

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: Gregory Filandrinos
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: Larcy 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.

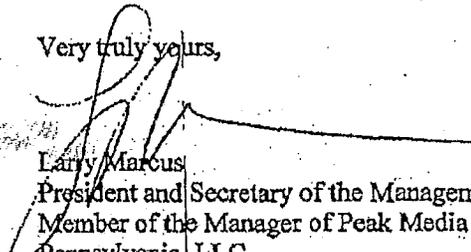
This letter also confirms the parties' agreement that, for their mutual benefit and in exchange for other consideration, the receipt and sufficiency of which are hereby acknowledged: (a) the exercise period for the Asset Option (as defined in the Option Agreement) in Option Agreement had been extended 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.

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

Very truly yours,

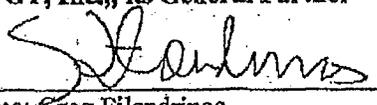


Larry Marcus
President and Secretary of the Management
Member of the Manager of Peak Media of
Pennsylvania, LLC

ACCEPTED AND AGREED:

Palm Television, L.P.

By: GT, Inc., its General Partner

By: 

Name: Greg Filandrinos

Title: President

Date: November 12, 2010