

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is made this 25th day of October, 2003 between Pappas Telecasting of Central California, L.P. (the "Buyer") and Sanger Telecasters, Inc. (the "Seller").

RECITALS

WHEREAS, the Seller owns or leases the assets used in the operation of commercial television broadcast stations KFRE-TV (formerly KMSG-TV) and KFRE-DT (formerly KMSG-DT), Sanger, California (collectively, the "Station");

WHEREAS, the Buyer has exercised its option to acquire the assets of the Station from Seller pursuant to the Option Agreement between Buyer and Seller dated December 21, 2000 and the Amendment and Exercise of Option Agreement dated December 17, 2002;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of Buyer and Seller, Buyer and Seller do hereby agree as follows:

1. **Definitions.** As used in the Agreement, the follow terms shall have the meanings set forth below:

"Acquired Assets" means all right, title, and interest in and to all of the assets held by Seller, other than Retained Assets, that are used or useful in the operation of the Station, wherever located, *including* but not limited to all of its (a) leaseholds and other interests of any kind therein; (b) tangible personal property; (c) Intellectual Property; (d) Assumed Contracts; (e) claims, deposits, prepayments, refunds, causes of action, choses in action, rights of recovery (including rights under policies of insurance), rights of set off, and rights of recoupment; (f) Licenses; (g) FCC logs and records and all other books, records, documents, and other printed or written materials; and (h) goodwill of the Station.

"Assignment Application" has the meaning set forth in Section 2(k).

"Assumed Contracts" means the Leases and other contracts listed in Section 3(k) of the Disclosure Schedule and not identified as contracts not to be assumed by Buyer at Closing.

"Assumed Liabilities" means obligations of the Seller under the Assumed Contracts which accrue and relate to the period of time after the Closing Date and any other Liabilities of Seller which are expressly assumed by Buyer in writing.

"Buyer" has the meaning set forth in the preface, above.

"Closing" has the meaning set forth in Section 2(i).

"Closing Date" has the meaning set forth in Section 2(i).

"Disclosure Schedule" means the Disclosure Schedule prepared by Seller and attached to this Agreement.

"FCC" means the Federal Communications Commission.

"FCC Licenses" means the licenses, permits and other authorizations, including any renewals thereof, and any waivers or special temporary authorizations, issued by the FCC to the Seller in connection with the conduct of the business and operation of the Station.

"Final Order" means an action by the FCC as to which: (a) no request for stay by the FCC is pending, no such stay is in effect, and any deadline for filing a request for any such stay has passed; (b) no appeal, petition for rehearing or reconsideration, or application for review is pending before the FCC and the deadline for filing any such appeal, petition or application has passed; (c) the FCC has not initiated reconsideration or review on its own motion and the time in which such reconsideration or review is permitted has passed; and (d) no appeal to a court, or request for stay by a court, of the FCC's action is pending or in effect, and the deadline for filing any such appeal or request has passed.

"Indemnified Party" has the meaning set forth in Section 9(c).

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"Intellectual Property" means all (a) patents, trademarks, service marks, call letters, logos, and corporate names and registrations and applications for registration

thereof, (b) all programs, programming materials, copyrights and registrations and applications for registration thereof, (c) computer software, data, and documentation, (d) trade secrets and confidential business information, and (e) other similar intellectual property rights.

"Knowledge" means actual knowledge after reasonable investigation.

"Leases" means those real estate leases to which Seller is a party as described in Section 3(f) of the Disclosure Schedule.

"Liability" means any obligation or liability (whether known or unknown, whether absolute or contingent, whether liquidated or unliquidated, and whether due or to become due), including any liability for taxes.

"Licenses" means all FCC Licenses and other governmental licenses, franchises, approvals, certificates, authorizations and rights of the Seller with respect to the operations of the Station and all applications therefor, together with any renewals, extensions or modifications thereof and additions thereto.

"Party" means a party to this Agreement.

"Retained Assets" means (a) any of the rights of the Seller under this Agreement; (b) accounts, notes and other receivables of the Seller; (c) cash and cash equivalents.

"Retained Liabilities" means any Liabilities of the Seller other than the Assumed Liabilities.

"Seller" has the meaning set forth in the preface, above.

"Station" means commercial television broadcast stations KMSG-TV and KMSG-DT, Sanger, California.

"TBA" has the meaning set forth in Section 9(e).

2. **Purchase and Sale of Assets.**

(a) **Asset Sale.** On and subject to the terms and conditions of this Agreement, the Seller agrees to sell, transfer, convey and deliver to Buyer all of the Acquired Assets. Such sale shall take place at the Closing for the consideration specified below in this Section 2.

(b) **Purchase Price.** The total purchase price for the Acquired Assets (the "Purchase Price") will be Twenty Five Million Dollars (\$25,000,000.00) , subject to an offset in favor of Buyer in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00) which was paid to Seller by Buyer as part of the consideration of the Option (as set forth in the Option Agreement). The Purchase Price (subject to the offset set forth above *and* other credits set forth hereunder) will be payable by Buyer to Seller in immediately available funds delivered by wire transfer at the Closing to an account specified by Seller.

(c) **Assumption of Liabilities and Obligations.** On and subject to the terms and conditions of this Agreement, Buyer agrees to assume and become responsible for all of the Assumed Liabilities at the Closing. The Buyer will not assume or have any responsibility, however, with respect to any Retained Liability, and the Seller agrees to pay and discharge any Retained Liabilities.

(d) **Allocation.** Within 60 days after the Closing Date, the Seller and the Buyer shall negotiate in good faith an allocation of the Purchase Price among the Acquired Assets that complies with Section 1060 of the Internal Revenue Code.

(e) **Closing.** The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Fletcher, Heald and Hildreth, P.L.C., 1300 North 17th Street, 11th Floor, Arlington VA 22209, counsel to the Buyer, commencing at 9:00 a.m. local time on a date set by Buyer , assuming all conditions to Closing have then been satisfied or waived, on a date set by Buyer which date shall be within 10 business days after the FCC approval of the Assignment Application has become a Final Order, subject to satisfaction or waiver of all other conditions to the obligations of the Parties to consummate the transactions contemplated hereby (the "Closing Date").

(f) **Deliveries at the Closing.** At the Closing, (i) the Seller will deliver to the Buyer the various certificates, instruments, and documents referred to in Section 7; (ii) the Buyer will deliver to the Seller the various certificates, instruments, and documents referred to in Section 8; (iii) the Seller will execute and deliver to the Buyer (A) assignments (including Lease and other Assumed Contract assignments and Intellectual Property transfer documents) and bills of sale in form and substance reasonably acceptable to the Buyer, and (B) such other instruments of sale, transfer, conveyance, and assignment as the Buyer and its counsel reasonably may request; (iv) the Buyer will execute and deliver to the Seller instruments of assumption in form and

substance reasonably acceptable to Seller; and (v) the Buyer will deliver to the Seller the Purchase Price in accordance with Section 2(b).

(g) **Assignment Application.** The Seller and the Buyer will jointly file with the FCC an application for assignment of the FCC Licenses from the Seller to Buyer (the "Assignment Application") within fifteen (15) days from the date hereof. The FCC filing fees in connection with the Assignment Application shall be paid by Buyer. Buyer shall also pay Seller's reasonable attorneys' fees in connection with the preparation of the Assignment Application. The Seller and the Buyer shall thereafter prosecute the Assignment Application with all reasonable diligence and otherwise use commercially reasonable efforts to obtain the grant of the Assignment Application as expeditiously as practicable (but neither the Seller nor the Buyer shall have any obligation to satisfy complainants or the FCC by taking any steps which would have material adverse effect upon such party (or any affiliate thereof) or the Station or impose significant costs on such party, or any affiliate thereof). If the FCC imposes any condition on either party to the Assignment Application, such party shall use commercially reasonable efforts to comply with such condition, provided that neither party shall be required hereunder to comply with any condition that would have a material adverse effect upon such party (or any affiliate thereof) or the Station. The Seller and the Buyer shall jointly oppose any petition to deny, or requests for reconsideration or judicial review of FCC approval of the Assignment Application and shall jointly request from the FCC extension of the effective period of FCC approval of the Assignment Application if the Closing shall not have occurred prior to the expiration of the original effective period of the FCC Consent. Nothing in this Section 2(g) shall be construed to limit either party's right to terminate this Agreement pursuant to Section 10 of this Agreement.

3. **Representations and Warranties of the Seller.** Except as otherwise disclosed on the Disclosure Schedule, the Seller hereby represents and warrants to the Buyer as follows:

(a) **Corporate Existence and Power; Corporate Authority.** The Seller is a corporation duly organized, validly existing and in good standing in the State of California, and has all necessary corporate power and authority to execute this Agreement and the other documents to be executed by Seller in connection herewith and to consummate the transactions contemplated hereby and thereby. The Seller's execution, delivery and performance of this Agreement and the documents to be executed in connection with the consummation hereof, assuming the due execution and delivery thereof by the Buyer, constitute or will constitute the valid and binding obligations of the Seller, enforceable against it in accordance with their respective terms, except as may be limited by laws affecting creditors' rights or equitable principles generally.

(b) **Governmental Authorization.** Except for the FCC Consent, the execution, delivery and performance of this Agreement and the documents contemplated hereby by the Seller does not require the consent of any governmental entity or third party, will not conflict with or violate the provisions of any applicable law or any judgment, order or ruling of any governmental authority having jurisdiction over the Seller, will not, directly or indirectly, conflict with or constitute a breach or default under any agreement, license or permit to which the Seller is a party or is subject, and will not result in the creation of any lien or encumbrance on the Acquired Assets.

(c) **Licenses and Permits.** The Seller duly and validly holds all of the Licenses and each of the Licenses is in full force and effect and is not subject to any restrictions or conditions limiting or restricting the operation of the Station as now being conducted. There are no pending nor, to the Knowledge of Seller, threatened, proceedings which could result in the revocation, modification or nonrenewal of any of the Licenses and the Seller has no reason to believe that any License will not be renewed in its ordinary course. To the Knowledge of the Seller, there are no facts which would disqualify the Seller as the assignor of any Licenses. Section 3(c) of the Disclosure Schedule contains a true and complete list of all of the Licenses.

(d) **Compliance with Laws.** The Seller is in material compliance with all laws, regulations, rules and governmental orders applicable to the Station and the Acquired Assets.

(e) **Litigation.** The Seller is not subject to any judgment, injunction, order or arbitration decision relating to the Acquired Assets or the operation of the Station and there is no litigation or administrative proceeding pending or, to Seller's Knowledge, threatened, against the Seller or relating to the Acquired Assets which would reasonably be expected to adversely affect the Acquired Assets or the Seller's ability to perform its obligations hereunder.

(f) **Title to Acquired Assets.** The Seller has good and marketable title to the Acquired Assets, free and clear of all liens and encumbrances. The Acquired Assets, including the Leases and equipment leases included therein, constitute all assets used in connection with the operation of the Station (other than Retained Assets) and constitute all assets (other than Retained Assets) necessary to operate the Station as currently operated.

(g) **Rights to Intellectual Property.** All Intellectual Property used by the Seller in the operations of the Station is licensed to or owned by the Seller and the

Seller's rights thereto shall be assignable to the Buyer on the Closing Date. The Seller's rights pertaining to such Intellectual Property are valid and uncontested and the Seller has received no notice of infringements or unlawful use of such Intellectual Property in connection with the operation of the Station. Section 3(g) of the Disclosure Schedule contains a list of all Intellectual Property used by Seller in the operation of the Station.

(h) **Contracts.** Section 3(h) of the Disclosure Schedule lists all contracts and agreements, including the Leases, to which Seller is a party and which are used in the operation of the Station or relate to the Acquired Assets. Section 3(h) also identifies any of such contracts, agreements and Leases which will not be assumed by Buyer at Closing. Each of the contracts, agreements, and Leases listed in Section 3(h) of the Disclosure Schedule is in full force and effect, and neither Seller nor, to Seller's Knowledge any other party thereto, is in material default or breach thereunder.

(i) **Brokers.** There is no broker, finder or other intermediary authorized to act on behalf of Seller who may be entitled to any commission or other fee from Buyer upon consummation of the transactions contemplated by the Agreement.

4. **Representations and Warranties of the Buyers.** The Buyer represents and warrants to the Seller as follows:

(a) **Partnership Existence and Power.** The Buyer is a limited partnership duly organized, validly existing and in good standing in the State of California and has all the necessary partnership power and authority to execute this Agreement and the documents to be executed by it in connection herewith and to consummate the transactions contemplated hereby and thereby.

(b) **Partnership Authorization.** The Buyer's execution, delivery and performance of this Agreement and the documents to be executed in connection with the consummation hereof have been or will be duly and validly authorized by all necessary action on its part and, assuming the due execution and delivery by the Seller, will constitute the valid and binding obligations of the Buyer, enforceable against it in accordance with their respective terms, except as limited by laws affecting creditors' rights or equitable principles generally.

(c) **Governmental Authorization.** Except for the FCC Consent, the execution, delivery and performance of this Agreement and the documents contemplated hereby does not require the consent of a governmental entity or third party, will not conflict with or violate the provisions of the Buyer's articles of incorporation or bylaws or any applicable law or any judgment, order or ruling of any governmental authority

having jurisdiction over the Buyer, and will not, directly or indirectly, conflict with or constitute a breach or default under any agreement, license or permit to which Buyer is party or is subject.

(d) **Brokers.** There is no broker, finder or other intermediary authorized to act on behalf of Buyers who may be entitled to any commission or other fee from Seller upon consummation of the transactions contemplated by this Agreement.

(e) **FCC Qualification.** Buyer is qualified under the Communications Act of 1934, as amended, and the rules of the FCC to hold the FCC Licenses.

5. **Covenants of the Seller.** The Seller hereby makes the following covenants to the Buyer:

(a) **Operation of the Station.** Seller shall not sell, lease or dispose of any of the Acquired Assets, except for immaterial assets sold, leased or disposed of in the ordinary course. Subject to the terms and conditions of the TBA, Seller shall operate the Station in accordance with the FCC Licenses for the Station and in compliance with all laws, regulations and rules applicable to the Station.

(b) **Accuracy of Representations and Warranties.** The Seller shall not take any action which would cause any representation or warranty contained herein to become false, inaccurate, misleading or invalid in any material respect, and the Seller shall promptly notify the Buyer of any material change in any representation or warranty contained herein. The Parties agree that such notice shall not serve to operate to cure any breach of such representation or warranty.

(c) **Full Access and Consultation.** From the date hereof until the Closing, the Seller will permit representatives of the Buyer to have full access at all reasonable times, and in a manner so as not to interfere with the normal business operations of the Station, to all premises, properties, books, records, contracts, and documents of or pertaining to the Seller in connection with operation of the Station. The Seller will consult with the Buyer's management with a view to informing Buyer's management as to the operations, management and business of the Station.

6. **Covenants of the Buyers and the Seller.** Each of the Parties hereby makes the following covenants to the other Parties:

(a) **Confidentiality.** Each Party shall keep confidential all information not otherwise available to the public obtained by it with respect to the other

Party in connection with this Agreement and the transactions contemplated hereby, and will use such information solely in connection with the transactions contemplated hereunder and shall promptly return all such information to the other Party if such transactions are not consummated for any reason; provided, however, that a Party may disclose such confidential information to its representatives if such representatives agree to similarly maintain the confidentiality of such information, and provided further, that a Party may disclose such confidential information to the extent required by law.

(b) **Cooperation.** The Buyer and the Seller agree to use their commercially reasonable efforts to cooperate with one another in taking any actions necessary or helpful to accomplish the consummation of the transactions contemplated hereby, including actions to obtain required consents from the FCC or any third party, provided, however, that no Party shall be required to take any action which would have a material adverse effect upon it or its affiliates.

(c) **Bulk Sales.** The Buyer and the Seller agree to waive compliance with all "bulk sales" or similar laws that may be applicable to the transactions contemplated hereunder.

7. **Conditions to the Buyer's Obligations.** The Parties agree that Buyer's obligations hereunder are specifically conditioned upon the prior occurrence of the following:

(a) **FCC Consent.** The FCC consent to the assignment of the FCC Licenses from the Seller to the Buyer shall have been granted, shall be in full force and effect, and shall have become a Final Order.

(b) **Opinion of Seller's Counsel.** The Buyer shall have received a written opinion of the Seller's counsel as to matters under the Communications Act of 1934, as amended, and the rules and regulations of the FCC thereunder, dated as of the Closing Date, in form and substance reasonably acceptable to the Buyer.

(c) **Instruments of Conveyance.** The Buyer shall have received all instruments of conveyance and transfer and other documents to effect the sale, transfer and conveyance of the Acquired Assets to the Buyer, and such instruments shall be reasonably satisfactory in form and substance to the Buyer.

(d) **Consents to Assignment.** The Buyer shall have received consents to the assignment of each Assumed Contract requiring such a consent, and estoppel

certificates from each landlord under the Leases, and each such consent and estoppel shall be satisfactory in form and substance to the Buyer.

(e) **No Litigation.** No litigation or administrative proceeding or investigation (whether formal or informal) shall be pending or threatened against any of the Parties or the Station, and no law, judgment or order shall be in effect, the results or existence of which, in any such case, could materially impair the Acquired Assets or the consummation of the transactions contemplated hereunder.

(f) **Accuracy of Representations and Warranties and Performance of Covenants.** The representations and warranties made by the Seller hereunder shall have been true, complete and accurate, in all material reports, when made and shall be true, complete and accurate, in all material reports, as of the Closing Date, and Seller shall have performed and complied with, in all material respects, all covenants and agreements contained in this Agreement and to be performed or complied with by Seller prior to the Closing.

(g) **Compliance Certificate.** Buyers shall have received a certificate, signed on behalf of Seller, as to the matters set forth in Section 7(f).

(h) **Non-Competition.** Diane D. Dostinich shall have entered into a non-competition agreement in the form attached hereto as Exhibit A, for no additional consideration beyond the Purchase Price.

8. **Conditions to the Seller's Obligations.** The Parties agree that the Seller's obligations hereunder are specifically conditioned upon the prior occurrence of the following:

(a) **Accuracy of Representations and Warranties and Performance of Covenants.** The representations and warranties made by the Buyer hereunder shall have been true, complete and accurate, in all material respects, when made and shall be true, complete and accurate, in all material respects, as of the Closing Date, and Buyer shall have performed and complied with, in all material respects, all covenants and agreements contained in this Agreement and to be performed or complied with by Buyer prior to the Closing.

(b) **FCC Consent.** The FCC consent to the assignment of the FCC Licenses from Seller to the Buyer shall have been granted and shall be in full force and effect.

(c) **Compliance Certificate.** Seller shall have received a certificate, signed on behalf of Buyers, as to the matters set forth in Section 8(a).

(d) **Instruments of Assumption.** The Seller shall have received all instruments of assumption to effect the assumption by Buyer of the Assumed Liabilities, and such instruments shall be reasonably satisfactory in form and substance to Seller.

(e) **No Litigation.** No litigation or administrative proceeding or investigation (whether formal or informal) shall be pending or threatened against any of the Parties or the Station, and no law, judgment or order shall be in effect, the results or existence of which, in any such case, could materially impair the consummation of the transaction contemplated hereunder.

9. **Remedies for Breach.**

(a) **Survival.** All of the representations and warranties contained in this Agreement shall survive the Closing and continue in full force and effect for a period of eighteen (18) months following Closing.

(b) **Indemnification.**

(i) Seller hereby indemnifies Buyer and its affiliates against, and agrees to hold each of them harmless from, any and all Liability (including, reasonable attorneys' fees and expenses) incurred or suffered by Buyer or any of its affiliates arising out of any misrepresentation or breach of warranty, covenant or agreement made or to be performed by Seller pursuant to this Agreement, or the failure of Seller to perform any Retained Liabilities.

(ii) Buyer hereby indemnifies Seller and its affiliates against, and agrees to hold each of them harmless from, any and all Liability (including reasonable attorneys' fees and expenses) incurred or suffered by Seller or any of its affiliates arising out of any misrepresentation or breach of warranty, covenant or agreement made or to be performed by the Buyer pursuant to this Agreement, or the failure of Buyer to perform any Assumed Liabilities.

(c) **Procedures.** The party seeking indemnification under Section 9(b) (the "Indemnified Party") agrees to give prompt notice to the party against whom indemnity is sought (the "Indemnifying Party") of the assertion of any claim, or the commencement of any suit, action or proceeding in respect of which indemnity may be

sought under such Section. The Indemnifying Party may, and at the request of the Indemnified Party shall, participate in and control the defense. The Indemnifying Party shall not be liable under Section 9(b) for any settlement effected without its consent of any claim, litigation or proceeding in respect of which indemnity may be sought hereunder.

(d) **Specific Performance.** The Seller acknowledges and agrees that the Buyer would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are materially breached. Accordingly, the Seller agrees that the Buyer shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having jurisdiction over the Parties and the matter, in addition to any other remedy to which it may be entitled, at law or in equity. Each of the Parties acknowledges and agrees that money damages would not be an adequate remedy for the Buyer for a material breach of any provision of this Agreement.

(e) **Station Programmed Under TBA.** The Parties acknowledge that Seller has entered into a Time Brokerage Agreement (the "TBA") with Buyer. Notwithstanding any other provision contained in this Agreement, Seller shall not be liable for any breach of any representation, warranty or covenant of Seller contained in this Agreement if such breach results primarily from the actions of Buyer in its capacity as broker under the TBA.

10. **Termination.**

(a) **Termination of Agreement.** The Parties may terminate this Agreement, as provided below:

(i) the Buyer and the Seller may terminate this Agreement by mutual written consent at any time prior to the Closing;

(ii) either Party may terminate this Agreement by giving written notice to the other Party at any time prior to the Closing in the event such other Party is in material breach of any representation, warranty, or covenant contained in this Agreement; provided, however, that if such breach is capable of being cured, such breach also remains uncured for thirty (30) days after notice of breach is received by the breaching Party; or

(iii) the Buyer or the Seller may terminate this Agreement if the Assignment Application is denied by Final Order; or

(iv) either Party may terminate this Agreement if the Closing has not occurred by the third anniversary of the date of this Agreement, provided, however, that a Party in breach of its representations, warranties, or covenants under this Agreement may not terminate this Agreement pursuant to this Section 10(a)(iv).

(b)

Effect of Termination. If any Party terminates this Agreement pursuant to Section 10(a) above, all obligations of the Parties hereunder shall terminate without any Liability of either Party to the other Party (except for any Liability of any Party then in breach).

11. **Miscellaneous.**

(a) **Notices.** All notices, requests and other communications to either the Seller or the Buyers shall be in writing (including telex, telecopy or similar writing) and shall be given,

If to the Buyer, to:

Pappas Telecasting of Central California, LP
500 S. Chinowth Road
Visalia, CA 93277
Telecopy: (559) 733-7878
Attention: Harry J. Pappas

With a copy to:

Fletcher, Heald & Hildreth, P. L. C.
1300 N. 17th St.
11th Floor
Arlington, VA 22209
Telecopy: (703) 812-0486
Attn: Kathleen Victory, Esq.

If to the Seller, to:

Sanger Telecasters, Inc.
6309 Ocean Front Walk
Unit 101
Playa del Rey, CA 90293
Telecopy: (310) 822-2806
Attn: Diane D. Dostinich

With a copy to:

Seymour S. Goldberg Law Corporation
13470 Washington Blvd.
Suite 201
Marina del Rey, CA 90292
Telecopy: (310) 823-7934
Attn: Seymour S. Goldberg, Esq.

Law Offices of Paul T. Chambers
246 West Shaw Avenue
Fresno CA 93704
Telecopy: (559) 228-0327
Attn: Paul T. Chambers, Esq.

(b) **Amendments, No Waivers.** Any provision of this Agreement may be amended or waived prior to the Closing Date if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by the Buyer and the Seller, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any other rights or remedies provided by law.

(c) **Expenses.** Except as otherwise provided herein, all costs and expenses incurred in connection with the preparation and consummation of this Agreement and the transactions contemplated hereby and thereby shall be borne by the Party which incurs such costs or expenses.

(d) **Successors and Assigns.** The provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, provided, however, that neither Party may assign, delegate or

otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, it is agreed and acknowledged that the Buyer may, without the prior consent of the Seller, transfer the whole or part of its obligations hereunder to an entity controlled by it and that is legally, financially and otherwise qualified to be an FCC licensee.

(e) **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of California, without regard to the conflicts of law rules of such state.

(f) **Counterparts.** This Agreement may be signed in any number of counterpart signatures, each of which shall be deemed an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received the counterpart signatures of the other parties hereto. This Agreement may be executed and exchanged by facsimile transmission, with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

(g) **Entire Agreement.** This Agreement and the documents contemplated hereby constitute the entire agreement among the Parties hereto with respect to the subject matter hereof and supersede all prior agreements, understandings and negotiations, both written and oral, between the Parties with respect to the subject matter hereof. No representation, inducement, promise, understanding, condition or warranty not set forth herein has been made or relied upon by either party, other than as disclosed herein. Neither this Agreement nor any provision hereof is intended to confer upon any person or entity other than the Parties hereto any rights or remedies hereunder.

(h) **Captions.** The captions used herein are included for the sake of convenience of reference only and shall be ignored in the construction or interpretation hereof.

(i) **Severability.** The Buyer and the Seller agree that if one or more provisions contained in this Agreement shall be deemed to be invalid, illegal or unenforceable in any respect under any applicable law, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted, and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

(j) **Further Actions.** After the Closing Date, the Seller shall execute and deliver such other certificates, agreements, conveyances and other documents, and take such other action as may be reasonably requested by the Buyer in order to transfer and assign to, and vest in, the Buyer the Acquired Assets conveyed hereunder.

(k) **Disclosure Schedule.** The Disclosure Schedule is divided into sections which correspond to specific sections of this Agreement. Any matter disclosed in a section of the Disclosure Schedule shall be deemed to affect only the section of this Agreement to which it relates.

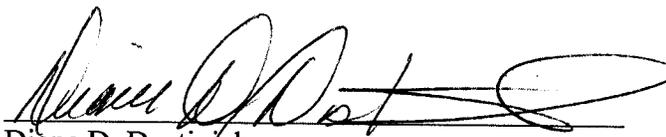
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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

PAPPAS TELECASTING OF CENTRAL
CALIFORNIA, L.P.

By: 
Harry J. Pappas
General Partner

SANGER TELECASTERS, INC.

By: 
Diane D. Dostinich
President and Chief Executive Officer

DISCLOSURE SCHEDULE

Section 3(f) of the Disclosure Schedule will reflect no material liens other than those in favor of United Security Bank, its successors and assigns; all liens shall be released at Closing.

Section 3(h) of the Disclosure Schedule will reflect the Lease for 41990 Radio Lane, Auberry-Meadow Lakes, CA and the Lease with Flake Investments for the premises at Locust and Ingram in Fresno, CA, and no other Leases other than those agreed to be assumed by Buyer in its discretion.

Section 3(h) of the Disclosure Schedule will reflect as Assumed Contracts only contracts disclosed to Buyer prior to December 13, 2000, immaterial contracts entered into in the ordinary course, and other contracts entered into with Buyer's consent and which Buyer has agreed to assume.

Purchase Agreement

NON-COMPETITION AGREEMENT

This Non-Competition Agreement (this "Agreement") is made as of the __ day of _____, 200_, among Diane Dostinich ("Dostinich") and Sanger Telecasters, Inc. ("Seller" and together with Diane Dostinich, the "Seller Parties") and Pappas Telecasting of Central California, L.P. ("Purchaser").

WHEREAS, Seller and Purchaser have entered into an Asset Purchase Agreement (the "Purchase Agreement") dated as of Oct. 25, 2005, pursuant to which Seller has agreed to sell to Purchaser, and Purchaser has agreed to purchase, substantially all the assets used in connection with the operation of television station KSMG-TV and KSMG-DT, Sanger, California (collectively, the "Stations");

WHEREAS, Dostinich holds equity interests in Seller and will thereby benefit from the consummation of the transactions contemplated by the Purchase Agreement; and

WHEREAS, in consideration of Purchaser's agreement to purchase such assets, and in order to protect the goodwill of the Stations being acquired by Purchaser, it is a condition to Purchaser's obligations to consummate such purchase that the Seller Parties execute and deliver to Purchaser this Agreement.

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

1. **Agreement Not to Compete.** The Seller Parties covenant and agree that, for a period of the shorter of (i) five (5) years after the date hereof, and (ii) so long as Purchaser or any party deriving title to the assets of the Stations from Purchaser engages in the television broadcasting business in the Fresno-Visalia DMA as designated by A.C. Neilson Co. (the "Fresno DMA"), none of the Seller Parties will hold, directly or indirectly, any interest in (other than an interest of 5% or less held as a passive investment), or be involved as an officer, director, employee, consultant, or in any similar capacity with, any person or entity which operates, is engaged in time brokerage, joint sales or other similar arrangements with, or holds the Federal Communications

Commission authorization to construct or operate, any television station, including any low power television or television translator station, which broadcasts in the Fresno DMA.

2. **Acknowledgments.** The Seller Parties acknowledge that the restrictions contained in Section 1 (the "Restrictions") are reasonable and necessary in order to protect the legitimate interests of Purchaser and its affiliates, and that any violation thereof would result in irreparable injuries to Purchaser and its affiliates, and the Seller Parties therefore further acknowledge that, in the event the Seller Parties violate, or threaten to violate, any of such Restrictions, Purchaser and its affiliates shall be entitled to obtain from any court of competent jurisdiction without the posting of any bond or other security, preliminary and permanent injunctive relief as well as damages, which rights shall be cumulative and in addition to any other rights or remedies in law or equity to which Purchaser or its affiliates may be entitled. If any of the Restrictions or any other provision of this Agreement shall at any time be adjudged invalid to any extent by any court of competent jurisdiction, such covenant shall be deemed modified to the extent necessary to render it enforceable.

3. **Entire Agreement.** This Agreement embodies the entire agreement between the parties hereto with respect to the subject matter hereof, and there have been and are no agreements, representations or warranties between the parties other than those set forth or provided for herein.

4. **No Assignment.** This Agreement shall not be assigned by any of the Seller Parties without the prior written consent of the Purchaser and any attempted assignment without such prior written consent shall be null and void and without legal effect. This Agreement may be assigned by Purchaser without the consent of the Seller Parties.

5. **Notices.** All notices, requests, demands and other communications hereunder shall be in writing and shall be delivered in person or sent by overnight private commercial delivery service or by certified or registered U. S. mail, postage prepaid, and addressed as follows:

(a) If to the Seller Parties, to the address specified for Seller in the Purchase Agreement.

(b) If to the Purchaser, to the address specified for the Purchaser in the Purchase Agreement.

6. **Governing Law.** Except to the extent governed by federal law, this Agreement shall in all respects be governed by and construed in accordance with the laws of the State of California without reference to the choice of law rules utilized in that jurisdiction.

7. **Amendments and Waivers.** No term or provision of this Agreement may be amended, waived, discharged or terminated orally but only by an instrument in writing signed by the party against whom the enforcement of such amendment, waiver, discharge or termination is sought. Any waiver shall be effective only in accordance with its express terms and conditions.

8. **Severability.** Any provision of this Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such unenforceability without invalidating the remaining provisions hereof, and any such unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by law, the parties hereto hereby waive any provision of law now or hereafter in effect which renders any provision hereof unenforceable in any respect.

9. **Headings.** The captions in this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

10. **Counterparts.** This Agreement may be executed in any number of counterparts, and by each party on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11. **Waiver of Jury Trial.** EACH PARTY TO THIS AGREEMENT HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS AGREEMENT OR ANY OTHER DOCUMENT OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT THEREOF.

12. **No Strict Construction.** The parties hereto have participated jointly in the negotiation and drafting of this Agreement and the language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent. In the event an ambiguity or question of intent or interpretation arises, this

Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

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

SANGER TELECASTERS, INC.

Witness: _____

By: _____

Its:

Witness: _____

Diane Dostinich

PAPPAS TELECASTING OF CENTRAL CALIFORNIA, L.P.

Witness: _____

By: _____

Harry J. Pappas
General Partner