

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of September 20, 2006 among the company or companies set forth as Seller on the signature page hereto (collectively, "Seller"), the Guarantor (defined below), and the company or companies set forth as Buyer on the signature page hereto (collectively, "Buyer").

### Recitals

A. Seller owns and operates the following television broadcast stations (each a "Station" and collectively the "Stations") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC"):

WSAH(TV), Bridgeport, Connecticut  
KCNS(TV), San Francisco, California  
WMFP(TV), Lawrence, Massachusetts  
WRAY-TV, Wilson, North Carolina  
WOAC(TV), Canton, Ohio

B. Pursuant to the terms and subject to the conditions set forth in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Station Assets (defined below).

### Agreement

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

#### ARTICLE 1: PURCHASE OF ASSETS

1.1. Station Assets. On the terms and subject to the conditions hereof, at Closing (defined below), except as set forth in Section 1.2, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all right, title and interest of Seller in and to all assets and properties of Seller, real and personal, tangible and intangible, that are used or held for use in the operation of the Stations (the "Station Assets"), including without limitation the following:

(a) all licenses, permits and other authorizations issued to Seller by the FCC with respect to the Stations (the "FCC Licenses"), including those described on *Schedule 1.1(a)*, any renewals or modifications thereof and any additions thereto between the date hereof and Closing, and any pending FCC applications, together with all licenses, permits and other authorizations issued to Seller by the Federal Aviation Administration ("FAA") or any other federal, state or local governmental authority in effect at Closing and used or held for use in the operation of the Stations (such licenses, permits and other authorizations, together with the FCC Licenses, are collectively referred to herein as the "Station Licenses");

## ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Agreement") is made as of September 20, 2006 between the company or companies set forth as Seller on the signature page hereto (collectively, "Seller"), the company or companies set forth as Buyer on the signature page hereto (collectively, "Buyer") and Bank of America, a national banking association (the "Escrow Agent").

### Recitals

Seller and Buyer are parties to an Asset Purchase Agreement of even date herewith pursuant to which Buyer is to deposit funds with the Escrow Agent in connection with the purchase and sale of the following television broadcast stations:

WSAH(TV), Bridgeport, Connecticut  
KCNS(TV), San Francisco, California  
WMFP(TV), Lawrence, Massachusetts  
WRAY-TV, Wilson, North Carolina  
WOAC(TV), Canton, Ohio

### Agreement

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Seller, Buyer and Escrow Agent hereby agree as follows:

1. Escrow Account and Deposit. The Escrow Agent has established, or simultaneously with the execution hereof will establish, an account (the "Escrow Account") into which Buyer has deposited, or simultaneously with the execution hereof will deposit, Eight Million Five Hundred Thousand Dollars (\$8,500,000). Upon receipt thereof, the Escrow Agent shall provide Buyer and Seller confirmation thereof, and shall hold and disburse such deposit as set forth in this Agreement. Such deposit shall be invested in the Bank of America Business Investment Account. Such deposit, as increased or decreased based upon such investment results, is referred to herein as the "Deposit."

2. Release of Deposit by Escrow Agent. The Escrow Agent shall promptly release all or a portion of the Deposit to Buyer or Seller, as the case may be, upon the first to occur of the following circumstances:

(i) the Escrow Agent receives joint written instructions from Seller and Buyer directing the Escrow Agent to make such release; or

(ii) the Escrow Agent receives a final order of a court of competent jurisdiction authorizing the Escrow Agent to make such release.

3. Reliance by Escrow Agent. The Escrow Agent shall be entitled to rely upon and act in accordance with any of: (a) the joint written instructions of Seller and Buyer, and (b) a

final order of a court of competent jurisdiction authorizing the Escrow Agent to release the Deposit, or any portion thereof, to Buyer or Seller.

4. Conflicting Demands. If conflicting demands are made upon the Escrow Agent, the Escrow Agent shall not be required to resolve such controversy or take any action, but may await resolution of the controversy by joint instructions from Seller and Buyer or by appropriate legal proceedings.

5. Indemnification; Fees of Escrow Agent. Buyer and Seller shall jointly and severally pay, and hold the Escrow Agent harmless against, all costs, charges, damages and attorneys' fees which the Escrow Agent in good faith may incur or suffer in connection with or arising out of this Agreement. The Escrow Agent shall be entitled to a fee for services it renders hereunder in the amount set forth on Schedule A attached hereto, which shall be paid one-half by Seller and one-half by Buyer.

6. Rights and Duties of Escrow Agent.

(a) No assignment of the interest of any of the parties hereto shall be binding upon the Escrow Agent unless and until written evidence of such assignment in a form satisfactory to the Escrow Agent shall be filed with and accepted by the Escrow Agent.

(b) The Escrow Agent may rely or act upon orders or directions signed by the proper parties, or bearing a signature or signatures reasonably believed by the Escrow Agent to be genuine.

(c) The Escrow Agent shall have no duties other than those expressly imposed on it herein and shall not be liable for any act or omission except for its own gross negligence or willful misconduct.

(d) In the event that the Deposit or any proceeds thereof shall be attached, garnished, or levied upon by an order of any court, or the delivery thereof shall be stayed or enjoined by an order of court, or any order, judgment or decree shall be made or entered by any court affecting the property deposited under this Agreement, or any part thereof, the Escrow Agent is hereby expressly authorized in its sole discretion to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in case the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the parties hereto or to any other person, firm or corporation, by reason of such compliance notwithstanding that such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

(e) The Escrow Agent may resign by giving sixty (60) days written notice of resignation, specifying the effective date thereof. Within thirty (30) days after receiving the aforesaid notice, Seller and Buyer agree to appoint a successor escrow agent to which the Escrow Agent shall transfer the Deposit or any proceeds thereof then held in escrow under this Agreement. If a successor escrow agent has not been appointed and/or has not accepted such appointment by the end of the 30-day period, the Escrow Agent may at its sole option: (i) apply to a court of competent jurisdiction for the appointment of a successor escrow agent, and the costs, expenses and reasonable attorneys' fees which are incurred in connection with such a



Attention: Howard Topel  
Facsimile: (202) 293-7783

(c) if to Escrow Agent: Bank of America  
Private Banking  
8300 Greensboro Drive  
Third Floor  
McLean, Virginia 22102  
Attention: Betsy Duff, Vice President  
Facsimile: (703) 761-9203

or to such other address as may be specified by any party in a written notice to the other parties.

9. Governing Law. This Agreement shall be construed under the laws of the District of Columbia.

10. Waiver. This Agreement may be amended or modified, and any term may be waived, only if such amendment, modification or waiver is in writing and signed by all parties.

11. No Third Party Beneficiaries. This Agreement is a personal one, the duty of the Escrow Agent being only to the parties hereto, their successors or assigns, and to no other person whatsoever.

12. Counterparts. This Agreement may be executed in separate counterparts.

[SIGNATURE PAGE FOLLOWS]

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SIGNATURE PAGE TO ESCROW AGREEMENT

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

BUYER:

MULTICULTURAL TELEVISION BROADCASTING LLC

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

Name: Arthur Liu  
Title: President

SELLER:

WSAH LICENSE, INC.

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

Name:  
Title:

WSAH, INC.

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

Name:  
Title:

WRAY, INC.

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

Name:  
Title:

SCRIPPS SHOP AT HOME, INC.

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

Name:  
Title:

ESCROW AGENT:

BANK OF AMERICA

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

Name:  
Title:

SIGNATURE PAGE TO ESCROW AGREEMENT

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

BUYER: MULTICULTURAL TELEVISION BROADCASTING LLC

By: \_\_\_\_\_  
Name: Arthur Liu  
Title: President

SELLER: WSAH LICENSE, INC.

By: \_\_\_\_\_  
Name: Joseph G. McCastro  
Title: EVP & CFO

WSAH, INC.

By: \_\_\_\_\_  
Name: Joseph G. McCastro  
Title: EVP & CFO

WRAY, INC.

By: \_\_\_\_\_  
Name: Joseph G. McCastro  
Title: EVP & CFO

SCRIPPS SHOP AT HOME, INC.

By: \_\_\_\_\_  
Name: Joseph G. McCastro  
Title: Vice President

ESCROW AGENT: BANK OF AMERICA

By: \_\_\_\_\_  
Name: Elizabeth S. Duff  
Title: Senior Vice President

SCHEDULE A

ESCROW AGENT FEE

\$1,500



**Schedule 1.1(a)**  
**FCC Licenses**

Station: WSAH(TV), Bridgeport, Connecticut (Facility ID No.70493)  
Licensee: WSAH License, Inc.

<u>Call Sign</u>	<u>Type</u>	<u>Expiration</u>
WSAH (Channel 43)	Main	4/01/07
WSAH-DT (Channel 42)	DTV	Construction Permit
DTV CP Exten. (File No. BEPCDT-20060327AIX)		10/11/06

Pending Applications

Analog Modification (File No. BPCT-20060222AAG)  
DTV CP Modification (File No. BMPCDT-20060214AAF)

Station: KCNS(TV), San Francisco, California (Facility ID No. 71586)  
Licensee: WRAY, Inc.

<u>Call Sign</u>	<u>Type</u>	<u>Expiration</u>
KCNS (Channel 38)	Main	12/01/06
KCNS-DT (Channel 39)	DTV	12/01/06
WPTV798	Microwave Industrial/Business	12/27/11

Pending Applications

Renewal (File No. BRCT-20060727AFF)

Station: WMFP(TV), Lawrence, Massachusetts (Facility ID No. 41436)  
Licensee: WSAH License, Inc.

<u>Call Sign</u>	<u>Type</u>	<u>Expiration</u>
WMFP (Channel 62)	Main	04/01/07
WMFP-DT (Channel 18)	DTV	Construction Permit
DTV Modification Permit (File No. BMPCDT-20050720ADI)		12/20/06

DTV STA (File No. BDSTA-20060405AAF)

07/01/06

Pending Applications

DTV STA Extension (File No. BEDSTA-20060629AFC)

Station: WRAY-TV, Wilson, North Carolina (Facility ID No. 10133)

Licensee: WRAY, Inc.

<u>Call Sign</u>	<u>Type</u>	<u>Expiration</u>
WRAY-TV (Channel 30)	Main	12/01/12
WRAY-DT (Channel 42)	DTV	12/01/12
WPOU479	TV Intercity Relay	12/01/12
WPOU480	TV STL	12/01/12

Station: WOAC(TV), Canton, Ohio (Facility ID No. 43870)

Licensee: WRAY, Inc.

<u>Call Sign</u>	<u>Type</u>	<u>Expiration</u>
WOAC (Channel 67)	Main	10/01/13
WOAC-DT (Channel 47)	DTV	10/01/13

**Schedule 1.1(b)**  
**Tangible Personal Property**

**Schedule 1.1(c)**  
**Real Property**

**Schedule 1.1(d)**  
**Station Contracts**

**Schedule 1.1(e)**  
**Intangible Property**

(b) all of Seller's equipment, transmitters, antennas, cables, towers, vehicles, furniture, fixtures, spare parts and other tangible personal property of every kind and description that are used or held for use in the operation of the Stations, including without limitation those listed on *Schedule 1.1(b)*, except for any retirements or dispositions thereof made between the date hereof and Closing in the ordinary course of business and consistent with past practices of Seller (the "Tangible Personal Property");

(c) all of Seller's real property used or held for use in the operation of the Stations (including any appurtenant easements, licenses, rights of access, rights of way, other Seller real property interests and improvements located thereon), including without limitation those listed on *Schedule 1.1(c)* (the "Real Property");

(d) all agreements for the sale of advertising time on the Stations entered into in the ordinary course of business, and all other contracts, agreements and leases entered into in the ordinary course of the Stations' business, including without limitation those listed on *Schedule 1.1(d)*, together with all contracts, agreements and leases made between the date hereof and Closing in accordance with Article 4 (the "Station Contracts");

(e) all of Seller's rights in and to the Stations' call letters and Seller's rights in and to the trademarks, trade names, service marks, internet domain names, copyrights, programs and programming material, jingles, slogans, logos, and other intangible property which are used or held for use in the operation of the Stations, including without limitation those listed on *Schedule 1.1(e)* (the "Intangible Property");

(f) Seller's rights in and to all the files, documents, records, and books of account (or copies thereof) relating to the operation of the Stations, including the Stations' local public files, all other records required by the FCC to be kept by the Stations, programming information and studies, engineering data, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports, and logs, but excluding records relating to Excluded Assets (defined below); and

(g) to the extent assignable, all rights under manufacturers' and vendors' warranties existing at Closing and which relate to any of the Station Assets.

The Station Assets shall be transferred to Buyer free and clear of liens, claims, encumbrances, defects of title, mortgages, pledges, covenants, easements, restrictions, encroachments, charges or other claims or encumbrances of any nature ("Liens") except for Assumed Obligations (defined in Section 1.4), liens for taxes not yet due and payable, liens that will be released at or prior to Closing, and, with respect to the Real Property, such other easements, rights of way, building and use restrictions and other exceptions that do not in any material respect detract from the value of the property subject thereto or impair the use thereof in the ordinary course of the business of the Stations (collectively, "Permitted Liens").

1.2. Excluded Assets. Notwithstanding anything to the contrary contained herein, the Station Assets shall not include the following assets or any rights, title and interest therein (the "Excluded Assets"):

- (a) all cash and cash equivalents of Seller, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, money market accounts and all such similar accounts or investments;
- (b) all tangible and intangible personal property of Seller retired or disposed of between the date of this Agreement and Closing in accordance with Article 4;
- (c) all Station Contracts that are terminated or expire prior to Closing in accordance with Article 4;
- (d) Seller's corporate and trade names unrelated to the operation of the Stations (including the name "Scripps"), charter documents, and books and records relating to the organization, existence or ownership of Seller, duplicate copies of the records of the Stations, and all records not relating to the operation of the Stations;
- (e) all contracts of insurance, all coverages and proceeds thereunder and all rights in connection therewith, including without limitation rights arising from any refunds due with respect to insurance premium payments to the extent related to such insurance policies;
- (f) all pension, profit sharing plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller;
- (g) the Stations' accounts receivable and any other rights to payment of cash consideration for goods or services sold or provided prior to the Effective Time (defined below) or otherwise arising during or attributable to any period prior to the Effective Time (the "A/R");
- (h) any non-transferable shrinkwrapped computer software and any other non-transferable computer licenses that are not material to the operation of the Stations;
- (i) all rights and claims of Seller, whether mature, contingent or otherwise, against third parties with respect to the Stations and the Station Assets, to the extent arising during or attributable to any period prior to the Effective Time;
- (j) all deposits and prepaid expenses (and rights arising therefrom or related thereto), except to the extent Seller receives a credit therefor under Section 1.7;
- (k) all claims of Seller with respect to any tax refunds and all claims for reimbursement of expenses incurred prior to Closing in connection with the Sprint Nextel 2GHz relocation project;
- (l) computers and other assets located at the Scripps Howard Broadcasting Company headquarters, and any other operating systems and related assets that are used in the operation of multiple stations or other business units; and
- (m) all assets used or held for use in the operation of the Shop At Home network.

1.3. [Intentionally omitted].

1.4. Assumption of Obligations. On the Closing Date (defined below), Buyer shall assume the obligations of Seller arising during, or attributable to, any period of time on or after the Closing Date under the Station Contracts, the obligations described in Section 5.6 and any other liabilities of Seller to the extent Buyer receives a credit therefor under Section 1.7 (collectively, the “Assumed Obligations”). Except for the Assumed Obligations, Buyer does not assume, and will not be deemed by the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby to have assumed, any other liabilities or obligations of Seller (the “Retained Obligations”).

1.5. Purchase Price. In consideration for the sale of the Station Assets to Buyer, at Closing Buyer shall pay Seller, by wire transfer of immediately available funds, the sum of One Hundred Seventy Million Dollars (\$170,000,000), subject to adjustment pursuant to Section 1.7 (the “Purchase Price”).

1.6. Deposit. On the date of this Agreement, Buyer shall make a cash deposit in immediately available funds in an amount equal to five percent (5%) of the Purchase Price (the “Deposit”) with Bank of America (the “Escrow Agent”) pursuant to the Escrow Agreement (the “Escrow Agreement”) of even date herewith among Buyer, Seller and the Escrow Agent. At Closing, the Deposit shall be disbursed to Seller and applied to the Purchase Price and any interest accrued thereon shall be disbursed to Buyer. If this Agreement is terminated by Seller pursuant to Section 10.1(c), the Deposit and any interest accrued thereon shall be disbursed to Seller. If this Agreement is terminated for any other reason, the Deposit and any interest accrued thereon shall be disbursed to Buyer. The parties shall each instruct the Escrow Agent to disburse the Deposit and all interest thereon to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement. Any failure by Buyer to make the Deposit on the date hereof constitutes a material default as to which the Cure Period under Section 10.1 does not apply entitling Seller to immediately terminate this Agreement.

1.7. Prorations and Adjustments.

(a) All prepaid and deferred income and expenses relating to the Station Assets and arising from the operation of the Stations shall be prorated between Buyer and Seller in accordance with generally accepted accounting principles (“GAAP”) as of 12:01 a.m. on the day of Closing (the “Effective Time”). Such prorations shall include without limitation all ad valorem, real estate and other property taxes (except transfer taxes as provided by Section 11.1), music and other license fees, utility expenses, rent and other amounts under Station Contracts and similar prepaid and deferred items. Seller shall receive a credit for all of the Stations’ deposits and prepaid expenses. Sales commissions related to the sale of advertisements broadcast on the Stations prior to Closing shall be the responsibility of Seller, and sales commissions related to the sale of advertisements broadcast on the Stations after Closing shall be the responsibility of Buyer. Prorations and adjustments shall be made at Closing to the extent practicable. As to those prorations and adjustments not capable of being ascertained at Closing, an adjustment and proration shall be made within ninety (90) calendar days of Closing.

(b) Except as provided by Section 1.12(c)(i), if the day on which Closing would otherwise occur under Section 1.9 or Section 1.12, as applicable, is not the 1<sup>st</sup> or the 16<sup>th</sup> day of a month, then, for administrative convenience, Closing shall take place on the nearest 1<sup>st</sup> or 16<sup>th</sup> day of the month (subject to satisfaction or waiver the applicable conditions set forth in

Articles 6 or 7 below), unless such day is not a business day or such change results in less than five (5) business days notice of Closing, in which event this Section 1.7(c) shall not apply.

1.8. Allocation. Buyer and Seller shall negotiate the allocation of the Purchase Price among the Station Assets for tax purposes within ninety (90) days after Closing. If Buyer and Seller do not reach an agreement concerning the allocation of the Purchase Price within such time (or, if earlier, prior to any applicable filing deadline), then Buyer and Seller each may file their respective tax returns reflecting the allocation determined by it in accordance with requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the “Code”).

1.9. Closing. Except as provided by Section 1.7(b), the consummation of the sale and purchase of the Station Assets provided for in this Agreement (the “Closing”) shall take place on the fifth business day after the date of the last to occur of the FCC Consent pursuant to the FCC’s initial order, HSR Clearance (defined below), if applicable, and delivery of the last of the Required Consents (defined below) (or on such earlier day after such FCC consent as Buyer and Seller may mutually agree), subject to the satisfaction or waiver of the conditions set forth in Articles 6 or 7 below. The date on which the Closing is to occur is referred to herein as the “Closing Date.”

1.10. Governmental Consents.

(a) Within five (5) business days of the date of this Agreement, Buyer and Seller shall file an application with the FCC (the “FCC Application”) requesting FCC consent to the assignment of the FCC Licenses to Buyer. FCC consent to the FCC Application without any material adverse conditions other than those of general applicability is referred to herein as the “FCC Consent.” Buyer and Seller shall diligently prosecute the FCC Application and otherwise use their commercially reasonable efforts to obtain the FCC Consent as soon as possible.

(b) If applicable, within ten (10) business days after the date of this Agreement, Buyer and Seller shall make any required filings with the Federal Trade Commission and the United States Department of Justice pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”) with respect to the transactions contemplated hereby (including a request for early termination of the waiting period thereunder), and shall thereafter promptly respond to all requests received from such agencies for additional information or documentation. Expiration or termination of any applicable waiting period under the HSR Act is referred to herein as “HSR Clearance.”

(c) Buyer and Seller shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder. The FCC Consent and HSR Clearance are referred to herein collectively as the “Governmental Consents.”

1.11. Renewal. The main station FCC Licenses expire on the dates set forth on *Schedule 1.1(a)*. If due prior to Closing and if not previously filed, then Seller shall timely file FCC renewal applications with respect to the Stations and thereafter prosecute such applications. The parties acknowledge that under current FCC policy, either the FCC will not grant an

assignment application while a renewal application is pending, or the FCC will grant an assignment application with a renewal condition. If the FCC Application is granted subject to a renewal condition, then the term "FCC Consent" shall mean FCC consent to the FCC Application and satisfaction of such renewal condition.

1.12. Multiple Closings. An FCC renewal application is pending for KCNS(TV), San Francisco, CA which in the normal course will not be granted before December 1, 2006. Renewal applications are due December 1, 2006 for WSAH(TV), Bridgeport, CT and WMFP(TV), Lawrence, MA, which in the normal course will not be granted before April 1, 2007. Notwithstanding anything in this Agreement to the contrary:

(a) the parties have allocated the Stations into groups (each a "Station Group") and have allocated the Purchase Price (each an "Allocated Price") as follows:

<i>Station Group</i>	<i>Stations</i>	<i>Allocated Price</i>
San Francisco Group	KCNS(TV), San Francisco, California	\$64,000,000
Boston/Bridgeport Group	WSAH(TV), Bridgeport, Connecticut WMFP(TV), Lawrence, Massachusetts	\$61,000,000
Raleigh/Canton Group	WRAY-TV, Wilson, North Carolina WOAC(TV), Canton, Ohio	\$45,000,000

(b) the FCC Application shall consist of three separate applications, one for the San Francisco Group (the "KCNS Application"), one for the Boston/Bridgeport Group (the "Boston/Bridgeport Application") and one for the Raleigh/Canton Group (the "Raleigh/Canton Application");

(c) if both the Boston/Bridgeport Application and the Raleigh/Canton Application are granted before November 21, 2006 and HSR Clearance is obtained, then Buyer, at its option, may elect, by written notice to Seller on or before November 21, 2006, to consummate the transactions contemplated by this Agreement in two separate Closings (each a "Partial Closing") as follows:

(i) at a first Closing on November 30, 2006 (subject to the satisfaction or waiver of the applicable conditions set forth in Article 6 or 7 hereof), (A) Buyer shall pay the Purchase Price less the Allocated Price of the San Francisco Group, and (B) Seller shall convey to Buyer all Station Assets other than those used or held for use in the operation of the San Francisco Group (the "San Francisco Assets"); and

(ii) except as provided by Section 1.7(b), at a second Closing on the fifth business day after the date of the FCC Consent with respect to the KCNS Application (subject to the satisfaction or waiver of the applicable conditions set forth in Article 6 or 7 below) (A) Buyer shall pay Seller the Allocated Price of the San Francisco Group, and (B) Seller shall convey to Buyer San Francisco Group Assets.



(d) if both the KCNS Application and the Raleigh/Canton Application are granted before the Boston/Bridgeport Application is granted, or if the Closing does not otherwise occur pursuant to Section 1.12(c), and HSR Clearance is obtained, then the transactions contemplated by this Agreement shall be consummated in two separate Partial Closings as follows:

(i) subject to Section 1.12(d)(iii), and except as provided by Section 1.7(b), at a first Closing on the fifth business day after the later of FCC Consent with respect to the KCNS Application and FCC Consent with respect to the Raleigh/Canton Application (subject to the satisfaction or waiver of the applicable conditions set forth in Article 6 or 7 hereof), (A) Buyer shall pay the Purchase Price less the Allocated Price of the Boston/Bridgeport Group, and (B) Seller shall convey to Buyer all Station Assets other than those used or held for use in the operation of the Boston/Bridgeport Group (the "Boston/Bridgeport Assets"); and

(ii) except as provided by Section 1.7(b), at a second Closing on the fifth business day after the date of the FCC Consent with respect to the Boston/Bridgeport Application (subject to the satisfaction or waiver of the applicable conditions set forth in Article 6 or 7 below) (A) Buyer shall pay Seller the Allocated Price of the Boston/Bridgeport Group, and (B) Seller shall convey to Buyer the Boston/Bridgeport Assets; and

(iii) at the first Closing under Section 1.12(d)(i) of this Agreement, if the condition described in Section 4.2 has not been satisfied, the sum of Ten Million Dollars (\$10,000,000) shall be withheld from the Purchase Price paid at such first Closing and deposited with the Escrow Agent and shall be subject to the Escrow Agreement (the "Additional Deposit"). Within five business days after the satisfaction of the condition described in Section 4.2, Seller and Buyer shall give joint written instructions to the Escrow Agent to disburse the Additional Deposit and interest earned thereon to Seller. Within five business days of a Final (as defined below) decision by the FCC or judicial determination being made that the condition in Section 4.2 cannot be satisfied, Seller and Buyer shall give joint written instructions to the Escrow Agent to disburse the Additional Deposit and interest earned thereon to Buyer.

(e) taking into account such multiple closings:

(i) the terms "Closing," "Closing Date," "FCC Application" and "FCC Consent" shall mean, and refer separately to, the applicable Partial Closing, the date on which such Partial Closing occurs (or is to occur), the applicable Partial Application, and the applicable FCC consent, each as the context requires;

(ii) with respect to each Station Group and each Partial Closing, the provisions of this Agreement that apply before, at or after a Closing shall apply before, at or after the applicable Partial Closing;

(iii) (A) if a Partial Closing occurs under Section 1.12(c), then the Deposit shall be allocated and disbursed *pro rata* according to the Allocated Price to be paid at each Partial Closing, (B) if a Partial Closing occurs under Section 1.12(d), then ten percent (10%) of the Boston/Bridgeport Allocated Price shall remain in escrow and the balance disbursed at the first Partial Closing, and (C) the term "Deposit" as used herein shall mean, and

refer separately to the allocable portion thereof as the context requires (but shall mean the full amount thereof if this Agreement is terminated without any Closing);

(iv) for purposes of Section 9.2, with respect to each Partial Closing, the maximum liability amount shall be determined based upon the Allocated Price for such Partial Closing;

(v) for purposes of Section 10.5, after each Partial Closing the liquidated damage amount shall be determined based upon the Allocated Price for the Partial Closing that has not occurred;

(vi) any termination of this Agreement prior to the first Partial Closing shall constitute a termination of this Agreement in its entirety, but after the first Partial Closing, any termination of this Agreement shall constitute a termination only with respect to the Station Assets not subject to any prior Partial Closing, each Partial Closing being final and non-rescindable; and

(vii) if a Partial Closing occurs, then the term "Outside Date" as used herein shall mean April 1, 2008.

#### 1.13. Rescission.

(a) If after Closing and prior to becoming Final (defined below), the FCC Consent is reversed or otherwise set aside, and there is a Final order of the FCC requiring re-assignment of the FCC Licenses to Seller, then the purchase and sale of the Station Assets shall be rescinded.

(b) If rescission is required under Section 1.13(a), then it shall be consummated on a mutually agreeable date within the time required by the FCC.

(c) On the date consummation of any rescission is required hereunder, Buyer shall reassign the FCC Licenses and convey the other Station Assets to Seller, all as they existed at Closing (ordinary wear and tear of Tangible Personal Property excepted), free and clear of liens, claims and encumbrances. Upon such assignment and conveyance, Seller shall repay to Buyer the Purchase Price.

(d) For purposes of this Agreement, the term "Final" shall mean that action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated.

#### ARTICLE 2: SELLER REPRESENTATIONS AND WARRANTIES

Seller makes the following representations and warranties to Buyer:

2.1. Organization. Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is qualified to do business in each jurisdiction in which the Station Assets are located. Seller has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be made by Seller pursuant hereto (collectively, the “Seller Ancillary Agreements”) and to consummate the transactions contemplated hereby.

2.2. Authorization. The execution, delivery and performance of this Agreement and the Seller Ancillary Agreements by Seller have been duly authorized and approved by all necessary action of Seller and do not require any further authorization or consent of Seller. This Agreement is, and each Seller Ancillary Agreement when made by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3. No Conflicts. Except for the Governmental Consents and consents to assign certain of the Station Contracts, the execution, delivery and performance by Seller of this Agreement and the Seller Ancillary Agreements and the consummation by Seller of any of the transactions contemplated hereby does not conflict with any organizational documents of Seller, any contract or agreement to which Seller is a party or by which it is bound, or any law, judgment, order, or decree to which Seller is subject, or require the consent or approval of, or a filing by Seller with, any governmental or regulatory authority or any third party.

2.4. FCC Licenses. Except as set forth on *Schedule 1.1(a)*:

(a) Seller is the holder of the FCC Licenses described on *Schedule 1.1(a)*, which are all of the licenses, permits and authorizations required for the present operation of the Stations. The FCC Licenses are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending, or, to Seller’s knowledge, threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability). There is not issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or order of forfeiture against the Stations or against Seller with respect to the Stations that could result in any such action. The Stations are operating in compliance in all material respects with the FCC Licenses, the Communications Act of 1934, as amended (the “Communications Act”), and the rules, regulations and policies of the FCC. All required FCC regulatory fees due with respect to the FCC Licenses have been paid.

(b) All material reports and filings required to be filed with the FCC by Seller with respect to the Stations have been timely filed. All such reports and filings are accurate and complete in all material respects. Seller maintains appropriate public inspection files at the Stations as required by FCC rules.

(c) Except that WMFP is operating under an STA, and except that WSAH is under construction and not yet broadcasting, each Station has been assigned a channel by the FCC for the provision of digital television (“DTV”) service, and the FCC Licenses include each Station’s DTV authorization. The Stations are broadcasting the DTV signal in accordance with such authorization in all material respects.

2.5. Taxes. Seller has, in respect of the Stations’ business, filed all foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law, and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable.

2.6. Personal Property. The Tangible Personal Property includes, without limitation, the items set forth on *Schedule 1.1(b)*. Except as set forth on *Schedule 1.1(b)*, Seller has good and marketable title to the Tangible Personal Property free and clear of Liens other than Permitted Liens. Except as set forth on *Schedule 1.1(b)*, all material items of Tangible Personal Property are in good operating condition, ordinary wear and tear excepted and comply in all material respects with applicable FCC rules and regulations, the FCC Licenses and with all other applicable federal, state and local statutes, ordinances, rules and regulations.

2.7. Real Property. *Schedule 1.1(c)* contains a description of all Real Property included in the Station Assets. Seller owns no real property in connection with the operation of the Stations. *Schedule 1.1(c)* includes a description of each lease of Real Property or similar agreement included in the Station Contracts (the “Real Property Leases”). To Seller’s knowledge, the Real Property is not subject to any suit for condemnation or other taking by any public authority. The Real Property Leases are the only real property now used or held for use by Seller in the operation of the Stations. Seller has delivered or will promptly deliver to Buyer copies of all policies of title insurance currently in effect in favor of Seller with respect to the Real Property that are in Seller’s possession or control (if any). The Real Property Leases provide access to the Stations’ facilities. All towers and other structures on the Real Property that are owned by Seller are painted and lighted in accordance in all material respects with the requirements of the FCC Licenses, FCC rules and regulations and all applicable requirements of state and local law.

2.8. Contracts. *Schedule 1.1(d)* contains a list of all contracts that are used in the operation of the Stations other than contracts that when combined with any Station Contracts executed after the date of this Agreement do not exceed the limitations set forth in Section 4.1 and agreements for the sale of advertising time entered into in the ordinary course of business. The Station Contracts requiring the consent of a third party to assignment are identified with an asterisk on *Schedule 1.1(c)* and *Schedule 1.1(d)*. Each of the Station Contracts (including without limitation each of the Real Property Leases) is in effect and is binding upon Seller and, to Seller’s knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors’ rights generally). Seller has performed its obligations under each of the Station Contracts in all material respects, and is not in material default thereunder, and to Seller’s knowledge, no other party to any of the Station Contracts is in default thereunder in any material respect. The Station Contracts include the retransmission consent agreements pursuant to which the Stations are carried on DBS

systems. Seller has provided to Buyer a list of substantially all cable systems that carry the Stations pursuant to must-carry rights.

2.9. Environmental. Except as set forth on *Schedule 1.1(c)* or in any environmental report delivered by Seller to Buyer prior to the date of this Agreement, to Seller's knowledge, no hazardous or toxic substance or waste regulated under any applicable environmental, health or safety law has been generated, stored, transported or released on, in, from or to the Real Property included in the Station Assets. Except as set forth on *Schedule 1.1(c)* or in any environmental report delivered by Seller to Buyer prior to the date of this Agreement, to Seller's knowledge, Seller has complied in all material respects with all environmental, health and safety laws applicable to the Stations.

2.10. Intangible Property. *Schedule 1.1(e)* contains a description of the material Intangible Property included in the Station Assets. Except as set forth on *Schedule 1.1(e)*, (i) to Seller's knowledge, Seller's use of the Intangible Property does not infringe upon any third party rights in any material respect, (ii) no material Intangible Property is the subject of any pending, or, to Seller's knowledge, threatened legal proceedings claiming infringement or unauthorized use, and (iii) Seller has not received any written notice that its use of any material Intangible Property is unauthorized or infringes upon the rights of any other person. Except as set forth on *Schedule 1.1(e)*, to Seller's knowledge, Seller owns or has the right to use the Intangible Property free and clear of Liens other than Permitted Liens.

2.11. Employees. Seller has complied in all material respects with all labor and employment laws, rules and regulations applicable to the Stations' business, including without limitation those which relate to prices, wages, hours, discrimination in employment and collective bargaining. There is no unfair labor practice charge or complaint against Seller in respect of the Stations' business pending or, to Seller's knowledge, threatened before the National Labor Relations Board, any state labor relations board or any court or tribunal, and there is no strike, dispute, request for representation, slowdown or stoppage pending or threatened in respect of the Stations' business. Seller is not party to any collective bargaining, union or similar agreement with respect to the employees of Seller at the Stations, and to Seller's knowledge, no union represents or claims to represent or is attempting to organize such employees.

2.12. Insurance. Seller maintains insurance policies or other arrangements with respect to the Stations and the Station Assets consistent with its practices for other stations, and will maintain such policies or arrangements until the Effective Time. Seller has not received notice from any issuer of such policies of its intention to cancel, terminate or refuse to renew any policy issued by it with respect to the Stations and the Station Assets.

2.13. Compliance with Law. Seller has complied in all material respects with all laws, rules and regulations, including without limitation all FCC and FAA rules and regulations applicable to the operation of the Stations, and all decrees and orders of any court or governmental authority which are applicable to the ownership and operation of the Stations (including without limitation television frequency radiation). To Seller's knowledge, there are no governmental claims or investigations pending or threatened against Seller in respect of the Stations except those affecting the industry generally.

2.14. Litigation. There is no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller in respect of the ownership or operation of the Stations or otherwise relating to the Station Assets that will subject Buyer to liability or which will affect Seller's ability to perform its obligations under this Agreement. Seller is not operating under or subject to any order, writ, injunction or decree relating to the ownership or operation of the Stations or the Station Assets of any court or governmental authority which would have a material adverse effect on the condition of the Stations or any of the Station Assets or on the ability of Seller to enter into this Agreement or consummate the transactions contemplated hereby, other than those of general applicability.

2.15. Financial Statements. Seller has provided to Buyer copies of its statements of operations for the Stations for the years ended December 31, 2004 and December 31, 2005 and the calendar year to date through June 30, 2006. Such year-end statements are the statements included in the audited consolidated financial statements of Seller and its affiliates (but such statements are not separately audited and the year to date statements are not audited). Shared operating expenses and revenue from combined sales are allocated among the Stations and other stations and business units as determined by Seller. Except for the foregoing and except for the absence of footnotes, such statements have been prepared in accordance with GAAP consistently applied and in the aggregate present fairly in all material respects the results of operations of the Stations as operated by Seller for the respective periods covered thereby. All accounts receivable reflected in the financial statements represent valid obligations arising in the ordinary course of business of the Stations and are recorded at their fair market value.

2.16. No Undisclosed Liabilities. There are no liabilities or obligations of Seller that will be binding upon Buyer after the Effective Time other than the Assumed Obligations and other than pursuant to the prorations under Section 1.7.

2.17. Station Assets. The Station Assets include all assets that are owned or leased by Seller and used or held for use in the operation of the Stations in all material respects as currently operated, except for the Excluded Assets.

### ARTICLE 3: BUYER REPRESENTATIONS AND WARRANTIES

Buyer hereby makes the following representations and warranties to Seller:

3.1. Organization. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and is (or if not required until Closing, as of such date will be) qualified to do business in each jurisdiction in which the Station Assets are located. Buyer has the requisite power and authority to execute, deliver and perform this Agreement and all of the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (collectively, the "Buyer Ancillary Agreements") and to consummate the transactions contemplated hereby.

3.2. Authorization. The execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements by Buyer have been duly authorized and approved by all necessary action of Buyer and do not require any further authorization or consent of Buyer. This Agreement is, and each Buyer Ancillary Agreement when made by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable in accordance with its

terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3. No Conflicts. Except for the Governmental Consents, the execution, delivery and performance by Buyer of this Agreement and the Buyer Ancillary Agreements and the consummation by Buyer of any of the transactions contemplated hereby does not conflict with any organizational documents of Buyer, any contract or agreement to which Buyer is a party or by which it is bound, or any law, judgment, order or decree to which Buyer is subject, or require the consent or approval of, or a filing by Buyer with, any governmental or regulatory authority or any third party.

3.4. Litigation. There is no action, suit or proceeding pending or, to Buyer's knowledge, threatened against Buyer which questions the legality or propriety of the transactions contemplated by this Agreement or could materially adversely affect the ability of Buyer to perform its obligations hereunder.

3.5. Qualification. Buyer is legally, financially and otherwise qualified to be the licensee of, acquire, own and operate the Stations under the Communications Act and the rules, regulations and policies of the FCC. There are no facts that would, under existing law and the existing rules, regulations, policies and procedures of the FCC, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Stations. No waiver of or exemption from any FCC rule or policy is necessary for the FCC Consent to be obtained. There are no matters which might reasonably be expected to result in the FCC's denial or delay of approval of the FCC Application.

#### ARTICLE 4: SELLER COVENANTS

4.1. Seller's Covenants. Between the date hereof and Closing, except as permitted by this Agreement or with the prior written consent of Buyer, which shall not be unreasonably withheld, delayed or conditioned, Seller shall:

(a) operate and hold the Stations and Station Assets in the ordinary course of business and in all material respects in accordance with the Station Licenses, FCC rules and regulations and with all other applicable laws, regulations, rules and orders;

(b) not materially adversely modify, and in all material respects maintain in full force and effect, the FCC Licenses (including the Stations' DTV authorizations);

(c) not other than in the ordinary course of business, sell, lease or dispose of or agree to sell, lease or dispose of any of the Station Assets unless replaced with similar items of substantially equal or greater value and utility, or create, assume or permit to exist any Liens upon the Station Assets, except for Permitted Liens, and not dissolve, liquidate, merge or consolidate with any other entity;

(d) maintain the Tangible Personal Property in the ordinary course of business;

(e) upon reasonable notice, give Buyer and its representatives reasonable access during normal business hours to the Station Assets, and furnish Buyer with information relating to the Station Assets that Buyer may reasonably request, provided that such access rights shall not be exercised in a manner that interferes with the operation of the Stations;

(f) deliver to Buyer copies of monthly internal operating statements for the Stations promptly after generation by Seller in the form regularly generated by Seller;

(g) except in the ordinary course of business and as otherwise required by law, not (i) enter into any employment, labor, or union agreement or plan (or amendments of any such existing agreements or plan) that will be binding upon Buyer after Closing or (ii) increase the compensation payable to any employee of the Stations, except for bonuses and other compensation payable by Seller in connection with the consummation of the transactions contemplated by this Agreement (if any);

(h) use commercially reasonable efforts to maintain the Stations' cable and DBS carriage existing as of the date of this Agreement, including making timely elections of must-carry or retransmission consent and negotiating new or extended retransmission consent agreements in the ordinary course of business;

(i) not enter into new Station Contracts that will be binding upon Buyer after Closing or amend any existing Station Contracts, except for (A) new time sales agreements and other Station Contracts made in the ordinary course of business that are terminable on ninety days notice or less without penalty, (B) other Station Contracts made with Buyer's prior consent, and (C) other Station Contracts that do not require post-Closing payments by Buyer of more than \$25,000 per Station (in the aggregate for all such new contracts); for purposes of calculating the amount of "post-Closing payments by Buyer," if a contract is terminable by giving advance notice, then such amount shall include only the post-Closing amount that would be payable if a termination notice were given at Closing (whether or not such notice is in fact given), but in no event shall such amount be more than the amount payable absent such termination notice;

(j) maintain insurance policies or other arrangements with respect to the Stations and the Station Assets consistent with past practices; and

(k) timely make or provide all payments, services or other consideration due for the Assumed Obligations.

4.2. WSAH/WMFP DTV. Seller shall use commercially reasonable efforts to complete the WSAH and WMFP DTV construction in the ordinary course of business. The filing of covering license applications by Seller (stating that construction has been completed substantially and materially in accordance with the construction permits, including any amendments thereto) with respect to such construction permits is a condition to Closing.

## ARTICLE 5: JOINT COVENANTS

Buyer and Seller hereby covenant and agree as follows:

5.1. Confidentiality. Subject to the requirements of applicable law, all non-public information regarding the parties and their business and properties that is disclosed in connection



with the negotiation, preparation or performance of this Agreement (including without limitation all financial information provided by Seller to Buyer) shall be confidential and shall not be disclosed to any other person or entity, except the parties' representatives and lenders for the purpose of consummating the transaction contemplated by this Agreement.

5.2. Announcements. Except as provided herein, prior to Closing, no party shall, without the prior written consent of the other, issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, except to the extent that such party is so obligated by law, in which case such party shall give advance notice to the other, and except that the parties shall cooperate to make a mutually agreeable announcement. From the date of this Agreement to Closing, Buyer shall be permitted without further consent from Seller to market and sell time on the Stations for broadcast after the Closing, and in the course of such activities to refer to its purchase rights under this Agreement and the coverage of the Stations.

5.3. Control. Buyer shall not, directly or indirectly, control, supervise or direct the operation of the Stations prior to Closing. Consistent with the Communications Act and the FCC rules and regulations, control, supervision and direction of the operation of the Stations prior to Closing shall remain the responsibility of Seller as the holder of the FCC Licenses.

5.4. Risk of Loss.

(a) Seller shall bear the risk of any loss of or damage to any of the Station Assets at all times until the Effective Time, and Buyer shall bear the risk of any such loss or damage thereafter.

(b) If prior to the Effective Time any item of Tangible Personal Property is damaged or destroyed or otherwise not in the condition described in Section 2.6 in any material respect, then:

(i) Seller shall use commercially reasonable efforts to repair or replace such item in all material respects in the ordinary course of business; and

(ii) if such repair or replacement is not completed prior to Closing, then the parties shall proceed to Closing (with Seller's representations and warranties deemed modified to take into account any such condition) and Seller shall promptly repair or replace such item in all material respects after Closing (and Buyer will provide Seller access and any other reasonable assistance requested by Seller with respect to such obligation), except that if such damage or destruction materially disrupts Station operations, then Buyer may postpone Closing until the date five (5) business days after operations are restored in all material respects, subject to Section 10.1.

(c) If prior to Closing, except for any DTV signal under an STA, a Station is off the air or operating at a power level that results in a material reduction in coverage (a "Broadcast Interruption"), then Seller shall use commercially reasonable efforts to return the Station to the air and restore prior coverage as promptly as possible in the ordinary course of business. Notwithstanding anything herein to the contrary, if prior to Closing there is a Broadcast Interruption, then Buyer may postpone Closing until the date five (5) business days

after the Station returns to the air and prior coverage is restored in all material respects, subject to Section 10.1.

5.5. Consents.

(a) The parties shall use commercially reasonable efforts to obtain (i) any third party consents necessary for the assignment of any Station Contract (which shall not require any payment to any such third party), and (ii) execution of reasonable estoppel certificates by lessors under any Real Property Leases requiring consent to assignment, but no such consents or estoppel certificates are conditions to Closing except for the Required Consents. Receipt of consent to assign to Buyer the Stations' main tower leases designated with a diamond on *Schedule 1.1(c)* is a condition precedent to Buyer's obligation to close under this Agreement (the "Required Consents").

(b) To the extent that any Station Contract may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant to this Agreement shall not constitute an assignment of such Station Contract; provided, however, with respect to each such Station Contract, Seller and Buyer shall cooperate to the extent feasible in effecting a lawful and commercially reasonable arrangement under which Buyer shall receive the benefits under the Station Contract from and after Closing, and to the extent of the benefits received, Buyer shall pay and perform Seller's obligations arising under the Station Contract from and after Closing in accordance with its terms.

5.6. Employees.

(a) Seller has provided Buyer a list showing employee positions and basic compensation for employees of the Stations. Buyer may, but is not obligated to, offer employment to such employees upon Closing. With respect to each such employee, Buyer shall notify Seller in writing whether or not it is hiring such employee upon Closing. Such notice shall be given at least ten (10) business days prior to Closing to enable Seller to give appropriate notices to employees without need to pay severance.

(b) With respect to employees of the Stations hired by Buyer ("Transferred Employees"), Seller shall be responsible for all compensation and benefits arising prior to the Effective Time (in accordance with Seller's employment terms), and Buyer shall be responsible for all compensation and benefits arising after the Effective Time (in accordance with Buyer's employment terms).

(c) Buyer shall permit Transferred Employees (and their spouses and dependents) to participate in its "employee welfare benefit plans" (including without limitation health insurance plans) and "employee pension benefit plans" (as defined in Section 3(1) and 3(2) of ERISA, respectively), if any, in which similarly situated employees are generally eligible to participate on the same terms, including without limitation coverage, eligibility, waiting and vesting periods, and effective dates, as apply to similarly situated employees.

(d) To the extent permitted by such plans, Buyer shall also permit each Transferred Employee who participates in the Seller's 401(k) plan to elect to make direct rollovers of their account balances into the Buyer's 401(k) plan, if any.

5.7. Accounts Receivable. At or within ten (10) days after the beginning of the Collection Period (defined below), Seller shall deliver to Buyer a schedule of the A/R then existing. For a period of ninety (90) days after Closing (the "Collection Period"), Buyer shall, without charge to Seller, use commercially reasonable efforts to collect the A/R in the ordinary course of business and shall apply all amounts collected from the Stations' account debtors to the oldest account first, unless the advertiser disputes in good faith in writing an older account and designates the payment to a newer account. Any amounts relating to the A/R that are paid directly to Seller shall be retained by Seller. Buyer shall not discount, adjust or otherwise compromise any A/R and Buyer shall refer any disputed A/R to Seller. Within ten calendar days after the end of each month, Buyer shall deliver to Seller a report showing A/R collections for the prior month and Buyer shall make a payment, without offset, to Seller equal to the amount of all such collections. At the end of the Collection Period, any remaining A/R shall be returned to Seller for collection. In no event shall Buyer be required to initiate litigation to collect any of the A/R. Except as set forth in this Section, Buyer shall have no obligation with respect to the A/R.

5.8. 1031 Exchange. To facilitate a like-kind exchange under Section 1031 of the Code, Seller may assign its rights under this Agreement (in whole or in part) to a "qualified intermediary" under section 1.1031(k)-1(g)(4) of the treasury regulations (but such assignment shall not relieve Seller of its obligations under this Agreement) and any such qualified intermediary may re-assign to Seller. If Seller gives notice of such assignment, Buyer shall provide Seller with a written acknowledgment of such notice prior to Closing and pay the Purchase Price (or such portion thereof as is designated in writing by the qualified intermediary) to or on behalf of the qualified intermediary at Closing and otherwise reasonably cooperate therewith.

## ARTICLE 6: SELLER CLOSING CONDITIONS

The obligation of Seller to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Seller):

### 6.1. Representations and Covenants.

(a) The representations and warranties of Buyer made in this Agreement, shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Buyer at or prior to Closing shall have been complied with or performed in all material respects.

(c) Seller shall have received a certificate dated as of the Closing Date from Buyer executed by an authorized officer of Buyer to the effect that the conditions set forth in Sections 6.1(a) and (b) have been satisfied.

6.2. Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

6.3. FCC Authorization. The FCC Consent shall have been obtained.

6.4. Hart Scott Rodino. If applicable, the HSR Clearance shall have been obtained.

6.5. Deliveries. Buyer shall have complied with its obligations set forth in Section 8.2.

#### ARTICLE 7: BUYER CLOSING CONDITIONS

The obligation of Buyer to consummate the Closing hereunder is subject to satisfaction, at or prior to Closing, of each of the following conditions (unless waived in writing by Buyer):

7.1. Representations and Covenants.

(a) The representations and warranties of Seller made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement.

(b) The covenants and agreements to be complied with and performed by Seller at or prior to Closing shall have been complied with or performed in all material respects.

(c) Buyer shall have received a certificate dated as of the Closing Date from Seller executed by an authorized officer of Seller to the effect that the conditions set forth in Sections 7.1(a) and (b) have been satisfied.

7.2. Proceedings. Neither Seller nor Buyer shall be subject to any court or governmental order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

7.3. FCC Authorization. The FCC Consent shall have been obtained.

7.4. Hart Scott Rodino. If applicable, the HSR Clearance shall have been obtained.

7.5. Deliveries. Seller shall have complied with its obligations set forth in Section 8.1.

7.6. Consents. The Required Consents shall have been obtained.

#### ARTICLE 8: CLOSING DELIVERIES

8.1. Seller Documents. At Closing, Seller shall deliver or cause to be delivered to Buyer:

(i) good standing certificates issued by the Secretary of State of Seller's jurisdiction of formation;

(ii) certified copies of resolutions authorizing the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

(iii) the certificate described in Section 7.1(c);

(iv) an assignment of FCC authorizations assigning the FCC Licenses from Seller to Buyer;

(v) an assignment and assumption of contracts assigning the Station Contracts from Seller to Buyer;

(vi) an assignment and assumption of leases assigning the Real Property Leases from Seller to Buyer;

(vii) endorsed vehicle titles conveying the vehicles included in the Tangible Personal Property (if any) from Seller to Buyer;

(viii) a bill of sale conveying the other Station Assets from Seller to Buyer;

(ix) the Required Consents, and any other consents and estoppel certificates obtained by Seller prior to Closing;

(x) if any Liens exist that are not Permitted Liens, releases or customary payoff/lien release letters with respect to all such Liens on the Station Assets except Permitted Liens and those Liens acceptable to Buyer in its sole but reasonable discretion; and

(xi) any other instruments of conveyance, assignment and transfer that may be reasonably necessary to convey, transfer and assign the Station Assets from Seller to Buyer, free and clear of Liens, except for Permitted Liens.

8.2. Buyer Documents. At Closing, Buyer shall deliver or cause to be delivered to Seller:

(i) the Purchase Price in accordance with Section 1.5 hereof;

(ii) good standing certificates issued by the Secretary of State of Buyer's jurisdiction of formation;

(iii) certified copies of resolutions authorizing the execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

(iv) the certificate described in Section 6.1(c);

(v) an assignment and assumption of contracts assuming the Station Contracts;

(vi) an assignment and assumption of leases assuming the Real Property Leases; and

(vii) such other documents and instruments of assumption that may be necessary to assume the Assumed Obligations.

#### ARTICLE 9: SURVIVAL; INDEMNIFICATION

9.1. Survival. The representations and warranties in this Agreement shall survive Closing for a period of twelve (12) months from the Closing Date whereupon they shall expire and be of no further force or effect, except (i) those under Sections 2.5 (Taxes) and 2.9 (Environmental) which shall survive until the expiration of any applicable statute of limitations, and those under Sections 2.6, 2.7 and 2.10 solely with respect to title, which shall survive indefinitely, and (ii) that if within such twelve (12) month period the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim, then such claim shall survive until the earlier of resolution of such claim or expiration of the applicable statute of limitations. The covenants and agreements in this Agreement shall survive Closing until performed.

#### 9.2. Indemnification.

(a) Subject to Section 9.2(b), from and after Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or resulting from:

(i) any breach by Seller of its representations and warranties made under this Agreement; or

(ii) any default by Seller of any covenant or agreement made under this Agreement; or

(iii) the Retained Obligations; or

(iv) the business or operation of the Stations before the Effective Time, except for the Assumed Obligations.

(b) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Seller shall have no liability to Buyer under Section 9.2(a) until Buyer's aggregate Damages exceed \$30,000 per Station (after which Seller shall be liable for all Damages) and (ii) the maximum aggregate liability of Seller under Section 9.2 shall be an amount equal to 20% of the Purchase Price.

(c) From and after Closing, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or resulting from:

(i) any breach by Buyer of its representations and warranties made under this Agreement; or

(ii) any default by Buyer of any covenant or agreement made under this Agreement; or

(iii) the Assumed Obligations; or

(iv) the business or operation of the Stations after the Effective Time.

(d) Notwithstanding the foregoing or anything else herein to the contrary, after Closing, (i) Buyer shall have no liability to Seller under Section 9.2(c) until Seller's aggregate Damages exceed \$30,000 per Station (after which Buyer shall be liable for all Damages) and (ii) the maximum aggregate liability of Buyer under Section 9.2 shall be an amount equal to 20% of the Purchase Price.

### 9.3. Procedures.

(a) The indemnified party shall give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties that is subject to indemnification hereunder (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's rights or the indemnifying party's obligations except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced and provided that such notice is given within the time period described in Section 9.1.

(b) The indemnifying party shall have the right to undertake the defense or opposition to such Claim with counsel selected by it. In the event that the indemnifying party does not undertake such defense or opposition in a timely manner, the indemnified party may undertake the defense, opposition, compromise or settlement of such Claim with counsel selected by it at the indemnifying party's cost (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

(c) Anything herein to the contrary notwithstanding:

(i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim;

(ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such Claim; and

(iii) in the event that the indemnifying party undertakes defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the indemnifying party and its counsel concerning such Claim and the indemnifying party and the indemnified party and their respective counsel shall cooperate in good faith with respect to such Claim.

9.4. Guaranty. Scripps Howard Broadcasting Company ("Guarantor") hereby unconditionally guarantees to Buyer the full performance of the obligations of Seller under this Agreement (the "Obligations"), whether secured or unsecured (and whether before or after the occurrence of any bankruptcy, insolvency, reorganization, arrangement, receivership or similar proceeding, and including, without limitation, all post-petition interest, at the applicable default

rate or rates, whether or not allowed as a claim in any such proceeding), and all costs and expenses incurred by Buyer in enforcing the Obligations, whether or not suit is instituted. Nothing except the full performance of the Obligations shall release Guarantor from this guaranty. Guarantor represents, warrants and agrees that: (a) this guaranty is a legal, valid and binding obligation of Guarantor, enforceable in accordance with its terms, except as limited by laws affecting creditors' rights or equitable principles generally; (b) Guarantor has all necessary power and authority to enter into and perform this guaranty; (c) this guaranty does not conflict with, constitute grounds for termination of or result in a breach of the terms, conditions or provisions of, or constitute a default under any agreement, instrument, license or permit to which Guarantor is subject; and (d) Guarantor's execution, delivery and performance of this guaranty has been duly authorized by all necessary action on its part.

#### ARTICLE 10: TERMINATION AND REMEDIES

10.1. Termination. Subject to Section 10.3, this Agreement may be terminated prior to Closing as follows:

- (a) by mutual written consent of Buyer and Seller;
- (b) by written notice of Buyer to Seller if Seller breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period (defined below);
- (c) by written notice of Seller to Buyer if Buyer breaches its representations or warranties or defaults in the performance of its covenants contained in this Agreement and such breach or default is material in the context of the transactions contemplated hereby and is not cured within the Cure Period; provided, however, that the Cure Period shall not apply to Buyer's obligations to make the Deposit on the date hereof and to pay the Purchase Price at Closing; or
- (d) by written notice of Seller to Buyer or Buyer to Seller if Closing does not occur by the date twelve (12) months after the date of this Agreement (the "Outside Date").

10.2. Cure Period. Each party shall give the other party prompt written notice upon learning of any breach or default by the other party under this Agreement. The term "Cure Period" as used herein means a period commencing on the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) twenty (20) calendar days thereafter or (ii) the Closing Date determined under Section 1.9; provided, however, that if the breach or default is non-monetary and cannot reasonably be cured within such period but can be cured before the Closing Date determined under Section 1.9, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date determined under Section 1.9.

10.3. Survival. Except as provided by Section 10.5, the termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Sections 1.6



(Deposit) (and Section 10.5 with respect to the Deposit), 1.13 (Rescission), 5.1 (Confidentiality) and 11.1 (Expenses) shall survive any termination of this Agreement.

10.4. Specific Performance. In the event of failure or threatened failure by either party to comply with the terms of this Agreement, the other party shall be entitled to an injunction restraining such failure or threatened failure and, subject to obtaining any necessary FCC consent, to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement.

10.5. Liquidated Damages. If Seller terminates this Agreement pursuant to Section 10.1(c), then Buyer shall pay Seller on demand an amount equal to 5% of the Purchase Price by wire transfer of immediately available funds (without duplication of any disbursement under Section 1.6), and such payment shall constitute liquidated damages and the sole remedy of Seller under this Agreement. Buyer acknowledges and agrees that Seller's recovery of such amount shall constitute payment of liquidated damages and not a penalty and that Seller's liquidated damages amount is reasonable in light of the substantial but indeterminate harm anticipated to be caused by Buyer's material breach or default under this Agreement, the difficulty of proof of loss and damages, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transactions to be consummated hereunder.

#### ARTICLE 11: MISCELLANEOUS

11.1. Expenses. Each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. All governmental fees and charges applicable to any requests for Governmental Consents shall be paid by the party upon whom the applicable governmental authority imposes the fee or charge (or shall be shared equally if not imposed upon either party). All governmental taxes, fees and charges applicable to the transfer of the Station Assets under this Agreement shall be paid one-half by Buyer and one-half by Seller. Each party is responsible for any commission, brokerage fee, advisory fee or other similar payment that arises as a result of any agreement or action of it or any party acting on its behalf in connection with this Agreement or the transactions contemplated hereby.

11.2. Further Assurances. After Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby.

11.3. Assignment. Except as provided by Section 5.8 (1031 Exchange), neither party may assign this Agreement without the prior written consent of the other party hereto, provided, however, that Buyer may assign its rights hereunder to an affiliate of Buyer upon written notice to, but without consent of, Seller, provided that (i) any such assignment does not delay processing of the FCC Application, grant of the FCC Consent or Closing, (ii) any such assignee delivers to Seller a written assumption of this Agreement, and (iii) Buyer shall remain liable for all of its obligations hereunder. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement.

11.4. Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Seller and Guarantor:                   Scripps Howard Broadcasting Company  
312 Walnut Street, Suite 2800  
Cincinnati, Ohio 45202  
Attention: Bill Peterson, Senior Vice President / Television  
Station Group  
Facsimile: (513) 977-3728

with a copy (which shall not  
constitute notice) to:                   Wiley Rein & Fielding LLP  
1776 K Street, N.W.  
Washington, D.C. 20006  
Attention: Doc Bodensteiner  
Facsimile: (202) 719-7049

if to Buyer:                                   Multicultural Television Broadcasting LLC  
449 Broadway  
New York, NY 10013  
Attention: Arthur Liu, President  
Facsimile: (212) 966-1012

with a copy (which shall not  
constitute notice) to:                   Leventhal Senter & Lerman PLLC  
1776 K Street, N.W.  
Washington, D.C. 20006  
Attention: Howard Topel  
Facsimile: (202) 293-7783

11.5. Amendments. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought.

11.6. Entire Agreement. This Agreement (including the Schedules hereto) constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof, except any confidentiality agreement among the parties with respect to the Stations, which shall remain in full force and effect. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement. Without limiting the generality of the foregoing, Seller makes no representation or warranty to Buyer with respect to any projections, budgets or other estimates of the Stations' revenues, expenses or results of operations, or, except as expressly set forth in Article 2, any other financial or other information made available to Buyer with respect to the Stations.

11.7. Severability. If any court or governmental authority holds any provision in this Agreement invalid, illegal or unenforceable under any applicable law, then, so long as no party is deprived of the benefits of this Agreement in any material respect, 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.

11.8. No Beneficiaries. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns.

11.9. Governing Law; Waiver of Jury Trial. The construction and performance of this Agreement shall be governed by the laws of the State of New York without giving effect to the choice of law provisions thereof. **THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING IN ANY WAY TO THIS AGREEMENT, INCLUDING ANY COUNTERCLAIM MADE IN SUCH ACTION OR PROCEEDING, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE DECIDED SOLELY BY A JUDGE.** Each party hereby acknowledges that it has each been represented by counsel in the negotiation, execution and delivery of this Agreement and that its lawyers have fully explained the meaning of this Agreement, including in particular the jury-trial waiver.

11.10. Headings. The headings set forth in this Agreement are for convenience only and shall not control or affect the meaning or construction of the provisions of this Agreement.

11.11. Computation of Time. If after making computations of time provided for in this Agreement, a time for action or notice falls on Saturday, Sunday or a Federal holiday, then such time shall be extended to the next business day.

11.12. Attorneys' Fees. In the event of any dispute between the parties to this Agreement, if ordered by a court of competent jurisdiction, the prevailing party shall be reimbursed for its reasonable attorneys' fees and other costs incurred in enforcing its rights or exercising its remedies under this Agreement. Such right of reimbursement shall be in addition to any other right or remedy that the prevailing party may have under this Agreement.

11.13. Counterparts. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER: MULTICULTURAL TELEVISION BROADCASTING LLC

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

Name: Arthur Liu  
Title: President

SELLER: WSAH LICENSE, INC.

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

Name:  
Title:

WSAH, INC.

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

Name:  
Title:

WRAY, INC.

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

Name:  
Title:

SCRIPPS SHOP AT HOME, INC.

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

Name:  
Title:

GUARANTOR: SCRIPPS HOWARD BROADCASTING COMPANY

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

Name:  
Title:

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER: MULTICULTURAL TELEVISION BROADCASTING LLC

By: \_\_\_\_\_  
Name: Arthur Liu  
Title: President

SELLER: WSAH LICENSE, INC.

By: \_\_\_\_\_  
Name: Joseph G. NeCastro  
Title: EVP & CFO

WSAH, INC.

By: \_\_\_\_\_  
Name: Joseph G. NeCastro  
Title: EVP & CFO

WRAY, INC.

By: \_\_\_\_\_  
Name: Joseph G. NeCastro  
Title: EVP & CFO

SCRIPPS SHOP AT HOME, INC.

By: \_\_\_\_\_  
Name: Joseph G. NeCastro  
Title: Vice President

GUARANTOR: SCRIPPS HOWARD BROADCASTING COMPANY

By: \_\_\_\_\_  
Name: Joseph G. NeCastro  
Title: EVP & CFO