

OPTION AGREEMENT

BY AND AMONG

**SOUTHEASTERN MEDIA HOLDINGS, INC.,
COMMUNITY NEWSPAPER HOLDINGS, INC.**

AND

RAYCOM MEDIA, INC.

DATED AS OF FEBRUARY 17, 2003

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OPTION AGREEMENT

THIS OPTION AGREEMENT (this "Agreement") is dated as of February 17, 2003 (the "Effective Date"), and is entered into among **Southeastern Media Holdings, Inc.**, a Delaware corporation ("Seller"), **Community Newspaper Holdings, Inc.**, a Delaware corporation ("Parent"), and **Raycom Media, Inc.**, a Delaware corporation ("Buyer"). Other capitalized terms are defined in the Appendix to this Agreement.

RECITALS

WHEREAS, Seller have entered into a contract to become the licensee of broadcast television station WXTX-TV, Columbus, Georgia (the "Station"), and Parent is the sole stockholder of Seller;

WHEREAS, Seller has agreed to grant to Buyer an option to acquire the Station Assets described in more detail below, all on the terms described below and consistent with the rules and regulations of the FCC; and

WHEREAS, Buyer desires to provide to Seller, and Seller desires to receive from Buyer, certain non-sales services pursuant to the terms and subject to the conditions of the Shared Services Agreement.

NOW, THEREFORE, in consideration of the foregoing and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1.

GRANT OF OPTION; **GENERAL TERMS OF SALE**

1.1 **Option Grant; Assets Covered.** In consideration of the Option Payment, Buyer's agreement to enter into the Shared Services Agreement, the grant of the WTVM Option pursuant to Article 12 and other good and valuable consideration, subject to and effective upon the occurrence of the Acquisition, Seller hereby grants to Buyer, and Buyer hereby accepts Seller's grant of, an option (the "Option") to acquire the Station Assets, upon the terms and conditions set forth in this Agreement. Upon the exercise of the Option and subject to the terms and conditions stated in this Agreement, on the Closing Date, Seller shall sell, assign, convey, transfer, and deliver to Buyer, and Buyer shall acquire from Seller, all of Seller's rights in, to and under the assets and properties of Seller, real and personal, tangible and intangible, of every kind and description which are used or useful in connection with the business and operations of the Station, as a going concern, including, without limitation, rights under contracts and leases, real and personal property, plant and equipment, inventories, intangibles, licenses and goodwill, but excluding all such assets and properties which constitute Excluded Assets. The rights, assets, property, and business of Seller with respect to the Station to be transferred to Buyer pursuant to

this Section 1.1 in connection with the exercise of the Option are referred to as the "Station Assets," and the purchase and sale of the Station Assets pursuant to this Agreement in connection with the exercise of the Option is referred to as the "Sale." Subject to Section 1.2, the Station Assets include, without limitation, Seller's rights in, to and under the following, in each case if and to the extent in existence and held by Seller immediately prior to the Closing:

(a) FCC Authorizations and Other Authorizations. All (i) licenses, construction permits and authorizations issued by the FCC to Seller with respect to the Station (the "FCC Authorizations"), (ii) all Authorizations, and (iii) all applications for any of the foregoing, together with any renewals, extensions, or modifications thereof and additions thereto.

(b) Tangible Personal Property. All equipment, vehicles, furniture, fixtures, leasehold improvements, transmitting towers, antennas, transmitters, satellite earth stations, office materials and supplies, tools, spare parts and other tangible personal property of every kind and description used or held for use in connection with the Station Business (collectively, the "Tangible Personal Property") and any warranties therefor, to the extent transferable to Buyer.

(c) Real Property. All Real Property held by Seller and all buildings, structures, towers, and improvements thereon used in the Station Business (the "Acquired Real Property"), and, except as otherwise provided in Section 1.5, all other rights under any Contracts relating to real property (the "Realty Contracts"); provided that, without limitation to Buyer's rights pursuant to Section 1.3 and Article 8, in the event of destruction of or damage to any such real property interest, any improvement thereon or any property described in Section 1.1(b) which is not repaired or restored prior to the Closing Date, then at the Closing Seller shall assign to Buyer all of Seller's interest, if any, in the proceeds of any insurance covering such damage or destruction.

(d) Agreements for Sale of Time. Except as otherwise provided in Section 1.5, all orders, agreements and other Contracts for the sale of advertising time (including Trades) on the Station (collectively, the "Time Sales Contracts").

(e) Program Contracts. Except as otherwise provided in Section 1.5, all program licenses and other Contracts under which Seller is authorized to broadcast film product or programs on the Station (collectively, the "Program Contracts").

(f) Other Contracts. Except as otherwise provided in Section 1.5, all affiliation agreements and other Contracts relating to the Station to which Seller is a party with respect to the Station and all Contracts entered into by Seller in respect of the Station between the date hereof and the Closing Date in accordance with Sections 6.1(a) and (c) and the other terms and conditions of this Agreement (all such agreements and Contracts, together with the Realty Contracts, the Time Sales Contracts and the Program Contracts, the "Assumed Contracts").

(g) Intellectual Property. Except as otherwise provided in Section 1.2(b), all Intellectual Property owned, used or held for use by Seller in connection with the Station Business, including, without limitation, all of Seller's rights to use the call letters "WXTX-TV"

and any related or other call letters, names and phrases used in connection with the Station (the "Transferred Intellectual Property").

(h) Programming Copyrights. All program and programming materials and elements of whatever form or nature owned by Seller and used in connection with the Station Business, whether recorded on tape or any other media or intended for live performance, and whether completed or in production, and all related common law and statutory copyrights owned by or licensed to Seller and used in connection with the Station Business.

(i) FCC Records. Subject to Section 11.12, all FCC logs and other compliance records of Seller that relate to the operations of the Station.

(j) Files and Records. Subject to Section 11.12, all files, logs and other records of Seller relating to the Station Business prior to the Closing Date, including, without limitation, all books, records, accounts, checks, payment records, tax records (including, without limitation, payroll, unemployment, real estate, and other tax records), and other such similar books and records of Seller, for five (5) fiscal years immediately preceding the Closing Date, to the greatest extent applicable, including all filings by Parent, Seller or Fisher (to the extent in the possession or control of Parent or Seller) with respect to the Station and any other records or information in the possession or control of Parent or Seller relating to the Station or the Station Business.

(k) Goodwill. All of Seller's goodwill in, and going concern value of, the Station.

(l) Prepaid Items. All prepaid expenses relating to the Station.

(m) Cash. All cash, cash equivalents, and cash items of any kind whatsoever, certificates of deposit, money market instruments, bank balances, and rights in and to bank accounts, marketable and other securities held by Seller.

(n) Receivables and Other Claims. All notes and accounts receivable and other receivables of Seller relating to or arising out of the operation of the Station prior to the Closing, all security, insurance, and similar deposits, and all other claims of Seller with respect to transactions or other conduct of the Station Business prior to the Closing, including, without limitation, claims for tax refunds and claims of Seller under all Contracts with respect to events for the period prior to the Closing.

(o) Insurance. All of Seller's rights under all insurance policies of Seller to the extent that such policies cover any Assumed Liabilities; and

(p) Fisher Assets; Fisher Purchase Agreement. All (i) other assets conveyed to Seller at the Acquisition pursuant to the Fisher Purchase Agreement not otherwise disposed of by Seller after the Acquisition Date by Seller in the ordinary course of business and pursuant to the terms and subject to the conditions of this Agreement and (ii) rights of Parent or Seller, as the case may be, under the Fisher Purchase Agreement relating in any way to the Station, the Station Business or the Station Assets.

Notwithstanding anything herein to the contrary, in the event that the existence or condition of any asset (including an asset which, but for this sentence, would be deemed to be a Station

Asset) constitutes or arises out of a breach or inaccuracy of any representation or warranty or the non-fulfillment or breach of any covenant, agreement or obligation of Seller or Parent hereunder, then Buyer shall have the right to elect at any time to deem such asset to be an Excluded Asset for purposes hereof.

1.2 Excluded Assets. There shall be excluded from the Station Assets and, to the extent in existence on the Closing Date, retained by Seller, the following assets (the "Excluded Assets"):

(a) Insurance. Subject to Sections 1.1(c), (n) and (o), all contracts of insurance and all insurance plans and the assets thereof, together with all rights and claims thereunder.

(b) Name. All of Seller's rights to use the name "Southeastern Media Holdings, Inc.," "Community Newspaper Holdings, Inc.," any variations thereof, or any related logo, name or phrase.

(c) Corporate Books and Records. Subject to Section 11.12, all account books of original entry other than duplicate copies of such files and records, if any, that are maintained at any executive office of Seller or the offices of Seller's direct or indirect equity owners, and all materials of Seller which constitute attorney work product or contain information which is protected by attorney-client privilege, wherever located, relating to matters at or prior to the Closing; provided that Seller will provide Buyer access to such work product or privileged information to the extent necessary for Buyer to defend any claim brought against Buyer by a Person which is not, or is not an Affiliate of, a party to this Agreement; and

(d) Transaction Documents. All rights of Seller, or any successor to Seller, pursuant to any Transaction Document.

1.3 Option Exercise. Notwithstanding anything herein to the contrary, Buyer's right to exercise the Option to acquire the Station Assets shall not arise until the commencement of the Option Exercise Window. Any Sale will be subject to the prior approval of the FCC under the Communications Act and all applicable rules, regulations and policies of the FCC. In order to exercise the Option, Buyer must deliver to Seller during the Option Exercise Window written notice (an "Exercise Notice") of Buyer's intention to do so. Buyer may withdraw any Exercise Notice prior to the Closing Date by written notice to Seller of such withdrawal. No such withdrawal (and no withdrawal of any subsequent Exercise Notice) and no previous exercise of the Option where the Sale and Assumption have not been consummated (whether for failure to obtain the Required FCC Consent or otherwise) will affect Buyer's right subsequently to exercise the Option by delivering to Seller during the Option Exercise Window one or more other Exercise Notices. Upon the withdrawal of any Exercise Notice, Buyer shall reimburse Seller for all reasonable out-of-pocket expenses (including reasonable attorneys' fees) incurred by Seller in connection with its compliance with Section 6.2 with respect to such Exercise Notice. The parties acknowledge and agree that insofar as Buyer has the right pursuant to the Option Exercise Window to exercise the Option prior to the occurrence of an Ownership Rule Change, the exercise of the Option is neither affirmative or negative evidence as to whether such Ownership Rule Change has occurred.

1.4 Liabilities.

(a) Permitted Encumbrances. At the Closing, after the application of the Cash Purchase Price as may be required to repay the Existing Station Indebtedness, the Station Assets shall be sold, assigned, transferred and conveyed to Buyer free and clear of all Liens (including all Liens which secure the repayment of Existing Station Indebtedness), other than (i) Liens for current taxes in respect of the Station and the Station Assets and other amounts which are not then due and payable and which arise by operation of law, (ii) Liens on the Station Assets which are in existence on the date of this Agreement, which do not secure indebtedness for borrowed money and which are identified on Schedule 1.4(a), (iii) Liens on the Station's assets arising by operation of law after the date of this Agreement and not securing indebtedness for borrowed money, and (iv) Liens on the Station Assets which, in the aggregate, would not be expected to have a Material Adverse Effect ((i) through (iv), the "Permitted Liens").

(b) Assumption of Liabilities Generally. Pursuant to the terms and subject to the conditions of this Agreement, at the Closing Seller shall sell, convey, transfer and assign to Buyer, and Buyer shall assume from Seller, only the Assumed Liabilities. "Assumed Liabilities" means the following (and only the following), and only to the extent not excluded pursuant to Section 1.4(c):

(i) trade accounts payable of the Station Business for the purchase of goods and services, in each case only to the extent related to the Station Business and incurred in the ordinary course of business and consistent with Standard Practices; and

(ii) liabilities, obligations and commitments under the Assumed Contracts accruing with respect to the period commencing after the Closing Date or the Transfer Date (if consent to assignment thereof is required) (excluding, however, any liability or obligation arising from or relating to the performance or non-performance thereof on or prior to the Closing Date or the Transfer Date (if consent to assignment thereof is required)).

Notwithstanding anything herein to the contrary, in no event shall Buyer be deemed to have assumed any liability or obligation (including a liability or obligation which, but for this sentence, would be deemed to be an Assumed Liability) where the existence or nature of such liability or obligation constitutes or arises out of a breach or inaccuracy of any representation or warranty or the non-fulfillment or breach of any covenant, agreement or obligation of Seller or Parent hereunder.

(c) Excluded Liabilities. Buyer shall not be the successor to Seller, and Buyer expressly does not assume and shall not become liable to pay, perform or discharge, any obligation or liability whatsoever of Seller or relating to the Station Business or any of the Station Assets other than the Assumed Liabilities. All obligations, liabilities and commitments other than the Assumed Liabilities are referred to herein as the "Excluded Liabilities." Seller shall, and Parent shall cause Seller to, pay, perform and discharge when due, all of the Excluded Liabilities. Without limitation of the foregoing, the term "Excluded Liabilities" includes the following liabilities, whether accrued or fixed, absolute or contingent, known or unknown, determined or determinable, and, unless otherwise expressly provided herein, whenever arising:

(i) all liabilities and obligations relating to or arising out of the Excluded Assets;

(ii) all liabilities and obligations for Taxes arising out of, relating to or in respect of the Station Assets or the use thereof for any taxable periods (or any portion thereof) ending on or prior to the Closing Date or, except as expressly set forth in Section 7.7(a), arising from the transfer of the Station Business, the Station Assets or otherwise from the consummation of the transactions contemplated by this Agreement and the other agreements, certificates and documents delivered in connection herewith upon exercise of the Option;

(iii) any Claims or Legal Action of any nature whatsoever (including claims, demands, liabilities or obligations in respect of environmental matters, occupational safety, workers' or workmen's compensation, grievance proceedings or actual or threatened litigation, suits, claims, demands or governmental proceedings) which arose or were incurred on or before the Closing Date, or which arise from or are based on events occurring or conditions existing on or before the Closing Date;

(iv) any liability or obligation arising under any Plan or compensation arrangement of Seller and any liability or obligation to present or former Stockholders;

(v) any liabilities or obligations of Seller or Parent under the Transaction Documents;

(vi) any obligations, liabilities or commitments under the Assumed Contracts to the extent such obligations, liabilities and commitments relate to the period prior to the Closing Date or the Transfer Date (if consent to assignment thereof is required);

(vii) any matter identified or referred to in Schedule 1.4(c);

(viii) any obligation of Seller under any agreement limiting its ability to compete in the Station Business, to the greatest extent possible under such agreement;

(ix) except as provided in Section 1.4(b)(i), any liability or obligation to third parties and claims from third parties to the extent based on circumstances existing on or prior to the Closing Date or the conduct of the Station Business to the extent that such conduct occurred on or before the Closing Date;

(x) any liability or obligation of Seller relating to any Existing Station Indebtedness;

(xi) except as otherwise provided in Section 1.4(b)(i), all other obligations and liabilities arising from the operation of the Station Business or the ownership of the Station Assets on or prior to the Closing Date; and

(xii) any liabilities or obligations of Seller not related exclusively to the Station Business or the Station Assets.

1.5 Non-Assignable Rights. If upon exercise of the Option, any property or right included in the Station Assets is not assignable or transferable either by virtue of the provisions thereof or under applicable Legal Requirements without the consent of one or more third Persons (each, a "Non-Assignable Right"), Seller shall use its reasonable best efforts, at Seller's sole cost and expense, to obtain such consents after Buyer's delivery of an Exercise Notice until such consent is obtained. If following exercise of the Option, any such consent in respect of a Non-Assignable Right cannot be obtained prior to the Closing Date and the Closing shall occur, (i) this Agreement and the related instruments of transfer shall not constitute an assignment or transfer thereof, but (A) Seller shall use its reasonable best efforts to obtain such consent as soon as possible after the Closing Date and (B) Buyer shall cooperate, to the extent commercially reasonable, with Seller in Seller's efforts to obtain such consents; and (ii) at Buyer's election, (A) the Non-Assignable Right shall be an Excluded Asset and Buyer shall have no obligation pursuant to Section 1.4(b) or otherwise with respect to any such Non-Assignable Right or any liability with respect thereto or (B) Seller shall use its reasonable best efforts to obtain for Buyer substantially all of the practical benefit and burden of such property or rights, including by (1) entering into appropriate and reasonable alternative arrangements on terms mutually agreeable to Buyer and Seller and (2) subject to the consent and control of Buyer, enforcement, at the cost and for the account of Buyer, of any and all rights of Seller against the other party thereto arising out of the breach or cancellation thereof by such other party or otherwise.

ARTICLE 2.

CLOSING

2.1 Exercise Price.

(a) Payment. In consideration of the transfer and delivery of the Station Assets to Buyer at the Closing, (i) Buyer will pay to Seller an amount which is equal to the Cash Purchase Price, and (ii) Buyer will assume the Assumed Liabilities. The Cash Purchase Price shall be paid by Buyer to Seller on the Closing Date by wire transfer of immediately available funds to such bank account(s) as Seller may designate in writing on or prior to the Closing Date.

(b) Definition of Cash Purchase Price. The "Cash Purchase Price" shall be as described on the attached Schedule 2.1.

(c) Allocation of Cash Purchase Price after Sale. (i) Buyer and Seller will allocate the Cash Purchase Price among the Station Assets in accordance with a report of such allocation prepared in good faith by Buyer based upon the valuation report of an independent appraiser retained by Buyer and in accordance with all applicable provisions of the Internal Revenue Code of 1986, as in effect from time to time (the "Code"). Buyer will submit such reports of Buyer and such independent appraiser (the "Purchase Price Allocation") to Seller prior to the Closing of the Sale.

(ii) The Purchase Price Allocation shall thereafter not be adjusted and shall be binding on Buyer and Seller. Buyer and Seller agree to file (at such times and in such manner as may be required by applicable Legal Requirements) all relevant Tax Returns (including, without limitation, Forms 8594, Asset Acquisition Statements, and all income and other Tax Returns) on

the basis of such allocations, unless there has been a final "determination," as defined in Section 1313(a) of the Code, in which the allocation is modified. Buyer and Seller shall cooperate in the preparation of such Tax Returns. Neither Buyer nor Seller shall take a position inconsistent therewith upon examination of any Tax Return, in any refund claim, or in any litigation or investigation, without the prior written consent of the other party, except as required by applicable Legal Requirements. In the event that a party hereto receives notice that the Purchase Price Allocation is disputed by any Governmental Authority, such party shall promptly notify the other parties hereto in writing of such notice and resolution of the dispute.

2.2 The Closing. Pursuant to the terms and subject to the conditions hereof, the closing of the Sale, and the assumption of the Assumed Liabilities (the "Assumption"), and the consummation of all related transactions effected contemporaneously therewith pursuant to this Agreement upon exercise of the Option (the "Closing"), shall be held after the satisfaction or waiver in writing of each of the conditions set forth in Article 8 and Article 9, and at the time and location and on the date specified by Buyer in writing to Seller delivered not less than fifteen (15) business days prior to such date, or at such other place and/or at such other time and day as Seller and Buyer may agree in writing.

2.3 Deliveries at Closing. All actions at the Closing shall be deemed to occur simultaneously, and no document or payment to be delivered or made at the Closing shall be deemed to be delivered or made until all such documents and payments are delivered or made to the reasonable satisfaction of Buyer, Seller and their respective counsel.

(a) Deliveries by Seller and Parent. At the Closing, Seller and Parent shall deliver to Buyer such instruments of conveyance and other customary documentation as shall in form and substance be reasonably satisfactory to Buyer and its counsel in order to effect the Sale, including, without limitation, the following:

(i) one or more bills of sale or other instruments (including assignments of FCC Authorizations, call letters, service marks, leases and other contracts) conveying the Station Assets;

(ii) evidence of the release of all Liens that are necessary in order to transfer the Station Assets in the manner contemplated by Section 1.4(a);

(iii) a copy of the resolutions or proceedings of Seller's and Parent's respective boards of directors and stockholders (or similar Persons) authorizing Seller's and Parent's, respectively, consummation of the Sale, in each case certified by a duly authorized officer of Seller or Parent, as applicable, and further certifying that such resolutions remain in full force and effect, and have not been amended, rescinded or modified, except to the extent attached thereto;

(iv) a certificate as to the existence and/or good standing of each of Seller and Parent issued by the Secretary of State of each state under the laws of which each of Seller and Parent, as applicable, is incorporated, organized, formed or authorized to do business, in each case dated on or after the fifth Business Day prior to the Closing Date, certifying as to the good standing and/or qualification of each such Person in such jurisdiction;

(v) a receipt for the Cash Purchase Price;

(vi) all Material Consents;

(vii) a certificate of a duly authorized officer of each of Seller and Parent, dated as of the Closing Date, certifying that (A) all of the conditions set forth in Article 8 have been fulfilled or waived; (B) the articles of incorporation and bylaws (or other organizational documents) of each of Seller and Parent, attached to the certificate, are true and complete, have been in full force and effect in the form attached since the date of the adoption of the resolutions referred to in Section 2.3(a)(iii) and no amendment to such organizational documents has occurred since the date of the last amendment annexed thereto; and

(viii) such other documents as Buyer may reasonably request.

(b) **Deliveries by Buyer.** At the Closing, Buyer shall deliver to Seller the Cash Purchase Price as provided in Section 2.1 and such instruments of assumption and other customary documentation as shall in form and substance be reasonably satisfactory to Seller and its counsel in order to effect the Sale and the Assumption, including, without limitation, the following:

(i) a certificate of a duly authorized officer of Buyer, dated as of the Closing Date, certifying that Buyer's articles of incorporation and bylaws (or other organizational documents), attached to the certificate, are true and complete, have been in full force and effect in the form attached since the date of the adoption of the resolutions referred to in Section 2.3(b)(ii) and no amendment to such organizational documents has occurred since the date of the last amendment annexed thereto;

(ii) a copy of the resolutions or proceedings of Buyer authorizing the consummation of the Sale and the Assumption, certified by a duly authorized officer of Buyer and further certifying that such resolutions remain in full force and effect, and have not been amended, rescinded or modified, except to the extent attached thereto;

(iii) a certificate issued by the Secretary of State of the state under the laws of which Buyer is incorporated, organized or formed, dated on or after the fifth Business Day prior to the Closing Date, certifying as to the organization of Buyer in such jurisdiction; and

(iv) such other documents as Seller may reasonably request.

ARTICLE 3.

REPRESENTATIONS AND WARRANTIES OF SELLER

Parent and Seller, jointly and severally, represent and warrant to Buyer as set forth in this Article 3; *provide, however*, that each representation and warranty of Parent and Seller contained in this Article 3 excludes all actions or omissions of Buyer and its officers, employees, and agents and Persons acting on behalf of or at the direction of Buyer, its officers, employees or agents (all such Persons, collectively, "Excluded Persons"), and further excludes all things caused by or in any way resulting from or related to any act or omission of an Excluded Person;

and *provided further* that references in this Agreement, including references made in this Article 3, to things known, done or received by Seller shall not include things known, done or received by an Excluded Person unless actually known, done or received by Parent or Seller.

3.1 **Incorporation; Power.** Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware and is duly qualified to do business and is in good standing as a foreign corporation under the laws of the State of Georgia. Seller has the requisite corporate power and authority to own, lease and use the assets to be acquired pursuant to the Fisher Purchase Agreement and, upon the Acquisition owned, leased or used by it and carry on its business substantially as it is now being conducted, including the Station Assets. Parent is the beneficial and record owner of all of the issued and outstanding capital stock of Seller, and there are no other issued or outstanding Equity Securities of Seller.

3.2 **Corporate Action.** Seller has the requisite power and authority to execute, deliver and perform this Agreement and the agreements and documents contemplated hereby, including the Shared Services Agreement. All actions necessary to be taken by or on the part of Seller in connection with the execution, delivery and performance of this Agreement, the agreements and documents contemplated hereby (including the Shared Services Agreement) and the consummation of the transactions contemplated hereby and thereby upon exercise of the Option and presently necessary to make the same effective have been (or will be as of the date executed and delivered) duly and validly taken. This Agreement has been, and the agreements and documents contemplated hereby (including the Shared Services Agreement) have been or will be as of the date executed and delivered, duly and validly authorized, executed, and delivered by Seller and constitute, or will constitute when executed and delivered, a legal, valid and binding agreement, enforceable against Seller in accordance with and subject to its terms.

3.3 **No Defaults.** On the Closing Date (after giving effect to all Consents which have been obtained), neither the execution and delivery by Seller of this Agreement and the agreements and documents contemplated hereby, nor the consummation by Seller of the transactions contemplated hereby and thereby upon exercise of the Option, will, or, with the giving of notice or the passage of time or both, would (a) constitute a material violation of or would conflict in any material respect with or result in any material breach of or any material default under, any of the terms, conditions, or provisions of any Legal Requirement to which Seller is subject or any of Seller's assets are bound, or of Seller's certificate of incorporation or by-laws or similar organizational documents, or (b) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of any Lien on any of the Station Assets (other than Permitted Liens) pursuant to, any note, bond, mortgage, indenture, Contract, license, permit, franchise or other instrument or obligation to which Seller is a party or by which Seller or any of the Station Assets are bound.

3.4 **Consents.** No consent, waiver, license, approval, authorization, order or permit or registration or filing with, or notification to, any Governmental Authority or other third party is necessary for the execution, delivery or performance of this Agreement or the agreements and documents contemplated hereby by Seller or Parent except (i) the Required FCC Consent; (ii) filings with respect to sales and other transfer taxes; (iii) such filings as may be required under the Hart-Scott-Rodino Act; (iv) such filings, registrations, notifications, permits, authorizations,

consents or approvals that result solely from the specific legal or regulatory status of Seller or as a result of any other facts that specifically relate to the business or activities in which Seller is engaged; and (v) the consent of or notice to each party identified on Schedule 3.4.

3.5 Litigation. Except as set forth on Schedule 3.5, and except for any Legal Actions that affect the broadcasting industry generally, from and after the Acquisition Date through and including the Closing Date, there are no Claims or Legal Actions pending or, to Seller's Knowledge, threatened, against or affecting the Station, the Station Assets, the FCC Authorizations, the Station Business or the consummation of the transactions contemplated hereby upon exercise of the Option; excluding, however, such Claims or Legal Actions the result of which, if adversely determined against Seller, is not reasonably likely to have a Material Adverse Effect.

3.6 Taxes. Upon the Acquisition and through the Closing Date, Seller has or will have timely filed or caused to be filed, as the case may be, all Tax Returns with respect to the Station Assets or the Station Business that are required to have been filed by it and all such Tax Returns will be true and complete in all material respects. Seller will have paid all Taxes due as of the Closing Date, whether or not shown on any Tax Return. On the Closing Date, except with respect to Taxes not due and payable as of such date, none of the Station Assets will be subject to any Lien arising in connection with the failure or alleged failure to pay any Tax. The charges, accruals and reserves for Taxes of Seller for any pre-Closing Tax period (including any Tax period for which no Tax Return will have been filed) reflected on the books of Seller (excluding any provision for deferred Taxes) as disclosed to Buyer prior to the Closing, will be adequate to cover such Taxes. On the Closing Date, Seller will have no liability for the Taxes of any Person (other than Seller) under Treas. Reg. § 1.1502-6 (or any similar provision of state, local or foreign Legal Requirement) as a transferee or successor by contract or otherwise.

3.7 Tangible Personal Property. Schedule 3.7 lists all material items of Tangible Personal Property (a) to be acquired pursuant to the Fisher Purchase Agreement and (b) used or held for use in connection with the Station Business between the Acquisition Date and the Closing Date. The Tangible Personal Property described on Schedule 3.7 comprises all material items of tangible personal property that (a) Seller will acquire pursuant to the Fisher Purchase Agreement to use to conduct the Station Business on the Acquisition Date, and (b) Seller uses to conduct the Station Business as of the Closing. On the Closing Date, the Tangible Personal Property will be in good operating condition and repair (subject to normal wear and tear), and will be available for immediate use in the conduct of the business or operation of the Station. As of the Closing Date, all items of Tangible Personal Property will have been maintained in a manner consistent in all material respects with Standard Practices. On the Closing Date, the levels of inventory and spare parts held by Seller for the operation of the Station will be sufficient to permit the continued maintenance and operation of the Station in accordance with Standard Practices.

3.8 Compliance with Laws. The business and operations of the Station are, and as of the Closing Date will have been, conducted in all material respects in compliance with all applicable Legal Requirements, except for violations that individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect.

3.9 Regulatory Matters.

(a) Seller is, and at all times from and after the date of this Agreement to and including the Closing Date will be, legally, financially and otherwise qualified under the Communications Act to perform its obligations hereunder, to be the licensee of, and to own and operate the Station. Seller has no Knowledge of any facts or circumstances relating to the FCC qualifications of Parent or Seller that (i) could reasonably be expected to prevent the FCC from granting either (A) the assignment application contemplated by the Fisher Purchase Agreement or (B) the FCC Applications or (ii) which would otherwise disqualify Seller as the licensee, owner or operator of the Station.

(b) Schedule 3.9(b) accurately and completely lists all FCC Authorizations, all material pending applications filed with the FCC by Seller with respect to the Station and all material Authorizations related to or required in connection with the use of any Tangible Personal Property or Acquired Real Property. True and complete copies of the FCC Authorizations and material pending applications filed with the FCC by Seller with respect to the Station are attached to Schedule 3.9(b).

(c) No application, action or proceeding is pending for the renewal of any FCC Authorization as to which any petition to deny or objection has been filed and, to Seller's Knowledge, there is neither now or on the Closing Date before the FCC any material investigation, proceeding, notice of violation, or order of forfeiture relating to the Station that, if adversely determined, could reasonably be expected to have a Material Adverse Effect. There is not now pending and, to Seller's Knowledge, there is not threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or modify in any material respect any of the FCC Authorizations that, if adversely determined, could reasonably be expected to have a Material Adverse Effect (other than proceedings to amend the Communications Act or proceedings of general applicability to the radio or television industries).

(d) Prior to the Acquisition Date, the Station is owned and operated by Fisher, and from the Acquisition Date through the Closing Date, the Station will be owned and operated by Seller, in material compliance with (i) the terms of the licenses or other authorizations issued by the FCC to Fisher or Seller, as the case may be, with respect to the Station, and (ii) the Communications Act. Prior to the Acquisition Date, except as otherwise provided pursuant to the Fisher Purchase Agreement, Fisher has filed or made, and from and after the Acquisition Date Seller will file or make, all material applications, reports, and other disclosures required by the FCC to be made in respect to the Station and have or will have timely paid all FCC regulatory fees in respect thereof, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No licenses, authorizations, permits or other rights or Authorizations other than the FCC Authorizations are required to own and operate the Station in substantially the same manner as it is being operated as of the date hereof and as of the Closing Date. To Seller's Knowledge, the FCC Authorizations are as of the date hereof, and on the Closing Date will be, in full force and effect; and are not, and on the Closing Date will not be, subject to any condition except conditions applicable to broadcast television licenses or radio licenses generally, as applicable, or as otherwise disclosed on the face of the FCC Authorizations. Seller has no reason to believe that the FCC will not renew any FCC Authorizations in the ordinary course.

(e) Schedule 3.9(e) identifies each cable system within the Station's designated market area for which Seller has made a valid election of must carry. Except as set forth on Schedule 3.9(e), no cable system has advised Seller of any signal quality or copyright indemnity or other obstacle to cable carriage of the Station's signal, and no cable system has declined or threatened to decline such carriage or failed to respond to a request for carriage or sought any form of relief from carriage from the FCC.

3.10 Insurance. Upon the Acquisition and through the Closing Date, (a) Seller will maintain in full force and effect all such policies of casualty, liability, theft, fidelity and other forms of insurance in such forms and amounts as are reasonably necessary to protect against material Loss to the Station Assets, and in no event less than that which has customarily been maintained by the Station, (b) each such policy will be valid and binding and (c) all such insurance policies will be in the name of Seller and all premiums with respect to such policies will be timely paid in full.

3.11 Title to and Condition of Real Property. (a) Upon the Acquisition and through the Closing Date, Seller will have good, valid and marketable fee simple title, insurable at standard rates, to all fee estates (including the improvements thereon) included in the Acquired Real Property, and as to the long-term leasehold interests, good, valid and marketable leasehold title, insurable at standard rates, to all long-term leasehold estates included in the Acquired Real Property, free and clear of all Liens, except for Permitted Liens.

(b) Schedule 3.11 contains a complete and accurate description in all material respects of all the Acquired Real Property and Seller's interests therein to be acquired upon the Acquisition pursuant to the Fisher Purchase Agreement and, thereafter, as of the Closing. The Acquired Real Property listed on Schedule 3.11 comprises all real property interests used in connection with the Station Business as now conducted. With respect to each leasehold or subleasehold interest included in the Acquired Real Property being conveyed under this Agreement, except as otherwise disclosed on Schedule 3.11, Seller will have, upon the Acquisition and through the Closing Date, enforceable rights to nondisturbance and quiet enjoyment. Upon the Acquisition and through the Closing Date, Seller will have full legal and practical access to the Acquired Real Property. From and after the Acquisition Date through and including the Closing Date, all towers, guy anchors, buildings and other improvements included in the Station Assets are located entirely on the Acquired Real Property listed on Schedule 3.11. Seller has delivered to Buyer true and complete copies of all deeds and leases pertaining to the Acquired Real Property. All Acquired Real Property (including the improvements thereon) (a) is in good condition and repair consistent with its present use (ordinary wear and tear excepted); (b) will be, upon the Acquisition and through the Closing Date, available for immediate use in the conduct of the Station Business; and (c) complies in all material respects with all applicable building and zoning codes and regulations and land-use laws of any Governmental Authority having jurisdiction, excluding, however, any noncompliance the result of which could not reasonably be expected to have a Material Adverse Effect. The Acquired Real Property is accessible by a public right of way or is otherwise reasonably accessible for purposes of conducting the use of such Acquired Real Property.

3.12 Contracts. Schedule 3.12 sets forth an accurate and complete list of all material contracts, agreements and understandings in effect as of the date of the Fisher Purchase

Agreement (as disclosed by Fisher) and upon the Acquisition that relate to the Station Assets or the Station Business. Seller has delivered (or will deliver promptly following the Acquisition) to Buyer accurate and complete copies of such contracts, agreements and understandings, including all amendments thereto and assignments thereof. To Seller's Knowledge, there exists no material default under such contracts, agreements and understandings by any party thereto or any event which, after notice or lapse of time, or both, would constitute such a material default. On the Closing Date, all Assumed Contracts will be in full force and effect, constituting valid and binding obligations of the parties thereto enforceable in accordance with their respective terms.

3.13 Environmental Matters.

(a) Fisher is, and upon the Acquisition and through the Closing Date, Seller will be, in compliance with all Environmental Legal Requirements in connection with the operation of the Station and the conduct of the Station Business, except for any noncompliance which could not reasonably be expected to have a Material Adverse Effect, and, as of the Closing, except as disclosed to Buyer in writing prior thereto, Seller will have not received any written notice of a charge, complaint, action, suit, proceeding, hearing, investigation, claim, demand, or notice having been filed or commenced against Seller in connection with its operation of the Station alleging any failure to comply with any Environmental Legal Requirement.

(b) There is not now, and upon the Acquisition and through the Closing Date, Seller will have no, liability relating to the operation of the Station that could reasonably be expected to have a Material Adverse Effect under any Environmental Legal Requirements.

(c) In connection with the operation of the Station and the conduct of the Station Business, Fisher holds and is in compliance with, and upon the Acquisition and through the Closing Date, Seller will hold and be in compliance with, all of the terms and conditions of all Authorizations which are required under, and will be in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules, and timetables which are contained in, all Environmental Legal Requirements, except in each case for any noncompliance which would not have a Material Adverse Effect.

3.14 Financial Statements. Without limitation to Section 6.1(i), no later than fifteen (15) days after Buyer's delivery to Seller of an Exercise Notice, Seller will furnish Buyer with true and complete copies of the unaudited balance sheet as of the most recent quarter then ended for which such financial information is available, and unaudited statement of income and expense for such period (the "Financial Statements"). Except for the absence of footnote disclosures and normal year-end adjustments, the Financial Statements will have been prepared in accordance with GAAP and present fairly in all material respects the financial condition of the Station, at the respective dates thereof. As of the date of Seller's furnishing Buyer with such Financial Statements, there will be no liabilities or obligations of Seller related to the Station Business or the Station Assets of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, of a nature required by GAAP to be reflected in financial statements other than (a) liabilities disclosed or provided for in the Financial Statements and (b) liabilities incurred in the ordinary course of business consistent with Standard Practices since the date of the Financial Statements and that are not material to the Station Business.

3.15 Transactions with Affiliates. Except as set forth on Schedule 3.15, Seller is not a party, directly or indirectly, to any Contract with any Affiliate of Seller or any officer, director or employee of Seller, and no such Person has, or as of the Closing Date will have, any interest in or right to any of the Station Assets.

3.16 Intellectual Property; Data. (a) Upon the Acquisition and through the Closing Date, (i) Seller will own all right, title and interest in and to, or have valid license rights to, all of the Transferred Intellectual Property, and (ii) the Transferred Intellectual Property will include all of the Intellectual Property necessary for the conduct of the Station Business as is it is presently conducted.

(b) Schedule 3.16(b) lists all license agreements in respect of any of the Transferred Intellectual Property either licensed by the Station as licensor to third parties or licensed by third parties to the Station as licensee.

(c) None of the Transferred Intellectual Property infringes any rights owned or held by any other Person, and there is no claim pending or, to Seller's Knowledge, threatened contesting Fisher's (and upon the Acquisition, Seller's) right exclusively to use any of the Transferred Intellectual Property. To Seller's Knowledge, no Person is infringing, misappropriating or otherwise conflicting with the rights of Fisher (and upon the Acquisition, of Seller) in any Transferred Intellectual Property. There are no claims pending or, to Seller's Knowledge, threatened by any Person in respect of the ownership, validity, enforceability or use of any of the Transferred Intellectual Property.

(d) Promptly following the Acquisition and through the Closing Date, Seller will have taken all reasonable measures to protect and preserve the security, confidentiality, value and ownership of the Know-How and other confidential information included in the Station Assets. To Seller's Knowledge, none of the Know-How is part of the public domain or knowledge, nor, to Seller's Knowledge, has the Know-How been used by, disclosed or divulged to, or appropriated by or for the benefit of any Person other than Fisher or Seller or otherwise to the detriment of the Station Business.

(e) Upon the Acquisition and through the Closing Date, the collection, storage and use of any Personally-Identifiable Data included in the Station Assets and the use thereof in connection with the Station Business will be conducted in compliance with Seller's privacy and data protection policies, true and complete copies of which Seller has provided to Buyer, and all applicable privacy, data protection and similar Legal Requirements.

3.17 Sufficiency of Assets. As of the Acquisition, the Station Assets will constitute all of the properties, interests, assets and rights of Seller related to the Station and the Station Business and constitute all those necessary to continue to operate the Station Business consistent with conduct and operation thereof by Fisher and, from and after the Acquisition, current and historical practice of Seller.

3.18 Good Title Conveyed. Upon the Acquisition and through the Closing Date, Seller will have good, valid and marketable title to the Station Assets free and clear of all Liens, except for Permitted Liens. Upon the Acquisition, Seller will have complete and unrestricted power and

the unqualified right to sell, transfer, assign, convey and deliver to Buyer, and upon consummation of the transactions contemplated by this Agreement and the agreements and documents contemplated hereby upon exercise of the Option, Buyer will acquire, good, valid and marketable title to the Station Assets, free and clear of all Liens other than Permitted Liens.

3.19 Disclosure. To Seller's Knowledge, no statement of a material fact by Seller or Parent contained in this Agreement (including the Schedules hereto) and no information provided by Seller or Parent to Buyer pursuant to this Agreement or otherwise in connection with the transactions contemplated hereby upon exercise of the Option contain any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements herein or therein not misleading in light of the circumstances under which they were made.

3.20 Brokers. There is no broker or finder or other Person who would have any valid claim against Seller, Parent, Buyer or their respective Affiliates for a commission or brokerage fee in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or understanding of or action taken by Seller or any Affiliate of Seller.

ARTICLE 4.

REPRESENTATIONS AND WARRANTIES OF PARENT

Parent and Seller, jointly and severally, represent and warrant to Buyer as set forth in this Article 4; *provide, however*, that each representation and warranty of Parent and Seller contained in this Article 4 excludes all actions or omissions of any Excluded Person, and further excludes all things caused by or in any way resulting from or related to any act or omission of an Excluded Person; and *provided further* that references in this Agreement, including references made in this Article 4, to things known, done or received by Seller shall not include things known, done or received by an Excluded Person unless actually known, done or received by Parent or Seller.

4.1 Incorporation; Power. Parent is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware. Parent has the requisite corporate power and authority to own, lease and use the assets now owned, leased or used by it and carry on its business as it is now being conducted.

4.2 Action. Parent has the requisite power and authority to execute, deliver and perform this Agreement and the agreements and documents contemplated hereby. All actions necessary to be taken by or on the part of Parent in connection with the execution, delivery and performance of this Agreement, the agreements and documents contemplated hereby and the consummation of the transactions contemplated hereby and thereby upon exercise of the Option and presently necessary to make the same effective have been (or will be as of the date executed and delivered) duly and validly taken. This Agreement has been, and the agreements and documents contemplated hereby have been or will be as of the date executed and delivered, duly and validly authorized, executed, and delivered by Parent and constitute, or will constitute when executed and delivered, a legal, valid and binding agreement, enforceable against Parent in accordance with and subject to its terms.

4.3 **No Defaults.** On the Closing Date (after giving effect to all Consents which have been obtained), neither the execution and delivery by Parent of this Agreement and the agreements and documents contemplated hereby, nor the consummation by Parent of the transactions contemplated hereby and thereby upon exercise of the Option, will, or, with the giving of notice or the passage of time or both, would (a) constitute a material violation of or would conflict in any material respect with or result in any material breach of or any material default under, any of the terms, conditions, or provisions of any Legal Requirement to which Parent is subject or any of Parent's assets are bound, or of Parent's certificate of incorporation or by-laws or similar organizational documents, or (b) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of any Lien on any of the Station Assets (other than Permitted Liens) pursuant to, any note, bond, mortgage, indenture, Contract, license, permit, franchise or other instrument or obligation to which Parent is a party or by which Parent is bound.

4.4 **Brokers.** There is no broker or finder or other Person who would have any valid claim against Seller, Parent, any Stockholder, Buyer or their respective Affiliates for a commission or brokerage fee in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or understanding of or action taken by Parent or Stockholder or any Affiliate of Parent or Stockholder.

ARTICLE 5.

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller and Parent as follows:

5.1 **Incorporation; Power.** Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware. Buyer has the requisite corporate power and authority to own, lease and use the assets now owned, leased or used by it and carry on its business as it is now being conducted.

5.2 **Action.** Buyer has the requisite power and authority to execute, deliver and perform this Agreement and the agreements and documents contemplated hereby. All actions necessary to be taken by or on the part of Buyer in connection with the execution, delivery and performance of this Agreement, the agreements and documents contemplated hereby and the consummation of the transactions contemplated hereby and thereby upon exercise of the Option and presently necessary to make the same effective have been (or will be as of the date executed and delivered) duly and validly taken. This Agreement has been, and the agreements and documents contemplated hereby have been or will be as of the date executed and delivered, duly and validly authorized, executed, and delivered by Buyer and constitute, or will constitute when executed and delivered, a legal, valid and binding agreement, enforceable against Buyer in accordance with and subject to its terms.

5.3 **No Defaults.** On the Closing Date (after giving effect to all approvals and consents which have been obtained), neither the execution and delivery by Buyer of this Agreement, nor the consummation by Buyer of the transactions contemplated by this Agreement

upon exercise of the Option, will constitute, or, with the giving of notice or the passage of time or both, would constitute, a material violation of or would conflict in any material respect with or result in any material breach of or any material default under, any of the terms, conditions, or provisions of any Legal Requirement to which Buyer is subject, or of Buyer's certificate of incorporation or by-laws or similar organizational documents, if any, or of any material contract, agreement, or instrument to which Buyer is a party or by which Buyer is bound.

5.4 Brokers. There is no broker or finder or other Person who would have any valid claim against Seller, Parent, Buyer or their respective Affiliates for a commission or brokerage fee in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or understanding of or action taken by Buyer or any Affiliate of Buyer.

ARTICLE 6.

COVENANTS OF SELLER AND PARENT

6.1 Covenants of Seller and Parent Generally. Seller and Parent covenant and agree, from the date of this Agreement until the Closing, except as Buyer may otherwise consent, to act or refrain from acting as follows:

(a) Operation of the Station. Subject to the terms and conditions of the Shared Services Agreement, during the period commencing on the Acquisition Date and ending on the earlier of the Closing Date or the termination of this Agreement, Seller shall, and Parent shall cause Seller to:

(i) operate and control the Station in all material respects in the ordinary course of business and in a manner consistent with Standard Practices (except where such conduct would conflict with the following covenants or with Seller's other obligations under this Agreement) and otherwise in compliance in all material respects with all applicable Legal Requirements, including the Communications Act, the FCC Authorizations and all other applicable Authorizations;

(ii) maintain and repair facilities and equipment related to Seller's operations with respect to the Station, maintain its inventory of supplies, parts and other materials and keep books of account, records and files, in each case in the ordinary course of Station Business consistent with Standard Practices to the extent commercially reasonable.

(iii) keep in full force and effect insurance in a manner consistent with Section 3.10;

(iv) perform in all material respects all obligations under the Assumed Contracts and any other documents relating to or affecting the Station Assets or the Station Business;

(v) comply in all material respects with all applicable Legal Requirements;
and

(vi) take all actions reasonably necessary or appropriate to protect the Station from objectionable interference from other stations, including the filing of any and all necessary pleadings with the FCC to prevent or remedy such interference.

(b) FCC Authorizations and Related Matters. During the period commencing on the Acquisition Date and ending on the earlier of the Closing Date or the termination of this Agreement, Seller and Parent will promptly execute any necessary applications for renewal of FCC Authorizations necessary for the operation of the Station as presently conducted and will use reasonable efforts to cooperate with Buyer in any other respect in which Buyer may reasonably request in order to enhance, protect, preserve or maintain the Station Assets and/or the Station Business; (iii) Seller shall timely file with the FCC all required reports and pay any required annual regulatory fees for the operation of the Station; and (iv) Seller will deliver to Buyer, within ten (10) business days after filing, copies of any reports, applications or responses to the FCC related to the Station which are filed during such period. Upon the timely exercise of the Option and upon request of Buyer, Seller shall consent pursuant to 47 C.F.R. Section 73.3517, to the filing by, and in the name of Seller (or any party to whom Seller shall duly assign this Agreement) of an application requesting the authorization of the FCC to modify any FCC Authorization of the Station, provided that such authorization be contingent upon Closing.

(c) Restrictions. Subject to the terms and conditions of the Shared Services Agreement, and except for the performance of its obligations pursuant to the terms and subject to the conditions of the Financing Agreement, Seller will not (to the extent the following restrictions are permitted by the FCC, the Communications Act and all other applicable Legal Requirements) and Parent will cause Seller not to:

(i) other than in the ordinary course of business, assign, sell, lease (as lessor), transfer, or agree to assign, sell, lease (as lessor), or transfer any material Station Assets without replacement thereof with functionally equivalent or superior assets;

(ii) enter into any amendment or other modification of any agreement, instrument or other document governing or relating to Existing Station Indebtedness;

(iii) apply to the FCC for any FCC Authorization, construction permit or any modification thereto that would materially restrict the Station's present operations or make any material adverse change in the buildings, leasehold improvements or fixtures owned by Seller as of the Acquisition Date;

(iv) enter into any arrangement or contract with Parent or Stockholder, any affiliate of Parent or Stockholder, or any of Stockholder's parents, spouse, descendants (whether natural, step or adopted) or other family member of Stockholder, other than as described on the attached Schedule 6.1(b); or

(v) incur, or suffer or permit to exist, any Lien on any Station Asset(s) such that, after any application of the Cash Purchase Price that may be necessary at the time of the Closing to repay Existing Station Indebtedness, the Station Assets could not be conveyed as described in Section 1.4(a).

(vi) enter into, renew, amend or modify any contract, lease, license or other agreement relating in any way to the Station or the Station Business except to the extent that such contract, lease, license or other agreement is (A) entered into in the ordinary course of business and (B) does not involve liabilities or obligations in excess of Five Thousand Dollars (\$5,000) individually or Fifty Thousand Dollars (\$50,000) in the aggregate;

(vii) except as required by applicable Legal Requirements or existing contract, (A) hire any employee except in the ordinary course of Station Business and consistent with past practices of Seller, or (B) enter into, renew, amend or modify any collective bargaining agreement.

(viii) enter into any new Plan or amend any existing Plan or grant any increases in employee compensation except for increases in compensation in the ordinary course of business and consistent with Standard Practices;

(ix) make any capital expenditure or commitment or addition to property, plant or equipment of Seller, individually or in the aggregate, in excess of Fifty Thousand Dollars (\$50,000);

(x) take, or fail to take, any other action which could reasonably be expected to result in a breach or inaccuracy in any of the representations and warranties of Seller or Parent contained in this Agreement; or

(xi) agree or commit, whether in writing or otherwise, to take any of the actions specified in the foregoing clauses.

(d) Reports; Access to Facilities, Files, and Records. From time to time, at the request of Buyer, Seller and Parent shall give or cause to be given to the officers, employees, accountants, counsel, and representatives of Buyer.

(i) access, upon reasonable prior notice, during normal business hours, to all facilities, property, accounts, books, deeds, title papers, insurance policies, licenses, agreements, contracts, commitments, records, equipment, machinery, fixtures, furniture, vehicles, accounts payable and receivable, and inventories of Seller related to the Station, and

(ii) all such other information in Seller's, Parent's or Stockholder's possession concerning the affairs of the Station as Buyer may reasonably request, provided that the foregoing does not unreasonably disrupt or interfere with the business and operations of Seller, Parent, Stockholder or the Station.

(e) Notice of Proceedings. Each of Seller and Parent will promptly notify Buyer in writing upon becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of the Sale, or upon receiving any notice from any Governmental Authority of its intention to institute an investigation into or institute a suit or proceeding to restrain or enjoin the consummation of the Sale, or to nullify or render ineffective this Agreement (or the Sale, if consummated).

(f) Notice of Certain Developments. Each of Seller and Parent shall give prompt written notice to Buyer, promptly after it or becomes aware of the same, (i) if the Station Assets shall have suffered damage on account of fire, explosion, or other cause of any nature which is sufficient to prevent or adversely affect operation of the Station in any material respect for more than ten (10) consecutive days, or (ii) if the regular broadcast transmission of the Station in the normal and usual manner in which it heretofore has been operating is interrupted in a material manner for a period of more than ten (10) consecutive days.

(g) Issuance or other Transfer of Stock or Equivalents. Seller will not issue any shares of its capital stock or any Equity Security of Seller, and Parent will not sell or otherwise transfer or dispose of any Equity Security of Seller, to any Person, unless (i) such Person is a party to this Agreement or thereupon becomes a party to this Agreement with respect to all Equity Securities of Seller that such Person holds by executing and delivering to Buyer a counterpart of this Agreement by which such Person agrees to be treated as an additional "Parent" hereunder and (ii) each applicable representation or warranty set forth in Article IV is true and correct in all respects with respect to such Person. The execution of any such counterpart of this Agreement by any such Person will be deemed to constitute a representation and warranty of such Person to the effect that all applicable representations and warranties set forth in Article IV are true and correct with respect to such Person in all respects; provided that this Section 6.1(g) shall not apply to any transfer or disposal of Equity Securities of Seller pursuant to any pledge agreement entered into by Seller or Parent to secure any Existing Station Indebtedness (a "Pledge Agreement").

(h) No Premature Assumption of Control. Nothing contained in this Section 6.1 shall give Buyer any right to control the programming, operations, or any other matter relating to the Station prior to the Closing Date, and Seller shall have complete control of the programming, operations, and all other matters relating to the Station up to the time of the Closing.

(i) Provision of Information. Seller shall furnish Buyer, within thirty (30) days after the end of each quarter ending between the Acquisition Date and the Closing Date, an unaudited statement of income and expense for such quarter and such other financial information prepared by Seller, as Buyer may reasonably request, in each case in respect of the Station. Seller shall furnish Buyer, within thirty (30) days after the filing by or on behalf of Seller of any Tax Return during the period commencing on the Acquisition Date and ending on the Closing Date, true and complete copies of all such Tax Returns.

(j) No Inconsistent Action. Seller shall not take any action which is materially inconsistent with Seller's obligations under this Agreement or that could reasonably be expected to hinder or delay the consummation of the transactions contemplated by this Agreement upon exercise of the Option.

6.2 Covenants of Seller and Parent during the Exercise Period. Each of Seller and Parent covenants and agrees that, after its receipt of each and every Exercise Notice and until either the Closing occurs or such Exercise Notice is withdrawn pursuant to Section 1.3:

(a) Application for Commission Consent. Upon exercise of the Option (and subject to withdrawal thereof as provided herein), as promptly as reasonably practicable thereafter,

Seller will complete Seller's portion of all necessary FCC Applications, and upon receipt of Buyer's portion of such applications, will promptly file such applications with the FCC jointly with Buyer. Seller will diligently take or cooperate in the taking of all reasonable steps that are necessary, proper, or desirable to expedite the preparation of such applications (including withdrawal and/or re-filing, or any amendment or supplement thereto, which Buyer may request) and their prosecution to a final grant. Seller will promptly provide Buyer with a copy of any pleading, order, or other document served on Seller relating to such applications.

(b) Material Consents. Upon exercise of the Option (and subject to withdrawal thereof as provided herein), Seller shall use its reasonable best efforts to obtain all Material Consents.

(c) Consummation of Sale. Each of Seller and Parent shall use commercially reasonable efforts to fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement and to cause the conditions set forth in Article 8 to be fulfilled and cause the Sale and the Assumption to be consummated.

(d) Hart-Scott-Rodino. As and when Buyer reasonably requests, each of Seller and Parent shall prepare and file such documents with the United States Federal Trade Commission ("FTC") and the United States Department of Justice ("DOJ") as may be required to comply with the Hart-Scott-Rodino Act in connection with the Sale and the Assumption, and shall promptly furnish all materials thereafter requested by any of the regulatory agencies having jurisdiction over such filings, in connection with the Sale and the Assumption. Each of Seller and Parent will take all reasonable actions, and will file and use reasonable efforts to have declared effective or approved all such documents and notifications (when filed) with any Governmental Authorities, as may be necessary or may reasonably be requested under federal antitrust laws for the consummation of the Sale and the Assumption.

ARTICLE 7.

COVENANTS OF BUYER; JOINT COVENANTS

7.1 Covenants of Buyer Generally. Buyer covenants and agrees that Buyer will promptly notify Seller in writing upon becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of the Sale or the Assumption, or upon receiving any notice from any Governmental Authority of its intention to institute an investigation into or institute a suit or proceeding to restrain or enjoin the consummation of the Sale or the Assumption, or to nullify or render ineffective this Agreement or the Sale or the Assumption if consummated.

7.2 Covenants of Buyer during Exercise Period. Buyer covenants and agrees that, after it gives any Exercise Notice and unless and until such Exercise Notice is withdrawn pursuant to Section 1.3, Buyer will use commercially reasonable efforts jointly with Seller to obtain or cause to be obtained prior to the Closing Date the Required FCC Consent and HSR Approval.

7.3 FCC Applications.

(a) Additional Applications. Upon exercise of the Option (and subject to withdrawal thereof as provided herein), each party hereto covenants and agrees to (i) prepare, file and prosecute any other or alternative application, petition, motion, request or other filing (including any motion for leave to withdraw or dismiss any FCC Application filed by the parties with the FCC in connection with the transactions contemplated hereby upon exercise of the Option) (the "Additional Applications"); (ii) file any amendment or modification to any FCC Application; (iii) otherwise take any other action with respect to the FCC as may be reasonably necessary in connection with the exercise of the Option and the Sale contemplated thereby; and (iv) cooperate in good faith with the other parties hereto with respect to the foregoing, all as may be determined by Buyer to be necessary, appropriate or advisable in order to consummate the transactions contemplated by this Agreement upon exercise of the Option.

(b) Upon exercise of the Option (and subject to withdrawal thereof as provided herein), the parties hereto shall prosecute any and all FCC Applications with commercially reasonable diligence and otherwise cooperate in good faith with respect thereto and use their commercially reasonable efforts to obtain the Required FCC Consent as expeditiously as practicable. Each party shall promptly provide the FCC with any additional information requested in connection with any FCC Application. Each party will promptly provide to the other party a copy of information so provided to the FCC as well as any pleading, order or other document served on it or provided by it to the FCC relating to any FCC Application.

(c) Seller shall not take any action, or omit to take any action, or enter into any contract, agreement or understanding which would, or could reasonably be expected to, prevent or interfere with the successful prosecution of any FCC Application or the consummation of the transactions contemplated by this Agreement upon exercise of the Option, or which is or would be inconsistent with any FCC Application or the consummation of the transactions contemplated by this Agreement upon exercise of the Option.

(d) Each party agrees to comply with any condition imposed on it by any Required FCC Consent, except that no party shall be required to comply with a condition if (i) the condition was imposed on it as the result of a circumstance the existence of which does not constitute a breach by that party of any of its representations, warranties or covenants hereunder; (ii) compliance with the condition could reasonably be expected to have a material adverse effect upon such party or its Affiliates; or (iii) with respect to Buyer, require the divestiture by Buyer of any material assets of Buyer, including any broadcast station or licensed facility. Buyer and Seller shall oppose any petitions to deny or other objections filed with respect to any FCC Application and any requests for reconsideration or review of any Required FCC Consent.

(e) If the Closing shall not have occurred for any reason within the original effective period of any Required FCC Consent, and neither party shall have terminated this Agreement pursuant to Section 11.1, the parties shall jointly request an extension of the effective period of such Required FCC Consent.

7.4 Schedules.

(a) No later than five (5) Business Days after the Acquisition Date, Seller shall, and Parent shall cause Seller to, deliver to Buyer the Schedules to this Agreement updated as of such

date, which updated Schedules shall completely and accurately set forth the information contemplated by the provisions hereof as of such date.

(b) During the period commencing on the date of the delivery of the Schedules pursuant to Section 7.4(a) through the Closing Date, Seller shall promptly disclose in writing to Buyer, and Buyer shall promptly disclose in writing to Seller, any information contained in its respective representations and warranties or any of the Schedules hereto which, because of an event occurring after the date of this Agreement, is incomplete or, if qualified by materiality or subject to a threshold, is no longer correct in all respects, and if not so qualified, is no longer correct in all material respects, as of all times after the date of this Agreement and until the Closing Date.

7.5 Notice of Certain Matters. Seller shall give prompt written notice to Buyer and Buyer shall give prompt written notice to Seller, of any failure of Seller or Buyer, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder.

7.6 Confidentiality. (a) Until the Closing, Buyer, Seller and Parent each agree that all financial or other information about Buyer, the Station, the Station Business or the Station Assets, or other information of a confidential or proprietary nature, disclosed to the other at any time in connection with the proposed transaction shall be kept confidential by the party receiving such information and shall not be disclosed to any Person or used by the receiving party (other than to its agents or employees or in connection with the transactions contemplated by this Agreement) except: (i) with the prior written consent of the disclosing party; (ii) as may be required by applicable Legal Requirements or court process, provided that notice is promptly delivered to the disclosing party in order to provide an opportunity to seek a protective order or other similar order with respect to such information and the receiving party thereafter discloses only the minimum information required to be disclosed in order to comply with the request, whether or not a protective order or other similar order is obtained by the disclosing party; (iii) such information which may have been acquired or obtained by such party other than through disclosure in connection with the transactions contemplated by this Agreement; or (iv) such information which is or becomes generally available to the public other than as a result of a violation of this provision. Seller and Parent shall continue to be bound by the terms of this Section 7.6(a) in respect of all financial or other information about Buyer, the Station, the Station Business or the Station Assets until the fifth (5th) anniversary of the Closing Date.

(b) The parties hereto each acknowledge and agree that a breach of this Section 7.6 will cause irreparable damage and great loss to the disclosing party or its Affiliates, the exact amount of which will be difficult to ascertain and that the remedies at law for any such breach will be inadequate. Accordingly, the parties hereto each acknowledge and agree that in the event of such a breach, the disclosing party shall be entitled to equitable relief, including injunctive relief, without posting bond or other security and without a showing of the inadequacy of monetary damages as a remedy.

7.7 Certain Tax Matters.

(a) Transfer Taxes. In connection with the Sale contemplated by exercise of the Option, all recordation, transfer, documentary, excise, sales, value added, use, stamp, conveyance or other similar Taxes, duties or governmental charges, and all recording or filing fees or similar costs, imposed or levied by reason of, in connection with or attributable to this Agreement or the transactions contemplated hereby (collectively, "Transfer Taxes") shall be borne equally by Seller and Buyer; provided, however, that Buyer and Seller shall reasonably cooperate with one another to lawfully minimize such Taxes.

(b) Allocation of Taxes. Seller shall cause to be included in its Tax Returns for all periods or portions thereof ending on or before the Closing Date, all Tax items relating to the Station Assets or the operations of the Station Business during such periods or portions thereof. For these purposes, in the case of any Taxes that are imposed on a periodic basis and that are payable for a period that begins before the Closing Date and ends after the Closing Date (the "Straddle Period") the portion of such Taxes that shall be deemed to be payable for the portion of the period ending on the Closing Date shall (i) in the case of any Taxes other than Taxes based upon or related to income or receipts, be deemed to be the amount of such Taxes for the entire period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period), whether actually paid before, during, or after such period, multiplied by a fraction the numerator of which is the number of calendar days in the period ending on (and including) the Closing Date and the denominator of which is the number of calendar days in the entire period, and (ii) in the case of any Taxes based upon or related to income or receipts, be deemed equal to the amount which would be payable if the taxable year ended on the Closing Date. Any credits or Tax refunds paid with respect to a Straddle Period shall be prorated, based upon the method employed in the preceding sentence.

(c) Filing Responsibility.

(i) Seller shall prepare and file, or cause to be prepared and filed, the following Tax Returns with respect to the Station Business: (A) all income Tax Returns for any taxable period ending on or before the Closing Date; and (B) all other Tax Returns required to be filed (taking into account extensions) prior to the Closing Date.

(ii) Buyer shall prepare and file all other Tax Returns with respect to the Station Business.

(iii) With respect to any Tax Return for taxable periods beginning before the Closing Date and ending after the Closing Date, Seller shall permit Buyer and its advisors to review and comment on each such Tax Return prior to filing and shall make such revisions to such Tax Returns as are reasonably requested by Buyer.

(d) Refunds.

(i) Seller shall be entitled to any refunds or credits of Taxes attributable to or arising from taxable periods ending on or before the Closing Date with respect to the Station Business.

(ii) Buyer shall be entitled to any refunds or credits of Taxes attributable to or arising in taxable periods beginning on or after the Closing Date with respect to the Station Business.

(iii) Seller and Buyer shall use commercially reasonable efforts to obtain any applicable Tax refund or reduction with respect to any Taxes. Buyer shall promptly forward to Seller or reimburse Seller for any refunds or credits due Seller (pursuant to the terms of this Section 6(d)) after receipt thereof, and Seller shall promptly forward to Buyer (pursuant to the terms of this Section 6(d)) or reimburse Buyer for any refunds or credits due Buyer after receipt thereof.

(e) Cooperation and Exchange of Information. Each of Seller and Parent, on one hand, and Buyer, on the other, shall (i) provide the other with such assistance as may reasonably be requested by the other party in connection with the preparation of any Tax Return, audit or other examination by any taxing authority or judicial or administrative proceeding relating to liability for Taxes in connection with the Station Business, (ii) retain and provide the other with any records or other information that may be relevant to such Tax Return, audit or examination, proceeding or determination, and (iii) provide the other with any final determination of any such audit or examination, proceeding or determination that affects any amount required to be shown on any Tax Return of the other for any period.

(f) Survival of Covenants. The covenants contained in this Section 7.7 shall survive until thirty (30) days after the expiration of the applicable statute of limitations (including extensions thereof).

7.8 Employment of Certain Employees of Business. After Buyer's delivery of an Exercise Notice and prior to the Closing, promptly upon Buyer's request, Seller shall afford Buyer the opportunity to consult with Seller and any and all employees of the Station Business regarding the potential retention of certain employees by Buyer upon the Closing. Buyer shall have the right, but not the obligation, in its sole and absolute discretion, to offer employment commencing on the Closing Date to any or all of such employees, in each case on such terms as the Buyer shall determine in its sole and absolute discretion. Buyer shall have no obligation to create, maintain, or contribute to any Plan in respect of any such employee who is offered a position pursuant to this Section 7.8 and accepts such position. To the extent that Buyer does not, in its sole and absolute discretion, offer employment to one or more of such employees, as between Buyer and Seller, Seller shall be solely responsible for any and all severance and other benefits to which such employees are entitled as a result of such non-employment.

7.9 Checks; Remittances and Refunds. After the Closing, if Seller, Parent or any of their respective Affiliates receive any payment, refund or other amount which is attributable to, results from or is related to a Station Asset or is otherwise properly due and owing to Buyer in accordance with the terms of this Agreement, Seller or Parent, as applicable, shall promptly remit, or cause to be remitted, such amount to Buyer. Seller or Parent, as applicable, shall promptly endorse and deliver to Buyer any notes, checks, negotiable instrument, letters of credit or other documents received on account of, attributable to or otherwise relating to the Station Assets which are properly due and owing to Buyer in accordance with the terms of this Agreement, and Buyer shall have the right and authority to endorse, without recourse, the name

of Seller, Parent or any of their respective Affiliates on any such instrument or document. After the Closing, if Buyer or its Affiliates receive any refund or other amount which is properly due and owing to Seller in accordance with the terms of this Agreement, Buyer shall promptly remit, or cause to be remitted, such amount to Seller.

7.10 Option Payment. Upon consummation of the Acquisition, Seller shall promptly notify Buyer thereof, and the Option Payment shall be due and payable by Buyer on or before the date that is fifteen (15) business days following the date of such notice.

ARTICLE 8.

CONDITIONS TO BUYER'S OBLIGATIONS ON THE CLOSING DATE

Pursuant to the terms and subject to the conditions hereof, the obligation of Buyer to consummate the Sale on the Closing Date is, at Buyer's option, subject to the fulfillment of the following conditions at or prior to the time of Closing:

8.1 Representations, Warranties, Covenants.

(a) Each of the representations and warranties of Seller and Parent contained herein that are qualified by materiality or subject to thresholds shall be true and correct in all respects and the representations and warranties of Seller and Parent that are not so qualified contained herein shall be true and correct in all material respects as of the Effective Date and as of the Closing Date as if made on and as of the Closing Date; and

(b) Seller and Parent shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by either of them prior to or at the Closing.

8.2 Proceedings.

(a) No action or proceeding shall have been instituted and be pending before any Governmental Authority to restrain or prohibit, or to obtain a material amount of damages in respect of, the consummation of the Sale or the Assumption that, in the reasonable opinion of Seller, may reasonably be expected to result in a preliminary or permanent injunction against such consummation or, if the Sale or the Assumption were consummated, an order to nullify or render ineffective this Agreement or the Sale or the Assumption or for the recovery against Seller of a material amount of damages; and

(b) None of the parties to this Agreement shall have received written notice from any Governmental Authority of (i) such Governmental Authority's intention to institute any action or proceeding to restrain or enjoin or nullify this Agreement or the Sale or the Assumption, or to commence any investigation (other than a routine letter of inquiry, including, without limitation, an investigation by the FCC relating to the broadcast television industry generally) into the consummation of the Sale or the Assumption, or (ii) the actual commencement of such an investigation, in each case which remains pending or open.

8.3 FCC Authorization. The Required FCC Consent shall have been granted by Final Order.

8.4 Hart-Scott-Rodino. Any applicable waiting period under the Hart-Scott-Rodino Act shall have expired or been terminated without adverse action by the DOJ or the FTC to prevent the Closing and there shall not be pending any action instituted by the FTC or the DOJ under the HSR Act ("HSR Approval").

8.5 FCC Authorizations. Seller shall be the holder of all FCC Authorizations. There shall not have been any modification of any FCC Authorization that could reasonably be expected to have a Material Adverse Effect. Excluding any proceeding relating to the Required FCC Consent, no proceeding shall be pending the effect of which could reasonably be expected to revoke, cancel, fail to renew, suspend or modify adversely any FCC Authorization and that (i) is related specifically to the Station or the operation of the Station by Seller, and not to the television industry generally or similarly-situated television stations generally and not arising out of Buyer's qualifications, conduct or ownership of other Station in the market, (ii) if decided adversely could reasonably be expected to have a Material Adverse Effect, and (iii) has a reasonable likelihood of being decided adversely.

8.6 No Material Adverse Effect. There shall not have occurred, or been discovered regardless of when occurred, any events or occurrences which individually or in the aggregate have or reasonably can be expected to have a Material Adverse Effect or a material adverse effect on the conduct and operation of the business of the Station following the Closing Date.

8.7 Acquired Real Property. Except for Permitted Liens, the Acquired Real Property shall not be subject to any exceptions that materially interfere with Buyer's permitted or intended use thereof.

8.8 Assumed Liabilities. No later than five (5) business days prior to the Closing Date, Buyer shall have received a true and complete list of all Assumed Liabilities as of such date, including a breakdown in each case of the name of the creditor, the amount payable and the date on which such account became payable, together with all relevant documentation related thereto.

8.9 Material Consents. All Material Consents shall have been obtained in form and substance satisfactory to Buyer.

8.10 Existing Station Indebtedness. All Existing Station Indebtedness shall be discharged and paid in full prior to or simultaneously with the Closing.

8.11 Other Instruments. Buyer shall have delivered, or shall stand ready to deliver, to Seller such instruments, documents, and certificates as are contemplated by Section 2.3(b).

ARTICLE 9.

CONDITIONS TO SELLER'S OBLIGATIONS ON THE CLOSING DATE

Pursuant to the terms and subject to the conditions hereof, the obligation of Seller to consummate the Sale on the Closing Date is, at Seller's option, subject to the fulfillment of the following conditions at or prior to the time of the Closing:

9.1 Representations, Warranties, Covenants.

(a) Each of the representations and warranties of Buyer contained herein that are qualified by materiality or subject to thresholds shall be true and correct in all respects and the representations and warranties of Buyer that are not so qualified contained herein shall be true and correct in all material respects as of the Effective Date and as of the Closing Date as if made on and as of the Closing Date; and

(b) Buyer shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or at the Closing (including the delivery of the Cash Purchase Price).

9.2 Proceedings.

(a) No action or proceeding shall have been instituted and be pending before any Governmental Authority to restrain or prohibit, or to obtain a material amount of damages in respect of, the consummation of the Sale or the Assumption that, in the reasonable opinion of Seller, may reasonably be expected to result in a preliminary or permanent injunction against such consummation or, if the Sale or the Assumption were consummated, an order to nullify or render ineffective this Agreement or the Sale or the Assumption or for the recovery against Seller of a material amount of damages; and

(b) None of the parties to this Agreement shall have received written notice from any Governmental Authority of (i) such Governmental Authority's intention to institute any action or proceeding to restrain or enjoin or nullify this Agreement or the Sale or the Assumption, or to commence any investigation (other than a routine letter of inquiry, including, without limitation, an investigation by the FCC relating to the broadcast television industry generally) into the consummation of the Sale or the Assumption, or (ii) the actual commencement of such an investigation, in each case which remains pending or open.

9.3 FCC Authorization. The Required FCC Consent shall have been granted and shall be effective.

9.4 Hart-Scott-Rodino. HSR Approval shall have been obtained.

9.5 Other Instruments. Buyer shall have delivered, or shall stand ready to deliver, to Seller such instruments, documents, and certificates as are contemplated by Section 2.3(b).

ARTICLE 10.

INDEMNIFICATION

10.1 Indemnification by Seller and Parent. Seller and Parent shall, jointly and severally, indemnify and hold harmless Buyer and its Affiliates, and the directors, officers,

employees and other agents and representatives of Buyer and its Affiliates from and against any and all liabilities, judgments, claims, settlements, losses, damages, fees, Liens, Taxes, penalties, obligations and expenses (including reasonable attorney's fees and expenses and costs and expenses of investigation) (collectively, "Losses") incurred or suffered, directly or indirectly, by any such Person arising from, by reason of or in connection with:

(a) any breach or inaccuracy of any representation or warranty of Seller or Parent contained in this Agreement or any certificate, instrument or other document delivered by Seller or Parent hereunder or in connection with the consummation of the transactions contemplated hereby or thereby upon exercise of the Option;

(b) the non-fulfillment or breach of any covenant, obligation or agreement made by Seller or Parent in this Agreement;

(c) any Claim or Legal Action by any third party arising from the business, ownership or operations by Seller, Parent or Fisher of such Person's assets prior to the Closing Date, except to the extent arising from obligations or liabilities that have been assumed by Buyer pursuant to this Agreement;

(d) any failure by Parent or Seller to pay, perform or discharge any Excluded Liability or any other liability, obligation or commitment of Seller or the Station Business (other than an Assumed Liability));

(e) the failure of Seller to comply with any Legal Requirements relating to bulk sales or Tax applicable to the transactions contemplated by this Agreement;

(f) any failure by Parent or Seller to pay any finders' or brokers' fees due and payable by it as a result of this Agreement or the transactions contemplated hereby;

(g) any matter identified or referred to in Schedule 1.4(c); and

(h) any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses, including reasonable attorneys', accountants' and experts' fees and expenses, incident to any of the foregoing or incurred in investigating or in enforcing the foregoing.

10.2 Indemnification by Buyer. Buyer shall indemnify and hold harmless Seller, Parent and their respective Affiliates, and the directors, officers, employees and other agents and representatives of Seller, Parent and their respective Affiliates from and against any and all Losses incurred or suffered, directly or indirectly, by any such Person arising from, by reason of or in connection with:

(a) any breach or inaccuracy of any representation or warranty of Buyer contained in this Agreement or any certificate, instrument or other document delivered by Buyer hereunder or in connection with the consummation of the transactions contemplated hereby or thereby upon exercise of the Option;

(b) the non-fulfillment or breach of any covenant, obligation or agreement made by Buyer in this Agreement; and

(c) any Assumed Liability.

10.3 Notice of Claims. If a Person entitled to indemnification pursuant to this Article 10 (an "Indemnified Party") believes that it has suffered or incurred any Loss, it shall notify the party obligated to indemnify it pursuant to this Article 10 (the "Indemnifying Party") promptly in writing, and in any event within the applicable time period specified in Section 10.6, describing such Loss, with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss shall have occurred. If any Legal Action is instituted by a third party with respect to which an Indemnified Party intends to claim any liability or expense as a Loss under this Section, such Indemnified Party shall promptly notify the Indemnifying Party of such Legal Action, but the failure to so notify the Indemnifying Party shall not relieve such Indemnifying Party of its obligations under this Section, except to the extent such failure to notify materially prejudices such Indemnifying Party's ability to defend against such claim for indemnification.

10.4 Claims Between the Parties. With respect to claims for indemnification solely between the Indemnified Party and the Indemnifying Party, following receipt of notice from the Indemnified Party of such claim, the Indemnifying Party shall have thirty (30) days to make such investigation of the claim as the Indemnifying Party deems necessary or desirable. For the purposes of such investigation, the Indemnified Party agrees to make available to the Indemnifying Party and/or its authorized representatives the information relied upon by the Indemnified Party to substantiate the claim. If the Indemnified Party and the Indemnifying Party agree at or prior to the expiration of the thirty (30) day period (or any mutually agreed upon extension thereof) to the validity and amount of such claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full amount of the claim. If the Indemnified Party and the Indemnifying Party do not agree within the thirty (30)-day period (or any mutually agreed upon extension thereof), the Indemnified Party may seek appropriate remedy at law or equity or under the provisions of this Agreement, as applicable, subject to the provisions of Section 11.15.

10.5 Defense of Third-Party Claims. So long as the Indemnifying Party shall affirm in writing its obligation to indemnify the Indemnified Party for any Losses incurred by such parties with respect to such third-party Claims, the Indemnifying Party shall have the right to conduct and control, through counsel of its own choosing reasonably acceptable to the Indemnified Party, any third-party Claim or Legal Action, but the Indemnified Party may, at its election, participate in the defense thereof at its sole cost and expense; provided, however, that, if the Indemnifying Party shall fail to defend any such Claim or Legal Action (including the assertion of any reasonable defense conveyed to the Indemnifying Party by the Indemnified Party or its counsel), or if in the Indemnified Party's reasonable judgment a conflict of interest exists between such Indemnified Party and the Indemnifying Party in respect of a defense or counterclaim with respect to such third-party Claim or Legal Action, such Indemnified Party shall be entitled to select counsel of its own choosing, reasonably satisfactory to the Indemnifying Party, and the Indemnifying Party shall be obligated to pay the reasonable fees and expenses of such counsel, and (so long as it gives the Indemnifying Party at least fifteen (15) days notice of the terms of the proposed settlement thereof and permits the Indemnifying Party to then undertake the defense thereof) settle such Claim or Legal Action and recover the amount of such settlement or of any judgment and the reasonable costs and expenses of such defense. The Indemnifying Party shall

not compromise or settle any Claim or Legal Action without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld, delayed or conditioned.

10.6 Termination of Indemnification. (a) Notwithstanding any investigation made by or on behalf of Seller, Parent or Buyer prior to, on or after the Closing Date, the representations and warranties contained in this Agreement (including the Schedules hereto) and in any document, instrument or certificate executed and delivered in connection herewith shall survive the consummation of the transactions contemplated hereby and thereby upon exercise of the Option and terminate on the third (3rd) anniversary of the Closing Date, except that the representations and warranties:

- (i) set forth in Section 3.6 shall survive until the expiration of the applicable statute of limitation;
- (ii) set forth in Section 3.13 shall survive the Closing and shall terminate on the seventh (7th) anniversary of the Closing Date;
- (iii) set forth in Sections 3.11(a), 3.16(a)(i) and 3.18 shall survive forever; and
- (iv) which are based upon fraud or misrepresentation by Seller or Parent shall survive forever.

The covenants of the parties hereto shall survive indefinitely, unless otherwise expressly provided herein.

(b) Any right of indemnification or reimbursement pursuant to this Article 10 with respect to a claimed breach, inaccuracy or non-fulfillment of any representation, warranty, covenant, agreement or obligation shall expire on the date of termination of the representation, warranty, covenant, agreement or obligation claimed to be breached as set forth in Section 10.6(a) (the "Expiration Date"), unless on or prior to the Expiration Date, the Indemnifying Party has received written notice from the Indemnified Party of such breach, inaccuracy or non-fulfillment from the Indemnified Party, in which case the Indemnified Party may continue to pursue its right of indemnification or reimbursement hereunder beyond the Expiration Date of the applicable representation, warranty, covenant, agreement or obligation.

10.7 Exceptions to Limitations on Indemnification. Nothing contained in this Agreement shall relieve or limit the liability of any party or any officer or director of such party from any liability arising out of or resulting from common law fraud or intentional misrepresentation in connection with the transactions contemplated by this Agreement or in connection with the delivery of any of the documents referred to herein. Notwithstanding anything to the contrary contained herein, each party shall have a right to indemnification for any Loss incurred as the result of any common law fraud or intentional misrepresentation by any other party or any officer or director of such other party without regard to any survival period or any other period or provision of limitation.

ARTICLE 11.

TERMINATION/MISCELLANEOUS

11.1 Termination of Agreement Prior to the Closing Date. (a) This Agreement may be terminated at any time on or prior to the Closing as follows:

(i) By Seller. By Seller, by delivery of written notice (a "Termination Notice") to Buyer (A) at any time after the Exercise Window Expiration Date, unless Buyer shall have exercised the Option prior thereto, in which case Seller shall have the right to terminate the Agreement on the earlier of (i) the date on which the Required FCC Consent has been denied by Final Order and (ii) if applicable, the date on which the DOJ or the FTC has denied by Final Order approval for the parties hereto to consummate the transactions contemplated hereby upon exercise of the Option or (B) in the event that the Shared Services Agreement of even date herewith between Seller and Buyer (the "Shared Services Agreement") expires or is terminated under its terms.

(ii) By Buyer. By Buyer, at any time by delivery of Termination Notice to Seller, provided, however, that such a Buyer-initiated Termination Notice shall be null and void if Seller shall have exercised the WTVM Option in accordance with Article 12 prior to Buyer's delivery to Seller of Termination Notice, in which event the procedures provided in Article 12 shall apply.

(b) Either Buyer or Seller may terminate this Agreement prior to the Closing by delivery of Termination Notice to the other in the event that the Closing has not taken place on or before the tenth (10th) anniversary of the Effective Date (other than as a result of the failure on the part of the party delivering the Termination Notice to comply with or perform any covenant or obligation set forth in this Agreement).

(c) Upon execution and delivery of the WTVM Agreement pursuant to the terms and subject to the conditions of Article 12, the WTVM Agreement shall supersede this Agreement and this Agreement shall thereupon be deemed terminated without further action of the parties. In the event that the conditions precedent to the WTVM Option shall have been satisfied and triggered and on the date on which the WTVM Option Period expires, Seller has not timely exercised the WTVM Option (and such exercise is effective as of such expiration date), this Agreement shall terminate upon the expiration of the WTVM Option Period without any further action of the parties.

(d) Neither Buyer, Seller nor Parent shall have any liability to any of the other of them for costs, expenses, damages (consequential or otherwise), loss of anticipated profits, or otherwise as a result of a termination pursuant to this Section 11.1. This Section 11.1 shall survive the termination of this Agreement.

(e) Termination of this Agreement for any reason shall be without prejudice to any rights which shall have accrued to the benefit of a party prior to such termination.

11.2 **Remedies.** In the event of a breach of any of Seller's or Parent's obligations under this Agreement, Buyer, in addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The parties hereto agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach of any such obligations of Seller or Parent.

11.3 **Expenses.** Except as otherwise expressly provided in this Agreement, each of Seller, Parent and Buyer shall bear all of its expenses incurred in connection with the transactions contemplated by this Agreement, including, without limitation, accounting and legal fees incurred in connection herewith.

11.4 **Assignments; Exercise in Part.** This Agreement shall not be assigned by Seller or Parent without the prior written consent of Buyer; provided that after the Closing, Seller or Parent may assign its rights pursuant to this Agreement to any other Person in connection with the dissolution, liquidation or winding up or administration of its affairs; and further provided that, whether or not any requisite consent of Buyer has been obtained, this Agreement will be binding upon all respective successors of Seller and Parent, whether by operation of law or otherwise (except that this proviso shall not apply to any transfer or disposal pursuant to a Pledge Agreement). Any attempt by Seller or Parent to assign this Agreement without first obtaining the consent of Buyer shall be void. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement may be assigned in whole or in part by Buyer without the prior written consent of Seller or Parent to any Person (provided that no such assignment shall relieve Buyer of any of its obligations or liabilities hereunder), and Buyer will inform Seller and Parent of any such assignment. Any assignee of Buyer will be deemed to be "Buyer" for purposes of this Agreement as to the rights assigned to such assignee.

11.5 **Further Assurances.** From time to time prior to, at, and after the Closing Date, each party hereto will execute all such instruments and take all such actions as another party hereto shall reasonably request in connection with carrying out and effectuating the intent and purpose hereof, and all transactions and things contemplated by this Agreement, including, without limitation, the execution and delivery of any and all confirmatory and other instruments, in addition to those to be delivered on the Closing Date, as the case may be, and any and all actions which may reasonably be necessary to complete the transactions contemplated hereby.

11.6 **Notices.** All notices, demands, and other communications which may or are required to be given hereunder or with respect hereto shall be in writing, shall be delivered personally or sent by nationally recognized overnight delivery service, charges prepaid, or by registered or certified mail, return-receipt requested, and shall be deemed to have been given or made when personally delivered, the next business day after delivery to such overnight delivery service, three (3) days after deposited in the mail, first class postage prepaid, as the case may be, addressed as follows:

If to Seller or Parent

Southeastern Media Holdings, Inc.
3500 Colonnade Parkway, Suite 600
Birmingham, Alabama 35243

or to such other address and/or with such other copies as Seller or Parent may from time to time designate by notice to Buyer given in accordance with this Section 11.6; and

If to Buyer

Raycom Media, Inc.
RSA Tower, 20th Floor
Montgomery, Alabama 36104
Attention: President

or to such other address and/or with such other copies as Buyer may from time to time designate by notice to Parent given in accordance with this Section 11.6.

11.7 Captions. The captions of Articles and Sections of this Agreement are for convenience only, and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

11.8 Law Governing. THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF [ALABAMA], WITHOUT REFERENCES TO ITS PRINCIPLES OF CONFLICT OF LAWS, EXCEPT TO THE EXTENT THAT THE FEDERAL LAW OF THE UNITED STATES GOVERNS THE TRANSACTIONS CONTEMPLATED HEREBY.

11.9 Waiver of Provisions. The terms, covenants, representations, warranties, and conditions of this Agreement may be waived only by a written instrument executed by the Person waiving compliance. The failure of Buyer, Seller or Parent at any time or times to require performance of any provision of this Agreement shall in no manner affect the right at a later date to enforce the same. No waiver by Buyer, Seller or Parent of any condition or the breach of any provision, term, covenant, representation, or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation, or warranty of this Agreement.

11.10 Counterparts. This Agreement may be executed in two (2) or more counterparts, and all counterparts so executed shall constitute one (1) agreement binding on all of the parties hereto, notwithstanding that all the parties hereto are not signatory to the same counterpart. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

11.11 Entire Agreement/Amendments. This Agreement (including the Exhibits and Schedules attached hereto and expressly contemplated hereby) constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, understandings, negotiations, and discussions, whether oral or written, between them relating to the subject matter hereof. No amendment or waiver of any provision of this Agreement shall be binding unless executed in writing by the party to be bound thereby. The parties intend that this Agreement be in full compliance with all published rules, policies and orders of the FCC. If the FCC orders that the parties change any term of this

Agreement, then the parties will attempt to do so, consistent with said FCC order and the overall intent of this Agreement.

11.12 Access to Books and Records. (a) Buyer shall preserve for not less than three (3) years after the Closing Date all books and records included in the Station Assets. After such three (3)-year period, Buyer will not destroy any books or records relating to the conduct of the Station Business prior to the Closing unless Buyer first offers to transfer such books and records to Parent, and if Buyer is requested to do so, Buyer will transfer such books or records to Parent (at Parent's sole cost and expense).

(b) After the Closing, neither Seller nor Parent will destroy any books or records relating to the conduct of the Station Business prior to the Closing Date that were not otherwise encompassed within the Station Assets unless Parent first offers to transfer such books and records to Buyer, and if Parent is requested to do so, Parent transfer such books or records to Buyer.

(c) At the request of any other party to this Agreement, Buyer, Seller and Parent will permit each other (including such other party's officers, employees, accountants, and counsel) any access, upon reasonable prior written notice during normal business hours, to all of its property, accounts, books, contracts, records, accounts payable and receivable, records of employees, FCC logs and other information concerning the affairs or operation of the Station as such other party to this Agreement may reasonably request for any reasonable purpose, and to make extracts or copies from the foregoing at the requesting party's expense.

11.13 Public Announcements. Prior to the Closing, no party to this Agreement shall, except by mutual agreement with all other parties to this Agreement (including agreement as to content, text and method or distribution or release), make any press release or other public announcement or disclosure concerning the transactions contemplated by this Agreement, except as may be required by any Legal Requirement (including, without limitation, filings and reports required to be made with or pursuant to the rules of the Securities and Exchange Commission); provided that, prior to making any such announcement or disclosure required by any Legal Requirement, to the extent practicable, the disclosing Person gives each other party to this Agreement prior written notice of the context, text and content of, the method of distribution or release of, and all other material facts concerning, such disclosure. After the Closing, neither Seller nor Parent will, except with Buyer's prior written consent (including agreement as to content, text and method or distribution or release), make any press release or other public announcement or disclosure concerning the transactions contemplated by this Agreement, except as may be required by any Legal Requirement (including, without limitation, filings and reports required to be made with or pursuant to the rules of the Securities and Exchange Commission); provided that, prior to making any such announcement or disclosure required by any Legal Requirement, to the extent practicable, Seller or Parent (as the case may be) gives Buyer prior written notice of the context, text and content of, the method of distribution or release of, and all other material facts concerning, such disclosure. For the avoidance of doubt, after the Closing, Buyer shall have the right to issue any press release or otherwise make any public statement with respect to the transactions contemplated hereby without the consent of Seller or Parent.

11.14 Definitional Provisions; Interpretation.

(a) Terms Defined in Appendix. Each capitalized term which is used and not otherwise defined in this Agreement or any Schedule to this Agreement has the meaning which is specified for such term in the Appendix which is attached to this Agreement.

(b) Gender and Number. Words used in this Agreement, regardless of the gender and number specifically used, will be deemed and construed to include any other gender, masculine, feminine or neuter, and any other number, singular or plural, as the context requires.

(c) Other Rules of Interpretation. Except as otherwise expressly provided in this Agreement or as the context otherwise requires, the following rules of interpretation apply to this Agreement: (i) "or" and "any" are not exclusive and the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation"; (ii) a reference to any agreement or other contract includes permitted supplements and amendments; (iii) a reference to a Legal Requirement includes any amendment or modification to such Legal Requirement and any rules or regulations issued thereunder; (iv) a reference to a Person includes its successors and permitted assigns; (v) whenever the terms of this Agreement restrict Seller or Parent from taking a particular action without the consent or approval of Buyer, the granting, conditioning, delaying or withholding of such consent or approval by Buyer shall be at Buyer's sole and absolute discretion; (vi) a reference in this Agreement to an Article, Section, Exhibit or Schedule is to the referenced Article, Section, Exhibit or Schedule of this Agreement; and (vii) the obligations of Seller and Parent hereunder are joint and several. The parties hereto agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any Legal Requirement or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document. Items disclosed on any one Schedule hereto shall be deemed to be disclosed solely for such Schedule unless specifically noted otherwise thereon.

11.15 Arbitration.

(a) Generally. Subject to Sections 2.1(c)(ii) and 7.6, Buyer, Seller and Parent agree that the arbitration procedures described in this Section 11.15 will be the sole and exclusive method of resolving and remedying any claim for indemnification or other remedy arising under this Agreement (collectively, "Disputes"); provided that nothing in this Section 11.15 will prohibit a party from instituting litigation to enforce any Final Arbitration Award. Buyer, Seller and Parent agree that, except as otherwise provided in the Commercial Arbitration Rules of the American Arbitration Association as in effect from time to time (the "AAA Rules"), the arbitration procedures described in this Section 11.15 and any Final Arbitration Award will be governed by, and will be enforceable pursuant to, applicable Legal Requirements. No Person will be entitled to claim or recover punitive damages in any such proceeding, other than for punitive damages paid by or assessed against the Indemnified Party in respect of claims by third parties.

(b) Notice of Arbitration. If Buyer, Seller or Parent asserts that there exists a Dispute, then such Person will give the other party involved in such Dispute a written notice setting forth the nature of the asserted Dispute. If the Persons giving and receiving such notice (the "Disputing Parties") do not resolve any such asserted Dispute prior to the tenth Business

Day after such notice is given, then either Disputing Party may commence arbitration pursuant to this Section 11.15 by giving the other Disputing Party a written notice to that effect (an "Arbitration Notice"), setting forth any matters which are required to be set forth therein in accordance with the AAA Rules.

(c) Selection of Arbitrator. The Disputing Parties will attempt to select a single arbitrator by mutual agreement. If no such arbitrator is selected prior to the twentieth Business Day after the related Arbitration Notice is given, then an arbitrator which is experienced in matters of the type which are the subject matter of the Dispute will be selected in accordance with the AAA Rules.

(d) Conduct of Arbitration. The arbitration will be conducted under the AAA Rules, as modified by any written agreement between the Disputing Parties. The arbitrator will conduct the arbitration in a manner so that the final result, determination, finding, judgment or award determined by the arbitrator (the "Final Arbitration Award") is made or rendered as soon as practicable, and the parties will use reasonable efforts to cause a Final Arbitration Award to occur not later than the sixtieth day after the arbitrator is selected. Any Final Arbitration Award will be final and binding upon the Disputing Parties, and there will be no appeal from or reexamination of any Final Arbitration Award, except in the case of fraud, perjury or evident partiality or misconduct by the arbitrator prejudicing the rights of a Disputing Party or to correct manifest clerical errors.

(e) Enforcement. Buyer, Parent and Seller agree that a Final Arbitration Award may be enforced in any state or federal court having jurisdiction over the subject matter of the related Dispute.

(f) Expenses. A prevailing party in any arbitration proceeding in connection with this Agreement shall be entitled to recover from the non-prevailing party its reasonable attorneys' fees and disbursements in addition to any damages or other remedies awarded to such prevailing party, and the non-prevailing party also will be required to pay all other costs and expenses associated with the arbitration; provided that if an arbitrator is unable to determine that a party is a prevailing party in any such arbitration proceeding, then such costs and expenses will be equitably allocated by such arbitrator upon the basis of the outcome of such arbitration proceeding, and if such arbitrator is unable to allocate such costs and expenses in such a manner, then the costs and expenses of such arbitration will be paid in equal amounts by the Disputing parties, and each Disputing Party will pay the out-of-pocket expenses incurred by it. As part of any Final Arbitration Award, the arbitrator may designate the prevailing party for purposes of this Section 11.15. Except as provided in the preceding sentences, each party to this Agreement will bear its own costs and expenses (including legal fees and disbursements) in connection with any such proceeding or submission.

11.16 Benefits of Agreement. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Except for the provisions of Article 10, this Agreement is for the sole benefit of the parties hereto and not for the benefit of any third party.


ARTICLE 12.

OPTION TO PURCHASE WTVM-TV

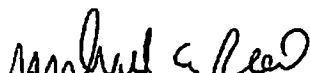
12.1 Option to Purchase WTVM. In the event that on and as of the Option Exercise Window Expiration Date (i) Buyer has not exercised the Option prior to such Option Exercise Expiration Date and (ii) there has occurred an Ownership Rule Change, then Seller shall have an option, which is exercisable for a period of thirty (30) days commencing on Option Exercise Expiration Date (the "WTVM Option Period"), to purchase the assets of Buyer used and useful in connection with WTVM for its then Fair Market Value (the "WTVM Option"). In the event that Seller timely exercises the WTVM Option by delivering to Buyer a notice thereof during such WTVM Option Period, (a) the parties shall prepare and execute a mutually agreeable Asset Purchase Agreement, which shall be substantially similar in form and content to this Agreement, including in respect of the representations, warranties and covenants of the buyer and the seller and indemnification (the "WTVM Agreement") and (b) Seller shall refund to Buyer an amount equal to the Option Payment. For purposes of this Section 12.1, "Fair Market Value" shall mean such purchase price as agreed to by Seller and Buyer in writing. If Seller and Buyer cannot agree on a purchase price, the Fair Market Value shall equal the fair market value of WTVM as part of a FCC-approved duopoly as determined by an appraiser jointly selected by Seller and Buyer, or if Seller and Buyer cannot agree on the selection of an appraiser, by an appraiser selected by two other appraisers, the first of whom is selected by Seller, the second of whom is selected by Buyer. The appraiser so selected shall be directed to submit its determination as to the Fair Market Value of WTVM in writing within thirty (30) days after its selection.

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

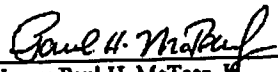
SOUTHEASTERN MEDIA HOLDINGS, INC.

By: 
Name: MICHAEL E. REED
Title: PRESIDENT

COMMUNITY NEWSPAPER HOLDINGS, INC.

By: 
Name: MICHAEL E. REED
Title: PRESIDENT

RAYCOM MEDIA, INC.

By: 
Name: Paul H. McTear, Jr.
Title: President and CEO

[Signature Page to Option Agreement]

[Signature Page to Option Agreement]

APPENDIX

The following capitalized terms have the following meaning when used in this Agreement and the Schedules attached to this Agreement:

"AAA Rules" has the meaning set forth in Section 11.15(a).

"Acquired Real Property" has the meaning set forth in Section 1.1.(c).

"Acquisition" means the consummation of the transactions contemplated by the Fisher Purchase Agreement, and upon which Seller shall become the owner of the Station Assets and licensee of the Station.

"Acquisition Date" means the date on which the Acquisition occurs.

"Additional Applications" has the meaning set forth in Section 7.3(a).

"Affiliate" means, with respect to any Person, any other Person which, directly or indirectly, Controls, is Controlled by, or is under common Control with, the specified Person.

"Agreement" has the meaning set forth in the preamble hereof.

"Arbitration Notice" has the meaning set forth in Section 11.15(b).

"Assumed Contracts" has the meaning set forth in Section 1.1(f).

"Assumed Liabilities" has the meaning set forth in Section 1.4(b).

"Assumption" has the meaning set forth in Section 2.2.

"Authorizations" means all licenses, permits, tower registrations and other authorizations issued by any Governmental Authority, other than the FCC, but including the Federal Aviation Administration, in connection with the conduct of the Station Business, together with any additions thereto between the Effective Date and the Closing Date.

"Business Day" or **"business day"** means any day other than a Saturday, Sunday or other day upon which banks in Mobile, Alabama or New York, New York are not open for business.

"Buyer" has the meaning set forth in the preamble hereof.

"Cash Purchase Price" has the meaning set forth in Schedule 2.1.

"Claim" or **"Claims"** means any and all claims, Legal Actions, judgments, losses, damages, deficiencies, assessments and penalties of whatever kind and nature.

"Closing" has the meaning set forth in Section 2.2.

"Closing Date" means the date upon which the Closing occurs.

"Code" has the meaning set forth in Section 2.1(c).

"Communications Act" means, collectively, the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC promulgated thereunder.

With respect to any Contract, a **"Consent"** means any consent or approval of any Person other than any party to this Agreement which, in accordance with the terms of such Contract, is required to be obtained in order to permit the consummation of the Sale or the Assumption.

"Contract" means any agreement, lease, arrangement, commitment, or understanding to which Seller or Parent, with respect to the Station, is a party.

"Control" including its various tenses and derivatives (such as "Controlled" and "Controlling") means (i) when used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by contract or otherwise and (ii) when used with respect to any security, the possession, directly or indirectly, of the power to vote, or to direct the voting of, such security or the power to dispose of, or to direct the disposition of, such security.

"Copyrights" means all copyrights, copyright applications and copyright registrations and foreign counterparts thereof, including all rights to computer software programs (including object and source code, program documentation, disks, tapes, manuals, guides and other materials with respect thereto), works of authorship and rights to databases of any kind under the Legal Requirements of any jurisdiction and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of those which subsist in the world.

"Disputes" has the meaning set forth in Section 11.15(a).

"Disputing Parties" has the meaning set forth in Section 11.15(b).

"DOJ" has the meaning set forth in Section 6.2(d).

"Dollars" or **"\$"** means United States dollars.

"Effective Date" has the meaning set forth in the preamble hereof.

"Environmental Legal Requirements" means applicable Legal Requirements enacted, adopted, promulgated or applied by any Governmental Authority, including any applicable order, decree or judgment which has been handed down, adopted or imposed by any Governmental Authority, that relate to the prevention, abatement and elimination of pollution or protection of the environment, including the Federal Comprehensive Environmental Response, Compensation, and Liability Act, the Resource Conservation and Recovery Act, the Clean Water Act, the Clean Air Act, the Safe Drinking Water Act, the Toxic Substances Control Act and the Hazardous Materials Transportation Act, together with all state statutes serving any similar or related purposes, as in effect on or prior to the date of this Agreement.

“Equity Securities” of any Person means (i) any of such Person’s capital stock, partnership, membership, joint venture or other ownership or equity interest, participation or securities (whether voting or non-voting, whether preferred, common or otherwise, and including any stock appreciation, contingent interest or similar right) and (ii) any option, warrant, security or other right (including debt securities) directly or indirectly convertible into or exercisable or exchangeable for, or otherwise to acquire directly or indirectly, any stock, interest, participation or security described in clause (i) above.

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

“Exercise Notice” has the meaning set forth in Section 1.3.

“Existing Station Indebtedness” means any and all indebtedness of Seller, Parent or any Affiliate thereof relating in any way to the Station or the Station Assets or secured or otherwise constituting a Lien on any Station Asset, including pursuant to the Financing Agreement.

“Excluded Assets” has the meaning set forth in Section 1.2.

“Excluded Liabilities” has the meaning set forth in Section 1.4(c).

“Excluded Person” has the meaning set forth in the preamble to Article 3.

“Expiration Date” has the meaning set forth in Section 10.6(b).

“Fair Market Value” has the meaning set forth in Section 12.1.

“FCC” means the United States Federal Communications Commission or any successor thereto.

“FCC Applications” means the application to be filed with the FCC upon exercise of the Option in order to obtain the consent of the FCC to the Sale of the Station and the consummation of the transactions contemplated hereby upon exercise of the Option, together with any Additional Applications.

“FCC Authorizations” has the meaning set forth in Section 1.1(a).

“Final Arbitration Award” has the meaning set forth in Section 11.15(d).

“Final Order” means an action by the FCC or other regulatory authority having jurisdiction (a) with respect to which action no timely request for stay, motion or petition for reconsideration or rehearing, application or request for review or notice of appeal or other judicial petition for review is pending and (b) as to which the time for filing any such request, motion, petition, application, appeal or notice and for the entry of orders staying, reconsidering or reviewing on the FCC’s or such other regulatory authority’s own motion has expired.

“Financial Statements” has the meaning set forth in Section 3.14.

“Financing Agreement” means, collectively, (i) those certain agreements by and among Seller and its lender(s), in existence as of the date hereof, relating to indebtedness for borrowed money and the Acquisition and (ii) any modification or amendment thereto and (iii) such other similar agreements entered into after the date hereof with the consent of Buyer.

“Fisher” means Fisher Broadcasting-Georgia, LLC.

“Fisher Purchase Agreement” means that certain Asset Purchase Agreement, dated on or about January 30, 2003, by and between Fisher and Seller.

“FTC” has the meaning set forth in Section 6.2(d).

“GAAP” means generally accepted accounting principles, consistently applied, as applied in the United States of America.

“Governmental Authority” means any Federal, state, local or foreign government, legislature, governmental or administrative agency or commission, any self-regulatory association or authority, any court or other tribunal of competent jurisdiction, or any other governmental authority or instrumentality anywhere in the world.

“Hart-Scott-Rodino Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as in effect from time to time.

“HSR Approval” has the meaning set forth in Section 8.4.

“Indebtedness” means, without duplication, (i) any indebtedness for borrowed money or issued in substitution for or exchange of indebtedness for borrowed money, (ii) any indebtedness evidenced by any note, bond, debenture or other debt security, (iii) any indebtedness for the deferred purchase price of property or services with respect to which a Person is liable, contingently or otherwise, as obligor or otherwise (other than trade payables and other current liabilities incurred in the ordinary course of business which are not more than six months past due), (iv) any commitment by which a Person assures a creditor against loss (including, without limitation, contingent reimbursement obligations with respect to letters of credit), (v) any indebtedness guaranteed in any manner by a Person (including, without limitation, guarantees in the form of an agreement to repurchase or reimburse), (vi) any obligations under capitalized leases with respect to which a Person is liable, contingently or otherwise, as obligor, guarantor or otherwise, or with respect to which obligations a Person assures a creditor against loss, (vii) any indebtedness secured by a Lien on a Person’s assets and (viii) any unsatisfied obligation for “withdrawal liability” to a “multiemployer plan” as such terms are defined under ERISA.

“Intellectual Property” means Patents, Trademarks, Copyrights, and Know-How, and all copies and tangible embodiments thereof (in whatever form or media).

“Indemnified Party” has the meaning set forth in Section 10.3.

“Indemnifying Party” has the meaning set forth in Section 10.3.

“Know-How” means all inventions (whether patentable or unpatentable and whether or not reduced to practice), compositions, manufacturing and production techniques, technical data, designs, drawings, specifications, molds, dies, casts, product configurations, discoveries, trade secrets, improvements, formulae, practices, processes, methods, technology, know-how, and confidential or proprietary information, whether or not patentable any of the foregoing in the process of development and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of those which subsist in the world.

“Knowledge” or **“Known to”** means that nothing has come to the attention of the Person to whom such knowledge is attributed that (i) gives such Person actual knowledge of or (ii) is sufficient to put such Person on notice of, or cause such Person to make further inquiry into, the existence or absence of any material information or fact bearing on the matter.

“Legal Action” means, with respect to any Person, any and all litigation or legal or other actions, at law or in equity, arbitrations, counterclaims, investigations, proceedings, or requests for material information by or pursuant to the order of any Governmental Authority.

“Legal Requirements” means the Communications Act, the rules, regulations and published policies of the FCC, and all other federal, state and local laws, rules, regulations, ordinances, judgments, orders and decrees.

“Lien” means any mortgage, pledge, hypothecation, encumbrance, lien (statutory or otherwise), preference, priority or other security agreement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any lease having substantially the same effect as any of the foregoing and any assignment or deposit arrangement in the nature of a security device).

“Losses” has the meaning set forth in Section 10.1.

“Material Adverse Effect” means (i) any effect that is materially adverse to the business, assets, operations, condition (financial or otherwise), or results of operations of the Station Business, including the Station and the Station Assets, but excluding any such effect resulting from or arising in connection with (A) changes or conditions generally affecting the broadcast television industry (except in the case of this clause (A) if the impact on the Station Business is materially disproportionate to the impact on broadcast television) or (B) changes in United States general economic, regulatory or political conditions, or (ii) any effect with respect to the Station Business, including, without limitation, the Station and the Station Assets, that materially impacts, materially delays or prevents the consummation of the transactions contemplated hereby upon exercise of the Option, including, without limitation, the grant of the Required FCC Consent.

“Material Consent” means any Consent under (i) the network affiliation agreement relating to the Station, (ii) any other Assumed Contract designated on Schedule 3.4 hereto; and (iii) any Assumed Contract entered into between the Effective Date and the Closing.

“Non-Assignable Right” has the meaning set forth in Section 1.5.

“Option” has the meaning set forth in Section 1.1.

"Option Exercise Expiration Date" means the later of (i) the first (1st) anniversary of the Acquisition Date and (ii) the first (1st) anniversary of the date on which an Ownership Rule Change becomes effective by Final Order.

"Option Exercise Window" means the period commencing on the Acquisition Date and expiring on the Option Exercise Expiration Date.

"Option Payment" means an amount equal to Forty One Thousand Five Hundred Dollars (\$41,500).

"Ownership Rule Change" mean the amendment or modification by the FCC of the local television ownership restrictions of the multiple ownership rules (currently, Section 73.3555(b) of the FCC rules) so as to permit the common ownership of the Station and WTVM by a single owner or licensee under the standard of the revised rule.

"Patents" means patents, patent disclosures, design patents, design rights and registered designs, utility models and similar related rights under the Legal Requirements of any jurisdiction and all registrations, applications and foreign counterparts thereof, and any foreign equivalents, additions, divisions, continuations, continuations in-part, substitutions, reissues, extensions and renewals of any of the foregoing and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of those which subsist in the world.

"Parent" has the meaning set forth in the preamble hereof.

"Permitted Liens" has the meaning set forth in Section 1.4(a).

"Person" means any individual, partnership, joint venture, corporation, limited liability company, unincorporated association, labor organization, firm, enterprise, association, cooperative, legal representative, foundation, society, political party, estate, trust, trustee, trustee in bankruptcy, receiver or any other organization or entity whatsoever, including any Governmental Authority or department thereof.

"Personally-Identifiable Data" means the names, addresses, email addresses, telephone numbers, fax numbers of any natural persons, or any other data likely to substantially identify any particular natural persons, together with any other information about a natural person which is combined with or linked to any of the foregoing information, including customer lists, mailing lists, telemarketing lists, email telemarketing lists, customer or prospective customer databases, credit reports, data regarding purchases of identified customers, and databases or records of website usage by users who are identified by any of the foregoing information.

"Plan" means any pension, retirement, savings, deferred compensation, and profit-sharing plan and each stock option, stock appreciation, stock purchase, performance share, bonus or other incentive plan, severance plan, health, group insurance or other welfare plan, or other plan, agreement or policy applicable to the employees of the Station Business and any "employee benefit plan" within the meaning of Section 3(3) of ERISA, under which Seller has any current or future obligation or liability or under which any employee or former employee (or any dependent, beneficiary or alternate payee of any employee or former employee) of the Station

Business has or may have any current or future right to benefits on account of employment with Seller or Fisher.

“Pledge Agreement” has the meaning set forth in Section 6.1(g).

“Program Contracts” has the meaning set forth in Section 1.1(e).

“Purchase Price Allocation” has the meaning set forth in Section 2.1(c)(i).

“Real Property” means all fee estates, interests in real property, leaseholds and subleaseholds, purchase options, easements, licenses, rights of access, and rights of way, and all buildings and other improvements thereon.

“Realty Contracts” has the meaning set forth in Section 1.1(c).

“Required FCC Consent” means any action or order by the FCC granting its consent to the FCC Applications and the consummation of the transactions contemplated hereby upon exercise of the Option.

“Sale” has the meaning set forth in Section 1.1.

“Seller” has the meaning set forth in the preamble hereof.

“Shared Services Agreement” has the meaning set forth in 11.1(a)(i).

“Standard Practices” means good standards of business and operations applicable to the broadcasting industry and standards of good engineering practice applicable to the broadcasting industry.

“Station” has the meaning set forth in the recitals hereof.

“Station Assets” has the meaning set forth in Section 1.1.

“Station Business” means the businesses of the Station, taken as a whole, including the Station Assets and the operations thereof, and the Assumed Liabilities to be sold or assumed pursuant to this Agreement at the Closing upon exercise of the Option.

“Station Purchase Price” has the meaning set forth in Schedule 2.1.

“Stockholder” means any Person who from time to time holds any Equity Securities of Seller or Parent.

“Straddle Period” has the meaning set forth in Section 7.7(b).

“Tangible Personal Property” has the meaning set forth in Section 1.1(b).

“Tax” means any and all taxes, levies, fees, imposts, duties, governmental fees and charges of whatever kind, including taxes imposed on, or measured by, income, franchise, profits, gross income or gross receipts, and also ad valorem, value added, sales, use, service,

property (real, personal or intangible), capital stock, stock transfer, license, payroll, withholding, employment, social security, workers' compensation, unemployment compensation, utility, severance, production, excise, stamp, occupation, premium, windfall profits, environmental, transfer and gains taxes and customs duties, and including any interest, penalties or additions to the tax imposed in connection therewith or with respect to any of the foregoing, imposed by the United States, or any state, local or foreign government or subdivision or agency thereof.

"Tax Return" means returns, reports, information statements and other documentation (including any additional or supporting materials) filed or maintained, or required to be filed or maintained, in connection with the calculation, determination, assessment or collection of any Tax and shall include an amended returns required as a result of examination adjustments made by the Internal Revenue Service or other Tax authority.

"Termination Notice" has the meaning set forth in Section 11.1(a)(i).

"Time Sales Contracts" has the meaning set forth in Section 1.1(d).

"Trademarks" means trademarks, trade names, trade dress, service marks and service names, logos, slogans, brand names and domain names and all registrations, applications for registration, renewals and foreign counterparts thereof, together with the goodwill of the business associated therewith and symbolized thereby, and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of those which subsist in the world.

"Trade" means a Contract relating to the provision of advertising time or related production services in whole or partial consideration for goods or services.

"Transaction Documents" means this Agreement and all other agreements, certificates and documents executed and delivered in connection herewith, in each case as in effect from time to time.

"Transfer Date" means with respect to an Assumed Contract requiring the consent of any Person for assignment thereof to Buyer, the date such consent is obtained and such Assumed Contract is duly assigned to Buyer.

"Transferred Intellectual Property" has the meaning set forth in Section 1.1(g).

"Transfer Taxes" has the meaning set forth in Section 7.7(a).

"WTVM" means television station WTVM-TV, Columbus, Georgia.

"WTVM Agreement" has the meaning set forth in Section 12.1.

"WTVM Option" has the meaning set forth in Section 12.1.

"WTVM Option Period" has the meaning set forth in Section 12.1.

"WXTX-TV" has the meaning set forth in Section 1.1(g).