

ASSET PURCHASE AGREEMENT

dated as of

May 7, 2007

By and between

ROCKFLEET BROADCASTING II, LLC

and

CADILLAC TELECASTING CO.

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ASSET PURCHASE AGREEMENT

AGREEMENT dated as of May 7, 2007 by and between Rockfleet Broadcasting II, LLC, a Delaware limited liability company ("Seller"), and Cadillac Telecasting Co., a Delaware corporation ("Buyer").

WITNESSETH:

WHEREAS, Buyer desires to purchase the Purchased Assets (as defined below) and to assume the Assumed Liabilities (as defined below) from Seller, and Seller desires to sell the Purchased Assets and transfer the Assumed Liabilities to Buyer, upon the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.01. *Definitions.* (a) The following terms, as used herein, have the following meanings:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such other Person. For purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Business" means the television broadcast business and operation of the Stations, together with their associated and translator stations, but not, Excluded Assets and Excluded Obligations.

"Business Day" means any day other than a Saturday, Sunday or any other day on which banking institutions in New York are required to close.

"Closing Date" means the date of the Closing.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and any reference to any particular Code provision shall be interpreted to include any revision of or successor to such provision regardless of how numbered or classified.

"Confidential Information" means (i) all electronic, written, oral and observed information concerning the Seller and its Business, including, but not limited to, business, financial, technical and non-technical information relating to the past, current, future and proposed plans respecting the Seller and its Business, inclusive of research, development, commercial plans and strategies, marketing techniques, marketing plans, pricing policies, financial information and data, procurement policies and practices, customer lists, employee information and data, business and contractual relationships, forecasts and vendor lists, and all

notes, analyses and studies which contain, embody or are based upon any such information, and (ii) the existence of this Agreement and the fact that the parties have entered into this Agreement and the terms and conditions therein contained. Confidential Information does not include any information that (a) at the time of disclosure by Seller to Buyer is generally available to or known by the public, (b) hereafter becomes publicly known through no act or failure to act on the part of Buyer or any of its representatives, or (c) is disclosed to Buyer on a non-confidential basis from a source, other than the Seller or any of its representatives or advisors, who was entitled as of right to provide the Buyer with the Confidential Information without restriction.

“Disclosure Schedule” means the disclosure schedule attached to this Agreement.

“Environmental Laws” means the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9801 et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq., the Clean Water Act, 22 U.S.C. Section 1251 et seq., the Toxic Substances Control Act, 15 U.S.C. 2601 et seq., and any other applicable federal, state and local laws, statutes, rules or regulations concerning the treating, producing, handling, storing, releasing, spilling, leaking, pumping, pouring, emitting or dumping of Hazardous Substances.

“Escrow Agreement” means the agreement by and among Seller, Buyer and Bank of America, as Escrow Agent, pursuant to which (i) Buyer makes a contract deposit of \$775,000 on account of the Purchase Price, which payment shall be released in accordance with the provisions of this Agreement and the Escrow Agreement; and (ii) any amounts regarding disputes or disagreements regarding the apportionment of any costs or expenses provided for in this Agreement shall be made, as provided for in Section 2.08.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended and the rules and regulations promulgated thereunder.

“FCC” means the Federal Communications Commission.

“FCC Authorizations” means the licenses, permits and authorizations issued by the Federal Communications Commission to Seller to own and operate the Stations.

“FCC Consent” means the FCC’s written consent to the FCC Application.

“Final Order” means that action which shall have been taken by the FCC (including action taken by the FCC Staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or sua sponte action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such sua sponte action by the FCC shall have expired or otherwise terminated.

“Knowledge of Seller,” “Seller’s knowledge,” “Known to Seller” or any other similar knowledge qualification in this Agreement means, and shall be limited to, the actual knowledge, after reasonable investigation of their respective areas of responsibility under the circumstances,

of any one or more of the following individuals: R. Joseph Fuchs, Mathew Riordan, and Bruce Schnelwar.

“Lien” means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest or encumbrance in respect of such property or asset.

“Material Adverse Effect” means a material adverse effect on the business, assets, liabilities, financial condition or annual results of operations of the Business (other than any Excluded Assets or Excluded Liabilities), or on the ability of Seller to consummate the transaction contemplated hereby except any such effect resulting from or arising in connection with (1) this Agreement or the transactions contemplated hereby, (2) changes or conditions affecting the television broadcast industry generally or (3) changes in economic, regulatory or political conditions generally.

“Permits” means all licenses permits, approvals, authorizations or consents of any governmental authority, whether foreign, federal, state or local, necessary for the operation of the Business as currently conducted, other than FCC Authorizations.

“Person” means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Rules and Regulations” means the rules of the FCC as set forth in Volume 47 of the Code of Federal Regulations, as well as such other policies of the Commission, as required or permitted by the Communications Act of 1934, as amended, whether contained in the Code of Federal Regulations, or not, that apply to the Stations.

“Stations” means the television broadcast stations WFQX-TV; WFQX-DT, Cadillac Michigan, FCC Fac. ID 25396 and WFUP (TV), Vanderbilt, Michigan, FCC Fac. ID 25395, and their associated translators.

“Subsidiary” means any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by Seller.

“Transaction Documents” means this Agreement, the Assignment and Assumption Agreement, and the Escrow Agreement.

“Trade Agreements” means agreements for the sale of advertising time on the Stations in exchange for merchandise or services.

“Trade Balance” means the difference (positive or negative) between the value of time owed pursuant to the Trade Agreements (valued in accordance with Seller’s rate guidelines) and the aggregate value of goods and services to be received (after the date of calculation) pursuant to such Trade Agreements. The Trade Balance is negative if the value of time owed exceeds the value of goods and services to be received (after the date of calculation). The trade balance is positive if the value of the goods and services to be received exceeds the value of the time owed (after the date of calculation).

(b) Each of the following terms is defined in the Section set forth opposite such term:

<u>Term</u>	<u>Section</u>
Accounts Receivable	7.09(a)
Adjustment Date	8.02
Assignment and Assumption Agreement	2.07(b)
Assumed Liabilities	2.03
Bolea	6.01
Closing	2.07
Collection Period	7.09(a)
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Representatives	6.01
Required Consents	3.05
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Stations Financial Statement	3.06
Third Party Claim	11.03
WARN Act	9.03
Warranty Breach	11.02
Wilcox	5.02

ARTICLE 2
PURCHASE AND SALE

Section 2.01. *Purchase and Sale.* Upon the terms and subject to the conditions of this Agreement, Seller agrees to sell, convey, transfer, assign and deliver, or cause to be sold, conveyed, transferred, assigned and delivered to Buyer at the Closing, free and clear of all liens, other than Permitted Liens, all of Seller's right, title and interest in, to and under all of the following assets as the same shall exist on the Closing Date, in each case except to the extent described in any of clauses (a) through (k) of Section 2.02 (collectively, the "Purchased Assets"):

(a) the real property and leases of, and other interests in, real property, in each case together with all buildings, fixtures and improvements erected thereon, listed on Section 3.10 to the Disclosure Schedule;

(b) all interests of Seller in all equipment, electrical devices, antennas, cables, vehicles, furniture, fixtures, towers, office materials and supplies, hardware, tools, spare parts, new or used and held for use in connection with the Business, listed on Section 3.10(e) to the Disclosure Schedule;

(c) all of the FCC Authorizations described in Section 3.14, including the Stations' call letters and any variations thereof, including those FCC Authorizations listed and described on Section 3.14 to the Disclosure Schedule, and all applications therefore, together with any renewals or extensions thereof;

(d) all rights arising after the Closing Date under those contracts and agreements used in connection with the Stations, including Seller's FOX affiliation agreement and time sales agreements, as listed on Section 3.07(i) to the Disclosure Schedule (the "Station Contracts"), inclusive of contracts, agreements, commitments, and other orders and agreements entered into in the ordinary course of business for advertising time on the Station for cash, not prepaid and in existence of the Closing Date;

(e) all trademarks, service marks, logos, corporate names, trade names, service marks, internet domain names, and recorded copyrights, including all registrations for, and applications for registration of, any of the foregoing, as listed on Section 3.11 to the Disclosure Schedule, that shall include the marks consisting of the Stations' call letters and any variation thereof, and all of Seller's interest in all programs and programming material and elements used or held for use in the business and operation of the Stations, and any goodwill associated therewith, in each case to the extent owned, held or used exclusively in the conduct of the Business in the ordinary course (collectively, the "Intellectual Property Rights");

(f) all FCC logs and other records that relate to the operation of the Station, and the files and other records of Seller relating to the Stations, (other than duplicate copies of the file that may be retained by Seller), consisting of schematics, blueprints, engineering data, customer lists, reports, specifications, statistics, promotional graphics, original art work, mats, plates, negatives and other advertising, marketing or related materials, and all other technical and financial information concerning the Station, to the extent owned, held or used exclusively in the conduct of the Business in the ordinary course, excluding all books of account, financial records,

tax returns, files and related work papers, all documents prepared in connection with the transactions contemplated by the Transaction Documents and all minute books and corporate records of Seller and its Affiliates (such excluded materials, the “Excluded Records”); in each case, whether in hard copy or computer format and computer format shall be provided (without charge to Buyer) when available without additional cost or expense to Seller; and

(g) all of the assets expressly set forth on Section 2.01(g) to the Disclosure Schedule.

Section 2.02. *Excluded Assets.* Notwithstanding any provision in the Transaction Documents or any other writing to the contrary, Buyer is purchasing only the Purchased Assets and Buyer expressly understands and agrees that all other assets and properties of Seller shall be excluded from the Purchased Assets (such excluded assets, the “Excluded Assets”), and, notwithstanding anything to the contrary in this Agreement, none of the following shall be Purchased Assets for the purposes of the Transaction Documents or any other writing:

(a) all cash and cash equivalents, including all petty cash located at the operating facilities of the Business;

(b) all accounts, notes, and other receivables, that will be collected by Buyer as provided for in Section 7.09;

(c) deposits, prepaid expenses, and prepaid taxes;

(d) all insurance policies relating to the Business and all claims, credits, causes of action or rights thereunder as of the Closing Date;

(e) all Excluded Records and Duplicate Records;

(f) all rights of Seller and its Affiliates arising under the Transaction Documents or the transactions contemplated hereby or thereby;

(g) all claims for and right to receive Tax refunds relating to the operations of the Business prior to the Closing Date, all of Seller’s Tax returns relating to the operations of the Business prior the Closing Date and any notes, worksheets, files and documents relating thereto;

(h) all assets relating to or under any employee benefit plans of Seller;

(i) except to the extent set forth on Section 2.01(i) to the Disclosure Schedule, all application systems and software, including all computer software, programs and source disks, and related program documentation, tapes, manuals, forms, guides and other materials, computer hardware and other systems;

(j) except to the extent set forth on Section 2.01(j) to the Disclosure Schedule, hardware and networking and communications assets, including servers, databases, backups and peripherals, used in the Business; and

(k) all assets listed on Section 2.01(k) to the Disclosure Schedule.

Section 2.03. *Assumption of Liabilities.* Upon the terms and subject to the conditions of this Agreement, Buyer shall assume on the Closing Date, effective as of the time of the Closing, and shall pay, perform and discharge when due all of the following liabilities, obligations and commitments relating to the Business or the Purchased Assets of whatever kind or nature (whether primary or secondary, direct or indirect, absolute or contingent, known or unknown, accrued or not accrued, or otherwise) (collectively, the “Assumed Liabilities”):

(a) all liabilities, obligations and commitments relating to, or arising from, Buyer’s conduct of the Business or Buyer’s use of the Purchased Assets after the Closing (including accounts payable accrued after the Closing);

(b) all liabilities, obligations and commitments under the Contracts, listed on Section 3.07 to the Disclosure Schedule, and all other contracts entered into between the date hereof and Closing, by Seller in the ordinary course of business and at the Station’s then-prevailing rates, that are used and held for use exclusively in, or that arises out of, the operation and conduct of the Business, to the extent arising or relating to performance after the Closing;

(c) all liabilities, obligations and commitments assumed by Buyer or for which Buyer is otherwise responsible pursuant to ARTICLE 7;

(d) all liabilities, obligations and commitments assumed by Buyer or for which Buyer is otherwise responsible pursuant to ARTICLE 8; and

(e) all liabilities, obligations and commitments assumed by Buyer or for which Buyer is otherwise responsible pursuant to ARTICLE 9.

Section 2.04. *Excluded Liabilities.* Notwithstanding any provision in this Agreement, Buyer is assuming only the Assumed Liabilities and is not assuming any other liability or obligation of Seller or its Affiliates of whatever nature, whether presently in existence or arising hereafter. All such other liabilities and obligations shall be retained by and remain obligations and liabilities of Seller and its Affiliates (all such liabilities and obligations not being assumed being herein referred to as the “Excluded Liabilities”).

Section 2.05. *Limitation on Assignment of Purchased Assets.* Anything in this Agreement to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any Purchased Asset or any right thereunder if an attempted assignment, without the consent of a third party, would constitute a breach or other contravention thereof or in any way adversely affect the rights of Buyer after the Closing in the event of an assignment. If any transfer or assignment by Seller to Buyer requires the consent of a third party, then such transfer or assignment shall be subject to such consent being obtained. Buyer agrees that Seller shall not have any liability to Buyer arising out of or relating to the failure to obtain any such consent. Buyer further agrees that no representation, warranty or covenant of Seller shall be breached or be deemed breached, and no condition shall be deemed not satisfied, as a result of the failure to obtain any such consent. If such consent is not obtained prior to the Closing, the Closing shall nevertheless take place on the terms set forth herein and, thereafter, Buyer shall use its reasonable best efforts to secure such consent as promptly as practicable after the Closing and Seller shall provide or cause to provide all commercially reasonable assistance to Buyer (not

including the payment of consideration) reasonably requested by Buyer under which (i) Buyer shall obtain (without infringing upon the legal rights of such third party or violating any applicable law) the economic claims, rights and benefits under the asset, claim or right with respect to which the consent has not been obtained in accordance with the Agreement and (ii) Buyer shall assume any related economic burden with respect to the asset, claim or right with respect to which the consent has not been obtained in accordance with this Agreement such that until such consent is obtained, Seller shall thereby provide Buyer with the benefits of such asset, claim or right, and, to the extent that Buyer is provided with the benefits of such asset, claim or right, Buyer shall perform all duties and obligations of Seller thereunder.

Section 2.06. *Purchase Price; Allocation of Purchase Price.* (a) The base purchase price for the Purchased Assets (the "Purchase Price") is an amount in cash equal to \$11,000,000, payable \$775,000 on the date hereof (the "Escrow Deposit"), in cash, by official bank check drawn on a nationally chartered bank or by wire transfer of immediately available funds, in escrow pursuant to the Escrow Agreement, and \$10,225,000 payable at Closing. The balance of the Purchase Price shall be paid as provided in Section 2.07.

(b) At the Closing, the Escrow Deposit together with all interest earned thereon shall be paid to the Seller as partial payment of the Purchase Price. If this Agreement is terminated by the Seller upon (i) the failure by Buyer to fulfill a condition to the performance of the obligations of Buyer, (ii) the failure by Buyer to perform any covenant contained in this Agreement, (iii) any breach by Buyer of any representation, warranty or agreement contained in this Agreement or (iv) any other default by Buyer of any of its obligations under this Agreement, the Escrow Deposit together with all interest earned thereon shall be paid to Seller as liquidated damages. If this Agreement is terminated prior to Closing for any other reason, the Escrow Deposit together with all interest earned thereon shall be paid to Buyer. Buyer and Seller shall each be responsible for fifty percent (50%) of the fees of the escrow agent under the Escrow Agreement.

(c) For Tax purposes, the Purchase Price and noncontingent Assumed Liabilities shall be allocated among the Purchased Assets based upon a determination of fair market value set by Seller, in accordance with Section 1060 of the Code, and the Treasury Regulations thereunder, and approved by the Buyer. Seller and Buyer agree to use such allocation for all purposes related to the valuation of the Station Assets, including, without limitation, in connection with any federal, state, county or local Tax returns, filed after such allocation shall be agreed upon. If the Buyer does not concur with Seller's proposed allocation, the parties will confer and use their best efforts to agree upon an allocation. If the parties are unable to resolve their disagreement as to the appropriate allocation of Purchase Price, then the parties shall engage BIAfn of Chantilly, Virginia to review and make a determination for the allocation of Purchase Price that will be binding on the parties. The Seller and Buyer shall each submit a proposed allocation of Purchase Price to BIAfn. BIAfn shall thereupon make such allocation of the disputed items as it deems just and appropriate. The costs and expenses of the engagement of BIAfn shall be borne equally between Seller and Buyer. The Closing shall not be delayed pending resolution of this disagreement. Unless required to do so in accordance with a "determination" as defined in Section 1313(a) (1) of the Code, neither Seller nor Buyer shall take any position in any Tax return, Tax proceeding, Tax audit or otherwise that is inconsistent with such allocation.

Section 2.07. *Closing.* The closing (the “Closing”) of the purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities hereunder shall take place at the offices of Herrick, Feinstein LLP, 2 Park Avenue, New York, New York 10016, or such other place as shall be mutually agreed upon in writing by Seller and Buyer. At the election of Buyer and Seller, mutually agreed in writing, the Closing may be performed by mail, and/or electronically (i.e., via e-mail and/or telephonic facsimile) and/or courier service. Closing shall commence as soon as possible, but in no event later than ten Days after the date the FCC Consent has become a Final Order. The Closing shall be deemed to occur at the close of business on the Closing Date. At the Closing:

(a) Buyer shall deliver to Seller that amount in cash equal to the Purchase Price as adjusted upwards or downwards pursuant to Section 2.08, less the Escrow Deposit, in immediately available funds by wire transfer to an account of Seller designated by Seller, by notice to Buyer, which notice shall be delivered not later than two Business Days prior to the Closing Date (or if not so designated, then by certified or official bank check payable in immediately available funds to the order of Seller in such amount);

(b) Seller and Buyer shall enter into an Assignment and Assumption Agreement substantially in the form attached hereto as Exhibit A (the “Assignment and Assumption Agreement”) and, subject to the provisions hereof, Seller shall deliver or cause to be delivered to Buyer such deeds, keys, means of access, security codes, bills of sale, endorsements, consents, assignments and other good and sufficient instruments of conveyance and assignment as the parties and their respective counsel shall deem reasonably necessary to vest in Buyer all right, title and interest in, to and under the Purchased Assets;

(c) Seller shall deliver the certificates and other documents required pursuant to Section 10.02;

(d) Seller shall deliver to Buyer written forms of consent, reasonably satisfactory to Buyer, to evidence that consents have been obtained with respect to the items set forth on Section 10.02(d) to the Disclosure Schedule; and

(e) Buyer shall deliver the certificates and other documents required pursuant to Section 10.03.

Section 2.08. *Proration.* At the Closing, items to be apportioned between the Seller and Buyer under Section 8.02 or any other provision of this Agreement shall be paid to the party that such sums are due and all deposits and prepaid expenses transferred to Buyer shall be reimbursed to Seller. All Trade-Out Agreements in existence at the execution of this Agreement are listed on Section 2.08 to the Disclosure Schedule. Any negative Trade Balance shall be set off against and shall reduce the Purchase Price on a dollar for dollar basis. Any positive Trade Balance shall increase on a dollar for dollar basis the balance of the Purchase Price payable by Buyer at Closing. If there is any dispute or disagreement with respect to any adjustments payable in accordance with this Section 2.08 or any other provision contained in this Agreement, at the option of either Seller or Buyer, exercised by a party giving notice to the other party, the Closing shall not be delayed and at the Closing all disputed amounts shall be paid into escrow by the party or parties against whom the disputed amount is claimed, as provided for in an escrow

agreement with Bank of America, as escrow agent, substantially in the form and on the terms of the Escrow Agreement. If within 10 days following Closing, the parties are unable to resolve their disagreement as to such adjustments, then the parties shall engage Plante & Moran, PLLC to review the disagreement and make a determination for the proper adjustment that shall be binding on the parties; provided however, Plante & Moran may only be engaged if Plante & Moran has no pending business relationship with either of Buyer or Seller or any of their respective Affiliates known to Plante & Moran, has not had one during the preceding 24 months and confirms the foregoing prior to undertaking such engagement; otherwise, another accounting firm of national reputation mutually acceptable to the parties shall be engaged for these purposes by the parties. The Seller and Buyer shall each submit a proposed calculation and determination of such adjustment and the accounting firm engaged shall determine an appropriate allocation of the disputed items as it deems just and appropriate having applied GAAP. The costs and expenses of such accounting firm shall be borne by the party whose proposed allocation of adjustment items receives less than 50% of the allocation outcome as determined by the firm finally engaged to adjudicate the allocation.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that, subject to the exceptions set forth in the disclosure schedule annexed hereto (“Disclosure Schedule”):

Section 3.01. *Existence and Power; Permits.* (a) Seller is a limited liability company, validly existing and in good standing under the laws of Delaware and has all powers and all governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted, except for those licenses, authorizations, permits, consents and approvals the absence of which would not have a Material Adverse Effect.

(b) Section 3.01(b) to the Disclosure Schedule identifies all Permits held by Seller, true and complete copies of which have been made available by Seller to Buyer. All such Permits of Seller are valid and in full force and effect, and Seller is not in material violation of any such Permit.

Section 3.02. *Authorization.* The execution, delivery and performance by Seller of the Transaction Documents and the consummation of the transactions contemplated hereby and thereby are within corporate powers of Seller and have been duly authorized by all necessary action on the part of Seller. Each of the Transaction Documents has been duly and validly executed and delivered by Seller and constitutes a valid and binding agreement of Seller, in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors’ rights and to general principles of equity.

Section 3.03. *Governmental Authorization.* The execution, delivery and performance by Seller of the Transaction Documents and the consummation of the transactions contemplated hereby and thereby require no material action by or in respect of, or material filing with, any

governmental body, agency, official or authority other than obtaining Permits (including the FCC Consent).

Section 3.04. *Noncontravention.* The execution, delivery and performance by Seller of each of the Transaction Documents and the consummation of the transactions contemplated hereby and thereby do not and will not (1) violate the organizational documents of Seller, (2) assuming compliance with the matters referred to in Section 3.03, result in any material violation of any applicable law, rule, regulation, judgment, injunction, order or decree, (3) assuming the obtaining of all Required Consents, constitute a material default under or give rise to any right of termination, cancellation or acceleration of any material right or material obligation or to a loss of any material benefit relating to the Business to which Seller is entitled under any provision of any material agreement or other instrument binding upon Seller or (4) result in the creation or imposition of any Lien on any Purchased Asset, except for Permitted Liens.

Section 3.05. *Required Consents.* Section 3.05 to the Disclosure Schedule sets forth each Contract on Section 3.07 that requires a consent or other action by any Person as a result of the execution, delivery and performance of this Agreement (the "Required Consents").

Section 3.06. *Financial Statements.* (a) Section 3.06 to the Disclosure Schedule contains the unaudited balance sheet of the Stations as of December 31, 2006 and the related statement of income for the year then ended (the "Stations Financial Statement"). The Stations Financial Statements have been and will be prepared in accordance with generally accepted accounting principles as applied in the United States and present fairly the financial position and results of operation of the Stations as of the date thereof and for the period covered thereby. As soon as they are available, Seller will provide Buyer with Audited Consolidated Financial Statements of Seller, that includes supplemental information on the Stations (unaudited), prepared in the same format as provided by Seller in the 2005 due diligence materials for were provided to Buyer by Seller.

(b) *Absence of Certain Changes.* Since January 1, 2007, except as set forth in Section 3.06 to the Disclosure Schedule, the Business has been conducted in the ordinary course consistent with past practices and there has not been any event, occurrence or development which has had or is reasonably likely to have a Material Adverse Effect.

Section 3.07. *Contracts.* (a) Section 3.07 to the Disclosure Schedule sets forth a complete and accurate list of all contracts of the following categories: (collectively, "Contracts"):

- (i) each of the Station Contracts, including each of the real property leases comprising a portion of Real Property hereunder;
- (ii) any written agreement for the purchase of materials, supplies, goods, services, equipment or other assets;
- (iii) any advertising or other similar agreement, other than orders and agreements entered into in the ordinary course and cancelable without penalty;

(iv) any other written agreement, lease, license, written commitment, sale or purchase order or other instrument, whether or not made in the ordinary course of business.

(b) Each Contract is a valid and binding agreement of Seller and, to Seller's knowledge, to each other party thereto, is in full force and effect and is enforceable against Seller, and to Seller's knowledge, against each other party thereto in accordance with its terms except as such enforceability may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability relating to or affecting creditors' rights generally and general principles of equity. Seller has duly performed all of its material obligations under such Contracts to the extent such obligations to perform have accrued. Seller and, to the knowledge of Seller, any other party thereto is not in material violation, default or breach in any respect under the terms of any such Contract.

Section 3.08. *Litigation.* There is no material action, suit, investigation or proceeding pending against, or to the knowledge of Seller, threatened against or affecting, the Business, any material Permit or any material Purchased Assets, or seeking to delay, limit or enjoin the transactions contemplated by this Agreement, before any court or arbitrator or any governmental body, agency or official, except as set forth in Section 3.08 to the Disclosure Schedule.

Section 3.09. *Compliance with Laws and Court Orders.* Seller is not in material violation of any law, rule, regulation, judgment, injunction, order or decree applicable to the Purchased Assets or the conduct of the Business, and to the knowledge of Seller is not under investigation with respect to and has not been threatened to be charged with or given notice of any material violation of, any law, rule, regulation, judgment, injunction, order or decree applicable to the Purchased Assets or the conduct of the Business, except as set forth in Section 3.09 to the Disclosure Schedule.

Section 3.10. *Properties; Liens.* (a) Section 3.10(a) to the Disclosure Schedule correctly describes all real property used or held for use exclusively in the Business which Seller owns, leases, operates or subleases (the "Real Property"). Seller enjoys peaceful and undisturbed possession of all the Real Property.

(b) No Purchased Asset is subject to any Lien, except:

(i) Liens disclosed on Section 3.10(b) to the Disclosure Schedule (none of which could, individually or in the aggregate, reasonably be expected to interfere in any material respect with the use, occupancy or operation thereof as currently used, occupied or operated other than in circumstances that, individually or in the aggregate, cannot reasonably be expected to have a Material Adverse Effect);

(ii) Liens for taxes, assessments and similar charges that are not yet due; and

(iii) mechanic's, materialman's, carrier's, repairer's and other similar liens arising or incurred in the ordinary course of business or that are not yet due and payable or are being contested in good faith and that will not affect Seller's responsibility for Excluded Liabilities or Buyer's responsibility for Assumed Liabilities (clauses (i)-(iii) of this Section 3.10(b) are, collectively, the "Permitted Liens").

(c) No owned Real Property is subject to any special assessment or condemnation proceeding by any public or quasi-public authority and to the knowledge of Seller, no such proceeding is threatened. The buildings and structures included in the owned Real Property and the leased Real Property currently have (1) access to public roads or valid easements over private streets or private property for such ingress to and egress from such property and (2) power lines and water supply, storm and sanitary sewer facilities, drainage and other public utilities, in each case as is necessary for the conduct of the Business as it has heretofore been conducted and are in working order. The Real Property is all the real estate used in or necessary for the lawful operation of the Stations and the transmitter and tower location of the Stations.

(d) Seller has delivered to Buyer or made available for review true and complete copies of all leases listed on Section 3.10 to the Disclosure Schedule.

(e) Seller shall cooperate and provide access to the Real Property as reasonably necessary for Buyer obtaining the commitment of a title insurance company reasonably satisfactory to Buyer, agreeing to issue to Buyer, at its expense and at standard rates, the most recent form ALTA Owner's title insurance policy, including a standard ALTA leasehold endorsement, as may be applicable, including an endorsement to the effect that all towers are constructed in material compliance with all applicable zoning ordinances and are fully contained on the land or lease being conveyed or transferred. To the extent reasonably practicable, Seller shall deliver such affidavits as shall cause the title company to affirmatively insure against the existence of outstanding rights that could form the basis for mechanic's, materialman's or similar liens, claims of parties in possession, and judgments, bankruptcies or other charges against any persons whose names are the same as or similar to either Seller's name.

(f) Seller shall use its commercially reasonable efforts to acquire and deliver to Buyer at Closing a certificate from the lessor of each Leased Real Property, stating: (i) that the lease for such Leased Real Property is in full force and effect and has not been amended or modified in any material respect; (ii) the date to which all rent and other sums due thereunder have been paid; and (iii) that are not in default under such lease and, to the lessor's knowledge, no event has occurred that, with notice, the passage of time or both, would constitute a default thereunder by Seller. Seller shall also use its commercially reasonable efforts to deliver to Buyer such lessor's consents and mortgagee's estoppel and non-disturbance agreements as Buyer's institutional lender(s) may reasonably request with respect to any collateral assignment or mortgage of the leasehold interests that are being assigned to Buyer pursuant to this Agreement.

(g) Section 3.10(g) to the Disclosure Schedule correctly describes all tangible personal property used or held for use exclusively in the Business which Seller owns, leases, operates or subleases, consisting of all equipment, electrical devices, antennas, cables, vehicles, furniture, fixtures, towers, office materials and supplies, hardware, tools, spare parts, used and held for use in connection with the Business, other than Excluded Assets. All of the material tangible personal property included in the Purchased Assets are located at the Stations and are in good working order. Except as set forth in Section 3.10(g) to the Disclosure Schedule, all items of transmitting and studio equipment included in the tangible personal property will permit the Stations and any of their translators and auxiliary broadcast stations to operate in all material respects in accordance with the terms of the FCC Authorizations.

Section 3.11. *Intellectual Property Rights.* (a) Section 3.11 to the Disclosure Schedule contains a complete and correct list of all registered and material unregistered Intellectual Property Rights currently owned and utilized by Seller exclusively in the Business, including, as applicable, the registration number for each item of Intellectual Property Rights. With respect to the foregoing Intellectual Property Rights, Seller represents and warrants that: (1) Seller is the sole and exclusive owner and has the sole and exclusive right to use the same in the conduct of the Business; (2) the Intellectual Property Rights are valid and enforceable; (3) no outstanding injunction, judgment, order, decree or ruling exists and no proceedings have been instituted, are pending or, to Seller's Knowledge, are threatened which challenge any rights in respect thereto or that would materially impair the validity and enforceability of any item of Intellectual Property Rights or Seller's right to use such item; (4) to Seller's Knowledge, none of the Intellectual Property Rights infringe upon or otherwise violate the rights of others and Seller has not received any written or other communication asserting such infringement or other violation; and (5) to Seller's Knowledge, no third party is infringing or misappropriating any material Intellectual Property Rights, and Seller has not sent or otherwise communicated to any other person any notice, charge, claim or other assertion of any such ongoing infringement or misappropriation.

Section 3.12. *Finders' Fees.* Except for Kalil & Company, whose fees will be paid by Seller, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of Seller who might be entitled to any fee or commission from Buyer in connection with the transactions contemplated by this Agreement.

Section 3.13. *Environmental Compliance.* Except as set forth in Section 3.13 to the Disclosure Schedule, to Seller's knowledge:

(a) no written notice, demand, citation, summons, request for information, order, complaint or penalty has been received, and there are no judicial, administrative or other actions, investigations, claims, reviews, suits or proceedings pending or threatened which allege a material violation of any Environmental Law, in each case relating to any Purchased Assets or the Business and, in each case, arising out of any Environmental Law;

(b) no pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous substance, waste or material, or any substance, waste or material having any constituent elements displaying any of the foregoing characteristics, including, without limitation, petroleum, its derivatives, by-products and other hydrocarbons, and any substance, waste or material regulated under any Environmental Law (each, a "Hazardous Substance") has been discharged, disposed of, dumped, injected, pumped, deposited, spilled, leaked, emitted or released at, on or under any Purchased Asset or Real Property either (i) in a reportable quantity or (ii) in violation of any Environmental Law, and (iii) any Hazardous Substance handled or dealt with in any way in connection the operation of the Stations or the conduct of Seller's business, during the ownership by Seller or by any Affiliate or subsidiary of Seller, has been and is being handled or dealt with in all respects in compliance with all Environmental Laws in effect at the time such activities were being conducted; and

(c) there are no underground fuel storage tanks located at the Real Property.

The representations and warranties contained in this Section 3.13 are the sole and exclusive representations and warranties relating to environmental matters contained in this Agreement.

Section 3.14. *FCC Matters.*

(a) The Business currently is being conducted in compliance in all material respects with the relevant provisions of the Communications Act of 1934, as amended (the "Communications Act") and the Rules and Regulations. The FCC Authorizations set forth in Section 3.14 to the Disclosure Schedule constitute all of the licenses and authorizations required under the Communications Act or the Rules and Regulations of the FCC for the present operation of the Stations. All material reports and filings required to be filed with, and all regulatory fees required to be paid to, the FCC by Seller with respect to the Stations have been timely filed and paid. All such reports and filings were accurate in all material respects. Where required by FCC rules, the communications tower structures used in the operation of the Stations have been registered under the Rules and Regulations of the FCC, and the Federal Aviation Administration has issued a determination of no hazard to air navigation with respect such tower for which a determination is required. All transmitters now operate in a manner consistent with ANSI Radiation Standards C95.1-1992, and such that any Commission action for which environmental factors must be considered would not constitute a major action as defined in 47 C.F.R. 1.1305 or any subsequent radio frequency radiation limitation provisions; and all required proofs of performance or measurements have been, or will be, timely completed and filed at the Stations or Commission, as required.

(b) Station WFUP, Vanderbilt, Michigan, does not have any FCC authority to operate digitally and must cease analog operations and surrender its FCC license at the end of the digital television transition, which is currently set for February 17, 2009, unless prior to that date either of Seller or Buyer obtains such a digital authorization; nothing herein shall be construed to require that Seller take any action in furtherance of obtaining any such authorization.

Section 3.15. *Consultants.* Neither of Plante & Moran PPLC nor Wilcox has any existing or prior business relationship with Seller or any of its Affiliates.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer, represents and warrants to Seller that:

Section 4.01. *Existence and Power.* Buyer is a Delaware corporation, validly existing and in good standing under the laws of Delaware and has all powers and all governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted.

Section 4.02. *Authorization.* The execution, delivery and performance by Buyer of the Transaction Documents and the consummation of the transactions contemplated hereby and thereby are within the corporate powers of Buyer and have been duly authorized by all necessary action on the part of Buyer. Each of the Transaction Documents to which Buyer is a party has been duly and validly executed and delivered by Buyer and constitutes a valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms, subject to

bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general principles of equity.

Section 4.03. *Governmental Authorization.* The execution, delivery and performance by Buyer of the Transaction Documents and the consummation of the transactions contemplated hereby and thereby require no material action by or in respect of, or material filing with, any governmental body, agency, official or authority other than obtaining Permits (including the FCC Consent).

Section 4.04. *Noncontravention.* The execution, delivery and performance by Buyer of each of the Transaction Documents and the consummation of the transactions contemplated hereby and thereby do not and will not (1) violate the organizational documents of Buyer, (2) assuming compliance with the matters referred to in Section 4.03, violate any applicable law, rule, regulation, judgment, injunction, order or decree, or (3) require any consent or other action by any Person under, constitute a default under or give rise to any right of termination, cancellation or acceleration of any right or obligation or to a loss of any benefit to which Buyer is entitled under any provision of any agreement or other instrument binding upon Buyer.

Section 4.05. *Financial Resources.* Buyer has, or will have prior to the Closing, sufficient cash, available lines of credit or other sources of immediately available funds to enable it to make payment of the Purchase Price and any other amounts to be paid by it hereunder.

Section 4.06. *FCC Licensee Qualified.* Buyer is qualified under the Communications Act and the rules, regulations and policies of the FCC to hold the FCC Authorizations. There are no facts that would, under the Communications Act or the Rules and Regulations, disqualify Buyer as an assignee of the FCC Authorizations or as the owner and operator of the Stations. No waiver or exemption from any of the Rules and Regulations is necessary for the FCC Consent to be obtained. There are no facts or circumstances that might reasonably be expected to (a) result in the FCC's refusal to grant the FCC Consent or otherwise disqualify Buyer; (b) materially delay obtaining the FCC Consent; or (c) cause the FCC to impose a material condition or conditions on its granting of the FCC Consent that would impair the ability of Seller to Close this transaction and receive the Purchase Price.

Section 4.07. *Litigation.* There is no action, suit, investigation or proceeding pending against, or to the knowledge of Buyer threatened against or affecting, Buyer before any court or arbitrator or any governmental body, agency or official which (1) is reasonably likely to have, individually or in the aggregate, a material adverse effect on the condition (financial or otherwise), business, assets or annual results of operation of Buyer or any of its subsidiaries or (2) in any manner challenges or seeks to prevent, enjoin, alter or materially delay the transactions contemplated by any Transaction Document.

Section 4.08. *Finders' Fees.* Except for Patrick Communications, whose fees will be paid by Buyer, there is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of Buyer or any of its Affiliates who might be entitled to any fee or commission from Seller or any of its Affiliates upon consummation of the transactions contemplated by any Transaction Document.

Section 4.09. *Inspections; No Other Representations.* Buyer is an informed and sophisticated purchaser, and has engaged expert advisors, experienced in the evaluation and purchase of property and assets such as the Purchased Assets as contemplated hereunder. Buyer has undertaken such investigation and has been provided with and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of the Transaction Documents. Buyer will undertake prior to Closing such further investigation and request such additional documents and information as it deems necessary or appropriate. Buyer acknowledges and agrees that the Purchased Assets are sold “as is” (other than the representations and warranties expressly set forth in this Agreement) and Buyer agrees to accept the Purchased Assets and the Business in the condition they are in on the Closing Date without reliance upon any express or implied representations or warranties of any nature made by or on behalf of or imputed to Seller, except for the representations and warranties expressly set forth in this Agreement. Without limiting the generality of the foregoing, Buyer acknowledges that, except as expressly set forth in this Agreement, Seller makes no representation or warranty with respect to (1) any projections, estimates or budgets delivered to or made available to Buyer or any of its Affiliates, counsel, advisors, accountants or other representatives of future revenues, future results of operations (or any component thereof), future cash flows or future financial condition (or any component thereof) of the Business or any other aspects of the business and operations of the Business or (2) any other information or documents made available to Buyer or its counsel, advisors, accountants or other representatives with respect to the Business, except as expressly set forth in this Agreement.

Section 4.10. *Consultants.* Neither of Plante & Moran PPLC nor Wilcox has any existing or prior business relationship with Buyer or any of its Affiliates.

ARTICLE 5 COVENANTS OF SELLER

Seller agrees that:

Section 5.01. *Conduct of the Business.* From the date hereof until the Closing Date, except as set forth in Section 5.01 to the Disclosure Schedule or as contemplated by any of the Transaction Documents, Seller shall conduct the Business in the ordinary course consistent with past practice and shall use its commercially reasonable efforts to preserve intact the business relationships and goodwill of the Business, to maintain the present character and quality of the Purchased Assets in accordance with Seller’s past practices. Nothing contained in this Agreement shall give Buyer any right to control the programming, operations or any other matter relating to the Stations prior to the Closing, and Seller shall have complete control of the programming, operations and all other matters relating to the Stations up to the Closing. Notwithstanding the foregoing, Seller will not, with respect to the Business:

(a) Sell, lease, transfer, or agree to sell, lease or transfer, any Station Assets except for non-material sales or leases, in the ordinary course of business or items which are being replaced by assets of comparable or superior kind, condition and value;

(b) Grant any raises to employees of the Station, pay any substantial bonuses or enter into contracts of employment with any employee or employees of the Station, other than as Seller may determine in its discretion as necessary or advisable to retain personnel pending Closing;

(c) Amend or terminate any existing time sales contracts with respect to the Station, except in the ordinary course of business; or

(d) Amend or terminate any of the Station Contracts or enter into any contract, lease or agreement with respect to the Stations except those entered into in the ordinary course of business.

Section 5.02. *Environmental Audit.* Seller acknowledges that Buyer may commission an investigation of (i) Seller's compliance with Environmental Laws; (ii) the presence of Hazardous Materials at or on the Owned Property or Leased Premises; or (iii) the presence in the operations of the Stations or any of the Leased Premises of Hazardous Materials. Any such investigation shall be commenced by Buyer conducting, or causing to be conducted, a Phase I environmental assessment of any or all of the Real Property, which Phase I Report shall be reasonably satisfactory to Buyer in all respects, and Buyer agrees to notify Seller of any objection to the status of the Phase I Report within ten (10) days after Buyer's receipt of the Phase I Report, not later than 45 days from the date of this Agreement. The Phase I environmental assessment shall be conducted by a qualified environmental expert, approved by the Seller, such approval not to be unreasonably withheld or delayed. No prior approval shall be required for Wilcox Professional Services, LLC ("Wilcox"), provided that Wilcox confirms to each of Buyer and Seller that it has no pending business relationship with either of Buyer or Seller or any of their respective Affiliates known to Wilcox and has not had one during the preceding 24 months. The failure of Buyer to obtain a Phase I Report prior to the expiration of such 45 day period shall be deemed a waiver of Buyer's rights to conduct a Phase I or Phase II environmental audit and seek any of the remedies provided for herein. The cost of the Phase I study and report shall be paid by Buyer. If the Phase I Report that is timely submitted to Seller recommends that a Phase II environmental audit report ("Phase II Report") is necessary, or in Buyer's reasonable judgment such a report is necessary in light of the contents of the Phase I Report, and Buyer has timely objected to the applicable Phase I Report, Buyer may cause to be conducted, by the environmental expert that prepared the Phase I Report or such other qualified environmental expert, approved by Seller, such approval not to be unreasonably withheld or delayed, such Phase II Report within thirty (30) days following Buyer's objection to the Phase I Report. The reasonable costs of that Phase II Report shall be shared equally by Seller and Buyer. In the event that a Phase I Report and/or a Phase II Report discloses an environmental condition or matter which is reasonably unsatisfactory to Buyer and to which Buyer objects within thirty (30) days following receipt of the Phase I Report or Phase II report, as applicable, Seller shall within sixty (60) days from Seller's receipt of notice initiate remediation that will eliminate such condition or matter, satisfactory to appropriate regulatory officials, unless the estimated cost, as reasonably determined by Seller exceeds ten percent (10%) of the Purchase Price, in which event Seller may either proceed with remediation or terminate this Agreement upon written notice to Buyer, unless the Buyer agrees in writing to bear all costs and expenses thereof in excess of ten percent (10%) of the Purchase Price. If the Seller has not initiated such environmental remediation and made provision for completion of remediation prior to Closing, Buyer may

terminate this Agreement. Alternatively, the parties may agree upon an appropriate credit against the Purchase Price at Closing, whereupon Buyer shall assume the obligation to remediate the environmental condition, indemnify and defend Seller from any obligations or liabilities pertaining to environmental conditions on the Owned Property and Leased Property and Seller shall be released from further liability regarding the environmental condition of such Real Property or for any breach of any representation or warranty related to such Real Property.

Section 5.03. *Access to Information.* (a) From the date hereof until the Closing Date, Seller will (1) give Buyer, its counsel, advisors, accountants and other authorized representatives reasonable access to the offices, properties, books and records of Seller relating to the Business, (2) furnish to Buyer, its counsel, advisors, accountants and other authorized representatives such financial and operating data and other information relating to the Business as such Persons may reasonably request and (3) instruct the employees, counsel and advisors of Seller to cooperate with Buyer in its investigation of the Business. Any investigation pursuant to this Section shall be conducted in such manner as not to unreasonably disrupt the normal operations of Seller or any of its Affiliates. Notwithstanding the foregoing, Buyer shall not have access (1) to personnel records of Seller or any of its Affiliates relating to individual performance or evaluation records, medical histories or other information which in Seller's good faith opinion is sensitive or the disclosure of which could subject Seller or any of its Affiliates to risk of liability or (2) for purposes of conducting any environmental sampling or testing except with Seller's prior written consent.

(b) On and after the Closing Date, Seller will afford promptly to Buyer and its agents reasonable access to its books of account, financial and other records (including accountant's work papers), information, employees and auditors to the extent necessary or useful for Buyer in connection with any audit, investigation, dispute or litigation or any other reasonable business purpose relating to the Business; provided that any such access by Buyer shall not unreasonably disrupt the normal operations of Seller or any of its Affiliates. Buyer shall bear all of the out-of-pocket costs and expenses (including attorneys' fees, but excluding reimbursement for general overhead, salaries and employee benefits) reasonably incurred in connection with the foregoing.

Section 5.04. *Notices of Certain Events.* Seller shall promptly notify Buyer of:

(a) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(b) any notice or other communication from any governmental or regulatory agency or authority in connection with the transactions contemplated by this Agreement; and

(c) any actions, suits, claims, investigations or proceedings commenced relating to the Business that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.08.

Section 5.05. *Non-Solicitation.* For a period ending two years from the Closing Date, Seller shall not directly or indirectly, solicit, recruit or encourage any Person who was employed by Seller immediately prior to Closing, excepting those Persons listed on Section 5.05 of the

Disclosure Schedule, provided that the foregoing shall not apply to (1) persons who shall have responded to a general public advertising solicitation and (2) persons who shall have terminated their employment prior to the commencement of any employment-related discussions.

ARTICLE 6
COVENANTS OF BUYER

Buyer agrees that:

Section 6.01. *Confidentiality.* Buyer acknowledges that the information that has and is being provided to it in connection with this Agreement and the transaction contemplated hereby is subject to the terms and conditions of a confidentiality agreement between Seller and Alexander Bolea (“Bolea”) dated as of March 6, 2007 (the “Confidentiality Agreement”). Buyer covenants and agrees that the term and conditions of the Confidentiality Agreement are incorporated herein by reference and that Buyer shall comply and cause any of its Affiliates to comply with the terms of such Confidentiality Agreement to the extent that, and with the same force and effect as if, it were a signatory thereto and responsible for all such information as has been furnished to Bolea and Buyer. Effective upon, and only upon, the Closing, the Confidentiality Agreement shall terminate with respect to information relating solely to the Business. For the avoidance of doubt, Buyer agrees that any and all other information provided to it by the Seller or any of Seller’s representatives concerning the Seller and any of its Affiliates shall remain subject to the terms and conditions of the Confidentiality Agreement after the Closing Date.

Section 6.02. *Non-Solicitation.* For a period ending two years from the Closing Date, Buyer shall not and Buyer shall not permit any of its Affiliates or any Person controlled by Buyer or any of Affiliates, directly or indirectly to solicit for employment, recruit or encourage any person employed by Seller or any of its Affiliates (other than Persons listed on Section 6.02 of the Disclosure Schedule) whose identity became known to Buyer or any of its Affiliates through the process for the sale of the Business conducted by Buyer, provided that the foregoing shall not apply to (1) persons who shall have responded to a general public advertising solicitation and (2) persons who shall have terminated their employment prior to the commencement of any employment-related discussions.

Section 6.03. *Title Report.* Within 30 days after the date of this Agreement, Buyer shall cause title to the Real Property to be examined by a reputable title insurance company licensed in the State of Michigan, and will cause a copy of the report of title, all certificates, commitments, endorsements, amendments and updates obtained to Seller’s attorney simultaneous with the report or delivery to Purchaser’s attorneys, setting forth any actual or alleged defects in title the Real Property, liens, charges and encumbrances.

ARTICLE 7
COVENANTS OF BUYER AND SELLER

Buyer and Seller agree that:

Section 7.01. *FCC Application.* Within 5 Business Days following the execution of this Agreement, Buyer and Seller shall file an application with the FCC (the “FCC Application”)

requesting the FCC's written consent to the assignment of the FCC Authorizations from Seller to Buyer pursuant to this Agreement. Buyer and Seller shall diligently prosecute the FCC Application and shall use their best efforts to obtain the FCC Consent as expeditiously as possible. Buyer agrees to take promptly any and all steps necessary to avoid or eliminate each and every impediment to obtain the FCC Consent so as to enable the parties to close the transaction contemplated by this Agreement as promptly as practicable.

Section 7.02. *Reasonable Best Efforts; Further Assurances.* Subject to the terms and conditions of this Agreement, Buyer and Seller will use their reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable laws and regulations to consummate the transactions contemplated by the Transaction Documents. Seller and Buyer agree to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by the Transaction Documents and to vest in Buyer good title to the Purchased Assets and to assure the assumption by Buyer of the Assumed Liabilities.

Section 7.03. *Failure to Close.* If the Commission fails through no fault or default on the part of Buyer or Seller to give its consent to the assignment of the FCC Authorizations of the Stations from Seller to Buyer within twelve (12) months from the date the Assignment Application has been accepted for filing, or if said FCC Application should be set for evidentiary hearing (other than a hearing at which only oral argument is to be presented) by the Commission for any reason, this Agreement may be terminated by either Party at its option without further obligation or liability hereunder; provided, however, that the terminating Party may not so terminate this Agreement if it is in material default under any provision of this Agreement, or if such Commission consent has been given in sufficient time prior to the delivery of written notice of termination to permit Closing on or before the expiration of such twelve (12) months period.

Section 7.04. *Records.* Buyer and Seller agree that Seller may maintain copies of any books and records and other financial data (collectively, the "Duplicate Records") that are included in the Purchased Assets and that are delivered to Buyer hereunder.

Section 7.05. *Certain Filings.* Seller and Buyer shall cooperate with one another (1) in determining whether any action by or in respect of, or filing with, any governmental body, agency, official or authority is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts, in connection with the consummation of the transactions contemplated by the Transaction Documents and (2) in taking such actions or making any such filings, furnishing information required in connection therewith and seeking timely to obtain any such actions, consents, approvals or waivers.

Section 7.06. *Certain Consents.* (a) Seller shall use its commercially reasonable efforts to obtain prior to (or, if not obtained prior to, subsequent to) the Closing all of the Required Consents and Buyer agrees to use commercially reasonable efforts to cooperate in assisting Seller to obtain such Required Consents; provided, that any costs, expenses, fees and other monies incurred or paid in connection with obtaining such Required Consents shall be borne by Buyer, and such reasonable efforts shall not include any requirement of Seller or Buyer to commence any litigation or offer or grant any accommodation (other than payment of costs,

expenses, fees and other monies required to be shared hereunder) to any third party. Buyer further agrees that no representation, warranty or covenant of Seller contained herein or in any other Transaction Document shall be breached or deemed breached as a result of the failure to obtain any Required Consent (except to the extent Seller has failed to use commercially reasonable efforts to obtain such Required Consents as required hereby).

Section 7.07. *Public Announcements.* The parties agree to consult with each other before issuing any press release or making any public statement with respect to any Transaction Document or the transactions contemplated hereby or thereby and, except for any press releases and public statements the making of which may be required by applicable law, will not issue any such press release or make any such public statement prior to such consultation and the consent of the each other, not to be unreasonable withheld or delayed.

Section 7.08. *Reimbursement of Payments by Seller.* Seller will use its reasonable commercial efforts to promptly forward to Buyer all invoices relating to the Purchased Assets or the Assumed Liabilities which are received by Seller or any of its Affiliates after the Closing.

Section 7.09. *Accounts Receivable.* Seller shall be entitled to the collection and receipt of all accounts receivable arising from the conduct of the Business prior to the close of business on the Closing Date and Buyer shall be entitled to the collection and receipt of all accounts receivable arising from the conduct of the Business thereafter; provided that (1) to the extent that any account party takes a deduction against an invoice related to the Business as of a date on or prior to the Closing Date, which deduction is related to Business as of a date after the Closing Date, Seller shall be entitled to be reimbursed by Buyer for any such deduction and (2) to the extent that an account party takes a deduction against an invoice relating to the Business as of a date after the Closing Date, which deduction is related to the Business as of a date on or prior to the Closing Date, Buyer shall be entitled to be reimbursed by Seller for any such deduction. Seller and Buyer shall cooperate in good faith in order to ensure that Seller receives payment of the accounts receivable arising from the conduct of the Business prior to the close of business on the Closing Date and that Buyer receives payment of accounts receivable arising after the Closing Date. To the extent that either Buyer or Seller receives payment of accounts receivable owned by the other party, Buyer and Seller agree to promptly (within 30 Business Days) remit the proceeds to the designated bank account of Seller or Buyer, as appropriate. Seller may direct all trade debtors to make payment on such accounts receivable arising from the conduct of the Business prior to the close of business on the Closing Date to Seller's specified address and/or account. The following additional provisions shall be applicable to the collection of accounts receivable arising from the conduct of the Business prior to the date of Closing, as follows:

(a) At Closing, Seller shall deliver to Buyer a list of the accounts receivable for the Stations as of the Closing (the "Accounts Receivable"), and for the period of 90 days commencing on the Closing Date (the "Collection Period"), Buyer, as agent for Seller, shall use commercially reasonable efforts to collect such Accounts Receivable. Seller and Buyer will cooperate with each other in the establishment of a special account for the deposit of Accounts Payable collected hereunder. During the Collection Period, Buyer's commercially reasonable efforts shall be consistent with its usual collection practices (but without obligation to institute proceedings or use any other extraordinary means of collection) to collect the Accounts Receivable. All payments received by Buyer during the Collection Period, from an account

debtor included in the Accounts Receivable, shall be applied to the oldest invoice first, unless the account debtor disputes such invoice in good faith and in writing. At the conclusion of the Collection Period, Seller shall resume any collection efforts as it may determine in its discretion. Buyer shall not compromise, settle or adjust the amount of any Accounts Receivable without Seller's prior written consent. During the Collection Period, Buyer shall provide Seller a monthly schedule of collections, commencing 30 days following the Closing. Together with each such report, Buyer shall remit all such collections, without offset or deduction for any reason.

Section 7.10. *Assignment and Assumption Agreement.* At the Closing, the parties will enter into the Assignment and Assumption Agreement.

ARTICLE 8 TAX MATTERS AND CERTAIN PROPERTY EXPENSE APPORTIONMENTS

Section 8.01. *Tax Representations.* Seller hereby represents and warrants to Buyer that all returns, reports and declarations of every nature required to be filed with respect to Taxes by or on behalf of Seller prior to the Closing Date with respect to the Purchased Assets have been timely filed and such returns, reports and declarations as so filed are complete and accurate and disclose all Taxes required to be paid for the periods covered thereby. All Taxes due and payable prior to the Closing Date with respect to the Purchased Assets have been paid in full or shall be timely paid by Seller as of or prior to the Closing Date. Seller is not a foreign person," within the meaning of Section 1445 of the Code.

Section 8.02. *Property Expense Apportionment.* The following items relating to the Purchased Assets shall be apportioned at the Closing in an "Equitable Manner" as of the close of business on the Closing Date (the "Adjustment Date") so that the income and expense items with respect to the period up to and including the Adjustment Date shall be for Seller's account and the income and expense items with respect to the period after the Adjustment Date shall be for Buyer's account. For purposes of this Section, the term "Equitable Manner" shall mean that Seller shall be allocated such items based on a fraction, the numerator of which is the number of days in the applicable period ending on the Adjustment Date and the denominator of which is the total number of days in such period, and Buyer shall be allocated the remainder:

(i) General and special real estate and other ad valorem taxes and assessments and other state or local taxes, fees, charges and assessments in respect of real estate on the basis of the fiscal year for which assessed. If the Closing Date shall occur before the tax rate or assessment is fixed for any fiscal year, the apportionment of such taxes and payments at Closing shall be based upon the most recently ascertainable tax bills; provided that Buyer and Seller shall recalculate and re-prorate said taxes and payments and make the necessary cash adjustments promptly upon the issuance, and on the basis, of the actual tax bills received for any such fiscal year and the amount of any payments in lieu of tax made with respect to any such fiscal year.

(ii) Personal property taxes, if any, on the basis of the fiscal year for which assessed. If the Closing Date shall occur before the tax rate or assessment is fixed for any fiscal year, the apportionment of such taxes and payments at Closing shall be based upon a reasonable estimate mutually agreed upon by Buyer and Seller; provided that Buyer and

Seller shall recalculate and re-prorate said taxes and make the necessary cash adjustments promptly upon the issuance, and on the basis, of the actual tax bills received for any such fiscal year.

(iii) Utility charges and other apportionments and adjustments as are customarily apportioned upon the transfer of real and personal property in the county and state in which the subject property is located.

(iv) To the extent any taxes described in subparagraphs (i) or (ii) above are adjusted as a result of any governmental Tax audit or administrative or court proceeding initiated by a governmental entity or agency with jurisdiction over the properties, Buyer and Seller shall recalculate and re-prorate such taxes and make the necessary cash adjustments promptly upon the resolution of such audit or proceeding.

(v) Rent or lease expenses.

Section 8.03. *Transfer Taxes.* Buyer shall be liable and responsible for all sales, use, excise, value-added, goods and services, transfer, stamp, recording, documentary, registration, conveyance or similar taxes, duties or expenses as a result of the sale and transfer of the Purchased Assets. Title settlement fees for the conveyance of real property shall be borne equally by Seller and Buyer. Search and examination fees relating to the issuance of the title insurance commitment for the owned Real Property shall be borne by Seller. Buyer and Seller shall also cooperate in providing each other with applicable resale and exemption certifications and other similar tax and fee documentation. No later than 10 days prior to the Closing Date, Buyer shall provide Seller with documentation, satisfactory to Seller, of Buyer's license to do business in the State of Michigan. Buyer agrees that if it does not comply with the requirements of the immediately preceding sentence, Buyer shall pay to Seller at the Closing such sales and use taxes in an amount determined by Seller to be due and payable as a result of Buyer's purchase of the Purchased Assets.

Section 8.04. *Payroll Taxes.* Seller and Buyer agree that the responsibilities for payroll taxes with respect to any Person, that was an employee of Seller immediately prior to Closing that becomes an employee of Buyer from and after Closing, shall be assigned under the Alternative Procedure described in Section 5 of Rev. Proc. 96-60.

ARTICLE 9 EMPLOYEES

Section 9.01. *Employees.* Buyer will have no duty, responsibility or liability with respect to Seller's or Station's employees. Except as otherwise specifically provided herein, Buyer is not assuming or liable for, and does not undertake to assume or discharge any liability or obligation of Seller arising out of or relating to any employment understanding or employee benefit plan otherwise relating to employment (all employment obligations shall be brought current by Seller as of the Closing Date, including the payment of all accrued benefits and severance pay and all bonuses, whether or not such benefits or bonuses are due as of the Closing Date and all employees of Seller at or related to the Station shall have been lawfully and finally discharged from employment by Seller as of the Closing Date unless, at its sole discretion, Buyer

has made other arrangements with certain of Seller's employees, in which undertaking Seller will provide its reasonable cooperation). Seller has, in the conduct of the affairs of the Station, complied in all material respects with all applicable laws, rules and regulations relating to the employment of labor, including those relating to wages, hours, equal employment opportunity, collective bargaining, pension and welfare benefit plans, and the payment of Social Security and similar taxes, and Seller hereby indemnifies Buyer against any arrears of wages or any tax or other penalties or liabilities for failure to comply with any of the foregoing. No employee of the Station is represented by a union or other collective bargaining unit, no application for recognition of a collective bargaining unit is now pending before the National Labor Relations Board with respect to the Station's employees, and, to the best of Seller's knowledge, no concerted effort to unionize any of the Station's employees is currently in progress. Seller has delivered to Buyer an accurate list of all current employees of the Station together with a description of the dates of commencement of their respective employment, their positions and areas of responsibility, compensation history, and current compensation arrangements as of the date of this Agreement. Seller shall promptly advise Buyer of any material changes that occur prior to the Closing with respect to such information.

Section 9.02. *Employee Compensation.* Seller shall pay all compensation owed to the Station's employees up to and including the Closing Date. Buyer may, after the Closing, employ those of Seller's employees as Buyer may elect on terms and conditions determined by Buyer in Buyer's sole discretion. Buyer shall, no later than ten (10) business days after the Closing Date, deliver to Seller a list of those employees who have entered into Buyer's employ. Buyer shall credit each of those employees with his or her accrued vacation time and sick leave through the Closing Date, and shall receive a proration credit equal to the value of the accrued vacation time and sick leave so assumed by Buyer based upon those employees' pay rates as of the Closing Date. Seller shall remain solely responsible for all severance pay, accrued vacation time and sick leave of those of Seller's employees who do not enter into Buyer's employ after Closing.

Section 9.03. *WARN Act.* Seller is in full compliance with the Worker Readjustment and Notification Act (the "WARN Act") (29 USC §2101), including all obligations to promptly and correctly furnish all notices required to be given thereunder in connection with any "plant closing" or "mass layoff" to "affected employees", "representatives" and any state dislocated worker unit and local government officials. No reduction in the notification period under the WARN Act is being relied upon by Seller. The Disclosure Schedule sets forth an accurate, correct and complete list of all employees (listed by job titles only) terminated (except with cause, by voluntarily departure or by normal retirement), laid off or subjected to a reduction of more than 50% in hours or work during the two full calendar months and the partial month preceding this representation and warranty.

ARTICLE 10
CONDITIONS TO CLOSING

Section 10.01. *Conditions to Obligations of Buyer and Seller.* The obligations of Buyer and Seller to consummate the Closing are subject to the satisfaction (or, to the extent permitted by law, waiver by the relevant party) of the following conditions:

(a) No provision of any applicable law or regulation and no judgment, injunction, order or decree shall prohibit the consummation of the Closing.

Section 10.02. *Conditions to Obligation of Buyer.* The obligation of Buyer to consummate the Closing is subject to the satisfaction (or, to the extent permitted by law, waiver by Buyer) of the following further conditions:

(a) The FCC Consent to the FCC Application shall have been granted by the FCC by Final Order. Buyer may establish an earlier closing, waiving said condition, upon not less than three Business Days prior notice or such other date as Seller and Buyer may mutually agree upon.

(b) There shall be no encroachments upon any Real Estate by any buildings, structures, or improvements located on adjoining real estate that would materially interfere with Buyer's operation of the Stations upon the Real Property. None of the buildings, structures, or improvements (including without limitation all ground radials, guy wires and guy anchors) constructed on the Real Property encroaches upon adjoining real estate, and all such buildings, structures, and improvements are constructed in conformity with all "set back" lines, easements and other restrictions or rights of record, and all applicable building or safety codes and zoning ordinances; there are no underground fuel storage tanks located on the Real Property; there are no pending or contemplated condemnation or eminent domain proceedings that may affect the Real Property.

(c) At Closing, Buyer shall accept title to the real property listed on Section 3.10 of the Disclosure Schedule and assignments of the leaseholds listed on Section 3.10 of the Disclosure Schedule, subject to the standard exceptions of the most recent ALTA Owner's title insurance policy, including Leasehold Owner's endorsements, as applicable, subject to the following additional exceptions: (i) any state of facts an ALTA/ASCM accurate survey may show provided they do not prevent the use of the Real Property for its current use; (ii) any state of facts that a physical inspection of the Real Property may reveal as of the date hereof, provided that such state of facts does not prevent the use of the Real Property for its current use; (iii) applicable zoning ordinances, rules or regulations, provided that use of the Real Property for its current use is not materially and adversely affected thereby; (iv) rights of record, if any, acquired by any utility company to maintain and operate lines, wires, cables, boxes, pipes and poles, in , over, and upon the Real Property, provided that such rights do not materially interfere with the use of or access to the Real Property as a television broadcast station; (v) the lien of unpaid real estate taxes and similar charges applicable to the Real Property (provided they are apportioned at closing) or may become due and payable after the closing. The Title Insurance policies referred to in Section 3.10(e) hereof shall contain endorsements that there are no encroachments upon any such real estate by any buildings, structures, or improvements located on adjoining real estate

that would materially interfere with Buyer's operation of the Stations upon the Real Property; that none of the buildings, structures, or improvements (including without limitation all ground radials, guy wires and guy anchors) constructed on the Real Property encroaches upon adjoining real estate, and all such buildings, structures, and improvements are constructed in conformity with all "set back" lines, easements and other restrictions or rights of record, and all applicable building and zoning ordinances; and that there are no pending or contemplated condemnation or eminent domain proceedings that may affect the Real Property. Buyer shall provide Seller written notice of any defects in title or other conditions pertaining to the state of title that are nonconforming with the requirements of this Section 10.01 (c). Seller shall have the right to adjourn closing for a period of up to 60 days to cure any such defect, which may include obtaining at Seller's expense an easement for Buyer. For the avoidance of doubt, nothing herein shall require Seller to commence any legal proceedings or make any monetary expenditure to cure any such defect in title or condition.

(d) The estoppel certificates described in Section 3.10(f) of this Agreement.

(e) Except as set forth in Section 3.10(e) to the Disclosure Schedule, all items of transmitting and studio equipment included in the tangible personal property will permit the Stations and any of their translators and auxiliary broadcast stations to operate in all material respects in accordance with the terms of the FCC Authorizations and the Rules and Regulations.

(f) (1) Seller shall have performed in all material respects all of its obligations hereunder required to be performed by it on or prior to the Closing Date, and (2) Buyer shall have received a certificate signed by an officer of Seller that the representations and warranties of Seller contained in this Agreement and in any certificate or other writing delivered by Seller pursuant hereto are true in all material respects at and as of the Closing Date, as if made at and as of such date, other than such representations and warranties made as of a different date (except where the failure to be so true and correct would not have a Material Adverse Effect on the Business or Purchased Assets.

(g) Seller shall have caused the following documents to be delivered to Buyer:

(i) the Assignment and Assumption Agreement, duly executed by Seller;

(ii) an affidavit from Seller stating, under penalties of perjury, such transferor's taxpayer identification number and that the transferor is not a foreign person pursuant to Section 1445(b)(2) of the Code;

(iii) a bargain and sale deed with covenants against grantor's acts, duly executed by Seller, with respect to the owned Real Property that is a Purchased Asset together with any reasonably necessary transfer declarations or other filings; and

(iv) an assignment and assumption of lease, duly executed by Seller, in a form reasonably satisfactory to Buyer and Seller for each real property lease that is a Purchased Asset, together with any necessary transfer declarations or other filings.

(h) Buyer shall have received, at its cost (including any premiums charged therefor), with respect to the Real Property, a title insurance policy, in each case dated the Closing Date and insuring that Buyer's title to any owned Real Property is as represented in Section 3.10.

(i) All consents set forth on Section 10.02(d) to the Disclosure Schedule shall have been obtained.

(j) Between the date hereof and the Closing Date, there shall not have occurred any Material Adverse Effect, and there shall be no action, suit or legal proceeding pending before any governmental authority of competent jurisdiction which would reasonably be expected to have a Material Adverse Effect.

Section 10.03. *Conditions to Obligation of Seller.* The obligation of Seller to consummate the Closing is subject to the satisfaction (or, to the extent permitted by law, waiver by Seller) of the following further conditions:

(a) The FCC Consent to the FCC Application shall have been granted by the FCC.

(b) (1) Buyer shall have performed in all material respects all of its obligations hereunder required to be performed by it at or prior to the Closing Date, and (2) Seller shall have received a certificate signed by an officer of Buyer that the representations and warranties of Buyer contained in this Agreement and in any certificate or other writing delivered by Buyer pursuant hereto are true in all material respects at and as of the Closing Date, as if made at and as of such date, other than such representations and warranties made as of a different date.

(c) Buyer shall have caused the following documents to be delivered to Seller:

(i) the Assignment and Assumption Agreement, duly executed by Buyer;

(ii) an assignment and assumption of lease, duly executed by Buyer, in a form reasonably satisfactory to Buyer and Seller for each real property lease that is a Purchased Asset, together with any necessary transfer declarations or other filings.

ARTICLE 11

SURVIVAL; INDEMNIFICATION

Section 11.01. *Survival.* The representations and warranties of the parties hereto contained in this Agreement shall survive the Closing and remain in full force and effect for a period of twelve (12) months following the Closing Date. Any claims for or arising out of any breach of representations and warranties not raised within such twelve (12) month period shall be waived and be deemed extinguished. The covenants and agreements of the parties hereto shall survive Closing and remain in full force and effect in accordance with their terms.

Section 11.02. *Indemnification.* (a) Seller hereby indemnifies Buyer and its Affiliates against and agrees to hold each of them harmless from any and all damage, loss, liability and expense (including reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding whether involving a third party claim

or a claim solely between the parties hereto) (“Damages”) incurred or suffered by Buyer or any of its Affiliates arising out of:

(i) any misrepresentation or breach of warranty (each such misrepresentation and breach of warranty a “Warranty Breach”) or breach of covenant or agreement made or to be performed by Seller pursuant to this Agreement;

(ii) any Excluded Liability;

provided that with respect to indemnification by Seller for any Warranty Breach pursuant to (a), (A) Seller shall not be liable unless the aggregate amount of Damages with respect to such Warranty Breaches exceeds One Hundred Thousand Dollars (\$100,000), whereupon Seller shall be liable for the full amount of all claims; and (B) Seller’s maximum liability with respect to all Warranty Breaches shall not exceed in the aggregate the sum of \$1,000,000. Seller shall not have any liability to Buyer for any breach if Purchaser had knowledge of the breach as of the Date of Closing.

(b) Buyer and the Guarantor, jointly and severally, hereby indemnify Seller and its Affiliates against and agrees to hold each of them harmless from any and all Damages incurred or suffered by Seller or any of its Affiliates arising out of:

(i) any Warranty Breach or breach of covenant or agreement made or to be performed by Buyer pursuant to this Agreement;

(ii) any Assumed Liability; and

(iii) any liability or obligation in respect of the Business or the Purchased Assets arising or incurred after the Closing Date.

Section 11.03. *Indemnification Procedures.* (a) Relating to Third Party Claims. If any party seeking indemnification under this ARTICLE 11 (the “Indemnified Party”) receives written notice of the commencement of any action or proceeding or the assertion of any claim by a third party or the imposition of any penalty or assessment for which indemnity may be sought under Section 11.02(a) or 11.02(b) (a “Third Party Claim”), and such Indemnified Party intends to seek indemnity pursuant to this Article 11, the Indemnified Party shall promptly provide the party against whom indemnity is sought (the “Indemnifying Party”) with written notice of such Third Party Claim, stating the nature, basis and the amount thereof, to the extent known, along with copies of the relevant documents evidencing such Third Party Claim and the basis for indemnification sought. Failure of the Indemnified Party to give such notice will not relieve the Indemnifying Party from liability on account of this indemnification, except if and to the extent that the Indemnifying Party is actually prejudiced thereby. The Indemnifying Party will have 30 days from receipt of any such notice of a Third Party Claim to give notice to assume the defense thereof. If notice to the effect set forth in the immediately preceding sentence is given by the Indemnifying Party, the Indemnifying Party will have the right to assume the defense of the Indemnified Party against the Third Party Claim with counsel of its choice. So long as the Indemnifying Party has assumed the defense of the Third Party Claim in accordance herewith, (i) the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third Party Claim, (ii) the Indemnified Party will not file any papers or

consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party and (iii) the Indemnifying Party will not (A) admit to any wrongdoing or (B) consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim to the extent such judgment or settlement provides for equitable relief, in each case, without the prior written consent of the Indemnified Party (such written consent will not be withheld or delayed unreasonably). The parties will use reasonable best efforts to minimize Damages from Third Party Claims and will act in good faith in responding to, defending against, settling or otherwise dealing with such claims. The parties will also cooperate in any such defense and give each other reasonable access to all information relevant thereto. Whether or not the Indemnifying Party has assumed the defense, such Indemnifying Party will not be obligated to indemnify the Indemnified Party hereunder for any settlement entered into or any judgment that was consented to without the Indemnifying Party's prior written consent.

(b) Relating to Non-Third Party Claims. The Indemnified Party will notify the Indemnifying Party in writing promptly of its discovery of any matter that does not involve a Third Party Claim being asserted against or sought to be collected from the Indemnified Party, giving rise to the claim of indemnity pursuant hereto. The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party from liability on account of this indemnification, except only to the extent that the Indemnifying Party is actually prejudiced thereby. The Indemnified Party will have 30 days from receipt of any such notice to give notice of dispute of the claim to the Indemnifying Party. The Indemnified Party will reasonably cooperate and assist the Indemnifying Party in determining the validity of any claim for indemnity by the Indemnified Party and in otherwise resolving such matters. Such assistance and cooperation will include providing reasonable access to and copies of information, records and documents relating to such matters, furnishing employees to assist in the investigation, defense and resolution of such matters and providing legal and business assistance with respect to such matters.

(c) Each Indemnified Party shall use reasonable efforts to collect any amounts available under insurance coverage, or from any other Person alleged to be responsible, for any Damages payable under Section 11.02.

Section 11.04. Calculation of Damages. (a) The amount of any Damages payable under Section 11.03 by the Indemnifying Party shall be net of any (1) amounts recovered or recoverable by the Indemnified Party under applicable insurance policies or from any other Person alleged to be responsible therefor, (2) Tax cost incurred by the Indemnified Party arising from the receipt of indemnity payments and (3) Tax benefit realized by the Indemnified Party arising from the incurrence or payment of any such Damages. In computing the amount of any such Tax cost or Tax benefit, the Indemnified Party shall be deemed to fully utilize, at the highest marginal tax rate then in effect, all Tax items arising from the receipt of any indemnity payment hereunder or the incurrence or payment of any indemnified Damages. If the Indemnified Party receives any amounts under applicable insurance policies, or from any other Person alleged to be responsible for any Damages, subsequent to an indemnification payment by the Indemnifying Party, then such Indemnified Party shall promptly reimburse the Indemnifying Party for any payment made or expense incurred by such Indemnifying Party in connection with providing such indemnification payment up to the amount received by the Indemnified Party, net of any expenses incurred by such Indemnified Party in collecting such amount.

(b) Each party agrees that it will not, and agrees to use its best efforts to ensure that its Affiliates do not, voluntarily or by discretionary action, accelerate the timing, or increase the cost, of any obligations of the other party under this ARTICLE 11.

(c) The Indemnifying Party shall not be liable under Section 11.02 for any consequential or punitive Damages or Damages for lost profits.

(d) Any indemnification payment made pursuant to this Agreement shall be treated by Buyer and Seller as an adjustment to the Purchase Price for Tax purposes.

Section 11.05. *Exclusivity.* Except as specifically set forth in or arising under this Agreement or in any other Transaction Document, Buyer waives any rights and claims Buyer may have against Seller, whether in law or in equity (including claims for contribution or other rights of recovery arising out of or relating to any environmental, health or safety statute, law, regulation or rule, claims for breach of contract, breach of representation or warranty, negligent misrepresentation and all other claims for breach of duty), relating to the Business or the transactions contemplated hereby or thereby, other than claims for fraud or for intentional misrepresentation. After the Closing, except for claims for fraud or for intentional misrepresentation, this ARTICLE 11 and Sections will provide the exclusive remedy for any misrepresentation, breach of warranty, covenant or other agreement.

ARTICLE 12 TERMINATION

Section 12.01. *Grounds for Termination.* This Agreement may be terminated at any time prior to the Closing:

- (a) by mutual written agreement of Seller and Buyer;
- (b) by either Seller or Buyer if the Closing shall not have been consummated on or before October 31, 2007; or
- (c) by either Seller or Buyer if consummation of the transactions contemplated hereby would violate any nonappealable final order, decree or judgment of any court or governmental body having competent jurisdiction.

The party desiring to terminate this Agreement pursuant to clauses (b) or (c) shall give notice of such termination to the other party.

Section 12.02. *Effect of Termination.* If this Agreement is terminated as permitted by Section 12.01, such termination shall be without liability of either party (or any stockholder, director, officer, employee, agent, consultant or representative of such party) to the other party to this Agreement; provided that if such termination shall result from the willful (1) failure of either party to fulfill a condition to the performance of the obligations of the other party, (2) failure to perform a covenant of this Agreement or (3) breach by either party hereto of any representation or warranty or agreement contained herein, such party shall be fully liable for any and all Damages incurred or suffered by the other party as a result of such failure or breach. The

provisions of Section 6.01, Section 7.07 and Section 12.02 and ARTICLE 13 shall survive any termination hereof pursuant to Section 12.01.

ARTICLE 13
MISCELLANEOUS

Section 13.01. *Notices.* Any notice required hereunder shall be in writing, delivered personally, or mailed by certified mail, postage prepaid, with return receipt requested, or delivered to FedEx (Federal Express), or any other nationally recognized overnight delivery service for next morning delivery or when dispatched by facsimile transmission (with the facsimile transmission confirmation being deemed conclusive evidence of such dispatch), or by electronic mail with such notice attached in Portable Document Format (PDF) and sent with requests for delivery and read receipts, the return of such receipts being deemed conclusive evidence of such dispatch, in each case addressed to the persons, parties or entities All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission) and shall be given,

If the notice is to Buyer:	Cadillac Telecasting Co. 22713 N. Alicia Drive Sun City West, Arizona 85375 Attention: Alexander Bolea Fax: (623) 444-8257 E-Mail: jrnbolea@aol.com
With a copy (which shall not constitute notice to Buyer) to:	Womble Carlyle Sandridge & Rice, PLLC 1401 Eye Street, N.W. Suite 700 Washington, DC 20005 Attention: Gregg P. Skall, Esq. Fax: (202) 261-0041 E-Mail: gskall@wcsr.com
If the notice is to Seller:	Rockfleet Broadcasting II, LLC c/o Smith Management LLC 885 Third Avenue New York, NY 10022 Attention: Bruce Schnelwar Fax: (212) 702-0145 E-Mail: bruce@smithnyc.com
With a copy (which shall not constitute notice to Seller) to:	Herrick, Feinstein LLP 2 Park Avenue New York, New York 10016 Attention: Irwin A. Kishner Fax: (212) 545-3400 E-Mail: ikishner@herrick.com

Section 13.02. *Amendments and Waivers.* (a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 13.03. *Expenses.* Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

Section 13.04. *Successors and Assigns.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the written consent of each other party hereto.

Section 13.05. *Governing Law.* This Agreement shall be governed by and construed in accordance with the law of the State of Michigan, without regard to the conflicts of law rules of such state.

Section 13.06. *Jurisdiction.* Except as otherwise expressly provided in this Agreement, the parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in the United States District Court for the Eastern District of Michigan or any Michigan State court or such other court as the parties may agree, so long as such courts shall have subject matter jurisdiction over such suit, action or proceeding, and that any cause of action arising out of this Agreement shall be deemed to have arisen from a transaction of business in the State of Michigan, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 13.07 shall be deemed effective service of process on such Party. Notwithstanding anything contained in this Agreement to the contrary, any dispute, claim or controversy arising out of, relating to or in connection with the Escrow Agreement shall be determined by arbitration in Washington, DC before three arbitrators. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. Judgment on the award of any such arbitration may be entered in any court having jurisdiction. The arbitrators shall, in any award, allocate all or part of the costs of the arbitration, including the fees of the arbitrators and the reasonable attorney's fees of the prevailing party.

Section 13.07. *Service of Process.* Each of the parties hereto hereby acknowledges and confirms that service of any process, summons, notice or document by U.S. registered mail to such party's respective address set forth in Section 13.01 shall be effective service of process for any action, suit or proceeding in Michigan with respect to any matters for which it has submitted to jurisdiction pursuant to Section 13.06.

Section 13.08. *WAIVER OF JURY TRIAL.* EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 13.09. *Counterparts; Effectiveness; No Third Party Beneficiaries.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto. No provision of this Agreement is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

Section 13.10. *Entire Agreement.* The Transaction Documents (which includes the schedules and exhibits hereto and thereto) constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, both oral and written, between the parties with respect to hereto and thereto.

Section 13.11. *Bulk Transfer Laws.* Buyer hereby waives compliance by Seller with the provisions of any so-called bulk transfer laws of any jurisdiction in connection with the sale of the Purchased Assets.

Section 13.12. *Interest Payable on Amounts Past Due.* The parties agree that all payments required to be made pursuant to Agreement shall bear interest from and including the date such payment is past due but excluding the date of payment at the Prime Rate, plus 3%, in effect from time to time during the period from such payment is past due to the date of payment, not to exceed the maximum rate permitted by law. Such interest shall be payable at the same time as the payment to which it relates and shall be calculated on the basis of a year of 365 days and the actual number of days elapsed, compounded quarterly.

Section 13.13. *Captions; Certain References.* The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. All references to "days" shall be to calendar days unless otherwise specified. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words, "without limitation."

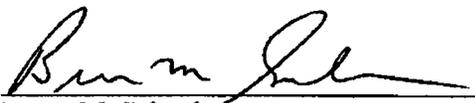
Section 13.14. *Disclosure Schedule.* The parties acknowledge and agree that (1) the Disclosure Schedule may include certain items and information solely for informational purposes for the convenience of Buyer and (2) the disclosure by Seller of any matter in the Disclosure Schedule shall not be deemed to constitute an acknowledgment by Seller that the matter is required to be disclosed by the terms of this Agreement or that the matter is material. If any section of the Disclosure Schedule discloses an item or information in such a way as to make its

relevance to the disclosure required by another section of the Disclosure Schedule readily apparent, the matter shall be deemed to have been disclosed in such other section of the Disclosure Schedule, notwithstanding the omission of an appropriate cross-reference to such other section of the Disclosure Schedule.

[Remainder of page intentionally left blank; next page is signature page]

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

ROCKFLEET BROADCASTING II, LLC

By: 
Bruce M. Schnelwar
Executive Vice President

CADILLAC TELECASTING CO.

By: _____
Name:
Title:

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

ROCKFLEET BROADCASTING II, LLC

By: _____
Name:
Title:

CADILLAC TELECASTING CO.

By: *Alexander Bola*
Name: *Alexander Bola*
Title: *President*

FCC Authorizations

Section 3.14

<u>Call Sign</u>	<u>Facility ID Number</u>	<u>Community Of License</u>	<u>Type</u>	<u>Authorization</u>	<u>Expiration</u>
WFQX(TV)	25396	Cadillac, MI	Main Analog	BLCDDT-20070214ACF	10/1/2013
WFQX-DT	25396	Cadillac, MI	Main Digital	BLCDDT-20070214ACF	10/1/2013
WFUP(TV)	25395	Vanderbilt, MI	Main Analog	BLCT-19970626KE	2/17/2009 ¹
W61CR	25400	Sault St. Marie, MI	TV Translator	BLTT-19970804JF	10/1/2013
W64CG	130022	Pickford/Hessell, MI	TV Translator	BESTA-20070330ARG	10/15/2007 ²
Pending Form 346 Application for Construction Permit for New Ch. 43	130022	Pickford, MI	TV Translator	BNPTT-20000830BGK	pending
W54CR	25397	Traverse City, MI	TV Translator	BLTT-20031104ABZ	10/1/2013 ³
WME994	n/a	n/a	STL		10/1/2013
WPZX803	n/a	n/a	STL		10/1/2013
WME998	n/a	n/a	STL		10/1/2013
WPNH474	n/a	n/a	STL		10/1/2013
WNTW380	n/a	n/a	Microwave/ Industrial Business		9/30/2009
WNTL447	n/a	n/a	Microwave/ Industrial Business		12/24/2011

¹ Station WFUP(TV) does not have any FCC authority to operate digitally and must cease analog operations and surrender its FCC license at the end of the digital television transition, which is currently set for February 17, 2009, unless prior to that date either of Seller or Buyer obtains such a digital authorization.

Station WFUP(TV) is currently operating at reduced power. A request for special temporary authority to operate at reduced power was filed April 20, 2007 and remains pending. See FCC File No. BSTA-20070420ABL.

² Station W64CG is a temporary facility authorized pursuant to special temporary authority to operate on Channel 64 during the pendency of an application on FCC Form 346 for a construction permit authorizing the construction of a new television translator at Pickford, MI on Channel 43 (FCC File No. BNPTT-20000830BGK).

³ Station W54CR went off the air on February 5, 2007. The station's special temporary authority to remain silent expires August 5, 2007. See FCC File No. BLSTA-20070406ABS.