, 1995 (the "Purchase Agreement"), pursuant to which among other matters Evergreen has agreed to sell, and to cause Licensee to sell, to US the licenses of WATM-TV issued by the Federal Communications Commission (the "FCC") and certain other assets related to WATM-TV (the "WATM-TV Assets") subject to the terms and conditions set forth therein;

WHEREAS, US, US Broadcast Group Licensee, L.P. I, Peak and Peak Media of Pennsylvania Licensee, LLC have entered into a Purchase and Sale Agreement, dated as of April 15, 1998 (the "Peak Media Purchase Agreement"), pursuant to which among other matters, US has agreed to sell to Peak substantially all of US's assets relating to WATM-TV, including, US's right to acquire the WATM-TV Assets under the Purchase Agreement and the parties entered into a Time Brokerage Agreement pursuant to which US has assigned to Peak its rights and obligations under the Operating Agreement and the Lease;

WHEREAS, on the date hereof, the parties hereto have entered into an Amendment and Assignment and Assumption Agreement (the "Purchase Agreement Assignment") pursuant to which among other matters US has assigned to Palm (at Peak's request) all of US's rights to acquire the WATM-TV Assets under the Purchase Agreement (the consummation of the sale of the WATM-TV Assets by Evergreen and Licensee to Palm pursuant to the Purchase Agreement.

as amended by the Purchase Agreement Assignment, shall be referred to herein as the "WATM-TV Closing");

WHEREAS, Licensee desires to assign all of its rights and obligations under the Operating Agreement and the Lease to Palm effective upon the WATM-TV Closing and Palm desires to accept such assignment and to assume such obligations;

WHEREAS, the parties hereto desire to amend certain provisions of the Operating Agreement to be effective upon the WATM-TV Closing; and

WHEREAS, Licensee and Evergreen desire to confirm their consent to the assignment by US of its rights and obligations under the Operating Agreement and the Lease to Peak.

#### AGREEMENTS

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

1. Assignment of Operating Agreement. Subject to the terms and conditions hereof, Licensee hereby bargains, sells, assigns, transfers, conveys and delivers to Palm and its successors and assigns all of Licensee's rights, title and interest in and to the Operating Agreement and the Lease effective automatically upon the WATM-TV Closing. Notwithstanding any provision of the Operating Agreement, the Operating Agreement shall remain in full force and effect following the assignment made hereby.

2. Assumption of Liabilities. Subject to the terms and conditions hereof, Palm hereby accepts such assignment and agrees to assume all of Licensee's liabilities and obligations to be performed on and after the WATM-TV Closing under the Operating Agreement and the Lease effective automatically upon the WATM-TV Closing. Effective upon the WATM-TV Closing, US shall be released from all of its obligations under the Operating Agreement and the Lease.

3. Amendment. The Operating Agreement shall be amended effective automatically upon the WATM-TV Closing to provide that in substitution for any and all amounts payable to Licensee under the Operating Agreement, Peak as assignee of US shall pay to Licensee \$25,000 a year, payable in twelve equal monthly installments on or before the last day of each calendar month beginning on the first such date after the WATM-TV Closing, plus the Licensee Operating Expenses (as defined in the Operating Agreement), and subject to the reductions as set forth in Paragraph 9 of the Operating Agreement. Any payment for a partial month shall be prorated accordingly. Effective automatically upon the WATM-TV Closing, Peak as assignee of US shall not be required to make any payments under the Operating Agreement except as set

forth in this paragraph and accordingly, Section 2 of the Operating Agreement and Sections 2, 3, 4 and 6 of the Amendment to Interim Operating Agreement dated as of November 1, 1996 are hereby superseded. Section 19(a) of the Operating Agreement is hereby deleted. Evergreen and Licensee hereby waive the right to receive any payments from US or its assignee under Sections 4 and 6 of the Amendment to Interim Operating Agreement dated as of November 1, 1996.

4. Signal Improvement. Licensee, and following the WATM-TV Closing, Palm, hereby agree to cooperate with Peak to improve WATM-TV's signal, including, making any filings with the FCC reasonably necessary in connection therewith.

5. Consent. Evergreen and Licensee hereby consent to and ratify the assignment of the Operating Agreement and the Lease by US to Peak. Evergreen and Licensee acknowledge that such assignment is subject to rescission in accordance with the terms of the Peak Media Purchase Agreement and the Time Brokerage Agreement executed pursuant thereto if the closing under the Peak Media Purchase Agreement does not occur.

6. Termination. If the Peak Media Purchase Agreement is terminated without a closing thereunder, this Agreement shall automatically terminate and the amendments and assignment and assumption made pursuant hereto shall be rescinded. Upon such termination, no party hereto shall have any rights or obligations whatsoever under this Agreement. If the acquisition of the WATM-TV Assets by Palm from Evergreen and Licensee is not consummated on or before March 1, 2000, this Agreement shall terminate and the amendments and assignment and assumption made pursuant hereto shall be rescinded, so that the parties will be returned to their respective rights and obligations under the Purchase Agreement and the Operating Agreement except that Peak (i) shall be substituted in all respects for US as the "Buyer" and the programmer respectively and (ii) shall have all of the rights and obligations of "Buyer" and the programmer under the Purchase Agreement and the Operating Agreement respectively if US shall have been released from its obligations under the Purchase Agreement pursuant to the terms of Section 2 thereof. In the event that the acquisition of the WATM-TV Assets by Palm from Evergreen and Licensee is not consummated on or before March 1, 2000, Palm shall not have any further liability or obligation under this Agreement or any related agreement.

7. Representations and Warranties. Each and every representation and warranty set forth in the Operating Agreement is hereby confirmed and ratified, in all material respects, by the parties hereto, and such representations and warranties as so confirmed and ratified shall be deemed to have been made and undertaken as of the date of this Amendment as well as at the time they were made and undertaken except to the extent such representations and warranties have been affected by events contemplated by or permitted pursuant to the Operating Agreement, as amended hereby.

8. Counterparts. This Amendment may be executed in as many counterparts as may be convenient and shall become binding when the parties hereto have each executed at least one counterpart.

9. Binding Effect. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns as permitted under the Operating Agreement.

10. Reference to Operating Agreement. Except as amended hereby, the Operating Agreement shall remain in full force and effect and is hereby ratified and confirmed in all respects. On and after the effectiveness of the amendment to the Operating Agreement accomplished hereby, each reference in the Operating Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import, and each reference to the Operating Agreement in any other agreement, document or instrument executed and delivered pursuant to the Operating Agreement, shall be deemed a reference to the Operating Agreement, as amended hereby.

11. No Other Modifications. Except as expressly provided in this Amendment, all of the terms and conditions of the Operating Agreement shall remain unchanged and in full force and effect.

*[SIGNATURE PAGE FOLLOWS]*

IN WITNESS WHEREOF, the parties have caused this Assignment and Third Amendment to Interim Operating Agreement to be executed as of the day and year first above written.

PEAK MEDIA OF PENNSYLVANIA, LLC

By: 

Name: Larry D. Marcus

Title: President/Secretary of Peak Media L.L.C.,  
Manager of Peak Media Holdings LLC, Manager  
of Peak Media of Pennsylvania LLC

EVERGREEN LICENSE CORP.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EVERGREEN BROADCASTING CORP.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

US BROADCAST GROUP, L.L.C.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

PALM TELEVISION, L.P.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

FROM LATHAM & WATKINS WASH DC

.... (THU) 2. 25' 99 17:52/8. 17:41/NO. 4261768915 P. 19  
NO. 555 P. 005

-5-

IN WITNESS WHEREOF, the parties have caused this Assignment and Third  
Amendment to Interim Operating Agreement to be executed as of the day and year first above  
written.

PEAK MEDIA OF PENNSYLVANIA, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EVERGREEN LICENSE CORP.

By: Stephen F. Gormley  
Name: Stephen F. Gormley  
Title: \_\_\_\_\_

EVERGREEN BROADCASTING CORP.

By: Stephen F. Gormley  
Name: Stephen F. Gormley  
Title: \_\_\_\_\_

US BROADCAST GROUP, L.L.C.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

PALM TELEVISION, L.P.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have caused this Assignment and Third Amendment to Interim Operating Agreement to be executed as of the day and year first above written.

PEAK MEDIA OF PENNSYLVANIA, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

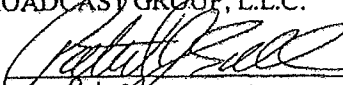
EVERGREEN LICENSE CORP.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EVERGREEN BROADCASTING CORP.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

US BROADCAST GROUP, L.L.C.

By:   
Name: Patrick J. Sullivan  
Title: Executive Vice President

PALM TELEVISION, L.P.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



IN WITNESS WHEREOF, the parties have caused this Assignment and Third Amendment to Interim Operating Agreement to be executed as of the day and year first above written.

PEAK MEDIA OF PENNSYLVANIA, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EVERGREEN LICENSE CORP.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EVERGREEN BROADCASTING CORP.

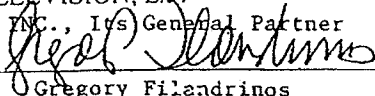
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

US BROADCAST GROUP, L.L.C.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

PALM TELEVISION, L.P.

By: GF, INC., Its General Partner

By:   
Name: Gregory Filandrinos  
Title: President

May 4, 2006

Mr. Gregory Filandrinos  
1408 N. Kingshighway  
Suite 300  
St. Louis, MO 63113

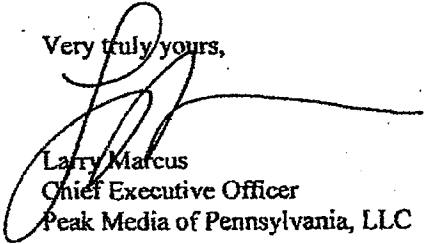
Dear Mr. Gregg:

As you know, Peak Media of Pennsylvania, LLC and Palm Television, L.P. are parties to the Interim Operating Agreement dated March 11, 1996, as amended on November 1, 1996 by the Amendment to Interim Operating Agreement, further amended on September 26, 1997 by the Second Amendment to Interim Operating Agreement, and further amended on February 26, 1999 by the Assignment and Third Amendment to Interim Operating Agreement (collectively, the "Operating Agreement"). Under the Operating Agreement, Palm Television, L.P. agreed to accept and transmit programming supplied by Peak Media of Pennsylvania, LLC on WATM-TV in accordance with the terms therein.

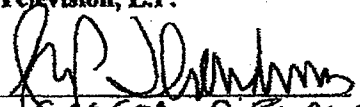
This letter confirms the parties' agreement to extend the term of the Operating Agreement through May 21, 2011.

Please indicate your agreement to the foregoing by signing below and returning a signed copy to me.

Very truly yours,

  
Larry Marcus  
Chief Executive Officer  
Peak Media of Pennsylvania, LLC

ACCEPTED AND AGREED:  
Palm Television, L.P.

By:   
Name: GREGORY P. FILANDRINOS  
Title: President  
Date: May 4, 2006

November 12, 2010

Gregory Filandrinos  
Palm Broadcasting, LP  
3525 Del Mar Heights Rd Ste 851  
Del Mar, CA 92130

Dear Mr. Filandrinos:

As you know, Peak Media of Pennsylvania, LLC and Palm Television, L.P. are parties to (a) the Interim Operating Agreement dated March 11, 1996, as amended on November 1, 1996 by the Amendment to Interim Operating Agreement, further amended on September 26, 1997 by the Second Amendment to Interim Operating Agreement, and further amended on February 26, 1999 by the Assignment and Third Amendment to Interim Operating Agreement, and as further amended by that certain Fourth Amendment to Interim Operating Agreement dated as of May 4, 2006 (collectively, the "Operating Agreement"); and (b) the Option Agreement dated February 26, 1999 (the "Option Agreement").

Under the Operating Agreement, Palm Television, L.P. agreed to accept and transmit programming supplied by Peak Media of Pennsylvania, LLC on WATM-TV in accordance with the terms therein. This letter confirms the parties' agreement, for their mutual benefit and in exchange for other consideration, the receipt and sufficiency of which are hereby acknowledged, to extend the term of the Operating Agreement through December 31, 2015.

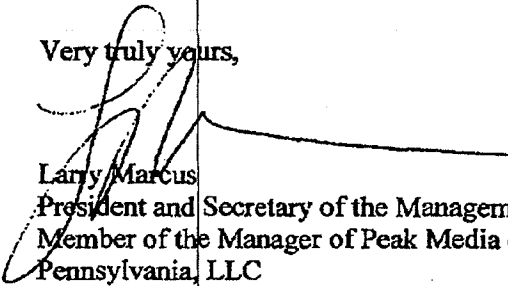
This letter also confirms the parties' agreement that, for their mutual benefit and in exchange for other consideration, the receipt and sufficiency of which are hereby acknowledged: (a) the exercise period for the Asset Option (as defined in the Option Agreement) in Option Agreement had been extended orally pursuant to negotiations among the parties until the date hereof; (b) effective as of the date hereof, the first sentence of Section 2 of the Option Agreement is amended as follows: "The Asset Option shall be exercisable by Grantee at any time beginning immediately upon the Purchase Agreement Closing and expiring on December 31, 2015." and (c) for the avoidance of doubt, for all purposes of the Option Agreement, the consideration payable for the Asset Option Property (as defined therein) to be paid at the closing of the Asset Option shall be the release of Palm Television, L.P. from all obligations under Peak Media of Pennsylvania, LLC's loan agreement and all other loan documentation as in effect at the time of such exercise.

This letter may be signed in counterparts. Except as expressly modified herein, the Operating Agreement and the Option Agreement shall continue to be, and shall remain, in full force and effect and the valid and binding obligation of the parties thereto in accordance with its terms. Each of the parties hereto hereby ratifies and confirms the each such agreement and hereby agrees to be bound by each such agreement, as amended, modified and supplemented by this letter.

[Remainder of Page Intentional Left Blank]

Please indicate your agreement to the foregoing by signing below and returning a signed copy to me.

Very truly yours,

  
Larry Marcus  
President and Secretary of the Management  
Member of the Manager of Peak Media of  
Pennsylvania, LLC

ACCEPTED AND AGREED:

Palm Television, L.P.

By: GT, Inc., its General Partner

By: 

Name: Greg Filandrinos

Title: President

Date: November 12, 2010

## **EXHIBIT B**

Copy of Option

(Attached)

## OPTION AGREEMENT

THIS OPTION AGREEMENT, made and entered into as of this 26th day of February 1999, by and between Palm Television, L.P., a Delaware limited partnership ("Grantor"), and Peak Media of Pennsylvania, LLC, a Delaware limited liability company ("Grantee").

### RECITALS:

A. Grantor has agreed to purchase certain assets used or useful in connection with the operations of Television Station WATM-TV, Altoona, Pennsylvania (the "Station") pursuant to the terms of an Asset Purchase Agreement, dated as of July 31, 1995, between US Broadcast Group, L.L.C. ("USBG") and Evergreen Broadcasting Corp. ("Evergreen"), as partially assigned by USBG to Grantor pursuant to an Amendment and Assignment and Assumption Agreement, dated as of February 26, 1999 (such Purchase Agreement as assigned and amended by the Amendment and Assignment and Assumption Agreement, the "Purchase Agreement").

B. Grantor desires to grant to Grantee an option to purchase the assets of the Station on the terms and conditions set forth herein effective upon the acquisition by Grantor from Evergreen pursuant to the Purchase Agreement of the licenses of the Station issued by the Federal Communications Commission (the "FCC") (the "Purchase Agreement Closing").

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants, warranties, and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

#### 1. Option.

(a) In consideration of \$1,000 paid by Grantee to Grantor on the date hereof, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby gives, grants, transfers and conveys unto Grantee, and its successors and assigns, the exclusive and irrevocable right, privilege and option to purchase (the "Asset Option"), on the terms and conditions hereinafter set forth, all of Grantor's rights, title and interest in and to all of the tangible and intangible property which is used or useful in connection with the operation of the Station (the "Asset Option Property"), including, without limitation, the property described below:

(i) All of the licenses and other authorizations issued by the FCC and other governmental authorities for the operation of the Station;

(ii) All of the tangible personal property used or useful in the operation of the Station;

(iii) All of the intangible personal property of the Station including the Station's call letters and goodwill; and

(iv) The Primary Television Affiliation Agreement dated January 28, 1997 between Evergreen and the American Broadcasting Companies, Inc. and any other contracts or agreements of Grantor relating to the Station which Grantee elects to assume.

Should Grantee exercise the Asset Option, the Asset Option Property shall be assigned, transferred and conveyed by Grantor to Grantee (or its successors or assigns), by good and sufficient bill of sale and/or other documents of transfer, all in form and substance satisfactory to Grantee, free and clear of all liens, charges, encumbrances, debts, liabilities and obligations whatsoever.

(b) The consideration payable for the Asset Option Property shall be equal to the outstanding principal amount of the loans to be made to Grantor pursuant to the Credit Agreement (the "Credit Agreement") to be entered into among Grantor, the lenders that are parties thereto and Société Générale, as agent, together with all accrued and unpaid interest thereon. Such consideration shall be payable at the closing under the Asset Purchase Agreement (as defined in Section 3 hereof).

2. Period of Option. The Asset Option shall be exercisable by Grantee at any time beginning immediately upon the Purchase Agreement Closing and expiring on the date which is ten (10) years thereafter. The parties hereto agree that Grantee shall have no obligation to exercise the Asset Option or any liability for failing to exercise the Asset Option.

3. Exercise of Option. Grantee shall exercise the Asset Option by sending written notice of such exercise to Grantor. The parties hereto agree that within three (3) business days after the exercise of the Asset Option by Grantee, Grantor and Grantee (or its successors or assigns) shall enter into an Asset Purchase Agreement, such document to be substantially in the form annexed hereto as Exhibit A (the "Asset Purchase Agreement") which shall be subject only to (i) changes relating to the name, organization and other similar matters relating to buyer(s) in the event of any assignment by Grantor in whole or in part of its rights or obligations hereunder; (ii) updates to the exhibits reflecting changes since the date hereof; and (iii) such other changes as may be reasonably requested by Grantee.

4. Representations, Covenants and Warranties of Grantor. Grantor represents, warrants and covenants to Grantee as follows:

(a) That Grantor is now, and for so long as this Agreement shall be in effect, will be a limited partnership duly organized, validly existing and in good standing under the laws of Delaware.

(b) That Grantor will effective upon the Purchase Agreement Closing and for so long as this Agreement shall be in effect be the holder of the broadcast licenses and other authorizations issued by the FCC and necessary for the operation of the Station;

(c) That Grantor does not know of, or have any reasonable grounds to know of, any:

(i) Litigation or proceeding pending or threatened against or relating to Grantor or the Station or its respective properties or business;

(ii) Basis for any current or prospective governmental investigation or action relative to Grantor, the Station or its respective properties or business;

(d) That should Grantee exercise the Asset Option, Grantor does not know of any facts which would cause the FCC to deny its consent to the assignment of the Station's licenses to Grantee (subject to receipt of the waiver described in Section 5 of the Asset Purchase Agreement); and

(e) That the execution, delivery and performance of this Agreement have been authorized by all necessary action on the part of Grantor and does not violate, conflict with or cause a breach or default under, any law, rules, regulations, licenses, agreements or contracts to which Grantor is subject, bound or a party and this Agreement constitutes the legal, valid and binding obligation of Grantor, enforceable in accordance with its terms.

5. Representations, Warranties and Covenants of Grantee. Grantee represents, warrants and covenants to Grantor:

That the execution, delivery and performance of this Agreement have been authorized by all necessary action on the part of Grantee and this Agreement constitutes the legal, valid and binding obligation of Grantee, enforceable in accordance with its terms.

6. Consummation of Agreement. Subject to the express terms and conditions of this Agreement, Grantor and Grantee shall cooperate fully with each other and their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement and will each use their respective commercially reasonable efforts to perform or fulfill all conditions and obligations to be performed or fulfilled by them under this Agreement so that the transactions contemplated hereby shall be consummated.

7. Memorandum. At the option of Grantee, Grantor and Grantee shall execute a memorandum briefly outlining the existence of this Agreement, an original copy of which shall be delivered to Grantee for filing in such place of records as Grantee shall determine.



8. Specific Performance. Grantor acknowledges and agrees that, due to the unique nature of the subject matter of this Agreement, Grantee (and its successors and assigns) would suffer irreparable damages in the event of a breach of this Agreement, which damages could not adequately be compensated except by specific performance of this Agreement. Accordingly, without limiting any other remedy that may be available to Grantee (or its successors and assigns) at law or equity, in the event of a breach by Grantor of this Agreement, it is agreed that Grantee (or its successors and assigns) shall be entitled to temporary and permanent injunctive relief and/or specific performance hereof without any showing of actual damage or inadequacy of legal remedy, in any proceeding which may be brought to enforce this Agreement. Grantor hereby waives any defense that there is an adequate remedy at law for such breach of this Agreement.

9. Confidentiality. Grantor and Grantee agree to keep confidential and to cause their respective employees, counsel, accountants and other representatives to keep confidential, the term and provisions of this Agreement as well as all documents and other information and data, whether written or oral, relating to any of the other parties hereto, furnished by any other party hereto or such party's representatives. Nothing contained herein shall prevent any party from disclosing the terms and provisions of this Agreement or delivering any documents, or disclosing other information or data relating to any other party (a) in connection with any legal proceedings to which it is a party (or otherwise pursuant to a subpoena) or pursuant to the request of a court or governmental authority or otherwise to the extent required by law, (b) to such party's consultants, advisors, counsel, accountants, lenders and potential lenders, and investors or partners or potential investors or partners, (c) by Grantee to any assignee or potential assignee and such assignee or potential assignee's consultants, advisors, counsel, accountants, lenders and potential lenders and investors and potential investors or partners; and (d) in connection with any filings with the FCC or pursuant to Section 7 hereof.

10. Other Agreements.

(a) So long as the Asset Option may be exercised hereunder, Grantor shall not, and shall not permit any of its affiliates to, directly or indirectly (i) solicit or encourage inquiries or offers from, or initiate or engage in negotiations or substantive discussions with, any person or entity other than Grantee (or its successors or assigns) with respect to the sale, exchange, transfer or disposition of all or part of the assets of Grantor; or (ii) afford access to the books, records or properties of Grantor relating to the assets (or any portion thereof) of Grantor to any person or entity other than Grantee (or its successors or assigns) that may be considering any commercial arrangement involving the sale, exchange, transfer or other disposition of the assets (or any portion thereof) of Grantor.

(b) Grantor shall from and after the Purchase Agreement Closing until the earlier of the expiration of the Asset Option or the consummation of the Asset Purchase Agreement, cause the business of the Station to be conducted in the ordinary and usual course, consistent with past practice and in accordance with the covenants and agreements set forth in the Credit Agreement, the Interim Operating Agreement dated March 11, 1996, as amended November 1, 1996, September 26, 1997 and February \_\_, 1999 (as amended, the "Operating Agreement") and Section 7 of the Asset Purchase Agreement and Grantor shall not take any other action that would hinder, delay or impair the exercise by Grantee (or its successors and assigns) of the Asset Option or the purchase of the assets of Grantor pursuant to the Asset Purchase Agreement. In particular, without limiting the generality of the foregoing, Grantor shall not sell, transfer or encumber all or part of any of its assets.

11. Expenses. Whether or not the transactions contemplated hereby are consummated, except as otherwise expressly provided herein, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby will be paid by the party incurring such costs and expenses.

12. Further Assurances. Subject to the terms and conditions of this Agreement, each of the parties hereto will use all commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement.

13. Amendment and Modification. This Agreement may be amended, modified or supplemented only by written agreement of Grantor and Grantee.

14. Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 14.

15. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally, by FedEx or other comparable nationally recognized courier service, by facsimile transmission (telephonically confirmed) or mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following addresses (or at such other address for a party as shall be specified by like notice; provided that notices of a change of address shall be effective only upon receipt thereof):

To Grantor: Palm Television, L.P.  
c/o Weiss, Yess & Co., P.C.  
940 West Port Plaza  
Suite 210  
St. Louis, MO 63146  
Attention: Gregory P. Filandrinos  
Telephone: (314) 453-9696  
Facsimile: (314) 453-0289

Copies to: Art Weiss  
Weiss, Yess & Co., P.C.  
940 West Port Plaza  
Suite 210  
St. Louis, MO 63146  
Telephone: (314) 453-9696  
Facsimile: (314) 453-0289

To Grantee: Peak Media of Pennsylvania, LLC  
34 West Brantmoor Park  
Clayton, Missouri 63105  
Attention: Mr. Larry Marcus  
Telephone: (314) 727-6670  
Facsimile: (314) 727-6680

Copies to: Kevin F. Reed, Esq.  
Dow, Lohnes & Albertson, PLLC  
1200 New Hampshire Ave., N.W.  
Suite 800  
Washington, D.C. 20036  
Telephone: (202) 776-2693  
Facsimile: (202) 776-2222

16. Assignment. This Agreement and all of the provision hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, provided, that neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by Grantor without the prior written consent of Grantee.

The parties agree as follows:

(a) Without the consent of Grantor, Grantee may assign all or portion of its rights and obligations under this Agreement to any other party or parties. To the extent this Agreement is assigned by Grantee in its entirety, upon such assignment Grantee shall have no

further obligations under this Agreement and Grantor's only recourse under this Agreement shall be against such assignee of Grantee. Grantee shall also have the right to assign its rights hereunder to its lenders for security purposes.

(b) Except as expressly provided herein, this Agreement is not intended to, and shall not, confer upon any other person except the parties hereto any rights or remedies hereunder.

17. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF MISSOURI (BUT NOT THE LAWS PERTAINING TO CHOICE OF LAW) AS TO ALL MATTERS, INCLUDING BUT NOT LIMITED TO MATTERS OF VALIDITY, CONSTRUCTION, EFFECT, PERFORMANCE AND REMEDIES.

18. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

19. Headings. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement.

20. Entire Agreement. This Agreement, including the Exhibit hereto, and any documents delivered pursuant hereto or thereto embody the entire agreement and understanding of the parties hereto in respect of the transactions contemplated by this Agreement. The Exhibit hereto is an integral part of this Agreement and is incorporated by reference herein. This Agreement supersedes all prior negotiations, agreements and understandings between the parties with respect to the transactions contemplated by this Agreement and all letters of intent and other writings executed prior to the date hereof relating to such negotiations, agreements and understandings.

21. Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law. Upon such determination that any term or other provision is invalid or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the greatest extent possible.

22. Press Releases. No press releases or other public announcements concerning this Agreement or the transactions contemplated hereby shall be made by any party

hereto without the prior written consent of the other party unless the first such party is legally compelled to do so.

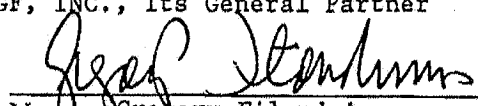
23. Control of the Station. Prior to the closing of the transactions contemplated by the Asset Purchase Agreement, Grantee shall not, directly or indirectly, control, supervise, direct, or attempt to control, supervise or direct, the operations of the Station; such operations, including complete control and supervision of all of the Station programs, employees, and policies, shall be the sole responsibility of Grantor from the Purchase Agreement Closing until the closing of the transactions contemplated by the Asset Purchase Agreement, subject to the terms of the Operating Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

PALM TELEVISION, L.P.

By: GF, INC., Its General Partner

By:

  
Name: Gregory Filandrinos

Title: President

PEAK MEDIA OF PENNSYLVANIA, L.L.C.

By:

\_\_\_\_\_  
Name:

Title:

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

PALM TELEVISION, L.P.

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

PEAK MEDIA OF PENNSYLVANIA, L.L.C.

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

Name: Larry D. Marcus

Title: President/Secretary of Peak Media L.L.C.,  
Manager of Peak Media Holdings LLC, Manager  
of Peak Media of Pennsylvania LLC

EXHIBIT A

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

PALM TELEVISION, L.P.

AND

PEAK MEDIA OF PENNSYLVANIA, LLC

\_\_\_\_\_



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EXHIBIT A

ASSET PURCHASE AGREEMENT

THIS AGREEMENT, made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_  
by and between PALM TELEVISION, L.P., a Delaware limited partnership ("Seller"), and  
PEAK MEDIA OF PENNSYLVANIA, LLC, a Delaware limited liability company ("Buyer").

WITNESSETH:

WHEREAS, Seller is the licensee of and owns television station WATM-TV, Altoona,  
Pennsylvania (the "Station");

WHEREAS, Buyer currently provides programming to the Station pursuant to an Interim  
Operating Agreement, dated as of March 11, 1996, as amended as of November 1, 1996,  
September 26, 1997 and February \_\_, 1999 (as amended, the "Operating Agreement");

WHEREAS, Seller desires to sell, and Buyer desires to purchase, all of the tangible and  
intangible personal property of Seller used or useful in connection with the business or  
operations of the Station; and

WHEREAS, Buyer desires to obtain, and Seller is willing to allow Buyer to obtain, the  
assignment of the authorizations issued by the Federal Communications Commission (the  
"Commission") for the operation of the Station and any other licenses, permits or authorizations  
issued by any governmental or regulatory agency in connection with the operation of the Station;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants,  
warranties and agreements between the parties contained herein, the receipt and sufficiency of  
which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. Assets to Be Conveyed. On the "Closing Date", as defined in Section 14  
hereof, Seller will assign, transfer, sell, convey and deliver to Buyer all of Seller's rights, title  
and interest in and to all of the tangible and intangible property used or useful in connection with  
the Station, including without limitations, the following:

(a) All licenses, permits and authorizations issued by the Commission and  
any other governmental or regulatory agency in connection with the operation of the Station (the  
"Licenses");

(b) All of the tangible personal property used or useful in connection with the  
Station, including, without limitation, all equipment, machinery, fixtures, furniture, leasehold

improvements, vehicles, transmitters, receivers, transformers, antennas, tower, equipment, records and tapes;

(c) All of the intangible personal property used or useful in connection with the Station, including the call letters and the goodwill of the Station;

(d) All real property interests used or useful in connection with the Station;

(e) The Primary Television Affiliation Agreement, dated January 28, 1997, between Seller (as assignee of Evergreen License Corp.) and American Broadcasting Companies, Inc. and any other agreements or contracts relating to the Station that Buyer elects to assume (the "Contracts"); and

(f) All business and governmental records (except corporate records and tax returns of Seller) and Commission files relating to the operation of the Station, provided, that Buyer and Seller shall each have full access after the Closing to such records held by the other party relating to the operation of the Station for the purpose of bookkeeping, tax preparation, accounting procedures and for such other purposes as may be reasonably necessary or proper.

The foregoing licenses, authorizations, tangible and intangible personal property, real property interests, contracts and agreements ("Station Assets") are to be assigned, transferred and conveyed to Buyer, by good and sufficient bill of sale and/or other documents of transfer, free and clear of all liens, charges, encumbrances, debts, liabilities and obligations whatsoever.

Notwithstanding the foregoing, there shall be excluded from the assets transferred by Seller to Buyer hereunder corporate records and tax returns of Seller, Seller's cash and bank accounts and subject to the Operating Agreement, accounts receivable of Seller relating to the Station for the period prior to the Closing Date.

Section 2. Purchase Price. The purchase price to be paid by Buyer to Seller for the Station Assets, on the Closing Date, shall be equal to the principal amount outstanding under the Credit Agreement (the "Credit Agreement"), dated as of December \_\_, 1998, by and among Seller, Société Générale, as Agent, and the lenders named therein, together with all accrued and unpaid interest thereon. Such purchase price shall be used by Seller to repay to the lenders the principal amount outstanding under the Credit Agreement together with all accrued and unpaid interest thereon and at Buyer's option, Buyer shall have the right to pay directly to the lenders under the Credit Agreement the amount outstanding thereunder and such direct payment by Buyer to the lenders shall be deemed in full satisfaction of Buyer's obligation hereunder to pay the purchase price.

Section 3. Assumption of Liabilities. Upon the sale and purchase of the Station Assets, Buyer shall assume Seller's obligations associated with the Station to be performed after

12:01 AM on the Closing Date under, and as set forth in, the Contracts and the Licenses. Buyer is not agreeing to, and shall not, assume any other liability, obligation, undertaking, expense or agreement of Seller of any kind, absolute or contingent, known or unknown, and the execution, delivery and performance of this Agreement shall not render Buyer liable for any such liability, obligation, undertaking, expense or agreement.

Section 4. Representations, Covenants and Warranties of Seller. Seller represents, warrants, and covenants:

(a) That Seller is now and as of the Closing Date will be a limited partnership duly organized, validly existing and in good standing under the laws of Delaware and is now and as of the Closing Date will be duly qualified as a foreign limited partnership and in good standing in the State of Pennsylvania.

(b) That Seller is now and as of the Closing Date will be the valid holder in good standing of all of the Licenses necessary to operate the Station as operated on the date hereof.

(c) That the Station is in material compliance with all applicable laws, rules and regulations.

(d) That Seller does not know of, or have any reasonable grounds to know of any:

(i) Litigation or proceeding pending or threatened against or relating to Seller or the Station or their respective properties or business.

(ii) Basis for any current or prospective governmental investigation or action relative to Seller or the Station or their respective properties or business.

(e) That Seller does not know of any facts which would cause the Commission to deny its consent to the assignment of the Licenses to Buyer, except that Seller makes no representation regarding any necessary waiver of the Commission's television duopoly rule, 47 C.F.R. §73.3555(b).

(f) That Seller is entitled and authorized to own and operate the Station and to carry on its business in the manner and in the place where the Station is owned and operated and the business is now conducted.

(g) That Seller has the power and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby and to take all other actions required to be taken by Seller pursuant to the provisions of this Agreement, and neither the

execution of this Agreement nor the consummation of the transactions contemplated by it will violate or constitute a default on the part of Seller under any contract or agreement to which Seller is a party or by which Seller is bound or under any law, statute, rule, regulation, decree or order of any court or governmental agency or authority. That this Agreement constitutes the legal, valid and binding obligation of Seller, enforceable in accordance with its terms.

(h) That no consent or approval of any other person or entity which has not been obtained by Seller is required before Seller may execute, deliver and perform its obligations under this Agreement, with the exception of the Commission and consents under any Contracts requiring consent to assignment and Seller shall use all commercially reasonable efforts to obtain such consents.

(i) That Seller has not caused or allowed any chemical, toxic, radioactive or other hazardous waste or material to be brought or stored upon any of the real property or other assets of the Station.

(j) That Seller has good, valid and marketable title to all of the Station Assets, free and clear of all liens, charges, encumbrances, debts, liabilities and obligations of any nature whatsoever, except for liens under the Credit Agreement which shall be removed at or prior to Closing and that the Station Assets are in good order and repair and are used in material compliance with all state and federal laws and regulations.

(k) That the Station Assets are adequately covered by insurance against fire, theft and other casualty.

(l) That Seller has filed all returns and all other reports of taxes due or information required for all federal, state and local income, franchise, business, sales and use taxes, and all returns or reports, when filed, were accurate and complete, and all taxes which should have been paid have been paid.

Section 5. Representations, Warranties and Covenants of Buyer. Buyer represents, warrants and covenants:

(a) That Buyer is and as of the Closing Date will be a limited liability company duly organized, validly existing and in good standing under the laws of its State of organization.

(b) That this Agreement constitutes the legal, valid and binding obligation of Buyer, enforceable in accordance with its terms.

(c) That except for the necessity of a waiver of the Commission's television duopoly rule, 47 C.F.R. §73.3555(b) because of Buyer ownership of WWCP(TV), Buyer does

not know of any facts which would disqualify it under the Communications Act of 1934, as amended, from owning or operating the Station or which would cause the Commission to deny its consent to the assignment of the Station to Buyer.

(d) That Buyer will reasonably cooperate with Seller in securing any necessary consents to the assignment of any Contracts of Seller to Buyer, including timely completing any applications required by third parties such as credit reports and financial statements, etc.

Section 6. Expenses. The expenses involved in the preparation and consummation of this Agreement shall be borne by the party incurring the same; except that the filing fee for the Commission consent and all transfer and sales taxes resulting from the sale of the Station Assets to Buyer shall be borne by Buyer.

Section 7. Obligations of the Parties Before Closing. From and after the date of this Agreement and until the Closing Date:

(a) Seller shall conduct the business of the Station in the normal course and in accordance with the Operating Agreement.

(b) Seller shall not sell, lease, dispose of or encumber any Station Assets.

(c) Seller shall operate the Station in all material respects in accordance with all laws, rules and regulations applicable to it, including the regulations of the Commission.

(d) Seller shall not cause or permit, by any act or failure to act, any of the Licenses to expire or to be revoked, suspended or adversely modified, and Seller shall not take any action that could cause the Commission or any other governmental authority to institute proceedings for the suspension, revocation or adverse modification of any of the Licenses. Seller shall prosecute with due diligence all applications to any governmental authority in connection with the operation of the Station.

(e) Seller shall maintain the Station Assets in good working condition (wear and tear excepted).

(f) Seller shall not amend or waive any material rights under the Contracts or enter into any agreement that will be binding on Buyer after the Closing.

(g) Seller shall provide to Buyer, promptly upon receipt thereof by Seller, a copy of (i) any notice from the Commission or any other governmental authority of the revocation, suspension, or limitation of the rights under, or of any proceeding for the revocation, suspension, or limitation of the rights or that such authority may in the future (as the result of

failure to comply with laws or regulations or for any other reason) revoke, suspend, or limit the rights under any License, or any other license or permit held by Seller respecting the Station, and (ii) copies of all protests, complaints, challenges or other documents filed with the Commission by third parties concerning the Station, and promptly upon the filing or making thereof, copies of Seller's responses to such filings.

(h) Seller shall notify Buyer in writing immediately upon learning of the institution or threat of any material action against Seller in any court, or any action against Seller before the Commission or any other governmental agency, and notify Buyer in writing promptly upon receipt of any administrative or court order relating to the Station Assets or the business of Seller.

Section 8. Contingency of Obligations of Buyer. All obligations of Buyer under this Agreement are subject to the fulfillment prior to or at the Closing Date of each of the following conditions, any of which Buyer may waive in writing:

(a) The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of the Closing Date.

(b) Seller shall have materially performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at the Closing.

(c) The Commission shall have granted its approval of the assignment of the Station's licenses and authorizations to Buyer and such approval shall have become a Final Order (as defined herein) and any necessary waiver required under the terms of C.F.R. §73.3555(b) shall have been obtained without any adverse conditions to Buyer and shall have become a Final Order.

(d) Seller shall have delivered to Buyer an opinion from its counsel, dated as of the Closing Date to the following effect:

(i) Seller is a limited partnership validly existing and in good standing under the laws of the State of Delaware and is qualified to conduct business and is in good standing in Pennsylvania;

(ii) Seller has the power to execute, deliver and perform this Agreement and the agreements to be executed pursuant hereto and the execution, delivery and performance of this Agreement and any agreements executed pursuant hereto have been duly authorized;

(iii) There are no actions, suits or proceedings before any Court or administrative agency pending or threatened against or affecting Seller or the Station Assets; and

(iv) This Agreement and the agreements executed pursuant hereto constitute the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, subject to customary bankruptcy and similar limitations and limitations on the availability of equitable remedies.

(e) Seller shall deliver to Buyer:

(i) One or more bills of sale, assignments or deeds conveying to Buyer good and marketable title to all of the Station Assets free and clear of all liens, security interests, restrictions and other encumbrances;

(ii) All consents necessary to assign the Contracts to Buyer;

(iii) A certificate dated as of the Closing Date executed by Seller certifying that the conditions of closing set forth in Sections 8(a) and (b) have been satisfied; and

(iv) Such other documents that Buyer or its lenders may reasonably request in connection with the consummation of the transactions contemplated by this Agreement.

Section 9. Contingency of Obligations of Seller. All obligations of Seller under this Agreement are subject to the fulfillment prior to or at the Closing of each of the following conditions, any of which Seller may waive in writing:

(a) The representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made at and as of the Closing Date.

(b) Buyer shall have materially performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing Date.

(c) The Commission shall have granted its approval of the assignment of the Station's Licenses to Buyer.

(d) Buyer shall have delivered to Seller an opinion from its counsel, dated as of the Closing Date to the following effect:



(i) Buyer is a limited liability company validly existing and in good standing under its State of organization;

(ii) All limited liability company actions to be taken by or on the part of Buyer to authorize it to carry out and perform this Agreement and the transactions contemplated hereby have been duly and properly taken; and

(iii) This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, subject to customary bankruptcy and similar limitations and limitations on the availability of equitable remedies.

(e) Buyer shall have delivered to Seller:

(i) The Purchase Price;

(ii) An assumption agreement pursuant to which Buyer shall assume Seller's obligations under the Contracts to the extent they arise on and after the Closing Date;

(iii) A certificate dated as of the Closing Date, executed by Buyer certifying that the conditions of closing set forth in Sections 9(a) and (b) have been satisfied; and

(iv) Such other documents that Seller may reasonably request in connection with the consummation of the transactions contemplated by this Agreement.

Unless otherwise provided in this Agreement, all instruments and documents delivered shall be dated the Closing Date and shall be reasonably satisfactory as to form and content to each party and its respective counsel.

Section 10. Application to Commission. Seller and Buyer shall cooperate in the prompt preparation and filing, within seven (7) days from the date of this Agreement, of an application with the Commission requesting its consent to the assignment of the Licenses issued by the Commission for the Station (the "Commission Licenses") from Seller to Buyer (or to such other entity as designated by Buyer). The parties shall thereafter prosecute the Commission application with all reasonable diligence and otherwise use their commercially reasonable efforts to obtain the grants of such application as expeditiously as practicable (but no party shall have any obligation to take any unreasonable steps to satisfy complainants, if any, which steps would substantially impair or diminish rights under the Commission Licenses or otherwise impose an unreasonable burden on a party). If the Commission consent imposes any condition on any party

hereto, such party shall use its commercially reasonable efforts to comply with such condition unless compliance would be unduly burdensome or would have a material adverse effect upon Buyer, or materially adversely affect its constituent members, or any of its subsidiaries, as appropriate. If reconsideration, review or judicial review is sought with respect to the Commission consent, Buyer and Seller shall oppose such efforts for reconsideration, review or judicial review vigorously. If the Closing shall not have occurred for any reason within the original effective period of the Commission consent, and if none of the parties hereto are in breach or default of its obligations, representations, warranties and covenants or duties hereunder, the parties shall jointly request an extension of the effective period of the Commission consent. Notwithstanding any of the foregoing, if the Commission consent imposes any condition that would adversely change (other than a change in reporting requirements that is not unduly burdensome) or limit the operations of the Station or of WWCP(TV) after the Closing or require a divestiture of WWCP(TV) by Buyer after the Closing, Buyer may, at its option, terminate this Agreement without any liability or obligation to Seller.

Section 11. Commission Approval. If the Commission has failed to grant its approval of the assignment of the Commission Licenses from Seller to Buyer within a period of sixty (60) months from the date of filing of the applications described herein, either Seller or Buyer may thereafter terminate this Agreement by giving written notice to the other; provided, however, that the party desiring to terminate shall not then be in material breach of this Agreement.

Section 12. Remedies of Parties Upon Default. If Seller defaults in the performance of its obligations under this Agreement to complete the sale to Buyer as herein set forth, and Buyer shall not be in material breach hereof, Buyer may terminate this Agreement upon notice in writing to Seller and/or shall be entitled to bring an action for damages or specific performance or both. If Buyer defaults in the performance of its obligations under this Agreement to complete the purchase from Seller as herein set forth, and Seller shall not be in material breach hereof, Seller may terminate this Agreement upon notice in writing to Buyer and/or Seller shall be entitled to bring an action for damages or specific performance or both. Neither Buyer, on the one hand, nor Seller, on the other hand, may rely on the failure of any condition precedent set forth herein to be satisfied if such failure was caused by such party's failure to act in good faith, or a breach of or failure to perform its representations, warranties, covenants or other obligations in accordance with the terms hereof.

Section 13. Damage to Seller's Properties. In the event of any material damage to the Station or any of the Station Assets by reason of fire or other casualty or incident occurring between the date hereof and the Closing Date, Seller shall give Buyer notice of such event. In such notice, Seller shall indicate its best estimate of the damages, and the length of time required for restoration. Seller shall take all reasonable steps to repair, replace and restore such property as soon as possible after the loss, and in addition, shall apply any insurance proceeds received because of such loss to such restoration. In the event such damage is not fully repaired or restored prior to Closing or if the regular broadcast signal of the Station is diminished in any

material respect for a period of 72 continuous hours or more at any time prior to the Closing Date, Buyer may terminate this Agreement or postpone the Closing Date for a period of up to 180 days.

Section 14. Closing. The Closing Date, as used throughout this Agreement, shall take place (subject to the provisions of this Agreement deferring or permitting the postponement of the Closing) within ten (10) days after the later of (i) consent of the Commission to the assignment of the Commission Licenses shall have been granted and shall have become a Final Order, and (ii) grant by the Commission of any necessary waiver under 47 C.F.R. §73.3555(b) shall have been obtained and such grant shall have become a Final Order, such date and the place thereof to be selected by Buyer. The parties hereto recognize that Buyer shall have the right to waive a Final Order hereunder. "Final Order" means an action or order by the Commission (a) that has not been reversed, stayed, enjoined, set aside, annulled or suspended, and (b) with respect to which (i) no requests have been filed for administrative or judicial review, reconsideration, appeal or stay and the Commission has not initiated a review of such action or order on its own motion and the periods provided by statute or Commission regulations for filing any such requests and for the Commission to set aside the action on its own motion have expired, or (ii) in the event of review, reconsideration or appeal, the period provided by statute or Commission regulations for further review, reconsideration or appeal has expired.

Section 15. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally, by FedEx or other comparable nationally recognized courier service (receipt requested), by facsimile transmission (confirmed by telephone) or mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following addresses (or at such other address for a party as shall be specified by like notice; provided that notices of a change of address shall be effective only upon receipt thereof):

To Seller: Palm Television, L.P.  
c/o Weiss, Yess & Co., P.C.  
940 West Port Plaza  
Suite 210  
St. Louis, MO 63146  
Attention: Gregory P. Filandrinos  
Telephone: (314) 453-9696  
Facsimile: (314) 453-0289

Copies to: Art Weiss  
Weiss, Yess & Co., P.C.  
940 West Port Plaza  
Suite 210  
St. Louis, MO 63146

may reasonably request in order to more effectively vest in Buyer good title to the Station Assets and to evidence the representations and warranties of Seller. From time to time after the Closing Date, without further consideration, Buyer will, at Buyer's expense, execute and deliver such documents to Seller as Seller may reasonably request in order to more effectively consummate the sale of the Station Assets pursuant to this Agreement.

Section 19. Amendment and Modification. This Agreement may be amended, modified or supplemented only by written agreement of Seller and Buyer.

Section 20. Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 20.

Section 21. Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, except that neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by Seller without the prior written consent of Buyer.

The parties agree as follows:

(a) Without the consent of Seller, Buyer may assign all or part of any of its rights and obligations under this Agreement to any other party. Furthermore, to the extent this Agreement is assigned in its entirety by Buyer in accordance with the terms of this Section 21 to a party that is not an affiliate of Buyer, upon such assignment Buyer shall have no further obligations under this Agreement and Seller's only recourse under this Agreement shall be against such assignee of Buyer. Buyer shall also have the right to assign its rights and obligations hereunder to its lenders for security purposes.

(b) Except as expressly provided herein, this Agreement is not intended to, and shall not, confer upon any other person except the parties hereto any rights or remedies hereunder.

Section 22. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF MISSOURI (BUT NOT THE LAWS PERTAINING TO CHOICE OF LAW) AS TO ALL MATTERS, INCLUDING BUT NOT LIMITED TO

MATTERS OF VALIDITY, CONSTRUCTION, EFFECT, PERFORMANCE AND REMEDIES.

Section 23. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 24. Headings. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement.

Section 25. Entire Agreement. This Agreement and the Option Agreement between the parties hereto embody the entire agreement and understanding of the parties hereto in respect of the transactions contemplated by this Agreement. This Agreement and such Option Agreement supersede all prior negotiations, agreements and understandings between the parties with respect to the transactions contemplated by this Agreement and all letters of intent and other writings executed prior to the date hereof relating to such negotiations, agreements and understandings.

Section 26. Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the greatest extent possible.

Section 27. Press Releases. No press releases or other public announcements concerning this Agreement or the transactions contemplated hereby shall be made by any party hereto without the prior written consent of the other party unless the first such party is legally compelled to do so.

Section 28. Control of the Stations. Prior to the Closing, Buyer shall not, directly or indirectly, control, supervise or direct, or attempt to control, supervise or direct, the operation of the Station; such operation, including complete control and supervision of all of the Station's programs, employees and policies, shall be the sole responsibility of Seller, subject to the terms of the Operating Agreement

November 12, 2010

Gregory Filandrinos  
Palm Broadcasting, LP  
3525 Del Mar Heights Rd Ste 851  
Del Mar, CA 92130

Dear Mr. Filandrinos:

As you know, Peak Media of Pennsylvania, LLC and Palm Television, L.P. are parties to (a) the Interim Operating Agreement dated March 11, 1996, as amended on November 1, 1996 by the Amendment to Interim Operating Agreement, further amended on September 26, 1997 by the Second Amendment to Interim Operating Agreement, and further amended on February 26, 1999 by the Assignment and Third Amendment to Interim Operating Agreement, and as further amended by that certain Fourth Amendment to Interim Operating Agreement dated as of May 4, 2006 (collectively, the "Operating Agreement"); and (b) the Option Agreement dated February 26, 1999 (the "Option Agreement").

Under the Operating Agreement, Palm Television, L.P. agreed to accept and transmit programming supplied by Peak Media of Pennsylvania, LLC on WATM-TV in accordance with the terms therein. This letter confirms the parties' agreement, for their mutual benefit and in exchange for other consideration, the receipt and sufficiency of which are hereby acknowledged, to extend the term of the Operating Agreement through December 31, 2015.

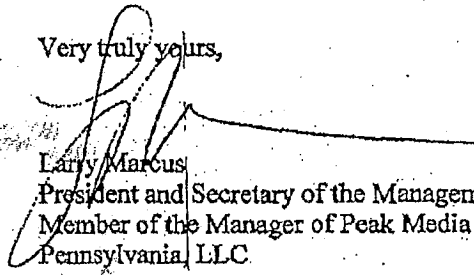
This letter also confirms the parties' agreement that, for their mutual benefit and in exchange for other consideration, the receipt and sufficiency of which are hereby acknowledged: (a) the exercise period for the Asset Option (as defined in the Option Agreement) in Option Agreement had been extended orally pursuant to negotiations among the parties until the date hereof; (b) effective as of the date hereof, the first sentence of Section 2 of the Option Agreement is amended as follows: "The Asset Option shall be exercisable by Grantee at any time beginning immediately upon the Purchase Agreement Closing and expiring on December 31, 2015." and (c) for the avoidance of doubt, for all purposes of the Option Agreement, the consideration payable for the Asset Option Property (as defined therein) to be paid at the closing of the Asset Option shall be the release of Palm Television, L.P. from all obligations under Peak Media of Pennsylvania, LLC's loan agreement and all other loan documentation as in effect at the time of such exercise.

This letter may be signed in counterparts. Except as expressly modified herein, the Operating Agreement and the Option Agreement shall continue to be, and shall remain, in full force and effect and the valid and binding obligation of the parties thereto in accordance with its terms. Each of the parties hereto hereby ratifies and confirms the each such agreement and hereby agrees to be bound by each such agreement, as amended, modified and supplemented by this letter.

[Remainder of Page Intentional Left Blank]

Please indicate your agreement to the foregoing by signing below and returning a signed copy to me.

Very truly yours,

  
Larry Marcus  
President and Secretary of the Management  
Member of the Manager of Peak Media of  
Pennsylvania LLC

ACCEPTED AND AGREED:

Palm Television, L.P.

By: GT, Inc., its General Partner

By: 

Name: Greg Filandrinos

Title: President

Date: November 12, 2010