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# **ASSET PURCHASE AGREEMENT**

**DATED AS OF AUGUST 29, 2007**

**BETWEEN**

**COMMONWEALTH BROADCASTING GROUP, INC.**

**AND**

**MISSISSIPPI TELECASTING COMPANY, INC.**

**MISSISSIPPI BROADCASTING PARTNERS**

**AND**

**STAR CITY DEVELOPMENT COMPANY, INC.**

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## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is dated August 29, 2007, by and between COMMONWEALTH BROADCASTING GROUP, INC., a Texas corporation ("Buyer"), and MISSISSIPPI TELECASTING COMPANY, INC., a Mississippi corporation ("MTC"), MISSISSIPPI BROADCASTING PARTNERS, a Mississippi general partnership ("MBP" and collectively with MTC, "Owner"), and STAR CITY DEVELOPMENT COMPANY, INC., a Virginia corporation ("Star City" and collectively with Owner, "Seller"). Buyer and Seller are sometimes referred to herein as the "Parties" and each as a "Party."

### RECITALS:

A. MBP is the licensee of, and Seller owns and operates certain assets used in connection with, the business and operations of television station WABG-TV and its associated DTV Station WABG-DT, Greenwood, Mississippi (each a "Station" and collectively, the "Stations").

B. Seller desires to sell and convey, and Buyer wishes to purchase and acquire, substantially all of Owner's assets, and certain of Star City's assets, used in the operation of the Stations on the terms and conditions hereinafter set forth.

C. Seller intends that a portion of the assets to be transferred to Buyer hereunder shall comprise "relinquished property" in its consummation of a like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder.

D. Buyer intends that a portion of the assets to be transferred to Buyer hereunder shall comprise "replacement property" in its consummation of a like-kind exchange under Section 1031 of the Code, and the regulations promulgated thereunder.

### AGREEMENTS:

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

#### SECTION 1: DEFINITIONS

1.1 Terms Defined in this Section. The following terms, as used in this Agreement, have the meanings set forth in this Section:

"Action" means, for any Person, any action, counterclaim, suit, litigation, arbitration, governmental investigation or other legal, administrative or Tax proceeding by or against such Person, excluding any litigation affecting the television broadcasting industry generally in which such Person is not a named party, and any rule-making proceedings.

“Affiliate” of a Person means any other Person which, directly or indirectly, controls, is controlled by or is under common control with, such Person. The term “control” (including, with correlative meaning, the terms “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Assets” means all assets, properties and rights, both tangible and intangible, that are (i) owned or leased by Seller, and (ii) used or held for use in the operation of the Stations, including the Real Property, Equipment, Licenses, Assumed Contracts, Intellectual Property, and Books and Records; *provided, however*, that the Assets shall not include the Excluded Assets.

“Assignment Application” means one or more applications prepared jointly by MBP and Buyer, and filed by MBP with the FCC for consent to the assignment of the FCC Licenses from MBP to Buyer in the manner contemplated by this Agreement.

“Assumed Contracts” means, as of Closing, (i) all Contracts set forth on Schedule 3.9, excluding any listed thereon that are designated as Excluded Assts or that shall terminate in accordance with their terms prior to Closing, (ii) all Contracts for the sale of advertising or program time on the Stations for cash at prevailing rates that can be cancelled by Seller without permission or penalty on no more than sixty (60) days’ notice, (iii) all miscellaneous Contracts entered into in the ordinary course of business that may be canceled without breach, fee, payment or penalty on sixty (60) days’ or less notice, and (iv) all Contracts entered into by Seller between the date of this Agreement and the Closing Date subject to the covenants set forth in Section 5.1.

“Books and Records” means all of the books and records of Owner related to the Business (other than any included in the Excluded Assets).

“Business” means the business and operations of Owner relating to the Stations.

“Business Day” means any day of the year, other than a Saturday or Sunday, on which banks are not required or authorized to be closed in the State of North Carolina.

“Closing” means the consummation of the assignment, transfer, conveyance and delivery of the Assets and the Purchase Price as contemplated hereunder.

“Closing Date” means the date of Closing. The Closing shall be deemed effective as of 12:01 a.m. Central time on the Closing Date.

“Closing Place” means, if either Party shall deem an in-person Closing to be necessary, at the offices of Seller’s counsel in Washington, D.C., or at such other location agreed upon by the Parties.

“Communications Laws” means the Communications Act of 1934, as amended, together with the rules and published policies of the FCC promulgated thereunder.

**“Compensation Arrangement”** means any plan or compensation arrangement other than an Employee Plan, whether written or unwritten, which provides to employees, former employees, officers, directors and shareholders of MTC or any entity at any relevant time considered a single employer with MTC (under the terms of Sections 414(b), (c), (m) or (o) of the Code) (each, an **“ERISA Affiliate”**), any compensation or other benefits, whether deferred or not, in excess of base salary or wages and excluding overtime pay, including any bonus or incentive plan, stock rights plan, deferred compensation arrangement, stock purchase plan, severance pay plan and any other employee fringe benefit plan.

**“Consents”** means the consents, permits or approvals of Governmental Authorities and other third parties required by Seller to transfer the Assets to Buyer or otherwise for Seller to consummate the transactions contemplated hereby.

**“Contracts”** means the leases, contracts, commitments, understandings and agreements relating to the Stations to which Seller is a party, whether oral or written.

**“Employees”** means the persons employed by Seller on a full or part-time basis with respect to the Business.

**“Employee Plan”** means any pension, retirement, profit-sharing, deferred compensation, vacation, severance, bonus, incentive, medical, vision, dental, disability, life insurance or other employee benefit plan as defined in Section 3(3) of ERISA to which either of MTC or any ERISA Affiliate contributes or which either of MTC or any ERISA Affiliate sponsors or maintains, or by which MTC or any ERISA Affiliate is otherwise bound.

**“Enforceability Exceptions”** means the exceptions or limitations to the enforceability of contracts under bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors’ rights generally, and by the application of general principles of equity.

**“Environmental Laws”** means the Legal Requirements relating to health, safety or the environment, including the Handling of Hazardous Substances or the presence of Hazardous Substances on any Real Property.

**“Equipment”** means the television studio and transmitter site equipment, furniture, fixtures, machinery, computer hardware, and other personal property used or held for use by Seller in the operation of the Stations or conduct of the Business.

**“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.

**“Escrow Agent”** means the Escrow Agent named in the Escrow Agreement, and any successors thereto pursuant to the terms of the Escrow Agreement.

**“Escrow Agreement”** means the Escrow Agreement being entered into among Buyer, Seller and the Escrow Agent on the date hereof.

**“Escrow Amount”** means the sum of the Escrow Deposit, plus all interest or earnings accrued thereon.

“Escrow Deposit” means the sum of Two Hundred Fifty Thousand Dollars (\$250,000) which is being deposited by Buyer with the Escrow Agent in immediately available funds on the date hereof to secure the obligations of Buyer to close under this Agreement, with such deposit being held by the Escrow Agent in accordance with the Escrow Agreement.

“Exchange” means a like-kind exchange under Section 1031 of the Code and the regulations promulgated thereunder with respect to a portion of the Assets to be transferred by Seller to Buyer in accordance with the terms of this Agreement.

“Excluded Assets” means (i) all cash and cash equivalents of Seller, (ii) all marketable securities, (iii) all bank deposits, checking, savings and other bank accounts, (iv) all Receivables, any receivables or other loans or advances to employees or Affiliates of Seller, and any other current assets except for any arising in the ordinary course of business with respect to which Seller receives the benefit of an adjustment to the Purchase Price, (v) all security deposits and other prepaid expenses, (vi) all bonds, letters of credit, surety instruments and other similar items, (vii) any Compensation Arrangements other than any that are designated on Schedule 3.9 as Assumed Contracts; (viii) any Employee Plans and any assets related thereto, (ix) all insurance policies contracts and any claims or refunds related thereto, (x) Seller’s governing instruments or other corporate, partnership and tax records and the account books of original entry, general ledger and financial records used in connection with the Stations, (xi) the Excluded Real Property, and (xii) any such additional assets that are listed in Schedule 1.1A hereto.

“Excluded Real Property” means real estate located at 2001 Garrard Avenue, Greenwood, Mississippi 38930, owned by Star City, the primary use of which is as studio facilities and offices for WABG(AM), Greenwood, Mississippi.

“FCC” means the Federal Communications Commission or any successor agency.

“FCC Consent” means one or more actions by the FCC granting its written consent to the assignment of the FCC Licenses from MBP to Buyer as contemplated by this Agreement.

“FCC Licenses” means the licenses, permits or other authorizations issued or granted by the FCC to MBP relating to the operation of the Stations, all as set forth on Schedule 3.7.

“Fee Estates” means the fee estates owned by Star City, used in the operation of the Stations and included in the Real Property, *provided, however*, that the Fee Estates shall not include the Excluded Real Property.

“Final Order” means the FCC Consent that has not been reversed, stayed, enjoined, set aside, annulled, or suspended, and with respect to which no requests are pending for administrative or judicial review, reconsideration, appeal, or stay, and the time for filing any such request and the time for the FCC to set aside the action on its own motion have expired.

“GAAP” means generally accepted accounting principles as currently in effect.

“Governmental Authority” means any court or any federal, state, county, local or foreign governmental, legislative or regulatory body, agency, department, authority, instrumentality or other subdivision thereof, including the FCC.

“Handling” means the production, use, generation, storage, treatment, recycling, disposal, discharge, release, exposure of persons to, or other handling or disposition of any kind of any Hazardous Substances.

“Hazardous Substances” means any pollutant, contaminant, hazardous or toxic substance, material, constituent or waste, as those or similar terms are defined in or for purposes of all applicable federal, state and local environmental laws, including asbestos, PCBs, pesticides and petroleum products.

“Historical Financials” means, with respect to the Stations and the Business, the unaudited schedules of assets and liabilities, and statements of operating income of the Stations and the Business as of and for the fiscal year ended December 31, 2005 and 2006, and as of and for the six-month period ended June 30, 2007. Each such schedule of assets and liabilities includes amounts of Accounts Receivable, prepaid expenses, property plant and equipment net of accumulated depreciation, accounts payable and accrued liabilities as of the specified date of such schedule.

“Intellectual Property” means all trademarks, service marks, service names, trade names, copyrights, non-governmental licenses and permits, jingles and other intellectual property rights applied for, issued to, or owned by Seller or under which Seller is licensed or franchised, and which are used or useful in the business and operations of the Stations, together with any additions thereto between the date hereof and the Closing Date, but excluding any of the foregoing that are included in the Excluded Assets.

“Judgment” means any judgment, writ, order, injunction, determination, award or decree of or by any court, judge, justice or magistrate, including any bankruptcy court or judge, and any order of or by a Governmental Authority.

“knowledge” or “to the knowledge” of a Party (or similar phrases) means actual knowledge of a fact, or constructive knowledge if a reasonably prudent person in a like position would have known the fact after reasonable inquiry and investigation.

“Legal Requirement” means any statute, ordinance, code, law (including common law), rule, regulation, permit or permit condition, Judgment, or other requirement, standard or procedure enacted, adopted or applied by any Governmental Authority.

“Liabilities” means claims, obligations, commitments or liabilities of a Person of any nature, absolute, accrued, contingent or otherwise, known or unknown, whether matured or unmatured.

“Licenses” means the licenses, permits, registrations, authorizations, consents or approvals issued by the FCC or other Governmental Authority to Seller relating to the operation of the Stations, including those listed on Schedule 3.7.

“Lien” means any lien, pledge, charge, easement, security interest, mortgage, deed of trust, right-of-way or other encumbrance.

“Market MVPD System” means any U.S. cable television system, wireless cable system, DBS operator, SMATV system or other multichannel video programming distributor operating within the Designated Market Area (as defined by A.C. Nielsen & Co.).

“Material Adverse Effect” means any event, circumstance or condition that, individually or when aggregated with all other similar events, circumstances or conditions, would reasonably be expected to have a material adverse effect on: (i) with respect to Seller, the property, operations, financial condition or results of operations of the Business or the Stations, or the ability of Seller to consummate the transactions contemplated by this Agreement, and (ii) with respect to Buyer, the ability of Buyer to consummate the transactions contemplated by this Agreement; *provided, however*, that Material Adverse Effect shall not include any effect arising out of or resulting from (w) the transactions contemplated by this Agreement, (x) general economic, financial, competitive or market conditions, (y) changes affecting the television broadcasting industry generally, or (z) new or changed legislation, rules or regulations.

“Office Lease” means the Lease Agreement to be executed and delivered at Closing, at Buyer’s option, by Buyer and Star City, which shall contain such terms as are reasonable and customary in an office lease for similar premises in the locality of the Stations, under which Star City shall lease to Buyer, at a fair market rent, the offices located in the Excluded Real Property that are currently used in connection with the operation of the Stations.

“Permitted Liens” means the following: (i) statutory landlord’s liens and liens for current taxes, assessments and governmental charges not yet due and payable (or being contested in good faith); (ii) zoning laws and ordinances and similar land use Legal Requirements which are not violated by the current use or occupancy of the applicable Real Property or the conduct of the Business or the operation of either Station; (iii) as to interests in Real Property, any easements, rights-of-way, servitudes, permits, restrictions and minor imperfections or irregularities in title that are reflected in the public records or that do not individually or in the aggregate materially interfere with the right or ability to own, use, lease or operate the Real Property as presently utilized or the business or operation of either Station; and (iv) any Liens set forth in Schedule 1.1B (subject to any limitations set forth therein).

“Person” means any person or entity, whether an individual, trustee, corporation, general partnership, limited partnership, limited liability company, trust, unincorporated organization, business association, firm, joint venture or Governmental Authority.

“Real Property” means (i) as such pertain to the Business or the operation of the Stations, the Fee Estates owned by Star City, the land and buildings, structures, improvements and fixtures located thereon that are owned by MTC, and all easements and other rights and interests appurtenant thereto held by MTC; (ii) each lease, sublease, license or other agreement (written or oral), pursuant to which Owner holds a leasehold or subleasehold estate in, or is granted the right to use or occupy, any land, buildings, structures, improvements, fixtures or other interest in real estate that is used in the Business or operations of the Stations and; (iii) the space available for lease to Buyer by Star City under the Office Lease.

“Receivables” means all promissory notes or other similar obligations payable to Seller, and all accounts receivable and other receivables of Seller relating to or arising out of the operation of the Stations prior to the Closing Date.

“Taxes” means any taxes, charges, fees, levies or other assessments, including income, excise, use, transfer, payroll, occupancy, property, sales, franchise, unemployment and withholding taxes, penalties and interest imposed by the United States or any state, county or local government or subdivision or agency thereof.

1.2 Terms Defined Elsewhere in this Agreement. In addition to (i) the defined terms in the preamble, recitals and Section 1.1 hereof, or (ii) certain defined terms used solely within a single section hereof, the following is a list of terms used in this Agreement and a reference to the section hereof in which such term is defined:

<u>Term</u>	<u>Section</u>
Adjustments	2.4(b)
Assumed Liabilities	2.5
Auditor	2.4(d)
Claimant	10.4
Claim Notice	10.4
Closing Cash Payment	2.2
Collection Period	6.7
Fox	5.3
Fox Affiliation	5.3
Exchange Assets	2.6(a)
Improvements	3.5
Indemnity Period	10.1
Indemnity Agreement	10.6
Indemnitor	10.4
Intermediary	2.6(a)
JTI	6.13
Losses	10.2
Non-Assumed Liabilities	2.5
Purchase Price	2.2
Seller’s Estimate	2.4(b)
Tillotson	2.6(b)
Title Defect	6.12(c)
Unretained Employees	6.3(c)

1.3 Clarifications. Words used in this Agreement, regardless of the gender and number specifically used, shall be deemed and construed to include any other gender and any other number as the context requires. As used in this Agreement, the word “including” is not limiting (and shall be deemed to be followed by the words “without limitation”), and the word “or” is both conjunctive and disjunctive. Except as specifically otherwise provided in this Agreement in a particular instance, a reference to a section, schedule, or exhibit is a reference to a section of this Agreement or a schedule or exhibit hereto, and the terms “hereof,” “herein,” and other like terms refer to this Agreement as a whole, including the schedules to this Agreement,

and not solely to any particular part of this Agreement. The descriptive headings in this Agreement are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

## SECTION 2: PURCHASE OF ASSETS

2.1 Agreement to Sell and Buy. Subject to the terms and upon satisfaction of the conditions contained in this Agreement, at the Closing, Seller shall sell, convey, transfer, assign and deliver to Buyer all of Seller's right, title and interest in and to the Assets, and Buyer shall purchase, acquire and accept from Seller all of Seller's right, title and interest in and to the Assets, free and clear of all Liens other than Permitted Liens.

2.2 Purchase Price. The aggregate purchase price for the Assets shall be Five Million One Hundred Thousand Dollars (\$5,100,000), as adjusted pursuant to Section 2.4 (the "Purchase Price"). The preliminary determination of the Purchase Price payable by Buyer on the Closing Date (the "Closing Cash Payment"), less the amount of the Escrow Amount, shall be paid by Buyer at the Closing by wire transfer of immediately available funds in U.S. dollars, to Seller or the Intermediary or another designee of Seller as designated by Seller and to an account thereof designated in writing by Seller prior to the Closing Date.

2.3 Escrow Deposit. Concurrently with the execution and delivery of this Agreement, Buyer and MTC are executing and delivering the Escrow Agreement, and Buyer is depositing the Escrow Deposit with the Escrow Agent by wire transfer of immediately available funds in U.S. dollars, to be held pursuant to the Escrow Agreement. Upon the Closing, Buyer and MTC shall instruct the Escrow Agent to pay the amount of the Escrow Amount to Seller or the Intermediary or another designee of Seller, by wire transfer of immediately available funds in U.S. dollars to an account designated by Seller.

### 2.4 Adjustments and Prorations.

(a) All revenues and all expenses arising from the Business prior to the Closing Date, including tower rental, business and license fees, utility charges, real and personal property Taxes and assessments levied against the Assets, property and equipment rentals, applicable copyright or other fees (including program license payments), sales and service charges, annual regulatory fees, amounts owing in respect of unlicensed software, music license fees and similar prepaid and deferred items, shall be prorated between Seller and Buyer in accordance with GAAP and the general principle that Seller shall receive the benefit of all revenues, and be responsible for all costs, expenses and Liabilities, allocable to the Stations for the period prior to the Closing Date, and Buyer shall receive the benefit of all revenues, and be responsible for all costs, expenses and Liabilities, allocable to the Stations on or after the Closing Date; *subject, however*, to the following:

(1) An adjustment and proration shall be made in favor of Buyer or Seller, as applicable, for the amount, if any, by which the fair market value of the goods or services to be received by the Stations under their trade or non-programming barter agreements as of the Closing Date exceeds, or is less than, the value of any advertising time remaining to be run by the Stations as of the Closing Date.

(2) There shall be no proration for program barter, other than with respect to any cash payments due or paid in connection therewith.

(3) There shall be no proration for “deferred revenue-LT” relating to the Stations’ ABC network affiliation, shown on MTC’s balance sheet as a long term liability.

(4) Seller shall be entitled to all revenue and bear all expenses and other Liabilities related to the Excluded Assets, and shall retain and be solely responsible for all Non-Assumed Liabilities.

(b) Seller shall prepare and submit to Buyer, not later than two (2) Business Days prior to the Closing Date, a written good faith estimate of the adjustments and prorations set forth in subsection (a) above (the “Adjustments”) in accordance with this Section 2.4, along with Seller’s estimate of the Purchase Price resulting from the Adjustments (“Seller’s Estimate”). After delivery of Seller’s Estimate and prior to Closing, Buyer and Seller shall in good faith attempt to resolve any disputes between them with respect to the determination of the Closing Cash Payment; if as of Closing any items shall be in dispute between them with respect to the Closing Cash Payment, Seller’s Estimate shall be used as the amount of the Closing Cash Payment payable by Buyer on the Closing Date, with such disputed items to be settled between them following Closing pursuant to subsections (c) and (d) below.

(c) Within thirty (30) days following Closing, Seller shall prepare and deliver to Buyer (i) an unaudited schedule of assets and liabilities and statements of operating income and cash flow of the Stations and the Business as of the Closing Date and for the period beginning on the first day of the calendar month in which the Closing shall occur and ended on the Closing Date, and (ii) a schedule showing any changes to the Adjustments that Seller believes to be appropriate. Except as provided in Section 2.4(d), a final settlement of all Adjustments made under this Section, with payment being made by the appropriate Party by wire transfer of immediately available funds in U.S. dollars, to an account designated by the Party entitled to receive such payment, shall occur no later than ninety (90) days after the Closing Date. Each Party having documentation regarding the basis for or amount and payment status of any Adjustment shall, upon request of the other Party, provide the other Party with a copy of such documentation.

(d) In the event that the Parties cannot agree on the amount of the final Adjustments, the determination shall be made by a mutually agreed to national or regional accounting firm (the “Auditor”). The Auditor shall make the determination based on GAAP in effect on the Closing Date. Either Party may invoke the use of the Auditor by notifying the other Party in writing, *provided* that neither Party may invoke the use of the Auditor to determine the final Adjustments earlier than ninety (90) days after the Closing Date. In the event that either Party invokes the use of the Auditor, there shall be a thirty (30) day period (the “Discovery Period”) when the Parties may request of and shall provide to each other in writing or computer format where appropriate any documentation or records in the possession of the other Party that are related to a claim or defense to be made to the Auditor. Fifteen (15) Business Days after the expiration of the Discovery Period, the Parties shall have the opportunity to present their claims and supporting documentation to the Auditor. The Auditor shall be required to render a decision within fifteen (15) Business Days after each Party shall have presented (or have foregone the opportunity to present) its claims and supporting documentation to the Auditor. The decision of

the Auditor shall be final and binding on the Parties and shall not be subject to any judicial challenge by either Party. Within five (5) Business Days after the Auditor provides the determination to the Parties, payment in accordance with that determination shall be made by the appropriate Party by wire transfer of immediately available funds in U.S. dollars, to an account designated by the Party entitled to receive such payment. The expenses of the Auditor shall be paid by the Party which, based on the Auditor's resolution of the disputed item(s), is not the substantially prevailing Party.

2.5 Assumed Liabilities. At and after the Closing, Buyer shall assume and timely pay, discharge and perform all Liabilities arising out of or relating to Buyer's ownership of the Assets or operation of the Stations on or after the Closing Date, including all Liabilities attributable to the period, and arising with respect to events occurring, on or after the Closing Date under or with respect to the Licenses and the Assumed Contracts, and any Liabilities included in the Adjustments for which Buyer shall have received the benefit of an adjustment or proration as of Closing (collectively, the "Assumed Liabilities"). All Liabilities not expressly assumed by Buyer are collectively referred to herein as "Non-Assumed Liabilities" and shall remain and be the Liabilities solely of Seller, including (i) any Liabilities under any Contract not included in the Assumed Contracts, (ii) any Liabilities under the Licenses or Assumed Contracts relating to the period prior to the Closing Date (including as a result of any default by Seller prior to the Closing Date under any License or Assumed Contract), (iii) any claims or pending Actions relating to the operation of the Stations prior to the Closing, (iv) any Liabilities arising with respect to any of the Excluded Assets, and (v) any other Liabilities arising with respect to the ownership and control of the Assets, the Business and the Stations prior to the Closing Date (other than any Liabilities included in the Adjustments for which Buyer shall have received the benefit of an adjustment or proration).

## 2.6 Exchange.

(a) Buyer acknowledges that Seller intends to effect an Exchange with respect to a portion of the Assets to be transferred to Buyer in accordance with the terms of this Agreement. The Exchange shall be either a simultaneous or a deferred exchange using a qualified intermediary (the "Intermediary"). In the event that Seller shall assign its rights under this Agreement to an Intermediary pursuant to Section 12.5 below, upon the Intermediary's direction to Buyer in writing, Buyer shall pay at Closing all or a portion of the Closing Cash Payment to the Intermediary or another Person for use in acquiring, for conveyance to Seller, assets used in the operation of a television station that shall comprise "replacement property" for the Assets being relinquished by Seller hereunder (the "Exchange Assets").

(b) Seller acknowledges that Buyer intends to complete an Exchange by its acquisition of the Assets as replacement property in exchange for certain property that Buyer relinquished on May 21, 2007, and in respect to which David Tillotson serves as the qualified intermediary ("Tillotson"). In the event that Buyer shall assign certain rights and obligations under this Agreement to Tillotson pursuant to Section 12.5 below, upon Tillotson's direction to Seller in writing, Seller shall transfer at Closing the Assets to Buyer as the designee of Tillotson and deliver to Buyer the closing deliveries provided for in Section 9.2 hereof, and Buyer shall deliver to Seller the closing deliveries provided for in Sections 9.3 hereof, subject to payment by Tillotson of all or a portion of the Closing Cash Payment, with the recipient(s) of such payment being determined pursuant to subsection (a) above.

(c) Anything in this Agreement to the contrary notwithstanding, no assignment permitted or consented to under this Agreement shall act as a novation and the assigning party shall not be released from, and shall remain fully liable for, all of its obligations and Liabilities under this Agreement.

### SECTION 3: REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer as follows:

3.1 Organization and Authority. MTC is a corporation, duly organized, validly existing and in good standing under the laws of Mississippi; MBP is a general partnership, duly organized and validly existing under the laws of Mississippi; and Star City is a corporation, duly organized, validly existing and in good standing under the laws of Virginia. MTC and Star City each has all requisite corporate power and authority, and MBP has all requisite partnership power and authority, (i) to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby, and (ii) to own, lease and operate the Stations and the Assets owned by it and to carry on the Business as now being conducted.

3.2 Authorization and Binding Obligations. The execution, delivery and performance of this Agreement and all of the documents and instruments required hereby by Seller have been duly and validly authorized by all necessary corporate or partnership action, as the case may be. This Agreement has been duly executed and delivered by Seller and constitutes a valid and binding agreement of Seller enforceable against it in accordance with its terms, except as its enforceability may be limited by Enforceability Exceptions.

3.3 No Contravention; Consents. Subject to obtaining the Consents, the execution, delivery and performance of this Agreement, the consummation of the transactions contemplated hereby and the compliance with the provisions hereof by Seller will not (i) violate any provisions of the organizational documents of Seller, (ii) result in the breach of, constitute a default under, constitute grounds for termination of, give rise to any right of cancellation or acceleration under, or result in the creation of any Lien upon any of the Assets under the provisions of, any material Contract or any License, or (iii) violate any Legal Requirements applicable to Seller or the Real Property. Except for the Consents set forth in Schedule 3.3, no material consent, approval, or authorization of any Governmental Authority or other Person is required by Seller in connection with the execution, delivery and performance of this Agreement by Seller or the consummation by Seller of the transactions contemplated hereby.

3.4 Title to Assets. Seller has good and marketable title to or a valid leasehold interest in, or otherwise has the valid right to use, all material Assets used in the Business, free and clear of all Liens other than Permitted Liens. The Assets include all assets reasonably necessary to conduct the Business and operations of the Stations as presently conducted, except for the Excluded Assets. The only assets of Star City necessary to conduct the Business and operations of the Stations as presently conducted are the Fee Estates and the offices in the Excluded Real Property that are available for rent to Buyer pursuant to the Office Lease.

3.5 Real Property. Schedule 3.5 sets forth a complete and accurate list of the Real Property, including the Fee Estates. Star City has good and marketable fee simple title to the Fee Estates, free and clear of all Liens except for Permitted Liens. Seller has delivered to Buyer a

true and complete copy of each lease agreement for any leased Real Property, and in the case of any oral leases for the leased Real Property, a written summary of the material terms of such leased Real Property. Except as set forth in Schedule 3.5, with respect to the Real Property, (i) Seller does not, and will not in the future, owe any brokerage commissions or finder's fees; (ii) Seller has not subleased, licensed or otherwise granted any Person the right to use or occupy such Real Property, or any portion thereof; and (iii) Seller has not collaterally assigned or granted any other security interest in such Real Property or any interest therein and there are no Liens on the Fee Estate, except for Permitted Liens. Except as set forth in Schedule 3.5: (A) with respect to any leased Real Property, Owner's possession and quiet enjoyment of the Real Property under the lease agreement for such leased Real Property has not been disturbed; and (B) with the exception of Star City, the other party to any lease agreement for any leased Real Property is not an Affiliate of Owner. Except as disclosed on Schedule 3.5, all buildings, structures, improvements and fixtures included in the Fee Estates (the "Improvements") are in good operating condition (ordinary wear and tear excepted) and to Seller's knowledge, have no structural or other material defects. All Improvements are adequate for their current uses, and available for use, in the operation of the Stations as presently conducted. All Improvements are in conformity in all material respects with all applicable building or safety codes and zoning ordinances, and to Seller's knowledge, were constructed and are in conformity with all "set-back" lines, easements and other restrictions or rights of record. There are no pending or, to Seller's knowledge, threatened condemnation or eminent domain proceedings that may have a material adverse effect on Buyer's use of the Real Property for the operation of the Station after Closing.

3.6 Equipment. Schedule 3.6 contains an accurate and complete list of all material items of Equipment owned or leased by MTC as of the date hereof. MTC has good title to all of the Equipment that is not leased by MTC under leases listed in Schedule 3.6, free and clear of all Liens except for Permitted Liens. Except as specified on Schedule 3.6, all Equipment is in good operating condition (ordinary wear and tear excepted), and adequate for its current use, and available for use, in the operation of the Stations as presently conducted. On the Closing Date, the quantity, quality and type of supplies, tubes and spare parts on hand at the Station will be consistent with Owner's past practice.

3.7 Licenses. Schedule 3.7 lists all FCC Licenses, with expiration dates as set forth on Schedule 3.7, and other material Licenses. Except as noted on Schedule 3.7, all FCC Licenses are validly issued in the name of MBP, all other material Licenses are validly issued in the name of MTC, and all such licenses are in full force and effect, and are not subject to any conditions that would require operation of the Stations in a manner materially different than their operation as of the date of this Agreement. Owner has complied in all material respects with all the terms of the Licenses, and, except as set forth on Schedule 3.7, there are no pending applications filed by Owner. To Owner's knowledge, except as set forth on Schedule 3.7, there is (i) no complaint before the FCC as a result of which an investigation, notice of apparent liability, or order of forfeiture may be issued from the FCC relating to the Stations, (ii) no FCC notice of apparent liability or order of forfeiture pending or outstanding against MBP or the Stations, and (iii) no investigation with respect to any violation or alleged violation of any FCC rule, regulation, or policy by Owner. MBP timely filed applications for renewal of license for the Stations with the FCC.

3.8 MVPD Matters. Except as set forth on Schedule 3.8, the Stations' signals are carried on all of the Market MVPD Systems delivering the signals of local television stations serving the Greenwood-Greenville, Mississippi Designated Market Area (as defined by A.C. Nielsen & Co) pursuant to either (i) the retransmission consent agreements to which each Station is a party and which are listed on Schedule 3.8, or (ii) must carry election status pursuant to §76.64(f)(3) of the Communications Laws. Each retransmission consent agreement is in full force and effect, and Owner has no knowledge of any reason that a Market MVPD System may terminate the Stations' carriage during the current term.

3.9 Contracts. Schedule 3.9 is a list of all Contracts, except (i) Contracts with advertisers for the sale of advertising time on the Stations in the ordinary course of business for cash at rates consistent with past practices, (ii) oral employment agreements terminable at will, (iii) miscellaneous Contracts for goods or services that are entered into in the ordinary course of business that either may be canceled without breach, fee, payment or penalty on sixty (60) days' or less notice, and (iv) Contracts included in the Excluded Assets. Owner has delivered to Buyer true and complete copies of all material written Contracts. To Owner's knowledge, each Contract set forth on Schedule 3.9 is in full force and effect and is valid, binding and enforceable in accordance with its terms, except as such enforceability may be affected by the Enforceability Exceptions. Except as set forth on Schedule 3.3, no Contract material to Seller, the Business or the operation of a Station requires the consent of any other contracting party to the transactions contemplated by this Agreement. No material breach or default by Seller or, to Seller's knowledge, any other party thereto, has occurred and be continuing under any Assumed Contract.

3.10 Intellectual Property. Schedule 3.10 contains a true and complete list of all material Intellectual Property, all of which are, to Owner's knowledge, valid and in full force and effect and in good standing and uncontested. Owner has delivered to Buyer copies of all documents establishing or evidencing all material Intellectual Property. To its knowledge, Owner is not infringing upon or otherwise acting adversely to any trademarks, trade names, service marks, service names, copyrights, patents, patent applications, know-how, methods, processes or similar intellectual property rights owned by any other Person to the extent such infringement or adverse action would result, or reasonably be expected to result, in a Material Adverse Effect.

3.11 Personnel Matters.

(a) Employees. Schedule 3.11 contains a list of all Employees, together with each such Employee's present position. MTC has delivered to Buyer an accurate schedule showing each Employee's present annual salary. Neither MBP nor Star City has any Employees that are employed in connection with the Business or the Stations.

(b) Employee Plans and Compensation Arrangements. Schedule 3.11 contains a list of all Employee Plans and Compensation Arrangements. Except as described in Schedule 3.11, MTC has no written or oral contracts of employment with any employee of the Stations other than oral employment agreements terminable at will without penalty. Seller is not required to contribute to any "multiemployer plan," as defined in ERISA Section 3(37) (a "Multiemployer Plan"), nor has Seller withdrawn from any Multiemployer Plan. To Seller's knowledge, neither Seller nor any ERISA Affiliate has any Liability or potential Liability under

Title IV of ERISA that could become a Liability of Buyer, including on account of a “partial withdrawal” or a “complete withdrawal” (within the meaning of Sections 4205 and 4203 of ERISA, respectively) from any Multiemployer Plan or a failure to make any required contribution to any Multiemployer Plan. Except as required under Code Section 4980B or ERISA Sections 601-609 or any similar state Legal Requirement (“COBRA”), no Employee Plan provides health or medical coverage to former employees of Seller (or eligible beneficiaries thereof) or post-termination or post-employment welfare or welfare-type benefits to any other Person. Seller and the ERISA Affiliates are in compliance with the requirements of COBRA. MTC has furnished or made available to Buyer true and complete copies of all Employee Plans, all Compensation Arrangements listed in Schedule 3.11 and all employee handbooks, employee rules and regulations, if any.

(c) Qualified Plans. With respect to each Employee Plan, (i) such Employee Plan that is intended to be tax-qualified, and each amendment thereto, is the subject of a favorable determination letter except as described in Schedule 3.11, and no Employee Plan amendment that is not the subject of a favorable determination letter would affect the validity of such Employee Plan’s letter; (ii) to Seller’s knowledge, no material liability to the Pension Benefit Guaranty Corporation has been or is expected by Seller to be incurred with respect to any Employee Plan; (iii) no Employee Plan is subject to Title IV of ERISA; and (iv) to Seller’s knowledge, no prohibited transaction, within the definition of Section 4975 of the Code or Title I, Part 4 of ERISA, has occurred which would subject Seller to any material liability.

(d) Labor Unions. Seller is not a party to any collective bargaining agreement. As of the date hereof, to MTC’s knowledge, (i) none of the Employees is presently a member of any collective bargaining unit related to his or her employment and (ii) no collective bargaining unit has filed a petition for representation of any of the Employees.

3.12 Financial Information. MTC has furnished Buyer with the Historical Financials. The Historical Financials have been compiled by MTC from its financial statements that were prepared in accordance with GAAP (except for the absence of footnotes and subject to year-end adjustments) applied on a consistent basis throughout the periods covered except as otherwise stated therein. The Historical Financials present fairly in all material respects the financial position of the Stations and the Business as of the dates specified and the results of operations of the Stations and the Business for the periods covered thereby. To MTC’s knowledge, other than the liabilities set forth on the most recent unaudited schedule of assets and liabilities with respect to the Stations contained in the Historical Financials, and Liabilities which have arisen in the ordinary course since the date of such schedule, and except as disclosed on any other Schedule to this Agreement, neither MTC nor MBP has any material Liabilities of any kind.

3.13 Taxes and Regulatory Fees. Seller has filed, or caused to be filed, with the appropriate Governmental Authority, all required Tax returns, and Seller has paid, caused to be paid or accrued all Taxes shown to be due and payable or claimed to be due and payable thereon, except where the failure to file such returns or pay or accrue such Taxes would not result in a Lien on the Assets or in the imposition of transferee liability on Buyer for the payment of such Taxes. Prior to Closing Seller shall have paid all FCC Regulatory Fees due with respect to the Station. Seller has no Liability material in amount for any Taxes due and owing, and, to Seller’s knowledge, there are no proceedings pending pursuant to which Seller is or could be made liable

for any Taxes the liability for which could extend to Buyer as transferee of the Assets or as operator of the Stations following the Closing.

3.14 Claims and Litigation. Except as set forth on Schedule 3.14, there are no Actions pending or, to Seller's knowledge, threatened by or against Seller relating to the Assets, the Business or the transactions contemplated by this Agreement.

3.15 Compliance with Laws. Except as set forth on Schedule 3.7, Seller is in material compliance with all applicable Legal Requirements, including Environmental Laws, and Licenses relating to the Stations, the Business and the Assets.

3.16 Environmental Matters. Seller has not Handled nor permitted the Handling of any Hazardous Substances on any Real Property that would subject any owner or operator of such Real Property to liability for cleanup, removal or other remedial action or other Liability under any Environmental Laws. To Seller's knowledge, there is (i) no presence of Hazardous Substances on any Real Property that would subject any owner or operator of such Real Property to liability for cleanup, removal or other remedial action under any Environmental Laws and (ii) no underground tanks, PCBs or asbestos-containing materials located on any Real Property. Neither Seller nor any Person acting on behalf of Seller has released any other Person from any claims Seller might have, or have had, for any matter relating to the presence or Handling of Hazardous Substances on any Real Property. No Liens have been, or are, imposed on any of the Assets under any Environmental Laws. Seller has obtained any material permits, licenses, registrations and other approvals and has filed all material reports and notifications required under any Environmental Laws in connection with the Assets, and is in compliance in all material respects with all applicable Environmental Laws. Seller has not received any notice of or, to Seller's knowledge, is not the subject of, any Action by any person alleging liability under or noncompliance with any Environmental Law. The present operation of the Stations is in material compliance with all applicable Legal Requirements relating to electrical transformers and human exposure to radio frequency radiation.

3.17 Conduct of Business in Ordinary Course. Between July 1, 2007, and the date hereof, Owner has conducted the Business and operations of the Stations in the ordinary and usual course consistent with past practice in all material respects, and has not (i) made any material increase in compensation payable or to become payable to any of the Employees, or any material change in personnel policies, insurance benefits or other Compensation Arrangements affecting the Employees, (ii) made any sale, assignment, license, lease or other transfer of any of, or otherwise abandoned or failed to maintain, any material Assets, other than Excluded Assets, obsolete or worn-out assets no longer necessary for the operation of the Stations, or other assets sold or disposed of in the normal course of business; (iii) suffered any material damage or destruction (whether or not covered by insurance) to any of its material Assets which Assets have not been repaired or replaced, or (iv) experienced any Material Adverse Effect except as may be reflected in the Historical Financials.

3.18 Insurance. Owner has such amounts and types of insurance coverage as is reasonable and customary for a broadcast television station. Owner is not in default in any material respect under any of its insurance policies, nor has Owner failed to give any notice or present any claim under any policies in a due and timely fashion.

3.19 Brokers. Seller has not engaged any agent, broker or other Person acting pursuant to the express or implied authority of Seller which is or may be entitled to a commission or broker or finder's fee in connection with the transactions contemplated by this Agreement or otherwise with respect to the sale of the Assets or the Business.

3.20 Disclosure. No representation or warranty made by Seller in this Agreement contains any untrue statement of a material fact or knowingly omits or fails to state any material fact or information necessary to make such representation or warranty not materially misleading.

3.21 Absence of Other Express or Implied Representations. Except for the representations and warranties contained in this Agreement (or in the certificates delivered pursuant to this Agreement), neither Seller nor any other Person makes any express or implied representation or warranty on behalf of Seller.

#### SECTION 4: REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

4.1 Organization and Authority. Buyer is a corporation duly organized, validly existing and in good standing under the laws of Texas, and shall as of Closing be qualified to do business in Mississippi. Buyer has all requisite corporate power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby.

4.2 Authorization and Binding Obligations. The execution, delivery and performance of this Agreement by Buyer have been duly and validly authorized by all necessary corporate action. This Agreement has been duly executed and delivered by Buyer and constitutes a valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms, except as its enforceability may be limited by Enforceability Exceptions.

4.3 No Contravention; Consents. Subject to obtaining the Consents, the execution, delivery and performance of this Agreement, the consummation of the transactions contemplated hereby and the compliance with the provisions hereof by Buyer will not (i) violate any provisions of the organizational documents of Buyer, (ii) violate any Legal Requirements applicable to Buyer, or (iii) require the consent of any Person, or violate, or be in conflict with, or constitute a default under any contract or agreement to which Buyer is a party, such that Buyer cannot perform its obligations hereunder. Except for the Consents set forth in Schedule 3.3, no material consent, approval, license or authorization of any Governmental Authority or other Person is required by Buyer in connection with the execution, delivery and performance of this Agreement by Buyer or the consummation by Buyer of the transactions contemplated hereby.

4.4 Compliance with Law. There are no violations by Buyer of any applicable Legal Requirements relating to any business of Buyer that comprise a Material Adverse Effect with respect to Buyer.

4.5 Qualifications. Buyer knows of no facts that would, under applicable Legal Requirements, disqualify Buyer with respect to the assignment or transfer of the Licenses. Buyer has not engaged in any course of conduct that would impair the ability of Buyer or any Affiliate thereof to be the holder of the FCC Licenses.

4.6 Claims and Litigation. There are no Actions pending, or to Buyer's knowledge, threatened by or against Buyer that, individually or in the aggregate, comprise a Material Adverse Effect with respect to Buyer.

4.7 Availability of Funds. Buyer has available the necessary funds to enable it to pay the Purchase Price and to consummate the transactions contemplated hereby.

4.8 Brokers. Except for Executive Media Services, Buyer has not engaged any agent, broker or other Person acting pursuant to the express or implied authority of Buyer which is or may be entitled to a commission or broker or finder's fee in connection with the transactions contemplated by this Agreement or otherwise with respect to the sale of the Assets or the Business.

4.9 Disclosure. No representation or warranty made by Buyer in this Agreement contains any untrue statement of a material fact or knowingly omits or fails to state, any material fact or information necessary to make such representation or warranty not materially misleading.

4.10 Absence of Other Express or Implied Representations. Except for the representations and warranties contained in this Agreement (or in the certificates delivered pursuant to this Agreement), neither Buyer nor any other Person makes any express or implied representation or warranty on behalf of Buyer.

#### SECTION 5: PRE-CLOSING COVENANTS OF THE PARTIES

5.1 Covenants of Seller. Seller covenants and agrees from and after the execution and delivery of this Agreement to and including the Closing Date as follows:

(a) Commercially Reasonable Efforts. Seller shall use its commercially reasonable efforts to cause the transactions contemplated by this Agreement to be consummated in accordance with the terms hereof, and, without limiting the generality of the foregoing, use its commercially reasonable efforts to obtain all necessary Consents required in connection with this Agreement and the transactions contemplated hereby, including the FCC Consent, and any required Consents of any other Governmental Authorities with lawful jurisdiction over Seller. Seller shall make all filings with and give all notices to third parties that may be reasonably necessary of Seller in order to consummate the transactions contemplated hereby. Except as expressly provided by this Agreement, neither Seller nor Buyer shall be required to make any payments to Persons or parties to the Contracts in order to obtain their Consents, except that Seller shall pay any administrative or application fees customarily payable to such Persons or parties in connection with requests for their Consent, or costs or fees (including reimbursement of legal fees) expressly required by the terms of any such Contract.

(b) FCC Matters. Seller shall furnish to Buyer, within ten (10) days after filing, all material reports and pleadings filed with the FCC with respect to the Stations after the date hereof. Seller shall give Buyer prompt written notice of any written inquiries or other correspondence from the FCC with respect to the Stations' pending applications for renewal of license.

(c) No Control. Notwithstanding any provision of this Agreement to the contrary, pending the Closing, MBP shall maintain actual (*de facto*) and legal (*de jure*) control over the FCC Licenses and the Stations. Specifically, Owner shall retain responsibility for the operation of the Business and the Stations pending the Closing, including responsibility for the following matters: access to and use of the facilities of and equipment owned or leased by Owner; control of the daily operation of the Stations; creation and implementation of policy decisions; employment and supervision of Employees; payment of financing obligations and expenses incurred in the operation of the Stations prior to the Closing; receipt and distribution of moneys and profits derived from the operation of the Stations; and execution and approval of all contracts and applications prepared and filed before the FCC or any other Governmental Authority.

(d) Access. Seller shall give to Buyer and its agents reasonable access during normal business hours to all of Seller's personnel, premises, properties, Assets, financial statements and records, books, contracts, documents and commitments of or relating to the Stations that are in Seller's possession or control, and shall furnish Buyer with all such information concerning the affairs of the Stations as Buyer reasonably may request. This shall specifically include access to billing, customer service and maintenance personnel and records.

(e) Ordinary Course. Seller shall conduct the business of the Stations in the ordinary course of business consistent with its past practices and shall not engage in any transaction outside of the ordinary course of business consistent with past practices. Seller shall maintain appropriate insurance on the Assets, and shall not institute any material changes to the Assets, the Business or the operations of the Stations without the prior written consent of Buyer. Owner shall maintain the present character and quality of the Stations' programming, shall maintain the Assets in good operating condition, with the exception of ordinary wear and tear and any disclosures in Schedule 3.5 or 3.6. Owner shall use commercially reasonable efforts to keep its organization intact, to preserve the Business, and to preserve the goodwill of Employees, suppliers, customers, Governmental Authorities and others dealing with Owner. Owner will not pay any bonuses or make any salary or wage increase unless heretofore agreed to be made, or except in the ordinary course of business consistent with past practices or as otherwise disclosed herein. Owner's financial Books and Records shall be maintained in accordance with GAAP, in the usual manner on a basis consistent with prior years.

(f) Compliance with Laws. Seller shall use its commercially reasonable efforts to comply in all material respects with the Licenses and with the Communications Laws and other Legal Requirements applicable to Seller, the Stations or the conduct of the Business.

(g) Contracts and Liens. Seller shall use its commercially reasonable efforts to (i) not default under, or breach any term or provision of, or suffer or permit to exist any condition or event that, after notice or lapse of time, or both, would constitute a default under, any Contract material to Seller, the Business or the operation of a Station, (ii) not cause or permit the termination (except upon the expiration thereof in accordance with its terms), modification, extension or amendment of any Contract of Seller and (iii) not create, assume, consent to or suffer to exist any Lien on any of its Assets (other than Permitted Liens). Unless Buyer shall have given its prior written consent, Seller shall not enter into any new Contract or incur any obligation (including obligations arising from the amendment of any existing Contract) that will

be binding on Buyer after the Closing, except for film and programming agreements made in the ordinary course of business consistent with Seller's past practice.

(h) No Solicitation. Except pursuant to this Agreement or in the ordinary course of business consistent with past practice, Seller shall not (i) sell, transfer, lease, assign, convey or otherwise dispose of or distribute any Assets, or (ii) during the period between the date hereof and November 17, 2007, knowingly solicit, encourage, entertain, negotiate or enter into any such transaction or agreement of the nature described in clause (i) above, or provide any non-public information about the Stations or the Assets to any Person.

(i) Financial Information. Owner shall furnish Buyer each month an unaudited schedule of assets and liabilities and statements of operating income of the Stations and the Business within fifteen (15) days of each month end.

(j) PSIP System. Prior to Closing MTC shall install, at its expense, a stand-alone Program System Information Protocol ("PSIP") system at the Stations in compliance with the Communications Laws.

5.2 Covenants of Buyer. Buyer covenants and agrees that from and after the execution and delivery of this Agreement to and including the Closing Date as follows:

(a) Commercially Reasonable Efforts. Buyer shall use its commercially reasonable efforts to cause the transactions contemplated by this Agreement to be consummated in accordance with the terms hereof, and, without limiting the generality of the foregoing, provide Seller with reasonable assistance in obtaining all necessary Consents and other authorizations required in connection with this Agreement and the transactions contemplated hereby, including the FCC Consent, and any required consent of any other Governmental Authorities with lawful jurisdiction. Buyer shall make all filings with and give all notices to third parties that may be necessary or reasonably required in order for Buyer to consummate the transactions contemplated hereby.

(b) No Control. Notwithstanding any provision of this Agreement to the contrary, pending the Closing, Buyer shall do nothing to interfere with MBP's actual (*de facto*) and legal (*de jure*) control over the Stations. Specifically, Buyer acknowledges and agrees that the responsibility for the operation of the Business and the Stations shall, pending the Closing, reside with Owner, including responsibility for the following matters: access to and use of the facilities of and equipment owned by Owner; control of the daily operation of the Stations; creation and implementation of policy decisions; employment and supervision of Employees; payment of financing obligations and expenses incurred in the operation of the Stations prior to the Closing; receipt and distribution of moneys and profits derived from the operation of the Stations; and execution and approval of all contracts and applications prepared and filed before the FCC or any other Governmental Authority.

(c) No Inconsistent Agreements. Buyer shall not knowingly purchase or agree to purchase any television stations or FCC licenses or enter into any other agreement or transaction that would reasonably be expected to prohibit or materially interfere with or materially delay the transactions contemplated hereby.

5.3 Fox Affiliation. In connection with Seller's short-term secondary network affiliation agreement (the "Fox Affiliation") with the Fox Television Network ("Fox"), utilizing spectrum on Seller's DTV Station WABG-DT, Buyer covenants and agrees that it will complete the build out of the Fox channel within a reasonable period of time after the Closing, subject to the terms of any modifications to the Fox Affiliation that Buyer shall negotiate with Fox.

## SECTION 6: JOINT COVENANTS

6.1 Consultations regarding Consents of Governmental Authorities. Except for routine contacts by the parties' FCC counsel concerning the status or processing of the Assignment Application, the Parties shall consult with one another as to the approach to be taken with any Governmental Authority with respect to obtaining any necessary Consent of such Governmental Authority to the transactions contemplated hereby, and each Party shall keep the other Party reasonably informed as to the status of any communications by it with any Governmental Authority related to obtaining any such Consent. No Party hereto shall make any material commitments relating to any Consent of any Governmental Authority that would alter in any material way any application or request filed jointly by the Parties with respect to the transactions contemplated hereby without the other Party's prior written consent.

6.2 Joint Filings. Seller and Buyer shall cooperate in the preparation of the Assignment Application to be filed by MBP with the FCC no later than two (2) Business Days following the date hereof, and with any other applicable Governmental Authority as soon as practicable following the date hereof, requesting the approval of the assignment and transfer of the Licenses (as appropriate) and the other Assets and the Business from Seller to Buyer.

(a) Prosecution of the Assignment Application. Each of the Parties hereto shall diligently take or cooperate in the taking of all steps that are reasonably necessary or appropriate to expedite the prosecution and favorable consideration of such applications. Each Party shall promptly provide to the other Party a copy of any pleading, order or other document served on them relating to any Assignment Application. The Parties shall undertake all actions and file such materials as shall be reasonably necessary or required to obtain any necessary waivers or other authority in connection with the foregoing applications and shall oppose any petitions to deny or other objections filed with respect to any Assignment Application and any requests for reconsideration or review of any FCC Consent. Notwithstanding the foregoing, Buyer shall have no obligation to agree to any material adverse change in any License or Contract to obtain any consent (including the FCC Consent).

(b) Certain Extensions. If the Closing shall not have occurred for any reason within the original effective period of any FCC Consent, and neither Party shall have terminated this Agreement pursuant to its rights under Section 11, the Parties shall jointly request an extension of the effective period of such FCC Consent. No extension of the effective period of any FCC Consent shall limit the rights of either Party to exercise its right to terminate this Agreement pursuant to Section 11.

6.3 Employee Matters.

(a) MTC shall retain full responsibility and liability for offering and providing "continuation coverage" to any "qualified beneficiary" who is covered by a "group health plan"

sponsored or contributed to by MTC for the benefit of its Employees and who has experienced a “qualifying event” or is receiving “continuation coverage” on or prior to the Closing. “Continuation coverage,” “qualified beneficiary,” “qualifying event” and “group health plan” shall each have the meaning given such term under Section 4980B of the Code and Section 601 *et seq.* of ERISA.

(b) MTC acknowledges that Buyer has no obligation to employ any of MTC’s Employees and that MTC shall be responsible for satisfying in full all amounts owed to such Employees (including any Unretained Employees), including wages, salaries, severance pay, sick pay, accrued vacation, any employment, incentive, compensation or bonus agreements or other benefits or payments relating to the period of employment by MTC. MTC may, at its option, provide stay bonuses to its Employees.

(c) Buyer shall, at such times as shall be arranged by Buyer with MTC, meet with MTC’s Employees prior to Closing and provide appropriate information to such Employees regarding Buyer’s prospective operation of the Stations and opportunities for employment post-Closing. No later than fifteen (15) days prior to Closing, Buyer shall furnish to MTC a list of Employees who will not be offered employment by Buyer effective upon the Closing (the “Unretained Employees”).

6.4 Notice of Breach. Buyer and Seller shall each give prompt written notice to the other Party of (i) the occurrence or nonoccurrence of any event the occurrence or nonoccurrence of which has caused or would be likely to cause any of its representations or warranties contained in this Agreement to be untrue or inaccurate in any material respect at or prior to the Closing Date, and (ii) any material failure of Buyer or Seller, as the case may be, to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it hereunder; *provided, however*, that the delivery of any notice pursuant to this Section 6.4 shall not cure such breach or non-compliance or limit or otherwise affect the remedies available hereunder to the Party receiving such notice.

6.5 Confidentiality. Except as necessary for the consummation of the transactions contemplated by this Agreement, or as is necessary to be disclosed to the Intermediary or to the seller(s) of the Exchange Assets, and except as and to the extent required by applicable Legal Requirements, each Party will keep confidential all information obtained from the other Party in connection with the transactions contemplated by this Agreement (unless such information thereafter becomes generally available to the public, is otherwise available to it on a non-confidential basis from another source, or has been developed independently by it); *provided* that upon the Closing, Buyer’s obligation under this Section 6.5 shall terminate with respect to information that pertains to the Assets, the Business or the operation of the Stations subsequent to Closing. If this Agreement is terminated, each Party will, upon request, return to the other Party all information obtained by the first Party from the other Party in connection with the transactions contemplated by this Agreement.

6.6 Press Releases. No Party hereto will issue any press release or make any other public announcements concerning this Agreement or the transactions contemplated hereby except with the prior approval (not to be unreasonably withheld) of the other Party hereto regarding the timing and content of such announcement; *provided* that any Party hereto may make any disclosure that it in good faith determines to be necessary to comply with applicable

Legal Requirements so long as such Party shall give prior written notice to the other Party of such disclosure.

6.7 Receivables.

(a) For the period from the Closing Date until one hundred twenty (120) days after the Closing Date (the "Collection Period"), Buyer, as agent for Seller, shall collect on behalf of Seller all Receivables with the same care and diligence as Buyer uses with respect to its own accounts receivable, except that Buyer shall not refer any of the Receivables to a collection agency or to an attorney for collection, or compromise, settle or adjust the amount of any Receivable except with the prior written approval of Seller.

(b) During the Collection Period, all payments received from account debtors shall first be applied in reduction of the oldest outstanding balance due from such account debtor, except to the extent that any account debtor disputes in a written notice to Buyer whether an account is properly due or indicates in writing that the payment is to be applied to a specific invoice, in which case, all payments received shall be applied as directed by such account debtor. Buyer will promptly provide Seller a copy of any written notice of any dispute received from any account debtor.

(c) Buyer shall remit all payments owed to Seller (as set forth in this Section 6.7) on the fifteenth day and the last day of each month, together with a list of the accounts and amounts collected during the relevant period to which such payments pertain.

(d) So long as Buyer is in compliance with this Section 6.7, during the Collection Period neither Seller nor any of its representatives or agents, shall make any direct solicitation of the account debtors for collection purposes with respect to the Receivables or other direct attempts to collect such Receivables from account debtors during such Collection Period except (i) as may be agreed to by Buyer, (ii) with respect to those Receivables that shall have become more than ninety (90) days past due, and (iii) those Receivables from which Buyer has received written notice of a dispute from the account debtor.

(e) Upon the conclusion of the Collection Period, Buyer shall remit to Seller all amounts collected by Buyer from account debtors not previously remitted to Seller, shall assign to Seller all uncollected Receivables and shall furnish Seller with a compilation of the accounts and amounts collected during such period and all files concerning any uncollected Receivables, and Buyer shall have no further responsibilities hereunder except to remit promptly to Seller any amounts subsequently received by it on account of the Receivables.

6.8 Allocation of Purchase Price. Buyer and Seller shall retain, and share equally the cost of, an appraisal firm with a national reputation to determine the allocation of the Purchase Price among the Assets for purposes of Section 1060 of the Code and Temporary Treasury Regulation Section 1.1060-1T. No filings made by Buyer or Seller with any taxing or other authority shall reflect an allocation other than in the manner established pursuant to the foregoing, and Buyer and Seller shall each timely make all filings required by any taxing authority, including the filing of Internal Revenue Service Form 8594.

6.9 Bulk Sales. Seller and Buyer hereby waive compliance by the other with bulk sales Legal Requirements applicable to the transactions contemplated hereby.

6.10 Risk of Loss. The risk of any loss, damage, impairment, confiscation, or condemnation of any of the Assets shall be borne by Seller at all times prior to the Closing. In the event that any such loss or damage shall be sufficiently substantial so that any representation or warranty of Seller shall not to be true and correct in all material respects at the Closing Date (after giving consideration to any repairs, restoration or replacement to occur prior to the Closing Date), Seller shall promptly notify Buyer in writing of the circumstances, and Buyer, at any time within ten days after receipt of such notice, may elect by written notice to Seller either to (i) waive such defect and proceed toward consummation of the transactions contemplated by this Agreement in accordance with the terms hereof (and Seller shall assign to Buyer all of its rights under any insurance and all proceeds of insurance covering the property damage, destruction or loss not repaired, replaced or restored prior to the Closing) or (ii) terminate this Agreement. If Buyer elects to so terminate this Agreement, Buyer and Seller shall stand fully released and discharged of any and all obligations hereunder; *provided* that such termination shall not relieve either Buyer or Seller from liability with respect to any breach of this Agreement that occurred prior to such termination.

6.11 Further Assurances. On and after the Closing Date, the Parties will take all appropriate and commercially reasonable actions and execute all documents, instruments or conveyances of any kind that may be reasonably necessary or advisable to put Buyer in possession and operating control of the Assets and the Stations, or to otherwise carry out any of the provisions hereof.

6.12 Title Insurance and Surveys.

(a) Title Insurance on Fee Estates. With respect to each Fee Estate Buyer may, at its option, undertake to obtain, at or prior to Closing, an ALTA Owner's Policy of Title Insurance Form B-1987 (or equivalent policy acceptable to Buyer), insuring title to such parcel to be in the name of Buyer as of the Closing, subject only to Permitted Liens.

(b) Surveys. With respect to each Fee Estate as to which a title insurance policy is to be procured pursuant to this Agreement, Seller shall cooperate with Buyer and permit Buyer to obtain a current survey of the parcel, prepared by a licensed surveyor and conforming to current ALTA Minimum Detail Requirements for Land Title Surveys, disclosing the location of all improvements, easements, party walls, sidewalks, roadways, utility lines, and other matters customarily shown on such surveys, and showing access affirmatively to public streets and roads.

(c) Notice. If the commitment for the title insurance or the survey described in this Section 6.12 discloses any material deficiencies in the title to the Fee Estates (a "Title Defect"), Buyer shall so notify Seller as soon as practicable. If such Title Defects, in the aggregate, have an estimated correction cost of less than \$50,000, then Star City shall correct such Title Defects in all material respects prior to Closing. If such Title Defects, in the aggregate, have an estimated correction cost of \$50,000 or more, then within 10 Business Days after delivery to Seller of such title commitment or survey, Seller shall notify Buyer of Seller's election to either (i) correct at its expense such Title Defects in all material respects, *provided*

that the completion of such correction shall not be a condition to Buyer's obligation to close hereunder but in the event that such correction shall not be completed as of Closing, Seller shall complete such correction as soon as practicable following Closing, or (ii) not undertake to remedy such Title Defects, in which event Buyer may terminate this Agreement on written notice to Seller.

6.13 Engineering Services. At Closing, at Buyer's option, Buyer and Jackson Telecasters, Inc. ("JTI"), an Affiliate of Owner, shall enter into an Engineering Services Agreement, on mutually agreeable terms, whereby for a period of up to six months after Closing JTI shall arrange for JTI's chief engineer (or another qualified engineer selected by JTI) to visit the Stations upon Buyer's request to provide engineering consulting services to Buyer, and Buyer shall pay JTI an appropriate per diem rate for such engineer's services and reimburse JTI for such engineer's costs and expenses, including travel (airfare, auto rental or mileage for use of company vehicles), lodging and meals. From time to time on an as-needed basis such engineer may recommend to Buyer that it retain the services of engineering consulting firms to provide specialized engineering services; any such outside firms shall be retained by Buyer at its discretion and expense.

6.14 Pre-Final Order Consummation. If the consummation of the transactions contemplated by this Agreement occur prior to the receipt of a Final Order and the FCC Consent is reversed or otherwise set aside pursuant to a final order of the FCC or the final, unappealable order of a court of competent jurisdiction, then the Parties shall comply with such order in a manner that otherwise complies with applicable Legal Requirements and returns the Parties to the *status quo ante* in all material respects, including the return of the Purchase Price to Buyer and the return of the Stations to Seller. In connection therewith, the Parties shall seek any required additional consent of the FCC in a manner consistent with Sections 6.1 and 6.2.

6.15 Real Property and Equipment Appraisal. Buyer and Seller shall cooperate in arranging for the completion as soon as practicable of an appraisal of the Real Property and Equipment by a mutually agreed to appraisal firm to satisfy the condition to Closing set forth in Section 8.7. The cost of such appraisal shall be paid by Buyer. If the appraised value of the Real Property and Equipment shall be less than [REDACTED] unless Buyer shall promptly waive in writing the requirement of Section 8.7 as a condition to Closing, Buyer and Seller shall promptly and in good faith use their reasonable best efforts, first, to obtain the consent of Buyer's lender to give collateral value (for purposes of its loan-to-value ratios) to the FCC Licenses and other intangible assets being acquired by Buyer, and then, if such efforts shall be unsuccessful, to otherwise make arrangements, if possible, that satisfy such lender's appraisal requirement.

#### SECTION 7: CONDITIONS PRECEDENT TO OBLIGATION OF SELLER TO CLOSE

The obligations of Seller to sell the Assets and to otherwise consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, on or prior to the Closing Date, of each of the following conditions:

7.1 Representations, Warranties and Covenants. All representations and warranties of Buyer contained in this Agreement shall be true and complete at and as of the Closing Date as if such representations and warranties were made at and as of the Closing Date except for (i) any inaccuracy that comprises a Material Adverse Effect on Buyer, (ii) any representation or

warranty that is expressly stated only as of a specified earlier date, in which case such representation or warranty shall be true as of such earlier date and (iii) changes in any representation or warranty that are contemplated by this Agreement; and Buyer shall have performed all agreements and covenants required hereby to be performed by Buyer prior to or on the Closing Date, except to the extent such noncompliance does not comprise a Material Adverse Effect or results from any act or omission of Seller or its agents.

7.2 Closing Deliveries. Seller shall have received from Buyer the documents and other items to be delivered to Seller by Buyer pursuant to Section 9.3 of this Agreement.

7.3 FCC Consent. The FCC Consent shall have been issued, and no action shall have been taken by the FCC or other Governmental Authority that is pending as of the Closing Date with respect to the FCC Consent that makes illegal, restrains or prohibits the consummation of the transactions contemplated hereby.

7.4 No Injunction. No material Legal Requirement shall have been promulgated, enacted, entered or enforced, and no other action in any court proceeding shall have been taken, by any Governmental Authority that has the effect of making illegal or of restraining or prohibiting the consummation of the transactions contemplated hereby.

#### SECTION 8: CONDITIONS PRECEDENT TO OBLIGATION OF BUYER TO CLOSE

The obligations of Buyer to purchase the Assets and to otherwise consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, on or prior to the Closing Date, of each of the following conditions:

8.1 Representations, Warranties and Covenants. All representations and warranties of Seller contained in this Agreement shall be true and complete in all material respects at and as of the Closing Date as if such representations and warranties were made at and as of the Closing Date except for (i) any representation or warranty that is expressly stated only as of a specified earlier date, in which case such representation or warranty shall be true as of such earlier date, (ii) changes in any representation or warranty that are expressly contemplated by this Agreement or (iii) changes in any representation or warranty as a result of any act or omission of Buyer or its agents; and Seller shall have performed in all material respects all agreements and covenants required hereby to be performed by Seller prior to or on the Closing Date, except to the extent such noncompliance results from any act or omission of Buyer or its agents.

8.2 Closing Deliveries. Buyer shall have received from Seller the documents and other items to be delivered by Seller pursuant to Section 9.2 of this Agreement.

8.3 FCC Consent. The FCC Consent shall have been issued, and no action shall have been taken by the FCC or other Governmental Authority that is pending as of the Closing Date with respect to the FCC Consent that makes illegal, restrains or prohibits the consummation of the transactions contemplated hereby.

8.4 Material Consents. Each Consent that is designated by Buyer and Seller on Schedule 3.3 (or on the other Schedules referred to therein) as being a "Material Consent" shall

have been obtained without any material adverse change in the terms or conditions of each Contract or License to which such Consent relates from those in effect on the date hereof.

8.5 No Injunction. No material Legal Requirement shall have been promulgated, enacted, entered or enforced, and no other action in any court proceeding shall have been taken, by any Governmental Authority that has the effect of making illegal or of restraining or prohibiting the consummation of the transactions contemplated hereby by this Agreement.

8.6 Environmental Assessment. Prior to Closing, Buyer shall have received an environmental assessment of the Real Property conducted by an environmental engineering company, including the certificate of the environmental engineer, stating in substance that, following all appropriate inquiry into the previous ownership and uses of such Real Property consistent with good commercial or customary practice, the engineer has concluded that there is no environmental condition on or affecting any of the Real Property that would either (i) materially impair the use of such Real Property for the operation of the Stations, or (ii) require material remedial action to bring such Real Property into compliance with all applicable environmental laws and regulations. In the event the environmental assessment discloses an environmental problem that can be remedied by the expenditure of Fifty Thousand Dollars (\$50,000.00) or less, Seller will either remedy the problem, at its expense, prior to the Closing or, failing that, the Purchase Price will be reduced by the amount, as estimated in the environmental assessment, that will be required to remedy the environmental problem, and the Closing will otherwise take place in the manner, and at the time, provided for herein. In the event that the cost of remedying the environmental problem will exceed Fifty Thousand Dollars (\$50,000), Seller shall have the option to agree to reduce the Purchase Price by the full amount of what it will cost to remedy the problem, in which event the Closing will take place at the reduced price, or, if Seller is not otherwise in default, to terminate this Agreement; *provided* that if Buyer agrees to accept a Fifty Thousand Dollar (\$50,000.00) reduction in the Purchase Price as full compensation for the costs that Buyer will incur to remedy the environmental problem, Seller shall not have the right to terminate and the Closing will take place with the Purchase Price reduced by Fifty Thousand Dollars (\$50,000.00). Buyer shall commission and pay the cost of the environmental assessment. Buyer's failure to commission the environmental assessment in time to permit the completion thereof prior to Closing shall be deemed a waiver of this condition and shall not be grounds for terminating this Agreement or for extending the Closing Date.

8.7 Real Property and Equipment Appraisal. The appraised value of the Real Property and the Equipment shall be not less than [REDACTED] subject to the terms of Section 6.15 hereof.

8.8 Tower Lights. The lights on the Stations' tower located at 94 TV Station Road in Sunflower County, Mississippi shall be in compliance in all material respects with the Stations' Licenses and any other applicable Legal Requirements.

8.9 No Material Adverse Effect. Between the date of this Agreement and the Closing Date, no Material Adverse Effect shall have occurred with respect to Seller.

## SECTION 9: THE CLOSING

### 9.1 The Closing.

(a) The Closing Date shall be jointly set by Buyer and Seller for a date not earlier than the first Business Day after the FCC Consent shall have been obtained nor later than the tenth Business Day after the FCC Consent shall have become a Final Order.

(b) On the Closing Date and at the Closing Place, Seller shall make such deliveries as are set forth in Section 9.2, and Buyer shall make such deliveries as are set forth in Section 9.3. All transactions at the Closing are deemed to have taken place simultaneously and no transaction shall be deemed to have been completed, nor shall any document be deemed to have been delivered, until all transactions shall have been completed and all documents delivered.

### 9.2 Deliveries by Seller to Buyer. Seller shall deliver to Buyer:

(a) One or more deeds, bills of sale, assignments, motor vehicle title certificates, and other appropriate instruments of conveyance transferring to Buyer all of the Assets in form and substance reasonably satisfactory to Buyer;

(b) A copy of each instrument evidencing any Consent that shall have been obtained prior to Closing;

(c) A copy of the resolutions of Seller approving the transactions contemplated by this Agreement, certified by Seller's secretary;

(d) A good standing certificate of each Seller from its jurisdiction of formation, dated within ten Business Days prior to the Closing Date;

(e) A certificate signed by an officer of Seller attesting to Seller's fulfillment of the conditions set forth in Sections 8.1;

(f) Upon Buyer's election, the Office Lease, duly executed by Star City;

(g) Upon Buyer's election, the Engineering Services Agreement, duly executed by JTI;

(h) The Indemnity Agreement, if required pursuant to Section 10.6; and

(i) Such other documents reasonably requested by Buyer to give effect to the transactions contemplated by this Agreement.

### 9.3 Deliveries by Buyer to Seller. Buyer shall deliver to Seller:

(a) The Closing Cash Payment (unless Seller directs Buyer in writing that all or a portion of such payment shall be made to the Intermediary or any other person);

(b) One or more appropriate assumption agreements whereby Buyer assumes and agrees to perform the Assumed Liabilities in form and substance reasonably satisfactory to Seller;

(c) A copy of the resolutions of Buyer approving the transactions contemplated by this Agreement, certified by Buyer's secretary;

(d) A certificate signed by an officer of Buyer attesting to Buyer's fulfillment of the conditions set forth in Section 7.1;

(e) Upon Buyer's election, the Office Lease;

(f) Upon Buyer's election, the Engineering Services Agreement;

(g) The Indemnity Agreement, if required pursuant to Section 10.6; and

(h) Such other documents reasonably requested by Seller to give effect to the transactions contemplated by this Agreement.

#### SECTION 10: INDEMNIFICATION

10.1 Survival. The representations and warranties of the Parties contained in this Agreement (or in any document delivered in connection herewith) shall be deemed to have been made on the date of this Agreement and on the Closing Date, shall be deemed to be material and to have been relied upon by the Parties notwithstanding any investigation made by the Parties. Such representations and warranties, and any claims with respect to a Party's performance of any covenants of such Party to be performed prior to or at Closing, shall survive the Closing and shall remain operative and in full force and effect until the first anniversary of the Closing, *provided, however*, that the representations and warranties set forth in Sections 3.2, 3.13, 3.19, 4.2 and 4.8 shall survive until the expiration of the applicable statute of limitations. The covenants in this Agreement to be performed after the Closing shall survive the Closing until fully performed. (The applicable period of such survival subsequent to Closing is referred to as the "Indemnity Period.")

10.2 Seller's Indemnity. During the Indemnity Period (or thereafter, solely with respect to any claim for indemnification for which a Claim Notice has been given prior to the expiration of the applicable Indemnity Period), Seller shall indemnify and hold harmless Buyer, its Affiliates and its representatives from and against any and all demands, losses, Liabilities, Actions, assessments, actual damages (but excluding incidental or consequential damages), fines, Taxes, penalties, reasonable costs and expenses (including reasonable expenses of investigation, and reasonable fees and disbursements of counsel, accountants and other experts) (collectively, "Losses") incurred or suffered by Buyer, its Affiliates or its representatives, arising out of, resulting from or relating to:

(a) Any breach of any of the representations or warranties made by Seller in this Agreement, and any failure by Seller to perform any of its covenants contained in this Agreement to be performed prior to or at Closing;

(b) Any failure by Seller to perform any of its covenants contained in this Agreement to be performed after the Closing; or

(c) The Non-Assumed Liabilities.

10.3 Buyer's Indemnity. During the Indemnity Period (or thereafter, solely with respect to any claim for indemnification for which a Claim Notice has been given prior to the expiration of the Indemnity Period), Buyer shall indemnify and hold harmless Seller, its Affiliates and its representatives from and against any and all Losses incurred or suffered by Seller, its Affiliates or its representatives, arising out of, resulting from or relating to:

(a) Any breach of any of the representations or warranties made by Buyer in this Agreement, and any failure by Buyer to perform any of its covenants contained in this Agreement to be performed prior to or at Closing;

(b) Any failure by Buyer to perform any of its covenants contained in this Agreement to be performed after the Closing; or

(c) The Assumed Liabilities and any Liabilities arising from Buyer's ownership and control of the Assets, the Business and the Stations on or after the Closing Date.

10.4 Procedures. In the event that any Party hereto shall sustain or incur any Losses in respect of which indemnification may be sought by such Party pursuant to this Section 10, the Party seeking such indemnification (the "Claimant") shall assert a claim for indemnification by giving prompt written notice thereof (a "Claim Notice") which shall describe in reasonable detail the facts and circumstances upon which the asserted claim for indemnification is based, along with a copy of the claim or complaint, if applicable, to the Party providing indemnification (the "Indemnitor"). For purposes of this paragraph, any Claim Notice that is sent within fifteen (15) days of the date upon which the Claimant actually learned of such Loss shall be deemed to have been "prompt notice"; *provided* that failure of the Claimant to give the Indemnitor prompt notice as provided herein shall not relieve the Indemnitor of any of its obligations hereunder except to the extent that the Indemnitor is materially prejudiced by such failure.

(a) Upon the receipt of such Claim Notice regarding a claim or complaint by a third party against Claimant for which it seeks indemnification, the Indemnitor shall have the right to undertake (at its own expense), by counsel or representatives of its own choosing, the good faith defense, compromise or settlement to be undertaken on behalf of the Claimant and shall keep the Claimant reasonably informed with respect thereto, *provided* that the Indemnitor unconditionally agrees in writing that it shall provide indemnity to the Claimant for all Losses relating to the claim disclosed in the Claim Notice and provides evidence reasonably satisfactory to the Claimant of its ability to provide such indemnity. Indemnity for such Losses shall not be deemed an admission of liability on the part of the Indemnitor as against any such Person. If the Indemnitor elects to undertake such defense by its own counsel or representatives, the Indemnitor shall give notice to the Claimant within thirty (30) days of its receipt of the Claim Notice. Notwithstanding the foregoing, the Indemnitor may not assume or control the defense if the named parties to the action giving rise to the Claim Notice (including any impleaded parties) include both the Indemnitor and the Claimant and representation of both Parties by the same counsel would be inappropriate (based on a written opinion of outside counsel) due to actual or

potential differing interests between them, in which case the Claimant shall have the right to defend the action and to employ counsel reasonably approved by the Indemnitor, and, to the extent the matter is determined to be subject to indemnification hereunder, the Indemnitor shall reimburse the Claimant for all reasonable costs associated with such defense.

(b) The Claimant shall cooperate with the Indemnitor in such defense and provide the Indemnitor with all information and assistance reasonably necessary to permit the Indemnitor to settle and/or defend any such claim. Except as otherwise provided in the last sentence of Section 10.4(a), the Claimant may retain counsel (at the Claimant's expense) to monitor or participate in the defense of such claim, but the Indemnitor shall be entitled to control the defense unless the Claimant unconditionally agrees in writing to relieve the Indemnitor from liability with respect to the particular matter. The Indemnitor shall have the right in good faith to settle or compromise any such claim, *provided* that at least ten (10) days prior notice of such settlement or compromise is given to the Claimant. Notwithstanding the foregoing, in connection with any such settlement or compromise negotiated by the Indemnitor, no Claimant shall be required by an Indemnitor to (i) enter into any settlement that does not include as an unconditional term thereof the delivery by the claimant or plaintiff to the Claimant of a release from all liability in respect of such claim or litigation, or (ii) enter into any settlement that attributes by its terms any non-indemnified liability to the Claimant.

(c) If an Indemnitor fails, within thirty (30) days after the date of the Claim Notice, to give notice to the Claimant of such Indemnitor's election to assume the defense thereof, the Indemnitor shall be bound by any determination made in such action or any compromise or settlement thereof effected by the Claimant and shall reimburse the Claimant for all Losses (including reasonable attorney's fees) incurred by the Claimant; *provided, however*, that the Claimant shall keep the Indemnitor advised on a timely basis of significant developments with respect to such defense and permit the Indemnitor to participate, at its own election and expense, at any time, in the defense thereof.

10.5 Qualifications and Limitations. Notwithstanding any provision contained in this Agreement to the contrary, the Indemnitor's obligations to indemnify the Claimant pursuant to Section 10.2 or 10.3 shall be subject to the following qualifications and limitations:

(a) No indemnification shall be required to be made by Seller or Buyer, as Indemnitor, under Section 10.2(a) (other than with respect to the representations and warranties set forth in Sections 3.2, 3.13 and 3.19) or under Section 10.3(a) (other than with respect to the representations and warranties set forth in Sections 4.2 and 4.8), respectively, until the aggregate amount of Losses of Buyer or Seller as Claimant exceeds Thirty-Five Thousand Dollars (\$35,000), and then, only with respect to the amount of such Losses in excess of Thirty-Five Thousand Dollars (\$35,000).

(b) In no event shall either Buyer as Claimant under Section 10.2(a) (other than with respect to the representations and warranties set forth in Sections 3.2, 3.13 and 3.19) or Seller as Claimant under Section 10.3(a) (other than with respect to the representations and warranties set forth in Sections 4.2 and 4.8) have any right to indemnity exceeding, in the aggregate, the amount of One Million Five Hundred Thousand Dollars (\$1,500,000).

(c) All of Buyer's or Seller's Losses sought to be recovered under Section 10.2 or 10.3 hereof shall be net of any insurance proceeds actually received by Buyer or Seller as Claimant, as the case may be with respect to the events giving rise to such Losses. Each Party shall prosecute, or cause its appropriate Affiliate to prosecute, diligently and in good faith any claim for losses or damages with any applicable insurer. If a Claimant or any of its Affiliates actually recovers from insurers or other third parties any payments in respect of a matter for which such Claimant has been indemnified pursuant to Section 10.2 or Section 10.3, such Claimant shall promptly pay over to the Indemnitor the amount so recovered (net of any expenses incurred by it in procuring such recovery), but not in excess of the amount previously paid by the Indemnitor to or on behalf of the Claimant in respect of such matter.

(d) Following the Closing, the sole and exclusive remedy for either Party for any claim arising out of a breach of any representation, warranty, covenant or other agreement herein shall be a claim for indemnification pursuant to this Section 10 (other than with respect to fraud or intentional misrepresentation, and other than a Party's right to seek specific performance or other equitable remedies).

(e) Notwithstanding any other terms hereof, the liability of Owner and Star City as referred to collectively as Seller in Section 10.2 hereof shall not be joint. Instead, Owner shall be solely liable for any breach of its representations and warranties, and its nonperformance of its covenants and non-fulfillment of its obligations, with respect to its own assets and operations and the Business, and Star City shall be solely liable for any breach of its representations and warranties, and its nonperformance of its covenants and non-fulfillment of its obligations, with respect to the Fee Estates owned by Star City included in the Real Property.

10.6 Adequacy of Seller's Assets to Secure Indemnity. Seller confirms that upon the consummation of the contemplated Exchange, the Exchange Assets shall be acquired for a purchase price in excess of the Purchase Price hereunder. If the Exchange is not consummated or Seller has not designated any replacement property, Seller shall allocate from the Closing Cash Payment an amount of Two Hundred Fifty Thousand Dollars (\$250,000) to be deposited at Closing with the Escrow Agent in immediately available funds, to be held by the Escrow Agent until the earlier of (i) the Seller's acquisition of the replacement property or (ii) the first anniversary of the Closing Date (or, if later, until all claims for which a Claim Notice has been delivered on or prior to the first anniversary of the Closing Date has been finally resolved, either by agreement of the Parties or by a court of competent jurisdiction from which no appeal may be made) in accordance with the terms of an indemnity agreement to be executed by Buyer, Seller and the Escrow Agent (the "Indemnity Agreement"). If as of Closing the Exchange shall not be reasonably likely to occur, Buyer and Seller shall at Closing agree to the form of such Indemnity Agreement, the terms of which shall be reasonably acceptable to the Parties.

## SECTION 11: TERMINATION

11.1 Termination by Mutual Consent. This Agreement may be terminated by the mutual written consent of the Parties.

11.2 Termination by Seller. This Agreement may be terminated by Seller and the purchase and sale of the Stations abandoned, if Seller is not then in material default, upon written notice to Buyer, upon the occurrence of any of the following:

(a) Conditions. Subject to Section 11.4, if on the date that would otherwise be the Closing Date, any of the conditions precedent to the obligations of Seller set forth in Section 7 has not been satisfied, or waived in writing by Seller.

(b) Breach. If Buyer is in breach of its representations and warranties set forth in Section 4 in any material respect on the date hereof or Buyer breaches in any material respect its covenants set forth herein and, after written notice thereof is given to Buyer, Buyer is unwilling to cure such breach or does not undertake with diligence to effect such cure on a timely basis prior to Closing, or such breach is incapable of being cured prior to Closing, subject in either case to Section 11.4 below.

(c) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any Judgment that would prevent or make unlawful the Closing.

(d) Failure to Obtain FCC Consent. If (i) the FCC denies grant of the FCC Consent in an order which has become a Final Order, (ii) the FCC Consent shall not have been received from the FCC prior to May 31, 2008, or (iii) subject to Section 11.10, the Closing shall not have occurred on or prior to November 16, 2007.

11.3 Termination by Buyer. This Agreement may be terminated by Buyer and the purchase and sale of the Stations abandoned, if Buyer is not then in material default, upon written notice to Seller, upon the occurrence of any of the following:

(a) Conditions. Subject to Section 11.4, if on the date that would otherwise be the Closing Date, any of the conditions precedent to the obligations of Buyer set forth in Section 8 has not been satisfied, or waived in writing by Buyer.

(b) Breach. If Seller is in breach of its representations and warranties set forth in Section 3 in any material respect on the date hereof or Seller breaches in any material respect its covenants set forth herein and, after written notice thereof is given to Seller, Seller is unwilling to cure such breach or does not undertake with diligence to effect such cure on a timely basis prior to Closing, or such breach is incapable of being cured prior to Closing, subject in either case to Section 11.4 below.

(c) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any Judgment that would prevent or make unlawful the Closing.

(d) Failure to Obtain FCC Consent. If (i) the FCC denies grant of the FCC Consent in an order which has become a Final Order, (ii) the FCC Consent shall not have been received from the FCC prior to May 31, 2008, or (iii) subject to Section 11.10, the Closing shall not have occurred on or prior to November 16, 2007.

(e) Damage to Assets. If Buyer shall elect to exercise its termination right pursuant to Section 6.10.

11.4 Unsatisfied Conditions; Opportunity to Satisfy. If upon the initially scheduled Closing Date any of the conditions precedent to the obligations of either Party set forth in Section 7 or 8 of this Agreement shall not have been materially satisfied, and the Party entitled to

the benefit of such condition is unwilling to waive the satisfaction of such unsatisfied condition, then such Party shall provide the other Party with written notice specifying in reasonable detail the nature of such unsatisfied condition, whereupon the other Party shall have sixty (60) calendar days from the date of receipt of such notice to effect the satisfaction of such unsatisfied condition (but only if such condition is capable of being satisfied within such time period), and Closing shall be postponed until a business day specified by such other Party with five day's written notice to the Party requiring the satisfaction of such condition, with such postponed Closing to occur within five (5) Business Days of the satisfaction of such condition and no later than five (5) Business Days after the sixtieth calendar day following the initially scheduled Closing Date. Notwithstanding the foregoing, no opportunity to cure shall be available to Buyer with respect to its obligation or ability to pay the Purchase Price at Closing, the Closing Date shall only be subject to one postponement and in no event shall the provisions of this Section require Buyer to postpone the Closing Date beyond November 16, 2007. If the unsatisfied condition is not satisfied in all material respects (or is not subject to such satisfaction) within such time period, then each Party shall be entitled to exercise its rights under Section 11 with this Section 11.4 having no further effect.

11.5 Effect of Termination. Upon termination: (i) if neither Party hereto is in material breach of any provision of this Agreement, the Parties hereto shall not have any further liability to each other; (ii) if Seller shall be in material breach of any provision of this Agreement, Buyer shall have the rights and remedies provided in Section 11.6 or otherwise available at law or equity; (iii) if Buyer shall be in material breach of any provision of this Agreement and Seller is not in material breach of any provision of this Agreement, then Seller shall be entitled to receive the Escrow Amount as liquidated damages as provided in Section 11.7; and (iv) if both Parties shall be in material breach of any provision of this Agreement, then Buyer shall have its rights and remedies under clause (ii) above and Seller shall have all rights and remedies available at law or equity. If upon termination clause (iii) above does not apply, then the Escrow Amount, less any compensation due the Escrow Agent, shall be paid to Buyer, and Seller shall reimburse Buyer for one half of such amount due the Escrow Agent.

11.6 Specific Performance. The Parties recognize that if Seller refuses to perform under the provisions of this Agreement or otherwise breaches its obligation to consummate this Agreement, monetary damages alone would not be adequate to compensate Buyer for its injury. Buyer shall therefore be entitled, in addition to any other remedies that may be available, to obtain specific performance of the terms of this Agreement. If any action is brought by Buyer to enforce this Agreement, Seller shall waive the defense that there is an adequate remedy at law.

11.7 Payment of Escrow Deposit to Seller as Liquidated Damages. If this Agreement is terminated as a result of a material breach by Buyer of any of its obligations, representations, warranties or covenants set forth in this Agreement and Seller is not in material breach of any provision of this Agreement, then and in that event Seller shall have the right to receive and retain the Escrow Amount. The Parties agree that the amount of the actual damages suffered by Seller as a result of a breach by Buyer are likely to be difficult or impractical to ascertain and, therefore, the payment of the Escrow Amount to Seller is fair and reasonable and does not constitute a penalty.

11.8 Attorneys' Fees. In the event of a default by either Party that results in a lawsuit or other proceeding for any remedy available under this Agreement, the prevailing party shall be

entitled to reimbursement from the other party of its reasonable legal fees and expenses (whether incurred in arbitration, at trial, or on appeal).

11.9 Surviving Obligations. The rights and obligations of the Parties described in Sections 6.5, 6.6 and 12, and this Section 11 shall survive any termination.

11.10 Special Termination Right. In the event that Closing shall not have occurred on or prior to November 16, 2007, this Agreement may be terminated by either Party, if such Party is not then in material default with respect to any of its obligations hereunder, upon (i) written notice to the other Party, and (ii) payment to the other Party of a termination fee in the amount of such other Party's actual expenses incurred in connection with the transactions contemplated under this Agreement up to a maximum amount of One Hundred Fifty Thousand Dollars (\$150,000) by wire transfer of immediately available funds in U.S. dollars to an account designated by the other Party.

## SECTION 12: MISCELLANEOUS

12.1 Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be (i) in writing, may be delivered by personal delivery, sent by commercial delivery service or certified mail, return receipt requested, or sent by email (with, if available under email options, a "delivery receipt" and a "read receipt" being requested), (ii) deemed to have been given on the date of actual receipt, which may be presumptively evidenced by the date set forth in the records of any commercial delivery service or on the return receipt, or on the date of the sender's receipt of a "read receipt" from recipient or sender's confirmation by phone of recipient's receipt, and (iii) addressed to the recipient at the address specified below, or with respect to any party, to any other address that such party may from time to time designate in a writing delivered in accordance with this Section 12.1:

If to Buyer:

Commonwealth Broadcasting Group, Inc.  
Attn: Charles M. Harker, President  
1150 Foothill Blvd., Suite D  
La Canada, CA 91011  
Phone: 818-790-9283  
Email: [charlesm@pacbell.net](mailto:charlesm@pacbell.net)

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

David Tillotson, Esq.  
4606 Charleston Terrace, N.W.  
Washington, DC 20007-1911  
Phone: 202-625-6241  
Email: [dtlaw@starpower.net](mailto:dtlaw@starpower.net)

If to Seller:

Mississippi Telecasting Company, Inc.  
Attn: Russell J. Schwartz, V.P. Bus. Affairs/Gen. Counsel  
c/o Bahakel Communications, Ltd.  
1 Television Place  
Charlotte, NC 28205  
Phone: 704-632-7244  
Email: [RSchwartz@bahakel.com](mailto:RSchwartz@bahakel.com)

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

John H. Pomeroy, Esq.  
Dow Lohnes PLLC  
1200 New Hampshire Avenue, NW  
Washington, D.C. 20036  
Phone: 202-776-2539  
Email: [jpomeroy@dowlohn.com](mailto:jpomeroy@dowlohn.com)

12.2 Expenses. Seller and Buyer shall share equally the fees associated with filing the Assignment Application for the FCC Consent. Upon (and subject to the occurrence of) the Closing, Buyer and Seller shall each pay one half of (i) all federal, state and local sales or transfer taxes and recording fees and costs arising from the consummation of the transactions contemplated herein, and (ii) the broker's commission in the amount of One Hundred Thousand Dollars (\$100,000) for the services of Executive Media Services, the broker retained by Buyer. Except as otherwise provided in this Agreement, Seller and Buyer shall each be liable for its own fees and expenses incurred in connection with the negotiation, preparation, execution or performance of this Agreement and the consummation of the transactions contemplated herein.

12.3 Choice of Law; Jurisdiction. This Agreement shall be construed, interpreted and the rights of the Parties determined in accordance with the laws of the State of North Carolina, without giving effect to the principles of conflicts of law of such state. The Parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the U.S. District Court for the Western District of North Carolina, or any state court located in the Charlotte area of North Carolina over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby and each Party hereby irrevocably agrees that all claims in respect of such dispute or any suit, action or proceeding related thereto may be heard and determined in such courts. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of the Parties hereto hereby consents to process being served by any Party to this Agreement in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 12.1.

12.4 Waiver of Trial by Jury. EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT OR ACTION OF ANY PARTY HERETO.

12.5 Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by Seller or Buyer without the prior written consent of the other Party hereto, except that to the extent reasonably necessary for Seller and Buyer to each consummate a like-kind exchange under Section 1031 of the Code, and the regulations promulgated thereunder (i) Seller may assign to the Intermediary Seller's rights (but not its obligations) under this Agreement, including the right to receive all or a portion of the Closing Cash Payment payable by Buyer at Closing, and (ii) Buyer may assign to Tillotson certain of Buyer's rights and obligations under this Agreement, including the obligation to pay to Seller all or a portion of the Closing Cash Payment payable by Buyer at Closing. Subject to the foregoing,

this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, and no other person shall have any right, benefit or obligation hereunder (other than the Parties' Affiliates and representatives under and in accordance with Section 10).

12.6 Entire Agreement. This Agreement, all schedules hereto, and all documents and certificates to be delivered by the Parties pursuant hereto, collectively represent the entire understanding and agreement between the Parties hereto with respect to the subject matter of this Agreement. All schedules attached to this Agreement shall be deemed part of this Agreement and are incorporated herein, where applicable, as if fully set forth herein. This Agreement supersedes all prior negotiations, letters of intent or other writings between the Parties and their respective representatives with respect to the subject matter hereof.

12.7 Amendment; Waivers of Compliance; Consents. This Agreement may be amended at any time but only by an instrument in writing signed by the Parties hereto. Except as otherwise provided in this Agreement, any failure of any of the Parties to comply with any obligation, representation, warranty, covenant, agreement, or condition herein may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any Party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section.

12.8 Severability. In the event that any one or more of the provisions contained in this Agreement or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument and this Agreement shall be construed in a manner that, as nearly as possible, reflects the original intent of the Parties.

12.9 Mutual Contribution. The Parties to this Agreement and their counsel have mutually contributed to its drafting and to the drafting of all other agreements referenced herein. Consequently, no provision of this Agreement (or any such agreement referenced herein) shall be construed against any Party on the ground that such Party drafted the provision or caused it to be drafted or the provision contains a covenant of such Party.

12.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument. For all intents and purposes delivery of counterpart signature pages may be effected via email of scanned, or facsimile transmission of, executed signature pages.

*[END OF PAGE. SIGNATURES FOLLOW.]*

IN WITNESS WHEREOF, this Agreement has been executed by the Parties hereto as of the date first above written.

BUYER:

COMMONWEALTH BROADCASTING  
GROUP, INC.

By: Charles M. Harker  
Charles M. Harker, President

SELLER:

MISSISSIPPI TELECASTING COMPANY,  
INC.

By: \_\_\_\_\_  
Beverly Poston, President

MISSISSIPPI BROADCASTING PARTNERS

By: \_\_\_\_\_  
Beverly Poston, President of Mississippi  
Telecasting Company, Inc., Managing  
Partner

STAR CITY DEVELOPMENT COMPANY,  
INC.

By: \_\_\_\_\_  
Beverly Poston, President

IN WITNESS WHEREOF, this Agreement has been executed by the Parties hereto as of the date first above written.

**BUYER:**

**COMMONWEALTH BROADCASTING  
GROUP, INC.**

By: \_\_\_\_\_  
Charles M. Harker, President

**SELLER:**

**MISSISSIPPI TELECASTING COMPANY,  
INC.**

By: Beverly Poston  
Beverly Poston, President

**MISSISSIPPI BROADCASTING PARTNERS**

By: Beverly Poston  
Beverly Poston, President of Mississippi  
Telecasting Company, Inc., Managing  
Partner

**STAR CITY DEVELOPMENT COMPANY,  
INC.**

By: Beverly Poston  
Beverly Poston, President