

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement" or the "APA") is made as of July 23, 2007 among Montecito Broadcast Group, LLC ("Montecito"), Montecito Hawaii, LLC ("Montecito Hawaii"), Montecito Hawaii License, LLC ("Hawaii License"), Montecito Portland, LLC ("Montecito Portland"), and Montecito Portland License, LLC ("Portland License," and collectively with Montecito, Montecito Hawaii, Hawaii License and Montecito Portland, each a "Seller" and sometimes referred to collectively as "Seller" or "Sellers"), and New Vision Television, LLC (the "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"):

KOIN(TV), Portland, Oregon
KHON-TV, Honolulu, Hawaii
KHAW-TV, Hilo, Hawaii
KAIH-TV, Wailuku, Hawaii

B. Simultaneously with the execution of this Agreement, Buyer and an affiliate of Seller are entering into a Stock Purchase Agreement (the "SPA") with respect to certain other television stations.

C. 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. Reserved.

1.2. Station Assets. On the terms and subject to the conditions hereof, at Closing (defined below), except as set forth in Section 1.3, 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, properties and rights 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 in connection with Seller's ownership and operation of the Stations (the "FCC Licenses"), and all licenses, permits and authorizations issued by any federal, state or local governmental authority other than the FCC, including without limitation, those described on Schedule 1.2(a) and including any applications therefor and renewals or modifications thereof between the date hereof and Closing;

(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 in or held for use in the ownership or operation of the Stations, including without limitation those listed on Schedule 1.2(b), except for any retirements or dispositions thereof made between the date hereof and Closing in the ordinary course of business (the "Tangible Personal Property");

(c) all of the real property (i) owned in fee simple by, or (ii) leased, subleased or licensed to, Seller, and used or held for use in the operation of the Stations (including any appurtenant easements and improvements located thereon), including without limitation those listed on Schedule 1.2(c) (the "Real Property");

(d) all agreements for the sale of advertising time on the Stations, and all other contracts, agreements, licenses and leases (including the Real Property Leases (defined below)) used or held for use in the Stations' business, including without limitation those listed on Schedule 1.2(d), together with all contracts, agreements, licenses and leases made between the date hereof and Closing in accordance with Article 4 (the "Station Contracts");

(e) all intellectual property and rights thereunder, including but not limited to all rights in and to the call letters and trademarks, trade names, service marks, patents, inventions, trade secrets, know-how, internet domain names, copyrights, programs and programming material, jingles, slogans, logos, and other intangible property (the "Intellectual Property") owned by or licensed to Seller and used in or held for use in the operation of the Stations, including without limitation those listed on Schedule 1.2(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, 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);

(g) Seller's rights as lessor in and to security deposits under real property leases included in the Station Contracts; and

(h) Seller's ownership interest in and to Sylvan Tower Company.

1.3. 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 and any Station Contract that is an employment agreement or similar contract with respect to any employee not hired by Buyer pursuant to Section 5.7;

(d) Seller's corporate and trade names unrelated to the operation of the Stations, 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, trusts and any trusts established to fund benefits under any employee welfare benefit plan and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller;

(g) receivables for the reimbursement of the cost of capital equipment and relocation related expenses paid for by Seller and relating to the Sprint/Nextel relocation project to the extent Seller has completed the relocation project by Closing;

(h) any non-transferable shrink-wrapped, 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 (as defined below), including any claims against Emmis Communications Corp. or its affiliates in connection with the acquisition of the Stations by Seller;

(j) all claims of Seller with respect to any Tax (defined below) refunds (except to the extent Buyer is economically responsible for the underlying Tax);

(k) computers and other tangible personal property not located in the Hawaii or Portland television markets which are not used nor have ever been used for the operation of any of the Stations;

(l) the assets listed on Schedule 1.3;

(m) Seller's Accounts Receivable; and

(n) Seller's rights as lessee in and to security deposits posted by Seller under real property leases included in the Station Contracts.

1.4. Assumption of Obligations. On the Closing Date (defined below), Buyer shall assume (i) the obligations of Seller arising during, or attributable to, any period of time on or after the Closing Date under the Station Contracts and the FCC Licenses and (ii) the obligations described in Section 5.7 as being the responsibility of Buyer (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 or any of its affiliates (the "Retained Obligations"). Notwithstanding anything to the contrary contained herein, the parties acknowledge and agree that the Retained Obligations shall include any (i) liabilities or claims related to any pension, profit sharing plans, trusts and any trusts established to fund benefits under any employee welfare benefit plan and the assets thereof and any other employee benefit plan or arrangement and the assets thereof maintained by Seller, except for Buyer's obligation to pay severance pursuant to Section 5.7, (ii) liabilities or obligations in respect of the borrowing of money or issuance of any note, bond, indenture, loan, credit agreement or other evidence of indebtedness or direct or indirect guaranty or assumption of indebtedness, liabilities or obligations of others, whether or not disclosed in this Agreement or otherwise of Seller, including, without limitation, any obligations to Emmis Television Broadcasting, L.P. or any of its affiliates or any other intercompany obligations or liabilities and (iii) liabilities or obligations related to any stock or other equity compensation owing from Seller or any of its affiliates to any of the Stations' employees.

1.5. Purchase Price. The aggregate purchase price to be paid for the Station Assets under this Agreement and the "Stock" as defined under the SPA shall be an amount equal to Three Hundred Thirty Million Dollars (\$330,000,000.00) (the "Purchase Price") subject to adjustment as provided in this Agreement and the SPA (including without limitation Section 4.2 of the SPA). The Purchase Price shall be paid at Closing in cash by wire transfer to an account(s) designated by Seller of immediately available funds, less the Indemnity Escrow Deposit which shall be delivered by the Buyer to the Escrow Agent in accordance with Section 1.6(b) below. Prior to Closing, Buyer and Seller shall agree upon an allocation of the Purchase Price between this Agreement and the SPA.

1.6. Escrow Deposit; Escrow Reserve.

(a) Upon execution and delivery of this Agreement and the SPA and pursuant to the terms and conditions of an Escrow Agreement (the "Escrow Agreement") among Buyer, Seller and U.S. Bank National Association (the "Escrow Agent"), Buyer shall deposit in escrow with the Escrow Agent the sum of Twenty Four Million Seven Hundred Fifty Thousand Dollars (\$24,750,000) in cash (the "Escrow Deposit") to be held in escrow pursuant to the terms of the Escrow Agreement, it being understood that the Escrow Deposit is an aggregate amount pursuant to both this Agreement and the SPA. The Escrow Deposit shall be released to Seller in the event this Agreement or the SPA is terminated in accordance with Section 10.1(c) hereof or Section 10.1(c) of the SPA due to Buyer's breach or default, and to Buyer if the Closing occurs or if this Agreement or the SPA is terminated for any other reason. In any event, all interest on, or other proceeds of, the Escrow Deposit shall accrue for the benefit of Buyer until there is a

termination of this Agreement or the SPA, at which point such interest or proceeds shall begin to accrue for the benefit of the party entitled to receive the Escrow Deposit. At Closing, the Escrow Deposit shall be disbursed to Buyer or pursuant to Buyer's direction.

(b) On the Closing Date, Buyer shall deposit with and transfer to the Escrow Agent an amount equal to Seventeen Million Dollars (\$17,000,000.00) (the "Indemnity Escrow Deposit"), it being understood that the Indemnity Escrow Deposit is an aggregate amount pursuant to this Agreement and the SPA. The Indemnity Escrow Deposit shall be held by the Escrow Agent pursuant to this Agreement and the Indemnity Escrow Agreement for a period of nine (9) months following the Closing Date, except to the extent earlier released to the Buyer Indemnified Parties to satisfy any indemnity obligations of the Seller to the Buyer Indemnified Parties under this Agreement pursuant to the terms of the Indemnity Escrow Agreement in substantially the form attached hereto as Exhibit A (the "Indemnity Escrow Agreement"). All interest on, or other proceeds of, the Indemnity Escrow Deposit shall accrue for the benefit of Seller. The Indemnity Escrow Deposit, or any portion thereof that remains on deposit with the Escrow Agent as of the 9-month anniversary of the Closing Date shall be disbursed to Seller in accordance with the Indemnity Escrow Agreement. Notwithstanding the foregoing, in accordance with the terms and provisions of the Indemnity Escrow Agreement, such portion of the Indemnity Escrow Deposit shall not be disbursed to Seller at the end of such 9-month period to the extent that any indemnity claims by any Buyer Indemnified Parties under the Agreement are pending at such time and, in such case, a portion of the Indemnity Escrow Deposit sufficient to satisfy such pending claims in full shall be retained in escrow until a final resolution of any such claims. Promptly following final and conclusive resolution of any such claims, the Escrow Agent shall pay to the Buyer Indemnified Parties any amounts due to the Buyer Indemnified Parties under the Seller's indemnity set forth herein or shall pay to the "Buyer Indemnified Parties" (as defined in the SPA) any amounts due to such Buyer Indemnified Parties under the "Seller's" (as defined in the SPA) indemnity set forth in the SPA and shall disburse the remainder of the Indemnity Escrow Deposit, if any, and any accrued interest to Seller. No payment of the Indemnity Escrow Deposit by the Escrow Agent shall limit in any way the Seller's obligation to satisfy in full any indemnity award due to Buyer in excess of the Indemnity Escrow Deposit, subject to the limitations set forth in this Agreement. Notwithstanding anything to the contrary in this Agreement, any obligations for which the Seller is liable to Buyer under Section 1.7 of this Agreement or any Damages for which the Seller is liable to the Buyer Indemnified Parties under Article 9 of this Agreement shall be first satisfied out of the Indemnity Escrow Deposit until exhausted before the Buyer Indemnified Parties shall be entitled to recover any Damages against the Seller. The parties acknowledge and agree that the Indemnity Escrow Deposit covers indemnification claims under both this Agreement and the SPA and that Section 1.6(b) of the SPA shall work in concert with this Section 1.6(b).

1.7. Prorations and Adjustments. All income and expenses arising from the operation of the Stations, including, without limitation, Assumed Obligations and prepaid expenses, ad valorem and property taxes and assessments (but excluding Seller's Accounts Receivable), and annual regulatory fees payable to the FCC, power and utilities charges, and rents and similar prepaid and deferred items shall be prorated between Seller and Buyer in accordance with GAAP to reflect the principle that Seller shall be entitled to all income and be responsible for all expenses arising from operation of the Stations through the Effective Time and Buyer shall be entitled to all income and be responsible for all expenses arising from the operation of the

Stations after the Effective Time. All special assessments and similar charges or liens imposed against the Station Assets in respect of any period of time through the Effective Time, whether payable in installments or otherwise, shall be the responsibility of Seller, and amounts with respect to such special assessments, charges or liens in respect of any period of time after the Effective Time shall be the responsibility of Buyer, and such charges shall be adjusted as required hereunder. The prorations and adjustments to be made pursuant to this Section 1.7 are referred to as the "Closing Date Adjustments." Three (3) business days prior to the Closing Date, Seller shall estimate all Closing Date Adjustments pursuant to this Section 1.7 and shall deliver a statement of its estimates to Buyer (which statement shall set forth in reasonable detail the basis for those estimates). At the Closing, the net amount due to Buyer or Seller as a result of the estimated Closing Date Adjustments (excluding any item that is in good faith dispute) shall be applied as an adjustment to the Purchase Price as appropriate. Within ninety (90) days after the Closing, Buyer shall deliver to Seller and/or Seller shall deliver to Buyer, a statement of any adjustments to Seller's estimate of the Closing Date Adjustments, and no later than the close of business on the 20th day after the delivery of such statements (the "Payment Date"), Buyer shall pay to Seller, or Seller shall pay to Buyer, as the case may be, any amount due as a result of the adjustment (or, if there is any good faith dispute, the undisputed amount). Except with respect to items that Seller notifies Buyer that it objects to prior to the close of business on the Payment Date, the adjustments set forth in Buyer's statement shall be final and binding on the parties effective at the close of business on the Payment Date. If Seller disputes Buyer's determinations or Buyer disputes Seller's determinations, the parties shall consult with regard to the matter and an appropriate adjustment and payment shall be made as agreed upon by the parties within thirty (30) business days after such agreement. If such thirty (30) business day consultation period expires, and the dispute has not been resolved, and all unresolved disputes involve in the aggregate in excess of Two Hundred Thousand Dollars (\$200,000.00), then they shall select a mutually acceptable, nationally recognized independent accounting firm that does not then have a relationship with the Seller or the Buyer, or any of their respective affiliates (the "Independent Accountant"), to resolve the disagreement and make a determination with respect thereto as promptly as practicable; provided that if the Seller and the Buyer cannot agree, the Independent Accountant shall be selected by an accounting firm designated by the Buyer and an accounting firm designated by the Seller. The determination by the Independent Accountant on the matter shall be binding. If an Independent Accountant is engaged pursuant to this Section 1.7, the fees and expenses of the Independent Accountant shall be borne by the Seller and the Buyer in inverse proportion as such parties may prevail on the resolution of the disagreement which proportionate allocation also will be determined by the Independent Accountant and be included in the Independent Accountant's written report, and an appropriate adjustment and payment shall be made within three (3) business days of the resolution by the Independent Accountant, which resolution shall be rendered within thirty (30) business days after such submission. If the amount of Taxes which are to be prorated pursuant to this Section 1.7 is not known by ninety (90) days after the Closing Date, then the amount of such Taxes will be estimated as of such date and once the amount of such Taxes is known, Buyer shall promptly pay to Seller, or Seller shall promptly pay to Buyer, as the case may be, the net amount due as a result of the actual apportionment of such Taxes. If the aggregate amounts in dispute are equal to or less than Two Hundred Thousand Dollars (\$200,000.00), then such disputes shall not be submitted to the Independent Accountant, and shall be ignored and no adjustment shall be made.

1.8. Allocation. Buyer and Seller shall negotiate the allocation of the Purchase Price (which for the purposes of this Section 1.8 only shall include all other costs that are capitalized for United States federal income tax purposes) among the Station Assets (including goodwill) for tax purposes within 90 days after the 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. The consummation of the sale and purchase of the Station Assets provided for in this Agreement (the "Closing") shall take place on the tenth calendar day after the date of the FCC Consent pursuant to the FCC's initial order (or on such other day after such consent as otherwise provided herein or as Buyer and Seller may mutually agree), subject to the satisfaction or waiver of the conditions to Closing set forth herein; provided however, that if required by any of Buyer's lenders, the parties will execute and deliver at Closing an Unwind Agreement in form and substance reasonably acceptable to the parties (the "Unwind Agreement"), which Unwind Agreement shall not include a provision which will allow Buyer to receive the return of the Purchase Price from Seller; provided, further, if one or more of the applications to transfer the FCC Licenses are challenged by a third party, the Closing shall take place on the tenth calendar day after the date of the FCC Consent pursuant to the FCC's final order; provided further, however, that Buyer in its sole discretion and upon ten (10) calendar days prior written notice to Seller may waive the requirement of the FCC Consent pursuant to the FCC's final order. The date on which the Closing is to occur is referred to herein as the "Closing Date" and 12:01 a.m. on the day of Closing is referred to herein as the "Effective Time."

1.10. Governmental Consents.

(a) Within five (5) business days of the date of this Agreement, Buyer and Seller shall file one or more applications with the FCC (collectively the "FCC Application") requesting FCC consent to the assignment of the FCC Licenses to Buyer. FCC consent to the assignment to Buyer of the FCC Licenses 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 fifteen (15) 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, the Stations 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 FCC Licenses expire on the dates set forth on Schedule 1.2(a), and license renewal applications are pending before the FCC for certain of the FCC Licenses. 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. If permitted by the FCC, and to the extent required for grant of the FCC Consent, Seller agrees to enter into a tolling agreement with the FCC in substantially the FCC’s customary form, in order to toll the statute of limitations for FCC enforcement action against the Stations.

ARTICLE 2 SELLERS REPRESENTATIONS AND WARRANTIES

Sellers, jointly and severally, make the following representations and warranties to Buyer as of the date hereof and as of the Closing:

2.1. Organization. Each 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; provided that Hawaii License and Portland License are not qualified to do business in Hawaii or Oregon. Each 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. All of the issued and outstanding interests of Montecito Hawaii and Montecito Portland are owned beneficially and of record by Montecito. All of the issued and outstanding interests of Hawaii License and of Portland License are owned beneficially and of record by Montecito Hawaii and Montecito Portland, respectively.

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 executed and delivered 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 as set forth on Schedule 2.3 and except for the Governmental Consents and consents to assign certain of the Station Contracts as set forth on Schedule 1.2(c) and Schedule 1.2(d), 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 or thereby does not and will not conflict with, violate, result in

a breach of the terms and conditions of, or, with or without notice or the passage of time, result in any breach, event of default or the creation of any lien under, any lease, contract, license or agreement (including the Station Contracts) to which Seller is a party or to which its assets are subject, any organizational documents of Seller, 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. Reserved.

2.5. FCC Licenses. Except as set forth on Schedule 1.2(a):

(a) Seller is the holder of the FCC Licenses described on Schedule 1.2(a), which are all of the licenses, permits, authorizations and registrations of any federal, state or local governmental authority required for or otherwise material to the present operation of the Stations. Those Stations identified as “satellite” Stations on Schedule 1.2(a) have been granted a waiver of the FCC’s multiple ownership rules pursuant to Note 5 of Section 73.3555. 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 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.

(b) Except as set forth in Schedule 1.2(a), each Station has been assigned a channel by the FCC for the provision of pre-transition digital television (“DTV”) service. Except as set forth in Schedule 1.2(a), each of the Stations is broadcasting a DTV signal on its pre-transition DTV channel under a construction permit, license or special temporary authorization, each of which is included in the FCC Licenses. Except as set forth on Schedule 1.2(a), each Station is in compliance with the FCC’s rules, policies and deadlines concerning construction of DTV facilities. Except as set forth on Schedule 1.2(a), (1) each Station’s election of a channel on which to provide DTV service following the end of the DTV transition has been approved by the FCC, (2) such post-transition DTV channel and facilities are accurately reflected in Appendix B of the FCC’s *Seventh Further Notice of Proposed Rule Making* in MB Docket No. 87-268 (FCC 06-150) (“Appendix B”), and (3) no further action or FCC authorization is required for each Station to commence operation of post-transition DTV facilities in conformance with Appendix B.

(c) As of the date of this Agreement, (i) the Stations are carried on cable and DBS systems pursuant to the retransmission consent agreements set forth on Schedule 1.2(d), and (ii) each retransmission consent agreement 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).

(d) 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.

2.6. Taxes. Seller has, in respect of the Stations' business and the Station Assets, (a) filed all foreign, federal, state, county and local Tax Returns (defined below) which are required to have been filed by it under applicable law, and (b) has paid all Taxes (defined below) which have become due and payable by Seller. As used herein, "Taxes" shall mean any federal, state or local net or gross income, gross receipts, sales, use, excise, property, ad valorem, transfer, franchise, license, withholding, payroll, employment and social security, unemployment, and other taxes, fees, assessments or charges of any kind imposed by any governmental authority, together with any associated interest or penalties, and "Tax Returns" means any return, declaration, report, claim for refund, or statement relating to Taxes, including any schedules or attachments thereto and any amendments thereof.

2.7. Personal Property. Schedule 1.2(b) contains a list of all material items of Tangible Personal Property included in the Station Assets. Except as set forth on Schedule 1.2(b), Seller has good and marketable title to the Tangible Personal Property free and clear of liens, claims and encumbrances ("Liens") other than Permitted Liens (defined below). Except as set forth on Schedule 1.2(b), all material items of Tangible Personal Property are in normal operating condition, ordinary wear and tear excepted. As used herein, "Permitted Liens" means, collectively, the Assumed Obligations, 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, exceptions, reservations and limitations that do not, individually or in the aggregate, 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.

2.8. Real Property.

(a) Schedule 1.2(c) contains a description of all Real Property included in the Station Assets, which is all of the real property used, or held for use, by Seller in connection with the operation of the Stations. Seller has good and marketable fee simple title to the owned Real Property described on Schedule 1.2(c) (the "Owned Real Property") free and clear of Liens other than Permitted Liens. Schedule 1.2(c) includes a description of each lease of Real Property or similar agreement included in the Station Contracts, which is all of the leased real property used or held for use by such Seller in connection with the operation of the Stations (the "Real Property Leases"). Seller has good and valid title to the leasehold estate under each Real Property Lease free and clear of any Liens other than Permitted Liens. To Seller's knowledge, the Real Property is not subject to any suit for condemnation or other taking by any public authority. The Owned Real Property includes, and the Real Property Leases provide, sufficient access to continue the present use of the Real Property and adequate vehicular and pedestrian ingress and egress to the Real Property.

(b) The Real Property is free of any material physical or mechanical defects and all building systems (including without limitation heating, ventilation, air-conditioning, elevator, other mechanical, electrical, sprinkler, life safety and plumbing systems) are in normal

operating condition, ordinary wear and tear excepted. All water, sewer, gas electric, telephone, drainage facilities and all other utilities required by law or by normal operation of the Real Property are adequate to service the Real Property in its present use and to permit compliance in all material respects with all requirements of law and normal usage of the Real Property.

2.9. Contracts. Schedule 1.2(d) sets forth a true and correct list of all the material Station Contracts and Seller has made available to Buyer true and correct copies of such Station Contracts. Except as set forth on Schedule 2.9, each of the Station Contracts (including without limitation each of the Real Property Leases) is in full force and 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). Except as set forth on Schedule 2.9, none of the Station Contracts provide for delayed or deferred payments that Buyer would be obligated to pay after the Closing Date other than in the ordinary course of business. 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 requiring the consent of a third party to assignment are identified with an asterisk on Schedule 1.2(c) and Schedule 1.2(d).

2.10. Environmental. Except as set forth on Schedule 2.10, 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 2.10, Seller has complied in all material respects with all environmental, health and safety laws applicable to the Stations and any permits issued to Seller. Seller has delivered to Buyer true, correct and complete copies of all Phase I environmental assessments that it has received or obtained or that are in its possession.

2.11. Intangible Property. Schedule 1.2(e) contains a description of the material Intangible Property included in the Station Assets. (i) To Seller's knowledge, Seller's conduct of the Stations' business does not infringe upon or misappropriate any third party rights, (ii) to Seller's knowledge, none of the Intangible Property is being infringed or misappropriated by any third party, (iii) the Intangible Property is not the subject of any pending or, to Seller's knowledge, threatened legal proceedings claiming infringement, unauthorized use or violation by Seller or any Station, and (iv) Seller has not received any written notice that its use of the Intangible Property at any Station is unauthorized or violates or infringes upon the rights of any other person or challenging the ownership, use, validity or enforceability of any Intangible Property. Except as set forth on Schedule 1.2(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. Seller has made the filings and registrations listed on Schedule 1.2(e), if any, with respect to the Intangible Property listed thereon.

2.12. Employees. Except as set forth on Schedule 2.12, (i) 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, and (ii) 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. Except as set forth on Schedule 1.2(d) and Schedule 2.12, 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. Except as set forth on Schedule 2.12, no liability may be imposed upon a cessation of or reduction in contributions to, or upon any complete or partial withdrawal from, any multiemployer plan covering employees of the Seller at the Stations. Seller has made available to Buyer true and correct copies of all written employment agreements of the Stations' employees.

2.13. Employee Benefit Plans. Except as set forth in Schedule 2.13, Seller does not maintain nor is a party to, nor makes contributions to, nor has maintained, been a party to or made contributions within the last three years to, any of the following: (i) any "employee benefit plan" as such term is defined in Section 3(3) of ERISA; (ii) any "employee pension benefit plan," as such term is defined in Section 3(2) of ERISA; or (iii) any "employee welfare benefit plan," as such term is defined in Section 3(1) of ERISA. Except for Buyer's severance obligations pursuant to Section 5.7, all employee benefit plans maintained by Seller or to which Seller is obligated to contribute or which provides benefits to employees of Seller ("Employee Benefit Plans"), are Retained Obligations hereunder.

2.14. Insurance. Seller maintains insurance policies or other arrangements with respect to the Stations and the Station Assets consistent with commercially reasonable practices in the television broadcast industry, and will maintain such policies or arrangements in full force and effect until the Effective Time.

2.15. Compliance with Law. Except as set forth on Schedule 2.15, (i) Seller has complied in all material respects with all laws, ordinances, codes, rules and regulations, and all decrees, judgments and orders of any court or governmental authority which are applicable to the operation of the Stations, and (ii) 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.

2.16. Litigation. Except as set forth on Schedule 2.16, there is no action, suit or proceeding pending or, to Seller's knowledge, threatened against Seller in respect of the Stations that questions the legality or propriety of the transactions contemplated by this Agreement or that could reasonably be expected to subject Buyer or the Station Assets to liability or that could reasonably be expected to affect Seller's ability to perform its obligations under this Agreement.

2.17. Financial Statements. Seller has provided to Buyer copies of its balance sheets and statements of cash flow and operations for the Stations for: (i) the period January 26, 2006 through December 31, 2006 (the "Year End Statements") which Financial Statements have been audited and (ii) the five (5) months ended May 31, 2007 (such statements, together with the Year End Statements, the "Financial Statements"). The Financial Statements have been prepared in accordance with GAAP consistently applied and present fairly in all material respects the results of operations of the Stations as operated by Seller for the respective periods covered thereby,

except as otherwise set forth on Schedule 2.17. Between May 31, 2007 and the date of this Agreement, the Stations have been operated in all material respects in the ordinary course of business and otherwise in the manner set forth in Section 4.1, as if such Section applied during such period.

2.18. No Undisclosed Liabilities. There are no liabilities or obligations of Seller or the Stations that will be binding upon Buyer after the Effective Time other than the Assumed Obligations.

2.19. Station Assets. The Seller has good and valid title to, or a valid leasehold interest in, the Station Assets free and clear of all Liens (other than Permitted Liens). The Station Assets include all assets that are owned, leased or licensed by Seller or any affiliate of Seller and used in or held for use in the operation of the Stations as currently operated, except for the Excluded Assets.

2.20. Related Party Transactions. With respect to any Station Contract between Seller on the one hand, and any affiliate of Seller or any officer, director or employee of Seller on the other hand, all of which are listed on Schedule 1.2(d), such Station Contract is on commercially reasonable terms.

2.21. Citizenship. Seller is not a "foreign person" as defined in Section 1445(f)(3) of the Code.

2.22. No Brokers. Except for Merrill Lynch & Co., which fee shall be paid by Seller, neither Seller nor any of its affiliates is liable for any broker's or finder's fee in connection with the transactions contemplated by this Agreement or the SPA.

2.23. Emmis Agreement. Seller has provided to Buyer true, correct and complete copies of the Asset Purchase Agreement among Emmis Television Broadcasting, L.P., Emmis Television License, LLC and SJL Acquisition, LLC dated as of September 28, 2005, as amended, and all Schedules and Exhibits thereto (collectively, the "Emmis Agreement").

ARTICLE 3 BUYER REPRESENTATIONS AND WARRANTIES

Buyer hereby makes the following representations and warranties to Seller as of the date hereof and as of the Closing:

3.1. Organization. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and will be at Closing 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 executed and delivered 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 or thereby does not and will not conflict with, violate, result in a breach of the terms and conditions of, or, with or without notice or the passage of time, result in any breach, event of default or the creation of any lien under, any lease, contract or agreement to which Buyer is a party or to which its assets are subject, any organizational documents of Buyer, 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 reasonably be expected to materially adversely affect the ability of Buyer to perform its obligations hereunder.

3.5. Qualification. Buyer knows of no reason why it should not be found to be 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, and knows of 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. Other than continuing authorization to operate Stations KHAW-TV and KAIH-TV as satellites of Station KHON-TV pursuant to Note 5 of Section 73.3555 of the FCC's rules, no waiver of or exemption from any FCC rule or policy on the part of Buyer is necessary for the FCC Consent to be obtained. There are no matters relating to Buyer that might reasonably be expected to result in the FCC's denial or delay of approval of the FCC Application. Buyer has sufficient net liquid assets on hand or available from committed sources to consummate the transactions contemplated by this Agreement. From the date hereof through the Closing, Buyer shall maintain its qualifications to acquire the FCC Licenses and will take no action that will impair such qualifications or cause the grant of the FCC Consent to be materially delayed.

3.6. Financing. Buyer has, or will have prior to Closing, sufficient cash, available lines of credit or other sources of immediately available funds to enable it to pay the Purchase Price. To the extent that Buyer intends to finance any portion of the Purchase Price, Buyer has delivered to Seller true and correct copies of commitment letters from Buyer's equity investors and lenders (the "Commitment Letters" pursuant to which such investors and lenders have agreed, subject to the terms and conditions set forth therein, to provide the equity and debt financing for the transactions contemplated by this Agreement (the "Financing"). As of the date hereof, the Commitment Letters are in full force and effect without amendment or modification, are the valid and binding obligations of each party thereto, have not been withdrawn or rescinded

in any respect, and all commitment fees required to be paid thereunder on or prior to the date of this Agreement have been paid and any commitment fees required to be paid thereunder after the date of this Agreement will be paid in full. Buyer acknowledges and agrees that the obligation of Buyer to consummate the transactions contemplated by this Agreement is not conditioned upon the closing of the Financing, Buyer's receipt of the proceeds of the Financing or Buyer's ability to finance or pay the Purchase Price and that any failure of Buyer to consummate the transactions contemplated by this Agreement as a result of the foregoing shall constitute a material breach by Buyer of this Agreement and entitle Seller to receive the Escrow Deposit pursuant to Section 10.5.

3.7. Solvency. Assuming (a) the satisfaction of the conditions of Buyer's obligation to consummate the transactions contemplated by this Agreement, (b) the accuracy in all material respects of the representations and warranties of Seller set forth in Article 2 hereof, (c) any estimates, projections or forecasts prepared by Seller and delivered to Buyer have been prepared by Seller in good faith based upon reasonable assumptions, then immediately after giving effect to the transactions contemplated by this Agreement, Buyer shall be Solvent (as defined below). For purposes of this Agreement: (a) "Solvent," when used with respect to Buyer, means that, as of any date of determination, (i) the Present Fair Salable Value (as defined below) of its assets will, as of such date, exceed all of its liabilities, contingent or otherwise, as of such date, (ii) Buyer will not have, as of such date, an unreasonably small amount of capital for the business in which it is engaged or will be engaged and (iii) Buyer will be able to pay its debts as they become absolute and mature, in the ordinary course of business, taking into account the timing of and amounts of cash to be received by it and the timing of and amounts of cash to be payable on or in respect of its indebtedness, in each case after giving effect to the transactions contemplated by this Agreement, and the term "Solvency" shall have a correlative meaning; (b) "debt" means liability on a "claim"; (c) "claim" for purposes of this Section 3.7 means (i) any right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured or (ii) the right to an equitable remedy for a breach in performance if such breach gives rise to a right to payment, whether or not such equitable remedy is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; and (d) "Present Fair Salable Value" means the amount that may be realized if the aggregate assets of Buyer (including goodwill) are sold as an entirety with reasonable promptness in an arm's-length transaction under present conditions for the sale of comparable business enterprises.

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, Seller shall:

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

(b) maintain the FCC Licenses in full force and effect and not materially adversely modify any of the FCC Licenses, not give the FCC any grounds to institute proceedings for the revocation or suspension of, or take any action or fail to take any action if

such action or failure to act would result in a materially adverse modification to any of the FCC Licenses (including but not limited to loss of interference protection for any Station's current or proposed DTV facilities or loss of "satellite" status for those Stations so identified on Schedule 1.1(a));

(c) not other than in the ordinary course of business, sell, lease, license or dispose of or agree to sell, lease, license or dispose of any of the Station Assets (other than the Real Property, which Seller shall not sell or agree to sell) 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 and replace the Tangible Personal Property and maintain the Real Property, in each case 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 the Stations' employees, 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) except as otherwise required by law, (i) not enter into any employment agreement or severance agreement or any labor, or union agreement or plan (or amendments of any such existing agreements or plan) that will be binding upon Buyer or any Station after Closing, (ii) except in the ordinary course of business and consistent with past practice, increase the compensation or benefits 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) or (iii) not modify any severance policy applicable to any employee of the Station that would result in any increase in the amount of severance payable to any such employee (or would expand the circumstances in which such severance is payable);

(g) pay accounts payable and collect accounts receivable in the ordinary course of business consistent with past practice, and not compromise or discount any accounts receivable except in the ordinary course of business consistent with past practice;

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

(i) not, other than in the ordinary course of business, enter into new Station Contracts or amend any existing Station Contracts;

(j) not enter into any new Real Property Lease or amend, terminate, extend or waive any rights under any Real Property Lease without Buyer's prior written approval, which approval shall not be unreasonably withheld;

(k) within thirty (30) days after the end of each month ending between the date of this Agreement and the Closing Date, furnish Buyer with copies of its pacing reports and

monthly unaudited balance sheets, statements of cash flow and statements of operations in respect of the Stations all of which financial statements shall comply with the requirements concerning financial statements set forth in Section 2.17 and, if the Closing has not occurred by March 31, 2008, furnish Buyer on or before April 30, 2008 copies of its audited financial statements for the year ended December 31, 2007, which financial statements shall comply with the requirements concerning financial statements set forth in Section 2.17;

(l) furnish Buyer with a copy of all reports filed with the FCC with respect to Stations after the date hereof within ten (10) business days after each such report has been filed;

(m) not materially change any accounting practices, procedures or methods (except for any change required under GAAP or applicable law);

(n) complete by Closing all of the capital projects on the budget set forth on Schedule 4.1(n);

(o) take all necessary steps to keep the Stations on schedule to complete construction of their final digital facilities by the FCC DTV deadline of February 17, 2009 or the date that is on the Stations' final digital construction permit, including but not limited to, timely filing any FCC applications seeking authority to construct such final digital facilities, soliciting bids for equipment and construction, ordering equipment, and scheduling tower crews and other technical consultants; and

(p) continue in the ordinary course of business and consistent with Seller's current schedule to transfer the satellite dishes located in Milwaukie, Oregon, to their own tower located in 5516 Southwest Barnes, Portland, Oregon, in compliance with applicable laws.

4.2. Financing Cooperation. Seller shall provide all cooperation and assistance, and Seller shall instruct its directors, officers, trustees, employees, managers, partners, members, agents, consultants, advisors, or other representatives, including legal counsel, lenders (including potential lenders), accountants, and financial advisors, to provide all cooperation and assistance, reasonably requested by Buyer, in connection with obtaining the Financing, including (i) assisting in the preparation of such information packages and confidential lender information memoranda, offering memoranda, private placement memoranda, prospectuses and similar documents, providing reasonable assistance with respect to obtaining customary closing deliveries and legal opinions and (ii) requiring its personnel to participate in meetings, due diligence sessions and presentations, all as may be reasonably necessary in connection with the offering and/or syndications of debt securities, loan participations and other matters in connection with obtaining the Financing.

ARTICLE 5 JOINT COVENANTS

Buyer and Seller hereby covenant and agree as follows:

5.1. Confidentiality. Seller (or an affiliate of Seller on behalf of Seller) and Buyer (or an affiliate of Buyer on behalf of Buyer) are parties to a non-disclosure agreement with respect to Seller and its television stations (the "NDA"). To the extent not already a direct party thereto, Seller and Buyer hereby assume the NDA and agree to be bound by the provisions thereof.

Without limiting the terms of the NDA, 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 in accordance with the terms of the NDA.

5.2. Announcements. 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.

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 2.7, then:

(i) Seller shall use commercially reasonable efforts to repair or replace such item, and

(ii) if such repair or replacement is not completed prior to Closing, the Closing Date and the termination date set forth in Section 10.1(d) hereof shall be extended by up to ninety (90) days. If such repair or replacement is not completed within such period, Buyer may elect to consummate the transaction and accept the property subject to such loss or damage and receive a credit to the Purchase Price for the amount as agreed in good faith by Seller and Buyer, to restore such property to its condition prior to such loss or damage. If the parties are unable to agree on the amount of the estimate, they will select a mutually acceptable independent third party to resolve the disagreement and make a determination as promptly as practicable, which determination shall be final and binding on the parties. The costs of such third party shall be split equally between the Buyer and Seller. If Buyer has elected to proceed to Closing and receives a credit as provided above, then Buyer shall be deemed to have waived any breach of representation, warranties or covenants set forth in this Agreement with respect to such loss or damage and the Buyer Indemnified Parties will have no rights to indemnification under Article 9 of this Agreement with respect thereto. If Buyer has not elected to proceed to Closing and receive a credit as provided above, and the property shall not have been substantially repaired, replaced or restored by the date that is 90 days after the date which would have been the Closing Date had such loss or damage not occurred and such failure has or is likely to have a material adverse effect on the Stations, taken as a whole, then Buyer may terminate this Agreement upon

ten (10) days' written notice to Seller and receive a return of the Escrow Deposit. For purposes of this Section 5.4(b)(ii) and Section 7.9, the phrase "Stations, taken as a whole," refers to all television stations to be conveyed pursuant to the APA and the SPA.

(c) If a Station is off the air prior to Closing, then Seller shall use commercially reasonable efforts to return the Station to the air as promptly as practicable. If on the day otherwise scheduled for Closing a Station is off the air, then Closing shall be postponed until the date five (5) business days after the Station returns to the air, subject to Section 10.1 and to the satisfaction of the conditions to Closing set forth herein.

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) estoppel certificates reasonably acceptable to Buyer from lessors under any Real Property Leases requiring consent to assignment (if any), but no such third party consents or estoppel certificates are conditions to Closing except for the Required Consents (defined below). Receipt of consent to assign to Buyer the Stations' network affiliation agreements without any material adverse conditions and the Stations' leases designated with a diamond on Schedule 1.2(c) (if any) and the other contracts designated with a diamond on Schedule 1.2(d) 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. Environmental. Within 60 days after the date hereof, Buyer may, at its option and at its cost and expense, perform Phase I environmental assessments of the Owned Real Property, and subject to the consent of the owner or lessor of the Real Property subject to the Real Property Lease, the leased Real Property. To the extent the consultant performing such assessment advises Buyer in writing that a Phase II assessment should be conducted with respect to any parcel of Real Property, Buyer may conduct such Phase II assessment. If any environmental condition with respect to the Real Property is discovered as a result of such assessments or otherwise that would require remediation under existing applicable environmental, health or safety laws, the consultant performing such assessment will estimate the cost to remediate or address such conditions. Seller shall remediate such condition to bring the property into compliance with such laws, it being understood that Seller shall be responsible, in the aggregate for all such conditions with respect to the Real Property and to the "Real Property" as defined in the SPA, for all remediation costs up to and including \$3,000,000 (the "Remediation Amount"). Any remediation costs in excess of the Remediation Amount shall be borne equally by Buyer

and Seller. No environmental remediation shall delay the Closing, and to the extent remediation is required to be performed after the Closing, Seller's representations and warranties shall be modified at Closing to account for any conditions required to be remediated post-Closing, and the parties shall enter into a post-Closing environmental remediation agreement, negotiated in good faith by the parties, consistent with the provisions of this Section 5.6 to address such post-Closing remediation. For the avoidance of doubt, nothing in this Section shall be deemed to affect Buyer's rights to terminate this Agreement due to a failure of the condition in Section 7.1(a) with respect to the representations and warranties in Section 2.10 (Environmental) or a failure of the condition in Section 7.9.

5.7. Employees.

(a) Seller has provided Buyer a list showing employee names, positions and annualized pay rates (including wages, salaries and commission rates) and target bonus opportunities, where applicable, and taxable fringe benefits for employees of the Stations. Seller shall update that list no later than five (5) business days prior to Closing, and shall provide Buyer with such other information in Seller's possession as Buyer may reasonably request. Prior to the Closing, except as set forth on Schedule 5.7, Buyer shall offer employment effective as of the Closing to each of such employees. Seller and Buyer shall cooperate with one-another in connection with Buyer's efforts to hire such employees. Except as set forth on Schedule 5.7, each such offer of employment shall be made with substantially the same wages, salaries, commission rate (if applicable) and target bonuses and with substantially the same duties as in effect immediately preceding the Closing, and with substantially the same benefits as are provided by Buyer for similarly situated employees of Buyer. Any person so hired by Buyer is referred to herein as a "Transferred Employee." With respect to the Transferred Employees, at Closing employment with Seller shall terminate and employment with Buyer shall commence. If any Transferred Employee is subject to a written employment agreement, such agreement is listed on Schedule 1.2(d), and Buyer shall assume Seller's obligations under such agreement. Nothing in this Section 5.7 is intended to or shall require Buyer to continue to employ any Transferred Employee for any period of time following the Closing or to continue to maintain any term or condition of employment or otherwise to treat any such employee on any basis other than as an employee-at-will (subject to the terms of any employment contract assumed by Buyer), provided, however, that except as set forth on Schedule 5.7, Buyer shall be responsible for any severance or other employment related liability under Seller's severance policy as in effect on the date hereof, a copy of which has been delivered to Buyer, if Buyer terminates the employment of any Transferred Employee in the first four (4) months after the Closing and Buyer shall be responsible for severance in accordance with the collective bargaining agreements described on Schedule 1.2(d) hereof. For avoidance of doubt, other than as set forth in the collective bargaining agreements being assumed hereunder, Buyer is not assuming or agreeing to maintain Seller's severance policy, but only to pay any severance that may be due in accordance with such policy for Transferred Employees terminated in the first four (4) months following Closing.

(b) Buyer shall grant credit to each Transferred Employee for all unused vacation accrued as of the Effective Time, and Buyer shall discharge the obligation to provide such leave to such employees.

(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), with coverage effective immediately upon Closing (and without exclusion from coverage on account of any pre-existing condition unless Buyer determines in good faith that obtaining such coverage without such exclusion is not practicable because of a material increase in cost), with service with Seller deemed service with the Buyer for purposes of eligibility, waiting periods and vesting periods, and with credit under any welfare benefit plan for any deductibles or co-payments paid for the current plan year under any plan maintained by Seller. Buyer shall have no responsibility for any claims incurred under any employee welfare plans of Seller.

(d) 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 as of Closing (or as soon as practicable thereafter when Buyer’s 401(k) plan is capable of accepting such rollovers), including the direct rollover of any outstanding loan balances such that they will continue to make payments under the terms of such loans under the Buyer’s 401(k) plan, subject to compliance with applicable law and subject to the reasonable requirements of Buyer’s 401(k) plan.

5.8. Accounting Services; Access to and Retention of Records. During the first fifteen (15) business days after Closing, Buyer shall provide to Seller at no additional cost the reasonable services of the Stations’ business offices, together with reasonable access to related systems and records, for the purposes of closing the books of the Stations for the period prior to Closing all substantially in accordance with the procedures and practices applied by the business offices for periods prior to Closing. From and after the Closing Date, for a period of three (3) years, the Buyer shall preserve all material books and records transferred by the Seller to the Buyer pursuant to this Agreement. Upon the expiration of such three (3) year period, the Buyer shall provide the Seller a reasonable opportunity to obtain copies, at Seller’s expense, of any such books and records. In addition to the foregoing, from and after the Closing, the Buyer shall afford to Seller, and its counsel, accountants, and other authorized agents and representatives, at Seller’s expense, during normal business hours, reasonable access to the books, records and other data relating to the Station Assets, the Assumed Obligations, or the Transferred Employees in its possession with respect to the periods prior to Closing, and the right to make copies and extracts therefrom, to the extent that such access may be reasonably required by the Seller (a) to facilitate the investigation, litigation and final disposition of any claims which may have been or may be made against the Seller and (b) for the preparation of tax returns and audits, provided in each case that such access does not unreasonably disrupt the business and operations of the Stations or of the Buyer.

5.9. 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 any 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 in accordance with Section 1.4 hereof (or such portion thereof as is designated in writing by the qualified intermediary) to or on behalf of the qualified intermediary at Closing.

5.10. Asset Transfers. Between the date hereof and Closing, Seller shall and shall use commercially reasonable efforts to cause its affiliates, officers, directors, employees and agents who own any of the Station Assets or have rights thereto that should be terminated as of Closing to, (i) transfer to Seller (if prior to Closing) or to Buyer (if at Closing) and (ii) to the extent appropriate, terminate as of Closing, all of their respective rights, title and interest in, to and under such Station Assets. Seller shall and shall cause its affiliates, officers, directors, employees and agents to prepare, execute and file such documents in form and substance reasonably satisfactory to Buyer and take such other actions as may be required to evidence or record any such transfers or terminations.

5.11. Intellectual Property License. Seller for itself and its affiliates hereby grants to Buyer a non-exclusive, perpetual, irrevocable, and royalty-free license to use the Intellectual Property licensed to Seller by Emmis pursuant to Section 5.11 of the Emmis APA, transferable to any transferee of the Station. Other than any trademarks, service marks, brand names, domain names or trade, corporate or business names of Seller or its affiliates (other than the Stations), Seller for itself and its affiliates (other than the Stations) hereby grants to Buyer a non-exclusive, perpetual, irrevocable, and royalty-free license to use any Intellectual Property owned by Seller or an affiliate (other than the Stations) and used by both the Stations and Seller's other stations and business units prior to Closing in the operation of the Stations in the ordinary course of business, provided that such license: (i) may not be assigned by Buyer, except to any successor licensee of the relevant Station, (ii) is limited to the extent of Seller's rights therein, if any, (iii) may be used by Buyer only in the market of the relevant Station and only in a manner that does not violate law or any third-party rights, and (iv) shall terminate for noncompliance or non-use.

5.12. Use of Business Names. To the extent that the trademarks, service marks, brand names, domain names or trade, corporate or business names of Seller or its affiliates (other than the Stations) are used by the Stations on stationery, signage, invoices, receipts, forms, packaging, advertising and promotional materials, product, training and service literature and materials, computer programs or like materials ("Marked Materials"), Buyer may continue such pre-existing use for a period of up to three months after Closing, or until the supply of such Marked Materials is exhausted, if sooner. Buyer shall be solely responsible for such use, which: (i) may not be assigned by Buyer, (ii) is limited to the extent of Seller's rights therein, if any, (iii) may be used by Buyer only in a manner that does not violate law or any third-party rights, and (iv) shall terminate for noncompliance or non-use.

5.13. Reasonable Efforts. Prior to Closing, Buyer and Seller shall use their respective commercially reasonable efforts to take or cause to be taken all action necessary or desirable in order to consummate the transactions contemplated by this Agreement as promptly as is practicable.

5.14. Title Insurance: Survey.

(a) Title Insurance.

(i) In the event that Buyer elects to procure title insurance policies for the Real Property, Seller shall use commercially reasonable efforts to cooperate with Buyer to obtain: (A) a preliminary title report which contains a commitment (the "Title Commitment") of the Title Company to issue one or more (as appropriate) owner's and/or lessee's title insurance policy on ALTA Owner's and/or Lessees Policy (and corresponding mortgagee's policies) (each, a "Title Policy") insuring the fee simple or leasehold interest of Buyer in such parcels of Real Property and (B) legible copies of all documents, filings and information disclosed or referenced in the Title Commitment.

(ii) If Buyer has an objection to any exception noted on the Title Commitment or the scope of coverage provided thereunder (other than Permitted Liens as to which Buyer shall have no right to object), and if the failure to cure such obligation or defect would have a material adverse effect on the ability to utilize the Real Property in the manner in which it is currently being used, Buyer may notify Seller of such objection or defect ("Notice of Defect") within twenty (20) days of Buyer's receipt of the Title Commitment and Survey (as defined in subparagraph (b) below) and Seller shall prior to the Closing Date use commercially reasonable efforts to cure such objection or defect. At any time prior to Closing, Buyer shall have the right to notify Seller of any additional title exception (i) which is not a Permitted Lien, (ii) which if not removed, would have a material adverse effect on the ability to utilize the Real Property in the manner in which it is currently being used and (iii) which first appears of record after the effective date of the Title Commitment, is disclosed by any Survey obtained by Buyer, or otherwise becomes known to Buyer, it being understood and agreed that no such additional title exception shall constitute a Permitted Lien hereunder unless Buyer shall expressly approve the same or unless such exception was caused by Buyer. Seller shall prior to the Closing Date use commercially reasonable efforts to cure such additional title exceptions. If Seller fails to cure any such defects or objections that would have a Material Adverse Effect (as defined in Section 7.9), Buyer may elect to terminate this Agreement upon 10 days' written notice to Seller and receive a return of the Escrow Deposit. Seller further shall use commercially reasonable efforts to cooperate with Buyer to obtain a Title Policy for the Real Property and shall provide or assist in the procurement of any and all affidavits or instruments customarily and reasonably required to obtain a Title Policy on each of the properties that comprise the Real Property. Additionally, to the extent that the title insurance companies selected by Buyer require delivery of certain title clearance documents, including consents, approvals, estoppels and/or memorandums of leases in order to insure Buyer's leasehold interest with respect to the Leased Real Property, Seller shall use commercially reasonable efforts to cooperate with any applicable landlord under the Leases to allow Buyer to obtain a Title Policy for each of the Leased Real Property parcels. Notwithstanding the foregoing, Seller shall not be obligated to make any payment, incur any fees or costs (other than its own attorneys' fees) or satisfy any precondition to obtain such items.

(iii) The expenses incurred to obtain the Title Commitments and the Title Policies shall be paid by Buyer.

(b) Survey.

(i) Buyer may obtain an as-built survey of the Real Property (the “Survey”) as of a date subsequent to the date hereof which shall: (x) be prepared by a registered land surveyor; (y) be certified to the Title Company, Buyer’s lender and Buyer; and (z) show with respect to the Real Property: (A) the legal description of such parcel of Real Property; (B) all buildings, structures and improvements thereon and all restrictions of record and other restrictions that have been established by an applicable zoning or building code or ordinance and all easements or rights of way; (C) no encroachments upon such parcel or adjoining parcels by buildings, structures or improvements (unless valid easements or leases have been obtained with respect thereto or unless such encroachments constitute a Permitted Lien); and (D) access to such parcel from a public street or valid easements or rights of way. Any restrictions, encroachments (onto the Real Property or from the Real Property onto adjoining property) or other claims that are not Permitted Liens which materially affect the intended use of the Real Property as disclosed on the Survey shall be a “Survey Defect,” and if Buyer shall have an objection to such Survey with respect to a Survey Defect, Buyer shall notify Seller of such objection within twenty (20) days of Buyer’s receipt of the Survey and the Title Commitment and Seller shall have until the Closing Date to cure such objection of Survey Defect. If Seller shall fail to cure any Survey Defect that would have a Material Adverse Effect (as defined in Section 7.9), Buyer may elect to terminate this Agreement upon 10 days’ written notice to Seller and receive a return of the Escrow Deposit.

(ii) Prior to obtaining the Surveys on the Leased Real Property, Buyer shall obtain the consent of the fee owner of such Leased Real Property. Seller agrees to use commercially reasonable efforts to cooperate with the Buyer in obtaining such consent and conducting such surveys, including providing access to the Buyer and its representatives as otherwise provided in this Agreement.

(iii) The expenses incurred to obtain the Surveys shall be paid by Buyer. All inspections and assessments conducted in connection with the procurement of the Surveys shall be performed in a manner that will not unduly or unreasonably interfere with the operation of the Stations and/or the use of, access to or egress from the Real Property, and Buyer shall repair any damage and indemnify and hold harmless Seller from any Damages arising from the entry by Buyer and/or its employees, agents or contractors upon the Real Property.

5.15. Accounts Receivable. At the Closing (the “Assignment Date”), Seller shall assign to Buyer, for purposes of collection only, all accounts receivable of the Station attributable to the period prior to the Effective Time (the “Seller’s Accounts Receivable”). Buyer and Seller shall cooperate to create and deliver to Buyer within five (5) days after the Closing Date a complete and detailed statement of Seller’s Accounts Receivable, showing the name, amount and age of each Account Receivable as of the Closing Date. Buyer shall make reasonable efforts to collect the Seller’s Accounts Receivable for a period of one hundred and twenty (120) days after the Assignment Date, provided that Buyer shall not be required to expend funds or incur any third party charges in connection therewith. If during the 120-day collection period Buyer receives monies from an account debtor with respect to a Seller’s Account Receivable which is, after the Assignment Date, advertising on the Station or otherwise doing business with Buyer, and that account debtor is included among the Seller’s Accounts Receivable, Buyer shall credit said sums

to the invoice paid if such invoice can be identified. Otherwise, said sums shall be applied to the oldest outstanding balance due from such account debtor. If an account debtor disputes its obligation for a Seller's Account Receivable, Buyer shall promptly return all records relating to such disputed account to Seller and shall have no further obligation with respect to the collection thereof. On or before the fifteenth (15th) day after the end of the 120-day period following the Assignment Date, Buyer shall furnish Seller with (i) a list, together with payment to Seller of the total amount, of the amounts collected by Buyer during the 120-day period with respect to the Seller's Accounts Receivable, and (ii) a list of all Seller's Accounts Receivable which then remain uncollected, together with all files concerning the collection or attempts to collect such Seller's Accounts Receivable; thereafter Buyer shall have no further obligation hereunder. Buyer shall not compromise nor settle or adjust the amount of any such Seller's Accounts Receivable except with the approval of Seller.

5.16. Bulk Sales. Seller agrees to indemnify Buyer against any Damages suffered as a result of any failure to comply with the bulk transfer provisions of the applicable Uniform Commercial Code and similar laws, it being understood and agreed that such indemnification is not subject to the limitations of Section 9.2(b) hereof.

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 (provided that for purposes of this section, all materiality or similar qualifiers within such representations and warranties shall be disregarded).

(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 each of its obligations set forth in Section 8.2.

6.6. SPA. The Closing under the SPA shall have been consummated or shall be consummated simultaneously with the Closing under this Agreement.

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 (provided that for purposes of this section, all materiality or similar qualifiers within such representations and warranties shall be disregarded).

(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 and shall contain no provision that is reasonably likely to have a material adverse effect on Buyer (other than provisions generally applicable to holders of similar FCC licenses, authorizations and permits).

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

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

7.6. Consents. The Required Consents shall have been obtained and delivered and such Required Consents shall be without material adverse conditions.

7.7. SPA. The Closing under the SPA shall have been consummated or shall be consummated simultaneously with the Closing under this Agreement.

7.8. Reserved.

7.9. No Material Adverse Effect. Between the date of this Agreement and the Closing, there shall have been no Material Adverse Effect. For purposes of this Section 7.9, "Material Adverse Effect" shall mean a material adverse effect on the business, operations, or financial condition of the Stations, taken as a whole, or on the ability of the Seller to consummate the transactions contemplated hereby, or any event or condition which would

reasonably be expected, with the passage of time, to constitute such a “material adverse effect,” exclusive of (A) general changes to the economy or to the local or national market, (B) conditions affecting the national television broadcast industry generally, (C) acts of terrorism or war (whether or not declared), or (D) the announcement of the existence of this Agreement or the transactions contemplated hereby.

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 (if any) from Seller to Buyer;
- (vii) special warranty deeds conveying the Owned Real Property (if any) from Seller to Buyer;
- (viii) an assignment of marks and copyrights assigning the Stations’ registered and applied for marks and copyrights listed on Schedule 1.2(e) (if any) from Seller to Buyer;
- (ix) domain name transfers assigning the Stations’ domain names listed on Schedule 1.2(e) (if any) from Seller to Buyer;
- (x) endorsed vehicle titles conveying the vehicles included in the Tangible Personal Property (if any) from Seller to Buyer;
- (xi) a bill of sale conveying the other Station Assets from Seller to Buyer;
- (xii) reserved;

(xiii) an affidavit of non-foreign status of Seller that complies with Section 1445 of the Code;

(xiv) 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;

(xv) any customary owner's affidavits or gap indemnities reasonably requested from Seller by any title company retained by Buyer;

(xvi) the Indemnity Escrow Agreement; and

(xvii) the Unwind Agreement, if required pursuant to Section 1.9.

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 less the Indemnity Escrow Deposit;

(ii) good standing certificate 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 (if any);

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

(viii) the Indemnity Escrow Agreement; and

(ix) the Unwind Agreement, if required pursuant to Section 1.9.

ARTICLE 9 SURVIVAL; INDEMNIFICATION

9.1. Survival. The representations and warranties in this Agreement shall survive Closing for a period of nine (9) months from the Closing Date whereupon they shall expire and be of no further force or effect, except that if within such 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, Sellers, jointly and severally, shall defend, indemnify and hold harmless Buyer and its affiliates (the "Buyer Indemnified Parties") from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by the Buyer Indemnified Parties and, after the Closing, the Companies, whether or not resulting from third party claims, 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, ownership, operation of the Companies before the Effective Time, including without limitation any Taxes on or measured by income attributable to any tax period or portion thereof ending on or before the Closing Date, except for the Transferred Obligations.

(b) Notwithstanding the foregoing or anything else herein to the contrary, except as set forth in subparagraph (d) below, after Closing, (i) Seller shall have no liability to Buyer under Section 9.2(a)(i) until, and only to the extent that, Buyer's Aggregate Damages exceed \$2,000,000, (ii) Seller shall have no liability to Buyer under Section 9.2(a)(ii), (iii) or (iv) until, and only to the extent that, Buyer's Aggregate Damages exceed \$1,000,000 and (iii) the maximum liability of Seller under Section 9.2(a) shall be an amount equal to the Indemnity Escrow Deposit. The parties acknowledge and agree that the amounts set forth in (i), (ii) and (iii) of this Section 9.2(b) and (i), (ii) and (iii) of Section 9.2(b) of the SPA are aggregate amounts, respectively, pursuant to this Agreement and the SPA and apply to indemnification claims under both this Agreement and the SPA and that Section 9.2(b) of the SPA shall work in concert with this Section 9.2(b). As used herein, "Aggregate Damages" means the sum of all Damages incurred by any of the Buyer Indemnified Parties with respect to Sections 9.2(a)(i), (ii), (iii) and/or (iv) of this Agreement and Sections 9.2(a)(i), (ii), (iii), (iv) and/or (v) of the SPA.

(c) From and after Closing, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller, whether or not resulting from third party claims, 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 Transferred Obligations; or

(iv) the business, ownership or operation of the Stations after the Effective Time, including without limitation any Taxes on or measured by income attributable to any tax period or portion thereof beginning after the Closing Date.

(d) For the avoidance of doubt, notwithstanding anything in this Agreement to the contrary, Buyer's remedies for a failure by Seller to pay amounts specifically described in a covenant in this Agreement as being the responsibility of Seller (e.g., the pro ration amounts set forth in Section 1.7, costs described in Section 5.6, expenses described in Section 12.1) are not limited as set forth in Section 9.2(b) of this Agreement.

9.3. Procedures with Respect to Third Party Claims.

(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 materially prejudiced and provided that, where applicable, 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. Indemnity Escrow. Immediately upon the consummation of the Closing, pursuant to the terms of the Indemnity Escrow Agreement, the Indemnity Escrow Deposit will be

deposited with the Indemnity Escrow Agent to be held as collateral security for the Seller's obligations under Section 1.7 hereof, the Seller's obligations to indemnify the Buyer Indemnified Parties under this Article 9, the "Seller's" (as defined in the SPA) obligations to indemnify the "Buyer Indemnified Parties" (as defined in the SPA) under Article 9 of the SPA and for the "Seller's" obligations under Section 4.2 of the SPA. The Indemnity Escrow Deposit will be administered in accordance with the terms and provisions of the Indemnity Escrow Agreement; provided, however, that all interest and earnings on the Indemnity Escrow Deposit shall be the property of Seller and shall be distributed to Seller in accordance with the Indemnity Escrow Agreement.

ARTICLE 10 TERMINATION AND REMEDIES

10.1. Termination. This Agreement shall terminate upon any termination of the SPA. 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 pay the Purchase Price at Closing in the circumstances where all of the conditions to Buyer's obligations to consummate the Closing (other than those under Article 7 to be performed at Closing) have been satisfied;
- (d) by written notice of Seller to Buyer or Buyer to Seller if Closing does not occur on or before the first anniversary of the date hereof; or
- (e) as provided in Section 5.4 (Risk of Loss) or 5.14 (Title).

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) five (5) business days after the day otherwise scheduled for Closing; 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 date five (5) business days after the scheduled Closing Date, 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 date five (5) business days after the scheduled Closing Date.

10.3. Survival. Neither party may terminate under Sections 10.1(b) or (c) if it is then in material breach or default under this Agreement. Subject to Section 10.4 and Section 10.5

below, 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 5.1 (Confidentiality), 10.5 (Liquidated Damages) and 12.1 (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 or the SPA pursuant to Section 10.1(c) hereof or thereof, then the Escrow Deposit (and interest or proceeds thereof to the extent accrued after such termination) shall be paid to Seller pursuant to the terms of the Escrow Agreement, 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 RESERVED

ARTICLE 12 MISCELLANEOUS

12.1. 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 one-half by Buyer and one-half by Seller, except that if more than one HSR Act filing is necessary because a party has more than one ultimate parent entity, then such party shall pay the HSR Act filing fees for any additional filings. Buyer and Seller shall each be responsible for one-half of all governmental recording, sales, use and other similar transfer taxes, fees and charges (not including any Taxes on or measured by income) applicable to the transfer of the Station Assets under this Agreement. 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.

12.2. 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.

12.3. Assignment. Except as provided by Section 5.9 (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

if to Seller:

c/o The Blackstone Group
345 Park Avenue
New York, New York 10154
Attention: David Tolley
Facsimile: (212) 583-5717

with a copy (which shall not
constitute notice) to:

Latham & Watkins LLP
555 11th Street NW
Suite 1000
Washington, DC 20004
Attention: Eric L. Bernthal
Facsimile: (202) 637-2201

12.5. 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.

12.6. Entire Agreement. The Schedules and Exhibits hereto are hereby incorporated into this Agreement. This Agreement, together with any other agreement executed on the date hereof in connection herewith, 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 the NDA, 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 (or in any other agreement or any of the Buyer or Seller Ancillary Agreements executed on the date hereof or thereof in connection herewith). 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.

12.7. 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.

12.8. 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.

12.9. Governing Law. 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.

12.10. Neutral Construction. Buyer and Seller agree that this Agreement was negotiated at arms-length and that the final terms hereof are the product of the parties' negotiations. This Agreement shall be deemed to have been jointly and equally drafted by Buyer and Seller, and the provisions hereof should not be construed against a party on the grounds that the party drafted or was more responsible for drafting the provision.

12.11. Cooperation. After Closing, each party shall cooperate with the other in the investigation, defense or prosecution of any third party action which is pending or threatened against either party or its affiliates with respect to the Stations, whether or not any party has notified the other of a claim for indemnity with respect to such matter. Without limiting the generality of the foregoing, Buyer shall make available its Transferred Employees to give depositions or testimony and shall furnish all documentary or other evidence that Seller may reasonably request. Seller shall reimburse Buyer for all reasonable and necessary out-of-pocket expenses incurred in connection with the performance of its obligations under this Section 12.11.

12.12. 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.

12.13. Interpretation. Article titles and headings herein are for convenience of reference only and are not intended to affect the meaning or interpretation of this Agreement. The Schedules hereto shall be construed with and as an integral part of this Agreement to the same extent as if set forth verbatim herein. Where the context so requires or permits, the use of the singular form includes the plural, and the use of the plural form includes the singular. Without limiting the generality of the foregoing, it is hereby acknowledged and agreed that (i) the terms "Seller" or "Sellers" shall include and mean, as applicable, any and each applicable Seller or Sellers individually and not just Sellers collectively or as a group, (ii) the term "Station" or "Stations" shall include and mean, as applicable, any and each applicable Station or Stations individually and not just the Stations collectively or as a group, except where use of the phrase "Stations, taken as a whole" is otherwise specifically defined herein. When used in this Agreement, unless the context clearly requires otherwise, (i) words such as "herein," "hereto," "hereunder," and "hereafter" shall refer to this Agreement as a whole, (ii) the term "including" shall not be limiting, and (iii) the term "ordinary course" shall refer to the ordinary course of Seller's business and the operation of the Stations.

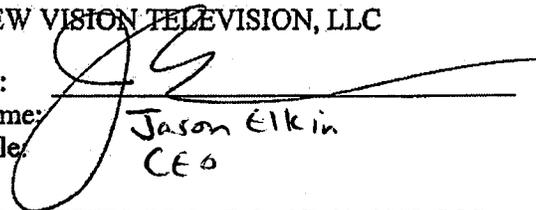
[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER:

NEW VISION TELEVISION, LLC

By: 

Name: _____

Title: _____

Jason Elkin
CEO

SELLER:

MONTECITO BROADCAST GROUP, LLP

By: _____

Name: _____

Title: _____

MONTECITO HAWAII, LLC

By: _____

Name: _____

Title: _____

MONTECITO HAWAII LICENSE, LLC

By: _____

Name: _____

Title: _____

MONTECITO PORTLAND, LLC

By: _____

Name: _____

Title: _____

MONTECITO PORTLAND LICENSE, LLC

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: NEW VISION TELEVISION, LLC

By: _____
Name: _____
Title: _____

SELLER: MONTECITO BROADCAST GROUP, LLP

By: _____
Name: *George D. Lilly*
Title: *Chairman / CEO*

MONTECITO HAWAII, LLC

By: _____
Name: _____
Title: _____

MONTECITO HAWAII LICENSE, LLC

By: _____
Name: _____
Title: _____

MONTECITO PORTLAND, LLC

By: _____
Name: _____
Title: _____

MONTECITO PORTLAND LICENSE, LLC

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: NEW VISION TELEVISION, LLC

By: _____
Name:
Title:

SELLER: MONTECITO BROADCAST GROUP, LLP

By: _____
Name:
Title:

MONTECITO HAWAII, LLC

By: Joseph P. McNamara
Name: JOSEPH P. MCNAMARA
Title: PRESIDENT + GENERAL MANAGER

MONTECITO HAWAII LICENSE, LLC

By: Joseph P. McNamara
Name: JOSEPH P. MCNAMARA
Title: PRESIDENT + GENERAL MANAGER

MONTECITO PORTLAND, LLC

By: _____
Name:
Title:

MONTECITO PORTLAND LICENSE, LLC

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:

NEW VISION TELEVISION, LLC

By: _____
Name:
Title:

SELLER:

MONTECITO BROADCAST GROUP, LLP

By: _____
Name:
Title:

MONTECITO HAWAII, LLC

By: _____
Name:
Title:

MONTECITO HAWAII LICENSE, LLC

By: _____
Name:
Title:

MONTECITO PORTLAND, LLC

By: Marty Ostrow
Name: MARTY OSTROW
Title: President / General Manager

MONTECITO PORTLAND LICENSE, LLC

By: Marty Ostrow
Name: MARTY OSTROW
Title: President / General Manager