

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

by and among

MAX MEDIA OF MONTANA,

and

**MMM LICENSE LLC
(collectively, the "Seller")**

and

**DESTINY COMMUNICATIONS, LLC
(the "Buyer")**

and

**DESTINY LICENSES, LLC
(“License Sub”)**

Dated as of August 31, 2004

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1	DEFINITIONS 1
ARTICLE 2	PURCHASE AND SALE OF PROPERTIES AND ASSETS 5
2.1	Assets 5
2.2	Excluded Assets 8
2.4	Purchase Price, Payment, and Allocation 11
2.5	Adjustments 11
2.6	Closing 12
ARTICLE 3	REPRESENTATIONS AND WARRANTIES OF THE SELLERS 12
3.1	Corporate Status 13
3.2	No Options 13
3.3	Entity Action 13
3.4	No Defaults 13
3.5	Contracts, Leases, Agreements and Other Commitments 13
3.6	Breach 14
3.7	Financial Information 14
3.8	Liabilities 14
3.9	Taxes 15
3.10	Licenses 15
3.11	Additional FCC Matters 15
3.12	Owned Real Property 16
3.13	Business Operations 16
3.14	Approvals and Consents 17
3.15	Condition of Assets 17
3.16	Leased Real Property 18
3.17	Environmental Matters 18
3.18	Environmental Studies 19
3.19	Compliance with Law and Regulations 19
3.20	Insurance 19
3.21	Labor, Employment Contracts and Benefit Programs 19
3.22	Litigation 20
3.23	Intangible Property 20
3.24	Brokers 21
3.25	Conflicting Interests 21
3.26	Matters Arising After the Date of the Financial Statements 21
3.27	FAA Compliance 22
3.28	Coverage 22
3.29	Bankruptcy 22
3.30	Disclosure 22
ARTICLE 4	REPRESENTATIONS AND WARRANTIES OF THE BUYER 23
4.1	Qualification as a Broadcast Licensee 23
4.2	Status 23
4.3	No Defaults 23
4.4	Entity Action 24

4.5	Brokers.....	24
4.6	Disclosure	24
ARTICLE 5	COVENANTS OF THE SELLERS PENDING THE CLOSING	24
5.1	Operations of the Business	24
5.2	Prohibited Actions	25
5.3	No Distributions or Payments	26
5.4	Access to Facilities, Files and Records	26
5.5	Representations and Warranties	26
5.6	Consents.....	26
5.7	Notice of Proceedings.....	27
5.8	Consummation of Agreement	27
5.9	Application for FCC Consents	27
5.10	Title to Real Property.....	27
5.11	Publicity.....	27
5.12	Exclusivity	28
5.13	Confidentiality	28
5.14	Great Falls Studio Building.....	28
ARTICLE 6	COVENANTS OF THE BUYER PENDING THE CLOSING	29
6.1	Consummation of Agreement	29
6.2	Notice of Proceedings.....	29
6.3	Contracts Not to be Assumed.....	29
6.4	Confidentiality	29
6.5	Application for FCC Consents	30
ARTICLE 7	CONDITIONS TO THE OBLIGATIONS OF THE SELLERS.....	30
7.1	Representations, Warranties and Covenants	30
7.2	Proceedings.....	30
7.3	Deliveries	31
7.4	Authorizations.....	31
7.5	Other Consents.....	31
ARTICLE 8	CONDITIONS TO THE OBLIGATIONS OF THE BUYER.....	31
8.1	Representations, Warranties and Covenants	31
8.2	Proceedings.....	32
8.3	Liens Released.....	32
8.4	Deliveries	32
8.5	Other Consents.....	32
8.6	Revised Schedules	32
8.7	No Material Change in Business or Assets	32
8.8	Authorizations.....	32
ARTICLE 9	ITEMS TO BE DELIVERED AT THE CLOSING.....	33
9.1	Deliveries by the Sellers.	33
9.2	Deliveries by the Buyer	33
ARTICLE 10	SURVIVAL; INDEMNIFICATION	34
10.1	Survival.....	34
10.2	Basic Provision	34
10.3	Definition of Deficiencies.....	34
10.4	Procedures for Establishment of Deficiencies.....	36

10.5	Payment of Deficiencies	37
10.6	Limitation on Deficiencies	37
10.7	Sole Remedy.....	38
ARTICLE 11	MISCELLANEOUS.....	38
11.1	Termination of Agreement	38
11.2	Liabilities on Termination or Breach	39
11.3	Expenses	39
11.4	Remedies Cumulative.....	39
11.5	Preservation of Records.....	39
11.6	Non-Assignable Contracts.....	39
11.7	Further Assurances	40
11.8	Risk of Loss	40
11.9	Broadcast Transmission Interruption	40
11.10	Employees.....	41
11.11	Arbitration; Choice of Jurisdiction.....	41
ARTICLE 12	GENERAL PROVISIONS.....	42
12.1	Successors and Assigns	42
12.2	Amendments; Waivers	42
12.3	Notices	42
12.4	Captions	43
12.5	Governing Law	43
12.6	Entire Agreement.....	43
12.7	Execution: Counterparts and Facsimile.....	43
12.8	Gender and Tense	44
12.9	Third-Party Beneficiaries.....	44
12.10	No Party Deemed Drafter	44
Section 11.5	Severability.....	44

LIST OF SCHEDULES AND EXHIBITS

Schedules

2.1(a)	Tangible Personal Property
2.1(b)	Licenses and Authorizations
2.1(c)	Real Property
2.1(d)	Program License Agreements
2.1(f)	Other Contracts
2.1(g)	Intangible Property
2.1(i)	Affiliation Agreements
2.2(c)	Employee Personal Property
2.3(a)	Security Interests
2.3(e)	Trade Accounts
2.4(c)	Allocation of Purchase Price
3.6	Breach
3.7	Seller Financial Statements
3.8	Liabilities
3.10	Licenses
3.12	Liens
3.13	Business Operations
3.15(c)	Good Title
3.17	Environmental Matters
3.18	Environmental Studies
3.21	Labor, Employment Contracts and Benefit Programs
3.22	Litigation
3.25	Conflicting Interests
3.26	Matters Arising After the Date of Financial Statements
3.28	Coverage for Cable Station
5.1	Budget
5.6	Consents

Exhibits

A	[Reserved]
B	Subordinated Promissory Note
C	Nonsolicitation Agreement
D-1	[Reserved]
D-2	[Reserved]
E	[Reserved]
F	Security Agreement
G	Great Falls Lease

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (the "Agreement") is entered into as of August 31, 2004, by and among MAX MEDIA OF MONTANA LLC, a Virginia limited liability company ("Max Media") and MMM LICENSE LLC, a Virginia limited liability company ("MMM License" and collectively with Max Media, the "Seller"), DESTINY COMMUNICATIONS, LLC a Delaware limited liability company (the "Company"), and DESTINY LICENSES, LLC, a Delaware limited liability company ("License Sub" and collectively with the Company, the "Buyer").

RECITALS

A. The Seller is the licensee of television broadcast Station KTGF(TV) and KTGF-DT licensed to Great Falls, Montana (collectively, the "Station"). The Seller operates the Station pursuant to certain licenses, franchises, authorizations and approvals, including associated broadcast auxiliary authorizations issued by the Federal Communications Commission ("FCC").

B. The Seller desires to sell, assign and transfer to the Buyer the Station, the Authorizations, and all of the assets used in the operations of the Station and described in more detail below, and the Buyer desires to purchase from the Seller the Station, the Authorizations and all of the assets used in the operations of the Station and described in more detail below, all under the terms and conditions described herein. The parties acknowledge that the Authorizations will be transferred to License Sub and all other assets will be transferred to the Company.

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

ARTICLE 1 DEFINITIONS

"Affiliate" of any Person means (a) any Person that owns or controls, is owned or controlled by, or under common control with, such Person or (b) any member of the immediate family of the specified Person.

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

"Assets" has the meaning set forth in Section 2.1.

"Assumed Employees" has the meaning set forth in Section 11.10.

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

"Authorizations" has the meaning set forth in Section 3.10.

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

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

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

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

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

“Consents” has the meaning set forth in Section 3.14.

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

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

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

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

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

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

“Effective Time” has the meaning set forth in Section 2.5(a).

“Election” has the meaning set forth in Section 5.9(c).

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

“Environmental Laws” means any and all federal, state or local laws (including common law), rules, orders, regulations, statutes, ordinances, codes, guidelines properly enforced by governmental authorities, administrative orders, or requirements of any governmental authority regulating or imposing standards of liability, standards of conduct or standards of remediation with respect to protection of public health or environmental media (including without limitation soil, surface water, ground water, stream sediments or air), including, without limitation, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Hazardous Materials Transportation Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Clean Water Act, the Safe Drinking Water Act, the Clean Air Act, and applicable state analogues, all as in effect on the date hereof and as amended.

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

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

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

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

“FCC Applications” has the meaning set forth in Section 5.9(a).

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

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

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

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

“Great Falls Lease” has the meaning set forth in Section 5.14.

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

“Governing Documents” has the meaning set forth in Section 3.4.

“Hazardous Materials” means any materials regulated as hazardous or toxic under applicable Environmental Laws, including, without limitation, petroleum, petroleum products, fuel oil, crude oil or any fraction thereof, derivatives or byproducts of petroleum products or fuel oil, natural gas, natural gas liquids, liquefied natural gas, synthetic natural gas useable for fuel, hazardous substances, toxic substances, polychlorinated biphenyls, medical waste, biomedical waste or infectious materials.

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

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

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

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

“IRS” means the Internal Revenue Service.

“Knowledge” means (i) with respect to the Seller, the actual knowledge of Linda Gray, David Wilhelm, Gene Loving and John Trinder or any successor to their positions before Closing, and (ii) with respect to Buyer, the actual knowledge of Darnell Washington or any successor to his position before Closing.

“KTGF Studio Building and Land” has the meaning set forth in Section 2.2(n)

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

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

“LMA” has the meaning set forth in Section 2.8.

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

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

“NBC” means NBC Television Network.

“NBC Affiliation Agreement” means that certain Affiliation Agreement between NBC and Buyer dated April 5, 1996, as amended.

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

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

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

“PBGC” means the Pension Benefit Guaranty Corporation.

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

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

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

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

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

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

“Receivables” has the meaning set forth in Section 2.1(o).

“Release” means any release, spill, leak, emission, discharge, deposit, pumping, pouring, emptying, discharging, injecting, escaping, leaching, disposing or dumping of Hazardous Materials.

“Representatives” has the meaning set forth in Section 5.12.

“Reportable Event” has the meaning set forth in ERISA §4043.

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

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

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

“Station Benefit Plan” has the meaning set forth in Section 3.21(d).

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

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

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

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

“Taxes” has the meaning set forth in Section 3.9(a).

“Third Party Assignee” has the meaning set forth in Section 5.9(b).

“Third Party Assignment” has the meaning set forth in Section 5.9(b).

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

“Transaction” has the meaning set forth in Section 5.12(a).

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

ARTICLE 2 PURCHASE AND SALE OF PROPERTIES AND ASSETS

2.1 Assets. The Seller agrees to sell and the Buyer agrees to purchase all properties and assets, real, personal and mixed, tangible and intangible, of every type and description, wherever located (except for Excluded Assets) that are owned or leased by the Seller

and used exclusively or held exclusively for use by the Station, including, without limitation, the property and assets (except the Excluded Assets) that are acquired between the date hereof and the Closing Date and are exclusively used in the operations of the Station (collectively, the "Assets"). Without limiting the foregoing, the Assets shall include the following, except to the extent that any of the following are included within the Excluded Assets:

(a) Tangible Personal Property. All equipment, transmitters, electrical devices, antennae, cables, tower equipment, distribution systems, amplifiers, microwave equipment, converters, testing equipment, computers and computer equipment, furniture, fixtures, office materials and supplies, hardware, tools, spare parts, vehicles, towers, software, prize inventory and other tangible personal property owned or leased by the Seller and exclusively used in the operation of the Station, on the date hereof, including, without limitation the tangible personal property described on attached Schedule 2.1(a), together with any additions, modifications, alterations or improvements between the date of this Agreement and the Closing Date (collectively, the "Tangible Personal Property").

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

(c) Real Property. Not including the KTGF Studio Building and Land, all real property and any interests therein, including, without limitation, land, easements, air rights, rights of way and fee ownership, buildings, towers, guy wires, anchors, structures, fixtures and improvements owned by the Seller (the "Owned Real Property") exclusively used by the Seller for the operation of the Station and listed on Schedule 2.1(c) and the Seller's interest in the leases, licenses, leased rights of way and other interests of every kind and description in and to all of the real property, towers, buildings and improvements thereon, leased or licensed by the Seller (the "Leased Real Property") as of the date hereof, including, without limitation, those listed on Schedule 2.1(c) and any additions, improvements and alterations thereto made between the date of this Agreement and the Closing Date (the Owned Real Property and the Leased Real Property, collectively, the "Real Property").

(d) Program License Agreements. All program license agreements and rights to broadcast programs and films, whether for cash or barter (the "Program License Agreements"), held by the Seller used in programming the Station as of the date hereof, including, without limitation, those listed on Schedule 2.1(d), together with all Program License Agreements that are entered into in the Ordinary Course of Business of the Station between the date of this Agreement and the Closing Date, except those entered into after the execution of this Agreement which require the consent of the Buyer to be added to the schedules and which the Buyer elects not to assume pursuant to Section 6.3; *provided, however*, the Buyer is under no obligation to assume any liability under any Program License Agreement existing as of the date of this Agreement that is not listed and described on Schedule 2.1(d).

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

(f) Other Contracts. All Contracts (other than Program License Agreements, Contracts described in Section 2.3(e) and Affiliation Agreements) used exclusively in connection with the business and operations of the Station, together with all such Contracts (other than Program License Agreements, Contracts described in Section 2.3(e) and Affiliation Agreements) that are entered into in the Ordinary Course of Business of the Station between the date of this Agreement and the Closing Date, except those entered into after the execution of this Agreement which require the consent of the Buyer to be added to the schedules and which the Buyer elects not to assume pursuant to Section 6.3; *provided, however*, the Buyer is under no obligation to assume any liability under any Contract existing as of the date of this Agreement which is not listed or referenced on Schedule 2.1(f). Schedules 2.1(d), 2.1(f) and 2.1(i) are collectively referred to as the "Contract Schedules."

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

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

(i) Network Affiliation Agreements. Any and all of the Station's network affiliation agreements, including, but not limited to, the current NBC Affiliation Agreement (the "Affiliation Agreement"), true copies of which with all amendments are attached to Schedule 2.1(i), subject to the Seller's obtaining the required consent by NBC to the assignment of the Affiliation Agreement to Buyer.

(j) Files and Records. All files and other records of the Seller relating to the Station and the Assets (other than duplicate copies of such files, hereinafter "Duplicate Records") including, without limitation, all books, files, correspondence, studies, reports, projections, schematics, blueprints, engineering data, customer lists, reports, specifications, signal and program carriage, projections, statistics, creative materials, mats, plates, negatives and other advertising, marketing or related materials, dealings with governmental authorities (including all reports filed by or on behalf of the Seller with the FCC and statements of account filed by or on

behalf of the Seller with the U.S. Copyright Office) and all other business, technical and financial information regardless of the media on which stored.

(k) Claims. Subject to Section 2.2(k), any and all of the Seller's claims and rights against third parties who are not Affiliates of the Seller's, including, without limitation, all Seller's rights under manufacturers' and vendors' warranties, and all deposits, refunds, rights to recovery and rights of setoff and recoupment related to the Assets.

(l) Prepaid Items. Except as set forth in Section 2.2(m), all prepaid expenses and prepaid *ad valorem* taxes (which shall be prorated, if applicable, as provided in Section 2.6) and rent, utility and other deposits held by third parties.

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

(n) Franchises, Permits. All franchises, approvals, licenses, orders, registrations, certificates, variances and similar rights obtained from governments and governmental agencies.

(o) Receivables. All receivables of the Seller related to the Station accrued through the Effective Time (the "Receivables").

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

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

(b) Limited Liability Company Records. The minute books, member lists, limited liability company agreement and similar limited liability company records of the Seller.

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

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

(e) Tax Returns. All income and franchise tax returns and supporting schedules.

(f) Rights under this Agreement. All rights of the Seller under this Agreement.

(g) Intangible Property. All Intangible Property not used or held for use by the Seller in the operations of the Station.

(h) Contracts. All rights and interests of the Seller under the Contracts that are not assumed by the Buyer including those related to the Station set forth on Schedule 2.2(h).

(i) Certain Tax Claims. All rights and interests (a) in, to or under any tax sharing agreement or arrangements and (b) in and to any claims or causes of action (including any cross-claims or counter-claims) relating to any Taxes (including any deposits, rebates, credits or other Tax benefits)

(j) Rights in Respect of Excluded Liabilities. All guarantees, warranties, indemnities and rights, claims and causes of action against any Person that would entitle the Seller to recompense in respect of any Excluded Liability, except to the extent such guarantees, warranties, indemnities, rights, claims and causes of action would entitle the Buyer to recompense, whether in whole or in part, for any Assumed Liability.

(k) Certain Claims. All rights and interests in and to indemnity claims, judgments, rights of recovery, rights of set-off and causes of action of the Seller against third parties (specifically including but not limited to claims related to the termination of the Affiliation Agreement and FCC proceedings involving Seller as set forth on Schedule 2.2(k)) and all insurance, warranty and condemnation proceeds, and rights thereto.

(l) Tax Refunds. Any claims for (or rights to) refunds for Taxes for periods ending on or prior to the Closing Date.

(m) Pre-paid Items. All pre-paid deposits, insurance and software license fees and other pre-paid expenses.

(n) Leased Studio Building and Land. All right, title and interest in and to the KTGF studio building and land located in Great Falls, Montana (the "KTGF Studio Building and Land") and described more particularly in the Great Falls Lease attached as Exhibit G.

(o) Other Stations, Assets and Owned or Leased Properties. All right, title, and interest in and to any broadcast station or asset of whatever kind and nature owned or leased by Seller or any Affiliate of Seller unrelated to and/or not currently used or useful exclusively in the operation of the Station or as otherwise expressly excluded hereunder, specifically including but not limited to the master control, traffic and accounting systems for the Station.

2.3 Liabilities.

(a) Security Interests. The Assets shall be sold and conveyed to the Buyer free and clear of all mortgages, liens, deeds of trust, security interests, pledges, options, restrictions, prior assignments, charges, claims, defects in title and encumbrances of any kind or type whatsoever (collectively, the "Security Interests") except for: (i) the Security Interests disclosed on Schedule 2.3(a), (ii) liens for taxes, assessments, or governmental charges or levies, other than Income Taxes and other taxes of the Seller that do not relate to the Assets, and which are not yet due and payable, accruing before the Effective Time, (iii) the obligations of the Seller

arising after the Effective Time which the Buyer has agreed to assume under the Contracts as described in Section 2.3(b), (iv) mechanics and materialman liens arising in the Ordinary Course of Business (provided that the Seller shall cause such liens to be discharged promptly after the Closing without any liability to the Buyer), (v) statutory landlord's liens imposed for any default occurring after Closing, (vi) liens or encumbrances granted by landlords with respect to Leased Real Property, (vii) such imperfections or exceptions to title or encumbrances, including without limitation easements, rights of way, covenants, restrictions, reservations and zoning and building ordinances and restrictions as do not materially diminish the marketability of the parcel of Owned Real Property to which they are attached, materially interfere with the ownership, use or operation of the Owned Real Property to which they are attached, or materially impair or interfere with the operation of the Station and (viii) such other matters as the Buyer may approve in writing. The Security Interests referred to in the foregoing clauses (i)-(viii) are collectively referred to herein as "Permitted Encumbrances."

(b) Assumed Liabilities. Except as otherwise provided herein and subject to the terms and conditions of this Agreement (including Section 11.6), simultaneously with the sale, transfer, conveyance and assignment to the Buyer of the Assets, the Buyer shall assume, and hereby agrees to pay, satisfy, discharge, perform and fulfill when due, (i) all liabilities and obligations arising or to be performed after the Closing Date under the Contracts that are assigned and transferred to the Buyer pursuant to the Assignment and Assumption Agreement and under any Contracts the benefits and burdens of which are assigned to the Buyer under Section 11.6, (ii) all Trade Accounts and (iii) accrued expenses and accounts payable that arise in the ordinary course of business not to exceed the book value of the Receivables (collectively the "Assumed Liabilities"). Buyer agrees to indemnify and hold the Seller and their respective successors and assigns harmless from and against any and all such Assumed Liabilities in accordance with the terms of Article 10 below.

(c) Excluded Liabilities. Other than the Assumed Liabilities, the Buyer shall not assume or be liable for, and does not undertake or attempt to assume or discharge any obligation of the Seller.

(d) Retained Obligations of the Seller. The Seller retains and shall hereafter pay, satisfy, discharge, perform and fulfill all obligations and liabilities other than the Assumed Liabilities, including, without limitation those described in Section 2.3(c) (the "Excluded Liabilities"), as they become due, without any charge or cost to the Buyer. The Seller agrees to indemnify and hold the Buyer and its successors and assigns harmless from and against any and all such Excluded Liabilities in accordance with the terms of Article 10 below.

(e) Trade Accounts. The Seller's trade and barter accounts, trade contracts and trade commitments receivable and payable (the "Trade Accounts") are listed in detail on Schedule 2.3(e), which lists the Seller's gross dollar obligations to provide airtime by advertiser and the gross airtime assets available to the Seller as of August 1, 2004. The Seller will transfer all Trade Accounts to the Buyer at the Closing, effective as of the Effective Time, and the Buyer shall assume the Trade Accounts; *provided, however*, if the aggregate airtime liability of the advertising-for-advertising Trade Accounts to be assumed by the Buyer at Closing exceeds the value of advertising to be received by the Station as of the Effective Time ("Value of Trades") by more than \$5,000, all as determined in accordance with Seller's customary bookkeeping practices, then the

excess Trade Accounts shall appear as a debit to Seller in the closing pro rations in accordance with Section 2.6(a); *provided, further*, all such Trade Accounts assumed by the Buyer shall be subject to preemption for cash advertising.

2.4 Purchase Price, Payment, and Allocation.

(a) Purchase Price. The aggregate purchase price to be paid for the Assets will be Three Million Dollars (\$3,000,000.00) as adjusted by Section 2.6 (the "Purchase Price").

(b) Method of Payment. The Purchase Price shall be paid by the Buyer at Closing by (i) at Buyer's option, delivery of the Subordinated Promissory Note in the form of Exhibit B (the "Note") and (ii) wire transfer for the balance pursuant to the instructions of the Seller, which instructions shall be delivered to the Buyer at least two business days before the Closing.

(c) Allocation of Purchase Price. The Buyer and the Seller agree that the Purchase Price shall be allocated among the Assets in the manner set forth on Schedule 2.4(c). The asset allocation agreed to by the parties pursuant to this Section 2.5 shall be referred to as the "Allocation." The Seller and the Buyer agree (i) to jointly complete IRS Form 8594 in the manner required by Section 1060 of the Code, the regulations thereunder and the Allocation, and to separately file such IRS Form 8594 with its federal income tax return for the tax year in which the Closing occurs and (ii) that neither Seller nor Buyer will take a position on any Tax Return inconsistent with the Allocation without the written consent of the other party; *provided, however*, that nothing contained herein shall prevent Buyer or Seller from settling any proposed deficiency or adjustment by any taxing authority based upon or arising out of the Allocation, and neither Buyer nor Seller shall be required to litigate before any court, any proposed deficiency or adjustment by any taxing authority challenging such Allocation. Notwithstanding anything to the contrary in this Agreement, the provisions of this Section 2.5 shall survive the Closing.

2.5 Adjustments.

(a) General Rule. Except for Receivables and Assumed Liabilities, the operation of the Station and the income and normal operating expenses attributable thereto through 11:59:59 p.m. (Eastern Standard Time) at the end of the Closing Date (the "Effective Time") shall be for the account of the Seller and thereafter for the account of the Buyer; therefore all items allocable to both the period before and the period after the Effective Time, shall be prorated between the Seller and the Buyer as of the Effective Time. At Closing, the parties shall make all known prorations and estimate any remaining prorations.

(b) Adjustment Schedule. The Buyer will prepare and deliver to the Seller within 90 days after the Closing Date a report computing the details of the determination, in accordance with the provisions of Section 2.6(a), of the final prorations as compared to the estimated prorations made at Closing. The report will include reasonable detail concerning the determination, and the Buyer will provide the Seller and its Representatives reasonable access to the books, records, workpapers, facilities and employees of the Station and to the workpapers of the Buyer's Representatives in connection with the review of such determination. Within 30 days after receiving the report, the Seller will provide the Buyer with any objections to the computations.

If the Seller have no objections, the party obligated to make payment under the report will do so within five business days after the expiration of the 30-day period. Any disagreement which cannot be resolved by the parties within 30 days will be resolved by the Seller and the Buyer each selecting an independent certified public accountant knowledgeable in the broadcast industry to resolve the dispute. If these two accountants cannot resolve the dispute within 30 days after submission to them, then the two accountants shall select a third certified public accountant knowledgeable in the broadcast industry and not previously engaged by the Buyer or the Seller and the agreement of two of the three accountants shall be binding on the parties and subject to judicial enforcement. Each party shall bear the costs of its own accountant and one-half of the cost of the third accountant.

2.6 Closing. The consummation of the transactions provided for in this Agreement (the "Closing") shall take place at (a) the offices of Williams Mullen, 222 Central Park Avenue, Suite 1700, Virginia Beach, Virginia on the date which is mutually set by the Seller and the Buyer and occurs within five business days after the FCC Order becomes Final and all conditions to Closing set forth in Articles 7 and 8 have been satisfied, or (b) if the Buyer waives the finality of the FCC Order, such other place, time or date as the parties may agree on in writing, within five business days after the satisfaction of all conditions to Closing set forth in Articles 7 and 8. The date on which the Closing is to occur is referred to herein as the "Closing Date."

2.7 LMA. The parties may desire to enter into a Local Marketing Agreement between the Buyer and the Seller (a "LMA"), during the term of which the Buyer shall have the right to present programming on substantially all of the broadcast time of the Station and the Buyer will pay the Seller a fee equal to the reasonable and required expenses incurred by the Seller in the operation of the Station. Any LMA will comply with all FCC regulations and if requested by the FCC, will be modified in accordance with direction from the FCC staff in to bring the LMA into compliance with FCC requirements.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller represents and warrants to the Buyer that the statements contained in this Article 3 are correct and complete as of the date of this Agreement and will be correct and complete in all material respects as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Article 3), except as set forth in the disclosure schedule delivered by the Sellers to the Buyer on the date hereof (the "Disclosure Schedule"). Nothing contained in the Schedules shall broaden the scope of any representation or warranty of the Seller contained in this Agreement. The disclosure of a matter in any part of the Schedules shall qualify other parts of the Disclosure Schedule to the extent that such disclosure would put a reasonable person on notice of the applicability of the disclosure in one part to such other part. The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this Article 3. Subject to Section 6.3, from the date hereof until the Closing Date, the Seller shall have the right to revise the Disclosure Schedule to reflect changes resulting from events occurring or actions taken in the Ordinary Course of Business; provided, that this shall not affect the Seller's obligations hereunder with respect to the Excluded Liabilities.

3.1 Corporate Status. Max Media is a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia. MMM License is a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia and is duly qualified to transact business in Montana and every state in which the failure to be qualified would have a material adverse effect on the Station or the Assets. The Seller has the requisite power and authority to carry on its business as it is now being conducted and to own and operate the Station, and the Seller has the requisite power to enter into and complete the transactions contemplated by this Agreement. Except as set forth on Schedule 3.13, the Seller has no business other than the operation of the Station.

3.2 No Options. No Affiliate of the Seller or any other Person has an interest in, or option to acquire, any of the Assets or any property used in the operation of the Station.

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

3.4 No Defaults. Neither the execution, delivery and performance by the Seller of this Agreement nor the consummation by the Seller of the transactions contemplated hereby is an event that, of itself or with the giving of notice or the passage of time or both, will: (a) violate or conflict with any provision of the Articles of Organization or Operating Agreements (the "Governing Documents") of the Seller; (b) assuming that the consents: (i) referred to in Section 5.6, (ii) required in connection with any assignment to the Buyer of the Contracts or (iii) otherwise contemplated by this Agreement are obtained, constitute a violation of, conflict with or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation of the Seller under any contract, mortgage, indenture, agreement, lease or other instrument to which the Seller is party or by which it is bound, which violation, conflict, breach or default would have a material adverse effect on the Seller, the Station, the Assets or the ability of the Seller to enter into this Agreement or consummate the transactions contemplated hereby or result in the creation of any Security Interest on the Assets; (c) violate any judgment, decree, order, statute, law, rule or regulation of any court, arbitrator or government or regulatory body applicable to the Seller, the Station or the Assets; or (d) result in the creation or imposition of any lien, charge or encumbrance against the Station or the Assets.

3.5 Contracts, Leases, Agreements and Other Commitments. The Seller is not a party to, nor is it bound by, any written or oral contract, agreement, lease, power of attorney, guaranty, surety arrangement or other commitment related to the operation of the Station, including, but not limited to, any contract or agreement for the purchase or sale of merchandise, programming or software or for the rendition of services, except for the Contracts listed on the Contract Schedules. The Seller has listed all Contracts on the Contract Schedules and provided to the Buyer or its representatives complete and correct copies of all written Contracts and all amendments, modifications, extensions and renewals thereof and written summaries of all oral Contracts. The Disclosure Schedule specifies those Contracts that require consent to transfer. No change in

any term or provision of any Contract will occur as a result of the acquisition of the Assets by the Buyer or the assignment by the Seller of such Contract to the Buyer.

3.6 Breach. Except as set forth on Schedule 3.6, the Seller is not in violation or breach of any of the terms, conditions or provisions of its Governing Documents, any Program License Agreement, Affiliation Agreement, or other material Contract or any material indenture, mortgage or deed of trust or other instrument, court order, judgment, arbitration award or decree relating to or affecting the Station or the Assets to which the Seller is a party or by which it is bound, except where any such violation or breach would not have a material adverse effect on the Station, the Assets or the Seller. All accrued and currently payable amounts due from the Seller under the Contracts have been paid. To Seller's Knowledge, no other party thereto is in default or breach under any of the Contracts.

3.7 Financial Information. Attached to this Agreement as Schedule 3.7 are true and correct copies of the Actual Detail Departmental Income Statements of the Station for the 10-month periods ended December 31, 2001, the 12-month period ended December 31, 2002 and December 31, 2003 and the seven month period ended July 31, 2004 (collectively, the "Financial Statements"). Except for the effect of expenses charged to the Seller's Cost Center 99, the Financial Statements present fairly the results of operations of the Station for the periods indicated. Notwithstanding anything to the contrary herein, the Seller makes no representations or warranties about the accuracy or completeness of any expenses of the Station as shown in the Financial Statements or in any other documents delivered by the Seller to the Buyer.

3.8 Liabilities. There are no liabilities or obligations of the Seller accruing or arising before the date of this Agreement, whether arising under Contracts, related to tax or non-tax matters, known or unknown as of the date of this Agreement, due or not yet due, liquidated or unliquidated, fixed, contingent or otherwise, including penalty, acceleration or forfeiture clauses in any Contract, that should be reflected in the Interim Financial Statements that are not so reflected, except as otherwise listed on Schedule 3.8, and except liabilities that arise in the Ordinary Course of Business (none of which results from, arises out of, relates to, is in the nature of, or was caused by any breach of contract or warranty, tort, infringement or violation of law) between the date of the Financial Statements and the Effective Time.

3.9 Taxes. All federal, state and local returns, reports, estimates and other statements (“Returns”) required to have been filed with any jurisdiction with respect to the Seller and the operation of the Station with respect to any income, franchise, property, sales, value-added, payroll, withholding, excise, assessment, levy, capital and all other taxes, duties, penalties, assessments or deficiencies of every nature and description (collectively, “Taxes”) have been duly and timely filed by the Seller and each such Return correctly reflects the amount of Taxes required to be reported and/or paid. The Seller has paid all Taxes due and payable which it is required to pay before the date hereof, except to the extent that such amounts are reserved for in the Financial Statements. There are no Taxes that are past due except where any delinquency in payment thereof would not have a material adverse effect on the Station, the Assets or the Seller. No consent extending the applicable statute of limitations has been filed by or with respect to the Seller with respect to any of such Taxes for any years. Notwithstanding the foregoing, the representations and warranties set forth in this Section are made only to the extent (a) Buyer is or may become liable for Taxes of Seller and (b) Taxes may result in a Security Interest on the Assets.

3.10 FCC Licenses. The Seller is the holder of all licenses, permits and approvals, including associated broadcast auxiliary authorizations or authorizations of the FCC required for the operation of the Station, both analog and digital (collectively, the “Authorizations”) and all of such licenses, permits and authorizations are listed on Schedule 3.10. The Authorizations constitute all of the licenses and authorizations required under the Communications Act of 1934, as amended (the “Communications Act”), or the current rules, regulations and policies of the FCC for the operation of the Station, including, without limitation, the conversion to digital. The Authorizations are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. Except as listed on Schedule 3.10, there is not pending or, to Seller’s Knowledge, threatened any action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the Authorizations (other than proceedings to amend FCC rules of general applicability) and there is not now issued or outstanding or pending or threatened by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against the Seller or the Station. The Station is operating in all material respects in compliance with the Authorizations, the Communications Act and the current rules, regulations and policies of the FCC.

3.11 Additional Regulatory Matters.

(a) Reports. All reports and filings required to be filed with the FCC by the Seller have been filed. All such reports and filings are accurate and complete and from the date hereof to the Effective Time will be filed on a timely basis. With respect to FCC licenses, permits and Authorizations of the Seller, the Seller is operating only those facilities for which appropriate Authorizations have been obtained from the FCC.

(b) No Notices. The Seller has not received notice or other communication indicating that it is not in compliance with all requirements of (i) the FCC or the Communications Act or (ii) applicable state and local statutes, regulations and ordinances. The Seller has no Knowledge and has not received any notice or communication, formal or informal, indicating that the FCC, or any other Government Agency is considering revoking, suspending, modifying, canceling, rescinding or terminating any Authorization.

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

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

(e) Affiliation Agreement. Except as disclosed on Schedule 2.1(i), the NBC Affiliation Agreement is in full force and effect.

(f) No Grandfathered Operations. None of the individual or collective operations of the Station or the build out or subsequent operation of Channel 45 digital television or any other FCC authorized facility operated by the Seller would, if conducted or built out (or subsequently operated) by the Buyer after the Closing, violate the Communications Act, FCC rules, any law or regulation binding on the operator thereof, or would require any waiver of any FCC rule for the Buyer to continue such operation or operations after the Closing.

3.12 Owned Real Property. Schedule 2.2(n) and Schedule 2.1(c) contain a complete and accurate list, as of the date thereof, of all Owned Real Property used in the operation of the Station. All of the Owned Real Property, and the improvements located on the Owned Real Property, are in good operating condition and repair, have been maintained in accordance with industry standards and are adequate for their intended use. There are no condemnation or eminent domain proceedings pending or, to the Seller’s Knowledge, threatened against the Owned Real Property, the Seller has not received any notice of any condemnation or eminent domain proceedings against the Owned Real Property. The Seller has good, marketable and insurable fee simple title to the Owned Real Property, free and clear of all liens, claims, charges, options, rights of tenants or other encumbrances of any nature whatsoever except for: (i) current real estate taxes not yet due and payable; (ii) easements, rights-of-way, zoning restrictions and other restrictions or encumbrances that do not adversely affect such property, its present or future intended use or its marketability as shown in the title policies and on Schedule 3.12; (iii) the liens listed in Schedule 3.12 which secure the Seller’s indebtedness to third parties which shall be paid in full and satisfied at or before Closing; and (iv) such other matters as the Buyer may approve in writing (“Permitted Title Exceptions”). The Seller has not received any notice alleging that the Owned Real Property fails to comply with applicable zoning laws or the building, health, fire and environmental protection codes of applicable governmental jurisdictions.

3.13 Business Operations. Except as set forth on Schedule 3.13, the only business the Seller has conducted since its formation is the operation of the Station. The Seller has never engaged in the business of selling goods from inventory, of leasing tangible personal property or of developing, selling, licensing or sublicensing software, software licenses or any other Intangible Property. Schedule 3.13 lists all business addresses, trade names and names of predecessor entities used by the Seller since January 1, 1997. Except as set forth on Schedule 3.13, the Seller has not

been a party to a merger, consolidation, liquidation, recapitalization or other business combination since January 1, 1997.

3.14 Approvals and Consents. The only material approvals or consents of persons or entities not a party to this Agreement that are legally or contractually required to be obtained by the Seller in connection with the consummation of the transactions contemplated by this Agreement are those which are contemplated by Section 5.6 ("Consents"). Any approvals under the Contracts or with any governmental division, regulatory authority or agency are material for purposes of this Section. No permit, license, consent, approval or authorization of, or filing with, any governmental regulatory authority or agency is required of the Seller in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

3.15 Condition of Assets.

(a) All Assets. The Seller has provided services to the Station from one of its other stations, including, but not limited to master control, data transmission, promotions, traffic and accounting services and the assets associated with these services are not being conveyed to the Buyer. Except for the Excluded Assets, the Assets constitute all of the assets used, useful, or necessary to conduct the operation of the Station as presently conducted and as presently proposed to be conducted.

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

(c) Good Title, Good Operating Condition. Except as listed on Schedule 3.15(c): (i) the Seller has good title to or the unrestricted right to use all of the Assets owned, leased or licensed by it, in each case, free and clear of all Security Interests of every kind or character (other than Permitted Encumbrances); (ii) the Seller is the owner, lessee or licensee of all of the Tangible Personal Property listed on the Schedules to this Agreement and of all Tangible Personal Property not listed on the Schedules to this Agreement which is material to the operation of the Station; and (iii) all Tangible Personal Property, including equipment and electrical devices, is in good operating condition and repair in light of their age, reasonable wear and tear excepted, and has been maintained in accordance with any standards or guidelines imposed by the FCC in a manner consistent with generally accepted standards of good engineering practice.

3.16 Leased Real Property.

(a) Leases. The Seller has provided to the Buyer true and complete copies of all real property lease agreements, including all amendments and modifications thereto, and all other leases or licenses or other rights to possession of any real property used or held by the Seller (the "Real Property Leases").

(b) Interests. The Seller's interest in the Leased Real Property is as set forth on Schedule 2.1(c). Except as listed on Schedule 2.1(c), the Leased Real Property and all of the fixtures, towers and improvements thereon owned by the Seller (collectively, the "Owned Improvements") are in good operating condition and repair, reasonable wear and tear excepted, and have been maintained in accordance with any standards or guidelines imposed by the FCC.

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

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

3.17 Environmental Matters. With respect to the ownership and operation of the Station, and except as set forth in Schedule 3.17: (a) the Seller is in compliance in all material respects with Environmental Laws; (b) the Seller holds all the permits, licenses and approvals of governmental authorities necessary for the current use, occupancy or operation of the Station under applicable Environmental Laws ("Environmental Permits"); (c) the Seller is in compliance in all material respects with any such Environmental Permits; (d) any such Environmental Permits are transferable to the Buyer without the consent of any Government Agency; and (e) to the Seller's Knowledge there are no underground or aboveground storage tanks on any of the Real Property. Hazardous Materials have not been Released at, on, in or under the Real Property in excess of a "Reportable Quantity" under Environmental Laws by the Seller or, to the Seller's Knowledge, by any other Person. No litigation or proceeding relating to Environmental Laws or any Release of

hazardous or toxic substances is pending or to Seller's Knowledge, is threatened against the Station or the Seller.

3.18 Environmental Studies. Except as set forth on Schedule 3.18, there are no environmental reports, studies or analyses in the possession of the Seller relating to the Real Property listed on Schedule 2.1(c) concerning: (a) Hazardous Materials; (b) compliance with applicable Environmental Laws; or (c) compliance with Environmental Permits, if any.

3.19 Compliance with Law and Regulations. The Station, the Assets, and the Seller are, in all material respects, in compliance with all requirements of federal, state and local law and all requirements of all federal, state and local governmental bodies or agencies having jurisdiction over any of them, the operations of the Station, the use of the Seller's properties and assets (including the Assets) and the Leased Real Property. Without limiting the foregoing, the Seller has paid all monies and obtained all FCC licenses, permits, certificates and authorizations and all other material licenses, permits, certificates and authorizations needed or required for its operations and the use of the Owned Real Property and Leased Real Property. The Seller has not received any notice from any federal, state or municipal authority or any insurance or inspection body that any of its properties, facilities, equipment or business procedures or practices fails to comply with any applicable law, ordinance, regulation, building or zoning law or requirement of any public authority or body.

3.20 Insurance. The Seller maintains and will continue to maintain in full force and effect through the Effective Time, insurance policies covering it and the Assets. All of such policies are in full force and effect and the Seller is not in default of any material provision thereof. The Seller has not received notice from any issuer of any such policies of its intention to cancel, terminate or refuse to renew any policy issued by it.

3.21 Labor, Employment Contracts and Benefit Programs.

(a) No Collective Bargaining Agreements. There are no collective bargaining agreements or written or oral agreements relating to the terms and conditions of employment or termination of employment covering any employees, consultants or agents of the Seller, except as listed on Schedule 3.21. Except as listed on Schedule 3.21, all employees of the Seller are employees-at-will. There are no unfair labor practice charges or other employee-related complaints, grievances or arbitrations against the Seller pending or, to Seller's Knowledge, threatened before the National Labor Relations Board, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, the Department of Labor, any arbitration tribunal or any other federal, state, local or other governmental authority. There is no strike, picketing, slowdown or work stoppage by or concerning such employees pending against or involving Seller. No representation question is pending or, to Seller's Knowledge, threatened with respect to any of the Station's employees.

(b) Employee Manuals. All handbooks and written policies and procedures relating to employment by the Seller including, but not limited to, compensation, benefits, equal employment opportunity and safety have been delivered to Buyer.

(c) Compliance. The Seller is not liable for any arrears for wages, benefits, Taxes, damages or penalties for failing to comply with any law, rule, regulation, ordinance, order or decree relating in any way to labor or employment.

(d) Employee Plans. Except as listed on Schedule 3.21, the Seller does not have any pension plan, profit sharing plan, deferred compensation plan, stock option or stock bonus plan, savings plan, welfare plan or other benefit plan or arrangement, policy, practice, procedure or contract concerning employee benefits or fringe benefits of any kind, whether governed by ERISA, relating to or covering any employees of the Seller or the Station (a "Station Benefit Plan"). The Seller has furnished the Buyer with true, complete and accurate copies of all summary plan descriptions of Station Benefit Plans.

(e) ERISA Compliance. To Seller's Knowledge, each of the Station Benefit Plans is in compliance in all material respects with all applicable requirements of ERISA, the Code and other applicable law. Each of the Station Benefit Plans has been administered in all material respects in accordance with its terms and with applicable legal requirements.

(f) No Multiemployer Plans. The Seller (i) has never contributed to a Multiemployer Plan; and (ii) has never incurred any liability under Title IV of ERISA to the PBGC or to a Multiemployer Plan.

(g) Employees. Schedule 3.21 lists the names, job titles and current compensation of all employees of the Seller as of August 31, 2004. Each employee's employment commencement date is set forth on Schedule 3.21.

3.22 Litigation. Except as set forth on Schedule 3.22, there are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations pending or, to the Seller's Knowledge, threatened against the Seller. The Seller has not been operating under or subject to, or in default with respect to, any order, writ, injunction or decree relating to the Station or the Assets of any court or federal, state, municipal or other governmental department, commission, board, agency or instrumentality which would have an adverse effect on the condition of the Station or any of the Assets or on the ability of the Seller to enter into this Agreement or consummate the transactions contemplated hereby.

3.23 Intangible Property. The Seller has all right, title and interest in and to all Intangible Property necessary or desirable in the operation of the Station as presently operated. The Seller has not received notice of any claim against it involving any conflict or claim of conflict of any of the items listed on Schedule 2.1(g). Each item of Intangible Property owned or used by the Seller immediately before the Closing will be owned or available for use by the Buyer on identical terms and conditions immediately after the Closing. The Seller has taken all necessary and desirable action to maintain and protect each item of Intangible Property that it owns or uses. No service provided by the Seller or, to the Seller's Knowledge, any other programming or other material used, broadcast or disseminated by the Seller or the Station, infringes on any copyright, patent or trademark of any other party. The Seller has not received any notice of any claim of infringement of any third-party's copyright, patent, trademark, service mark, logotype, license or other proprietary right, including the use of any call sign, slogan or logo by an broadcast station or cable systems in the marketing are of the Station. The Seller owns or possesses adequate licenses or

other rights to use all copyrights, patents, trademarks, service marks, trade names, logotypes and other intangible rights used to operate the Station.

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

3.25 Conflicting Interests. Except as disclosed on Schedule 3.25, neither the Seller nor any director, officer, member, manager, partner, employee or shareholder of either, nor any Affiliate of any of the foregoing, has any financial interest in any supplier, advertiser or customer of the Seller or in any other business enterprise with which the Station or the Seller engages in business or with which the Station or the Seller is in competition. The ownership of less than one percent of the outstanding capital stock of a publicly-held corporation shall not be deemed to be a violation of this representation and warranty.

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

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

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

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

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

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

(f) No party (including the Seller) has accelerated, terminated, modified or cancelled any agreement, contract, lease or license involving more than \$5,000 to which the Seller is a party or by which it is bound;

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

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

3.27 FAA Compliance. The Seller and the Assets are in material compliance with the rules and regulations of the Federal Aviation Administration (the "FAA") applicable to the Station. All towers used by the Station are in material compliance with all painting, lighting and tower registration requirements of the FAA, the FCC and any other governmental authority.

3.28 Coverage.

(a) To the Seller's Knowledge, Schedule 3.28 contains a list of all cable television systems in the Designated Market Area (as defined in Section 47 C.F.R. Section 76.55(e) of the Station on which the Station's analog signal is presently carried, including channel position, and on which the Station's analog signal is not carried ("Market Cable Systems"). Except as noted on Schedule 3.28, the Seller has timely made must-carry elections or entered into retransmission consent agreements with respect to the Market Cable Systems. Except as provided on Schedule 3.28, no Market Cable System has provided written notice to the Sellers of any signal quality issue or failed to respond to a request for carriage or, to the Knowledge of the Sellers, sought any form of relief from carriage of the Station from the FCC. The Seller has not received any written notice of any Market Cable System's intention to delete the Station from carriage or to change the Station's channel position on such cable system.

(b) Schedule 3.28 contains a list of the cable systems that, to the Knowledge of the Seller, carry the Station, including the Station's channel position, where known, on such cable systems outside the Designated Market Area of the Station.

(c) Schedule 3.28 contains a list of all retransmission consent, channel position or other agreements with respect to the Station, and the Sellers have previously furnished Buyer with true and correct copies of all such agreements.

(d) The Station is not currently carried on any satellite system operating in the Designated Market Area (as defined in Section 47 C.F.R. Section 76.55(e)). When eligible, the Seller will timely make must-carry elections with respect satellite carriers in the designated market area.

3.29 Bankruptcy. The Seller is not insolvent or the subject of bankruptcy or any similar proceeding.

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

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE BUYER

Buyer represents and warrants to Seller as follows:

4.1 Qualification as a Broadcast Licensee. The Buyer is familiar with the Communications Act and the existing rules, regulations and policies of the FCC. The Buyer is legally and financially qualified under the Communications Act and the rules, regulations and policies of the FCC to acquire the Station from the Seller. There is no fact or condition known to the Buyer that would, under the Communications Act and the existing rules, regulations and policies of the FCC, disqualify Buyer as owner and operator of the Station or constitute grounds for the filing of a petition to deny or objection related to the qualifications of the Buyer or that would reasonably be expected to result in a delay for FCC approval of the assignment applications. To the Buyer's Knowledge, no waiver of any FCC rule, regulation or policy existing as of the date of this Agreement will be required, with respect to the Buyer, to obtain FCC approval of the assignment applications. There are no proceedings, complaints, notices of forfeiture, claims, or investigations pending or, to the Knowledge of Buyer, threatened against any, or in respect of any, of the broadcast stations licensed to Buyer or its Affiliates that would materially impair the qualifications of Buyer to become a licensee of the Station or delay the FCC's processing of the FCC Applications.

4.2 Status.

(a) Buyer. The Company is a limited liability company duly organized, in good standing and validly existing under the laws of the State of Delaware. The License Sub is a limited liability company duly organized, in good standing and validly existing under the laws of the State of Delaware. Each of the Company and License Sub will be at the Closing duly authorized to transact business in the states necessary with respect to ownership and operation of the Assets. Each of the Company and License Sub has the requisite power and authority to enter into and complete the transactions contemplated by this Agreement.

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

4.3 No Defaults. Neither the execution, delivery and performance by the Company and License Sub of this Agreement nor the consummation by the Company and License Sub of the transactions contemplated hereby is an event that, of itself or with the giving of notice or the passage of time or both, will: (a) violate or conflict with any provision of the Certificate of Organization or Operating Agreement of such entity, (b) constitute a violation of, conflict with or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation under any contract, mortgage, indenture, agreement, lease or other instrument to which such entity is a party or by which it is bound or the assets of it are bound, or by which it may be affected, or result in the creation of any Security Interest on any of the assets of such entity, or (c) violate any judgment, decree, order, statute, law, rule or regulation of any court, arbitrator or government or regulatory body applicable to such entity or its assets.

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

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

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

ARTICLE 5 COVENANTS OF THE SELLER PENDING THE CLOSING

The Seller and the Buyer to the extent referenced in this Article 5 covenant and agree that, from the date hereof until the completion of the Closing:

5.1 Operations of the Business.

(a) Ordinary Operations. Until the Closing, the Seller will use its commercially reasonable efforts to carry on operations of the Station and keep its books and accounts, records and files in the usual and ordinary manner in which the business of the Station has been conducted in the past, including, but not limited to, spending amounts on advertising, promotions and marketing of the Station between the date of this Agreement and the Closing Date, as set forth in the Budget attached as Schedule 5.1. The Seller shall operate the Station in compliance in all material respects with the terms of the Authorizations and all applicable laws, rules and regulations, including, without limitation, FCC rules and regulations.

(b) Current Statements. The Seller shall provide the Buyer with copies of the Seller's monthly internal financial statements for the monthly accounting periods between the date hereof and the Closing Date, by the 20th day of each month for the preceding calendar month, which statements shall present fairly in all material respects the results of operations for the period indicated. Such monthly statements shall show: (i) the current month's and prior year's actual results for such month and the current month's budget, each by line item, (ii) year-to-date information and comparative prior year period information for each of the foregoing, each by line item, and (iii) items of non-recurring income and expense separately, all of which shall be presented fairly in all material respects.

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

(d) Assets in Good Repair. All Tangible Personal Property and Leased Real Property shall be maintained in good operating condition and repair consistent with past practice, reasonable wear and tear excepted, and the entity operating the Station shall maintain usual supplies of office supplies, spare parts and other materials as have been customarily maintained in the past. The Seller shall use commercially reasonable efforts to preserve intact the Assets and to maintain in effect the casualty and liability insurance on the Assets heretofore in force.

(e) Notification to Buyer. If the Seller establishes or modifies any severance plan, pays any substantial bonuses (except in the Ordinary Course of Business), enters into any contract of employment with any employee or employees of the Seller or the Station, or changes any benefits to employees or consultants or enter into any independent contractor agreement, it shall promptly notify the Buyer of such in writing.

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

(a) Sell, lease as lessor or transfer or agree to sell, lease or transfer, any Assets except for sales or leases in the Ordinary Course of Business;

(b) Except as may be required by existing written plans or agreements (which written plans and agreements are included in the Schedules hereto or have otherwise been provided to the Buyer), grant any raises to any of its employees or consultants (except in the Ordinary Course of Business);

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

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

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

(f) Apply to the FCC for any construction permit that would restrict the Seller's present operations;

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

(h) Make or attempt to make any change in the Authorizations, other than to keep the Authorizations in full force and effect; or

(i) Consent to the execution, placement, creation or amendment of easements, restrictions, rights-of-way or other matters (other than Permitted Encumbrances) affecting title to the Owned Real Property.

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

5.4 Access to Facilities, Files and Records. At the reasonable request of the Buyer and on reasonable advance notice, the Seller shall, from time to time, promptly give or cause to be given to the Representatives of the Buyer reasonable access during normal business hours to: (i) all facilities, properties, accounts, books, deeds, title papers, insurance policies, agreements, contracts, commitments, records and files of every character, including, without limitation, minute books, equipment, machinery, fixtures, furniture, vehicles, notes and accounts payable and receivable relating to the Station; and (ii) all such other information concerning the Seller, the Station, and the Assets as the Buyer may reasonably request. All such activities shall be at the expense and risk of the Buyer, and the Buyer shall indemnify, defend and hold harmless the Seller for any losses, cost, damages or liabilities, including without limitation reasonable attorneys' fees, resulting from the Buyer's negligence with respect to such activities or from the Buyer's breach of Section 6.4. The Seller shall cause its accountants, and any of its agents in possession of the Seller's books and records, to cooperate with the Buyer's requests for information pursuant to this Agreement and shall request such accountants to provide the Buyer access to all of the accountants' audit and tax work papers with respect to the Seller or the Station. All such access and activities and the results thereof shall be subject to Section 6.4.

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

5.6 Consents. The Seller shall use commercially reasonable efforts (not involving the commencement of litigation or granting of any accommodation (financial or otherwise) or the incurrence of any other liability or obligation) to obtain prior to the Closing the following: (i) the consent or approval of any third Person required under any Contract listed on the Contract Schedules or entered into in the Ordinary Course of Business after the date hereof to assign any such contract from the Seller to the Buyer, including providing adequate notice of the assignment where applicable; and (ii) a subordination, non-disturbance and attornment agreement from any such mortgagee of landlords under the Real Property Leases on such lender's standard form which provides that the rights of tenant under such lease shall not be disturbed provided tenant is not in default. The Buyer has designated certain of these consents as material to the operations of the Station as noted on Schedule 5.6 (a "Material Consent"). Subject to Section 11.6, the Buyer shall not be obligated to accept the assignment of any Contract or any liability under such Contract for which a consent is not obtained and, if such

consent is obtained after the Closing, the Buyer will not be required to assume any liability under such Contract until such consent is obtained and the Buyer is placed in the position it would have been in if the consent had been obtained before the Closing.

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

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

5.9 Applications for FCC Consents. As promptly as practicable after the date of this Agreement and in no event later than five business days after the full execution of this Agreement, the Seller and the Buyer shall cause to be filed applications with the FCC requesting the FCC's written consent to the assignment of the Authorizations to the Buyer. The Seller and the Buyer shall use their commercially reasonable efforts to take all steps that are proper, necessary or desirable to expedite the preparation of the FCC Applications and their prosecution to a favorable conclusion. Each party shall promptly provide the other with a copy of any pleading, order or other document served on such party relating to such applications. The Seller and the Buyer shall furnish all information required by the FCC. If Closing occurs hereunder before the FCC Order shall have become Final, then the parties' obligations under this Section shall survive the Closing until the FCC Order shall have become Final. Each party shall bear one-half the cost of application filing fees relating to the assignment of the Authorization to the Buyer.

5.10 Title to Real Property. With respect to any Real Property, within 30 days after the date of this Agreement, the Seller shall deliver to the Buyer to the extent not previously delivered copies of (A) all soil, engineering and environmental reports and studies in its possession, (B) any existing surveys and plats, (C) Seller's source deeds, (D) any and all title insurance commitments and title insurance policies, (E) the real property tax bills for the current fiscal year, and (F) any permits issued by any Governmental Agency. The parties acknowledge that Buyer shall have the right to conduct a title examination and survey of the Real Property and a Phase I or Phase II environmental site assessment of any or all of the Real Property before Closing provided, however, that if any such Phase I or Phase II environmental site assessment will involve drilling or sampling that could adversely affect the condition of the property, Buyer will obtain Seller's prior written consent before undertaking such site assessment, which consent will not be unreasonably withheld or delayed.

5.11 Publicity. Neither the Seller, nor the Buyer, nor any of their respective Affiliates shall issue or cause the publication of any press release or any other public statement or any correspondence or other communication with respect to the execution and Closing of this

Agreement unless the other party shall have had the prior opportunity to review and comment thereon and such release or statement has been consented to by such party.

5.12 Exclusivity. Between the day of this Agreement and the termination of this Agreement, the Seller agrees that it shall not, nor shall it authorize or permit any of its directors or managers, officers, employees, Affiliates, agents and advisors (including, without limitation, attorneys, accountants, consultants, bankers and financial advisors) (collectively, the "Representatives") to, offer or seek to offer, or entertain or discuss any offer, to sell the Station or the Assets to, or deal in such regard with any parties other than the Buyer. Further, during such period, neither the Seller nor its Representatives, shall solicit, enter into or continue any discussion, negotiations or agreement with, or provide information to, any Person other than the Buyer relating to any sale or acquisition of all or a substantial portion of the Assets or any other similar transaction (a "Transaction"). In addition, during such period, neither the Seller nor its Representatives shall enter into any agreement or understanding, whether oral or written, that would prevent the consummation of the transactions contemplated hereby. If, notwithstanding the foregoing, the Seller or any Representative shall receive any written proposal or inquiry regarding a Transaction, the Seller shall promptly notify the Buyer thereof and disclose to the Buyer the terms thereof.

5.13 Confidentiality. Any and all information, disclosures, knowledge or facts regarding the Buyer and its operations derived from or resulting from the Seller's acts or conduct (including, without limitation, acts or conduct of the Seller's Representatives) under the provisions of this Section or otherwise obtained by the Seller's (or its Representatives) pursuant to or in connection with this Agreement, shall be confidential and shall not be divulged, disclosed or communicated to any other Person, except as required by law and to the Seller's Representatives and their respective attorneys for the purpose of consummating the transactions contemplated by this Agreement and the Seller shall be responsible for any breach of confidentiality by any such Person. Neither the Seller nor its Representatives shall use any of such information, disclosures, knowledge or facts for any purpose other than consummating the transactions contemplated by this Agreement. If this Agreement terminates before Closing, the Seller shall return promptly any information obtained regarding the Buyer, and the Seller shall instruct its Representatives also to return any such information. The Seller shall indemnify, defend and hold harmless the Buyer for any losses, cost, damages or liabilities, including without limitation reasonable attorneys' fees, resulting from the breach of this Section 5.13.

5.14 Great Falls Studio Building. Seller and Buyer shall enter into a lease in the form attached as Exhibit G (the "Great Falls Lease") at Closing for the lease of the Great Falls downtown studio building to Buyer. The Great Falls Lease shall be a net, net, net lease and shall provide for rent at One Dollar (\$1.00) per year for the remainder of 2004 (if applicable) and for 2005. The Buyer shall be responsible for all taxes, utilities, maintenance and repairs under the Great Falls Lease. Beginning on January 1, 2006, the rent shall be Five Hundred Dollars (\$500) per month. The lease will include an option for the Buyer to purchase the building up and until December 31, 2006. If the option to purchase the building has not been exercised on or before December 31, 2006, the Buyer and the Seller shall each obtain an appraisal to determine the average cost of renting comparable space in downtown Great Falls, and using the appraisals, the parties shall determine the rent per month going forward. If the parties cannot agree on the

rent amount by January 31, 2007, the Great Falls Lease shall terminate and the Buyer shall remove all of its personal belongings from the building.

ARTICLE 6 COVENANTS OF THE BUYER PENDING THE CLOSING

The Buyer covenants and agrees that from the date of this Agreement until the completion of the Closing:

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

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

6.3 Contracts Not to be Assumed. From time to time following the date of this Agreement, the Seller may add additional Contracts to the schedules to be assigned to and assumed by the Buyer at the Closing. If such Contracts involve payments equal to or less than \$5,000 per year individually and are entered into in the Ordinary Course of Business, such Contracts do not require the prior written consent of the Buyer in order to be assigned to and assumed by the Buyer at the Closing. If such Contracts involve payments exceeding \$5,000 per year individually or are Affiliation Agreements, such Contracts require the prior written consent of the Buyer in order to be assigned to and assumed by the Buyer at the Closing, which consent will not be unreasonably withheld. The Buyer agrees to respond to any written request for such consent, which shall include a copy or a reasonably complete description of the Contract, within five business days. Failure to so respond in 5 business days shall constitute consent. Without such prior written consent, the Buyer may choose to accept or reject such Contracts in its sole discretion.

6.4 Confidentiality. Any and all information, disclosures, knowledge or facts regarding the Seller, the Assets and the Station and its operations derived from or resulting from the Buyer's acts or conduct (including, without limitation, acts or conduct of the Buyer's Representatives) under the provisions of this Section or otherwise obtained by the Buyer (or its Representatives) pursuant to or in connection with this Agreement, shall be confidential and shall not be divulged, disclosed or communicated to any other Person, except as required by law and to the Buyer's Representatives and their respective attorneys for the purpose of consummating the transactions contemplated by this Agreement and the Buyer shall be responsible for any breach of confidentiality by any such Person. None of Buyer or its Representatives shall use any

of such information, disclosures, knowledge or facts for any purpose other than consummating the transactions contemplated by this Agreement. If this Agreement terminates before Closing, the Buyer shall return promptly any information obtained regarding the Seller, the Station or the Assets and the Buyer shall instruct its Representatives also to return any such information.

6.5 Applications for FCC Consents. The Buyer agrees to the covenants set forth in Section 5.9.

ARTICLE 7 CONDITIONS TO THE OBLIGATIONS OF THE SELLER

The obligations of the Seller under this Agreement are, at its option, subject to the fulfillment of the following conditions before or on the Closing Date:

7.1 Representations, Warranties and Covenants.

(a) Representations True. Each of the representations and warranties of the Buyer contained in this Agreement shall have been true and correct in all material respects as of the date when made and shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects except to the extent changes are permitted or contemplated pursuant to this Agreement; *provided* that any representations and warranties made as of a specific date need only be true and correct as of such date;

(b) Buyer Compliance. The Buyer shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it before or on the Closing Date;

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

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

7.2 Proceedings.

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

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

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

7.4 Authorizations. Except as otherwise contemplated by Section 2.6, the FCC Order shall have been granted, shall be effective and shall have become Final.

7.5 Other Consents. The Buyer shall have obtained all consents, approvals and waivers of other persons or parties as may be required for the consummation of the transactions contemplated by this Agreement.

ARTICLE 8 CONDITIONS TO THE OBLIGATIONS OF THE BUYER

The obligations of the Buyer under this Agreement are, at its option, subject to the fulfillment of the following conditions before or on the Closing Date:

8.1 Representations, Warranties and Covenants.

(a) Representations True. Each of the representations and warranties of the Seller contained in this Agreement shall have been true and correct in all material respects as of the date when made; and each of such representations and warranties shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects except to the extent changes are permitted or contemplated pursuant to this Agreement; *provided* that any representations and warranties made as of a specific date need only be true and correct as of such date; *provided, further* that the representations and warranties in Section 3.8 shall be true and correct as of Closing only to the extent that the failure of such representations and warranties would have a material adverse effect on the Business;

(b) Seller's Performance. The Seller shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it before or on the Closing Date;

(c) Seller's Certificates. The Seller shall have furnished the Buyer with certificates, dated the Closing Date and duly executed by the President of the Seller, to the effect that the conditions set forth in Sections 8.1(a) and (b) have been satisfied; and

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

8.2 Proceedings.

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

(b) Postponement. If such a restraining order or injunction is in effect (and is not Final), then this Agreement may not be terminated by the Buyer pursuant to this Section 8.2 before the Final Closing Date, but the Closing shall be delayed during such period. This Agreement may be terminated after such date if such restraining order or injunction remains in effect.

8.3 Liens Released. All Security Interests pertaining to the Assets other than Permitted Encumbrances shall be released of record, and there shall be no liens in respect of the Assets, except Permitted Encumbrances.

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

8.5 Other Consents. The Seller shall have obtained all Material Consents, except those approved by the Buyer in writing. NBC shall have consented to the assignment of the Affiliation Agreement to the Buyer, without a decrease in Station compensation or remaining term and without any other material change in such agreements, except those approved by the Buyer in writing.

8.6 Revised Schedules. The Seller shall have delivered to the Buyer such revised forms of each of the Schedules or updated information for addition to or inclusion in the Schedules as are necessary to reflect changes in such Schedules as of the Closing Date; *provided, however,* that, except for changes that are permitted by the terms of this Agreement, changes resulting from events occurring or actions taken in the Ordinary Course of Business and changes resulting solely from the representations in Section 3.8, no change in any Schedule will be binding on the Buyer without its prior written consent, which consent may be withheld by the Buyer for any or no reason.

8.7 No Material Change in Business or Assets. There shall not have been a material adverse change in the Station or Assets taken as a whole other than any change resulting from or arising in connection with (i) general economic or industry conditions or (ii) the fact, or knowledge of any third party, that the Seller proposes or has agreed to enter into a transaction of the type contemplated by this Agreement, including, without limitation, such a transaction in which the Buyer or its Affiliates is the buyer.

8.8 Authorizations. Except as otherwise contemplated by Section 2.6, the FCC Order with respect to all Authorizations issued by the FCC shall have been granted, shall be effective and shall have become Final.

ARTICLE 9
ITEMS TO BE DELIVERED AT THE CLOSING

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

(a) Bills of Sale. Bills of sale, limited warranty deeds for the Owned Real Property, and appropriate certificates of title for owned automobiles;

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

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

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

(e) Estoppel Certificates. NBC consents concerning the Affiliation Agreement and consents from Landlords and estoppel certificates from Landlords for those Real Property Leases indicated on Schedule 5.6;

(f) Consents. The Material Consents;

(g) Assignment and Assumption Agreement. An Assignment and Assumption Agreement (the "Assignment and Assumption Agreement");

(h) Opinions. An opinion of counsel for the Seller and an opinion of FCC counsel for the Seller, both dated the Closing Date, in the forms reasonably acceptable to counsel to the Buyer; and

(i) Lease. The Great Falls Lease.

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

(a) Purchase Price. The Purchase Price, and, at Buyer's option, the Note, which shall be paid in the manner specified in Section 2.4;

(b) Assignment and Assumption Agreement. The Assignment and Assumption Agreement;

(c) Resolutions. Certified copies of resolutions, duly adopted by the [Manager/Member] of the Buyer, which shall be in full force and effect at the time of the Closing,

authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by the Buyer;

- (d) Officer's Certificate. The certificates referred to in Section 7.1(c);
- (e) Opinion. An opinion of counsel for the Buyer in the form reasonably acceptable to counsel to the Seller;
- (f) Lease. The Great Falls Lease; and
- (g) Security Agreement. The Security Agreement in the form attached as Exhibit F (the "Security Agreement") and UCC financing statements in recordable form.

ARTICLE 10 SURVIVAL; INDEMNIFICATION

10.1 Survival. All representations and warranties contained in this Agreement, or in any Exhibit, certificate, or agreement delivered pursuant hereto, shall survive the Closing until 12 months after the Closing Date whereupon all such representations, warranties, and indemnities with respect thereto, shall expire and terminate and shall be of no further force or effect; *provided, however,* that representations and warranties and indemnities with respect thereto with respect to an Income Tax matter as set forth in Section 3.9, an environmental matter as set forth in Section 3.17 or 3.18, an employee matter as set forth in Section 3.21, or an OSHA matter as set forth in Section 3.17 (collectively, "Superior Claims") may be asserted at any time on or before the expiration of the statute of limitations under applicable law. If a Deficiency is asserted by either party, before the expiration of the survival or limitations period, such asserted Deficiency shall survive until the existence of such Deficiency has been finally established and the Deficiency is resolved as provided below.

10.2 Basic Provision.

(a) Buyer Indemnitees. The Seller ("Indemnifying Party"), hereby agrees to indemnify and hold harmless the Buyer, its members, managers, directors, officers, agents and employees and all Affiliates, and its successors and assigns (collectively, the "Buyer Indemnitees") from, against and in respect of, and to reimburse the Buyer Indemnitees for the amount of any and all Deficiencies.

(b) Seller Indemnitees. The Buyer ("Indemnifying Party"), hereby agrees to indemnify and hold harmless the Seller and its respective members, managers, officers, agents, employees and all Affiliates, and their successors and assigns (collectively, the "Seller Indemnitees") from, against and in respect of, and to reimburse the Seller Indemnitees for the amount of any and all Deficiencies.

10.3 Definition of "Deficiencies".

(a) Deficiencies for the Buyer. As used in this Article 10, the term "Deficiencies" when asserted by the Buyer Indemnitees or arising out of a third party claim against

the Buyer Indemnitees shall mean any and all losses, fines, damages, liabilities and claims sustained by the Buyer Indemnitees (provided that Deficiencies shall not include any indirect, consequential or punitive damages, including damages for lost profits and lost business opportunities) and arising out of, related to, in the nature of, caused by, based on or resulting from:

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

(ii) Any failure by the Seller to pay or discharge any Excluded Liability;

(iii) Any litigation, proceeding or claim by any third party to the extent relating to the business or operations of the Seller, the Assets or the Station before the Effective Time and not an Assumed Liability;

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

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

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

(vii) Any fees, costs, expenses or other liability related to periods before the Effective Time under any music license agreement, including with BMI, ASCAP or SESAC, entered into by Seller; or

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

(b) Deficiencies for the Seller. As used in this Article 10, the term “Deficiencies” when asserted by the Seller Indemnitees or arising out of a third party claim against the Seller Indemnitees shall mean any and all losses, damages, liabilities and claims sustained by the Seller Indemnitees (provided that Deficiencies shall not include any indirect, consequential or punitive damages, including damages for lost profits and lost business opportunities) and arising out of, related to, in the nature of, caused by, based on or resulting from:

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

(ii) Any failure by the Buyer to pay or discharge any Assumed Liability;

(iii) Any litigation, proceeding or claim by any third party relating to the business or operations of the Buyer, the Assets or the Station after the Effective Time and an Assumed Liability;

(iv) The Buyer’s operation of the Station or the ownership of the Assets after the Effective Time (including, but not limited to, any and all claims, liabilities, and obligations arising or required to be performed by the Buyer under any lease, contract, or agreement or under this Agreement after the Effective Time);

(v) Any transaction entered into by the Buyer or arising in connection with the Station or the operation of its business or any of the Assets after the Effective Time; or

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

10.4 Procedures for Establishment of Deficiencies.

(a) Claim Asserted. If any claim shall be asserted by any third party against the Buyer Indemnitees or the Seller Indemnitees (the Buyer Indemnitees or the Seller Indemnitees, as the case may be, hereinafter, the “Indemnitees”), which, if sustained, would result in a Deficiency, then the Indemnitees, promptly and in all events within 30 business days after learning of such claim, shall notify the Indemnifying Party of such claim and Indemnitees shall permit the Indemnifying Party to defend against such claim, at the Indemnifying Party's sole expense and through legal counsel reasonably acceptable to the Indemnitees, provided that the Indemnifying Party proceeds in good faith, expeditiously and diligently. The Indemnitees shall, at their option and expense, have the right to participate in any defense undertaken by the Indemnifying Party with legal counsel of their own selection and at their expense. The parties will cooperate fully in any such action (at no expense to the Indemnified Party) and shall make available to each other any books or records useful for the defense of such claim. No settlement or compromise of any claim which may result in a Deficiency may be made by the Indemnifying Party without the prior written consent of the Indemnitees unless: (a) before such settlement or compromise, the Indemnifying

Party acknowledges in writing its obligation to pay in full the amount of the settlement or compromise and all associated expenses and (b) the Indemnitees are furnished with security reasonably satisfactory to the Indemnitees that the Indemnifying Party will in fact pay such amount and expenses or the Indemnifying Party obtains a release of the Indemnitees from all liability in respect of such claim.

(b) Notice. In the event that the Indemnitees assert the existence of any Deficiency against the Indemnifying Party, such Indemnitees shall give written notice to the Indemnifying Party in accordance with Section 12.3 of the nature and amount (to the extent known) of the Deficiency asserted. The notice also shall set forth in reasonable detail the underlying facts related thereto. If the Indemnifying Party within a period of 30 days after receipt of the Indemnitees' notice, shall not give written notice to the Indemnitees announcing its intent to contest such assertion of the Indemnitees (such notice by the Indemnifying Party being hereinafter referred to as the "Contest Notice"), such assertion of the Indemnitees shall be deemed accepted and the amount of the Deficiency if not involving a third party claim shall be deemed established. If the Deficiency is based on a third party claim, the amount of the Deficiency shall not be deemed established until the Indemnifying Party and the third party have settled such claim or the amount of the Deficiency has been established by a Final order of a government authority. In the event, however, that a Contest Notice is given to the Indemnitees within such 30-day period, then the contested assertion of a Deficiency shall be resolved through binding arbitration pursuant to Section 11.12.

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

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

10.6 Limitation on Deficiencies.

(a) Notwithstanding any other provision of this Agreement, except with respect to Deficiencies resulting from Superior Claims, which shall not be limited, (i) the Seller shall not have any obligation to indemnify the Buyer from and against any Deficiencies resulting from, arising out of, relating to, in the nature of, or caused by the breach of any representation or warranty of the Seller until the Buyer has suffered Deficiencies by reason of all such breaches in excess of a \$30,000 aggregate deductible (at which point the Seller will be obligated to indemnify the Buyer from and against all Deficiencies) and (ii) there will be a \$300,000 aggregate ceiling on the obligation of the Seller to indemnify the Buyer from and against

Deficiencies resulting from the breach of any warranties or representations by the Seller *other than* those Deficiencies of which the Seller had Knowledge before the Effective Time provided, however, that in no event shall (X) a Deficiency arising under Section 3.8 or (Y) a Deficiency of which Buyer obtains Knowledge between the date hereof and the Effective Date qualify as “Deficiencies of which the Seller had Knowledge before the Effective Time” for purposes of this Section 10.6(a)(ii). The provisions of this Section shall not apply to the Closing pro rations made pursuant to Section 2.6.

(b) The Seller will have no liability for any Deficiencies to the extent such Deficiencies are based on or arise out of a breach of a representation or warranty that was within the Knowledge of the Buyer on or before the date hereof; provided that this limitation shall not have the effect of treating an Excluded Liability as an Assumed Liability. If, between the date hereof and the Effective Date, Buyer obtains Knowledge of a Deficiency, Buyer shall notify the Seller within three business days, providing the level of detail of the Deficiency as is within Buyer’s Knowledge and the Seller shall add such item to the Schedules as provided in this Agreement.

10.7 Sole Remedy. Except for any equitable remedies provided herein, the rights of the parties for indemnification relating to this Agreement shall be limited to those contained in this Article 10, and such indemnification rights shall be the exclusive remedies of the parties subsequent to the Closing Date with respect to any matter relating to this Agreement or arising in connection with the contemplated transactions. To the maximum extent permitted by law, the parties hereby waive all other rights and remedies with respect to any matter relating to this Agreement or arising in connection with the contemplated transactions, whether under any law, administrative ruling or regulation (including any right or remedy under the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9602 et seq., or any other Environmental Law), at common law or otherwise.

ARTICLE 11 MISCELLANEOUS

11.1 Termination of Agreement. This Agreement may be terminated at any time on or before the Closing Date: (a) by the mutual consent of the Seller and the Buyer; (b) by the Buyer as provided in Sections 11.8 and 11.9; (c) by either party hereto if the Closing has not taken place by March 1, 2005 (the “Final Closing Date”) (provided that the parties agree to consider any steps necessary to respond to any delay at the FCC caused by third parties by reasonably extending deadlines or modifying this Agreement if so requested by the FCC) or if a Final restraining order or injunction prohibiting the consummation of the transactions contemplated hereby is entered; (d) by the Buyer on or after March 1, 2005 if the Seller has not satisfied the conditions set forth in Article 8 and the Buyer has satisfied or is prepared and able (but for the Seller’s defaults) to satisfy the conditions of Article 7; or (e) by the Seller on or after March 1, 2005 if the Buyer has not satisfied the conditions set forth in Article 7 and the Seller have satisfied or are prepared and able (but for Buyer's defaults) to satisfy the conditions of Article 8. A termination pursuant to this Article 11 shall not relieve any party of any liability it would otherwise have for a willful breach of this Agreement. If this Agreement is terminated

rightfully pursuant to this Article 11, all further obligations of the parties hereunder shall terminate, except that all obligations for confidentiality under Sections 5.13 and 6.4 shall survive such termination indefinitely.

11.2 Liabilities on Termination or Breach. The parties acknowledge that the operation of the Station is of a special, unique and extraordinary character. On a material breach by the Seller of its representations, warranties, covenants and agreements under this Agreement other than due to a material breach or default under this Agreement by the Buyer, the Buyer shall be entitled to seek an injunction restraining any such breach or threatened breach or to enforcement of this Agreement by a decree or decrees of specific performance requiring the Seller to fulfill its obligations under this Agreement.

11.3 Expenses. Each party hereto shall bear all of its expenses incurred in connection with the transactions contemplated by this Agreement including, without limitation, accounting and legal fees incurred in connection herewith; *provided, however*, the Buyer and Seller shall equally share the filing fees with the FCC and any sales or transfer taxes arising from the transfer of the Assets to the Buyer.

11.4 Remedies Cumulative. Except as set forth in Section 5.12(c), Section 10.7 or the penultimate sentence of Section 11.1, the remedies provided in this Agreement shall be cumulative and shall not preclude the assertion by any party hereto of any other rights or the seeking of any other remedies against the other party hereto.

11.5 Preservation of Records. The Buyer will preserve and make available (including the right to inspect and copy) to the Seller, their attorneys and accountants, for six years after the Closing Date and during normal business hours, such of the books, records, files, correspondence, memoranda and other documents transferred pursuant to this Agreement as the Seller may reasonably require in connection with any legitimate purpose, including, but not limited to, the preparation of tax reports and returns and the preparation of financial statements. During the six-year period, the Buyer will not dispose of or destroy any such books, records, files, correspondence, memoranda or other documents without giving 30 days' prior written notice to the Seller, which notice shall include a reasonable description of such documents, to permit the Seller, at their expense, to examine, duplicate or take possession of all or part thereof.

11.6 Non-Assignable Contracts. Nothing contained in this Agreement shall be construed as an assignment or an attempted assignment of any Contract which is non-assignable without the consent of the other party or parties thereto, unless such consent shall be given. Notwithstanding anything contained in this Agreement to the contrary, the Seller will not be obligated to assign to the Buyer any of its rights and obligations in and to any such Contracts without first having obtained all consents necessary for such assignment. The Seller shall use commercially reasonable efforts (and the Buyer shall assist the Seller) both before and for a period of 12 months after the Closing to obtain such consents to the assignment or transfer of Contracts to vest in the Buyer all of the Seller's right, title and interest in such Contracts, in all cases in which such consent is required for assignment or transfer; *provided, however*, that, in each such case, the Seller will not be obligated to commence any litigation or offer or grant any accommodation (financial or otherwise) to any Person or incur any other obligation or liability therefor. If such consent is not obtained, the Seller shall cooperate with the Buyer in any reasonable and lawful

arrangements (not resulting in a cost to the Seller) necessary or desirable to provide for the Buyer to have the benefits and to have the Buyer assume the burdens arising after the Closing Date thereunder, including, without limitation, enforcement for the benefit of the Buyer, and assumption by the Buyer of the costs of enforcing, any and all rights of the Seller thereunder against the other party thereto arising out of the cancellation thereof by such other party or otherwise, for the period commencing with the Closing Date and continuing until the earlier of (i) expiration of the original term of the applicable Contract, (ii) one year following the Closing Date or (iii) the Seller's receipt of written notice from the Buyer that the Buyer has obtained an adequate replacement for such Contract. The failure of the Seller to obtain such consents despite the use of commercially reasonable efforts or provide to the Buyer the benefit of any Contract shall not be a breach of this Agreement.

11.7 Further Assurances. From time to time on and after the Closing Date, each party hereto will execute all such instruments and take all such actions as any other party, being advised by counsel, shall reasonably request, without payment of further consideration, in connection with carrying out and effectuating the intent and purpose hereof and all transactions and things contemplated by this Agreement including, without limitation, the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered on the Closing Date, and any and all actions which may reasonably be necessary or desirable to complete the transactions contemplated hereby. The parties shall cooperate fully with each other and with their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement.

11.8 Risk of Loss. The risk of loss, damage or destruction to any of the Assets from fire or other casualty or cause shall be borne by the Seller at all times before the Effective Time. In the event of any such loss, damage or destruction, the proceeds of any claim for any loss, payable under any insurance policy with respect thereto, shall be used to repair, replace or restore any such property to its former condition, subject to the conditions stated below. It is expressly understood and agreed that, in the event of any loss or damage to any of the material Assets from fire, casualty or other causes before the Closing, the Seller shall notify the Buyer of same in writing immediately. Such notice shall specify with particularity the loss or damage incurred, the cause thereof (if known or reasonably ascertainable) and the insurance coverage. In the event that the damaged property is not completely repaired, replaced or restored on or before the Closing Date, the Buyer at its sole option: (a) may elect to postpone Closing until such time as the property has been completely repaired, replaced or restored to the reasonable satisfaction of the Buyer or to the condition in which it existed prior to the damage or (b) may elect to consummate the Closing and accept the property in its then condition, in which event the Seller shall pay to the Buyer all proceeds of insurance and assign to the Buyer the right to any unpaid proceeds.

11.9 Broadcast Transmission Interruption. If, before the Closing, the regular broadcast transmission of any of the Station is interrupted for a period of 24 continuous hours or more, solely as a result of actions of, or the failure to act by, the Seller, then the Seller shall give prompt written notice thereof to the Buyer. The Buyer shall then have the right by giving written notice to the Seller, to postpone (and if necessary re-postpone) the Closing to a date that is 15 business days after the end of any such interruption. If, solely as a result of actions of, or the failure to act by, the Seller the regular broadcast transmission of the Station is interrupted for a continuous period of 72 hours or more at any time before Closing Date or, if at the Closing Date, the regular

transmission of the Station is interrupted and cannot be reestablished within 72 hours, then (a) the Seller immediately shall give written notice thereof to the Buyer; and (b) the Buyer shall have the right, by giving written notice to the Seller, to (i) within three business days after receiving notice from the Seller of such interruption, to terminate this Agreement without liability to the Seller or the Buyer, or (ii) postpone the Closing as provided above.

11.10 Employees. Except as provided otherwise in this Section, the Seller shall terminate all of the Station's employees effective as of the Effective Time and pay all termination and severance costs in connection with such termination. The Buyer presently intends to offer employment to all of the employees of the Station that are listed on Schedule 3.21 beginning at the Effective Time. The Buyer will provide to the Seller at least 30 days before Closing a list of employees to whom it will offer employment beginning at the Effective Time ("Assumed Employees"). The Seller acknowledges and agrees that the foregoing representation by the Buyer does not require the Buyer to continue to employ any such Assumed Employee for any specific periods of time after the Effective Time. The Buyer will not give the Station employees who are employed by the Buyer credit for accrued vacation and sick leave unless the costs thereof are paid by the Seller to the Buyer before or on the Closing Date or, at the Buyer's option, the Purchase Price is adjusted at Closing.

11.11 Arbitration; Choice of Jurisdiction. If a controversy should arise in the performance, interpretation or application of this Agreement, either party may serve upon the other a written notice stating that such party desires to have the controversy reviewed by an arbitrator. If the parties cannot agree within 15 business days from the service of such notice upon the selection of such arbitrator, an arbitrator shall be selected or designated by the American Arbitration Association. Arbitration of such controversy, disagreement or dispute shall be conducted in accordance with the Commercial Arbitration Rules then in force of the American Arbitration Association and the decision and award of the arbitrator so selected shall be binding upon the parties. The arbitration will be held in Delaware. The cost of any such arbitration shall be shared equally by the parties, *provided* that the arbitrator shall be authorized to enter as part of the award to any party an amount equal to such party's attorney's fees and other costs related to the arbitration. Except as provided by the arbitrator, each party shall pay its own costs incurred as a result of its participation in any such arbitration. The provisions of this paragraph shall not affect any party's right to terminate this Agreement. Except as specifically provided in this paragraph, any arbitrator shall have no authority to award punitive damages or any other damages not measured by the prevailing party's actual damages, and may not make any ruling, finding or award that does not conform to the terms of this Agreement. Any controversy or claim arising out of or related to this Agreement which the parties are unable to resolve and which is not requested to be arbitrated as set forth above shall be submitted to the state or federal courts located in Delaware, which shall be the sole forums for the resolution of all disputes hereunder, to the jurisdiction of which both parties submit.

11.12 Legislation Changes. The Buyer agrees to make reasonable efforts to cooperate with the Seller after Closing in assuring that the Seller obtains any benefits that result from the passage of federal legislation implementing a minority small business tax certificate benefit or other similar policies designed to foster minority or other diversity in media ownership.

ARTICLE 12
GENERAL PROVISIONS

12.1 Successors and Assigns. Except as otherwise expressly provided herein, this Agreement shall be binding on and inure to the benefit of the parties hereto, and their respective Representatives, successors and assigns. The Seller may not assign any of its rights or delegate any of their duties hereunder without the prior written consent of the Buyer. The Buyer may freely assign some or all of its rights and obligations hereunder to any Person, as long as the Buyer remains fully obligated hereunder, but otherwise shall not assign any of its rights or delegate any of its duties hereunder without the prior written consent of the Seller.

12.2 Amendments; Waivers. The terms, covenants, representations, warranties and conditions of this Agreement may be changed, amended, modified, waived, discharged or terminated only by a written instrument executed by each of the parties hereto. The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later date to enforce the same. No waiver by any party of any condition or the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

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

(a) If to the Seller, then to:

Max Media of Montana LLC
900 Laskin Road
Virginia Beach, Virginia 23451
Telecopy Number: (757) 437-0034

Attn: A. Eugene Loving, Jr.

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

Williams Mullen, A Professional Corporation
222 Central Park Ave., Suite 1700
Virginia Beach, Virginia 23462
Telecopy Number: (757) 473-0395

Attn: Thomas R. Frantz, Esquire

(b) If to the Buyer then to:

Destiny Communications, LLC
2824 S. Osage, Suite 302
Wichita, Kansas 67217
Telecopy Number: (316) 524-5620

Attn: Darnell Washington

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

Garvey Schubert Barer
1000 Potomac Street, NW
Fifth Floor
Washington, D.C. 20007-3501
Telecopy Number: (202) 965-1729

Attn: Erwin G. Krasnow, Esquire

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

12.4 Captions. The captions of Articles and Sections of this Agreement are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

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

12.6 Entire Agreement. This Agreement and the Schedules hereto and thereto and the other documents delivered hereunder constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof, and supersede all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof.

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

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

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

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

12.11 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term hereof, such provisions shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision never comprised a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance therefrom. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as part of this Agreement a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

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

SELLER:

MAX MEDIA OF MONTANA LLC

By: _____
Its: _____

MMM LICENSE LLC

By: _____
Its: _____

BUYER:

DESTINY COMMUNICATIONS, LLC

By: _____
Its: _____

DESTINY LICENSES, LLC

By: _____
Its: _____