

LOCAL MARKETING AGREEMENT

This Local Marketing Agreement ("Agreement") is made and entered into as of this 12th day of December, 2008, by and among the selling entities set forth on Exhibit A hereto and the license holders set forth on Exhibit B hereto (each a "Licensee" and collectively, the "Licensees") and New World TV Group, LLC, a Delaware limited liability company, (the "Broker"). This Agreement is subject to approval by the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") and shall be effective as of January 14, 2009 (the "Effective Date"). For purposes of this Agreement, the Licensees and Broker each may be referred to individually as a "Party," and together as the "Parties." Capitalized terms used in this Agreement that are not otherwise defined herein shall have the meaning ascribed to them in the Asset Purchase Agreement, dated as of December 12, 2008, among the Sellers and Buyers listed therein.

WITNESSETH

WHEREAS, Licensees hold the over-the-air television broadcast licenses and other authorizations (collectively, the "FCC Authorizations") issued by the Federal Communications Commission ("FCC") used and useful for the operation of the following television stations (each a "Station" and collectively the "Stations"):

Television Station	Facility ID #	Community of License	Debtor Owning Television Station
KMPH-TV	51488	Visalia, CA	Pappas Telecasting Incorporated [FCC Licensee: KMPH(TV) License, LLC]
KMPH-CA	51489	Merced-Mariposa, CA	
KMPH-LD	168338	Merced-Mariposa, CA	
KFRE-TV	59013	Sanger, CA	Pappas Telecasting of Central California, L.P. [FCC Licensee: KFRE(TV) License, LLC]
KTNC-TV	21533	Concord, CA	Pappas Telecasting of Concord, L.P. [FCC Licensee: KTNC License, LLC]
KUNO-TV	8378	Fort Bragg, CA	Pappas Telecasting of Concord, L.P. [FCC Licensee: Concord License, LLC]
KDSL-CA	8293	Ukiah, CA	

Television Station	Facility ID #	Community of License	Debtor Owning Television Station
KCWK(TV) KCWK-LP	84238 12730	Walla Walla, WA Yakima, WA	CASA of Washington, LLC [FCC Licensee: KCWK License, LLC]
KAZH(TV)	70492	Baytown, TX	Pappas Telecasting of Houston, L.P. [FCC Licensee: KAZH License, LLC]
KDBC-TV KCWO-CA KCWF-CA KKNJ-LP	33764 33765 33767 33766	El Paso, TX Silver City, NM Las Cruces, NM Alamogordo, NM	Pappas Telecasting of El-Paso-Juarez, L.P. [FCC Licensee: KDBC License, LLC]
KPTM(TV) KKAZ-CA KKAZ-LD	51491 51492 168251	Omaha, NE Omaha, NE Omaha, NE	Pappas Telecasting of Midlands, L.P. [FCC Licensee: KPTM(TV) License, LLC]
KPTH(TV) KPTP-LP KPTP-LD	77451 127666 168169	Sioux City, IA Norfolk, NE Norfolk, NE	Pappas Telecasting of Sioux City, L.P. [FCC Licensee: KPTH License, LLC]
WCWG(TV)	35385	Lexington, NC	WCWG of the Triad, LLC [FCC Licensee: WCWG License, LLC]

WHEREAS, Licensees are debtors-in-possession under Chapter 11 of the United States Bankruptcy Code;

WHEREAS, on August 14, 2008, the Office of the United States Trustee for the District of Delaware appointed E. Roger Williams the chapter 11 trustee (the "Chapter 11 Trustee") of Licensees, and, on August 18, 2008, the Bankruptcy Court approved the

appointment of the Chapter 11 Trustee in the Licensees' chapter 11 cases (the "Chapter 11 Cases");

WHEREAS, Licensees, acting by and through the Chapter 11 Trustee, have been authorized by the Bankruptcy Court to sell the Stations and all related assets to Broker pursuant to the Bankruptcy Court's order dated January 13, 2009 (the "Sale Order") approving that certain Asset Purchase Agreement by and between Licensees and Broker (the "Asset Purchase Agreement");

WHEREAS, pending the consummation of the transactions contemplated by the Asset Purchase Agreement and Sale Order, the Licensees continue to operate their businesses and manage their properties under the supervision of the Chapter 11 Trustee;

WHEREAS, Licensees have broadcast time available for sale on the Stations and desire that Broker provide programming to fill such time that is responsive to the needs, interests, issues and desires of the Stations' communities of license and service areas; and

WHEREAS, Broker desires to purchase time on the Stations to present its programming on the Stations and to sell advertising time for inclusion in said programming, and is willing to purchase that broadcast time, subject to the limitations set forth herein.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, the sufficiency of which are acknowledged, the parties hereto have agreed and do agree as follows:

1. **Term**. Commencing on the Effective Date and continuing thereafter until such time as this Agreement terminates as provided in Section 8 below (such period, the "**Term**"), Licensees shall make their broadcasting transmission and other facilities (including auxiliary broadcast, earth station, microwave and other ancillary facilities licensed under the FCC Authorizations) available to Broker and to broadcast on the Stations, or cause to be broadcast on the Stations, such programming, commercial advertising, promotional announcements, public service announcements and other program related material as may be designated by Broker from time to time (collectively, the "**Brokered Programming**"), including, without limitation (a) any programs, shows and other content provided by and/or available to Licensees under their respective network affiliation agreements, film and program barter agreements, sports rights agreements, news rights or service agreements, syndication agreements and other programming related contracts in effect on the Effective Date of this Agreement (and as may be amended from time to time, with Licensees' reasonable consent, consistent with the terms of this Agreement) ("**Licensee Program Contracts**"), provided, however, that Broker shall comply with all requirements in the Licensee Program Contracts, and (b) as may be acquired and supplied to the Stations by Broker (the "**Broker Supplied Programming**") (in each case subject to Licensees' control as provided elsewhere in this Agreement). Regardless of any language herein to the contrary, Broker shall not modify or terminate any of Licensees' Program Contracts without Licensees' prior reasonable consent, which consent shall not be unreasonably withheld, delayed, conditioned or denied. Broker shall notify Licensees at least three (3) but not more than fourteen (14) business days prior to the Closing Date of any of Licensee Program Contracts that Broker does not wish to have assigned at the Closing. Broker shall provide fourteen (14) days

prior notice to Licensees regarding any Station contract other than a Licensee Program Contract that Broker does not wish to assume.

2. **Consideration.** As consideration for the rights granted to it under this Agreement, including, without limitation, the airtime made available hereunder as well as the use of the Licensees' assets, Broker shall make payments to or for the benefit of the Licensees, as set forth in Attachment I to this Agreement.

3. **Station Facilities.**

(a) **Program Time.** Throughout the Term, Licensees shall make available to Broker the broadcast transmission facilities of the Stations, and shall cause to be broadcast using such facilities, the Brokered Programming. Licensees' broadcast transmission facilities shall be made available to Broker by Licensees for the maximum time authorized by the FCC up to one hundred sixty-eight (168) hours per week per Station, Sunday through Saturday, except for downtime occasioned by routine maintenance. Licensees shall cooperate fully in making the facilities of the Stations available to Broker and in broadcasting the Brokered Programming as provided in this Section 3(a). Broker shall make available to Licensees a sufficient amount of Brokered Programming to enable the Stations to meet their respective minimum hours of operation required under the rules and regulations of the FCC and the policies adopted pursuant to such rules and regulations (the "FCC Rules"). Without limiting the foregoing and for avoidance of doubt, Broker shall be entitled to use all of the Stations' digital transmission capacity. Broker's use of the analog and digital broadcast transmission facilities of the Stations, and its broadcast of Programming over such facilities, shall be in compliance with, and not be in derogation of, Licensees' obligations under their FCC licenses and their program agreements with network and independent program suppliers.

(b) **Use of Station Facilities and Personnel.** To facilitate delivery of programming by Broker to Licensees hereunder, Licensees hereby grant to Broker the right, for the Term of this Agreement, to use all of the Licensees' respective assets, including, without limitation, all of the Licensees' respective rights, title and interest under Licensee Programming Contracts, the Stations' studios (the "Studios") and the equipment owned or leased by the Licensees located therein (the "Broadcast Equipment") for the purpose of airing the Brokered Programming on the Stations pursuant to this Agreement. In addition, Broker shall have, and Licensees hereby grant to Broker, a right to (i) enter upon, occupy and use all real and personal property owned, leased or licensed to the Licensees and the Stations, including, any property on which the Studios and the Stations' transmission sites are located, for purposes of producing, inserting, clearing, and airing the Brokered Programming, and for performing such billing, collections, treasury and other cash management functions that Broker is entitled to perform under the terms of this Agreement and may wish to perform in connection with this Agreement, and (ii) utilize the Licensees' employees in the performance of Broker's obligations under this Agreement, subject in all respects to the Licensees' ultimate control over such employees and the provisions set forth in Sections 5(a) and 5(b)(i). In the event that it exercises the right to enter upon any property owned or leased to the Licensees to use the Studios or the Stations' transmission sites, Broker shall maintain the Broadcast Equipment, Studios and other Station facilities in good working order, free and clear of liens, claims or encumbrances of any third party claiming by, through or under Broker. Alternatively, Broker may originate its programs

for broadcast on the Stations from Broker's own studio(s) or other locations, in which case Broker shall be responsible, at its sole expense, for the delivery of such programming to the Stations; provided, that, such election by Broker shall not reduce Licensees' right to compensation and reimbursement in regard to Licensees' maintenance and operation of Stations' Studios, the Broadcast Equipment and transmission facilities during the Term as provided in Attachment I. Licensees may, upon reasonable notice to Broker, change the location of the Studios.

(c) **Maintenance; Interruption of Normal Operations.** During the Term, Licensees shall, with Broker's reasonable assistance (1) maintain all of the Stations' FCC Authorizations in full force and effect, (2) maintain the operating power of the Stations' analog and digital facilities at the maximum levels authorized by the FCC for the Stations, and (3) repair and maintain Licensees' studio and transmission facilities and equipment in good operating condition. Licensees shall use commercially reasonable efforts to provide at least forty-eight (48) hours' notice to Broker in advance of any maintenance work affecting the operation of any Station, which shall be undertaken at such hours and on such terms as to cause the least disruption to Broker's operations. If any Station suffers any loss or damage of any nature to its transmission facilities which results in the interruption of service or the inability of such Station to operate with its maximum authorized facilities, the Party first learning of such loss or damage shall notify the other Party as soon as possible and Licensees shall, with Broker's assistance, as soon as possible, undertake such repairs as are necessary to restore full-time operation of such Station with its maximum authorized facilities, after the occurrence of any such loss or damage. If Licensees are unable to complete such repairs within a reasonable time, Broker may cooperate with Licensees by undertaking such repairs, subject to Licensees' supervision.

(d) **Force Majeure.** Any failure or impairment of facilities or any delay or interruption in the broadcast of programs, or failure at any time to furnish facilities, in whole or in part, for broadcast, due to a cause beyond the control of Licensees, shall not constitute a breach of this Agreement. Broker and Licensees shall exercise commercially reasonable efforts to remedy any such conditions affecting compliance with their obligations under this Agreement.

(e) **Silent Stations.** The Stations listed in Schedule 1 currently are not transmitting ("Silent Stations"), might not resume transmission during the Term of this Agreement, and therefore might not be available for use by Broker during the Term. Licensees will take commercially reasonable efforts regarding the Silent Stations, after consultation with Broker, as are agreed by the parties to be reasonably necessary to keep the Silent Stations' FCC Authorizations in full force and effect until the earlier of the occurrence of the Closing Date or the termination of the Agreement for any reason other than the occurrence of the Closing Date.

(f) **Other Agreements.** The parties acknowledge that certain of the Licensees are parties to local marketing, local management, time brokerage agreements, shared services and/or similar agreements with respect to third party-owned television stations KMEG(TV) and KXVO(TV). With respect to KMEG(TV), Broker shall in all respects exercise Pappas's rights and fulfill Pappas's responsibilities ("Pappas" as identified and defined in that certain Shared Services Agreement dated as of April 28, 2005, by and between Waitt Broadcasting, Inc. and Pappas Telecasting of Siouxland, LLC), and Broker shall in all respects

exercise Representative's rights and fulfill Representative's responsibilities ("Representative" as identified and defined in that certain Advertising Representation Agreement dated as of April 28, 2005, by and between Waitt Broadcasting, Inc. and Pappas Telecasting of Siouland, LLC.), under such agreements. With respect to KXVO(TV), Broker shall exercise the Licensees' rights and fulfill the Licensees' responsibilities under such agreements relating to KXVO(TV).

4. **Station Programming Policies.**

(a) **Compliance With Law.** Broker agrees and covenants that all programming, advertising spots, promotional material and announcements that it provides for broadcast on the Stations shall comply in all material respects with: (i) all applicable federal, state and local laws, rules and regulations, including the Communications Act of 1934, as amended (the "Act"), the FCC Rules, and the rules and regulations of the Federal Trade Commission ("FTC"); and (ii) all subsequent changes to the FCC Rules, the Act and the FTC rules and regulations. Broker acknowledges that Licensees have not urged, counseled or advised the use of any unfair business practice. If Licensees determine in good faith that a program supplied by Broker does not comply with the law or serve the public interest, Licensees may, upon prior written notice to Broker (to the extent time permits such notice), suspend or cancel such program without liability to Broker. Licensees shall use reasonable efforts to provide such written notice to Broker prior to the suspension or cancellation of such program. Licensees shall have no liability to Broker for suspending or canceling programming pursuant to this Section 4(a).

(b) **Broker Compliance with Intellectual Property Rights.** Broker represents and warrants to Licensees that Broker has full authority to broadcast the Broker Supplied Programming, and that Broker shall not broadcast any such material in violation of the Copyright Act or that otherwise violates any intellectual property or other rights of others, including but not limited to the rights of privacy and publicity. The right to use the programming and to authorize its use in any manner shall be and remain vested in Broker.

(c) **Sales.** Broker shall have the right to collect and retain all revenues of the Stations (including without limitation all barter revenue, all revenue pursuant to the Stations' retransmission consent agreements, and all revenue from the Stations' websites, if any). If, during the Term, Licensees shall collect or otherwise receive revenue from the Stations, Licensees shall promptly account for and remit such funds to Broker, together with appropriate supporting documentation. Broker shall be responsible for payment of the commissions due to any national sales representative engaged by it for the purpose of selling national advertising that is carried during the programming it provides to Licensees. During the Term, Broker shall not terminate or alter any of Stations' or Licensees' existing relationships, contractual or otherwise, with their national, regional and/or local ad rep/sales firms, or substitute in whole or in part any other ad rep firm for marketing or promotion of any Stations' advertising inventory; provided, that, in the event that the Broker wishes to recommend the termination or alteration of any of such existing relationships, contractual or otherwise, or the substitution in whole or in part of any other ad rep firm for marketing or promotion of any Stations' advertising inventory, then Licensees agree to meet (either in person or telephonically) with Broker within three (3) Business Days of Broker's meeting request to discuss in good faith such recommendation.

(d) **Payola.** Broker agrees that it will not accept any consideration, compensation, gift or gratuity of any kind whatsoever, regardless of its value or form, including, but not limited to, a commission, discount, bonus, material, supplies or other merchandise, services or labor (collectively "Consideration") for the inclusion of any matter as part of the programming or commercial matter supplied by Broker to Licensees for broadcast on the Stations, whether or not pursuant to written contracts or agreements between Broker and merchants or advertisers, unless the party making or accepting such Consideration is identified in the program for which Consideration was provided as having paid for or furnished such Consideration, in accordance with the Act and FCC requirements.

(e) **Cooperation on Programming.** Broker, with Licensees' cooperation and assistance, shall ensure that programming is broadcast which is responsive to the needs and interests of the Stations' communities of license and service areas (and which may be different from programming currently broadcast by the Stations). Broker shall, upon reasonable request, provide Licensees with information concerning such of Broker's programs as are responsive to community issues so as to assist Licensees in the satisfaction of their public service programming obligations. Broker shall also provide Licensees such other information necessary to enable Licensees to prepare records and reports required by the FCC or other local, state or federal government entities, including the quarterly issues/programs lists and children's television reports required by the FCC. Broker shall promptly provide Licensees with any complaints or comments received regarding any programming broadcast on the Stations.

(f) **Station Identification and EAS.** Broker shall cooperate with Licensees to ensure compliance with the applicable FCC Rules regarding the broadcast of hourly station identification announcements and required Emergency Alert System ("EAS") tests.

(g) **Political Advertising.** Any qualified political candidate for federal office shall have access to the Stations under this Agreement in accordance with the applicable FCC Rules. In addition, Broker, with Licensees' cooperation and assistance, shall ensure the Stations' compliance with all other FCC Rules regarding political broadcasting. Licensees shall promptly supply to Broker upon request, and Broker shall promptly supply to Licensees upon request, such information, including all inquiries concerning the broadcast of political advertising, as may be necessary to comply with the FCC Rules, including the lowest unit rate, equal opportunities, reasonable access, political file and related requirements of the Act, the FCC Rules and the federal election laws. Broker, in consultation with Licensees, shall develop a statement that discloses the Stations' political broadcasting policies to political candidates, and Broker shall follow those policies and rates in the sale of political programming and advertising to be broadcast on the Stations. In the event that Broker fails to satisfy the political broadcasting requirements under the Act, the FCC Rules and any other applicable federal election laws and such failure inhibits Licensees in its compliance with the FCC Rules regarding political broadcasting, then to the extent reasonably necessary to assure such compliance, Broker shall either provide rebates to political advertisers or release broadcast time and/or advertising availabilities to Licensees at no cost to Licensees.

(h) **Licensee Control of Programming.** Licensees shall maintain such rights to suspend or preempt programming as provided in Sections 4(a) and 6(a) herein.

(i) **Intellectual Property.** Licensees hereby grant to Broker, during the Term, a license (including the right to sublicense to affiliates of Broker) to utilize the call signs, slogans, and all other intellectual property used by the Stations, including, without limitation, any intellectual property rights or intangible property set forth on Schedule 2 attached hereto, but only to the extent such intellectual property rights (including those listed on Schedule 2) are owned by, or licensed to and assignable by or sublicensed to another party by, Licensees, and subject to any liens or encumbrances that may exist as to such Intellectual Property. Licensees make no representation as to their ownership of, or right to use, any intellectual property of the Stations, including the intellectual property identified on Schedule 2. Licensees agree to make commercially reasonable best efforts during the Term to assist Broker in gaining ownership of, or the right to use, any other intellectual property used by the Stations on the Effective Date provided, that, Broker shall reimburse Licensees for the reasonable costs incurred by Licensees in providing such assistance.

(j) **Broker's Reports.** During the Term, Broker shall provide to Licensees monthly reports reflecting, for each of the Stations, the monthly revenues (including cash receipts and non-cash revenues), ad sales, ratings, maintenance, and such other information, as Licensees may reasonably request, as is necessary to reflect the financial and operating condition of each Station from month to month. Broker shall use best efforts to provide such reports to Licensees no later than the thirtieth (30th) day following the close of the preceding month.

(k) **Licensees' Proprietary Information.** During the Term of this Agreement, Broker shall have the right to access and use non-public and proprietary information furnished by the Stations ("Station Proprietary Information") to the extent necessary to perform Broker's duties, and to secure, enforce and enjoy the benefit of Broker's rights, under this Agreement, and for no other purpose. Broker shall use commercially reasonable efforts to retain without material modification (other than in the ordinary course of business), and to maintain the confidentiality of, all such Station Proprietary Information to the extent reasonably possible during the Term, except as otherwise required by judicial or legal process or applicable law. For purposes of this provision, "Station Proprietary Information" shall include, without limitation, email stored on servers of the Stations prior to the Term, whether or not such servers are owned by Licensees and the software relating to such servers (to the extent provided by the Licensees hereunder), and shall remain the property and subject to the control of Licensees during the Term pursuant to the terms and conditions of this Agreement. Prior to Closing, Broker shall provide the Licensees with access to such email, during normal business hours, upon reasonable advance written request of the Licensees and at their sole cost and expense. Subsequent to the Closing, access to and use of proprietary information shall be governed by the APA. Notwithstanding the foregoing, and for purposes of clarity and avoidance of doubt, it is understood and agreed that (i) the use of commercially reasonable efforts hereunder shall not include the expenditure of money, or the incurrence of any cost, fee or expense, other than what Broker would have reasonably spent or incurred in the ordinary course of business in the absence of the requirements hereunder to protect its own confidential and proprietary information, (ii) any information that may be prepared by, on behalf of, or for the benefit of the Broker for its own confidential use, even if such information was derived from and/or contains or reflects confidential non-public information of or about the Stations, shall not constitute "Station Proprietary Information", provided, that, the Station Proprietary Information contained therein shall remain the property of

Licensees and subject to the confidentiality obligations hereof, (iii) Broker shall have the right to release and disclose Station Proprietary Information to its auditors, attorneys, financial advisors, current or prospective lenders or other financing sources, bankers, members, managers, employees and consultants who have a reasonable need to know such information and who agree, or are informed of the confidential nature of the information and otherwise required by the nature of their positions, to maintain such information as confidential, and (iv) Broker shall be deemed to have satisfied its obligation to hold the Station Proprietary Information as confidential if it materially complies with the foregoing provisions and exercises the same degree of care with respect to such information as it takes to preserve the confidentiality of its own similar confidential information. Nothing in this Agreement shall be construed to authorize Broker's use of proprietary information owned by or relating to any non-debtor entity, including, without limitation, Broker's (x) deletion of documents from the computer servers on which the Debtor conducts its business (the "Servers") by and between, on the one hand, any officer, director or employee of any of the Stations, and, on the other hand, any officer, director, employee or affiliate of Fortress Credit Corp., and (y) deletion or modification of emails stored on the Servers through the Closing. Notwithstanding the foregoing, Broker shall use best efforts to preserve, and not to cause the deletion or modification of, all electronic mail created prior to the Effective Date that is kept in electronic format and which is maintained on the Servers.

5. **Responsibility for Employees and Expenses.**

(a) **Employees.** Licensees shall maintain such personnel as shall be necessary to comply with the FCC Rules regarding the staffing of main studios for Stations (including, at a minimum, a management level employee and a staff level employee) ("Licensee's Station Employees"), and such other employees as the Chapter 11 Trustee may reasonably determine to be necessary to the performance of his duties regarding the Stations and/or in fulfillment of his responsibility under this Agreement (each such employee and Licensee's Station Employee, a "Retained Employee"), in each case to the extent contemplated by the budget submitted to and approved by the lender agent under the DIP Financing (as the same may be amended, modified or supplemented from time to time, the "Budget"). To the extent that Broker holds management meetings for a particular Station (or group of Stations), Broker shall use commercially reasonable efforts to ensure that at least one Licensee Station Employee of such Station (or group of Stations) is invited with reasonable advance notice to attend such meeting (or relevant portion thereof if the meeting covers multiple Stations). In addition, Broker shall meet and confer with at least one of the Licensee's Station Employees, to the extent reasonably practicable, regarding matters of a material nature (as determined in Broker's reasonable good faith discretion) that concern the operations of the Station (or Stations) with which such person is employed.

(b) (i) Subject to the receipt of the Expense Reimbursement, and the provisions of this Paragraph 5, Licensees shall employ and be responsible for the salaries, commissions, taxes, insurance and all other related costs of all personnel of Licensees involved in the operation of the Stations and the production and broadcast of the Stations' programming, including, without limitation, on-air personalities, salespersons, traffic personnel, board operators, technical staff and other programming staff members and will be responsible for the salaries, taxes, benefits, insurance and related costs for all such employees. During the first sixty (60) days after the Effective Date, Broker shall make no effort to, nor take any action to, cause

Licenseses to terminate, suspend, demote or otherwise materially change the employment status, compensation or responsibilities of the Stations' employees listed on the attached Schedule 3 without the prior consent of Licenseses, and Licenseses shall not terminate, suspend, demote or otherwise materially change the employment status, compensation or responsibilities of the Stations' employees listed on the attached Schedule 3 without prior consultation with Broker.

(ii) Broker shall be responsible for all costs of all personnel and property hired or acquired by Broker during the term of this Agreement. Whenever on the Stations' premises, Broker's personnel shall be subject to the supervision and the direction of the Licenseses.

(iii) From and after the date that occurs sixty (60) days after the Effective Date, the Broker (either directly or through one or more of its Affiliates) shall have the right (but not the obligation) to offer employment to any of Licenseses' employees. To the extent that an individual is not offered and/or does not accept an offer of employment with Broker ("Non-Broker Employees") he or she shall (x) remain an employee of the applicable Licensee, (y) except as provided in Sections 2 and 3(c) of Attachment 1, Broker shall have no obligations with respect to such Non-Broker Employee, and (z) upon written request of Broker, subject to any applicable contractual or statutory notice period, the appropriate Licensee shall promptly take such action to ensure that the Non-Broker Employee has no continuing role with respect to the operations of any Station, except to the extent that such employee is a Retained Employee. Broker shall notify Licenseses of whether Broker (either directly or through one or more of its Affiliates) intends to make an offer of employment effective as of the Closing Date not later than: (A) ninety-five (95) days prior to the Closing Date to the employees set forth on Schedule 4; (B) sixty-five (65) days prior to the Closing Date to the employees of KMPH, KPTM, and KDBC; and (C) thirty-three (33) days prior to the Closing Date of any other employee of Licensee. For purposes of clarification, any costs or expenses related to any of Licenseses' employees that arise during any contractual or statutory notice period prior to termination of such employee shall constitute Station Expenses and shall be reimbursable in accordance with Attachment 1.

(iv) In the event this Agreement is terminated for any reason other than the occurrence of the Closing Date, the Parties agree that all employees hired by Broker in accordance with Section 5(a)(iii) of this Agreement shall immediately be transferred back to, and for all purposes shall become, employees of the Licenseses with which they were previously employed (the effective date of such transfer, the "Rehire Date"), and Broker shall take no action to interfere with such transfers. To the extent any such employees are transferred back to the Licenseses employ pursuant to this paragraph (each, a "Rehired Employee"), the Licenseses shall assume and be responsible for the payment of all costs and expenses relating to such Rehired Employees, provided, that, all such expenses relating to the period prior to their rehire shall be reimbursable pursuant to the provisions of this Agreement. In the event this Agreement is terminated for any reason other than the occurrence of the Closing Date, for a period of one year thereafter Broker shall not solicit the employment of any Non-Broker Employee or Rehired Employee, provided however, that the restrictions on Broker set forth in this Section 5(b)(iv) shall not apply to solicitations that are made (A) through help wanted advertisements or other similar announcements intended for general circulation, or (b) in

response to an unsolicited inquiry made by the Non-Broker Employee or Rehired Employee without the request or encouragement of the Broker.

(c) **Expenses and Liabilities.**

(i) Subject to the provisions set forth in Attachment I hereto, Licensees shall be responsible for the timely payment of all fees, costs and other expenses associated with the day-to-day operation of the Stations, including, without limitation, all (i) corporate overhead, maintenance, repair and replacement expenses and capital expenditures and costs to and for the Stations' transmission facilities, equipment, Studios and Broadcast Equipment, in the ordinary course; (ii) mortgage and/or lease payments, taxes and insurance relating to all real property owned or leased by Licensees; (iii) any federal, state and local taxes levied upon the Stations and Licensees in connection with the operation of the Stations, including employee payroll taxes; (iv) electric, telecommunications and other utility payments; (v) casualty and liability insurance for all Station facilities; (vi) all FCC regulatory and filing fees and assessments; (vii) legal and accounting and other professional fees and expenses relating to the Stations' operations, maintenance of the Stations' federal, state and local licenses and permits, and compliance with federal, state and local requirements; (viii) and the fees of Licensees' consulting engineer.

(ii) During the first sixty (60) days after the Effective Date, the Broker shall confer with the Licensees regarding expenses incurred by the Stations during such period on account of, among other things, employee benefits and salaries. Broker may recommend expense reductions to the Licensees in an amount not to exceed ten (10%) percent of the total expenses incurred by the Stations on account of, among other things, employee benefits and salaries. Licensees shall not unreasonably withhold their consent to any such proposed expense reduction; provided, that during this sixty (60) day period (x) in no event shall Licensees be required to give consent to changes that would affect the employment status, salaries or benefits of more than ten percent (10%) of the total workforce, or to violate any statutory or contractual notice provision applicable to such employees, or or (y) the employees listed on the attached Schedule 3 may not be terminated without Licensees' express written consent. Licensees shall be solely responsible for payment of the costs of terminating any of their existing employees that Licensees elect to terminate during the Term in connection with the implementation of this Agreement, including without limitation, any insurance benefits due, or accrued vacation time, or payments required under applicable law (all of the foregoing collectively referred to as "Severance Costs"), to the extent any such obligations constitute allowed claims under Section 503(b) of the Bankruptcy Code, and shall be entitled to reimbursement of such Severance Costs pursuant to Sections 2 and 3(c) of Attachment 1. This provision shall survive the Closing.

(iii) Subject to the provisions set forth in Attachment I hereto, and except as otherwise provided in this Agreement, Broker shall be responsible for all liabilities, debts and obligations arising from the acquisition of Broker Supplied Programming, including, without limitation, accounts payable, barter agreements and unaired advertisements; provided, that, such responsibility shall be limited to costs specifically arising from the acquisition and broadcast of such programming, and not operational expenses. Broker shall pay or reimburse Licensees for all telephone calls associated with program production and listener

responses, for the fees to ASCAP, BMI and SESAC related to the Broker Supplied Programming, and for any other copyright fees attributable to the Broker Supplied Programming broadcast on the Stations pursuant to this Agreement. Broker shall make any arrangements necessary and be solely responsible for the cost of delivering the Broker Supplied Programming to the Stations from any location other than the Studios.

6. **Operation of Stations.** Notwithstanding any other provision of this Agreement, Licensees shall have full authority and power over the operation of the Stations during the Term of this Agreement as more specifically set forth below.

(a) **Licensee Control of Station Operations.** Licensees shall retain control over the policies, programming and operations of the Stations, including, without limitation: (i) the right to suspend or cancel programming or advertisements pursuant to Section 4(a) herein, (ii) the right to preempt any programs not in the public interest or in order to broadcast a program deemed by Licensees to be of greater national, regional or local interest (provided that Licensees shall exercise such right only to the extent necessary to carry out their obligations as FCC licensees, and shall not exercise such right in an arbitrary manner or for the commercial advantage of Licensees or others), and (iii) the right to take any other actions necessary for compliance with federal, state and local laws, the Act and the rules, regulations and policies of other federal government entities, including the FTC and the United States Department of Justice. Licensees will use commercially reasonable efforts to give Broker reasonable notice in writing of their intention to preempt Broker's programs. Licensees also shall retain the right to break into Broker's programming without prior notice in case of an emergency, provided that all revenues for advertising time airing during such emergency programming shall be remitted to Broker. In the event that the broadcast of Broker's programming on the Stations is preempted, suspended, cancelled or otherwise disrupted, other than pursuant to Sections 3(d) and 4(a) or this Section 6(a) (in which case Licensees shall have no liability to Broker), then the payments by Broker of all amounts due hereunder shall be prorated by Station on a daily basis and Broker shall not be obligated to make payments for those days and for those Stations on which Broker's programming was preempted, suspended, cancelled or disrupted.

(b) **Licensee Responsibility For FCC Compliance.** Licensees, with the reasonable assistance of Broker, shall at all times be solely responsible for compliance with all applicable FCC Rules, including those relating to public service programming, maintenance of the political and public inspection files and the Stations' logs, the preparation of issues/programs lists, and for retaining and supervising one or more chief operators, as that term is defined by the FCC, to ensure compliance with the FCC Rules governing the technical operation of the Stations. Broker shall maintain all necessary records to permit Licensees to meet their obligations under this paragraph and shall otherwise fully cooperate with Licensees regarding Licensees' responsibilities hereunder. Licensees shall continue to maintain and staff main studios for the Stations, as that term is defined by the FCC, in compliance with the FCC Rules regarding maintenance and operation of the main studio of a television broadcast station. Except as required to comply with FCC Rules and policies, including those regarding the maintenance of the public inspection file (which shall at all times remain the responsibility of Licensees), Licensees shall not be required to receive or handle mail, cables, or telegraph messages in connection with programs broadcast on the Stations. During the Term, Licensees

shall, with Broker's cooperation and assistance, file all reports, applications, notices, responses and other papers with the FCC and any other federal, state or local regulatory agency or authority relating to the Stations' Licenses and the operation of the Stations, and Broker shall take no action before the FCC or any other regulatory agency or authority related to or in connection with the Licenses or the Stations without first obtaining the express approval of the Trustee.

(c) **Depiction of Licensee.** Broker agrees that, during the Term of this Agreement, it shall not represent itself to be the FCC licensee of any Station to any party.

(d) **Contracts.** To the extent not already assumed pursuant to the Sale Order, and subject to both Bankruptcy Court approval and Section 1 above, Broker may elect to assume any or all of any Licensees' rights, obligations and commitments under the Licensees' existing programming, cash advertising and trade/barter agreements ("Licensees' Contracts") in accordance with Paragraph 12 of the Sale Order. In the event that commercial advertising time to be run after the Commencement Date was prepaid (in cash or goods) to any Licensee under any Licensees' Contracts that Broker elects to assume, Broker shall be entitled to reimbursement for the value of such commercial advertising time. Broker shall be liable for all costs, expenses, termination fees or penalties for all Licensees' Contracts assumed hereunder. In addition, neither Broker nor any Licensee will enter into any third-party contracts, leases or agreements that would conflict with this Agreement or result in a material breach of this Agreement.

7. **Default.**

(a) **Events of Default by Broker.** The following shall, after the expiration of the applicable cure periods, constitute Events of Default by Broker:

(i) Broker's failure to timely pay the undisputed portion of the Expense Reimbursement (as that term is defined in Attachment I hereto) or any obligations required to be met by the Broker hereunder;

(ii) the default by Broker in the material observance or performance of any material covenant, condition or agreement contained herein;

(iii) if Broker (i) shall make a general assignment for the benefit of creditors, or (ii) files or has filed against it a petition for bankruptcy, reorganization or an arrangement for the benefit of creditors, or for the appointment of a receiver, trustee or creditor representative for the property or assets of such party under any federal or state insolvency law, which, if filed against such party, has not been dismissed or discharged within sixty (60) days; or

(iv) if any material representation or warranty herein made by Broker, or in any certificate or document furnished by Broker to Licensees pursuant to the provisions hereof, shall prove to have been false or misleading in any material respect as of the time made or furnished.

(b) **Events of Default by Licensees.** The following shall, after the expiration of the applicable cure periods, constitute Events of Default by Licensees:

(i) if the broadcast of Brokers' programming on the Stations is preempted, suspended, cancelled or otherwise disrupted through actions of Licensees, other than pursuant to Sections 3(d), 4(a), or 6(a);

(ii) if Broker is prevented from exercising its rights pursuant to Section 3(b) to use the Studios or Broadcast Equipment or enter the premises on which the Studios are located;

(iii) the default by any Licensee in the material observance or performance of any material covenant, condition or agreement contained herein;

(iv) if any material representation or warranty herein made by Licensees, or in any certificate or document furnished by Licensees to Broker pursuant to the provisions hereof, shall prove to have been false or misleading in any material respect as of the time made or furnished.

(c) **Cure Periods.** An Event of Default shall not be deemed to have occurred until the date that occurs five (5) business days after the date upon which the non-defaulting party has provided the defaulting party with written notice specifying the event or events that if not cured within such five business day period, would constitute an Event of Default and specifying the action necessary to cure the default within such period. This period may be extended for a reasonable period of time by an agreement between the parties.

8. **Termination.** This Agreement shall terminate (a) upon the Closing Date, as defined in the Asset Purchase Agreement, (b) with respect to any Station or Stations, upon the closing of a sale of such Station or Stations to a third party to which Broker has assigned its rights under the Asset Purchase Agreement or otherwise designated to acquire such Station or Stations (a "Third Party Sale"), (c) upon any expiration or termination of the Asset Purchase Agreement, or (d) otherwise pursuant to the terms of this Agreement.

(a) **Termination Upon Default.** Upon the occurrence of an Event of Default, the non-defaulting party may terminate this Agreement provided that it is not also in material default hereunder. Notwithstanding the foregoing, or any provision of this Agreement, any termination of this Agreement: (a) shall not constitute an election of remedies with regard to such default or such termination; and (b) shall not affect, or limit, the ability of the non-defaulting party to avail itself of any and all remedies which otherwise would have been available to it, at law or in equity.

(b) **Termination Upon Certain Events.** This Agreement may be terminated in either Licensees' or Broker's discretion, as provided in written notice to the other party, in the event that the application for assignment of licenses for the Stations pursuant to the Asset Purchase Agreement and Sale Order (the "Assignment Application") is dismissed or denied by the FCC by an order that is no longer subject to stay, reconsideration, review or appeal, including such action by the FCC on its own motion. Notwithstanding the foregoing, however, any exercise by Broker (as Purchaser pursuant to the Asset Purchase Agreement or Sale Order) of its right, if any, to seek specific performance to purchase the Stations shall not constitute a termination of this Agreement.

(c) **Termination Upon Order of Governmental Authority.** Subject to the termination rights provided herein, if this Agreement is challenged at the FCC, Licensees and Broker shall jointly defend the Agreement and the parties' performance thereunder throughout all FCC proceedings, with the intention that the parties share approximately equally the cost of defense. If portions of this Agreement do not receive the approval of the FCC, then the parties shall reform the Agreement as necessary to satisfy the FCC's concerns. If the parties are unable despite good faith negotiation for a period of thirty (30) days to reform the Agreement as necessary to satisfy such concerns, either party may terminate this Agreement by giving thirty (30) days' prior written notice to the other party. Subject to the termination rights provided herein, in the event that the FCC or another government authority designates a hearing with respect to the continuation, renewal or revocation of any authorization held by any Licensee for the operation of any Station or initiates any revocation or other proceeding with respect to the authorizations issued to any Licensee for the operation of any Station, and such Licensee elects to contest the action, then Broker shall cooperate and comply with any reasonable request of such Licensee to assemble and provide to the FCC information relating to Broker's performance under this Agreement.

(d) **Cooperation Upon Termination.** If this Agreement is terminated for whatever reason other than the occurrence of the Closing Date, as defined in the Asset Purchase Agreement, or a partial termination with respect to one or more Stations upon a Third Party Sale of such Station(s), the parties agree to reasonably cooperate with one another to restore the *status quo ante*. Without limiting the foregoing:

(i) Broker shall return to Licensees any equipment or property owned by Licensees and used by Broker, its employees or agents, in substantially the same condition as such equipment was on the Commencement Date of this Agreement, or on the date such equipment or property was furnished by Licensees, ordinary wear and tear excepted. Any equipment or property purchased by Broker in replacement of any obsolete or unusable equipment or property of Licensees or for operation of the Stations (the purchase of which was not necessitated by Broker's negligence or willful misconduct) shall, at Licensees' option, either be purchased by Licensees at Broker's costs related to such equipment or property or returned to Broker, and any other equipment or property purchased by Broker shall remain the property of Broker.

(ii) As to any equipment or property owned by Broker and used by Licensees, their employees or agents, Licensees shall, at Licensees' option, either return such equipment or property to Broker in substantially the same condition as such equipment was on the Commencement Date of this Agreement or on the date such equipment was furnished by Broker, ordinary wear and tear excepted, or Licensees shall purchase such equipment or property from Broker at Broker's costs related to such equipment or property. Any equipment purchased by Licensees in replacement of any obsolete or unusable equipment of Broker shall be the property of Licensees, and any other equipment purchased by Licensees shall remain the property of Licensees.

(iii) Broker shall cooperate with Licensees to allow Licensees to assume, in Licensees' sole discretion and to the extent permitted by the Bankruptcy Court, Broker's advertising or other programming contracts then outstanding, in which event Licensees

shall receive as compensation for the carriage of such programming that which otherwise would have been paid to Broker hereunder.

(e) **Termination Requiring Court Order.** Notwithstanding anything to the contrary herein, neither Licensees nor Broker may terminate this Agreement without prior order of the Bankruptcy Court, other than as a result of the occurrence of the Closing Date.

9. **Mutual Representations, Warranties and Covenants.** Each Licensee and Broker represent that they are legally qualified, empowered and able to enter into this Agreement, and that the execution, delivery and performance hereof shall not constitute a breach or violation of any agreement, contract or other obligation to which either party is subject or by which it is bound. Without limiting the foregoing:

(a) Broker certifies that this Agreement complies with the FCC Rules regarding ownership of broadcasting stations, 47 C.F.R. §73.3555; and

(b) Each Licensee certifies that it maintains ultimate control of the Stations' facilities, including control over the Stations' finances, personnel and programming.

10. **Notices.** All necessary notices and requests permitted or required under this Agreement shall be in writing and shall be sent (i) by facsimile transmission to the facsimile numbers listed herein, (ii) mailed by certified mail, return receipt requested, postage prepaid, to the addresses listed herein, or (iii) sent for overnight delivery via a nationally-recognized overnight delivery service to the addresses listed herein. Such notices and requests shall be deemed to have been given (i) if sent by facsimile, upon sender's receipt of a facsimile confirmation sheet, (ii) if mailed, three (3) days after being sent, or (iii) if sent for overnight delivery, one (1) day after being sent.

If to any Licensee, to:

Pappas Telecasting Incorporated
114 Ferris Hill Road
New Canaan, Connecticut 06840
Attention: E. Roger Williams
Fax: 203-972-3776

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

McCarter & English, L.L.P.
Four Gateway Center
100 Mulberry Street
Newark, New Jersey 07102
Attention: Charles A. Stanziale, Jr., Esq.
Fax: 973-622-5314

if to Broker, to:

New World TV Group, LLC
888 Third Street, NW
Atlanta, Georgia 30318
Attention: Mr. Daniel Sullivan
Fax: 678-904-0556

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

Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
Attention: Adam C. Harris, Esq.
Fax: (212) 593-5955

11. **Modification and Waiver.** No modification of any provision of this Agreement shall in any event be effective unless it is in writing and signed by all parties, and then such modification shall be effective only in the specific instance and for the purpose for which given. The Effective Date may be changed upon written agreement by the parties hereto.

12. **Construction.** This Agreement shall be construed in accordance with the Act, the laws of the State of Delaware and the FCC Rules. This Agreement shall not be interpreted or construed more strictly against any one party by reason of any rule of interpretation or construction under which a document is to be construed more strictly against the drafting party.

13. **Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement shall not be assigned by either Party without the prior written consent of the other, which consent shall not be unreasonably withheld, delayed, denied or conditioned. Notwithstanding the foregoing, or any other provision of this agreement to the contrary, Broker shall have the right at its discretion (without the Licensees consent) to assign this Agreement and all of its rights and obligations hereunder to any other entity that is a direct or indirect parent or subsidiary of the Broker or an affiliated company under common ownership or control with the Broker.

14. **Counterpart Signatures.** This Agreement may be signed in one or more counterparts, each of which shall be deemed a duplicate original, binding on the parties hereto notwithstanding that the parties are not signatory to the original or the same counterpart. A facsimile or PDF of a signature will be given the same binding effect as if the signature were original. This Agreement shall be effective as of the date first above written.

15. **Entire Agreement.** This Agreement is the Local Marketing Agreement contemplated and approved in the Sale Order, and, read together with the Asset Purchase Agreement (including the exhibits thereto) and Sale Order, constitutes the entire agreement between the parties, and there are no other agreements, representations, warranties or

understanding, oral or written, between them with respect to the subject matter hereof. No alteration, modification or change of this Agreement shall be valid unless it is in writing executed by all parties hereto. In the event of any inconsistency or conflict between the provisions of this Agreement and the Asset Purchase Agreement or Sale Order, the Sale Order, then the Asset Purchase Agreement shall control over this Agreement.

16. **No Partnership or Joint Venture Created.** Nothing in this Agreement shall be construed to make Licensees and Broker partners or joint venturers or to afford any rights to any third party other than as expressly provided herein.

17. **Severability.** Subject to the provisions hereof, in the event any provision contained in this Agreement is held to be invalid, illegal or unenforceable, such holding shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

18. **Governing Law.** This Agreement shall be construed, performed and enforced in accordance with, and governed by, the laws of the State of Delaware (without giving effect to the principles of conflicts of laws thereof), except to the extent that the laws of such State are superseded by the Bankruptcy Code or other applicable federal law. For so long as Licensees are subject to the jurisdiction of the Bankruptcy Court, the parties irrevocably elect, as the sole judicial forum for the adjudication of any matters arising under or in connection with the Agreement, and consent to the exclusive jurisdiction of, the Bankruptcy Court. After Licensees are no longer subject to the jurisdiction of the Bankruptcy Court, the parties irrevocably elect, as the sole judicial forum for the adjudication of any matters arising under or in connection with this Agreement, and consent to the jurisdiction of, any state or federal court having competent jurisdiction in Wilmington, Delaware.

19. **Public Announcement.** The parties hereto shall file with the FCC copies of this Agreement as required by the FCC. As to any other announcements or press releases, no party hereto shall, and each party hereto shall direct and use reasonable efforts to cause its representatives and agents to not, directly or indirectly, issue any press release or make any public announcement, comment or statement with respect to, or otherwise divulge or disclose the existence of, this Agreement, or the transactions contemplated hereby or the terms, conditions or other aspects of such transactions without prior approval of the other parties hereto (which shall not be unreasonably withheld or delayed), except as and to the extent that such party shall be obligated by law, rule or regulation (including filings with the Bankruptcy Court), in which case the other party hereto shall be so advised and the parties hereto shall use commercially reasonable efforts to cause a mutually agreeable release or announcement to be issued.

20. **References to the Chapter 11 Trustee.** For the avoidance of doubt, whether or not explicitly set forth in any particular provision of this Agreement, each undertaking, covenant and agreement of a Licensee under this Agreement shall be binding on, and shall be deemed an undertaking, covenant and agreement of, the Chapter 11 Trustee on behalf of such Licensee to the same extent as if references herein to such Licensee were references to the Chapter 11 Trustee acting on behalf of such Licensee.

21. **Further Assurances.** At the request and the sole expense of the requesting Party, Licensees or Broker, as applicable, shall execute and deliver, or cause to be executed and delivered, such documents as Licensees or Broker, as applicable, or their respective counsel may reasonably request to effectuate the purposes of this Agreement.

22. **No Waiver.** Nothing in this Agreement shall be construed to or shall operate as a waiver, release, modification, or agreement to forbear by the Agent or Lenders from exercising any of their rights, claims or benefits under the DIP Financing (as defined in Attachment 1), all of which are expressly reserved.

23. **Successors and Assigns.** This Agreement shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the parties hereto, including, without limitation, the Chapter 11 Trustee, any trustee appointed in any chapter 7 cases to which the Chapter 11 Cases may be converted.

24. **Amendment and Waiver.** This Agreement may be amended only with the written consent of the parties hereto. No failure to pursue to elect any remedy or waiver with respect to any default under or breach of any provision of this Agreement shall be deemed to be a waiver of any other subsequent similar or different default, breach of provision or of any election of remedies available in connection therewith or implied from any course of dealing between the parties hereto.

25. **Indemnification by Broker.** Broker shall indemnify and hold harmless Licensees against all claims, causes of action, damages, liability, costs and expenses (including reasonable attorneys fees and expenses) arising from Broker's use of the Stations' facilities and equipment, the broadcast of Broker's programming on the Stations' transmission facilities (unless such programming was provided under Licensees' Existing Program Contracts or was broadcast at the direction of Licensees), and from any failure by Broker to comply with its obligations under this Agreement, including without limitation for libel, slander, unfair competition or trade practices, infringement of trade marks, service marks, trade names or program titles, violation of rights of privacy, infringement of copyrights and other proprietary rights, and violation of FCC or other regulatory or legal requirements, whether caused by the action or inaction of Broker, other than on account of Licensees' gross negligence or willful misconduct.

{Signature Page to Follow}

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

SELLING ENTITIES:

PAPPAS TELECASTING INCORPORATED
PAPPAS TELECASTING OF CENTRAL
CALIFORNIA, a California limited partnership
PAPPAS TELECASTING OF THE MIDLANDS,
L.P.
WCWG OF THE TRIAD, LLC
PAPPAS TELECASTING OF SIOUX CITY, L.P.
PAPPAS TELECASTING OF CONCORD, A
CALIFORNIA LIMITED PARTNERSHIP
PAPPAS TELECASTING OF HOUSTON, L.P.
PAPPAS TELECASTING OF EL PASO-JUAREZ,
L.P.
PAPPAS TELECASTING OF SIOUXLAND, LLC
CASA OF WASHINGTON, LLC

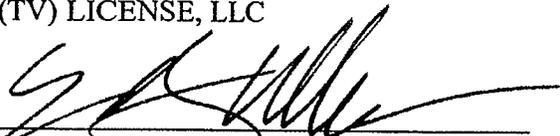
By:


Name: E. Roger Williams
Title: Chapter II Trustee

LICENSE HOLDERS:

KPTM (TV) LICENSE, LLC
KFRE (TV) LICENSE, LLC
CONCORD LICENSE, LLC
KTNC LICENSE, LLC
WCWG LICENSE, LLC
KPTH LICENSE, LLC
KAZH LICENSE, LLC
KDBC LICENSE, LLC
KCWK LICENSE, LLC
KMPH (TV) LICENSE, LLC

By:


Name: E. Roger Williams
Title: Chapter 11 Trustee

BROKER:

NEW WORLD TV GROUP LLC

By: New World TV Manager LLC
Its Manager

By: Fortress Credit Corp, its sole member

By: _____

Name: Constantine M. Dakolias
Title: President

[Signature Page to Local Marketing Agreement]

ATTACHMENT I

Compensation and Reimbursement Schedule

1. Working Capital. During the Term of this Agreement Licensees shall be responsible for paying all costs and all working capital expenses for the Stations, including, without limitation, Station Expenses (and for purposes of clarity and avoidance of doubt, excluding costs and expenses for which Broker is responsible under this Agreement such as, without limitation, the costs of employees hired by Broker and Broker Supplied Programming), by first using Licensees' cash on hand and then drawing advances under the DIP Credit Agreement pursuant to the terms thereof or any extensions, amendments or replacements thereof (the "DIP Financing").

2. Expense Reimbursement. Commencing on the Wednesday of the calendar week ending not less than seven (7) days following the Effective Date, and every Wednesday thereafter for the remainder of the Term (prorated as set forth below), a designated representative of the Licensees shall deliver to Broker for the preceding one week period an invoice ("Expense Reimbursement Invoice") setting forth in commercially reasonable detail the actual out-of-pocket expenses that the Licensees paid during such one week period in connection with their operation of the Stations in the ordinary course (which expenses, for the avoidance of doubt, shall not include any fees, costs or expenses arising from the Bankruptcy Cases, including, without limitation, legal, accounting, or other professional fees, costs, or expenses, all of which shall be treated pursuant to Section 3(d) of this Attachment 1) (the "Station Expenses"), together with such supporting documentation as Broker may reasonably request. Upon receipt of an Expense Reimbursement Invoice, Broker shall reimburse the Licensees for the Station Expenses (such payment, the "Expense Reimbursement") pursuant to the terms of this Agreement, subject in each case to the Reimbursement Cap (as defined in Section 7 below). If as of the Effective Date there exist any Station Expenses that have not yet been paid by the Licensees in the ordinary course of business consistent with the terms of the Budget (as such term is defined in the DIP Financing), those expenses shall be eligible for payment pursuant to an Expense Reimbursement in accordance with the terms and conditions set forth in this Attachment I. Any Station Expense that straddles the Term and any period beginning or ending before or after the Term that is not clearly allocable to periods before or after the Term shall be prorated among Licensees and Broker on the basis of the number of days elapsed. For purposes of clarity and avoidance of doubt, the Parties understand and agree that the Station Expenses in the ordinary course shall include, but are not limited to, the following:

- (a) all monthly costs incurred by Licensees in connection with the operation of the Stations, and maintenance of the Stations' licenses, permits and authorizations in force, during the term of this Agreement;
- (b) all lease payments for equipment, the leased Real Property and all other costs incident thereto;
- (c) all utility costs (telephone, electricity, water, etc.) relating to the Stations;

- (d) all delivery and postal services,
- (e) all legal, accounting, and clerical fees and expenses (including professional and Trustee fees and expenses solely related to the performance under and enforcement of this Agreement),
- (f) all program licensing and contract fees and expenses, music licensing fees, insurance, security, equipment and vehicle expenses, payments of commissions to ad rep firms, and IP licensing fees,
- (g) all real estate and personal property taxes, if any, relating to the Stations' transmitter sites, transmission equipment, real property owned by the Licensees and studio Equipment;
- (h) all FCC regulatory fees and filing fees with respect to applications or other filings relating to the Stations, excluding any filing fees or other expenses arising out of the transactions contemplated by the Asset Purchase Agreement;
- (i) all costs, expenses and capital costs and expenditures associated with the maintenance and operation of the Stations and the Station premises and including, without limitation, those costs and expenses of Licensees referred to in, or to be incurred by Licensees in connection with their obligations under, Section 3, 4, 5 and 6 of this Agreement;
- (j) all costs for engineering support for the Stations;
- (k) all usual and ordinary expenses of operation of the Stations incurred by Licensees consistent with past practices, except as affected by operation under this Agreement; and
- (l) all employee costs and expenses (including salaries, bonuses (including retention bonuses) overtime, Severance Costs, extended disability, maternity and other leave, travel and entertainment charges, taxes, insurance, and all other related costs of personnel employed by Licensees during such month (on a pro rated basis) necessary for the operation of the Stations from and after the date of the Agreement in compliance with the FCC's rules and regulations and for Licensees' performance of their responsibilities under this Agreement and/or in fulfillment of his responsibility under this Agreement, and Retained Employees), in each case to the extent contemplated by the Budget.

Notwithstanding anything herein to the contrary, Broker shall have the right to perform and/or contract for the performance of or pay directly all Station Expenses identified in clauses (i)-(j) above to the extent permitted by applicable Law; provided, that, the obligation of Broker to pay any Station Expenses identified in clauses (i)-(j) above that it incurs pursuant to this provision shall not become an obligation of the Licensees, and, provided, further, that, Broker shall provide (x) reasonably practicable notice to Licensees with respect to the performance of, or contracting for, the maintenance and operation of the Stations and the Station premises, (y) not less than five (5) business days' notice to Licensees with respect to the performance of, or contracting for, capital expenditures with respect to the Stations, and (z) not

less than ten (10) days' notice to Licensees with respect to the performance of, or contracting for, engineering support for the Stations.

3. Non-Reimbursable Expenses. Anything to the contrary contained herein or in this Agreement notwithstanding, the Station Expenses shall not include, and Broker shall not be responsible for or be required to reimburse Licensees for any of the following:

(a) Licensees' income and similar taxes based on or measured by Licensees' net income;

(b) interest on and principal of loans and/or indebtedness and other fees, charges, costs and expenses relating to loans and/or indebtedness;

(c) any compensation provided to any Non-Broker Employee (other than (i) employee expenses that Licensees pay pursuant to Section 5 of this Agreement, (ii) compensation provided to Retained Employees to the extent provided for by the Budget, or (iii) or as may be otherwise agreed to by the Parties in writing); and

(d) any legal, accounting, or other professional fees, costs, or expenses arising from the prosecution of the Bankruptcy Cases (but for the sake of clarity and avoidance of doubt, not those subject to reimbursement under Section 2(e) of this Attachment I), including, without limitation, costs, fees or expenses in connection with or arising out of the Asset Purchase Agreement and/or the negotiation, administration, interpretation or closing of the Asset Purchase Agreement and/or the negotiation of this Agreement, which fees, costs and expenses (but excluding all Station Expenses) shall be paid in accordance with the terms of the DIP Credit Agreement.

4. Payment Terms. Broker shall pay the Expense Reimbursement to Licensees within seven (7) days after receipt by Broker of a Licensee Invoice. Payments of all amounts due hereunder for any partial two week period shall be prorated on a daily basis. Should this Agreement terminate upon the assignment of the Stations to Broker pursuant to the Asset Purchase Agreement, then the final payments hereunder shall be made on the Closing Date pursuant to the Asset Purchase Agreement. Licensees agree to provide Broker with an itemized invoice of the Expense Reimbursement, which invoice shall be subject to Broker's review. Notwithstanding anything to the contrary set forth herein, Broker shall have no obligation to pay the Expense Reimbursement to the extent such Expense Reimbursement exceeds the aggregate amount of Station revenue collected by Broker after giving effect to payment of any expenses for which Broker is responsible pursuant to the terms of this Agreement, provided, that, any shortfall in payment of an Expense Reimbursement Invoice for any reason shall be paid in accordance with the terms of the DIP Credit Agreement.

5. Use of Proceeds. Licensees acknowledge and agree that any amounts due in respect of any Licensee Invoice shall be satisfied by delivering the Expense Reimbursement to the lending agent under the DIP Financing, which payment shall be applied to amounts then due under the DIP Financing pursuant to the terms thereof on behalf of the Licensees.

6. Payment Default. If Broker fails to timely pay any undisputed amount within five (5) days of the due date under this Attachment I, such amount shall bear interest at

the prime rate (as reported by *The Wall Street Journal* or, if not reported thereby, by another authoritative source) as in effect from time to time from the Effective Date until the date of actual payment, provided, that, nothing in this Agreement shall excuse in any manner Broker's failure to make Payments due under this Agreement in a timely manner.

7. Use of DIP Financing. Notwithstanding anything to the contrary contained in this Attachment I, in no event shall the Expense Reimbursement in any given calendar month exceed the total cash actually collected by the Broker from its programming and use of the Stations in such month (such amount, the "Reimbursement Cap"). In the event that the Expense Reimbursement that would otherwise be payable to the Licensees in any given month is greater than the Reimbursement Cap, then the Licensees shall draw under the DIP Financing pursuant to the terms thereof, in an amount equal to the difference between the Expense Reimbursement payable to the Licensees in such month and the total cash collected by the Broker from the Stations in such month. In the event of any other shortfall in payment of an Expense Reimbursement Invoice, for any reason, then the Licensees shall draw under the DIP Financing pursuant to the terms thereof, in an amount equal to the shortfall. Licensees shall be afforded reasonable access to all records regarding Broker's performance under this Agreement, including the total cash collected throughout the Term. Licensees shall be afforded reasonable access to all records necessary to establish the total cash collected during the Term for purposes of determining the accuracy of an asserted Reimbursement Cap. In the event of a dispute regarding any Expense Reimbursement owed to the Licensees during or at the termination of this Agreement, the Parties agree to act in good faith to negotiate a resolution of the disputed issue that is reasonably satisfactory to both Parties. In the event that the parties are unable to resolve any such dispute within ten (10) days of the date of Broker's dispute of a Licensee Invoice, the dispute shall be resolved pursuant to Section 18 of this Agreement.

Schedule 1 – Silent Stations

1. **KMPH-CA, Merced-Mariposa, California.** Special Temporary Authority to Remain Silent granted 9/30/2008, which will expire on 3/20/2009. Station must return to service by 9/20/2009 to avoid being off the air for twelve consecutive months. The reason for the station being silent is financial hardship.
2. **KDSL-CA, Ukiah, California.** Previously, KDSL-CA was off the air pursuant to Special Temporary Authority to Remain Silent granted 7/23/2008, which expires on 1/15/2009. On January 13, 2009, the station returned to service with its licensed parameters, thereby avoiding the prospect of being off the air for twelve consecutive months. Although broadcasting as of January 13, 2009, shortly the station intends to go dark again and to seek authority from the FCC to remain silent. The reason for the station being silent is financial hardship.
3. **KPTP-LP, Norfolk, Nebraska.** Special Temporary Authority to Remain Silent granted 8/4/2008, which will expire on 1/22/2009. Station must return to service by 7/22/2009 to avoid being off the air for twelve consecutive months. The reason for the station being silent is equipment failure.
4. **KCWK(TV), Walla Walla, Washington.** Request for Special Temporary Authority to Remain Silent was filed on 6/4/2008 and remains pending. Station must return to service by 5/25/2009 to avoid being off the air for twelve consecutive months. The reason for the station being silent is financial hardship and equipment failure. Currently, the station intends to seek an extension of the 2/17/2009 DTV construction deadline and to construct its digital facilities and return to service as a DTV station.
5. **KCWK-LP, Yakima, Washington.** Special Temporary Authority to Remain Silent granted 6/4/2008, which expired on 11/25/2008. A request for extension of that STA was filed on 11/25/2008 and remains pending. Station must return to service by 5/25/2009 to avoid being off the air for twelve consecutive months. The reason for the station being silent is financial hardship.
6. **KUNO-TV, Fort Bragg, CA.** KUNO-TV is currently off-the-air pursuant to the FCC's DTV transition policies. Consistent with the FCC's rules, the station has notified the Commission that it has permanently terminated its pre-transition DTV operations and its analog operations. The station intends to return to service with its post-transition DTV facilities before February 17, 2009.

SCHEDULE 2

Intellectual Property

I. TRADEMARKS

A. Pappas Telecasting Companies

<u>Country</u>	<u>Trademark</u>	<u>Registration No. or Serial Number</u>	<u>Registration Date</u>
US	Great Day (word mark)	3,039,964	1-10-06
US	News That Won't Waste Your Time (word mark)	2,183,911	8-25-98
US	KPTM (word mark)	2,019,423	11-26-96
US	KXVO (word mark)	2,017,998	11-19-96
US	42 KPTM We're Your Station (word mark)	1,646,295	5-28-91
US	We're Your Station (word mark)	1,640,790	4-09-91
US	26 KMPH (design)	1,536,809	4-25-89
US	26 KMPH (design)	1,389,428	4-8-86
US	Valley Life (word mark)	3,423,968	5-6-08
US	WCWG (word mark)	3,471,608	7-22-08
US	KTNC (word mark)	3,471,609	7-22-08
US	KPTH (word mark)	3,471,612	7-22-08
US	KFRE (word mark)	3,471,614	7-22-08
US	KDBC (word mark)	3,471,617	7-22-08
US	KCWK (word mark)	3,471,618	7-22-08
US	KAZH (word mark)	3,471,621	7-22-08
US	BUY INTO IT! (word mark)	2,662,350	12-17-02

B. Pappas Telecasting of Siouxland, LLC

<u>Country</u>	<u>Trademark</u>	<u>Registration No.</u>	<u>Registration Date</u>
US	KMEG (word mark)	1,370,567	11-12-85
US	Weather & News From Where You Live! (word mark)	3,082,800	4-18-06

C. CommunityCorrespondent.com, LLC

<u>Country</u>	<u>Trademark</u>	<u>Registration No.</u>	<u>Registration Date</u>
US	COMMUNITY CORRESPONDENT (word mark) -- (Licensed)	2,993,473	9-6-05

II. COPYRIGHTS

Pappas Telecasting Companies

<u>Country</u>	<u>Copyright</u>	<u>Type</u>	<u>Registration No.</u>	<u>Registration Date</u>
US	Great Day—Station KMPH Fox 26	DVD	PA0001232244	6-21-04

EXHIBIT A

Selling Entities

PAPPAS TELECASTING INCORPORATED
PAPPAS TELECASTING OF CENTRAL CALIFORNIA, a California limited partnership
PAPPAS TELECASTING OF THE MIDLANDS, L.P.
WCWG OF THE TRIAD, LLC
PAPPAS TELECASTING OF SIOUX CITY, L.P.
PAPPAS TELECASTING OF CONCORD, A CALIFORNIA LIMITED PARTNERSHIP
PAPPAS TELECASTING OF HOUSTON, L.P.
PAPPAS TELECASTING OF EL PASO-JUAREZ, L.P.
PAPPAS TELECASTING OF SIOUXLAND, LLC
CASA OF WASHINGTON, LLC

EXHIBIT B

License Entities

KPTM (TV) LICENSE, LLC
KFRE (TV) LICENSE, LLC
CONCORD LICENSE, LLC
KTNC LICENSE, LLC
WCWG LICENSE, LLC
KPTH LICENSE, LLC
KAZH LICENSE, LLC
KDBC LICENSE, LLC
KCWK LICENSE, LLC
KMPH (TV) LICENSE, LLC